



GLC

TRANSFORMATION PROGRAMME PROGRESS REVIEW 2014

**CATALYSING
INCLUSIVE GROWTH**
Diversity, Inclusivity & Sustainability





GOVERNMENT-LINKED INVESTMENT COMPANIES & G20

GLIC	G20			
 Lembaga Tabung Haji	 TH Plantations Berhad	 BIMB Holdings Berhad		
 Employees Provident Fund	 Malaysia Building Society Berhad	 Malaysian Resources Corporation Berhad		
 Lembaga Tabung Angkatan Tentera	 Affin Holdings Berhad	 Boustead Holdings Berhad		
 Permodalan Nasional Berhad	 Chemical Company of Malaysia Berhad	 Sime Darby Berhad	 Malayan Banking Berhad	 UMW Holdings Berhad
 KHAZANAH NASIONAL Khazanah Nasional Berhad	 Telekom Malaysia Berhad	 CIMB Group Holdings Berhad	 Axiata Group Berhad	 Malaysian Airline System Berhad
	 Tenaga Nasional Berhad	 Malaysia Airports Holdings Berhad	 UEM Group Berhad	

Government-Linked Investment Companies (GLICs) are defined as Federal Government linked investment companies. There are five GLICs which come under the Government-Linked Company Transformation (GLCT) Programme namely Employees Provident Fund (EPF), Khazanah Nasional Berhad (Khazanah), Lembaga Tabung Angkatan Tentera (LTAT), Lembaga Tabung Haji (LTH) and Permodalan Nasional Berhad (PNB).

Government-Linked Companies (GLCs) are defined as companies that have a primary commercial objective and is under the control of a GLIC. A GLIC has control over GLC when it is the majority shareholder or single largest shareholder and when it has the ability to exercise and influence major decisions such as appointment of board members and senior management, award of tenders and contracts and so on. Subsidiaries of such GLCs also fall under the purview of the GLCT Programme. The GLCT Programme excludes state controlled or state-linked companies.

G20 is a selection of large GLCs controlled by GLICs under the GLCT Programme and is used as a proxy for performance of the GLCs. This list originally comprised of 20 GLCs but currently stands at 17 due to various mergers, demergers and other corporate exercises over the years.

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1 & 2

FOREWORDS

*Kuala Lumpur city - where most of the GLICs
and G20 headquarters are located*

***Perdana Putra Building,
Putrajaya - Office of the
Prime Minister***



1 FOREWORD BY YAB PRIME MINISTER

The country is on track to achieve high income status by 2020. Gross National Income (GNI) per capita grew 42.5% from USD7,059 in 2009 to USD10,060 in 2013, and is expected to achieve the target of USD15,000 by 2020. Since the launch of the Economic Transformation Programme (ETP) in 2010, private investments recorded a strong surge, growing 15.3% (2010-2013) compared to 4.7% (2007-2010), thus tripling the compounded annual growth rate (CAGR). In 2013 alone, private investment reached RM161.1 billion surpassing its target of RM148.4 billion by 8.6%.

While I am encouraged by our country's economic progress, we must achieve growth in an inclusive and sustainable way. As we develop the "capital economy" (e.g. GNI), we need to manage the "people economy" (e.g. household income, cost of living, well-being index). It is absolutely crucial to balance these two to maintain long term stability. It is within this context that I have introduced the Bumiputera Economic Empowerment (BEE) initiatives and other programmes to ensure that the majority of Malaysians benefit from our pursuit of growth, and will be enabled to become a more competitive and productive workforce for the benefit of the Nation.

Inclusiveness also involves ensuring diversity of our workforce and that they have an equitable share of the economic pie. Diversity in terms of ethnicity, gender and age are a source of strength for us and should be leveraged to our advantage. I look to the leading listed companies to champion workforce diversity and to report progress in their annual reports. In addition, current wages as a percentage of GDP stands at 32.9%, which is considerably lower than the levels of developed nations – more should be done here.

Apart from inclusiveness, the other goal of the New Economic Model (NEM) is sustainability and in this regard, it is important for all companies to adopt sustainable business practices. Companies should not only internalise this but actively report their sustainability practices, in line with global best practices.

I am pleased to note that the transformation of Government-Linked Companies (GLCs) has yielded wide-ranging results and strengthened their capacity to play a major role in helping Malaysia become a developed nation. GLCs are now more resilient while their stronger financial performances

have resulted in higher taxes and dividends paid over the years. GLCs continue to be significant contributors to the Nation's economy, providing amongst others, mission-critical services (e.g. electricity, telecommunications, financial services, transportation, infrastructure development etc.), catalytic developments in strategic sectors and job creation in the country.

The heads of the Government-Linked Investment Companies (GLICs) and G20 have given me their firm commitment to BEE via their key performance indicators (KPIs) and game-changing initiatives (GCIs). I expect GLICs and G20 to lead the way in developing and showcasing successful models of BEE. GLCs should also ensure diversity in their workforce for inclusiveness, provide an equitable share of profits generated to employees and adopt and report sustainable business practices.

I understand that the GLC Transformation (GLCT) Programme (the Programme) is in its penultimate year. I strongly believe it continues to play a critical role in the development of Malaysia, both from an economic and social perspective. I would like to encourage all GLCs to continue performing well and staying the course in delivering the Programme's goals. When the Programme reaches its completion in 2015, GLCs should not only graduate with distinction but be a model of diversity, inclusivity and sustainability.

Finally, the spirit of the Programme must continue beyond 2015 in order to support the Nation's ultimate goal of becoming a high income, inclusive and sustainable country.



DATO' SRI MOHD NAJIB

**Prime Minister of Malaysia and
Chairman of the Putrajaya Committee
on GLC High Performance**

***YAB Prime Minister
chairing the 26th PCG
meeting at the Prime
Minister's office***



FOREWORD BY PCG SECRETARIAT

As we enter the 10th year of the GLCT Programme, the Putrajaya Committee on GLC High Performance (PCG) Secretariat is pleased to report that on aggregate, G20 are continuing their upward trajectory and delivering high performance. From 14 May 2004 to 16 May 2014, G20 market capitalisation has tripled from RM140 billion to RM425 billion while total shareholder returns (TSR) grew 13.4% per annum. G20 net profit moderated to RM25.6 billion in FY2013, from an all-time high of RM26.1 billion in FY2012, but is expected to reach a new high of RM27.1 billion¹ in FY2014. GLCs have made significant inroads into foreign markets with G20 generating revenue from operations and assets in 55 countries. Several GLCs are also emerging as regional champions.

As a result of improved financial performance, G20 have been able to return RM93 billion in dividends and paid RM57 billion in taxes from FY2004 to FY2013. These dividends and taxes have benefited all segments of the Malaysian society.

GLCs are also actively supporting the Nation's ambition to achieve growth with inclusiveness. At the 26th PCG meeting in April this year, the GLICs and G20 presented their Bumiputera Empowerment Agenda (BEA) KPIs and GCIs to YAB Prime Minister, in support of BEE. GLICs and G20 will be looking to realise the BEA in a market-friendly, merit-based and transparent manner. These BEA initiatives are envisaged to create various opportunities with an estimated value of RM5 billion in 2014. These initiatives are in addition to existing Bumiputera Agenda initiatives and programmes that are already being executed. The implementation of BEA KPIs and GCIs will be tracked and reported to YAB Prime Minister on a regular basis by the PCG Secretariat.

The Programme's success thus far has also positively impacted all stakeholders including customers, employees, suppliers and the community at large. GLCs have significantly increased their corporate responsibility initiatives, touching more lives, spending approximately RM4 billion from 2004 to 2013. *Program Majudiri 1Malaysia* (PRIME), an upward mobility scheme to provide non-executive staff opportunities to grow within their organisations and touching the lives

of 128,934 non-executives in G20, was launched late last year. GLCs have also started embracing sustainability practices for their long term growth.

At this stage of the Programme, the PCG Secretariat has emphasised on transitioning the management of the GLCT Initiative circles to the G20, as the Initiative circles are one way to leverage the collective strength of the G20. We are currently finalising the GLCT Programme stock-take (a strategic review of the Programme) and will also initiate plans for the GLC Open Day in 2015 to engage the public and report the Programme's final outcomes. Therefore, this is a "last call" of sorts for GLCs to deliver in the short runway remaining in order to "graduate with distinction".

Finally, we would like to express our sincere gratitude to the Prime Minister, YAB Dato' Sri Mohd Najib bin Tun Hj. Abdul Razak for his continued support of this Programme. We would also like to recognise the support of YB Dato' Seri Ahmad Husni Mohamad Hanadzlah, Dato' Sri Abdul Wahid Omar, Dato' Seri Ali Hamsa, Tan Sri Irwan Serigar, and GLICs, headed by Tan Sri Dato' Sri Hamad Kama Piah Che Othman, Datuk Shahril Redza Ridzuan, Tan Sri Dato' Lodin Wok Kamaruddin, and Datuk Ismee Ismail. Last but not least, we congratulate and welcome Datuk Abdul Ghani Othman, Datuk Haji Abdul Azeez Abdul Rahim, Dato' Sri Azalina Othman, Tan Sri Abdul Aziz Kasim, Datuk Zulkiflee Abbas Abdul Hamid, Datuk Abdul Farid Alias and Datuk Mohamad Salim Fateh Din to the GLCT fraternity, in their capacity as newly appointed Chairpersons and CEOs.

These achievements would not have been possible without the tremendous support from GLIC and GLC staff and the broader GLCT community, all stakeholders and society at large.

**TAN SRI DATO' AZMAN HJ. MOKHTAR
& MOHD IZANI ASHARI**

**For Secretariat to the Putrajaya Committee
on GLC High Performance**

¹ Principally based on Bloomberg consensus analyst forecast for FY2014, as at 19 May 2014

***View of the new klia2
airport managed
by MAHB***



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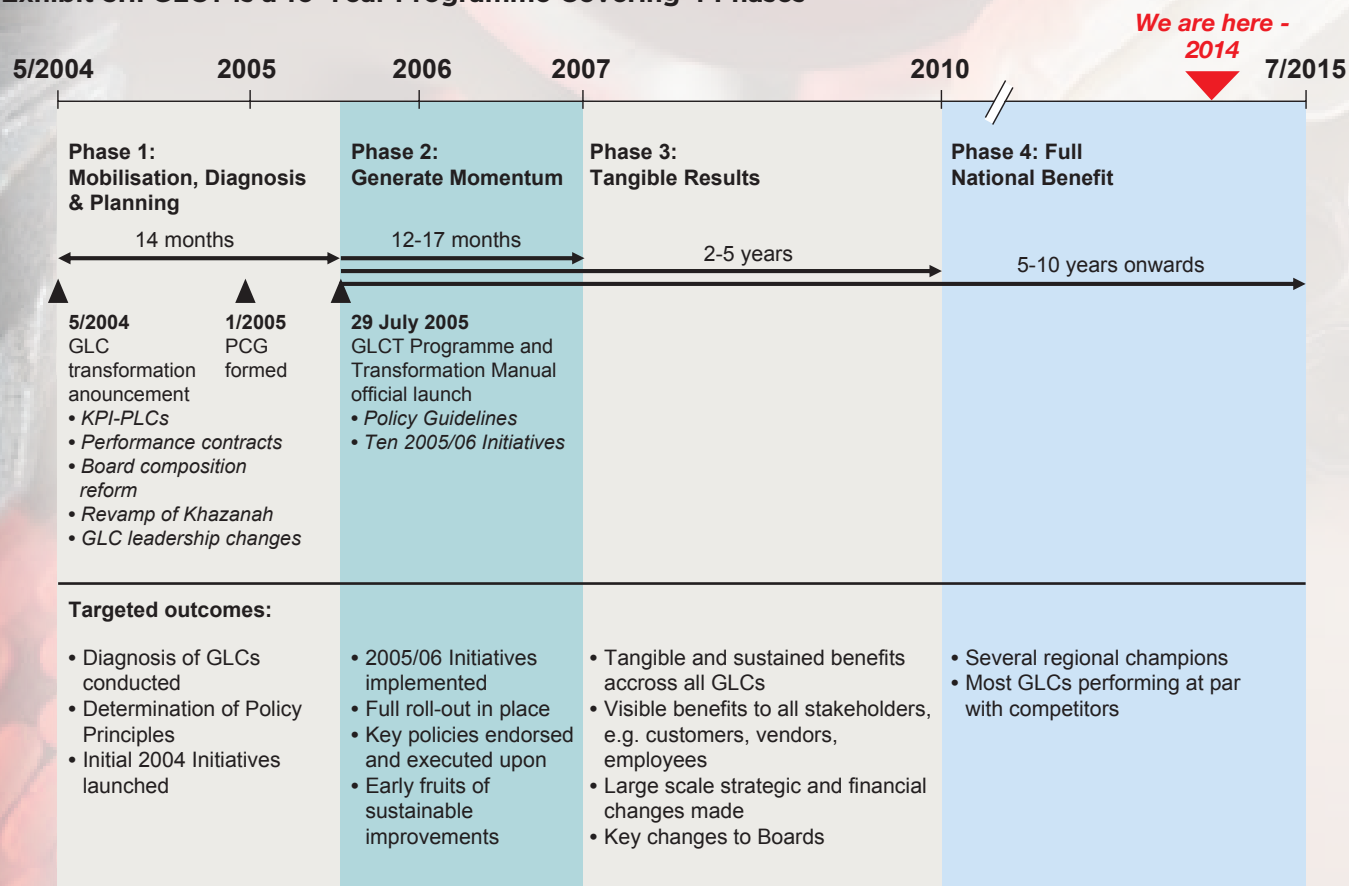
EXECUTIVE SUMMARY



Sime Darby's oil palm plantation

**Medical research and
development unit of
Pharmaniaga, a subsidiary
of Boustead**

Exhibit 3.1: GLCT is a 10-Year Programme Covering 4 Phases



EXECUTIVE SUMMARY

In the penultimate year of the 10-year Programme, the GLCT Programme continues its trajectory towards successful graduation in 2015, where GLCs are expected to be at par with competitors in the country, with several GLCs emerging as regional champions (Exhibit 3.1). GLC high performance is important in supporting Malaysia to become a developed nation by 2020. To-date, GLCs have achieved wide-ranging results, strengthened their financial capacity, and contributed significantly to the national economy and all stakeholders. Growth with diversity, inclusivity and sustainability is also critical and GLCs have been supporting this agenda and is primed to do more.

3.1 GLCs DELIVERING HIGH PERFORMANCE

A. Financial Results on an Upward Trajectory

- G20 market capitalisation has tripled to RM425 billion from 14 May 2004 to 16 May 2014
- Total shareholder returns (TSR) grew 13.4% p.a. over the same period
- G20 net profit grew at a compound annual growth rate (CAGR) of 11.1% from FY2004 to FY2013, moderating to RM25.6 billion in FY2013 from the all-time high of RM26.1 billion in FY2012 and is expected to reach a new high of RM27.1 billion¹ in FY2014
- G20 delivered a return on equity (ROE) of 12% in FY2013
- G20 achieved an economic profit of RM2.6 billion in FY2013, up RM8.4 billion from an economic loss of RM5.8 billion in FY2005
- G20 have returned RM93 billion in dividends and paid RM57 billion in taxes from FY2004 to FY2013

B. Making Strides Abroad

GLCs continue to expand abroad with G20 overseas share of assets (as a percentage total assets) growing from 11.6% to 28.7% from FY2004 to FY2013. Over the same period, G20 non-bank overseas share of revenue grew from 30.3% to 33.8% while G20 bank overseas share of net interest income also grew from 15.2% to 20.8%. G20 are currently generating

revenue from operations and assets in 55 countries. Several GLCs within the G20 are already amongst leaders in the region such as Axiata, CIMB, Maybank and Sime Darby. Other GLCs within G20 have also successfully extended their footprints outside of Malaysia, such as CCM, MAHB, UEM and UMW.

C. Contributing to National Development

GLICs and GLCs have been actively supporting the various national transformation programmes and initiatives which include Government Transformation Programme (GTP) and Economic Transformation Programme (ETP). GLICs and GLCs have also been supporting NEM via its 5 roles announced by PCG in 2010 as listed in the key highlights section (page 13).

GLCs have been staying the course on their various transformation, turnaround, restructuring and growth programmes. GLCs are also actively investing in new, knowledge-based and service-oriented industries and sectors, which are transformative and catalytic in nature. Since the Programme started, G20 have invested an estimated RM134 billion domestically. G20 have also formed successful partnerships with non-GLC private sector companies and divested non-core and non-competitive assets to free these resources for the non-GLC private sector to optimise them.

D. Providing Benefits to All Stakeholders

The GLCT Programme has delivered benefits on all fronts, reaching out to all Malaysians. G20 have returned RM93 billion in dividends, from FY2004 to FY2013, thus enriching the investing public and those contributors to trust agencies such as EPF & PNB. G20 have also paid RM57 billion in taxes from FY2004 to FY2013 with the ultimate beneficiary being the rakyat. The progress achieved by GLCs is also shared with all stakeholders, including customers, employees, suppliers and society at large.

They have made a positive impact on consumers through their quality products and services, many of which have won local and international awards. GLCs have also been ensuring that their employees are growing professionally and a Programme-

¹ Principally based on Bloomberg consensus analyst forecast for FY2014, as at 19 May 2014

wide initiative to enable upward mobility of non-executives, PR1ME, was launched late last year, benefiting 128,934 non-executives in G20. GLCs continue to execute their various vendor development programmes, benefitting suppliers, and have been actively involved in various corporate responsibility initiatives which largely contribute to the society.

D. GLCT Programme Activities

From 2004 to 2013, a total of 21,785 Programme man days have been clocked, covering Programme meetings, engagement and syndication sessions, briefings, discussions, workshops, labs and GLCT Initiative circles. The GLCT Initiative circles provide a platform to advance and institutionalise the GLCT Initiatives at G20. In 2013, there has been greater emphasis on transitioning the management of Initiative circles from the PCG Secretariat to the G20 fraternity and some Initiative circles have appointed a chair and working committee to manage their respective circles moving forward.

3.2 INCLUSIVITY, DIVERSITY AND SUSTAINABILITY

In the pursuit of economic growth, it is important to ensure everybody benefits and that this growth can be sustained over the long-run. A dialogue session was held in April 2014 between YAB Prime Minister and the leaders of the top 50 public listed companies, (by market capitalisation), and hosted by the Securities Commission (SC) together with the Economic Planning Unit (EPU), PEMANDU and Talent Corporation (TalentCorp). In the session, YAB Prime Minister urged the top 50 public listed companies which includes CEOs of many G20 companies, to elevate diversity, inclusivity and sustainability practices in their organisations. Inclusivity involves ensuring diversity of the workforce, in terms of gender, ethnicity and age, and YAB Prime Minister has requested for these details to be disclosed in company annual reports. In support of diversity, promoting work-life practices (e.g. mothers' room for feeding babies, childcare centers, flexible work arrangements etc.) to better attract and retain women in the workforce is also important.

Inclusivity is also about ensuring that when the country becomes a high-income nation, many among the *rakyat* will feel or enjoy the benefits. Income inequality is an issue that many governments of countries are concerned about and are grappling with. Therefore as we develop the "capital economy" (e.g. GNI), we also need to take care of the "people economy" (e.g. household income, cost of living, well-being index). It is absolutely crucial to manage and balance these two for the sake of long-term stability of our country. It is within this context that

YAB Prime Minister has introduced the Bumiputera Economic Empowerment (BEE) initiatives to ensure that 67.9% of Malaysians benefit from our pursuit of growth.

The Bumiputera Empowerment Agenda (BEA) KPIs and GCIs of GLICs and G20 were presented and discussed with the YAB Prime Minister at the 26th PCG meeting in April this year. GLICs and G20 will be looking to professionalise and operationalise BEA in a market-friendly, merit-based and transparent manner. These BEA KPIs and GCIs are envisaged to create various opportunities with an estimated value of RM5.0 billion in 2014. These initiatives are in addition to various existing BEA initiatives and programmes that GLCs are already undertaking. Moving forward, GLICs and G20 will be fine-tuning their BEA KPIs and GCIs further and the respective announcements will be made in due course. The progress of implementation of BEA KPIs and GCIs of GLICs and G20 will be tracked and reported to the Prime Minister on a regular basis by the PCG Secretariat.

YAB Prime Minister also urged companies to adopt sustainability practices to ensure long-term value creation. He mentioned that he would like to see a greater number of Malaysian listed companies reporting their sustainability practices, in line with international best practices. To-date, GLICs and GLCs have been making the evolution from corporate social responsibility to sustainability.

3.3 MOVING FORWARD

As the Programme nears its completion, GLCs are catalysing inclusive growth by incorporating principles of diversity, inclusivity and sustainability into their corporate agendas.

The remaining time to completion of the Programme in 2015 is short and therefore, this is the last opportunity for GLCs to push themselves to achieve the Programme's goals of operating at par with competitors in Malaysia, with several GLCs becoming regional champions. It is hoped that GLCs will continue the spirit of the Programme and continue to leverage the collective strength of the network for collaboration, knowledge sharing and synergy.

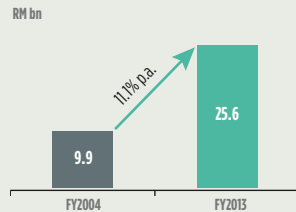
PCG Secretariat is currently finalising a stock-take exercise to assess Programme performance to-date and to propose recommendations for the future.

Beyond 2015, GLCs are expected to enhance their value creation through strong performance and execution. To mark the completion of the Programme, GLCs will showcase their activities and achievements via a GLC Open Day event in 2015 to engage the public and report the Programme's final outcomes.

KEY HIGHLIGHTS

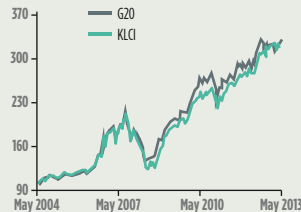
GLCs ON STRONG GROWTH TRAJECTORY

G20 Aggregate Net Profit



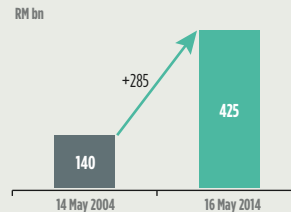
11.1% p.a. growth from FY2004 to FY2013

G20 Total Shareholder Return Index



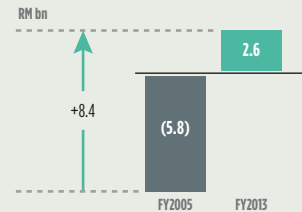
13.4% p.a. growth in TSR from 14 May 2004 to 16 May 2014

G20 Market Capitalisation



Market capitalisation tripled

G20 Economic Profit



RM8.4bn increase in economic profit from FY2005 to FY2013

GLCs PROVIDING BENEFITS TO STAKEHOLDERS

RM93 billion dividends & **RM57 billion** taxes paid from FY2004 to FY2013, benefiting the *rakyat*

CUSTOMERS

G20 have won numerous international & local product and service excellence awards



SUPPLIERS

- **88** vendors (approx.) graduated from G20's VDPs from 2004 to 2013
- **60,666** suppliers on G20's supplier's list in 2013
- **RM75.1 billion** business opportunities awarded to suppliers in 2013

EMPLOYEES

- **RM513 million** spent by G20 on training & development in 2013
- Upward Mobility Scheme touching the lives of **128,934** non-executives in 2013

PR1ME

Program Majudiri Malaysia

SOCIETY

G20 corporate responsibility spend of RM4 billion (approx.) from 2004 to 2013



SEJOHTERA

- **303** schools adopted by G20 from 2006 to 2013
- **565,216** students benefited directly from G20 from 2006 to 2013
- Percentage of students under Pintar scoring straight "A"s for UPSR have outperformed the national average yearly from 2007 to 2013
- **11,500** graduates trained from 2009 to 2013, with 88% securing employment
- **5,892** families benefited from 2009 to 2013

5 ROLES OF GLICs & GLCs IN NEM

1. Continue to stay the course in executing the GLCT Programme

- GLCs have been staying the course on their various transformation, turnaround, restructuring and growth programmes

2. Become regional champions

- G20 overseas share of assets of 28.7% in FY2013 vs. 11.6% in FY2004
- G20 non-bank overseas share of revenue grew from 30.3% to 33.8% from FY2004 to FY2013
- G20 bank overseas share of net interest income grew from 15.2% to 20.8% from FY2004 to FY2013
- Several GLCs emerging as regional champions

3. Pursue investments in new industries and sectors

G20 have made RM205 billion worth of investments from FY2004 to FY2013, of which an estimated RM134 billion are domestic investments

4. Collaborate with private sector

Selected examples:

- MRCB and Gapurna partnership
- TM and Maxis high speed broadband agreement
- Affin Investment Bank and Daiwa Securities Group business alliance
- EPF, Sime Darby and SP Setia partnership to develop Battersea Power Station
- Merger of UEM Land Berhad and Sunrise Berhad

5. Divestment of Non-Core and Non-Competitive Assets

Selected divestments include Celcom Childcare, Time Engineering, TM Resorts, STLR and U-Insurance

NATION BUILDING

GLICs and GLCs actively supporting

- GTP
- ETP
- Bumiputera Economic Empowerment
- Workforce diversity
- Sustainable business practices
- Other national initiatives

GLCT PROGRAMME DELIVERY

GLCT INITIATIVE

On-going transition of GLCT Initiatives circles - Green, Orange, Red, Silver and White Book circles have appointed chairpersons as part of the circle's transition plan

PERFORMANCE MONITORING

- Annual GLCT Progress Review
- Headline KPIs reporting

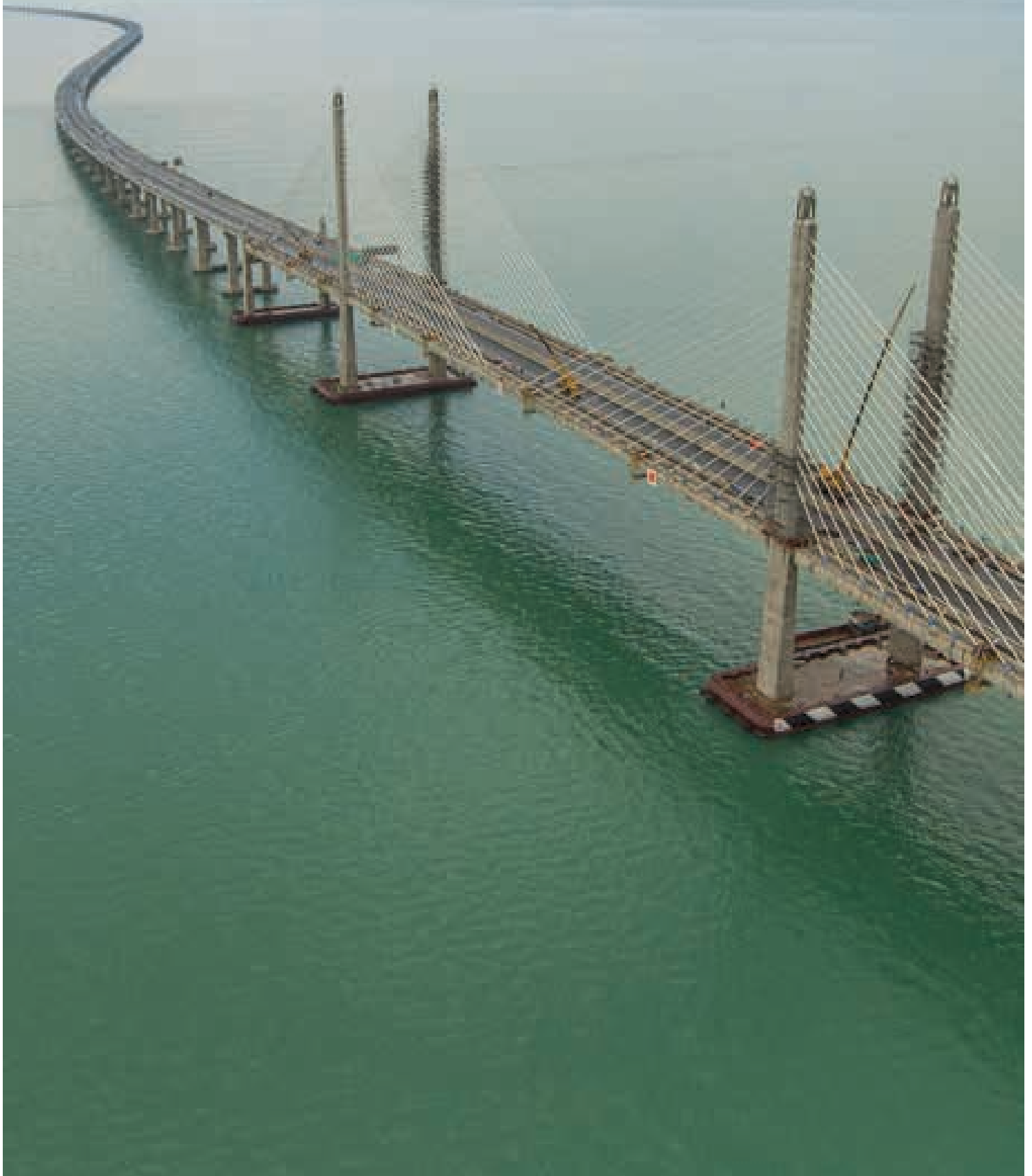
STOCK-TAKE/STRATEGIC REVIEW OF THE PROGRAMME

- 2 stock-takes conducted in 2006 and 2009 respectively
- 3rd stock-take currently in progress

PROGRAMME ACTIVITIES

- 26 PCG meetings from 2005 to 2014
- 615 GLCT Programme man days in 2013, amounting to 21,785 man days from 2004 to 2013

***Super-structure works
for the second Penang
bridge by UEM Builders,
a subsidiary of
UEM Group***



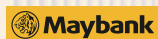
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GLCT PROGRAMME BACKGROUND

*The Sultan Azlan Shah Power Station in Perak
(also known as TNB Janamanjung)*

“There are clearly key examples of GLCs which must aspire to greater heights, whether in terms of being best in class or emerging as future regional if not global champions. These include the likes of Petronas, MISC, Sime Darby, MAS, Axiata, CIMB, Maybank but to name a few. These companies must continue to pursue an increasingly international outlook in terms of market penetration and international competitiveness. The success of such Malaysian champions will help define the boundaries and reach of Malaysia Inc. in the years to come.”

*YAB Prime Minister's speech
at Invest Malaysia 2009*



1969
Maybank
became
government
owned



1972
LTAT
established



1979
Sime Darby
incorporated
in Malaysia



1987
Jabatan
Telekom
corporatised

1957

1983

**Establishment
of institutions**

**Industrialisation and
moving up the value chain**

**Rapid economic
growth and
privatisation**



1951
EPF
established



1962
LTH
established

1971
New
Economic
Policy (NEP)
launched



Permodalan Nasional Berhad

1978
PNB
established

1981
Heavy
Industrialisation
Programme
launched



1985
Proton
launched its
first model

4 GLCT PROGRAMME BACKGROUND

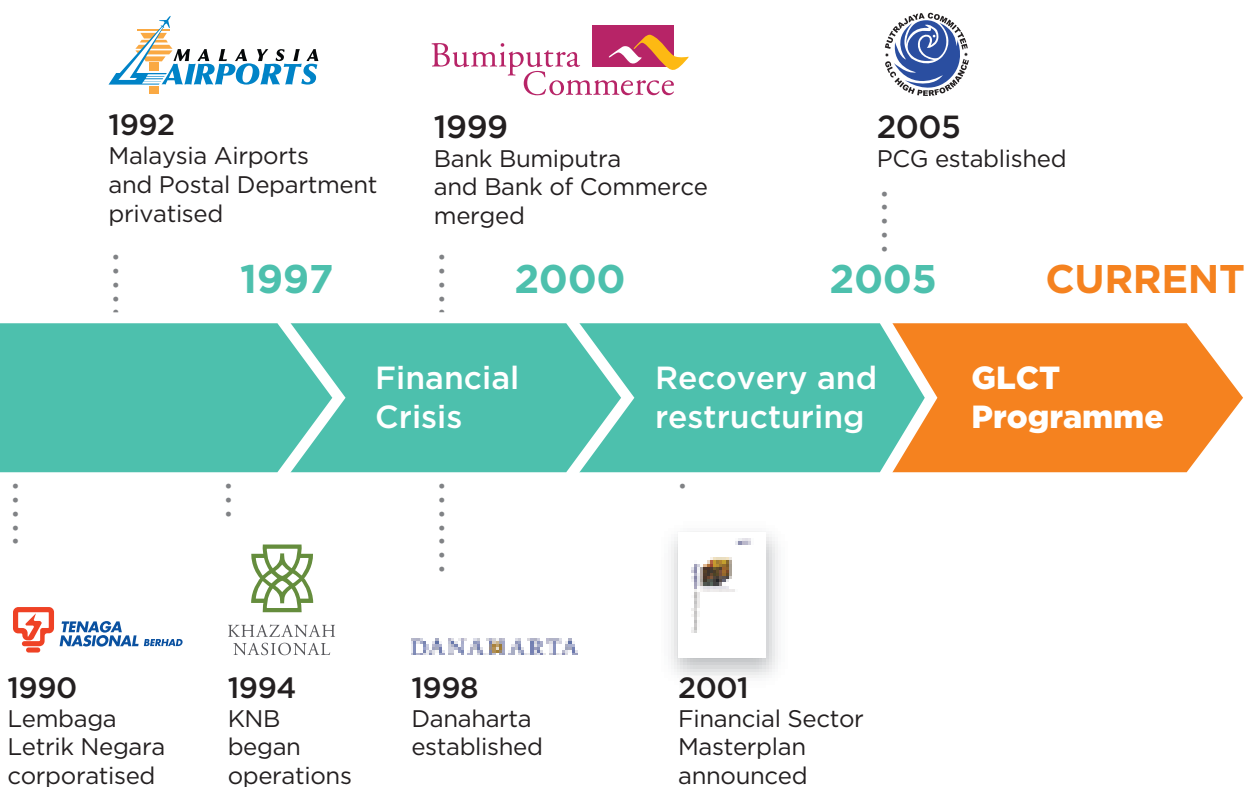
4.1 INTRODUCTION TO THE GLCT PROGRAMME

GLICs and GLCs have grown and evolved significantly since their humble beginnings post Malaysia's independence in 1957 (Exhibit 4.1). Today, GLCs form an integral part of the Malaysian economy as they provide mission-critical services (e.g. electricity, telecommunications, financial services, transportation, infrastructure development etc.) and catalyse development of strategic sectors in the country.

Prior to 2004, GLCs underperformed the broader Malaysian market, both financially and operationally – a trend that risked derailing our efforts towards becoming a developed nation by 2020. Therefore, the urgency for transformation of GLCs was imperative in order to catalyse Malaysia to developed nation status.

In order to improve GLC performance, on 14 May 2004, the then Prime Minister, YAB Dato' Seri Abdullah Ahmad Badawi announced to make the transformation of GLCs a national priority, which led to the launch of the GLCT Programme on 29 July 2005. The programme aims to transform GLCs to become high performing entities and also help accelerate the country's social and economic development. When the present Prime Minister, YAB Dato' Sri Mohd Najib bin Tun Hj Abdul Razak, took office in 2009, he announced that the Government is committed to ensure GLC transformation continues, if anything, with greater urgency and focus. He also said GLCs must aspire to greater heights, whether as best in their class or emerging as future regional if not global champions.

Exhibit 4.1: History and Evolution of GLCs

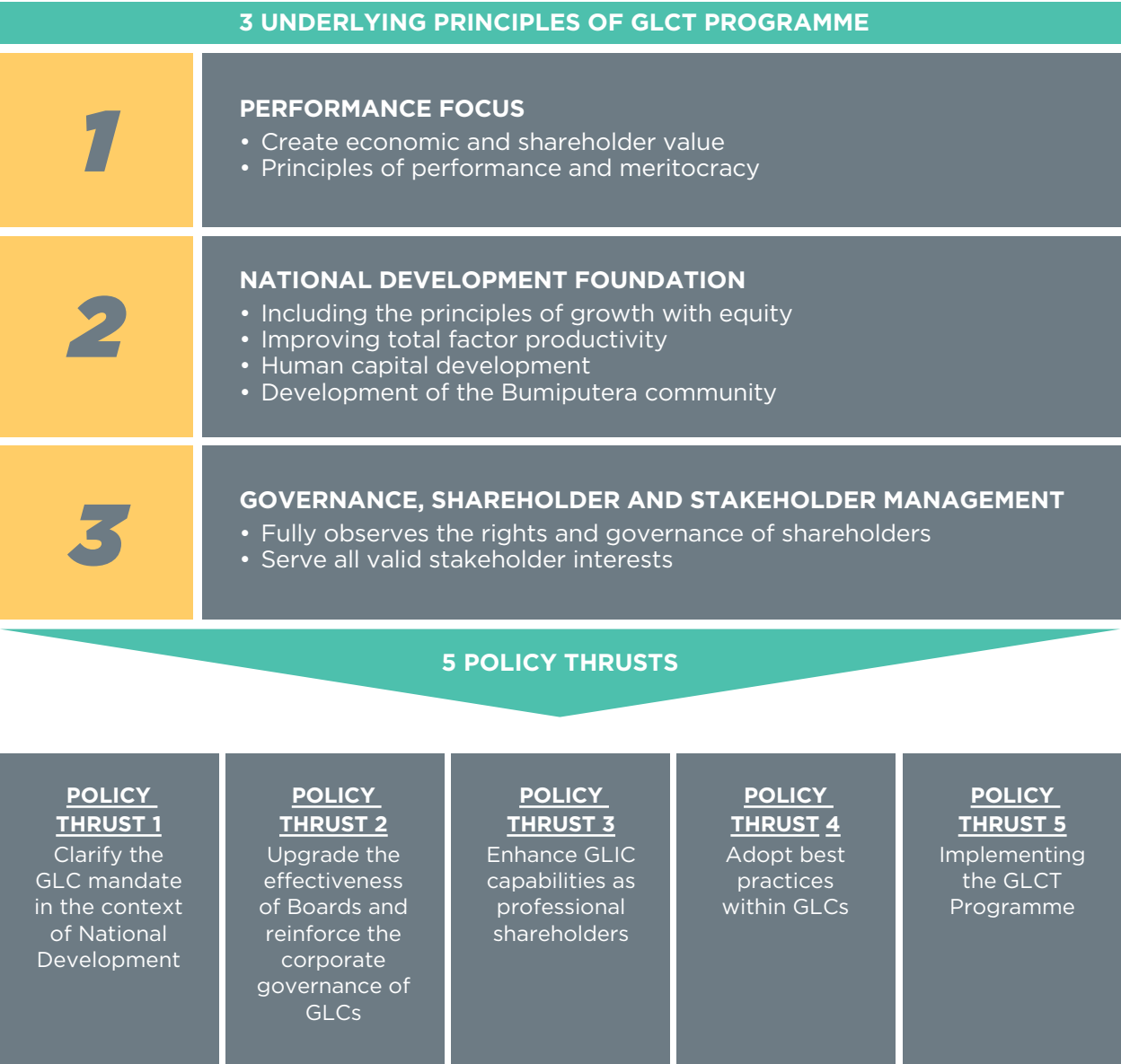


A. 3 Underlying Principles, 5 Policy Thrusts and 10 Initiatives

The GLCT Programme has 3 underlying principles, 5 Policy Thrusts and 10 initiatives (Exhibit 4.2). These were developed and documented in a Transformation Manual, launched together with the GLCT Programme. The 3 underlying principles explain that GLCs must first and foremost be focused on performance (1st principle). Only with

performance and results can they then be “part of the solution” in helping to develop the country (2nd principle). In executing the first 2 principles, GLCs are expected to operate within a clear governance structure and serve stakeholder interests (3rd principle). The 5 policy thrusts describe what needs to be done to enable the 5 key change agents of the GLCT Programme (i.e. the Government, boards, GLICs, G20 and the PCG Secretariat) to deliver the Programme’s objectives.

Exhibit 4.2: GLCT Programme’s 3 Underlying Principles & 5 Policy Thrusts



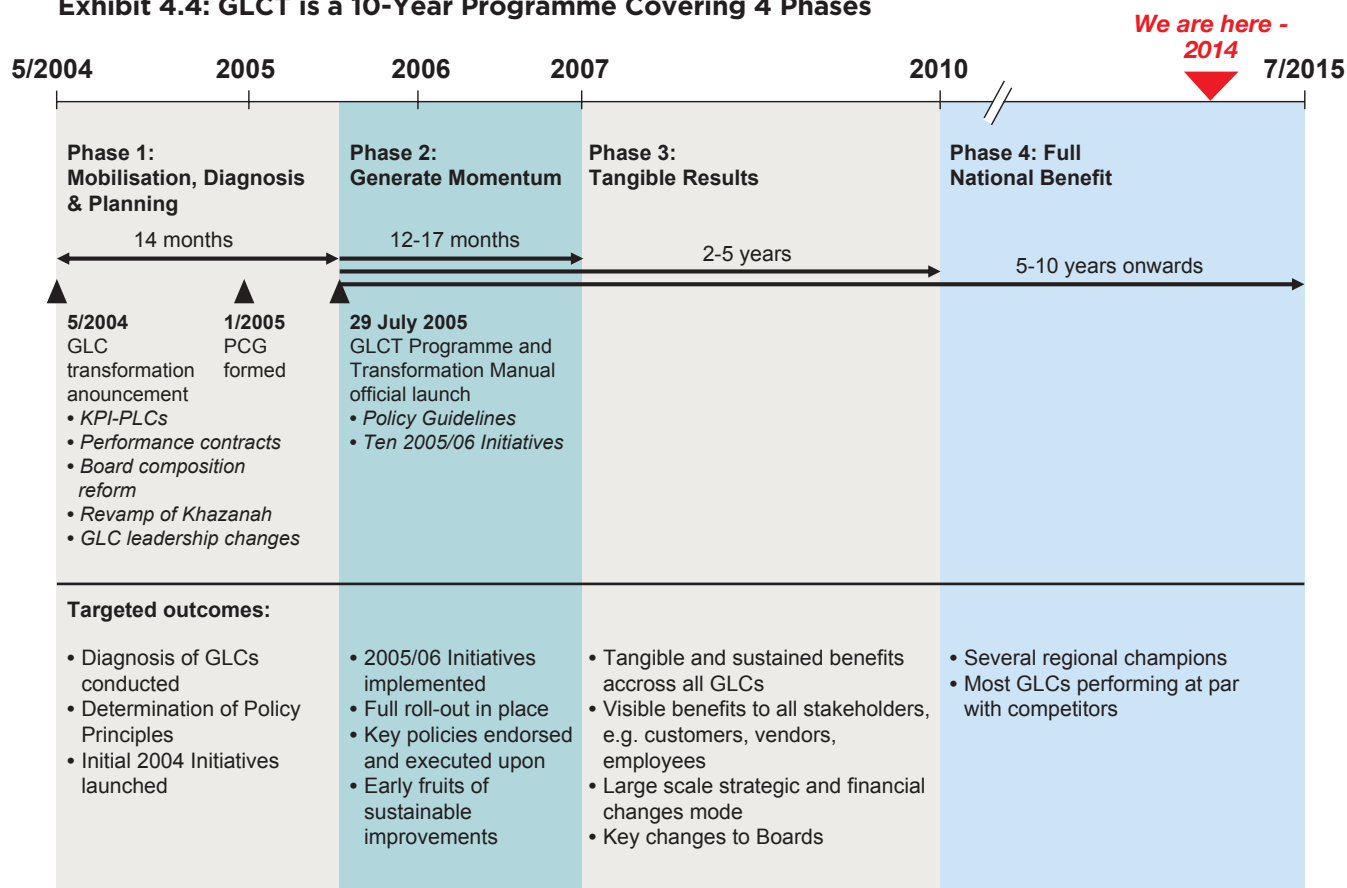
To support the 5 policy thrusts, 10 GLCT Initiatives were developed and launched (Exhibit 4.3) for implementation at GLICs and GLCs. The 10 Initiatives had been identified on the basis of their importance as levers for change, potential impact on value, and the ability of PCG to drive change in these areas.

Exhibit 4.3: The GLCT Programme Initiatives and Launch Dates

JULY 2005		APRIL 2006		SEPTEMBER 2006	
	BLUE BOOK		GREEN BOOK		RED BOOK
Intensifying Performance Management Practices		Enhancing Board Effectiveness		Enhancing Operational Efficiency & Effectiveness	
Covers guidelines on setting key performance indicators and targets, reviewing performance, appropriate compensation for senior management and intensified performance management.		Provides guidelines on structuring a high performing board, ensuring effective board operations and interactions, and fulfilling fundamental board roles and responsibilities.		Provides a framework for continuous improvement to serve as a guide to assist GLCs to evaluate, select and execute initiatives to enhance operational effectiveness.	
					YELLOW BOOK
					SILVER BOOK
				Achieving Value Through Social Responsibility	
				Clarifies social responsibility of GLCs, guides on how to evaluate a GLC's starting position and provides the building blocks of a contributions programme.	
DECEMBER 2006					SEPTEMBER 2008
	GLIC M&M		MINDA		ORANGE BOOK
GLICs' Monitoring & Management Framework		Malaysian Directors Academy - Strengthening Directors Capabilities		Strengthening Leadership Development	
Provides a brief overview of the various approaches a GLIC may take to monitor and manage their GLCs.		MINDA's goal is to equip boards with world class knowledge, mindset and skill to perform at consistently high standards.		Sets out practical guidelines to institutionalise good leadership development practices including recruitment, honouring excellence, strategic deployment of leaders, developing high potentials and engaging and retaining talent.	
					PURPLE BOOK
				Optimising Capital Management Practices	
				Provides best practice guidelines on how to optimise the capital structure and improve capital efficiency including capex efficiency, working capital efficiency and disposal of non-core assets.	
					WHITE BOOK
				Creating Value Through Regulatory Management	
				Sets out best practice regulatory management covering regulatory value creation plan, setting-up a world-class regulatory affairs unit and developing a strategic regulatory mindset.	

The GLCT Programme is a 10-year programme encompassing four phases (Exhibit 4.4). The Programme is now in phase 4 and approaching its final year (since its official launch on 29 July 2005).

Exhibit 4.4: GLCT is a 10-Year Programme Covering 4 Phases



Source: GLC Transformation Manual, July 2005



Tan Sri Dato' Azman Hj. Mokhtar representing the PCG Secretariat at the 7th Leadership Development Circle

B. GLCT Programme stewardship

Given the critical position and role that GLCs have in the Nation's economy and the significant benefits of their enhanced performance, the PCG was established in January 2005 to drive the delivery of the GLCT Programme. The PCG is represented by 5 GLICs (i.e. EPF, LTH, LTAT, PNB and Khazanah) and is currently chaired by YAB Prime Minister, with Khazanah as its secretariat (Exhibit 4.5). The principal mandate of the PCG is to design, implement and oversee the policies to transform GLCs into high performing companies and establish the framework to programme-manage and oversee the implementation of the GLCT Initiatives.



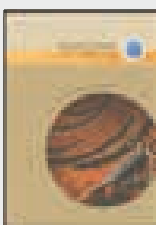
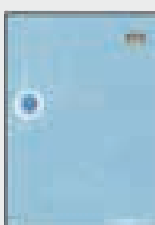

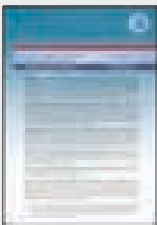
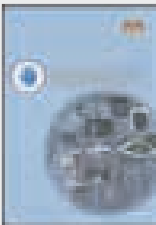
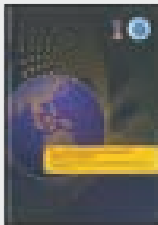
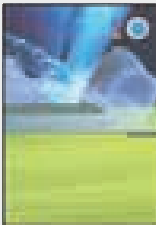


Exhibit 4.5: PCG Structure (as at 1 June 2014)



Since the start of the Programme, 8 annual progress reviews and two Programme stock-takes had been conducted with the results published for reporting and accountability (Exhibit 4.6). In addition, the PCG Secretariat organised various

knowledge networks and sharing sessions such as workshops, roundtables and circles to continue building the capabilities of the GLICs and GLCs and institutionalise the GLCT Initiatives.

Exhibit 4.6: GLCT Manual, Progress Reviews and Stock-takes

					
July 2005 Transformation Manual	April 2006 GLCT Scorecard	December 2006 Progress Review (Stock-take #1)	March 2007 Progress Review	December 2007 Interim Progress Review	
					
March 2008 Progress Review	March 2009 Mid-Term Review (Stock-take #2)	March 2009 Progress Review	April 2011 Progress Review	May 2012 Progress Review	June 2013 Progress Review

C. Aligning the GLCT Programme with the New Economic Model (NEM)

In March 2010, the Government of Malaysia launched the NEM for Malaysia to become a developed and competitive economy. This is part of several interventions to shape the Nation towards becoming a high income, inclusive and sustainable economy by 2020. In 2010, the PCG announced 5 roles for GLICs and GLCs to align with and support the NEM. The 5 roles provide the GLCT fraternity with a common understanding, language and frame on how to support the NEM (Exhibit 4.7).

Apart from alignment with NEM, GLICs and GLCs have also been supporting other national development initiatives such as the GTP, ETP, BEE, inclusivity, workforce diversity and business sustainability practices.

Exhibit 4.7: 5 Roles of GLICs & GLCs in NEM



A low-angle photograph of the Bank Islam Headquarters, a tall skyscraper with a distinctive diamond-patterned glass facade. The building is illuminated from within, showing a warm yellow glow. The sky is a mix of blue and white clouds. Other modern buildings are visible in the background.

5

PROGRESS TO-DATE

Bank Islam Headquarters

*Pharmaceutical
products by
CCM*



5 PROGRESS TO-DATE

5.1 FINANCIAL PERFORMANCE

A. Earnings growth driven by regional consumption on the back of low global interest rates

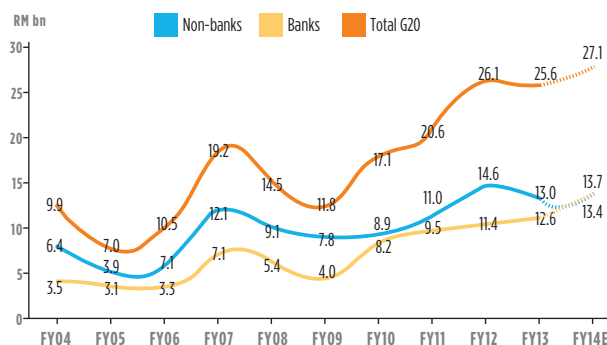
Since the GLCT Programme was announced, G20 net profit has grown at a CAGR of 11.1% to RM25.6 billion in FY2013 from FY2004 (Exhibit 5.1). This was driven by overall higher commodity prices and low global interest rates which have in turn fed into regional consumption growth; as well as from Maybank's, CIMB's and Axiata's regional M&A deals undertaken since 2002.

Propelled by the reforms put in place under the Programme, G20 yielded RM162.2 billion in cumulative net profit from FY2004 to FY2013. Annual net profit rose by RM15.7 billion over the same period. The biggest contributors to this rise have been Maybank (RM4.1 billion), CIMB (RM3.8 billion) and TNB (RM3.8 billion). On a growth basis, G20 companies which outperformed the overall 11.1% CAGR in G20 net profit since FY2004 include MBSB (38.6% CAGR), CIMB (22.4% CAGR) and TNB (21.3% CAGR). Based on consensus expectations, G20 net profit for FY2014 is expected to rise 5.8% to

RM27.1 billion from FY2013 due to stronger G20 bank earnings (6.1% rise from FY2013) and a rebound in G20 non-bank earnings from RM13 billion to RM13.7 billion (5.5% rise from FY2013) due to higher earnings from Axiata, TNB, UMW and MAHB.

Driven by debt-backed rising consumption and Maybank's and CIMB's regional expansion, G20 banks grew at a CAGR of 15.3% from FY2004 to FY2013 while the G20 non-bank segment grew 8.2% during the same period. A deeper analysis shows that the net profit growth for the G20 bank and non-bank segments had closely tracked each other since FY2004, achieving a previous peak in FY2007 (Exhibit 5.2). However, since FY2009, the G20 bank segment began returning superior earnings growth - net profit for the G20 bank segment grew at a CAGR of 32.9% from FY2009 to FY2013 driven by rising net interest income and a higher contribution from Islamic banking and fee-based income (Exhibit 5.3). The better earnings performance by the banking segment has been rewarded by the market - the average TSR for the G20 bank segment began outperforming the non-bank segment since FY2009 (Exhibit 5.4).

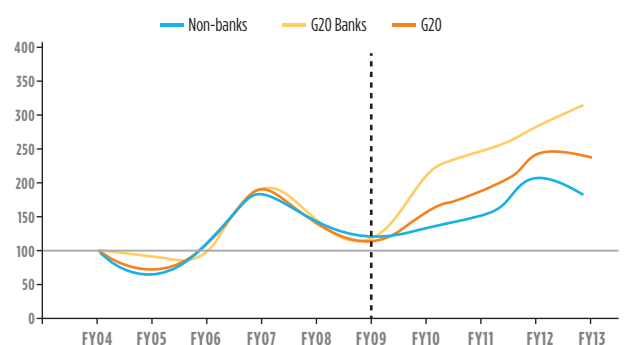
Exhibit 5.1: G20 Net Profit FY2004-FY2014E*



*FY2014E is principally based on Bloomberg consensus analyst forecast, as at 19 May 2014

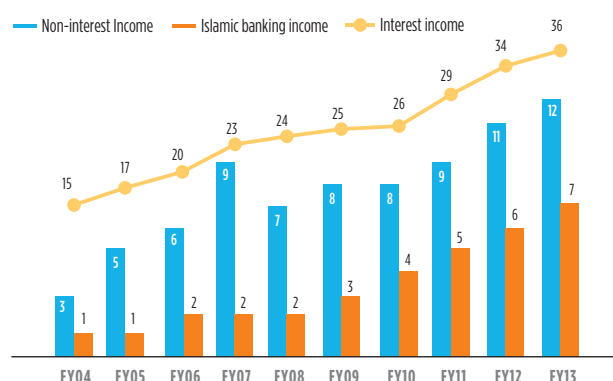
Source: G20 annual reports, Bloomberg, PCG analysis

Exhibit 5.2: Re-based G20 Net Profit Index FY2004-2013



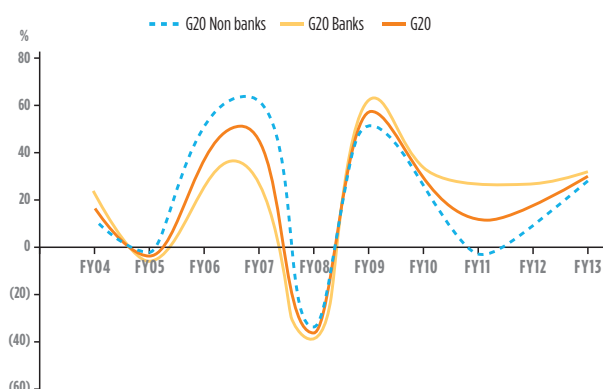
Source: G20 annual reports, Bloomberg, PCG analysis

Exhibit 5.3: G20 Bank Interest Income, Islamic Banking Income and Non-interest Income (RM bn)



Source: G20 annual reports, Bloomberg, PCG analysis

Exhibit 5.4: G20 Average Total Shareholder Returns (TSR)

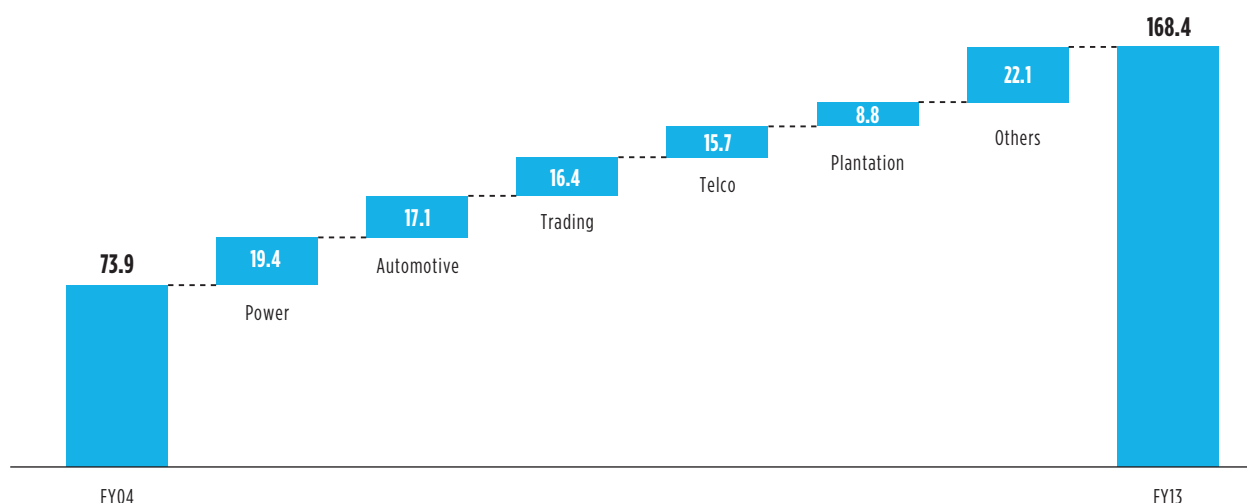


Source: G20 annual reports, Bloomberg, PCG analysis

G20 non-bank revenue rose from RM73.9 billion to RM168.4 billion from FY2004 to FY2013, an addition of RM94.5 billion (Exhibit 5.5). On a sectoral basis, the biggest contributors to revenue growth have been the power, automotive, trading, telecommunications and plantation sectors. Improvement in the power segment was a key growth driver, led by TNB's tariff hike in 2011 and a 4.4% rise in electricity sales in FY2013. Meanwhile, the automotive and telecommunications sectors were beneficiaries of rising household income from strong regional GDP growth from FY2004. In the telecommunications sector, Axiata's growth was partly explained by subscriber growth in Indonesia and South Asia.

In the automotive sector, Sime Darby grew sales through its acquisition of Hyundai's Malaysia franchise in 2004, as well as from growth in its Singapore and China car distribution division; while UMW also saw car sales rise through their Perodua and Toyota franchise. From FY2004 to FY2013, automotive revenue for Sime Darby and UMW rose by 3x and 2x respectively. The trading and plantation sectors were also beneficiaries of the recent global commodity boom. The overall higher crude palm oil prices benefited Boustead, Sime Darby and TH Plantations. In trading, Sime Darby and UMW's capital equipment distribution business fed into booming regional coal and primary industries.

Exhibit 5.5: Absolute Change in G20 Non-bank Revenue by Sector from FY2004-FY2013 (RM bn)



Source: G20 annual reports, Bloomberg, PCG analysis

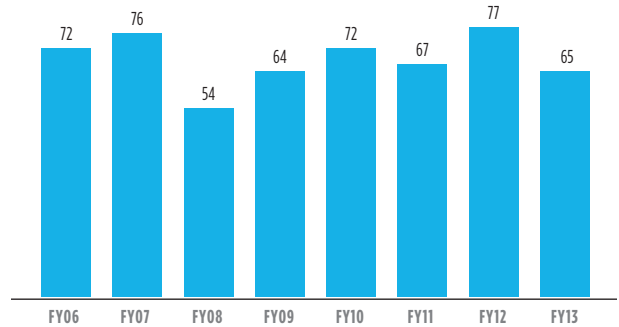
B. Although G20 banks did very well in FY2013, it was tough for some non-bank G20 companies

FY2013 was indeed a challenging year against a backdrop of lower commodity prices and certain weaker domestic and external factors, which had impacted some G20 non-bank companies. All in, G20 net profit declined 1.9% year-on-year in FY2013, as a poorer showing by G20 non-bank (down 11.4% year-on-year) more than offset a stronger performance by the G20 bank segment (up 10.3% year-on-year). G20 non-bank net profit was hit by sizeable reversals in plantations and commodities-linked companies as well as in their automotive exposure. Six of the twelve non-bank G20 companies saw lower earnings in FY2013 vs. FY2012 while two companies (MAS and MRCB) reported losses. Specifically, Sime Darby was hit by lower motor, property and plantation contributions; earnings for UMW was affected by lower automotive sales while its equipment division also saw a softer year due to a weaker construction sector and a drop in commodity prices that dampened equipment demand in the palm oil, iron ore and mining sectors. Despite a sterling performance in TM's UniFi and other services, overall earnings were hit by a forex loss of RM105.2 million.

Meanwhile, the G20 banks performed very well in FY2013, with net profit increasing 10.3% from FY2012 primarily caused by a sterling performance by Maybank (net profit up 14% from FY2012) due to a 7.9% rise in net interest income and Islamic banking income, stemming from a 14% year-on-year rise in Maybank's net loans and advances. MBSB was also a star performer in FY2013, with its net profit rising by RM151 million year-on-year (net profit up 33.8% from FY2012) due to higher income from Islamic banking operations via personal financing.

In FY2013, G20 companies met 65% of their Headline KPIs¹ covering financial and non-financial measures (Exhibit 5.6). This represents a 16.1% decline in headline KPI performance from FY2012, with G20 achieving 60% of their FY2013 financial KPIs and 88% of their non-financial KPIs. The lower year-on-year KPI hit count was observed across the board for both banks and non-banks, due to the more challenging and rapidly evolving business environment in FY2013. Nevertheless, G20 KPIs have been gradually improving since a low of 54% in FY2008.

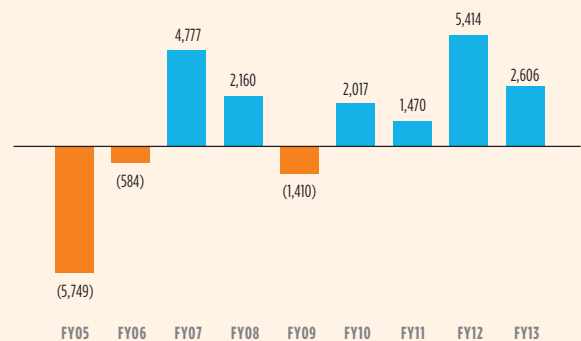
Exhibit 5.6: Number of G20 Headline KPIs Achieved (financial and non-financial) (%)



Source: G20 annual reports, G20 reporting to PCG Secretariat, PCG analysis

In FY2013, G20 economic profit (EP)² declined by RM2.8 billion year-on-year, primarily from a RM2.1 billion decline in economic profit by G20 non-bank segment (Exhibit 5.7). The decline was due to cyclical factors, as accounting profit also fell during the year. Sime Darby, UMW, MAS and Axiata made up 78.2% of the decline in economic profit in 2013. Notwithstanding the poorer performance in 2013, between FY2005 and FY2013, G20's EP increased by RM8.4 billion to an aggregated EP of RM2.6 billion in FY2013 from an economic loss of RM5.8 billion reported in 2005. Although largely in tandem with the structural improvement in accounting profit (G20 net profit increased by RM18.5 billion from FY2005), EP has been unsurprisingly more volatile due to higher G20 Weighted Average Cost of Capital (WACC) as a result of several major equity cash calls.

Exhibit 5.7: G20 Economic Profit (RM m)



Source: G20 annual reports, G20 reporting to PCG Secretariat, PCG analysis

¹ Headline KPIs are a selection of top KPIs of each company

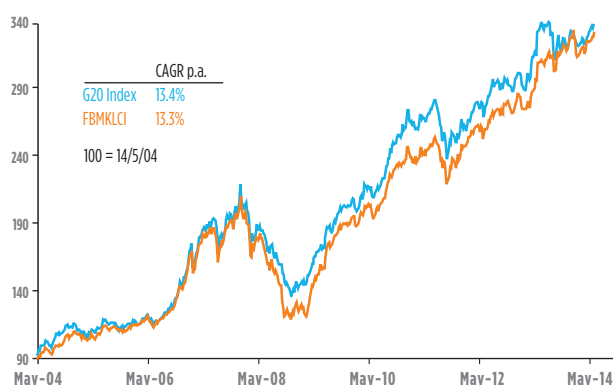
² Economic profit (EP) is defined as difference between a company's return over and above its cost of capital [EP= (Return on invested capital - Weighted average cost of capital) * invested capital]. Please see appendix B for a more detailed explanation on EP

C. G20 TSR grew at 13.4% p.a. while G20 market capitalisation tripled to RM425 billion

G20 TSR grew at a CAGR of 13.4% p.a. from 14 May 2004 to 16 May 2014, closely tracking the KLCI, driven by a mix of earnings growth, higher valuation and a proactive dividend management policy (Exhibit 5.8). Over the same period, market capitalisation for the G20 tripled from RM140 billion to RM425 billion (Exhibit 5.9).

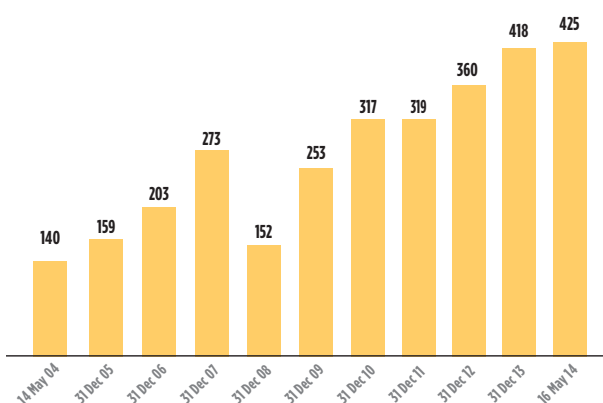
Of the RM285 billion increase in G20 market capitalisation, RM112 billion is represented by an increase in shareholders funds, which includes RM18 billion in new equity issuances. The balance RM173 billion in market capitalisation is due to the expansion of the G20 valuation multiples. As an indication, average price to book (PBV) ratio rose from 1.3x in FY2004 to 1.8x in FY2013 for G20 banks and from 1.1x to 1.7x for G20 non-banks respectively.

Exhibit 5.8: G20 Total Shareholder Return Index



Source: Bloomberg, PCG analysis

Exhibit 5.9: G20 Market Capitalisation (RM bn)



Source: G20 annual reports, PCG analysis



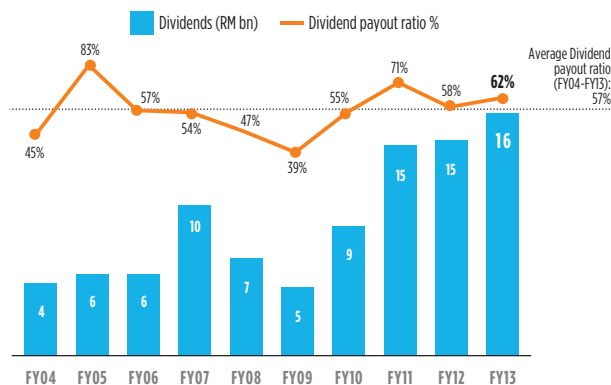
MBSB banking hall in Penang branch

D. Dividend payments at all-time high in FY2013

From FY2004 to FY2013, G20 have returned a cumulative RM93.2 billion in dividends to shareholders, a significant achievement considering G20 market capitalisation stood at only RM140 billion on 14th May 2004, when the GLCT Programme was announced. G20 non-bank dividends contributed more than half (58.1% or RM54.2 billion) of the cumulative dividends returned to shareholders in the past ten years, led by “TM+Axiata” (RM17.8 billion) and Sime Darby (RM13.5 billion). Maybank was the single largest dividend contributor among the G20, contributing RM26.4 billion or 28.4% of total G20 dividends paid since FY2004.

In FY2013, G20 dividends paid amounted to an all-time high of RM15.9 billion translating to a dividend pay-out ratio of 62.3% in FY2013 (Exhibit 5.10) and compares favourably to the average G20 dividend pay-out ratio of 57.2% since FY2004 and the KLCI 2013 average of 46.7%. The higher dividend pay-out by G20 vs. the broader market can in part be explained by demands from its shareholders, the structural issues contained within the KLCI and possibly also due to limited domestic growth possibilities.

Exhibit 5.10: G20 Dividend and Pay-out ratio



Source: G20 annual reports, PCG analysis

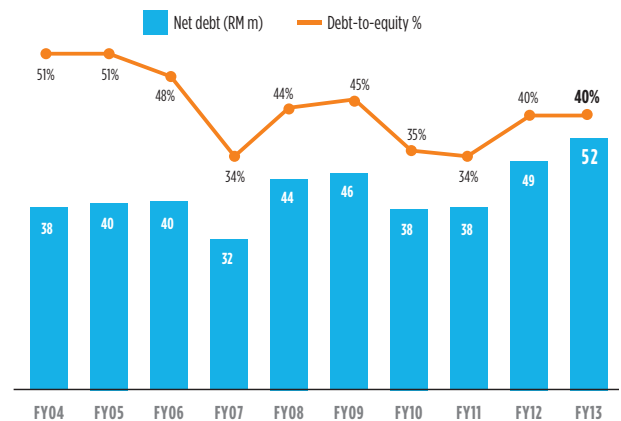
E. Stronger balance sheets, clear risk reduction in G20 capital structure

Due to enhanced capital management practices, there has been a clear risk reduction in G20 capital structure - with G20 non-bank companies having gradually reduced their exposure to financial risks since the announcement of the GLCT Programme.

G20 non-bank gearing has fallen from 51.4% in FY2004 to 40% in FY2013, from a combination of stronger retained earnings and equity cash calls, particularly post the global financial crisis of 2008 (Exhibit 5.11). The lower gearing has resulted in G20 non-bank debt-to-asset ratio falling to 17% from 22% in FY2004 (Exhibit 5.12).

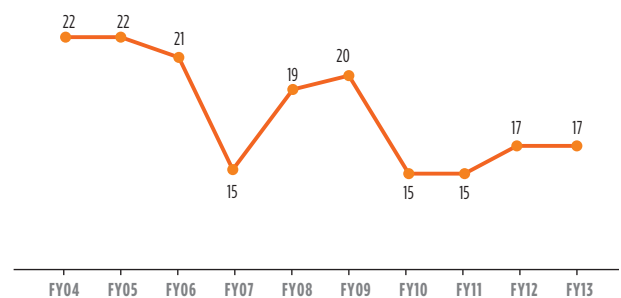
The successful lowering of G20 gearing comes as a double-edge sword. On one hand being under-gearred means G20 have the financial muscle to fund future growth, either organically through reinvestments into their business, or through M&As. On the flip side, because G20 have funded most of their post 2008 de-gearing programme partly through fresh equity issuances, both ROEs and economic profit have been suppressed due to the larger equity base.

Exhibit 5.11: G20 Non-Bank Debt-to-Equity Ratio



Source: G20 annual reports, PCG analysis

Exhibit 5.12 G20 Non-Bank Debt-to-Asset Ratio (%)



Source: G20 annual reports, PCG analysis

CIMB's new headquarters in KL Sentral



Exhibit 5.13: G20 Bank Segment Dupont Analysis

	ROE (%)	Profit margin	Asset utilisation	Equity multiplier
		Net income/ Net Interest Income (%)	Net Interest Income / Assets (%)	Assets/ Equity (x)
FY2004	12	44	2.3	12.3
FY2005	10	37	2.4	11.5
FY2006	10	36	2.1	13.6
FY2007	17	66	2.1	12.5
FY2008	13	48	2.1	12.9
FY2009	8	30	2.1	12.2
FY2010	14	54	2.2	12.0
FY2011	14	60	1.8	12.4
FY2012	14	64	1.9	11.9
FY2013	14	64	1.8	12.3
ROE directionality	▲	▲	▼	=
Reasons		More fee income	Lower asset efficiency	Flat capital structure

Source: G20 annual reports, PCG analysis

Exhibit 5.14: G20 Non-Bank Segment Dupont Analysis

	ROE (%)	Profit margin	Asset turnover	Financial leverage
		Net income/ Sales (%)	Sales/ Assets (x)	Assets/ Equity (%)
FY2004	10	9	0.42	2.6
FY2005	6	4	0.47	2.7
FY2006	10	7	0.52	2.6
FY2007	15	10	0.58	2.5
FY2008	10	7	0.55	2.5
FY2009	8	6	0.51	2.5
FY2010	9	7	0.52	2.5
FY2011	10	8	0.56	2.5
FY2012	13	9	0.58	2.5
FY2013	11	8	0.55	2.5
ROE directionality	=	=	▲	=
Reasons		Flat margins	Higher efficiency	Flat leverage

Source: G20 annual reports, PCG analysis

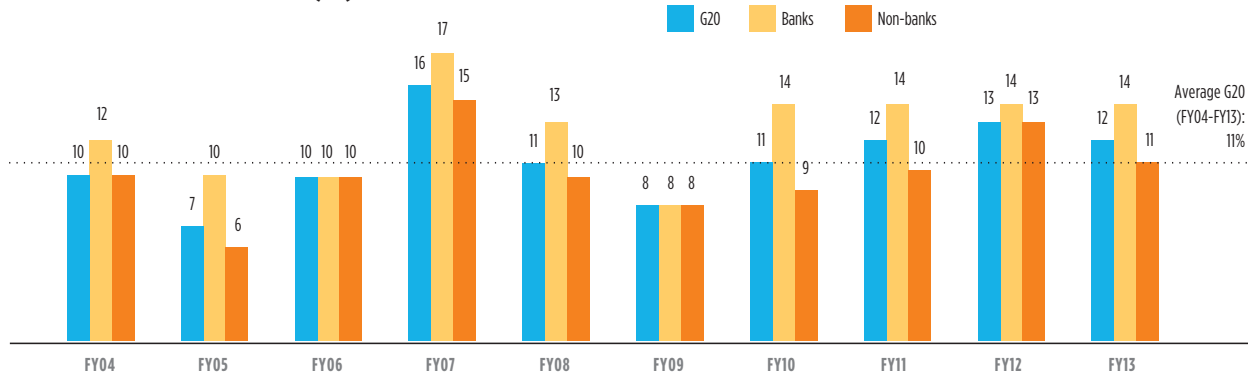
ROE for the G20 bank segment has improved to 14% in FY2013 from a low of 8% in FY2009, and has trended upwards since the 2008 global financial crisis as higher Islamic banking and fee-based income more than offset a reduction in asset efficiency (Exhibit 5.13). This is largely due to the successful regionalisation of CIMB and Maybank on the back of rising household incomes, despite net interest yields being lower than they were at the peak of the global interest rate cycle in FY2007.

For the G20 non-bank segment, ROE from FY2004 to FY2013 was driven by better asset turnover (from 0.42x in FY2004 to 0.55x in FY2013) but offset by flat financial leverage (with assets-to-equity ranging from 2.6x in FY2004 to 2.5x in FY2013) (Exhibit 5.14). Stable debt on the back of the low interest rate environment led to lower interest rate expenses for G20s which in turn helped to stabilise net profit margins. Net interest expenses fell from RM2.5 billion in FY2004 to RM2.3 billion in FY2013 while net margins remained flat at 8%.

For both the bank and non-bank segments, ROE has not returned to its FY2007 aggregate peak of 16% (Exhibit 5.15). This suggests there has been some downward pressure on the productivity of G20 capital – particularly for the G20 non-bank segment. Coupled with the overall lower gearing now seen in

the G20 non-bank segment, this also suggests that the G20 non-bank segment have more capacity to gear-up in order to reach greater scale by taking advantage of future opportunities arising from any cyclical regional downturn in the medium-term.

Exhibit 5.15: G20 ROE (%)



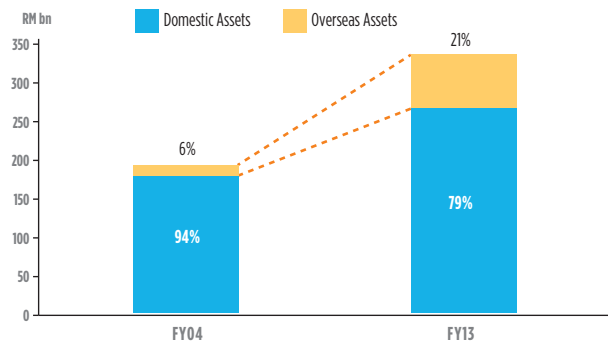
Source: G20 annual reports, Bloomberg, PCG analysis

F. Building regional champions - G20 regional footprint is clearly established with some regional champions emerging

Since 2004, G20 have embarked on various regional expansion plans with an aim to build regional champions, led by big cap G20 firms such as Maybank, Axiata, CIMB, and Sime Darby. G20's regional footprint has clearly been established – G20 now sit on RM397 billion assets overseas (which comprise 28.7% of total assets) vs. RM60 billion in FY2004 (11.6% of G20 total assets).

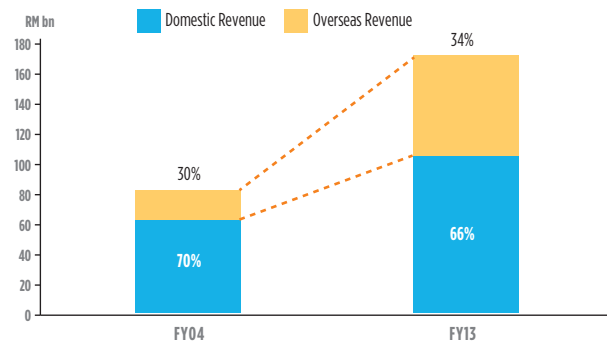
For the non-bank segment, overseas assets have grown to RM63.6 billion in FY2013 (or 20.8% of total assets) from RM11 billion in FY2004 (or 6.4%) (Exhibit 5.16) while overseas revenue has expanded to RM57 billion (or 33.8% of total revenue) from RM22.4 billion in FY2004 (or 30.3%) primarily due to the regional expansion undertaken by Sime Darby and Axiata's (Exhibit 5.17). Sime Darby and Axiata together contributed 76.3% of the G20 overseas non-bank revenue for FY2013 while Sime Darby's and Axiata's overseas revenue now makes up 70.5% and 57.1% of their total revenue respectively.

Exhibit 5.16: G20 Non-banks Domestic and Overseas Asset Split FY2004-FY2013



Source: G20 annual reports, PCG analysis

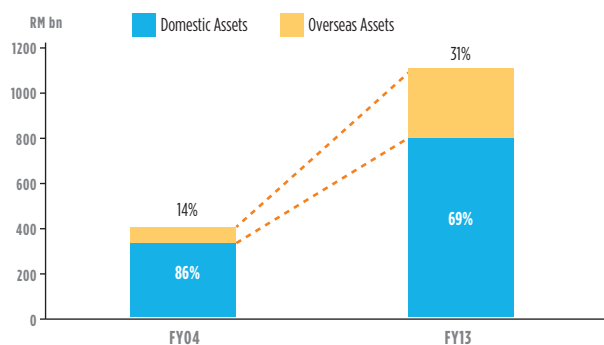
Exhibit 5.17: G20 Non-banks Domestic and Overseas Revenue Split FY2004-FY2013



Source: G20 annual reports, PCG analysis

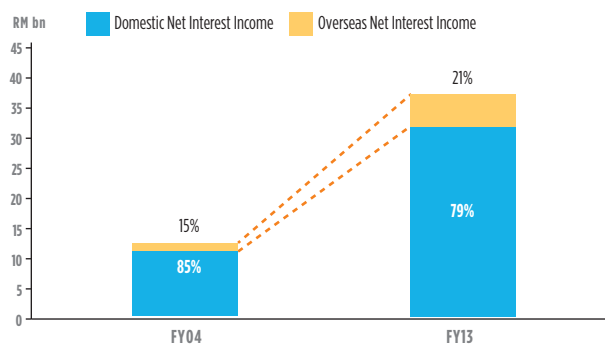
Between FY2004 to FY2013, G20 banks' overseas total assets grew at 23.7% p.a. (vs. domestic assets of 10.7%) thanks to exposure to high-growth and under-banked markets such as Indonesia. The overseas share of G20 banks' total assets stood at 30.9% (or RM333 billion) in FY2013 compared to 14.2% (or RM49 billion) in FY2004 (Exhibit 5.18) while G20 banks' overseas net interest income stood at RM7.9 billion (or 20.8%) in FY2013 vs. RM1.8 billion (or 15.2%) in FY2004 (Exhibit 5.19).

Exhibit 5.18: G20 Banks Domestic and Overseas Asset Split FY2004-FY2013



Source: G20 annual reports, PCG analysis

Exhibit 5.19: G20 Banks Domestic and Overseas Net Interest Income Split FY2004-FY2013



Source: G20 annual reports, PCG analysis

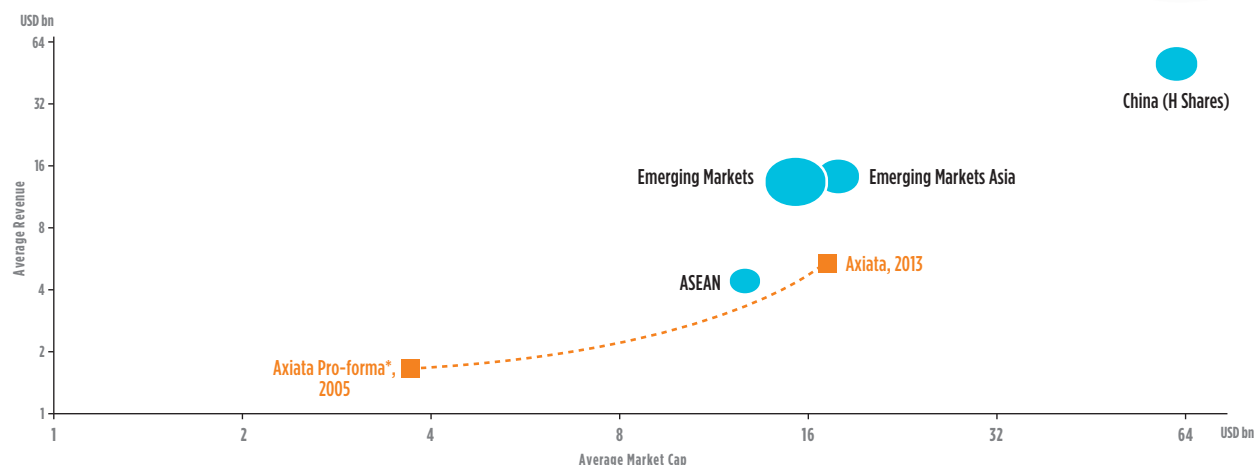
The regionalisation process of G20, particularly Axiata, Maybank and CIMB has resulted in these companies closing the gaps with regional leaders in terms of market capitalisation and revenue (Exhibit 5.20 and Exhibit 5.21). Axiata is one of the largest telecommunication players in the region by market capitalisation and revenue, with over 240 million customers across nine countries. Maybank, with a presence in twenty countries, is one of the top ranking ASEAN banks in terms of revenue and leads

in terms of market capitalisation while its Islamic banking division is the third largest Islamic bank globally. CIMB has grown to become one of the largest investment banks in Asia Pacific and now ranks as the fifth largest bank in Southeast Asia in terms of assets. Meanwhile, MAHB has investments in three overseas airports – two in India and one in Turkey while Sime Darby has grown to become the world's largest listed oil palm plantation company in terms of planted area (525,325 hectares).



Maybank in Indonesia

Exhibit 5.20: MSCI* Telecommunication Revenue and Market Capitalisation FY2005 vs. FY2013

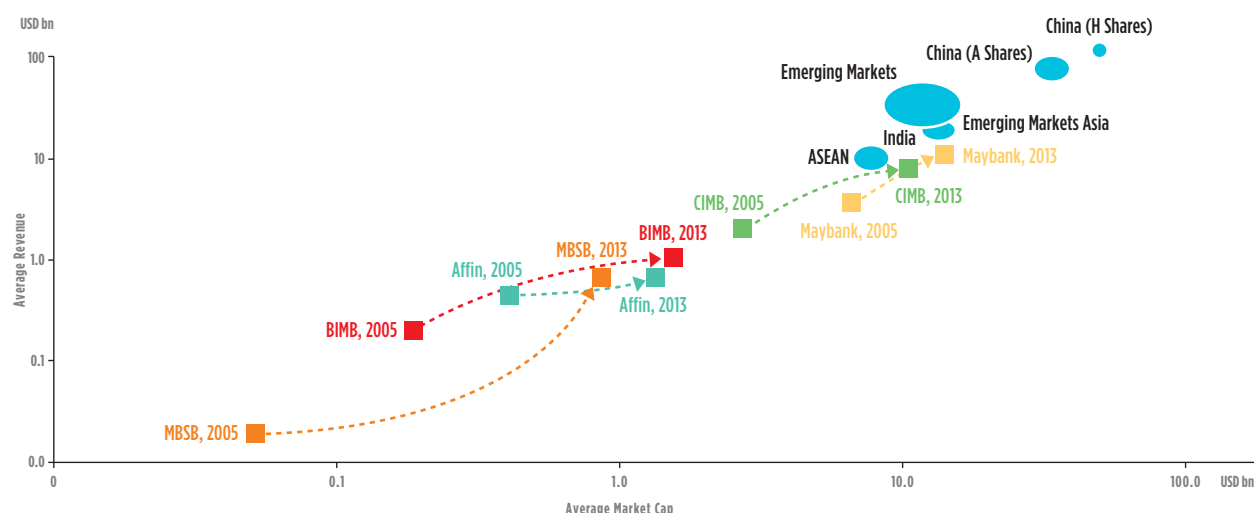


Note: The position of the bubble in the chart denotes the average size (market capitalisation and revenue) of a member in the respective index. The size of the bubble denotes the number of members in each index.

Source: Bloomberg, PCG analysis

*Telekom Malaysia's pro-forma domestic & international cellular operations (pre-Axiata)

Exhibit 5.21: MSCI Banks Revenue and Market Capitalisation FY2005 vs. FY2013



Note: The position of the bubble in the chart denotes the average size (market capitalisation and revenue) of a member in the respective index. The size of the bubble denotes the number of members in each index.

Source: Bloomberg, PCG analysis

G. The GLCT Programme has clearly yielded positive results and strengthened the G20 to better withstand the uncertainties ahead

Since the announcement of the GLCT Programme in May 2004, G20 have shown significant tangible improvements in all key financial areas. Solid earnings growth and increased operational efficiencies have improved the financial structure of G20. This can be seen from the basis of sectoral exposure, financial risk and cash flow profile. Additionally, G20 now also have stronger balance sheets as a result of retained earnings and equity recapitalisation while the upward trend in aggregate net profit has allowed them to sharply raise dividend payout to 62.3% in FY2013 from a low of 39.4% in FY2009.

The financial data and analysis show that reforms put in place as part of the GLCT Programme have laid the ground work for G20 to better withstand the domestic and external pressures and uncertainties. To improve their capital structure, G20 with higher equity base, will need to continue increasing asset utilisation, practise stronger capital management, including raising dividend payouts where appropriate, and to seek and secure value-enhancing, earnings-accretive acquisitions and investments. The tightening of global monetary conditions and the rising interest rate environment could lead to downward pressure on asset prices regionally, which G20 firms are well positioned to exploit given the strength of their balance sheets and the capacity to gear-up in order to reach greater scale.

5.2 CONTRIBUTIONS TO NATIONAL AGENDA

A. G20 involvement in the Nation's transformation programmes













The slowdown in the global economy as a result of the global financial crisis of 2008/2009, presents a stark reminder of the need for a fresh approach to achieving stable and sustainable growth through a new economic model. YAB Prime Minister laid the foundation by launching both the GTP and the ETP.

Government Transformation Programme (GTP)

The GTP is among the first programmes launched by YAB Prime Minister since he took office in 2009. Six National Key Results Areas (NKRAs) were initially identified following months of evaluating the people's demands and were the most pressing issues at the time for the Government. In July 2011, a seventh NKRA – “Cost of Living” was announced to address the issue of inflation and escalation in cost of living. GLCs have been supporting GTP through various projects and other related initiatives (Exhibit 5.22).

Exhibit 5.22: G20 Support of GTP - Selected Projects and Other Related Initiatives

Areas	G20	Selected Projects and Other Related Initiatives
Reducing Crime		<ul style="list-style-type: none"> Enhancing security at estates Home security system packaged together with mortgage loan Integrated Security Management System MSAFE services, which integrates CCTV located at strategic places with the Malaysian Emergency Response Services (MERS 999) Prevention of cable theft through several campaigns and enforcement bodies Safe Cities initiative in Ara Damansara, Mutiara Damansara, The Glades (Selangor), Bandar Ainsdale (Negeri Sembilan) and Nusajaya (Johor) Crime prevention and personal safety programmes for employees
Fighting Corruption		<ul style="list-style-type: none"> Implementation of Whistle Blower Policy Corporate Integrity Pledge Transparent procurement policies Awareness talks, anti-fraud procedures, corporate integrity trainings, programme and station audits, Code of Business Conduct (COBC) compliance for employees Employment of integrity officers
Assuring Quality Education		<ul style="list-style-type: none"> Supporting the PINTAR Foundation Programme Strategic public and private partnerships through selected schools and higher education institutions Supply of vitamins at selected schools Scholarships for talented students to pursue tertiary education Education funding programmes for employees Shared tertiary education facilities such as library, auditorium and common facilities aimed at fostering exchange and sharing of knowledge Capacity building in rural schools through ICT and other programmes Statewide English workshops for UPSR students (Johor, Kelantan, Melaka, Perlis, Sabah and Labuan) Online English courses for adults
Raising Living Standards of Low-Income Households		<ul style="list-style-type: none"> Increasing basic salary of lower level staff Participating in Yayasan Sejahtera Programme Upgrading worker's accommodation Low-cost Internet Package, Komputer 1Malaysia Employee Residence Scheme

Areas	G20	Selected Projects and Other Related Initiatives
Improving Rural Development	   	<ul style="list-style-type: none"> Enabling access to the internet in rural areas via Community Broadband Centres, Community Broadband Libraries and TMpoint on Wheels (mobile units) Providing amenities especially in plantation vicinities Supply electricity to rural households Upgrading of roads to probase roads and all-weather roads Projek Bekalan Elektrik Luar Bandar (BELB), Projek Lampu Jalan Kampung (LJK) Central Housing Complex (CHC) in Tennamaram (Selangor), Sg Dingin (Kedah/N. Perak), CEP Renggam (Johor), Sentosa (Sabah) Improving road infrastructure Upgrading of water tank and facilities, gravity water programme for the Bidayuh community Flood relief donation for rebuilding of bridges and other works
Addressing the Rising Cost of Living	     	<ul style="list-style-type: none"> 1Malaysia Privilege Card Provision of utilities allowance, schooling assistance and festive token to low income workers Reducing employment and encouraging entrepreneurship by providing business opportunities to staff RM200 salary increase for plantation workers Affordable housing programmes, proposed development of Perumahan Generasi Baharu FELDA (PGBF) Affordable housing financing, Skim Rumah Pertamaku (SRP) Micro-financing facilities Preventable blindness programmes, health programmes for communities, kidney care outreach programme Community IT centre for the blind Legal aid scheme A mobility initiative for disabled patients to seek medical treatment
Improving Urban Public Transport	 	<ul style="list-style-type: none"> Integrated Touch 'n Go ticketing system for LRT and RapidKL buses Enhancement of public transport system through township planning and design Transit-Oriented Development projects in Subang Jaya















Source: PEMANDU, G20 reporting to PCG Secretariat, PCG analysis






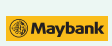

















Economic Transformation Programme (ETP)

Launched in 2010, the ETP highlights 12 National Key Economic Areas (NKEAs) which define key sectors of economic opportunities in the country. The ETP sets out to achieve a GNI of US\$15,000, create 3.3 million jobs and secure US\$444 billion in

investments by 2020. On the investment front, the ETP is aimed at encouraging the private sector to retake its rightful role as the engine of economic growth whilst enabling public investment to stay focused on catalytic projects with significant economic returns. GLCs have also been supporting ETP through various projects and other related initiatives (Exhibit 5.23).

Exhibit 5.23: G20 Support of ETP - Selected Projects and Other Related Initiatives

Areas	G20	Selected Projects and Other Related Initiatives
Oil, Gas & Energy	   	<ul style="list-style-type: none"> Investments in three new power plants Drilling activities in Berantai field Renewable energy park financing, oil and gas storage development financing Oil and gas infrastructure development
Wholesale & Retail	   	<ul style="list-style-type: none"> Transforming KLIA into a commercial and retail hub KLIA2 integrated complex Development of Big Box Boulevard in Nusajaya Large Format Growth financing
Financial Services	    	<ul style="list-style-type: none"> To become global hub for Islamic finance Significant investments and acquisitions in several major banks to develop regional banking while improving its services
Agriculture		<ul style="list-style-type: none"> Paddy demo lot in IADA to demonstrate 100% yield increase

Areas	G20	Selected Projects and Other Related Initiatives
Palm Oil & Rubber	   	<ul style="list-style-type: none"> • Usage of crop harvesting mechanisation to improve worker productivity • Developing eco-friendly facilities • Accelerated replanting programmes • Oleo derivatives project financing • Setting up biogas plants • Improving Fresh Fruit Bunch yield • Improving worker productivity via mechanisation
Tourism	   	<ul style="list-style-type: none"> • Build commercial area surrounding the airports (mainly KLIA) and planning to establish three new premium outlets in Malaysia • Premium outlet project financing • St. Regis Hotel development • Improved flight network connectivity for seamless travel
Communications Content & Infrastructure	 	<ul style="list-style-type: none"> • Improving and extending regional network and connectivity via TelePresence; the next generation video conferencing technology • Formation of Regional Network Consortium (24 telcos) to address bandwidth capacity and cost • Notebook 1Malaysia, Wifi 1Malaysia, Pusat Internet 1Malaysia, Kampung Tanpa Wayar, Pakej Komunikasi Belia, Community Broadband Centre • Telematics Services Platform • Batam Damai Melaka Cable System, Cahaya Mata Cable System
Greater Kuala Lumpur / Klang Valley	   	<ul style="list-style-type: none"> • Beautification and cleaning of Klang River • Electricity supply to MRT stations in Klang Valley • MRT Project financing • PJ Sentral development
Education	  	<ul style="list-style-type: none"> • Developing public and private partnerships in higher education • Collaboration between researchers, industries and inventors to increase research capabilities
Healthcare	  	<ul style="list-style-type: none"> • Establishing new medical centers in Ara Damansara and Desa Parkcity • Developing general pharmaceutical industry • Clinical, medical and research development • Metered dose inhaler • Healthcare development financing • Health tourism initiatives
Business Services	   	<ul style="list-style-type: none"> • Net-storage facilities and data centres • Expanding aviation maintenance, repair and overhaul services • Up-scaling systems engineering and human capital capability in shipbuilding and ship repair industry

Source: PEMANDU, G20 reporting to PCG Secretariat, PCG analysis

Other programmes

The G20 also support other national programmes such as the National Digital Economy Initiative (Digital Malaysia), Rural Transformation Centres (RTC) and Urban Transformation Centres (UTC). TNB leads the way by setting up *Pusat Khidmat Pelanggan* (PKP), i.e. one stop centres which provide various services for TNB's customers, not only for TNB-related payments and service but also payments for other utility bills. TNB has established PKP at all UTCs in Kuala Lumpur, Melaka, Pahang, Perak and Kedah while TM has also setup its retail outlets (TMpoint) at UTCs in Kuala Lumpur, Melaka, Pahang and Perak. TM

also provides telecommunication connectivity as and when required to RTCs. In support of Digital Malaysia, VADS, a wholly owned subsidiary of TM, works closely with the Multimedia Development Corporation (MDeC) in encouraging SMEs and enterprises to migrate to cloud-based services. TM also contributes collaborative and advisory support, active sharing of expertise and awareness/promotions activities with regards to Digital Malaysia. THP supports the Government's aspirations in advancing the Nation towards a developed digital economy by 2020 by leveraging on the usage of precision based agriculture which incorporates information technology and agricultural science³.

³ G20 reporting to PCG Secretariat

Assembly plant at UMW Toyota Motor





Sime Darby's housing development project briefing to YAB Prime Minister

Role 1: Stay the Course in Executing the 10-year GLCT Programme

It is imperative for GLCs to stay the course in executing the Programme in order to deliver high performance. Staying the course is also about contributing towards nation building and providing benefits to the stakeholders whilst respecting individual GLC's corporate governance.

The implementation of GLCT Initiatives has improved functional excellence of GLCs. In recent self-assessments conducted to gauge the adoption level of the Initiatives, GLC scores ranged between 60% and 77% (0%: poor adoption; 100%: well adopted). The GLCT fraternity continues to leverage the network created by the Programme to overcome legacy challenges and to address the specific requirements of the nation.

GLCs have also stayed the course on their various transformation, turnaround and restructuring programmes. For example, BIMB acquired an aggregate 49% equity interest in Bank Islam Malaysia Berhad, previously a 51%-held subsidiary, from its parent company - Lembaga Tabung Haji (18.5%) and Dubai Financial Group (30.5%). This internal shareholding restructure enables BIMB to consolidate the group and to facilitate the implementation of coherent group-wide corporate strategies.

LTAT declared an all-time high dividend and bonus of 16% amounting to RM818.2m for FY2013. It also recorded annual revenue of RM966.5m in FY2013, the highest in its history.

Meanwhile, MBSB became the world's first issuer of the Structured Covered Sukuk Commodity Murabahah Programme as part of its capital management planning. In addition, UMW listed its oil and gas business in November 2013. CCM meanwhile launched its "Change Starts with Me" transformation programme in 2011.

Role 2: Relentless Drive to Become Regional Champions

By 2015, GLCs are encouraged to regionalise and become champions to help grow Malaysia's GNI. By the end of the Programme in 2015, some GLCs are expected to emerge as regional champions. This is crucial to support the Nation's quest towards high income status.

To-date, several G20 companies have established an overseas presence and are on track towards becoming regional champions, whilst others are building capacity to reach this level within the short to medium term. In 2013, G20 have revenue generating corporations and assets in 55 countries (Exhibit 5.25).

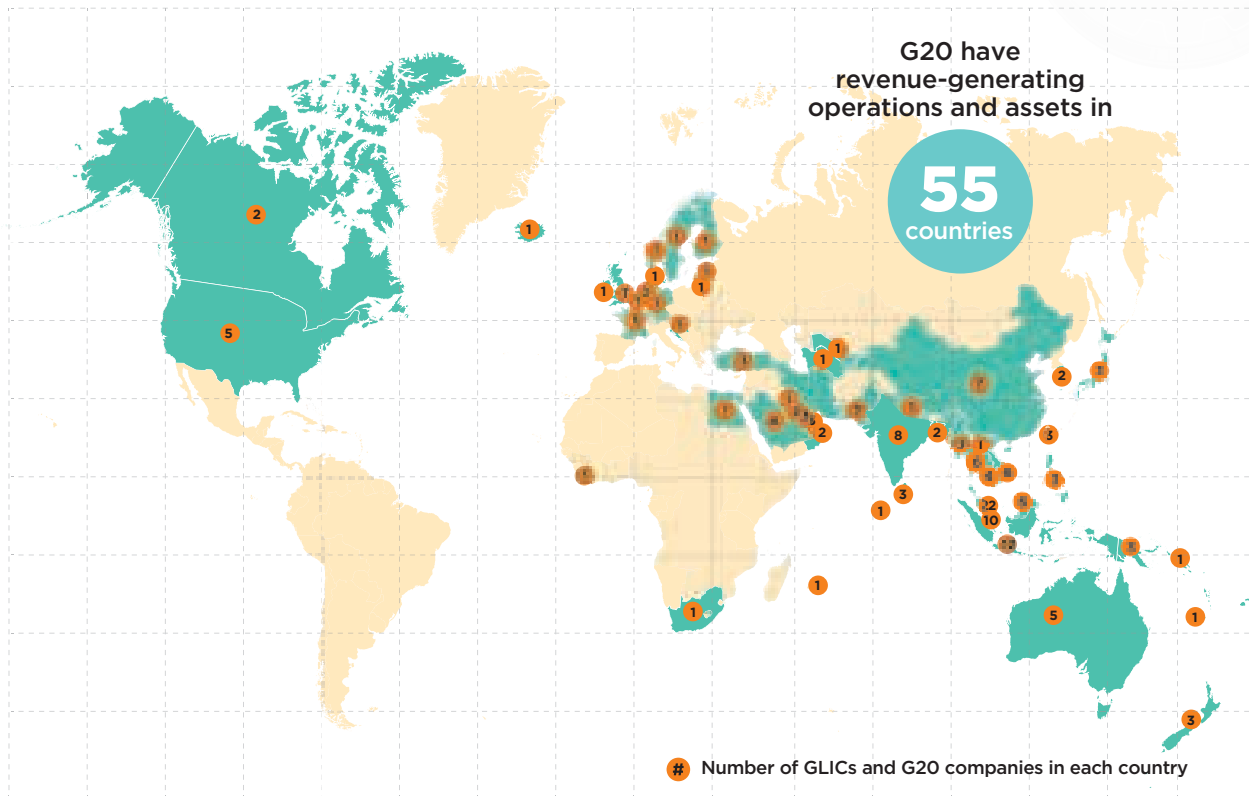
A number of GLCs are at the forefront of the regionalisation endeavour. For example, Sime Darby's five core businesses are spread across five continents in more than 20 countries. Maybank operates in 20 countries, with 10 in ASEAN alone and in other strategic markets including Greater China, the Middle East, the United Kingdom and the United States. Meanwhile, the acquisition of RBS's cash equities and advisory businesses in Asia Pacific marked CIMB's expansion into the investment banking space in Asia Pacific enabling the company to facilitate trade and deal flows within the Asia-to-Asia, Asia-to-ASEAN and intra-ASEAN channels.

In addition, CIMB is the largest investment bank in Asia Pacific (excluding Japan) and one of the world's largest Islamic banks. The company's retail banking branch network is the widest in the ASEAN region, with 1,061 retail branches in Malaysia, Indonesia, Singapore, Thailand and Cambodia.



Battersea proposed re-development project by EPF, Sime Darby and SP Setia

Exhibit 5.25: GLIC and G20 Presence Worldwide



 Malaysia	 Malaysia	 Malaysia Saudi Arabia	 Malaysia Japan Singapore UK	 Malaysia China India Turkey US	 Malaysia Brunei Indonesia Singapore Thailand China Hong Kong Vietnam Myanmar Cambodia India Sri Lanka Bahrain Australia Taiwan South Korea US UK
 Malaysia	 Malaysia Indonesia Sri Lanka Bangladesh Cambodia Singapore India Thailand Pakistan	 Malaysia Indonesia Sri Lanka	 Malaysia Indonesia Myanmar	 Malaysia Indonesia Singapore Philippines	 Malaysia Indonesia India Turkmenistan Myanmar Thailand China Taiwan Vietnam Papua New Guinea Australia Singapore Oman
 Malaysia India Turkey	 Malaysia Indonesia Sri Lanka Bangladesh Cambodia Singapore India Thailand Bahrain Brunei China Hong Kong UK US Papua New Guinea Pakistan Philippines Uzbekistan Vietnam Saudi Arabia Myanmar	 Malaysia	 Malaysia South Africa Australia Liberia Germany Papua New Guinea Indonesia Singapore Thailand Vietnam US UK Canada New Zealand Nauru New Caledonia Solomon Islands Maldives Hong Kong Macau Netherlands South Korea Japan	 Malaysia Indonesia Brunei Pakistan Saudi Arabia UAE India Kuwait	
 Malaysia Japan South Korea China Taipei Hong Kong India Sri Lanka Saudi Arabia Turkey Netherlands Germany France UK US Australia Vietnam Thailand Indonesia Brunei Philippines Singapore Others	 Malaysia	 Malaysia Indonesia	 Malaysia Indonesia India Saudi Arabia Qatar Brunei Canada New Zealand UK Singapore	 Malaysia Indonesia Singapore Hong Kong China US UK	

Source: G20 reporting to PCG Secretariat, PCG analysis



MAS' new A380 aircraft

As part of Malaysia Airlines' effort to regionalise, it joined the **oneworld** airline alliance in 2013, offering passengers seamless global connectivity. In addition, THP made strategic acquisitions of landbanks in Indonesia with the purchase of PT Persada Kencana Prima in 2013 to increase its presence in the country. Expanding its expertise internationally, Malaysia Airports also has stakes in and manages three airports in India (2) and Turkey (1).

Axiata is now one of the largest telecommunication companies in Asia with over 240 million subscribers. It has controlling interests in mobile operators in Malaysia, Indonesia, Sri Lanka, Bangladesh and Cambodia with significant strategic stakes in India and Singapore. In addition, the Malaysian-grown holding company has a stake in mobile telecommunication operations in Thailand. Axiata was also selected by Frost & Sullivan as the best Telecoms Group in Asia Pacific for the fifth consecutive year in 2013.

Sime Darby is the world's largest producer of sustainable palm oil, with 82% of its production certified as sustainable, and is one of the world's largest listed palm oil companies, producing about 2.47 million tonnes of crude palm oil annually, which represents 5% of the world's crude palm oil output.

IHH Healthcare Berhad is the world's second-largest listed healthcare operator by market capitalisation and is today the leading player in Singapore, Malaysia, Turkey, the People's Republic of China, Hong Kong and India. The company also has presence in Brunei, Vietnam, United Arab Emirates and Macedonia.

Role 3: Pursue investments in new industries and sectors in line with New Economic Model

GLCs are also actively investing in new, knowledge-based and service-oriented industries and sectors, which are transformative and catalytic in nature. These are aimed at moving the nation further up the economic value chain.

G20 have been actively investing in new industries and sectors to catalyse growth and have also been contributing to the development of national economic corridors. These sectors include leisure & tourism, life sciences, education, sustainable development, creative and media, technology, wellness, healthcare as well as the economic corridor of Iskandar Malaysia. G20 have made RM205 billion worth of investments from FY2004 to FY2013, of which an estimated RM134 billion are domestic investments.



Legoland in Iskandar Malaysia

Themed Attractions and Resorts Sdn Bhd (TAR), a wholly-owned subsidiary of Khazanah, was set up to drive the development, ownership and operations of various themed parks and attractions to enhance the leisure and tourism industry in Malaysia. TAR's current portfolio comprise of LEGOLAND Malaysia, KidZania Kuala Lumpur and Puteri Harbour Family Theme Park. In 2013, Sime Darby expanded its foray in healthcare via a joint venture with Ramsay Health Care which marks its first expansion in healthcare outside of Malaysia. Meanwhile, EPF has a 30% stake in Columbia Asia Sdn Bhd which has hospitals in Malaysia, Indonesia, Vietnam and India.

Pharmaniaga Berhad (Pharmaniaga), a subsidiary of Boustead Holdings Berhad, in May 2013 inked a joint venture agreement with Modern Healthcare Solutions Company Limited of Saudi Arabia, to set up a company to construct and manage a pharmaceutical manufacturing plant in Sudair Economic City, Riyadh in the Kingdom of Saudi Arabia.

Additionally, Affin provided financing for the establishment of private institutions of higher learning and development of financial packages for contractors involved in the ETP for example, the Mass Rapid Transit (MRT) project.

Role 4: Collaborate & co-invest with private sector

Collaboration between GLCs and the private sector will enable both parties to leverage each other's strengths and therefore enable the country to grow faster than if companies were to individually strive on their own. Collaboration will also strengthen the domestic industry and leverage on economies of scale.

In 2012, Sime Darby and EPF entered into a joint venture with SP Setia Berhad to participate in the acquisition and development of the Battersea Power Station site in London, United Kingdom for GBP400 million. In 2013, a joint venture between MAHB and Mitsui Fudosan Co. Ltd. was established to develop a factory outlet tentatively called "Mitsui Outlet Park KL International Airport". MAHB had earlier formed a joint venture with WCT Holdings Berhad to develop gateway@klia2 integrated complex in 2011.

In addition, TNB and Khazanah collaborated with Malakoff Corporation Berhad for the Shuaibah Independent Water and Power Project in southern Jeddah. The merger between UEM Land Holdings Berhad and Sunrise Berhad is another example of collaboration between a GLC and a private sector outfit.

MRCB's acquisition of equity interests in Gapurna Group Sdn. Bhd. (Gapurna) subsidiaries will enable synergy among the 2 companies; MRCB with its long standing track record in the construction industry and Gapurna with its land bank reserves and technical expertise. As part of the public-private partnership with the Government, TM signed a historic 10-year agreement for provision of High Speed Broadband (Access) services with Maxis Berhad.

Role 5: Continue to focus on core operations on a level playing field and exit non-core and non-competitive assets

GLICs and GLCs have continued to divest non-core and non-competitive businesses and free these resources to be optimised by the private sector. Focus on core and competitive business is necessary for financial/operational optimality and capability building. Non-core businesses are divested in a robust and transparent manner and on merit basis to local entrepreneurs.

This role is in line with G20's overall strategy of disposing non-core and non-competitive assets

in a gradual and orderly manner. Under a *Majlis Tindakan Agenda Bumiputera* (MTAB) initiative, both PNB & Khazanah have committed to divest assets to Bumiputera entrepreneurs as part of the BA. To-date Khazanah and its group of companies have divested STLR Sdn. Bhd. (2012), Time Engineering Berhad (2013), TM Resorts (2013) and Celcom Childcare Sdn. Bhd. (2013). Meanwhile, PNB divested U-Insurance Sdn. Bhd. in 2013.

Apart from the MTAB initiative, divestments are an ongoing process for GLICs and GLCs. For example, PNB divested its stakes in Titan Chemicals Corp Berhad in 2010. Meanwhile, Khazanah sold its shareholdings in TIME dotCom Berhad (2008), Pos Malaysia Berhad (2011) and PROTON Berhad (2012).

Boustead sold its entire 60% equity interest in PSC Tema Shipyard Limited in Accra, Ghana to the Government of the Republic of Ghana in 2012. Sime Darby exited the oil and gas business in 2012 by disposing its oil and gas fabrication yards in Pasir Gudang and Teluk Ramunia in Johor. Maybank also divested its insurance provider business, AsianLife and General Assurance Corporation (ALGA) to STI Investment Incorporated in 2012.



TM High Speed Broadband services

5.3 BENEFITS TO STAKEHOLDERS

The GLCT Programme has delivered benefits on all fronts, reaching out to all Malaysians. G20 have returned RM93 billion in dividends, from FY2004 to FY2013, thus enriching the investing public and those contributors to trust agencies such as EPF & PNB. G20 have also paid RM57 billion in taxes from FY2004 to FY2013 with the ultimate beneficiary being the rakyat.

The progress achieved by GLCs is also shared with all stakeholders, including customers, employees, suppliers and society at large. This has been achieved through various human capital development initiatives to increase employee value propositions, enhanced delivery and quality of products and services, vendor development programmes, and contributions to society through programmes such as PINTAR Foundation, Yayasan Sejahtera and the Graduate Employability Management Scheme (GEMS).

A. Customers

The Programme has had positive impact on the lives of consumers through GLCs' wide range of quality products and services. This is evidenced by the numerous awards that had been won by G20 both domestically and internationally. Appendix C shows the key domestic and international awards won by G20.

B. Employees

GLCs have been ensuring their employees' professional development grows in tandem with the growth of their organisations. G20 spent RM513 million in 2013 to train and develop their employees, up 6.8% from RM480 million spent in 2012. Last year, YAB Prime Minister launched PRIME, a scheme to promote upward mobility to enable professional development of the 128,934 non-executives at G20 (Exhibit 5.26). GLCs have also taken efforts to ensure their employees are motivated and operate in a conducive environment, by conducting employee engagement surveys and addressing areas where the employees have indicated improvement is required.



Affin Bank's branch staff attending to a customer's enquiry

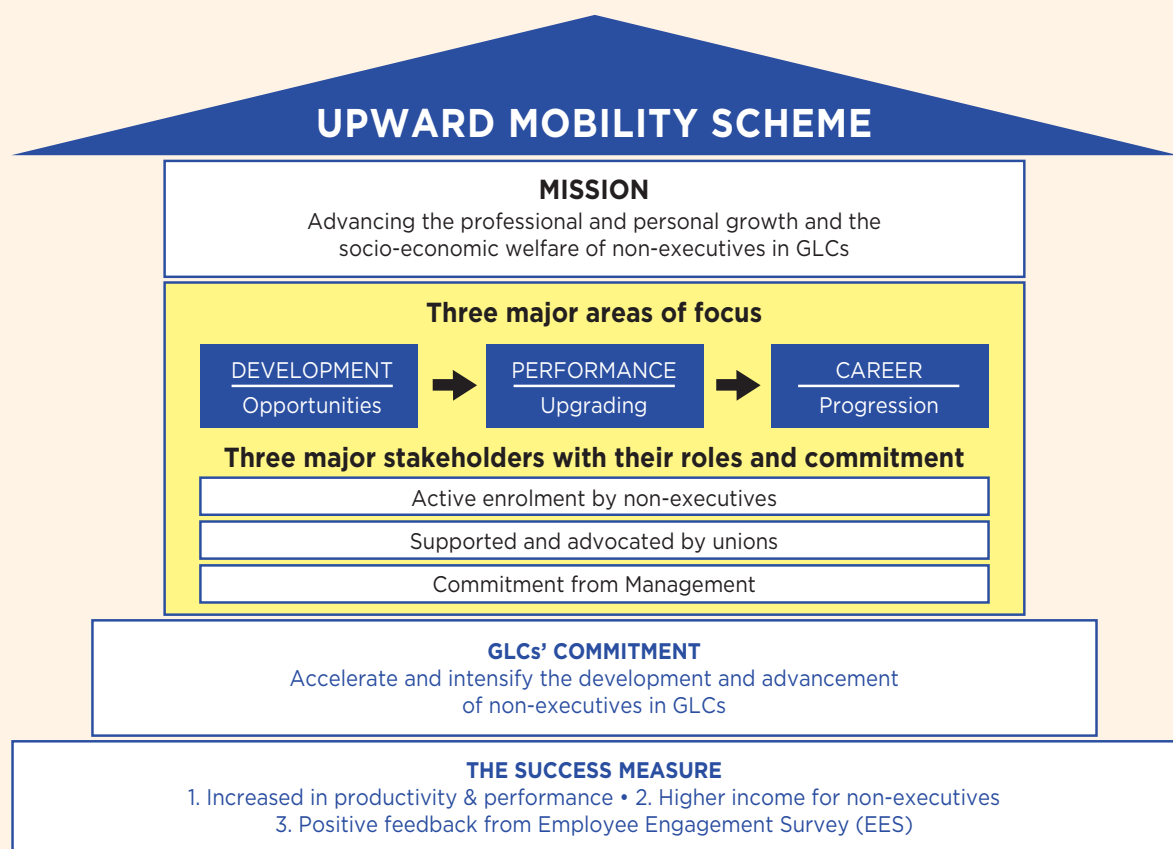
Exhibit 5.26: The PR1ME Programme - Upward Mobility Scheme for Non-Executives

PR1ME

Program Majudiri 1 Malaysia

PR1ME programme launched at PCG Meeting in November 2013, aims to give non-executive staff professional development opportunities within their organisation through three major areas of focus as follow:

- **Development opportunities programmes:**
Training and learning development, skills certification & upgrading and further education opportunities
- **Performance upgrading processes:**
Multi skilling & skills diversity, self-development & special assignments and performance improvements
- **Career progression platforms:**
Job & career progression/promotion opportunities, potential & promotability assessment and higher remuneration & recognition



With the implementation of PR1ME programme, G20 have committed to develop their non-executive staff who would otherwise have limited options to expand their career opportunities, by providing them with continuous support to up-skill and re-skill them based on the UMS framework. Moving forward, it is expected that

more non-executive staff can be promoted to the executive level, leading to higher income and quality of life for staff, while driving higher productivity and performance of the G20 and at the same time build leaders at all levels in-line with the aspiration of G20 to become the leadership factory for the Nation.

Source: G20 UMS Framework – The 'PR1ME' Programme launched by YAB Prime Minister at PCG Meeting in November 2013

C. Vendors and Suppliers

G20 have 60,666 registered suppliers in 2013 and have provided RM75.1 billion worth of business opportunities in the same year.

In addition, G20 also provide business opportunities to TeraS⁴ companies. As at December 2013, there were 380 TeraS companies registered with G20 of which 98 were awarded contracts in 2013.

In terms of upscaling vendors, four G20 companies have been implementing VDPs while 3 others are currently developing their programmes. In 2013, the four G20 companies have spent RM6.3 billion on their VDPs benefiting 1,325 vendors. From 2004 to 2013, approximately 88 vendors have graduated from the VDPs.

D. Society

GLCs have been actively involved in various corporate responsibility initiatives which largely benefit the society. These include for example, supporting community development through funding support for civil society organisations and NGOs, providing sponsorships for sports

development, providing scholarships for education, creating a conducive work place (e.g. supporting women in the workplace and people with disabilities), conservation of the environment and research and development for green products. From 2004 to 2013, G20 have spent approximately RM4 billion on corporate responsibility initiatives. Of this amount, approximately RM617 million was spent on scholarships and financial assistance, benefiting approximately 89,000 students over the same period.

The G20 have also been contributing to three programmes for the society created under the auspices of the PCG. These programmes are PINTAR Foundation (PF), a school adoption programme in underserved areas (Exhibit 5.27); Yayasan Sejahtera (YS), a programme to assist in alleviating rural and urban poverty (Exhibit 5.28); and the Graduate Employability Management Scheme (GEMS), a programme designed to help unemployed graduates to secure employment (Exhibit 5.29). G20 provided both manpower and funding support of RM17 million for PF and YS from 2009 to 2013. For the GEMS programme, G20 provided participants with placement opportunities for their on-the-job training.



Children in some rural areas are using solar powered bulb donated by Maybank through Project H.E.A.R.T. (Helping Every Asian Rise Together)

⁴ TeraS is a special scheme launched in 2011 by Unit Peneraju Bumiputera (TERAJU) to identify high performing Bumiputera Companies and assist them to achieve a step change in their business through merit-based access to opportunities

Exhibit 5.27: Promoting Intelligence, Nurturing Talent and Advocating Responsibility (PINTAR)



Philosophy and Approach

The PINTAR programme is designed to support schools that are under performing and are based on four focus areas as follows:

- Motivation and team building**
 The motivation programmes include career talks and activities that give the students and teachers the opportunity to learn new things, expose their minds to different professions and increase their personal motivation to achieve their full potential. Team building programmes on the other hand, teach the students to work together and to build good team ethics and behaviours
- Educational support**
 Educational support programmes are targeted towards students in examination years, UPSR or PMR where additional classes, exercises to practice answering examination questions and giving advice on mental and emotional support to help students prepare for the examination
- Capacity and capability building**
 Capacity and capability building is mainly targeted towards teachers to build their leadership skills and competency, so that they can hone their skills in teaching and engaging students in their classes
- Reducing vulnerabilities and social issues**
 The programmes for reducing vulnerabilities and social issues aim to improve and mitigate social ills and challenges that sometimes exist in underperforming schools

Programme Impact and Achievements

Since 2006 to 2013, the PINTAR Programme has benefited more than 650,000 students, while 565,216 students have benefited from programmes in G20 adopted schools. As in past years, PINTAR schools in 2013 continue to outperform national average by approximately 1 percentage point for students scoring straight As in the UPSR examination and outperform national average by approximately 6 percentage point in passing rate for the PMR examination.

National Examinations Performance for PINTAR Schools

National Exams Performance in 2013	PINTAR Schools	National Average
UPSR Straight As	10%	9.2%
PMR Pass Rate	69%	63%

Note:

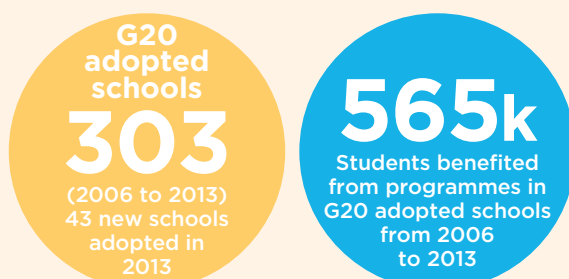
PINTAR currently tracks performance of 166 primary schools and 19 secondary schools in the programme.

In Malaysia, there are 7,752 primary schools and 2,367 secondary schools

Source: Ministry of Education, Malaysia and PINTAR Foundation

From 2012 onwards PINTAR started tracking the literacy rate from the students' results of the Ministry of Education Literacy and Numeracy (LINUS) screening. The PINTAR schools recorded an increase of 7% in Bahasa Malaysia literacy and numeracy rate achieving an increase of 4% in 2013. In addition, PINTAR tracks student attendance rate at its schools, as a means to evaluate students' interest to go to schools and having access to education. 2013 saw an average increase of 6% compared to the year before.

Recognising that having a good command of the English language is important to students for their future development, PINTAR implemented the English Literacy Programme, a 3-year programme which began in April 2012. The programme's objective is to enhance the English teachers' method of teaching, which



Source: PINTAR Foundation

will result in the improvement of the students English. The first year of the programme implementation resulted in 38% increase in student engagement in English lessons with 50% of teachers improving their English teaching skills by at least one level of their baseline in the Teacher Development Index (TDI)⁵. A total of 100 teachers in 50 schools across Malaysia are currently participating in this programme.

Moving Forward

PINTAR aspires to become a role model for school adoption by being a prominent centre of excellence in Malaysia in supporting the objectives of partnering with parents, community, and corporate sector at scale, under Shift 9 of the Malaysian Education Blueprint 2013 - 2025. Some of the experiences of the students in selected PINTAR programmes, are highlighted below.

Highlights of Students' Experience in Selected PINTAR Programmes

PINTAR D'Arts Literacy Programme

The PINTAR D'Arts Literacy Programme is a national level competition to uncover talented students in field of arts as part of PINTAR's 'nurturing talent' programmes. The PINTAR D'Arts Literacy Programme was jointly implemented with the Faculty of Arts and Design, UiTM.



Aisyah Nurain Ramli, SK Bertam Indah, Pulau Pinang

Winner,

PINTAR D'Arts Literacy Programme – Art Competition

"I am really happy with my drawing, my teacher and also with the PINTAR competition. We definitely learnt a lot during the training and workshop. I would personally like to thank my teacher, my parents and my best friend for their support and guidance. Getting the win obviously gives me confidence in moving forward to nurture my talent further."

Shobita A/P Shankar, SJKT Klebang, Perak

Participant,

PINTAR D'Arts Literacy Programme - Art Competition

"Although I did not win the competition, the experience gained from participating is one I will not trade for anything. I especially loved the sharing session by the artist, sharing his experiences and drawing techniques. Overall, this is a very good programme and I hope that PINTAR can do the similar programmes every year. I truly enjoyed myself."



PINTAR Go Green Programme

PINTAR Go Green Programme is a programme to enhance the students' awareness about the natural environment and its importance to humanity. This was a joint programme with Universiti Kebangsaan Malaysia.



Nur Fatin Irdina bt Mahmud, SK Pengkalan Jaya, Pulau Pinang

"We were exposed to the global warming phenomenon, its effect on our ozone layer and the greenhouse effect. With the help of colourful mascots from the Go Green Programme, I find it easier to understand and apply ways to conserve the environment. Things like, switching off electricity when not in use and carpooling concept, each little effort helps save the planet. The Go Green folio was a tremendous help. Thank you PINTAR-UKM for making me love my planet."

⁵ TDI has 6 levels in terms of mastery of English teaching skill/technique. Level 1 – Newly Qualified until Level 6 – Experienced Practitioner

Yasmin Shamini bt Mohd Hasni, SK Pengkalan Jaya, Pulau Pinang

“The Go Green Programme was very exciting! We used everyday items to build handy tools such as a rain gauge, an anemometer and a wind vane. We also got to make a bookmark from pressed flowers. Thanks to this campaign, our school is now looking more beautiful after having the pledge wall and the mural project. I feel much happier coming to school.”



PINTAR Mobile Learning Unit (PMLU)

The PMLU is an educational bus that aims to give the opportunity for students to learn through fun activities and role play. PINTAR has two busses that visit the schools covering both PINTAR and non PINTAR schools.



Rashidie Bin Rusli, SK Polis Depot, Kuala Lumpur

PINTAR Mobile Learning Unit (PMLU)

“The outside of the bus looks different from any other busses I have seen. Once I entered, I was surprised. There were many activities and things to learn like bowling (sports), photography, health (medicine), flying an airplane and sound engineering. I was interested in flying the airplane. The facilitator showed us how to fly and control the airplane using different sets of control panels. They showed us how to pitch up and down the airplane. I felt like we were actually controlling the airplane! The PMLU was a really good experience, never before experienced in school. I will definitely tell my friends about the awesome experience.”

Chai Qian Hui, SJK (C) Kepong 1, Kuala Lumpur

“What captured my attention the most was bowling and sound engineering. I learnt that there are many career choices available out there and I’m happy I found out at an early age. It is something new to me that somebody can actually edit music for a living and after experiencing it, I want to be a sound engineer. I would like to tell other students that have not experienced the PMLU to go and try it. It is different from any other activities that I have done.”



Exhibit 5.28: Yayasan Sejahtera

SEJAHTERA

Background

Yayasan Sejahtera (YS) is a foundation established in 2009. Its objective is to reduce incidences of poverty based on the philosophy of sustainable and long-term programme interventions for underserved communities. YS works in rural locations in the states with high rate of poverty, namely Sabah, Sarawak, Kelantan, Kedah and Pahang.

Philosophy and Approach

The mandate of YS is to empower and build sustainable families in communities where incidences of poverty are high. YS provides the families with targeted programme, which over time, would lead to a long term solution in helping to address poverty and lay the foundation for the families to be independent.

The YS designs and implements programmes using a framework that comprises four core modules which include:

- Supporting sustainable livelihoods
- Facilitating access to basic food needs
- Providing basic community and rural services
- Rehabilitating or rebuilding of homes

The programmes are designed based on the needs of the underserved families. Some of these programmes include providing small grants for micro enterprises, developing skills and building capabilities to support their livelihood. To complement the programmes, where additional community services are needed, YS provides basic services such as access to clean water through implementation of projects funded from donors and government agencies; and educational support programmes.

The YS framework and four core modules are aligned with the United Nations (UN) Millennium Development Goals (MDGs) and two NKRAs under the GTP to improve the socio-economic growth of Malaysians which are “to raise the living standards of low-income households” and “to improve and provide access to basic community and rural services.”



Yayasan Sejahtera's clean water project for underserved communities in Sabah and Sarawak

Programme Impact and Achievements

Between 2009 and 2013, YS assisted 5,892 families. In 2013, 15 families in Sabah were involved in various livelihood programmes and have improved their overall income level by 74% from an average of RM396 per participant before YS' assistance to RM689 after receiving the assistance. Additionally, YS implemented clean water projects for 88 families in Sabah and Sarawak. In Kelantan, 55 families received small grants to set up their micro enterprises and agriculture and this has resulted in their monthly average family income increasing by 160% from RM377 to RM933 from May 2013 to Dec 2013.

Moving Forward

YS' vision is to champion building sustainable communities and exhibit an effective model that can help alleviate poverty in Malaysia. It has expanded its programmes to include two new modules in health; and habitation and basic infrastructure support. YS also has plans to implement targeted programmes to address urban poverty. Below are accounts of the success stories from participants of the YS programme.

Highlights on Selected YS Programme Beneficiaries



Karimah Yaacob, Bachok, Kelantan

Prior to April 2011 Karimah was earning RM200 a month to support her family of eight children. Via the YS Small Grants project in 2011, she received a sewing machine which has enabled her to gain additional income. Since then, she has expanded her business in the frozen food business, making pastries such as buns and doughnuts. She now earns RM3,000 monthly and is able to hire three single mothers as her staff.

Che Amat Ismail, Pasir Puteh, Kelantan

Che Amat, gained additional income of RM3,000 per harvest through planting watermelon and sweet potatoes. Since becoming a participant in the Small Grants 2.0 Kelantan programme in 2013, Che Amat has emerged as the leader supporting other agriculture participants from Kg. Hj Wan Omar. This includes helping the other participants with land preparation and negotiating fair prices for their crops with the buyers.



Erwan Manda & Lister Mihun, Pitas, Sabah

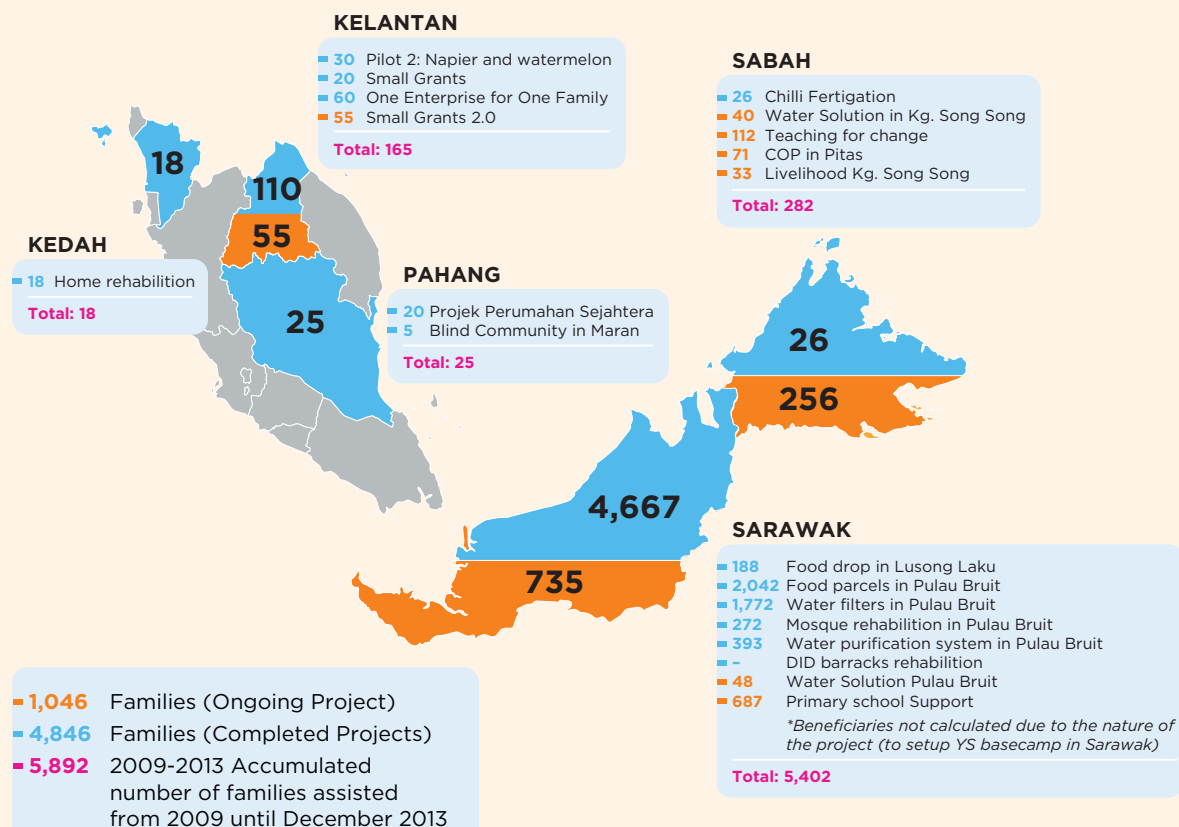
Both Erwan and Lister are local youths from Kg. Kinango, one of the villages in YS's development project in Pitas, Sabah. They had strong determination and eagerness to learn new skills. They took part in the Video Participatory project which gave them the opportunity to gain new skills in multimedia. With this new video recording skills, they are now engaged by YS as volunteers to support the implementation of projects in Pitas by collecting information, capturing images and activities in the programme. On several occasions, Lister was hired by locals as the wedding photographer for their events earning approximately RM150 for each assignment, while Erwan continues with his current work documenting YS projects.

Rosnah Otong, Pitas, Sabah

Rosnah Otong is a 37 years old housewife from Pitas who had no skills in farming when she first started but wished to gain income to help her family. Since joining the chilli fertigation programme in Pitas Sabah in 2011, she has learned agriculture skills in fertigation, organic and traditional methods. Since then, she has been actively involved in the Cooperative (Koperasi Petani Pitas Sejahtera) while participating in more entrepreneurship programmes. She is now able to gain RM300 to RM350 per harvest from her crops.



Projects implemented by Yayasan Sejahtera



Source: Sejahtera Foundation

Exhibit 5.29: Graduates Employability Management Scheme (GEMS)



Background

GEMS programme was launched in March 2009 with the objective of assisting unemployed graduates to secure employment and nurturing the careers of home-grown talents. GEMS Malaysia Sdn Bhd was established to implement the programme and in 2012, the organisation was transitioned from the PCG Secretariat to TalentCorp Malaysia.

Between 2009 to 2013, a total of 11,500 participants were trained and given opportunities to gain work experience via internship placements at 1,106 participating organisations. These organisations comprise of GLCs, MNCs, private sector companies, public sector agencies and NGOs. Out of this total, the G20 provided on-the-job placement opportunities for 1,480 graduates representing 12.9% of the total number of participants.

Programme Impact and Achievements

Since GEMS' inception, a total of 88% participants have secured employment. This encouraging rate of employment of participants is due to the structure of the programme where participants were exposed to the working environment with responsibilities that supported the development of their skills and experiences. The following page highlights how participants have benefited from the GEMS Programme.

Moving forward

GEMS has evolved from addressing a broad and general sector, to a more sector-focused and demand-driven approach. This move will ensure participants are better equipped with industry specific skills and experiences and secure jobs with leading companies in these sectors.

Highlights on Experience of selected GEMS Participants



Siti Nur Ain Adnam, Kelantan

"I am from Kampung Panchor, Kelantan. Being able to participate in the GEMS has brought out my full potential. My mentors were very passionate in sharing their expertise and experiences which encouraged and helped me tremendously. With my Bachelor of Technology (Environmental) qualification from Universiti Malaysia Terengganu (UMT), I was placed at Gas District Cooling (M) Sdn Bhd as its Health, Safety and Environment officer during the six-month apprenticeship. The experience has given me a lot of exposure and the opportunity to gain knowledge on safety issues. GEMS has given me a solid foundation to build my career as I move forward as an executive."

Hasrun Kamarudin, Terengganu

"I am from Terengganu, and obtained my degree in Computer Science (Software Engineering) at Universiti Malaysia Pahang (UMP). Upon graduation, I knew that I had to find a job with the perfect balance, in the right geographical zone, with good people to work with and the right pay. I moved to Kuala Lumpur and joined GEMS programme. I am grateful to be placed as an executive at PINTAR Foundation which spearheads a school adoption programme by corporate Malaysia to foster academic and non-academic excellence among underserved schools. I am growing personally and professionally with the skills and experiences gained. Today, I am leading a happy life, enjoying my daily experiences and am truly passionate about my job. I feel so grateful that everything has turned out well."



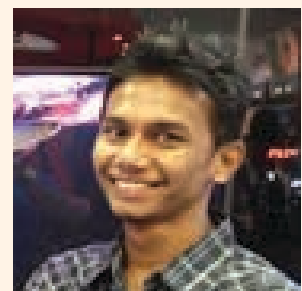
Uzma Hazwani Arif, Kedah

"After graduating from UNIMAS with a bachelor's degree in Aquatic Resource Science and Technology, I questioned whether I could adapt to a new environment since work and university are two completely different environments. The GEMS programme has really helped to boost my self-confidence to confront various challenges in my work place."

Mohd Saiful Amry Ramli, Terengganu

"Upon graduating from Universiti Malaysia Terengganu (UMT) with a Bachelor of Science in Agrotechnology (Aquaculture), I joined the GEMS programme with the hope of expanding my horizons towards a promising career. I am very happy and grateful that I was given the opportunity to work at Blue Archipelago Bhd during my six-month apprenticeship. I was a production planner working on the SAP system to plan the production of white shrimp."

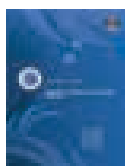
The experience has been fruitful and beneficial as it provided me with the right opportunity to kick-start my career. I can foresee a brighter future in my profession."



5.4 GLCT PROGRAMME ACTIVITIES

The GLCT Programme clocked 615 Programme man days of participation from GLICs and G20 in 2013, covering Programme meetings, engagement and syndication sessions, briefings, discussions, workshops, labs and circles, reflecting continuing commitment of the GLCT fraternity. Since the announcement of GLCT Programme in 2004 till 2013, a total of 21,785 Programme man days have been clocked by the various attendees, ranging from Chairmen and CEOs to operational line managers.

Since the launch of the GLCT Programme Initiatives, many workshops and meetings to enhance capacity, share best practices and problem solve common challenges were conducted via forums called “Initiative circles”. These circles provide a platform to advance and institutionalise the Initiatives at G20. In 2013, there has been greater emphasis on transitioning the management of Initiative circles from the PCG Secretariat to the G20 fraternity. Some Initiative circles have developed a structure to organise themselves and have appointed a chair and working committee (for a 1 to 2 year term) to manage their respective circles moving forward. The chair and working committee are expected to play a catalytic role in ensuring the various circles leverage on its network strength and deliver value to all members. The sub-sections below provide further details on recent GLCT Initiative activities.



A. Intensifying Performance Management (Blue Book)

In 2013, G20 conducted a self-assessment survey on the implementation of the Blue Book to review and identify areas for improvements. The overall findings of the survey were as follows:

- On average G20 scored 76%⁶ on the level of adoption of the Blue Book Initiatives, and
- The guidelines stated in the Blue Book still remain robust and relevant today.

Currently, the PCG Secretariat is developing guidelines on share awards for G20 to use as a reference for Long Term Incentive Plan (LTIP) implementation. At the same time, PCG Secretariat is working closely with Ministry of Human Resources and PEMANDU to align the principles of fixed term performance contracts for senior management positions with the Minimum Retirement Age (MRA) Act 2012.

As part of the transition post 2015, in the last Performance Management circle (PMC) held in November 2013, it was agreed to merge the Orange Book and Blue Book Initiative discussions at the HR fraternity level, as both circles have common interests and overlapping issues.



GLIC and G20 representatives at a GLCT meeting

⁶ G20 reporting to PCG Secretariat in 2013



B. Malaysian Directors Academy (MINDA)

MINDA aims to enhance board performance by equipping directors with knowledge, skills and mind-set to perform to a consistently high standard, and has trained 1,316 directors and other participants from 2007 to 2013. In 2013, MINDA conducted numerous programmes focusing on the theme of “Inculcating Innovation; Catalysing Growth”. The programmes can be clustered in 3 categories as follows:

- Annual Premier Programmes featuring international and local knowledge experts:
 - a. Building High Performance Directors: MINDA’s flagship programme, designed to give Malaysian directors exposure to a wide range of experience in different cultures, industries and governance frameworks, was held in Mumbai, India.
 - b. Directors Forum: 2 were conducted in Bali and Phuket. A new theme on “Innovation Zone: Unleashing the Mind-set” was introduced and was led by Ross Dawson from Australia, a new faculty member of MINDA who is globally recognised as a leading futurist and has authored numerous books on innovation.
- Customised Programmes which are specially tailored to suit the specific requirements of an organisation. 3 of such programmes took place as follows:
 - a. Women Directors On-Boarding Training Programme (WDOTP): Following MINDA’s success in running this programme in 2012, it was mandated by NAM Institute for the Empowerment of Women (NIEW), an agency of the Ministry of Women and Family Development, to organise 20 similar sessions in 2013. From 2012 to 2013, a total of 720 women have been trained.
 - b. Corporate Directors Advanced Programme: 3 new areas were introduced namely Family Business Programme, Strategy & Risks and Human Capital.
 - c. Company Programmes: Programmes were designed and conducted for several companies including Ahmad Zaki Resources Berhad, Sapura Resources, Iskandar Regional Development Authority (IRDA), MALAKOFF and Agrobank.



MINDA’s Building High Performance Directors’ programme in session

- Awareness and networking programmes for sharing of experiences:
 - a. A tea-talk by Lord Micheal Hastings and Nicholas Parker was jointly conducted with Khazanah Nasional Berhad. MINDA also organised a tea-talk by INSEAD Professor Dr. Randel Carlock on “Leading Board Challenges: Innovative Ideas for Breakthrough Performance”.
 - b. 4 breakfast talks were conducted for MINDA’s alumni members which involved the sharing of experiences from personalities such as Ms. Janice L. Semper and Ms. Linda Price of GE, YBhg Tan Sri Datuk Seri Dr Sulaiman Mahbob, Chairman, Jambatan Kedua Sdn Bhd and Ms. Beverly A. Behan, Board Advisor, LLC.

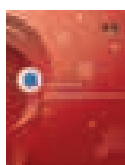
In MINDA’s effort to enhance the quality of its programmes, MINDA has in 2013:

- Successfully secured a “Grade A” training provider recognition and certification for its Corporate Directors On Boarding Programme from the Human Resource Development Fund (HRDF).
- Collaborated with Axiata to develop a case study which has been utilised for their Premier Programmes.

From 2007 to 2013, MINDA received an average participant rating of 4.4 (4 is good) out of 5 (excellent) for its Premier Programmes. MINDA aspires to continue enhancing director and board effectiveness in order to build regional competitiveness and support Malaysia’s growth towards a high-income nation by 2020.



TM Earthcamp with PINTAR students



C. Procurement Guidelines and Best Practices (Red Book)

The Red Book circle convened in 2013 to discuss various issues in procurement practices such as vendor development programmes (VDP). G20 shared their experience in implementing their VDP. G20 also shared their plans to ensure their VDPs are robust and meet the objective of producing competitive vendors in the open market. For example, TNB has completed its VDP lab and is currently refining its VDP model that is scheduled to be implemented in the second half of 2014.

Separately, some GLCs have provided inputs on VDP guidelines being developed by the Ministry of International Trade and Industry (MITI) for the manufacturing and services sector. These guidelines are scheduled to be launched in 2014.

In 2013, PCG Secretariat initiated discussions to transition the management of the Red Book circle to the G20 fraternity. A governance structure was developed comprising of a chairperson and working committee. Sime Darby was the first GLC to chair the circle from 2013 to 2014 and MAS is the current chair from 2014 to 2015. Three sub-circles have been set-up to further this objective and will each cover VDP; commodities; and people, policies and processes respectively.



D. Achieving Value through Social Responsibility (Silver Book)

In 2013, the Silver Book circle deliberated on the findings of the Silver Book self-assessment, conducted in 2012 and concluded that the Silver Book guidelines were well implemented with all members achieving high or effective performance on their corporate responsibility (CR) initiatives. G20 reported that more than 80% of their contributions generated moderate to major benefits in the areas of economic development, support of community development and other national development agenda. However, the self-assessment findings highlighted that some aspects of integrating CR initiatives into corporate strategy has room for improvement as compared to global best practices. Measuring impact of CR programmes as a standard methodology to quantify CR impact is still in its infancy for corporate Malaysia including G20. To address the gap in quantification of CR impact, the Silver Book circle plans to organise a training session on CR quantification methodology as part of its activities in 2014.

The working group also focused on developing the long term plan for the circle as it prepares for the transition of the management of the circle from the PCG Secretariat to the circle members. Various models, strategies, governance structures

were studied. The Silver Book circle concluded that going forward, the suitable approach is a combination of CR/Sustainability capacity building and training activities to advocate and influence the adoption of CR/Sustainability best practices and policies for G20.

The circle agreed to be known as Corporate Sustainability Circle (CSC), which expands from purely CR related programmes and activities into new areas of corporate sustainability looking into holistic and broader aspects of integration based on the concept of 'People, Planet and Profit'. The elected Chair of the CSC for the 2014-2016 term is Maybank Berhad with Malaysia Airport Holdings Berhad (MAHB) as Secretariat. Six Exco Members were elected and together with the Chair and Secretariat their role is to provide the steer for the circle to ensure members gain the full benefit from the various programme plans under the newly formed CSC.

With regards to programmes, the CSC will focus on core themes which, amongst others, include:

- **Promoting Responsible Business**
Responsible business as defined in the Silver Book refers to ethical business behaviours in promoting good business practices and fair competition including respect for intellectual and other property rights and work against all forms of corruption and extortion.
- **Promoting Inclusiveness**
CR programmes that ensures disadvantaged groups are supported through collaborations on programmes such as improving access and quality of education and poverty alleviation.

Various programmes have been planned, such as capacity building and training sessions, talks and forums, to deliver on the core themes which will be organised through thought leadership forums and activities, capacity building and knowledge sharing sessions, and collaborating on common initiatives in support of the nation's development agenda.



E. Framework for Continuous Improvement (Yellow Book)

G20 undertook a self-assessment on their adoption of the Yellow Book in 2013 to find out what are the mutual interests, common issues and "top of mind" areas for the G20. On the scale of 1 (poor) to 10 (very good), the G20 registered an average score of 7.3.

Subsequent to the self-assessment, a Yellow Book circle convened in 2013 agreed on the moving-forward objectives for the circle which are to catalyse continuous learning and innovation through case studies, share best practices and transfer knowledge among the GLCs. External subject matter experts may also be invited to share their knowledge and experience.

As part of the circle's transition plan, members decided to re-name the circle to Continuous Improvement Circle (CIC). Four focus areas and their respective leaders were identified and agreed to be the agenda for the sharing sessions i.e. Celcom Axiata on "Translating Ideas to Sustainable Results", Maybank on "Improving Customer Experience", Sime Darby on "Benchmarking for International Growth" and MAHB on "Innovation & Branding @ GLCs". These leaders and their members will drive the work streams i.e. work on design & content, program-manage the sharing sessions and develop documentations on key outcomes for the focus areas.



G20 representatives at the Continuous Improvement Circle (Yellow Book)



YB Senator Dato' Sri Abdul Wahid Omar, Minister in the Prime Minister's Department (left) at the 7th Leadership Development Circle

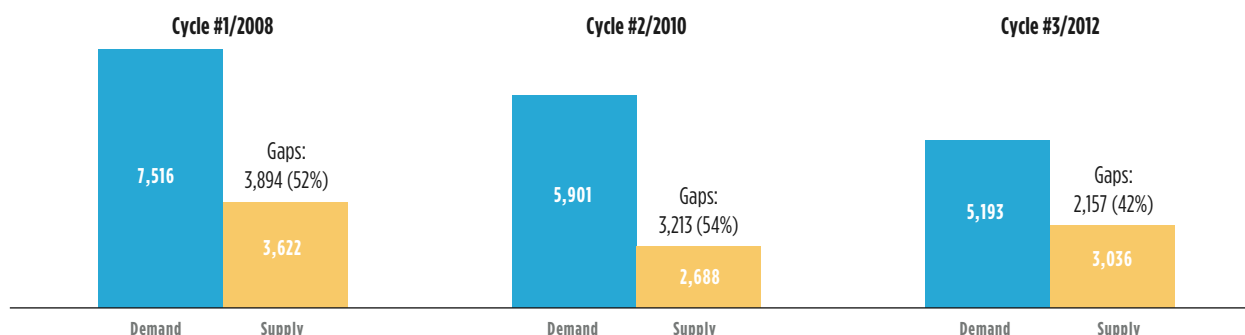
The circle management is currently transitioning from PCG Secretariat to the G20 fraternity. The key is to ensure G20 gain good outcomes and learnings from this grouping. If G20 value the power of continuous learning, collaboration and networking, CIC could be the structure for transition for Yellow Book post-July 2015.



F. Strengthening Leadership Development (Orange Book)

Based on the last Leadership Development Audit (LDA) conducted in 2012, the leadership gaps (talent supply vs talent demand) of 2,157 (42%) leaders were required to fill leadership positions over the next three years at G20. This figure was an improved reduction from the LDA of 2010, where 3,213 (54%) leaders had to be identified (Exhibit 5.30). The reduction in the leadership gaps were attributed to improved alignment of business and people strategies and better assessment tools used to identify future leaders from the current talent pool, as part of succession plans.

Exhibit 5.30: Leadership Development Audit Results – Leadership Gaps at G20

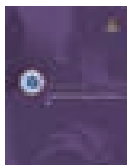


Note: Figures represent the number of talent demand vs talent supply at G20
Source: G20 reporting to PCG Secretariat

The major achievement of the Orange Book Initiative in 2014, was the implementation of Upward Mobility Scheme (UMS), launched by YAB Prime Minister via the 'PR1ME' Programme (refer to Special Feature section for more detail information on the 'PR1ME' programme).

Other G20 achievements include the full implementation of Minimum Wage (MW) Policy effective 1 January 2013 and compliance with the Minimum Retirement Age (MRA) Act effective 1 July 2013.

The implementation of MW for the labour workforce is meant to address the rising cost of living in Malaysia. The implementation of MRA to 60 years of age is in line with the practice of other developed nations to cater for the rising age of population and to allow additional productive years into the workforce.



G. Optimising Capital Management Practises (Purple Book)

G20 have been continuously improving their capital management practices, with returns to shareholders increasing significantly through diligent financial management. G20 have been

gradually deleveraging their balance sheets, where appropriate, through a combination of stronger retained earnings and equity cash calls, resulting in a significant risk reduction in their capital structure.

The Purple Book circle convened in 2013 to discuss various issues including preparations required for GST implementation, Malaysia's economic outlook and the way forward for transitioning the management of the circle from PCG Secretariat to circle members.

As part of the circle's transition plan, members agreed to re-name the circle to "CFO Circle". The circle discussed objective, structure, content and transition timeline for the CFO Circle. The CFO Circle will comprise of a working committee and chairperson to manage the circle moving forward. The chairperson and working committee are also responsible to act as catalysts to ensure the circle leverages the power of the network and delivers value to all members.

The circle members also suggested the idea of including other selected GLCs (non-G20) and the private sector in the network to synergise and learn from each other's experiences. The circle also serves as a platform for greater knowledge sharing, synergy and for institutionalisation of the Initiative's best practices. CFO Circles will discuss topics of common interest such as financial industry talents, standards and new trends (e.g. regulations, business analytics, TPPA, GST) and use of technology in finance or capital management-related work.



G20 CFOs in discussion at the CFO Circle



A breakout session at the Regulatory Management Circle (White Book)



H. Creating Value through Regulatory Management (White Book)

In 2013, G20 conducted a self-assessment on their implementation of the White Book to identify areas for improvement. Findings from the self-assessment were also intended to enable design of future White Book circles that will provide greater value to the participants. G20 on average scored 7.5 on a scale of 1 (poor) to 10 (very good).

Following the self-assessment, a White Book circle was also conducted in 2013 to discuss the self-assessment findings and more importantly determine how the circle will be conducted, particularly post GLCT Programme completion in 2015. The circle agreed that:

- The circle ought to continue post 2015 and that the circle will be called the Regulatory Management Circle (RMC) moving forward
- Key areas of focus will include “working better with the regulator”, “dealing with multiple regulators” and “setting up of a best practice regulatory affairs function”

- The RMC will convene twice a year, with more informal meetings conducted as and when the need arises
- RMC will be led by a chair and a group of working committee members elected into office for a 2-year term (TNB was elected as the first RMC chair while Axiata, CIMB, MAS, Maybank and Sime Darby were voted in as the committee members)
- The chair and working committee’s main role is to be a catalyst to ensure the circle is successful and delivers value to participants

The most recent RMC was conducted in April 2014. It was themed “Achieving breakthroughs with local and foreign regulators” and consisted of a panel session where Axiata, CIMB, Maybank and TNB shared their experiences in dealing with regulators.

Moving forward, the RMC working committee aims to ensure that the value provided by future RMCs will enhance the participants’ effectiveness in regulatory management and ultimately enable them to create better outcomes for their industries as a whole. The more this can be done, the more meaningful the RMC will become and the more likely it will gain a strong momentum moving forward and beyond 2015, for the benefit of all its members.

6

SPECIAL FEATURE ON DIVERSITY, INCLUSIVITY & SUSTAINABILITY

*TH Plantation's eco-friendly integrated pest management
technique using Turnera Subulata flowers*

*Axiata is one of the largest
Asian telecommunication
companies focused on high
growth low penetration
emerging markets*

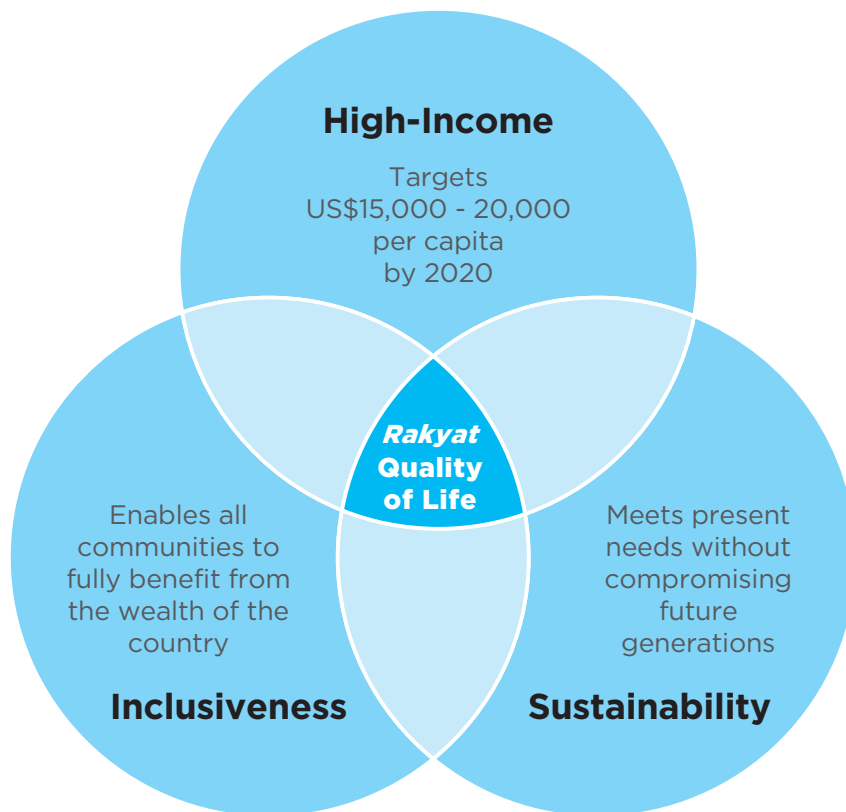


SPECIAL FEATURE ON DIVERSITY, INCLUSIVITY & SUSTAINABILITY

As Malaysia progresses towards becoming a developed nation by 2020, there is a need for all companies, including GLCs, to play a key role in ensuring this is achieved in an inclusive and sustainable manner, as stated in the New Economic Model (NEM) (see Exhibit 6.1).

In this regard, YAB Prime Minister had a dialogue session on 9 April 2014 with leaders of the top 50 public listed companies (by market capitalization), which included CEOs of many G20 companies. YAB Prime Minister urged the captains of industries to elevate inclusivity and sustainability practices in their organisations and in doing so, demonstrate leadership in these areas to the rest of corporate Malaysia.

Exhibit 6.1: Goals of the New Economic Model



Source: New Economic Model for Malaysia Part 1, National Economic Advisory Council (NEAC), 2009

6.1 INCLUSIVITY THROUGH WORKFORCE DIVERSITY, WORK-LIFE PRACTICES AND BUMIPUTERA AGENDA

A. Workforce Diversity and Work-Life Practices

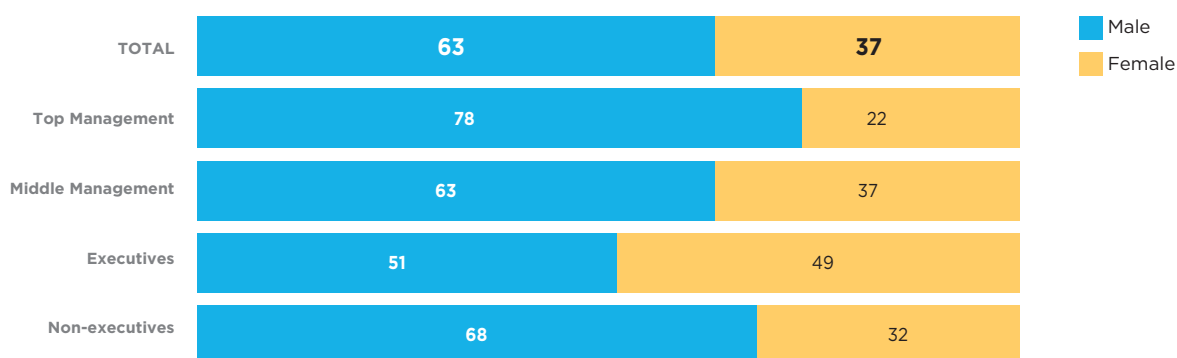
At the April 2014 dialogue session, YAB Prime Minister mentioned that inclusiveness involves ensuring diversity of our workforce, in terms of gender, ethnicity and age, and that these details should be disclosed in company annual reports. He added that diversity is a source of strength for Malaysia and our market differentiator, and should therefore be leveraged.

In 2013, G20 and their listed subsidiaries (one level below) had 12.9% of their board positions occupied

by women, showing there is room for growth to hit the Government's target of 30% by 2016. In the same year, G20's total Malaysian female labour participation rate was 37% (Exhibit 6.2), and this is comparable to the 38% female labour participation rate in 122 public listed companies, based on a survey conducted by PwC¹. Meanwhile, G20's Malaysian female labour participation rate at top management level of 22% is also comparable to the same survey pool which has a top management female labour participation rate of 24%.

On ethnicity, G20's total workforce ethnic composition can better reflect Malaysia's ethnic composition (Exhibit 6.3). However, their top management ethnicity of 67% Bumiputera compares favorably with the 34% Bumiputera in the PwC survey pool.

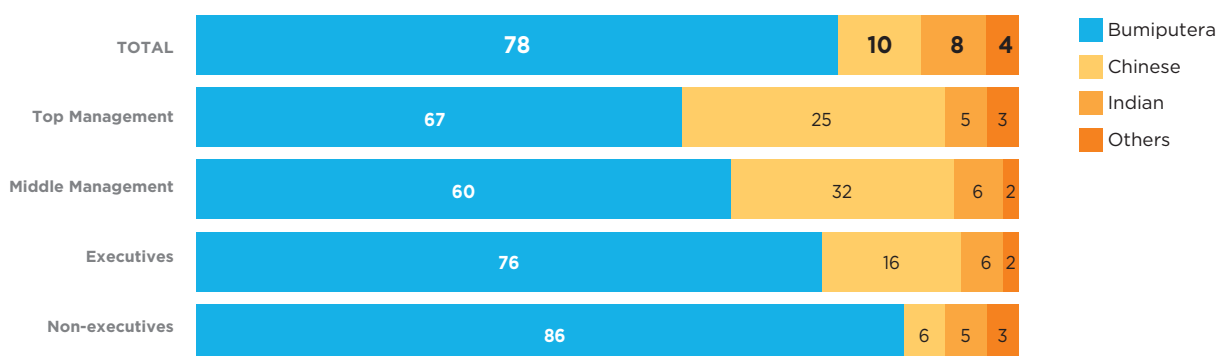
Exhibit 6.2: G20 Malaysian Workforce – Gender by Positions in 2013 (%)



Top Management: CEO and direct reports to the CEO; Middle Management: 2 to 5 levels below the CEO; Executives and Non-executives: 6 levels or more below the CEO

Source: G20 reporting to PCG Secretariat

Exhibit 6.3: G20 Malaysian Workforce - Ethnicity by Positions in 2013 (%)



Top Management: CEO and direct reports to the CEO; Middle Management: 2 to 5 levels below the CEO; Executives and Non-executives: 6 levels or more below the CEO

Source: G20 reporting to PCG Secretariat

¹ "Diversity in the Workplace" survey conducted by PwC and commissioned by TalentCorp in September 2013



YAB Prime Minister's dialogue session with the captains of the top 50 listed companies

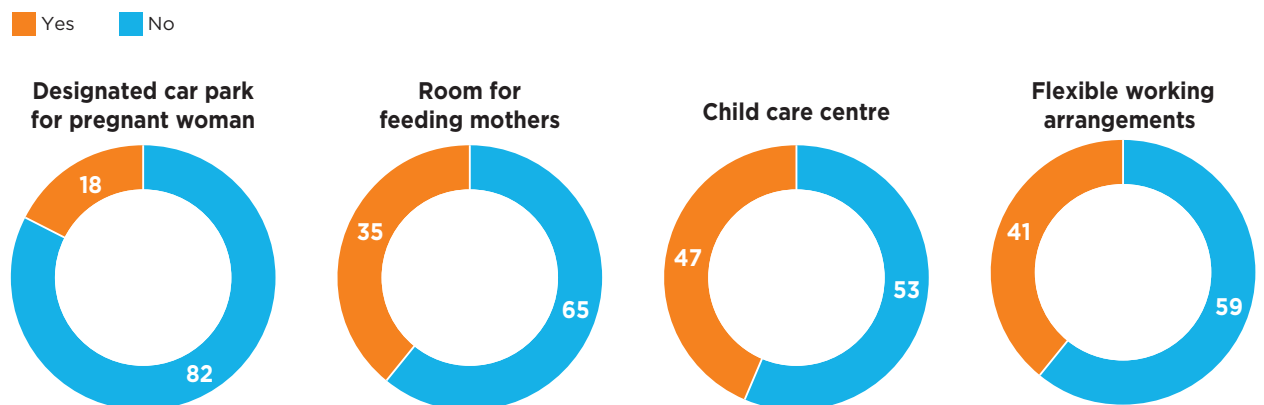
In addition to diversity in the workforce, there is also a need to promote work-life practices aimed towards better attracting and retaining women in the workforce. The work-life practices include:

- 1) **Family-friendly facilities at the workplace** – designated car park for pregnant women, mothers' room for feeding babies and childcare centers;
- 2) **Flexible work arrangements** – shift swapping, project-based work, staggered hours, seasoned work, leaving early from work, flexi hours, reduced/part time work, telecommuting, job sharing and virtual work; and

- 3) **Work-life benefits** – paternity leave, study/exam leave, sabbatical leave, family care leave, extended maternity leave, childcare subsidy and support network.

Based on some statistics below (Exhibit 6.4), more G20 companies should adopt family friendly facilities and flexible work arrangements. Moving forward, they are talking steps through the HR circle to ensure better work-life practices are being offered to the employees.

Exhibit 6.4: Status of G20 Adoption of Selected Work-life Practices (%)



Source : G20 reporting to PCG Secretariat

Meanwhile, Axiata and Maybank are some examples of GLCs who are leading the way in promoting diversity and work-life practices in their organisations (Exhibit 6.5 and 6.6).

Exhibit 6.5: Highlights of Axiata's Workforce Diversity and Work-life Practices

- Axiata, one of the largest telecommunications companies in Asia, is committed to promote gender, ethnic and age diversity to attract and retain top talent. They have more than 50 nationalities working across 9 operating companies and affiliates. 30% of their workforce is women, and in Malaysia, this figure is higher at 40%.
- Axiata hires top fresh graduates for their talent pipeline to create age diversity in their workforce. This is especially crucial in an industry where a large proportion of their consumers are young people.
- Axiata cultivates a climate of diversity and inclusiveness among employees by treating them with respect regardless of their backgrounds, cultures and experiences. They also provide equal access and opportunities in terms of recruitment, retention and training and learning development. In the foreign countries they operate in, the local hires are provided with opportunities to rise to the top job in the respective foreign operations. The foreign employees are rotated in different markets for exposure, including postings at the headquarters in Malaysia.
- As such, they have an internal pipeline of leaders from a diverse group of nationalities to draw on for their succession planning. For the top leadership positions across the Group, every leader has two potential successors.



Axiata's executives at their KL Sentral office

Source: Axiata

Exhibit 6.6: Highlights from Maybank's Workforce Diversity and Work-life Practice

- Maybank's Mission - "Humanising Financial Services from the heart of Asia" steers the bank to recognise that diversity & inclusivity and great workplace practices deliver sustainable high business performance.
- Maybank's workforce of 47,771 employees represents over 30 nationalities, with 26,949 employees in Malaysia representing the racial composition of the country. The average age of Maybank's workforce is 36 years old, with 30% comprising of Gen-Y staff, and Baby Boomers at 15%.
- Women represent 34% of top management at the group level, more than the double the representation from the previous year. Women also represent 45% of middle management positions in Maybank. Maybank's "People Dashboard" monitoring discipline and initiatives like "Women Mentoring" and "Creation of Pipeline Pools at All Levels" amongst others, have contributed directly to the results achieved to-date.
- Maybank has also setup the "Maybank Tiger Cub Centre" - an emergency childcare centre for staff, and formalised the "Flexible Work Arrangement (FWA)" policy in 2013 to create flexible working conditions and enable work-life practices.



Maybank's Tiger Cub Center

Source: Maybank

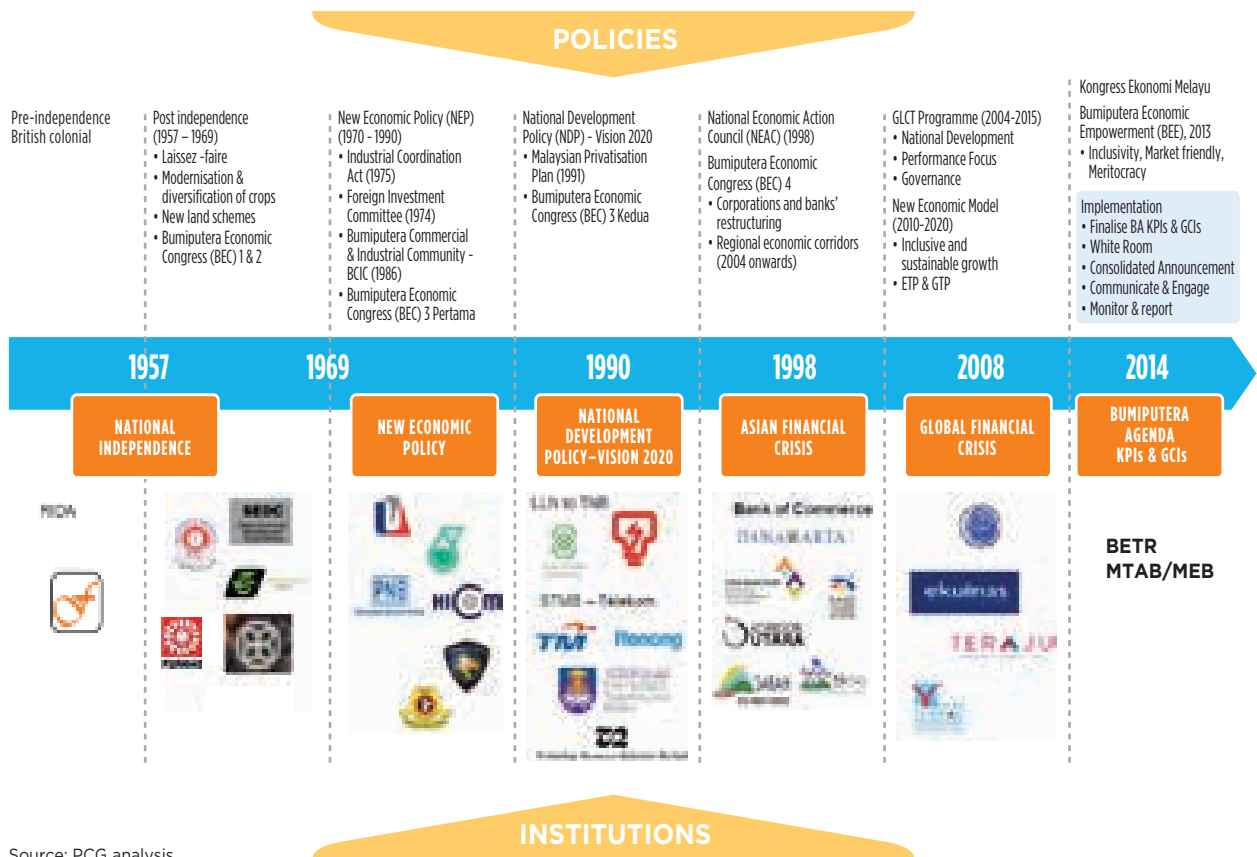
B. Bumiputera Agenda

Background

Bumiputera Agenda is a national agenda that has seen numerous efforts by the Government to address ethnic income disparity and ensuring the fruit of national development is distributed to all citizens in an equitable manner.

Major Bumiputera Agenda related discussions continued in 1965 with the inaugural Bumiputera Economic Congress (BEC). The establishment of Bank Bumiputera was a notable outcome from one of the resolutions of the Congress. The second BEC was held in 1968 prior to the launch of the New Economic Policy (NEP). Three other BECs followed thereafter with the last congress held in 1999 (Exhibit 6.7) which established various guidelines for Bumiputera in business.

Exhibit 6.7: Bumiputera Agenda - Selected Chronology Highlights



Source: PCG analysis

Between 1970 and 1990, the national economy moved forward in great strides following the introduction of NEP to eradicate poverty and restructure the society. Institutions were created as instruments for rapid national growth in line with the objectives of NEP. Institutions established to support BA included among others, Lembaga Tabung Haji (LTH), Majlis Amanah Rakyat (MARA), Federal Land Development Authority (FELDA), Urban Development Authority (UDA) and Perbadanan Nasional Berhad (PERNAS). Permodalan Nasional Berhad (PNB) was also set up during this period which launched the inaugural Amanah Saham Nasional Scheme in 1981.

In 1991, the National Development Policy (NDP) was introduced to enhance NEP's objectives and to support the aspiration of Vision 2020. The GLCT Programme, launched in 2004, incorporated Bumiputera Agenda as one of its underlying principles for national development. The Government Transformation Programme (GTP) launched in 2009, identified seven National Key Result Areas (NKRAs) to address, among others, issues of inflation and rising cost of living. This was followed by the New Economic Model (NEM), introduced in 2010 with aspirations to transform Malaysia into a developed, high-income nation with balanced growth, inclusiveness and sustainability, setting the stage for Bumiputera to be on level playing field with other communities come 2020.



Bumiputera entrepreneurs showcasing their products and services at SMIDEX 2013

Bumiputera Economic Transformation Roadmap (BETR) was launched in 2011. Built upon the achievements in promoting the Bumiputera Agenda in the last 40 years, it was another significant step forward by the Government to further enhance Bumiputera participation in the Malaysian economy via wealth creation, develop balanced employment in high-value-add areas and to promote entrepreneurship opportunities. The BETR mapped the journey required to ensure once Malaysia becomes a developed and high-income nation by 2020, the Bumiputera community are well represented in high-income jobs. This will also enable the Bumiputera community to own and be in control of large companies, and have greater participation in high growth sectors. Some key observations and statistics on Bumiputera Agenda efforts over the years are stated in the following areas:

i. Poverty

- a. The Bumiputera incidences of poverty dropped from 64.8% in 1970 to 2.2% in 2012.¹

ii. Bumiputera household income and ownership

- a. Net monthly household income increased from RM172 in 1970 to RM4,457 in 2012.¹
- b. As at 2012, even though on the upward trend, household ownership was only 26.1%, commercial properties was at 5.4%, industrial properties at 0.9%.²

iii. Entrepreneurship

- a. Majority of Bumiputera businesses tend to be small scale and micro enterprises, with 65% of them generating revenue of less than RM250,000 annually. 42% of businesses owned by Bumiputera have less than five employees while 21% have between 5-50 employees.³
- b. Bumiputera controlled companies with majority shareholding make up only 25% of approximately 800,000 companies registered in Malaysia.³

iv. Equity

- a. In the context of corporate equity, Bumiputera ownership is still short of the Government's target of 30%. Effective control by Bumiputera in corporations currently is only around 10%.⁴
- b. Bumiputera ownership of share capital at par value was 21.9% in 2008, also short of the 30% target. There has been relative stagnation of gains from 1990 when Bumiputera owned 19.3% of share capital.³
- c. Bumiputera corporate equity ownership tends to be higher in sectors with smaller GDP contribution. For example, Bumiputera corporate equity ownership is highest in construction (36.4%), but this sector's contribution to GDP is only 3.3%. In contrast, Bumiputera ownership in manufacturing sector, which contributed 26.6% of GDP is only 11.3%.³

¹ TERAJU, Bumiputera Economic Empowerment, Economic Planning Unit

² TERAJU, Bumiputera Economic Empowerment, National Property Information Center (NAPIC)

³ TERAJU, Bumiputera Economic Transformation: A Roadmap

⁴ YAB Prime Minister's speech on Bumiputera Economic Empowerment, 14 September 2013

v. Human Capital

- a. On average, Bumiputera represent 45% of professionals in the country⁵
- b. In 2011, average monthly income of the Chinese was higher than Bumiputera by a ratio of 1:1.43⁶

Despite the various efforts and notwithstanding the achievements in certain areas, Bumiputera are still lagging in many other sectors. This is a concern especially considering Bumiputera comprise more than two thirds (67.9%) of the country's population⁶. These shortcomings suggest that more efforts are needed to bridge the inequality gap.

From the shortcomings described above, it was clear that the inequitable wealth distribution needed to be improved and to pave the way for the Nation to grow with inclusiveness and sustainability. The country needs to balance between the "capital economy" for growth and "people economy" for sustainability. Under this context, YAB Prime Minister launched the Bumiputera Economic Empowerment (BEE) initiatives in September 2013 and outlined five focus areas:

- 1. Enabling Bumiputera Human Capital** - Enable and empower Bumiputera in the workforce by matching their qualifications and skills with market requirements.
- 2. Strengthening Bumiputera Equity Ownership in the Corporate Sector** - Encourage participation in business ownership via share ownership, especially among the middle-income group.
- 3. Strengthening Bumiputera Non-Financial Assets** - Bumiputera are lagging in non-financial asset ownership such as houses, industrial premises and commercial complexes. Improvement was required.
- 4. Enhancing Bumiputera Entrepreneurship and Commerce** - Improve participation of Bumiputera by enhancing capability and capacity, access to technologies, and better access to funds, capital and markets.
- 5. Strengthening the Service Delivery Ecosystem** - In ensuring the socio-economic developments of Bumiputera are effectively implemented, the government delivery system will be streamlined and compacted to create an efficient, comprehensive and constructive ecosystem (Exhibit 6.8).



YAB Prime Minister announcing the Bumiputera Economic Empowerment initiatives

⁵ TERAJU, Bumiputera Economic Empowerment, Economic Planning Unit & various professional organizations

⁶ YAB Prime Minister's speech on Bumiputera Economic Empowerment's, 14/09/2013

Exhibit 6.8: Summary of BEE Focus Areas

Focus Areas	1	2	3	4	5
	Enable Bumiputera Human Capital	Strengthening Bumiputera Equity Ownership in the Corporate Sector	Strengthening Bumiputera Non-Financial Assets	Enhancing Bumiputera in Entrepreneurship and Commerce	Strengthening the Service Delivery Ecosystem
Focus for Related Agencies, Companies, etc.	To empower Bumiputera students by matching their qualifications and skills with market needs	To encourage Bumiputera participation, especially middle-income group, in owning shares	To address the lag in non-financial asset ownership (e.g. houses, shop-lots, commercial premises)	To enhance Bumiputera participation in addressing outdated technology, limited access to fund & markets	To create an efficient, comprehensive and constructive ecosystem
Specific Focus for GLICs/GLCs	1 To improve marketability of unemployed Bumiputera graduates via GEMS/SLIM programme	2 PNB has launched Skim Amanah Saham Bumiputera 2 with an injection of 10 billion share units	3 Related GLICs and GLCs in property sector to expand the development of non-financial asset ownership (e.g. houses, shop-lots, commercial premises) for Bumiputera	4 GLCs (incl. TNB, TM, Axiata, UEM, Sime Darby) to enhance their VDP 5 To expand carve out policy 6 Creating anchor companies for supply chain 7 To include Bumiputera in procurement activities	

Adapted from YAB Prime Minister's speech at the launch of Bumiputera Economic Empowerment, 14 September 2013

YAB Prime Minister also informed further seven areas specifically meant to be implemented by GLICs and G20 to ensure the Bumiputera community can reap the benefits of national development equitably. The seven areas are:

- 1. Vendor Development Programme (VDP)** - G20 including TNB, TM, Axiata, UEM, and Sime Darby are required to enhance their VDP programmes and strengthen supply chains in their respective sectors. Other GLCs are expected to implement their own VDPs.
- 2. Anchor Company** - GLICs and G20 are expected to anchor or initiate efforts to create several anchor companies to develop Bumiputera supply chain consortiums in high potential and value adding areas.
- 3. Carve-Out** - GLICs and G20 are expected to introduce or expand their carve-out policy on big projects to create greater opportunities for Bumiputera.
- 4. Human Capital** - GLICs and G20 are expected to support the marketability improvement of unemployed Bumiputera graduates via Graduate Employability Management Scheme (GEMS) and Skim Latihan 1Malaysia (SLIM).

5. Non-Financial Asset - In order to improve Bumiputera ownership of non-financial assets such as houses, shop-lots, and commercial premises, GLICs and G20 involved in the property sector are expected to expand development of affordable properties for Bumiputera.

6. Amanah Saham Bumiputera 2 (ASB2) - PNB has launched ASB2 scheme with an injection of 10 billion share units to encourage more Bumiputera ownership of shares.

7. Procurement - GLICs and G20 are expected to have fixed targets on Bumiputera participation, including procurements awarded to vendors.

Bumiputera Empowerment Agenda (BEA): GLICs and G20s' Response to BEE


In response to YAB Prime Minister's expectations of the GLICs and G20 in his BEE speech, the PCG, in November 2013, established the Bumiputera Empowerment Agenda (BEA), together with guidelines for GLICs and G20 (Exhibit 6.10). Subsequently, the initial KPIs and GCIs were presented at the PCG meeting in April 2014. The PCG also acknowledged the challenges anticipated and interventions required in implementing the BEA initiatives.

Principles

- i. The implementation of the KPIs and GCIs by the GLICs and G20 could only be carried out within the operating boundaries and through the existing levers. As Bumiputera Agenda is a

national agenda and recognising that “it takes a village to advance it”, the effort requires all relevant stakeholders to participate and play their roles to deliver the BEA aspiration of creating independent and progressive Bumiputera (Exhibit 6.9).

Exhibit 6.9: “It takes a village” to advance Bumiputera Agenda

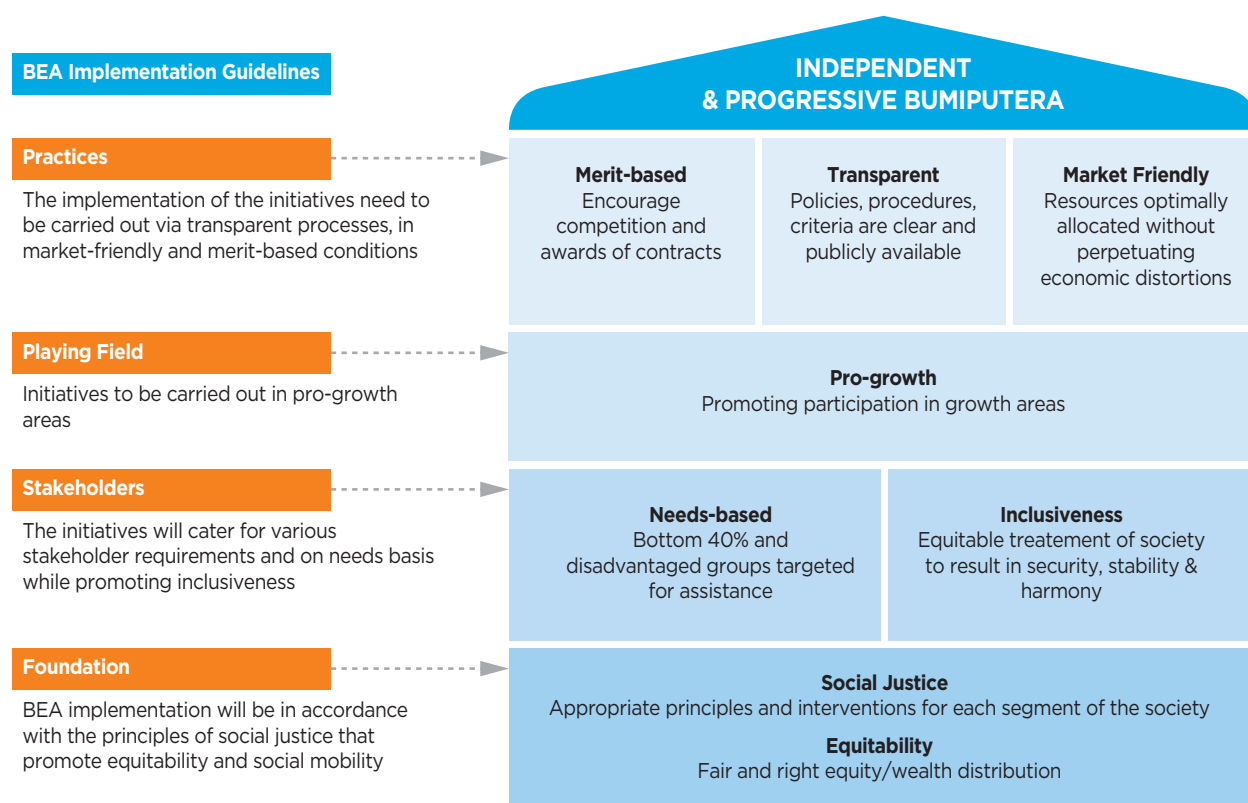
Sector	Role	Functions that can support Bumiputera Agenda	Examples
Government 	1. Govern the Nation	Bumiputera Agenda is a national agenda. Government to secure supports of all parties to play the role and contribute towards Bumiputera Agenda	<ul style="list-style-type: none"> Government procurement policy GLC & MNC procurements Participation of private sector & non-bumiputera entities
	2. Regulator	Policies under Competition Act, Minimum Wage, Minimum Retirement Age Act, etc	<ul style="list-style-type: none"> Horizontal Regulator: Competition Commission Sector Regulator: MCMC, EC, SC, BNM International Commitments (Treaty, FTAs)
	3. Policy Maker	Determines policies in support of Bumiputera Agenda as a national agenda	<ul style="list-style-type: none"> Privatisation Social Development Social Safety National Policies
	4. Development Agencies	Developmental assistance to business, entrepreneurs, public Execute national agenda and developmental programmes Collaborate with relevant entities for coordination of implementation & delivery	<ul style="list-style-type: none"> Statutory bodies/EDO/IDO e.g. MARA, TEKUN, PNS, MDeC, PUNB, SME Copr SEDCs
	5. Developmental Funding Institutions	Developmental financial assistance to businesses, entrepreneurs within specific mandates	<ul style="list-style-type: none"> Agro Bank, MDV, Bank Rakyat, MAVCAP, SME Bank, CGC, EXIM Bank
	6. Shareholder	Strategic investments in line with national agenda – to professionalise & operationalise BEA KPIs in GLCs	<ul style="list-style-type: none"> MKD (Socio economic) Ekuinas (Private-equity fund mgmt promoting Bumiputera participation) 1MDB (Strategic development) Khazanah - strategic investment arm 
	7. Guarantor/Trustee	Trust Funds - Investment and generating returns to depositors/contributors/unit holders	<ul style="list-style-type: none"> EPF – via enactment, manages employees' retirement fund MBSB MRCB
Private	Businesses: 1. Bumiputera 2. Non-Bumi 3. MNCs	Generate economic activities, support, adopt and implement Bumiputera Agenda as appropriate	<ul style="list-style-type: none"> LTAT – via enactment, custodian of armed forces retirement fund AFFIN HOLDINGS E
Other Sectors	Special purpose entities: 1. NGOs 2. Waqaf 3. Zakat	To support Bumiputera Agenda through selective engagements and communications	<ul style="list-style-type: none"> LTH – via enactment, manages ummah's savings to enable pilgrimage BMB HOLDINGS BERHAD TH PLANTATIONS BERHAD PNB - via Yayasan Permodalan Bumiputera, enable Bumiputeras to participate in nation's wealth through ownership of shares ccm Maybank Sime Darby UMW

Private Sector
Other Sectors
Scope of GLCT Programme

Source: As presented by Khazanah Nasional Berhad to Majlis Tindakan Agenda Bumiputera (MTAB) meeting on 18 November 2010 with adaptation

- ii. The implementation of the BEA KPIs and GCI by the GLICs and G20 should be guided by principles such as merit-based, transparent, market friendly, pro-growth, needs-based, inclusiveness, social justice and equitability (Exhibit 6.10).

Exhibit 6.10: Guidelines for GLICs and G20 on BEA Initiatives



Source: PCG analysis

Direction

Based on lessons learnt from previous Bumiputera Agenda initiatives, together with higher expectations on GLICs and G20, the BEA effort needs to be approached in the following manner:

1. BEA efforts need to be professionalised: By professionalising BEA, it means the undertakings need to be structured and designed such that it will be given serious commitment, rigour and intensity. This is necessary given the opportunities, resources and time limitations faced by GLICs and G20.

- Firstly, BEA needs to be high on the corporate agenda, stewarded and governed at board level in order to gain the attention and sustain the momentum it requires to succeed.
- Second, BEA KPIs need to be established and embedded into existing corporate scorecards in order to institutionalise change and effectively manage performance.

- As BEA is a national agenda, progress of the KPIs will be reported to YAB Prime Minister in an appropriate periodic forum.
- A “White Room” approach i.e. a one-to-one, closed-door session will be used to facilitate confidential discussions on related issues, potential roadblocks and assistance required. These one-on-one discussions will be strictly between the Government (chaired by YAB Prime Minister) and respective GLIC and GLC Heads.

2. The above BEA approach will be operationalised in four ways:

- Intensify - Deepen and widen further the BEA programmes and activities through existing GLCT initiatives and the five roles of GLCs in support of the NEM.
- “Compulsory Pass” (or ‘Switch’) - The BEA KPIs will be rolled out in the 2014 budget/planning cycle with appropriate weightage assigned to create significance (recommended minimum of 10%, to be

decided by respective GLIC and G20 boards). As BEA is of national importance, GLICs and G20 must “pass” BEA KPIs (akin to ‘switch’) to be considered as successful performance. Failure in BEA KPIs is not an option. The KPIs will need to cover the areas as mentioned in the BEE Speech by YAB Prime Minister.

- c. Target Setting - In order to facilitate realistic target setting for 2014, GLICs and G20 will need to establish their respective baselines (starting current position), either based on cumulative achievements of past years or using 2013 achievements only.
- d. 2014 Big Impact - GLIC and G20 need to identify and announce at least one major KPI or game changing initiative (GCI) for 2014 that will give major impact to Bumiputera fraternity.

3. Effective Engagement needed for BEA to be successful. As mentioned earlier, success for BEA will “take a village”, i.e. will require support from all parties. Thus, orchestrating the necessary engagements with all parties (in appropriate channels and platforms) about BEA efforts, explaining the impact and informing achievements are paramount. By so doing, it will

help set the right perceptions, inform facts, and communicate progress, alert challenges, garner understanding and advocacy. The feedback obtained also serves as ground barometer and can provide necessary check and balance.

Challenges to Implement BEA KPIs and GCIs

As experienced in past effort, the implementation of Bumiputera Agenda has been challenging and daunting. The key challenges in implementing BEA would include inter alia high expectations from the Bumiputera community, inefficient ecosystem and fatigue from previous programmes.

Intervention Required to Implement BEA KPIs and GCIs

Interventions are needed in 4 areas to mitigate challenges:

- 1. Constant Stewardship:** Due to the complexity and scale of BEA effort, appropriate support is required and roadblocks are overcome, allowing delivery of outcomes and results. The setup of governance, regular reporting and engagements with relevant parties are mechanism to help better stewardship.



Syndication process with key stakeholders during the TNB VDP Lab

2. Effective Programme management: The scale and complexity of the BEA effort with multiple players will require effective coordination and programme management. Clear milestones, targets, success measures, timelines need to be agreed, monitored, tracked and reported. Continual engagements with the various stakeholders will need to be orchestrated for better understanding, support and advocacy. To address skepticism, to build trust, confidence and momentum, the GLICs and G20 need to gear themselves towards delivery of tangible quick-wins that will touch the lives of Bumiputera community. The monitoring and reporting to various governance platforms such as the PCG and MEB must be intense with fast corrective actions applied where needed.

3. Strengthening Bumiputera Community: GLICs and G20 can help improve capabilities of Bumiputera community by strengthening/rationalising their BEA programme and providing resources, expertise, and opportunities. The Government can support to improve inclusiveness among the Bumiputera community, with a well distributed funding assistance and infrastructure development programme.

4. New and Existing Policies: The Government can contribute to create a responsive ecosystem for BEA through the introduction of new policies and strict enforcement of existing policies.

Bumiputera Agenda in GLICs and G20

GLCT Programme

The GLCT Programme also provided direction for the progress of Bumiputera Agenda. One of the Programme's key underlying principles is the national development agenda which include principles of growth with equity and development of the Bumiputera community (Exhibit 6.11).

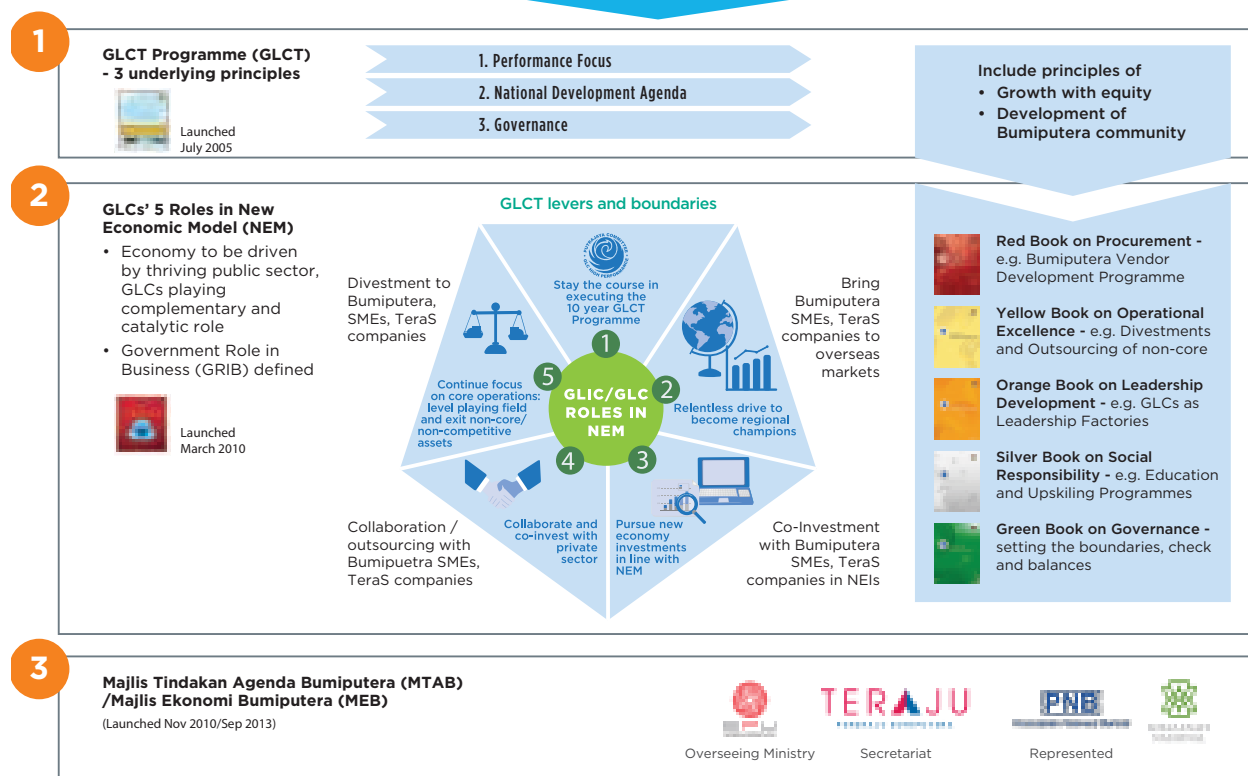
Achievements of GLICs and G20

The GLCT Programme has garnered success in the areas of procurement, Bumiputera vendor development program, human capital and corporate responsibility (CR), among others.

Exhibit 6.11: GLCT Programme

GLCs in advancing Bumiputera Agenda are guided by...

Bumiputera Agenda (National Agenda)



Source: PCG analysis



One of the engagement programmes with Bumiputera SMEs

Procurement

In supporting Bumiputera participation in the economy, the G20 continued to provide opportunities to capable Bumiputera suppliers. In 2013, 13,623 Bumiputera suppliers are registered with G20 and Bumiputera suppliers have secured a total of RM18.5 billion worth of contracts from the G20.

TeraS Programme - business sharing session

Unit Peneraju Agenda Bumiputera (TERAJU) via the High Performing Bumiputera companies (TeraS) programme, is actively identifying qualified Bumiputera companies to be registered with the G20. As of April 2014, TERAJU has selected 565 TeraS companies, of which 380 are registered in the G20 suppliers list. 98 TeraS companies were awarded contracts by the G20 in 2013.

To facilitate the interaction between TeraS companies, G20 and private sectors, business sharing sessions are organised on regular basis by TERAJU and PCG Secretariat under the GLCT Programme. In a related development, TERAJU is in the process of launching the TERAJU Exchange as a one-stop Bumiputera information centre and as the platform for active business interaction between Bumiputera suppliers and their potential customers. Currently on a trial run, the portal is expected to be launched later this year.

Bumiputera Vendor Development Programme (BVDP)

Under the programme, four G20 companies have been implementing VDPs while three others are currently developing their programmes. In 2013, the four G20 companies have benefited 1,314 Bumiputera vendors.

From 2004 to 2013, approximately 88 Bumiputera vendors have graduated from the programme.

In May and September 2013 TNB convened the VDP Labs, facilitated by Khazanah to produce an enhanced VDP model for TNB (which can also be adopted by other G20). TNB is now securing the approval for the implementation later in 2014.

Enable Bumiputera Human capital

Human capital is a key enabler in achieving wealth creation among the Bumiputera community. The G20 have provided scholarships and funds for both undergraduate and post graduate studies in local and international institutions to qualified candidates. From 2004-2013, scholarships amounting to approximately RM441 million were awarded to approximately 86,000 Bumiputera students.

The G20 are also providing opportunities to unemployed graduates to enhance their marketability through GEMS/SLIM programmes,

benefiting a large number of Bumiputera graduates. To-date, 11,000 graduates have benefited from these programmes with 88% having secured permanent employment.

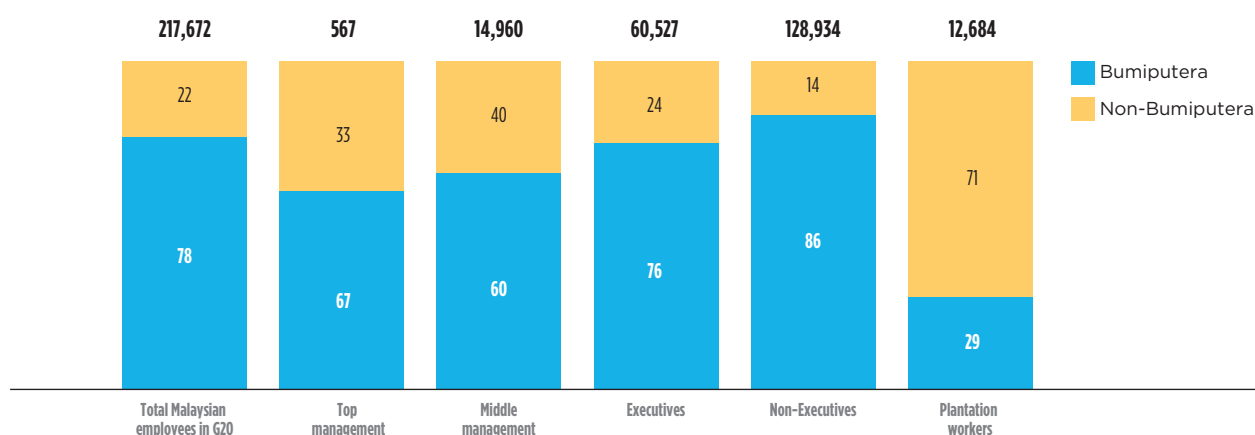
In the workforce category, G20 employ 217,672 Malaysians, of which 78% are Bumiputera who are also well represented at all levels of position (Exhibit 6.12). The GLCT Programme also promotes the importance of having effective Board members through continuous learning. The Malaysian

Directors Academy (MINDA) was set up to provide various training programmes. Since its inception, MINDA has trained 1,316 number of directors and other participants from 2007-2013, of which 924 are Bumiputera.

Improving Standard of living

Various CSR initiatives have been implemented that have benefited majority of Bumiputera stakeholders. The PINTAR Programme has adopted 303

Exhibit 6.12: Ratio of Bumiputera employees against total Malaysian employees in G20 (%)



Source: G20 reporting

schools and benefited 565,216 students while the SEJAHTERA programme, which aims at eradicating of poverty for hard core communities, has benefited 5,892 families.

Other Bumiputera Agenda related initiatives

The other related initiatives involving the Bumiputera are post BETR workshop. The BETR workshop was organised in September 2012 where few quickwins were identified. Since then, various G20 have implemented the quickwins and the status of the initiatives are as follows:

- G20 have put in place and adopted transparent tender processes under the tender process guideline of the Red Book.
- Thirteen G20 companies have adopted up-scaling of Bumiputera SMEs in order to increase the capability and capacity of Bumiputera vendors while facilitating them to participate in sizeable GLC projects.
- Twelve G20 companies have implemented outsourcing programmes to reduce cost and improve efficiency while creating the opportunities for Bumiputera vendors.
- The G20 are expected to continue the on-going

divestment exercise of non-core, non-competitive assets. Four G20 companies have divested their non-core, non-competitive assets to-date. Under the Majlis Ekonomi Bumiputera (MEB) divestment exercise, Khazanah will be completing the divestment of the last of the five companies in 2014 while PNB will be completing theirs.

- The G20 can look forward at the possibility of entering new markets through the strategic partnerships with capable vendors. Currently, five G20 companies have established strategic partnerships with their vendors.



Training programmes for communities to earn a better living

BEA Plan and Implementation

Taking the above achievements to-date as baselines, the BEA plan going forward consists of the following:

- i. To establish BEA KPIs with appropriate weightage and switch mode with Board approval. CEOs of the GLICs and G20 are expected to put special focus with conviction in operationalising BEA and are to follow through the implementation processes, address issues and monitor the progress under strong governance.
- ii. In professionalising BEA, it is important that the GLIC and G20 CEOs provide their personal commitment towards the implementation of the initiatives which include securing internal support of management and staffs.
- iii. To use the 'White Room' method, involving YAB Prime Minister, Minister in the Prime Minister's Department overseeing the Economic Planning Unit, Finance Minister II and respective GLIC and G20 Head in finalising BEA KPIs. Once the KPIs and GCIs are finalised, after reviews by YAB Prime Minister and Ministers, the consolidated KPIs and GCIs will be made public in July 2014. The announcement will then be followed by individual announcements by respective GLICs and G20.
- iv. For better effectiveness of BEA, PCG Secretariat will be initiating collaboration sessions with the G20. Bumiputera players are encouraged to collaborate or to partner the G20 and the private sector, leveraging on the strengths of each other, to take on bigger projects, share technology and management expertise, as well as up-scaling and venturing into new local and global markets. Elevating sustainability and inclusiveness to ensure that all communities benefit from the wealth of this country and that the workforce has an equitable share of the economic pie, should be reflected in the corporate agenda. In implementing BEA, GLICs and G20 should promote and apply inclusiveness as a competitive advantage. The same approach can be adopted when G20 venture regionally.
- v. To announce, communicate and engage with selected fraternities and relevant parties including the non-Bumiputera community. Upon the implementation of the KPIs and GCIs, the PCG Secretariat will engage with selected Bumiputera stakeholders to ensure the initiatives are properly communicated.



GLICs and G20 leaders at the 7th Leadership Development Circle where Bumiputera Agenda and the way forward was discussed



ASB2 launch by YAB Prime Minister

vi. To monitor and report to PCG and MEB the BEA progress and impact analysis, as well as present further actions. There will be proper monitoring and regular reporting of the development and the results to both the PCG as well as the MEB. The GLICs and G20 are required to start working on data requirement and management to facilitate proper reporting. With the expected

interest and intensity of BEA efforts, effective data management will facilitate better analysis to discover key insights and make necessary interventions to ensure targets are met.

vii. To strengthen Bumiputera capability, mind-set change, inculcate good values and unite various communities and groups are necessary.

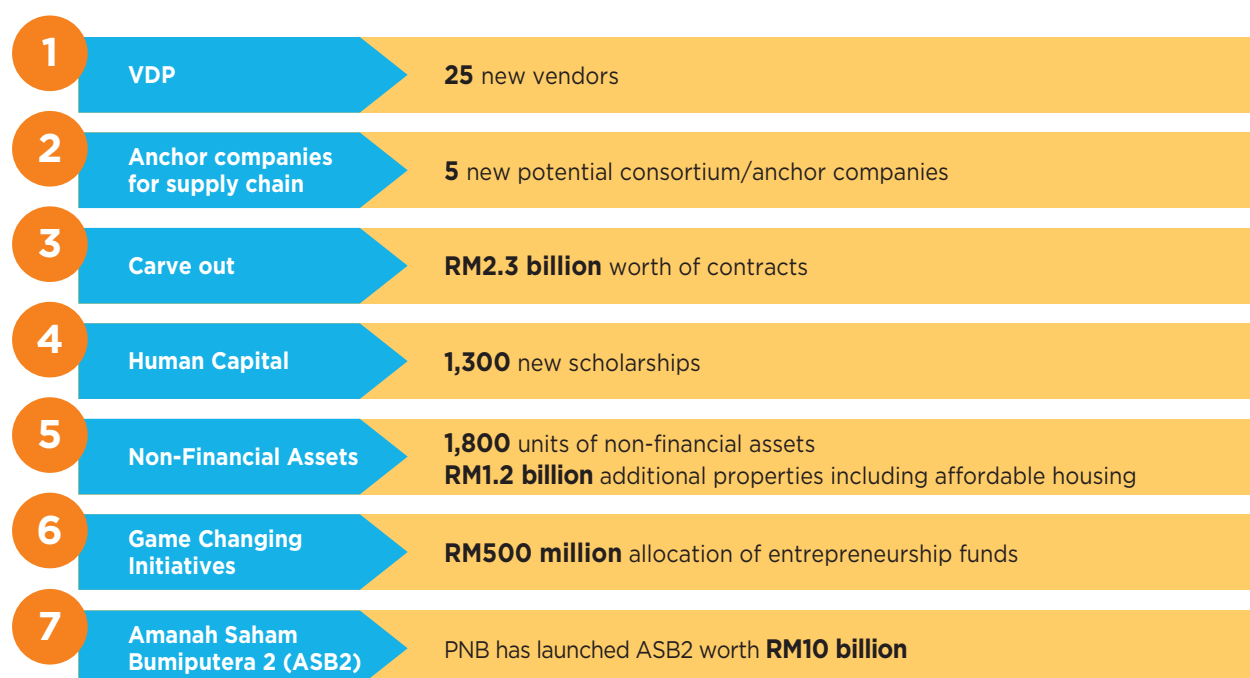
- viii. To address inefficient/biased eco-system through policy enforcement by the Government. The Government should apply the existing policies such as the Competition Act, Minimum Wage Policy, Minimum Retirement Age Act and other relevant policies to support BEA initiatives. New policies and initiatives such as disclosure on inclusiveness and diversity need to be put in place for further support. Incentives are to be considered for those corporations with good inclusivity and diversity practises.
- ix. The Government should also incentivise and promote more collaboration between G20 and non-G20 in their support for Bumiputera Agenda.
- x. To clarify the roles and responsibilities of various participating parties as 'it takes a village to advance Bumiputera Agenda'.

Initial Commitments by GLICs and G20

The initial commitments by CEOs of GLICs and G20 on BEA KPIs and GCIs were presented and discussed with YAB Prime Minister at the PCG meeting in April 2014. These initiatives will potentially create business opportunities with an estimated value of RM5 billion comprising, among others, 25 new vendors for VDP, five new potential consortium/anchor companies, RM2.3 billion worth of contracts carved out, 1,300 new scholarships, 1,800 units of non-financial assets, RM1.2 billion additional properties including affordable housing and RM500 million allocation of entrepreneurship funds.

In terms of ownership in the corporate sector, PNB had launched ASB2 scheme worth RM10 billion in April 2014 (Exhibit 6.13).

Exhibit 6.13: Initial Commitments by GLICs and G20 (as at April 2014)

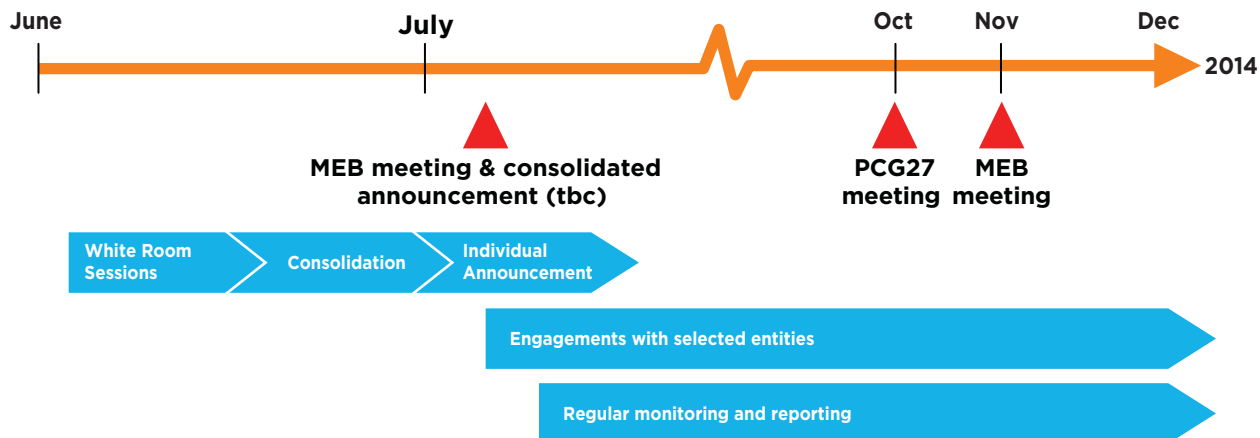


Source: PCG analysis

Timeline

The PCG Secretariat on behalf of GLICs and G20 will be scheduling White Room sessions to finalise the BEA KPIs. This will be followed by the consolidations of the KPIs and GCIs and subsequently, consolidated announcements, expected in July 2014.

GLICs and G20 will be implementing BEA KPIs and GCIs and engaging with selected fraternities to facilitate participations while ensuring support for the BEA initiatives. The PCG Secretariat will monitor and report the progress of BEA KPIs and GCIs implementation to the PCG and MEB.



Source: PCG analysis



KL Sentral development by MRCB

6.2 ADOPTING SUSTAINABILITY PRACTICES

The Bruntland Report⁶ defines “sustainability” as:

“...development that meets the needs of the present without compromising the ability of future generations to meet their own needs. It contains within it two key concepts:

- the concept of **needs**, in particular the essential needs of the world’s poor, to which overriding priority should be given; and
- the idea of **limitations** imposed by the state of technology and social organization on the environment’s ability to meet present and future needs.”

In Malaysia, the evolution towards the concept of sustainability started with the idea of corporate social responsibility. In 2006, Bursa Malaysia launched a corporate social responsibility (CSR) framework while the GLCT Programme also launched the “Silver Book on Achieving Value Through Social Responsibility”. Subsequently, the

YAB Prime Minister at that time, in his 2007 budget speech, made it a requirement for public listed companies to report CSR programmes in their annual reports. Since then, the concept of CSR has evolved to CR, which covers all stakeholders rather than selected ones and CR in turn is now becoming a part of the larger concept of sustainability.

At the recent dialogue session with YAB Prime Minister on April 2014, he urged the captains of the top 50 listed companies to adopt sustainability practices to ensure long-term value creation. He also mentioned that he would like to see a greater number of Malaysian listed companies reporting their sustainability practices, in line with international best practices, and including people policies and practices covering workforce gender, ethnicity and age.

To date, GLICs and GLCs have been making the evolution from CSR to sustainability. Below are some selected examples of what they have been doing (Exhibit 6.14).

Exhibit 6.14: Selected Examples of Sustainability Practices



Axiata

Axiata is committed to the triple bottom line of economic, environmental and social management - in line with their broader goal of advancing Asia. They strive to be a socially responsible and sustainable business by offering customers affordable products and services with wider coverage, and state-of-the-art customer-centric touch points. At the same time, they recognise the importance of using telecommunications as a tool to empower local communities. They benchmark their sustainability performance against peers to continuously raise the bar for themselves.

Digital inclusion is one of Axiata’s key sustainability initiatives and has enabled them to create economic value while helping the society and environment. An example of Axiata’s digital inclusion initiative is on providing the people of Dadayamthalawa, a rural town in Ampara District of Sri Lanka, with a much easier method to pay their electricity bills. The average electricity bill of a family is 200 Rupees. The only place people in Dadayamthalawa could pay the bill was in Ampara Town. A return bus ride to Ampara costs 120 Rupees, which is worth 60% of the bill and it would also take more than 3 hours of travel time. With the introduction of “Dialog Ez Cash” service facility, Dialog customers can now pay their electricity bill using their phones, thus saving both money and time. In addition, they could also top-up their “Ez Cash” accounts in more than 1,000 locations in Ampara district.

Source: Axiata reporting to PCG Secretariat

⁶ Also known as “United Nations Report of the World Commission on Environment and Development: Our Common Future”



MRCB adopted a green commitment in its property development projects and is now well known for its sustainable development approach to property development. All MRCB developments comply with green certification bodies such as Malaysia's GBI, the US-based LEED or the Singapore-based BCA. The Kuala Lumpur Sentral vicinity has the highest number of green buildings (eight) within a single development area.

MRCB's commitment to sustainability of the environment and nature is also reflected in its numerous biodiversity and conservation projects. MRCB has restored degraded beaches and rivers in Pulau Pinang and Pahang including a tourist beach on Tioman island, Pahang. Innovative ideas and technologies have been implemented including the Pressure Equalisation Module (PEM) system for beach replenishment, construction of a sea wall, dredging and designing of breakwaters at the Sungai Pahang river mouth. To date, MRCB has been involved in the rehabilitation of three rivers; Sungai Perai in Pulau Pinang, Sungai Pahang and Sungai Kuantan in Pahang.

Source: MRCB reporting to PCG Secretariat



Sime Darby

SIME Darby's sustainability policies and practices are implemented across the Group, with specific focus areas relevant to each of its business operations. For example, Sime Darby Plantation's commitment to sustainable development is reflected in the way its plantation business is managed.

As one of the founding members of the Roundtable for Sustainable Palm Oil (RSPO), Sime Darby Plantation has adopted industry best practices into its daily operations, and across its supply chain.

The company is an industry leader in Good Agriculture Practice (GAP) and is in full compliance and a member of the GLOBALGAP standard. Sime Darby Plantation implements GAP in the following areas:

- Land Preparation & Management
- Peatland Planting Policy
- Water Management
- Zero Burning Replanting Technique
- Integrated Pest Management
- Waste Utilisation Improvements
- Management & Quality Assurance

Source: Sime Darby reporting to PCG Secretariat



KHAZANAH
NASIONAL

Khazanah - Responsible Investing to Build True Value

In 2010, Khazanah embarked on a study of climate change risks and opportunities for Malaysia and Khazanah-investee companies. This study was commissioned in response to the announcement made by YAB Prime Minister, at the 15th Conference of Parties (COP15) to voluntarily reduce Malaysia's Greenhouse Gas (GHG) emissions in terms of gross domestic product (GDP) by up to 40% by 2020 (from 2005 base levels). Following this, Khazanah conducted studies to develop company valuation models that quantifies the impact of sustainability factors. Initial studies focused on assessing the ESG (Environmental, Social and Governance) valuation of a portfolio, and concluded that ESG factors do affect companies' share price.

Further research was conducted to develop more robust valuation models, to improve ESG impact assessment. Two pilot companies were used for a proof-of-concept. This project is still in developmental phase, and subsequent phases will enhance the robustness of the framework and methodology. This iterative study aims to identify ways to bring about increased disclosure of the relevant ESG information.

Source: Khazanah Corporate Responsibility Report 2010-2013



TM

TM embraces its strategic role as a trusted partner for national development in building Malaysia's telecommunications infrastructure and delivering holistic communication services to all Malaysians. Sustainability is at the heart of TM's business strategy towards long-term meaningful success, and covers a diverse initiatives, involving all stakeholders including employees, local community members, shareholders, the Government and local authorities as well as the general public. TM continues to take great strides in sustainability initiatives to make stakeholders' lives easier. TM's sustainability footsteps is meant to strengthen triple bottom-line accountabilities of economic, environment and social, and specifically, social responsibility in its operations. Their sustainability framework covers four distinct areas of workplace, marketplace, community and environment. With a focus on ICT, TM further refines its CR areas to three major pillars i.e. education, community/nation building and environment. Some flagship initiatives in these areas are:

- Education: TM-PINTAR Adopted Schools programme, has touched the lives of more than 19,000 students, teachers, parents and community members.
- Community/Nation Building: TM together with Kementerian *Kommunikasi dan Multimedia Malaysia* (KKMM) and Malaysian Communications and Multimedia Commissions (MCMC), has built and supported 326 *Pusat Internet 1Malaysia* (PIIM), 56 mini Community Broadband Centres (CBCs), 98 Internet-enabled Community Broadband Libraries (CBLs) with 1,637 locations of Wireless Villagers, 286 WiFi 1Malaysia (W1M) and 2,214 payphones deployed across Malaysia. Further, TM's own volunteer movement has seen more than 12,000 TM ROVers (TM Reaching Out) rise to the various causes it supports.
- Environment: TM's flagship *BumiKu* environmental initiatives saw more than 5200 employees and schoolchildren's participation in its environmental awareness programmes, further inculcating appreciation of Malaysia's biodiversity.

Source: TM reporting to PCG Secretariat



TNB

TNB's fundamental responsibility is to ensure reliable and cost effective power supply for the Nation. With sustainability in mind, TNB has embarked on various initiatives in order to supply "greener" electricity (environmentally friendly ways of producing electricity) for the Nation. These initiatives include electricity production from renewable energy sources such as solar and hydro power. TNB has also invested in ultra-high efficiency coal plants which reduce greenhouse gas emissions.

Producing high quality students will produce effective workers to support sustainable and long-term growth of the country. In support of this, TNB extends financial assistance, through *Yayasan Tenaga Nasional*, to nearly 10,000 deserving students and have invested RM1.045bn from 1993 to 2013.

Source: TNB reporting to PCG Secretariat

7

MOVING FORWARD

Kuala Lumpur city skyline

***Helicopter services by
MHS Aviation Berhad
(a subsidiary of
Boustead)***



7 MOVING FORWARD

GLCs have come a long way since the announcement of the GLCT Programme and has thus far, delivered various achievements, contributed towards nation building and provided benefits to all stakeholders. As the Programme nears its completion, GLCs are becoming catalysts for inclusive growth by incorporating principles of diversity, inclusivity and sustainability into their corporate agendas.

A. DIVERSITY, INCLUSIVITY AND SUSTAINABILITY

The country needs an approach to economic development that will not only enable us to reach high income status, but that will reach everyone in the country and will be sustainable over the long-term. GLCs play an important role in supporting these goals through high performance; ensuring inclusivity by having a diverse workforce by gender, ethnicity and age; and elevating their sustainability practices. YAB Prime Minister has also urged listed companies to report their sustainability practices, in line with international best practices, and incorporating information on workforce composition by gender, ethnicity and age.

Inclusivity is also about ensuring the lower income groups (majority of whom comprise of Bumiputeras) are kept abreast with the development of the country. GLICs and GLCs are committed to this cause and are in the midst of finalising their BEA KPIs and GCIs.

PCG Secretariat will monitor, track and report progress of GLCs on these areas and other inclusivity and sustainability practices described above.

B. LAST PUSH BEFORE GRADUATION IN 2015 AND BEYOND

Closing the gap

GLCs are expected to appraise their position with respect to the Programme's ambition and standards stated in the various GLCT Initiatives, identify gaps and apply appropriate interventions to "graduate with distinction" by the end of the Programme. GLCs can also take advantage of the Initiative circles to explore, jointly develop and share best practices and leading edge thinking in areas such as branding, becoming a talent factory and delivering world class customer service standards.

Transition of Initiatives

In order to continue the Programme's spirit and enable GLCs to leverage the collective strength of the network, the management of Initiative circles is being transitioned to the G20. It is hoped that G20 will take advantage of this network for collaboration, knowledge sharing and greater synergy.

Programme Stock-take/Strategic Review

PCG Secretariat is currently finalising a stock-take exercise to assess performance to-date and to propose recommendations for the future. This is similar to exercises conducted in 2006 and 2009, when the Secretariat reviewed the implementation of the Programme and its achievements since its launch. The current stock-take exercise is nearing completion, and recommendations moving forward will be tabled at PCG for discussion before they are finalised.

Beyond 2015 and Building Runway to 2020

By the end of its 10-year journey in 2015, the GLCT Programme is expected to demonstrate GLCs' impact in generating economic growth, fulfilling

their role in supporting national development and delivering benefits to all stakeholders.

Beyond 2015, GLCs are expected to enhance their roles as catalysts for inclusive growth through strong performance and execution. GLCs are also expected to forge ahead into the regional and global arena, embracing new organisation modalities, and continue adding value to stakeholders and the country. Competing globally would require GLCs to be more innovative in their product and service offerings and they would also need to develop greater operational effectiveness, nimbleness and resilience.

To mark the completion of the Programme, GLCs will showcase their activities and achievements via a "GLC Open Day" event in 2015, coordinated by the PCG Secretariat. The event will serve as a platform for GLCs to engage with the public and report the Programme's final outcomes.

8

APPENDICES



Heavy and industrial equipment by UMW



KEY LEADERS OF THE GLCT PROGRAMME



G20

SCORECARDS AND PERFORMANCE HIGHLIGHTS

APPENDIX A

EXPLANATORY NOTES

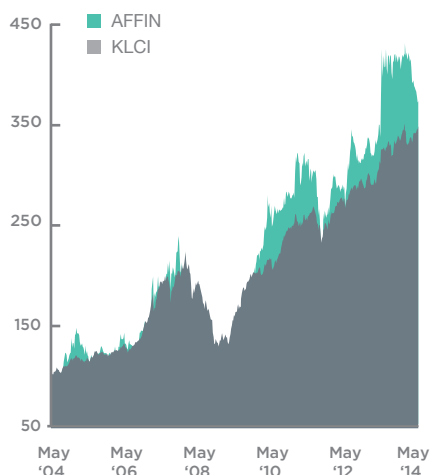
The following definitions and explanatory notes apply to the historical performance data in the following G20 scorecards, unless otherwise stated:

- **Net profit** is defined as net profit after tax and minority interests (PATAMI) after exceptional items
- **Operating cashflow** is defined as operating cashflow after net interest receipts
- **Net cash/(debt)** is defined as year-end total cash and short-term investments, less year-end total borrowings
- **Market capitalisation** refers to year-end market capitalisation
- **ROE** is defined as PATAMI divided by average shareholder funds for the year
- **Net debt-to-assets** is defined as net debt divided by the sum of net debt and total balance sheet equity, inclusive of minority interest
- **Operating margin** is defined as earnings before interest, tax, exceptional items and associate income, divided by revenue
- **Net interest income** is defined as bank interest income less interest expense; excludes Islamic finance and fee-based income
- **Loan assets** is defined as year-end loan, financing and advances, as per balance sheet
- **Common equity Tier 1 capital ratio** refers to the statutory definition based on Basel standard prevailing at the time, before dividends, for Malaysian operations only
- **Net non-performing loans (NPL)** refers to the statutory definition i.e. after specific provisions but before general provisions
- **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. The Headline KPIs are merely a set of targets/aspirations of future performance aligned to the company's strategy
- **Backward-looking accounting data and derivative financial ratios** may differ from prior-year GLCT Progress Review reports due to the restating of financial accounts



AFFIN HOLDINGS BERHAD

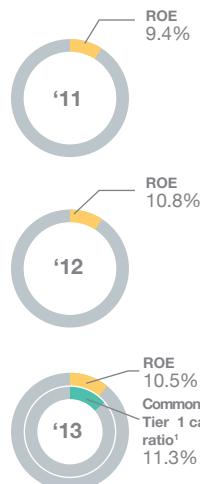
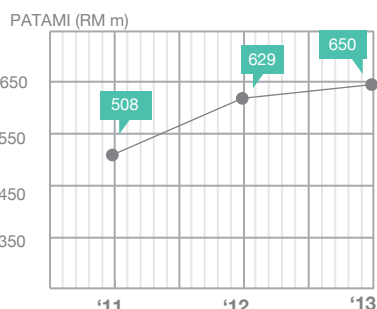
TSR INDEX



HISTORICAL PERFORMANCE

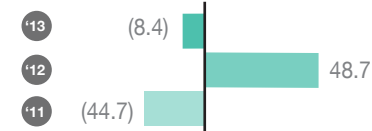
FY 31 December

Unit: RM m	'11	'12	'13
Net Interest Income	870	897	917
Loan Assets	30,437	34,163	36,909
Market Cap	4,603	5,141	6,202
Non-interest income	313	408	388
Income from Islamic banking operations	199	217	221



ECONOMIC PROFIT

Unit: RM m



HEADLINE KPIs

Unit: %	'13 Target	'13 Actual	'14 Target
After-tax ROE	10.1	10.5	9.2
After-tax ROA	1.1	1.1	1.1
Gross Impaired Loan Ratio	2.2	1.98	1.84
Earnings Per Share (unit: sen)	42.08	43.49	36.00

¹As per BNM Capital Adequacy Framework effective 1 Jan 2013 (in line with Basel III) which supersedes risk-weighted capital ratio (in line with Basel II)

ACHIEVEMENTS

Financial performance meeting targets and on the rise

- Achieved a record net profit of RM650 million in FY2013, an increase of 3.4% as compared to RM628.9 million in FY2012
- Further improved gross impaired loan ratio of the Group from 2.28% in 2012 to 1.98% in 2013 through stringent risk management and loan approvals
- Achieved all announced Headline KPIs for FY2013
- Gearing ratio of AFFIN Holdings (Group level) improved from 16.1% in FY 2012 to 15.2% in FY 2013
- Achieved loans growth of 8.1% and customer deposits growth of 10.5% in FY2013

Strengthened foothold in the region

- The Group has completed acquisition of investment banking, futures and asset-management businesses of Hwang-DBS (Malaysia) Berhad on 7 April 2014
- AFFIN Investment Bank signed a business collaboration agreement with Daiwa Securities Group Inc, Japan which will open up numerous opportunities for the Bank to grow further and venture into regional markets

Increased focus on customers and society

- AFFIN Bank launched the 4th highly successful O.M.G campaign - "The Invasion of the O.M.G" which saw double digit growth in savings, current and fixed deposits account holders

- AFFIN Bank also launched Phase 2 of Loans Origination System & Processes for more efficient loans processing & decision making
- AFFIN Bank opened 3 new branches and relocated one branch to a more strategic location to enhance customer accessibility and expand customer reach
- AFFIN Investment Bank received IFN Project Finance Deal of the Year award for syndicated facilities of up to RM2.1 billion for Boustead Naval Shipyard Sdn Bhd
- AFFIN Holdings Berhad has pledged a commitment to contribute RM5.0 million to Yayasan Warisan Perajurit for the year 2013 to 2018. Contribution by the Group in 2013 was RM3.0 million

CHALLENGES

Staying at par with the industry

- Banking industry continues to be pressured by compressed net interest margins and stiff competition among the players in the industry
- Thriving in an increasingly competitive and saturated domestic market environment given relatively smaller size of the Group compared to its competitors
- The Group to grow loans organically to RM60.5 billion by 2018 without compromising on the asset quality

- To strive for controlled loans growth and effective balance sheet management to ensure sustainable business growth
- Sustaining the growth of business and consumer deposits at a minimum of 10% per year

Improving deliverables and current practices at Group level

- Continuously identifying opportunities to create memorable customer service experiences and exceed customer expectations

- Seeking to continuously improve Service Level Agreements (SLAs) in strengthening competitiveness and customer satisfaction
- Enhancing human capital capabilities to attract and retain the best talents in the industry
- Striving to improve level of technological readiness
- Adjusting current practices to keep up with competition and rapid growth potential



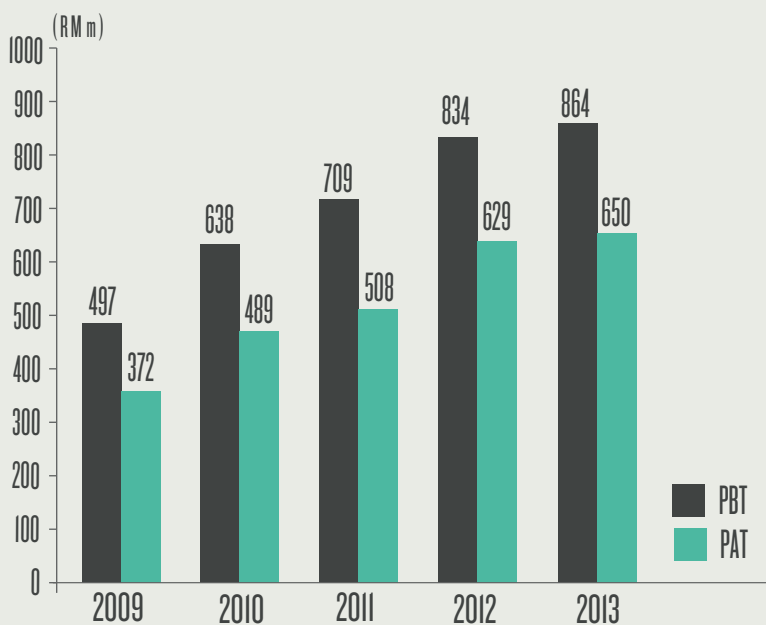
AFFIN HOLDINGS BERHAD

2013 PERFORMANCE HIGHLIGHTS

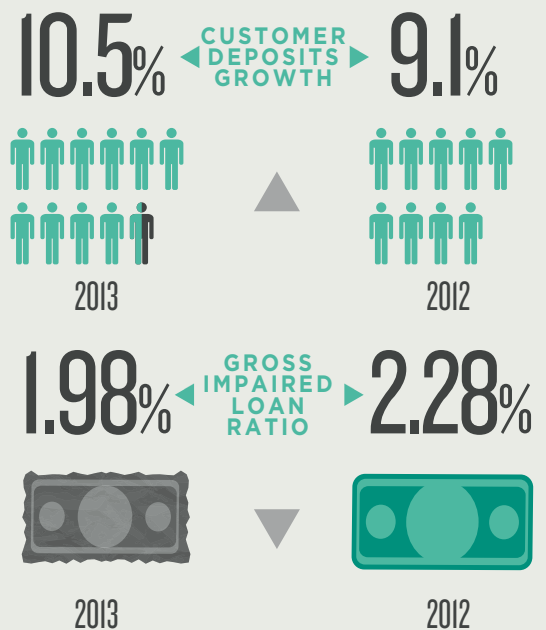


**DATO' ZULKIFLEE ABBAS
BIN ABDUL HAMID**
Managing Director / Chief Executive Officer

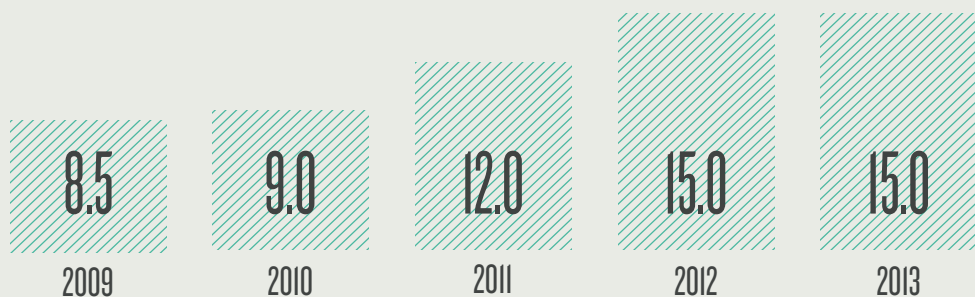
STEADY PROFIT GROWTH OVER THE PAST 5 YEARS



IMPROVEMENT IN KEY RATIOS



**INTERIM
DIVIDEND
OF 15 SEN
PER SHARE
AMOUNTING
TO RM224.2M
PAID IN 2013**



CORPORATE DEVELOPMENT



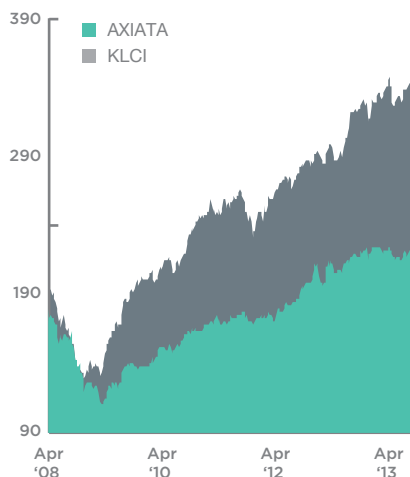
**ACQUISITION OF
HWANG-DBS
BUSINESSES FOR**

RM1.36bn

- 100%** of HwangDBS Investment Bank
- 70%** of Hwang Investment Management
- 49%** of Asian Islamic Investment Management
- 100%** of HDM Futures



TSR INDEX

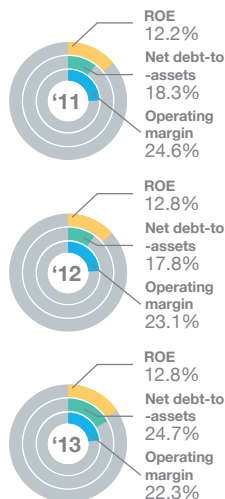
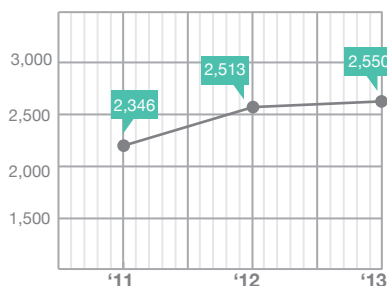


HISTORICAL PERFORMANCE

FY 31 December

Unit: RM m	'11	'12	'13
Operating Cashflow	6,021	7,100	5,909
Net Cash (debt)	(4,842)	(4,752)	(7,003)
Market Cap	43,516	56,070	58,930

PATAMI (RM m)



ECONOMIC PROFIT

Unit: RM m



HEADLINE KPIs

Unit: %	'13 Target	'13 Actual	'14 Target
Revenue Growth	7.6	6.7	10.1
EBITDA Growth	0.2	0.6	1.8
Return On Invested Capital (ROIC)	10.3	10.7	9.3
Return On Capital Employed (ROCE)	8.3	8.6	7.8

ACHIEVEMENTS

Financial Performance for FY2013

- Overall, Axiata's revenue increased by 6.7%, at constant currency, to RM18.4 billion
- Ended the year with PATAMI of RM2.6 billion and a 10.7% return on invested capital (ROIC), exceeding its target
- Total subscriber base expanded to over 240 million, up 19% from a year ago, making Axiata one of the largest telcos in the region

Continued Focus on Enhancing Shareholder Value

- In 2013, apart from investing more than USD2 billion to acquire new spectrum in Bangladesh, Sri Lanka and India for 2G, 3G, and 4G, Axiata is also currently expanding its 4G networks in Celcom, XL and Dialog
- Two business units were setup for new revenue streams
- edotco Group, to own and manage Axiata's group-wide passive network infrastructure
- A new business unit, Axiata Digital Service was set up to focus on driving revenue from

digital services such as entertainment, commerce, money and advertising and is now operating in four of Axiata's markets

- Established Axiata Procurement Centre (APC) and Axiata Treasury Centre (ATC) to optimise network and IT expenditures as well as ensuring efficient cash and capital management and better financial risk mitigation
- Proposed a cumulative increase payout in dividends of 22 sen per share, a dividend payout ratio of 75%, a 5 percentage point increase from 2012's ordinary dividend payout ratio of 70%

Sustainability and National Contribution

- Axiata has contributed an estimated USD63.8 billion to the Gross Domestic Product (GDP) in its seven operating countries from 2008 to 2013
- Axiata employs 23,000 people within its Group and has further created over a million jobs indirectly in its operating countries over the last 6 years

- In parallel, the Group has spent USD12.4 billion on capital investments across its footprint, building necessary telecommunications infrastructure and providing connectivity to more than 95% of the population in the operating countries
- Axiata ranks as the top foreign direct investor in Sri Lanka, and one of the top economic contributors in every country it operates in

Awards and recognitions

- Frost & Sullivan 2013 Asia Pacific ICT Award: Best Telecoms Group for the 5th consecutive year
- Four awards in Malaysia-ASEAN Corporate Governance Index 2013 Awards and Malaysian Institute of Accountants in respect of corporate governance and annual report
- International Legal Alliance Summit: Silver Award Best Asian and South Pacific Legal

CHALLENGES

- Market environment challenges:
 - Intense competition in Indonesia, Cambodia and India as well as heavy investment on data network is impacting profitability
 - Continuous pressure on voice and SMS revenue in Malaysia & Indonesia
 - Changing consumer behavior and choice of platforms - e.g. Over-the-top (OTT) players such as WhatsApp, Facebook, Skype substitute traditional voice and SMS revenues
- Currency volatility in operating footprint, particularly in Indonesia
- Funding/liquidity management - rising costs of borrowing
- Cost pressures from spectrum fees, regulatory, network roll-out and competitive pressures from disruptive players

AXIATA GROUP BERHAD



DATO' SRI JAMALUDIN IBRAHIM
Managing Director / President &
Group Chief Executive Officer

2013 PERFORMANCE HIGHLIGHTS

REVENUE

RM18.4bn  6.7%*
Y-O-Y GROWTH

*BASED ON CONSTANT CURRENCY


PATAMI

RM2.6bn
 1.5% Y-O-Y
GROWTH

MARKET CAPITALISATION

RM58.9bn  5%
Y-O-Y GROWTH

SUBSCRIBERS

more than
240m  Y-o-Y
19%

SET-UP

AXIATA DIGITAL SERVICES

WITH OVER

15 NEW DIGITAL VENTURES

LAUNCHED IN 2013

A NEW INFRASTRUCTURE SET UP

EDOTCO GROUP

ONE OF THE LARGEST
TELECOMMUNICATIONS
INFRASTRUCTURE

COMPANIES IN SOUTH EAST ASIA

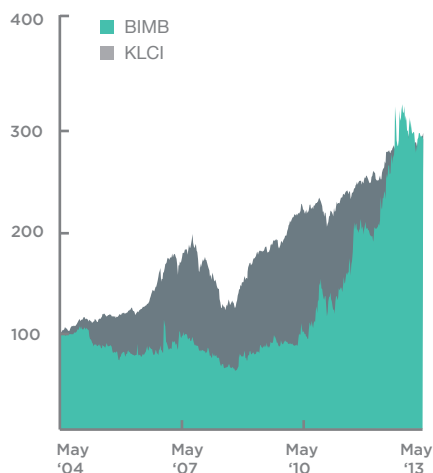
ASIA PACIFIC'S
BEST TELECOMS GROUP
FOR THE 5th CONSECUTIVE YEAR
FROST & SULLIVAN

2013 SCORECARD



BIMB HOLDINGS BERHAD

TSR INDEX

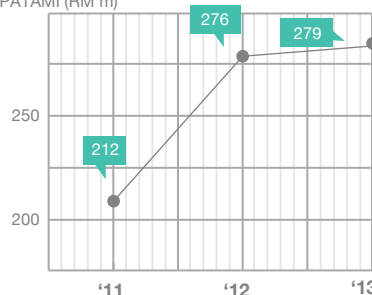


HISTORICAL PERFORMANCE

FY 31 December

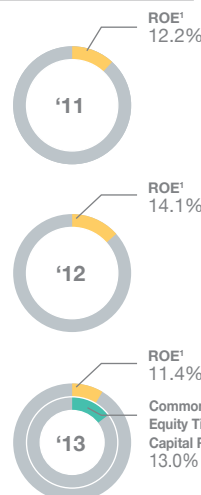
Unit: RM m	'11	'12	'13
Net Financing Income	921	1,061	1,078
Other operating income	685	823	958
Financing Assets	14,162	19,508	23,741
Market Cap	2,166	2,998	6,781

The core operations of BIMB is Islamic Banking
PATAMI (RM m)



¹Based on PATAMI

²As per BNM Capital Adequacy framework effective 1 Jan 2013
(in line with Basel III) which supersedes risk-weighted capital ratio
(in line with Basel II)



ECONOMIC PROFIT

Unit: RM m



HEADLINE KPIs

Unit: %	'13 Target	'13 Actual	'14 Target
Return on Assets	1.70	1.75	1.70
Return on Equity ³	20.00	23.83	26.00

³Based on PBZT

ACHIEVEMENTS

BIMB Holdings Berhad (BIMB)

- BHB posted a consolidated Profit Before Zakat and Taxation (PBZT) of RM819.4 million, marking an increase of RM102.0 million or 14.2% from the previous financial year
- Consolidated net profit for the year stood at RM563.2 million, 8.0% higher than the RM521.6 million recorded in the previous year
- Despite margin compression due to stiff competition, total net income grew by 13.9% to RM2.0 billion, supported by net financing growth of RM4.2 billion or 21.7% at Bank Islam Malaysia Berhad (Bank Islam), and higher net income of RM80.7 million or 17.1% at Syarikat Takaful Malaysia Berhad (Takaful Malaysia)
- Concerted efforts to improve asset quality led to a further reduction of gross impaired financing ratio from 1.55% (as at end 2012) to 1.18% (as at end 2013). Total allowance for impairment on financing and advances declined by RM81.1 million due to higher recovery of bad debts and financing of RM114.6 million and lower individual impairment on financing of RM5.9 million
- In respect of FY2013, BHB has paid out total dividend amounting to RM164.3 million, or 85.5% of the company's Profit After Tax (PAT) for FY2013
- On 19 December 2013, BHB successfully acquired the remaining 49% aggregate equity

interest in Bank Islam, for a total purchase consideration of USD884.6 million (approximately RM2.9 billion)

Bank Islam Malaysia Berhad (Bank Islam)

- Recorded a PBZT of RM677.3 million for FY2013, an increase of RM79.9 million or 13.4% from the RM597.4 million achieved in 2012, mainly supported by the RM2.25 billion in revenue (the first time the Bank's revenue has crossed the RM2 billion mark)
- Net financing assets grew RM4.2 billion or 21.7% y-o-y to reach RM23.7 billion, leading to a 14.0% increase in fund-based income mainly from financing. Non-fund based income, meanwhile, grew 5.4% or RM14.5 million mainly from foreign exchange transactions, fees and commission
- Customer deposits reported a y-o-y growth of 14.4% or RM4.7 billion to reach RM37.2 billion as at end 2013
- Low cost current and savings accounts (CASA) increased by RM1.1 billion or 8.5% y-o-y, leading to a CASA ratio of 39.1%, surpassing the Islamic banking industry ratio of 25.9% as at year end
- Along with the improvement in gross impaired financing ratio of 1.18%, the net impaired financing ratio further improved from (0.67%) as at end 2012 to (0.91%) as at end 2013. Both figures mark a commendable performance compared to the gross and net impaired ratios

of the Banking System which stood at 1.9% and 0.1% respectively

- Return on equity and return on assets (based on PBZT) also surpassed that of the Banking System, at 21.1% and 1.7% against 17.5% and 1.6% respectively

Syarikat Takaful Malaysia Berhad (Takaful Malaysia)

- Recorded a 43% increase in PBZT to RM179.3 million from RM125.5 million in 2012 and operating revenue increased by 6% to RM1.71 billion from RM1.61 billion recorded last year
- Improved revenue and profit were largely attributable to higher sales generated by the Family and General Takaful business, better underwriting and investment results and higher net wakalah fee income arising from strong business growth
- Total profit from investment, comprising realised gains and fair value changes, increased by 7% to RM386.6 million in 2013 as compared to RM362.4 million in the previous financial year
- The Group Family Takaful and General Takaful gross contribution grew by 8% from the previous financial year. Gross contribution from Family Takaful was RM1,052.5 million compared to RM973.0 million in the previous year, while that for General Takaful was RM428.4 million compared to RM401.4 million in 2012

CHALLENGES

External challenges

- Implementation of Islamic Financial Services Act will require reclassification of Bank Islam's deposit and investment accounts, which may lead to initial increase in costs
- Implementation of Goods and Services Tax is likely to increase the cost of insurance products, hence constrict margins on tariff-controlled classes of products for Takaful Malaysia

- Increasing pressure on net income margins (NIM) due to higher competition in the market

Internal challenges

- To increase proportion of corporate and commercial financing to counter-balance the anticipated contraction in consumer loan demand

- Management of costs across the Group to off-set impact of NIM compression
- Competition for talent with the right skill-set, particularly with entry of highly capitalised multinational players

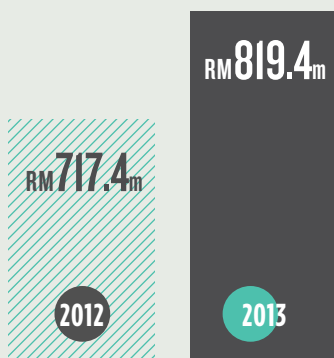
BIMB HOLDINGS BERHAD



JOHAN ABDULLAH
Group Managing Director /
Chief Executive Officer

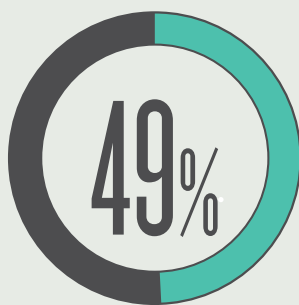
2013 PERFORMANCE HIGHLIGHTS

PROFIT BEFORE ZAKAT & TAX



+14.2%

ACQUISITION



REMAINING
EQUITY INTEREST
IN BANK ISLAM
MALAYSIABERHAD

DIVIDEND PAYOUT

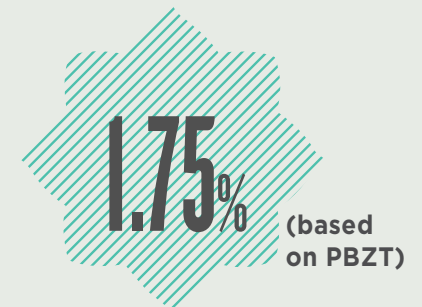
2013

85% Consistently
>50%
SINCE 2011

MARKET CAP

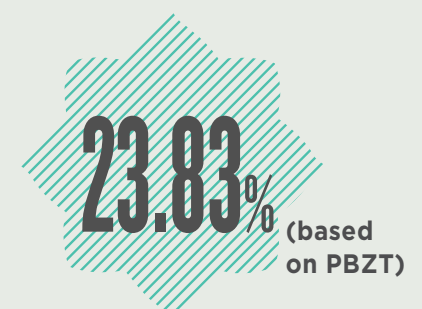


RETURN ON ASSET



> Islamic Banking
System & Conventional
Banking System at
1.20% and **1.50%**
respectively

RETURN ON EQUITY



> Islamic Banking
System & Conventional
Banking System at
17.30% and **15.90%**
respectively

AWARDS

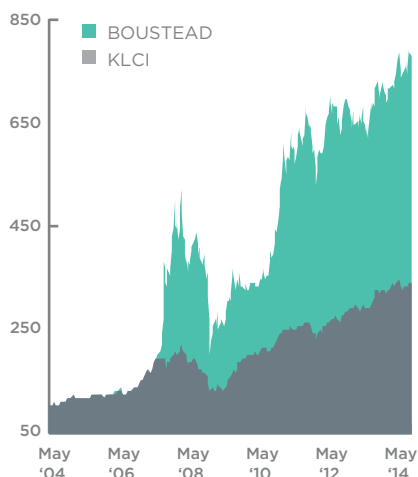
- Equity Deal of the Year 2013 by **ISLAMIC FINANCE NEWS**
- Equity Deal of the Year by **ASIAN LEGAL BUSINESS**
- Best Takaful Company in Malaysia by **THE INTERNATIONAL TAKAFUL AWARD**
- Most Innovative Islamic Bank in Malaysia 2013 by **INTERNATIONAL FINANCE MAGAZINE**





BOUSTEAD HOLDINGS BERHAD

TSR INDEX

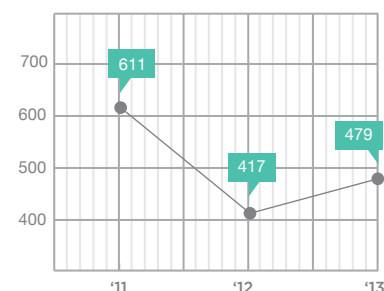


HISTORICAL PERFORMANCE

FY 31 December

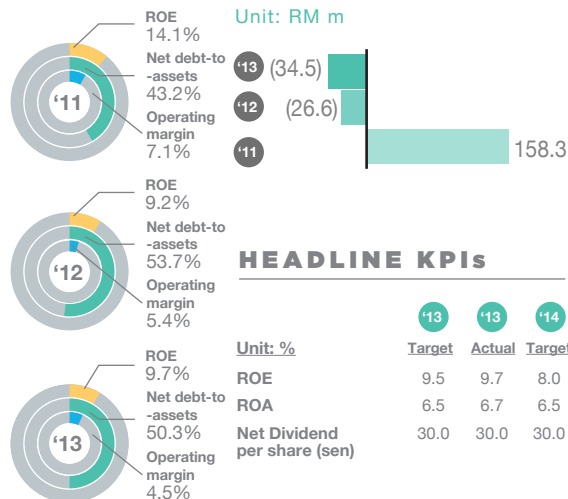
Unit: RM m	'11	'12	'13
Operating Cashflow	706	(705)	503
Net Cash (debt)	(3,955)	(5,860)	(5,998)
Market Cap	5,434	5,378	5,812

PATAMI (RM m)



ECONOMIC PROFIT

Unit: RM m



ACHIEVEMENTS

Financial Performance for FY2013

- Boustead Holdings Berhad has posted a revenue of RM11.2 billion in FY2013, an increase of 14.1% as compared to RM9.82 billion in FY2012
- Recorded a net profit of RM559.8 million, an increase of 12.3% as compared to RM498.5 million in FY2012

Continued Focus on Enhancing Shareholder Value

- Boustead Plantations Berhad acquired 2 pieces of contiguous leasehold land held under country lease measuring approximately 2,409.8 hectares located in the district of Lahad Datu, Sabah
- Re-branded The Royale Chulan Damansara (previously The Royale Bintang Damansara Hotel) and received five-star rating from the Ministry of Tourism
- Mutiara Rini Sdn. Bhd. launched a total of 521 units of houses in Taman Mutiara Rini, Johor
- Boustead Weld Court Sdn. Bhd. disposed 183 Ampang condominiums
- Joint venture between Pharmaniaga Berhad (Pharmaniaga) and Modern Healthcare Solution Co. Ltd. in the Kingdom of Saudi Arabia (KSA), enables Pharmaniaga to operate a pharmaceutical manufacturing arm in the KSA
- Pharmaniaga launched a new retail pharmacy business under the brand name "Royale Pharma Pharmacy"

- Boustead Naval Shipyard Sdn. Bhd. entered into an agreement with MIGHT-METEOR Advanced Manufacturing Sdn. Bhd., with a view to acquire specialist South Korean consulting and advisory services
- BHIC AeroServices Sdn. Bhd. received two contracts totaling RM98 million for the in-service support of six RMN Fennec AS555SN helicopters and three Malaysian Maritime Enforcement Agency Dauphin AS365N3 helicopters
- Boustead Penang Shipyard Sdn. Bhd. secured a RM108 million contract with Murphy Sarawak Oil Co. Ltd.
- Contraves Advanced Devices signed a contract with Cassidian Airborne Solutions GmbH for the manufacture and supply of Airbus A400M mission systems, spares and logistics

Innovation and R&D

- Plantation Division - utilised the BAAR-MIS Map Management System, a proprietary decision making tool developed to improve productivity and operational efficiency
- Pharmaniaga Research Centre received approval for the commercialisation of seven products
- Nottingham MyResearch Sdn. Bhd. has been awarded R&D status by the Malaysia Industrial Development Authority (MIDA)

Awards & Accolades

- Boustead Holdings Berhad:
 - ACCA Approved Employer status
- Boustead Heavy Industries Corporation Berhad:
 - BrandLaureate President's Award in the BrandLaureate BestBrands Awards 2012-2013
- BHPetrol:
 - Bronze Award in the Automotive Fuel Category of the Putra Brand Awards 2013
- Pharmaniaga Life Science:
 - European Union Good Manufacturing Practice (EU-GMP) Certificate
- BHIC Allied Defence Technology & BHIC Bofors Asia:
 - Five-star rating in the SME Competitiveness Rating for Enhancement

Corporate Responsibility

- Establishment of *Skuad Operasi Sihat 1Malaysia* (SOS 1M) within the Boustead Group - a mobile clinic that performs health screening for the rural and marginalized populations
- Provide training under *Skim Latihan 1 Malaysia (SLIM)* to enhance unemployed fresh graduates' soft skills
- *Di Celah-Celah Kehidupan 2013* - a TV programme by BHPetrol in collaboration with RTM that showcases real life stories of the rakyat facing challenges such as poverty, disability and old age
- Continuous contribution to Yayasan Warisan Perajurit
- BHPetrol Orange Run

CHALLENGES

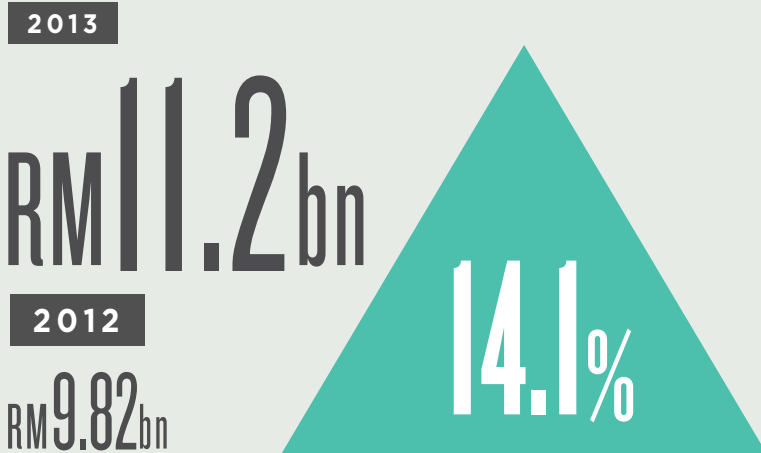
Managing Impact of Internal & External Factors

- Volatility and weaker performance in the commodities sector as a result of lower production of palm oil and crude oil
- Fluctuation in crude palm oil prices that affect the plantation business, which is a major contributor to profitability

BOUSTEAD HOLDINGS BERHAD

2013 PERFORMANCE HIGHLIGHTS

REVENUE



RE-BRANDED THE ROYALE CHULAN DAMANSARA



PREVIOUSLY
THE ROYALE BINTANG
DAMANSARA HOTEL



RECEIVED 5-STAR
RATING FROM THE
MINISTRY OF TOURISM

JOINT VENTURE

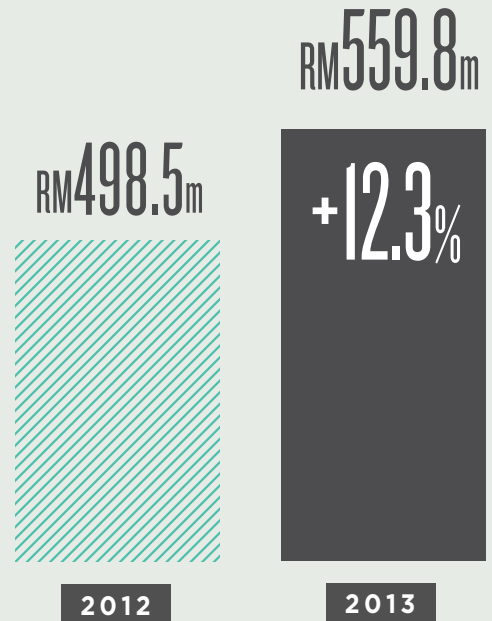
**PHARMANIAGA &
MODERN HEALTHCARE
SOLUTION CO. LTD.**

SIGNED A JV TO ENABLE
PHARMANIAGATO OPERATE
A PHARMACEUTICAL
MANUFACTURING ARM
IN SAUDI ARABIA



**TAN SRI DATO' SERI LODIN
WOK KAMARUDDIN**
Group Managing Director

NET PROFIT



MUTIARA RINI SDN. BHD.

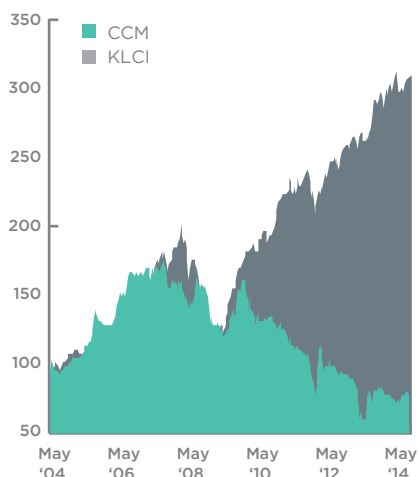


LAUNCHED A TOTAL OF
521 UNITS OF HOUSES
IN TAMAN MUTIARA
RINI, JOHOR



CHEMICAL COMPANY OF MALAYSIA BERHAD

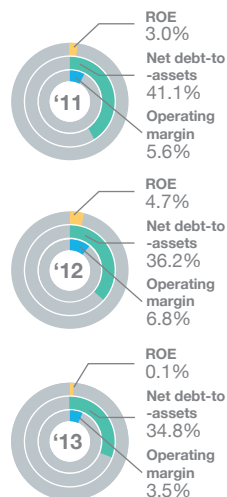
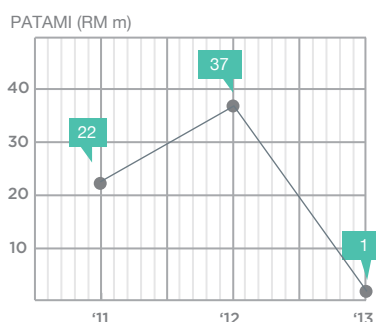
TSR INDEX



HISTORICAL PERFORMANCE

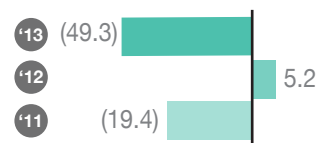
FY 31 December

Unit: RM m	'11	'12	'13
Operating Cash Flow	75	41	151
Net Cash / (debt)	(607)	(550)	(494)
Market Cap	615	398	477



ECONOMIC PROFIT

Unit: RM m



HEADLINE KPIs

	'13 Target	'13 Actual	'14 Target
After-tax ROE (%)	5.8	1.24	5.8
Profit before tax (RM m)	71.6	20.85	76.4

ACHIEVEMENTS

The Group

- ▶ The improvement of the Group's Trade Working Capital had enabled the release of RM109.2 million to its cashflows, resulting in savings on net interest cost by 19.4% and improving the debt-equity ratio to 0.81x from 0.87x in 2012
- ▶ As part of its plan to divest non-core assets, CCM announced the disposal of its land in Bukit Tunku, Kuala Lumpur

Pharmaceuticals Division

- ▶ The strong performance of the Pharmaceuticals Division had softened the impact of a very challenging year:
 - 4% revenue increase generated from sales of ethical products to both the government and private sectors
 - 34% higher Profit Before Tax arising from better sales coupled with cost savings through the Lean Six Sigma initiatives

- ▶ CCM's Metered Dose Inhaler (MDI) Project was awarded an EPP status under NKEAHealthcare
- ▶ CCM commenced Phase III clinical trials for the biosimilar Erythropoietin (EPO), developed for use in the treatment of anemia in end-stage kidney failure patients, the first Malaysian clinical trials for biosimilars

Chemicals Division

- ▶ The strong performance of the Polymer Coatings business of the Chemicals Division had cushioned the blow from the down cycle of the Division's commodities businesses

Fertilizers Division

- ▶ Cost savings from the Lean Six Sigma initiatives had mitigated the loss incurred by the Fertilizers Division due to the sharp decline in its revenue

Awards & Accolades

- ▶ CCM Pharmaceuticals was the winner of the 2013 Frost & Sullivan Malaysia Excellence Award for "Pharmaceutical Company of the Year - Generics Drug Category"
- ▶ CCM was listed in the Malaysia Book of Records for being the first pharmaceutical manufacturer to receive the Halal Pharmaceuticals Certification MS2424:2012
- ▶ CCM Chemicals was awarded with 2 Platinum Awards and 6 Gold Awards in the coveted CICM Responsible Care Award 2012/2013
- ▶ CCM won the "Malaysia Employer Award" for GLC category in 2013's Labour Day Awards

CHALLENGES

The Group

- ▶ Market fluctuations in selling prices and costs of raw materials had also affected the Group's performance
- ▶ The non-recovery of the full economic benefits of the Marketing Rights for Pneumococcal Vaccine had resulted in a RM15.8 million impairment loss
- ▶ Henceforth, CCM closed its FY2013 with a 15% drop in revenue and its Profit Before Tax shrinking to RM20.9 million

Pharmaceuticals Division

- ▶ Malaysian companies facing tough Intellectual Property (IP) regulatory environment which inhibits domestic growth potentials
- ▶ Multinational originators venturing into generic pharmaceuticals pose threats to local companies

- ▶ Regulatory environment in South East Asia, in particular the protectionist regime of neighbouring countries had delayed regional expansion
- ▶ The excessive US Trans Pacific Partnership Agreement (TPPA) proposals on pharmaceutical IP would impose constraints to the growth of generic pharmaceuticals

Fertilizers Division

- ▶ Market uncertainty surrounding raw material prices is making plantation owners cautious in purchasing fertilizers, resulting in a sharp decline in fertilizers' demand in second half of FY2013

- ▶ No Fertilizers Act to regulate product quality has impact in the purchasing trend, particularly by the smallholders

Prospects for next financial year

- ▶ The Group's performance for the upcoming year is expected to continue to be challenging
- ▶ The Group will continue to focus on enhancing business profitability by implementing operational and management best practices and strengthening its presence in the region
- ▶ The prospects for commodities are looking up since the trend of chlor alkali and palm oil prices are improving



CHEMICAL COMPANY OF MALAYSIA BERHAD



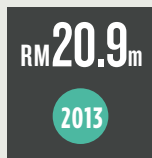
AMIRUL FEISAL BIN WAN ZAHIR
Group Managing Director

2013 PERFORMANCE HIGHLIGHTS

PROFIT BEFORE TAX



- GOOD PERFORMANCE FROM PHARMACEUTICALS DIVISION. HOWEVER, GROUP PROFIT BEFORE TAX (PBT) AFFECTED BY NEGATIVE MARKET CONDITIONS FOR CHEMICALS AND FERTILIZERS DIVISIONS
- CHEMICALS DIVISION ADVERSELY IMPACTED BY THE LOWEST POINT OF ITS COMMODITY DOWN CYCLE
- FERTILIZERS DIVISION SUFFERED A SHARP DECLINE IN FERTILIZERS' DEMAND IN SECOND HALF OF FY2013



PHARMACEUTICALS DIVISION

**2013 FROST & SULLIVAN
MALAYSIA EXCELLENCE AWARD**

FOR
PHARMACEUTICAL COMPANY OF THE YEAR -
GENERIC DRUG CATEGORY



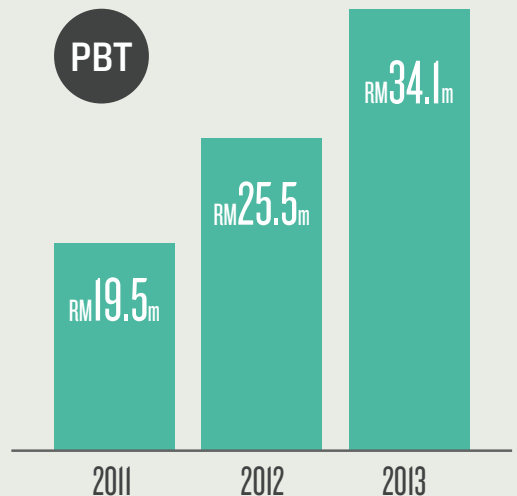
LISTED IN MALAYSIA BOOK OF RECORDS

FIRST PHARMACEUTICAL MANUFACTURER

TO RECEIVE

THE HALAL PHARMACEUTICALS CERTIFICATION MS2424:2012

FOR PHARMACEUTICAL DIVISION

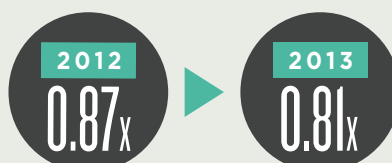


STRENGTHENING OF BALANCE SHEET

IMPROVEMENT OF
THE GROUP'S
TRADE WORKING
CAPITAL RELEASE OF



IMPROVEMENT OF THE
DEBT-EQUITY RATIO



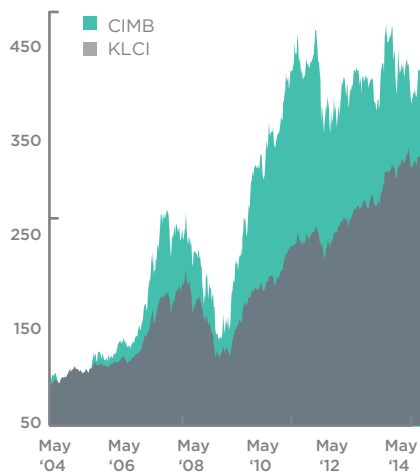
SAVINGS
ON NET
INTEREST
COST BY





CIMB GROUP HOLDINGS BERHAD

TSR INDEX

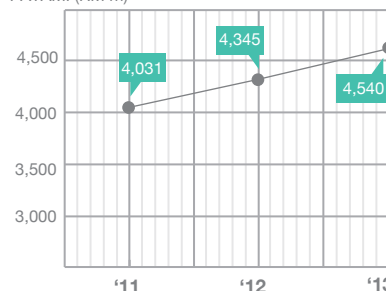


HISTORICAL PERFORMANCE

FY 31 December

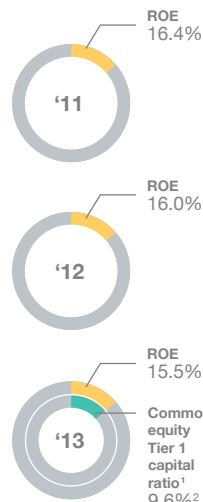
Unit: RM m	'11	'12	'13
Net Interest Income	6,676	7,396	7,954
Loan Assets	183,839	202,138	228,432
Market Cap	55,300	56,712	58,898
Non-interest income	3,975	4,410	5,125
Income from Islamic banking operations	1,470	1,689	1,593

PATAMI (RM m)



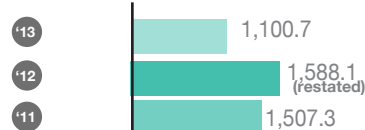
¹As per BNM Capital Adequacy Framework effective 1 Jan 2013 (in line with Basel III) which supersedes risk-weighted capital ratio (in line with Basel II)

²Proforma post-January 2014 private placement; As at 31st December 2013 Group CET1 stood at 8.1%



ECONOMIC PROFIT

Unit: RM m



HEADLINE KPIS

Unit: %	'13 Target	'13 Actual	'14 Target
After-tax ROE	16.0	15.5	13.5-14.0
Gross Loans Growth	-	13%	14%
Group Credit growth for FY13 target	15	12.2% (15.5)*	-
TSR	>FBM KLCI	-10.1% >FBM KLCI	>FBM KLCI

*Excluding FOREX fluctuations

ACHIEVEMENTS

Financial performance

- CIMB reported a record net profit of RM4.54 billion for FY2013, representing a 4.5% y-o-y growth and equivalent to net EPS of 60.0sen and net ROE of 15.5%

'12 RM4.34bn >>> '13 RM4.54bn

- For FY2013, the total dividend amounted to 23.15 sen or RM1.83 billion, or a 40% dividend payout ratio

Other key financial highlights

- Operating income rose 8.7% y-o-y at RM14.67 billion, with a 6.8% expansion in net interest income.

- Non-interest income was 12.5% higher y-o-y, buoyed by a RM515 million one-off gain from sale of 51% interest in CIMB Aviva. The 15% weakening of the Rupiah versus the Ringgit reduced translated Indonesian income by 8.1% for FY2013
- The Group's PBT was 3.0% higher at RM5.85 billion, but was 2.2% lower after excluding the one-off gain and RM217 million in organisational restructuring charges
- Total Group gross loans expanded 13.0% y-o-y (or 16.5% after excluding foreign exchange fluctuations). Total Group deposits grew 7.3% y-o-y (10.2% excluding foreign exchange fluctuations)

- The regional Consumer and Corporate Banking contribution rose to 67% of FY2013 Group PBT from 59% previously (excluding one-off charges)
- Non-Malaysian PBT reduced to 39% in FY2013 from 41% in FY2012, largely due to the one-off gains and the Rupiah's depreciation

Completed Asia Pacific investment banking platform

- CIMB completed 73 ASEAN and Asia Pacific cross border deals in 2013 (compared to 30 in 2012) as it derived significant benefits following the completion of the Asia Pacific investment banking platform during the year

CHALLENGES

Regulatory

- Continued tight lending regulations in Malaysia, particularly within the consumer sector
- More stringent banking sector liquidity regulations and bancassurance rates imposed by Bank Indonesia
- Basel III capital requirements for financial holding companies

Macro economic issues

- Malaysian challenges include the Government

budget deficit, rising debt-to-GDP ratio, inflationary pressures, increased costs of living and weakened Ringgit

- Challenging economic environment in Indonesia – current account deficit, rising inflation, interest rate rises, Rupiah volatility and subsidy rationalisation
- Political and economic uncertainty in Thailand
- Volatile regional capital markets arising from the US Federal Reserves tapering and gradual fund withdrawal from emerging markets

Operations

- CIMB continued to adopt a cautious stance on asset growth in all countries whilst paying close attention to asset quality and credit risk across all operating geographies
- Deposit accumulation tracked loan growth subject to pricing and liquidity conditions. Challenging liability pricing in Indonesia
- Slower operational growth in Thailand with added attention on asset quality trends



CIMB GROUP HOLDINGS BERHAD



DATO' SRI NAZIR RAZAK
Group Managing Director /
Chief Executive Officer

2013 PERFORMANCE HIGHLIGHTS

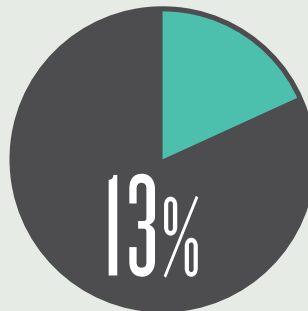
NET PROFIT

2013

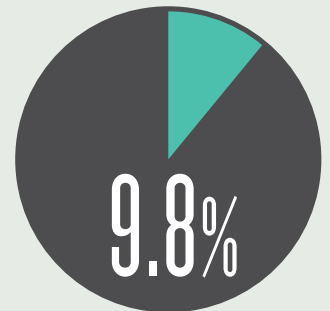
RM4.54bn

from RM4.34bn in 2012

GROSS LOANS GROWTH (EXCLUDING BAD BANK)



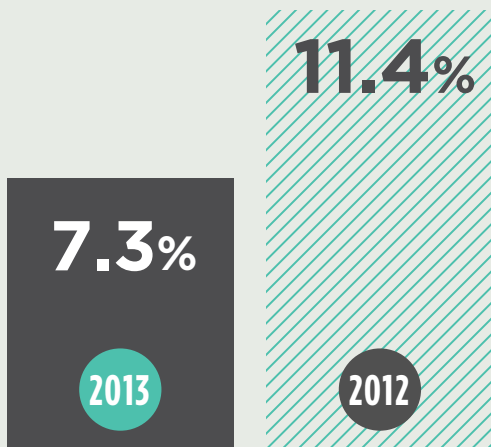
FY2013



FY2012

DEPOSITS GROWTH*

*Include structured investments classified as
"Financial liabilities designated as fair value"



TOTAL ASSETS GROWTH

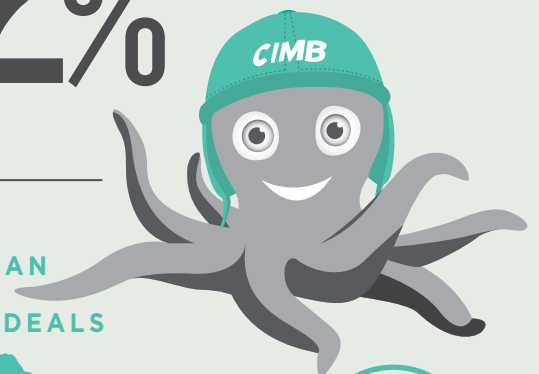
2013

10.2%

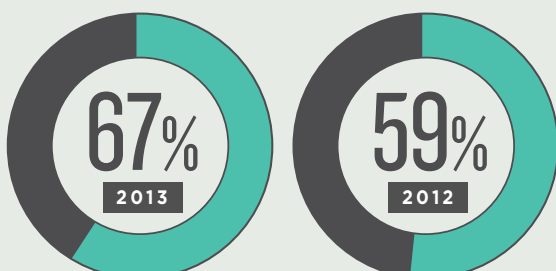
2012

12.3%

NUMBER OF ASEAN + ASIA PACIFIC CROSS BORDER DEALS



REGIONAL CONSUMER PBT + REGIONAL CORPORATE BANKING PBT AS A PERCENTAGE OF TOTAL PBT



2013

73

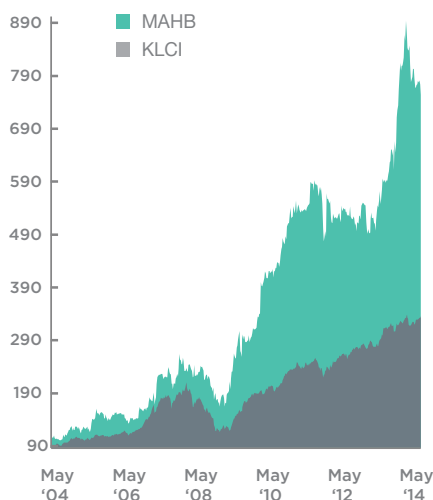
2012

30



MALAYSIA AIRPORTS HOLDINGS BERHAD

TSR INDEX



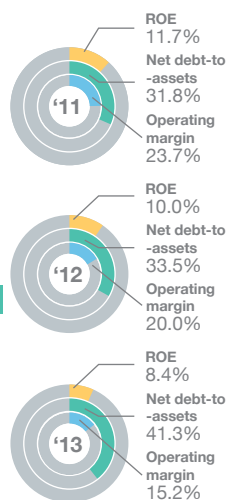
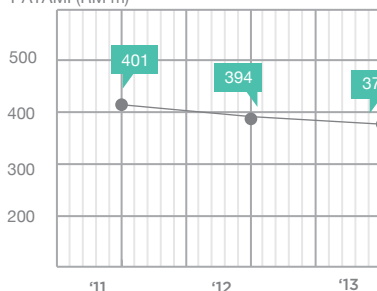
HISTORICAL PERFORMANCE

FY 31 December

Unit: RM m

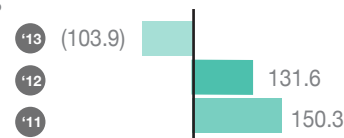
	'11	'12	'13
Operating Cashflow	488	647	891
Net Cash / (debt)	(1,655)	(2,199)	(3,294)
Market Cap	6,380	6,304	11,092

PATAMI (RM m)



ECONOMIC PROFIT

Unit: RM m



HEADLINE KPIs

	'13 Target	'13 Actual	'14 Target
EBITDA (RM m)	751	827.5	861
Airport Service Quality Award	Top 5 in 25-40mill pax category	Top 5 in 25-40mill pax category	Top 5 in above 40mill pax category

ACHIEVEMENTS

Performance highlights

- ▶ MAHB recorded a total of 79.6 million passengers, representing a growth of 18.4% from 67.2 million registered in FY2012, the highest growth achieved in the last 22 years
- ▶ KLIA handled a record 47.5 million passengers in FY2013, a 19.1% growth from FY2012, the highest increase y-o-y since 2004
- ▶ MAHB registered 737,856 aircraft movements, an increase of 14.2% from FY2012

Financial highlights

- ▶ MAHB recorded a revenue of RM4.1 billion for FY2013 representing a growth of 15.5% compared to RM3.5 billion for FY2012

- ▶ Excluding construction revenue, the airport operations segment recorded an increase of 15.0% in revenue to RM2.3 billion for FY2013 from RM2.0 billion for the previous financial year. The strong performance was contributed by higher number of passengers
- ▶ In FY2013, MAHB maintained its strong investment grade credit ratings – RAM (AAA) and Moody's (A3)
- ▶ MAHB share price consistently outperformed the benchmark FBMKLCI

Awards & Accolades in 2013

- ▶ KLIA won World's Best Immigration Service in the Skytrax World Airport Awards
- ▶ Sama-Sama Hotel, KLIA was awarded Best Luxury Airport Hotel in Asia at the World Luxury Hotel Awards

- ▶ MAHB obtained the Silver Award in the Employer of Choice award category in the Malaysia HR Awards
- ▶ KLIA maintained its 3rd spot in the Top 10 Airports Worldwide category of the Smart Travel Asia Best in Travel Poll
- ▶ MAHB Managing Director, Tan Sri Bashir Ahmad was conferred the Lifetime Achievement Award at the Malaysia Business Awards (MBA)
- ▶ MAHB Chief Financial Officer, Faizal Mansor, was named "Best CFO" in Finance Asia's 13th annual poll of Asia's top companies

CHALLENGES

- ▶ It was a challenging year for Malaysia Airports as the global economy continued its slow recovery. Nevertheless, the global aviation industry remains resilient despite the slowdown and registered a tremendous increase in global passenger traffic.
- ▶ As fuel price is a major concern for airlines, Malaysia Airports has been providing facilities and procedures that could lower aircraft turnaround time at the airports and avoid traffic delays. This will enable airlines to efficiently use and effectively reduce their fuel consumption.
- ▶ klia2 has commenced operations on 2 May 2014 and will contribute positively to MAHB Group's revenue, largely fuelled by higher passenger movements and complemented by enhancements in retail and commercial operations. However, klia2 is expected to incur higher operating expenditure due to its much larger capacity to accommodate for future growth in passenger and aircraft movements.

MALAYSIA AIRPORTS HOLDINGS BERHAD



TAN SRI BASHIR AHMAD
ABDUL MAJID
Managing Director

2013 PERFORMANCE HIGHLIGHTS

PASSENGERS

Recorded a total of

79.6m ²⁰¹³

67.2m ²⁰¹² **+18.4%**
PASSENGER
GROWTH

The highest growth achieved
in the last **22** years

REVENUE



2013 **RM4.10bn**
2012 **RM3.55bn**

INVESTMENT GRADE CREDIT RATINGS MAINTAINED

RAM (AAA)

MOODY'S (A3)

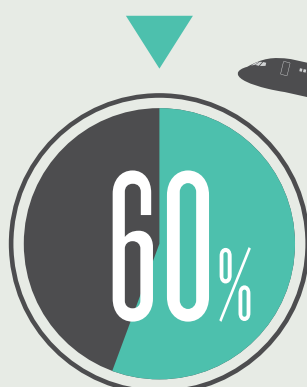
Took over the operations and
management of Pan Pacific Kuala Lumpur
International Airport Hotel



rebranded to
Sama-Sama Hotel

RAISED ITS STAKE IN ITS
TURKEY VENTURE
(SABIHA GOKCEN AIRPORT)
BY BUYING A

40% STAKE FROM
PARTNER GMR



JOINT VENTURE

MALAYSIA AIRPORTS



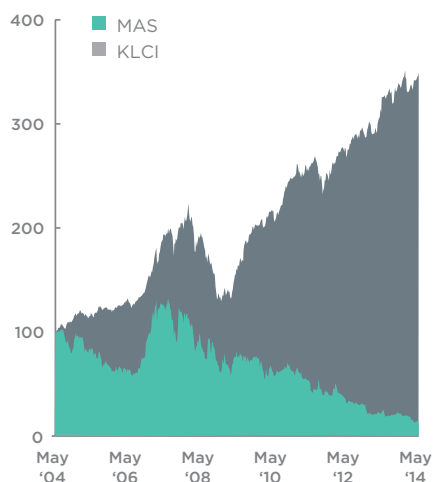
mitsui FUDOSAN

to develop a factory outlet
to be tentatively called
"Mitsui Outlet Park KLIA"



MALAYSIAN AIRLINE SYSTEM BERHAD

TSR INDEX

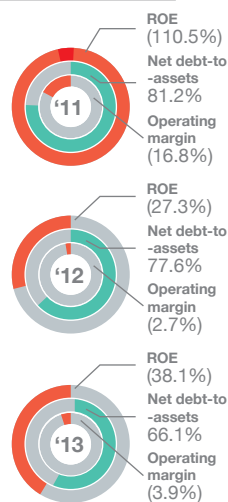
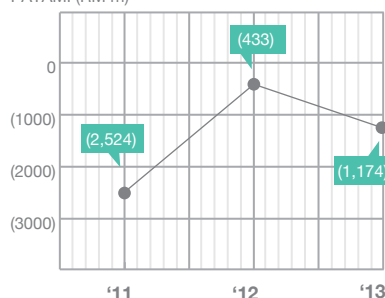


HISTORICAL PERFORMANCE

FY 31 December

Unit: RM m	'11	'12	'13
Operating Cashflow	(567)	(274)	(747)
Net Cash / (debt)	(4,554)	(7,400)	(7,902)
Market Cap	4,345	2,373	5,180

PATAMI (RM m)



ECONOMIC PROFIT

Unit: RM m

'13	(1,528.0)
'12	(1,134.0)
'11	(2,590.0)

HEADLINE KPIS

Malaysia Airlines is revising its 2014 KPI in view of negative impact on the travel industry with MH370 tragedy in March 2014

ACHIEVEMENTS

Financial performance

- ▶ 36% improvement in EBITDA to RM254 million for 12 months ended 31 December 2013
- ▶ 10% increase in Group revenue to RM15.12 billion
- ▶ Cost optimisation resulted in cost increase of only 10% despite increasing capacity by 17%
- ▶ Number of passengers rose by 28.5% to 17.2 million
- ▶ For core airline, MH, capacity (available seat kilometre) increased 17%, traffic (revenue passenger kilometre) rose 27%, seat load factor rose 6.3 percentage points (ppts) to 81 ppts

- ▶ Highest ever seat load factor 93.5 ppts achieved on 20 December 2013
- ▶ Current network - 60 destinations; a member of oneworld alliance - expands network to 993 destinations in 151 countries; Codeshares - 28
- ▶ New destinations added - Dubai, Kochi (India), Darwin
- ▶ Frequencies increased on current routes around Malaysia, ASEAN, South Asia, China, Australia
- ▶ A380 to Paris (daily), Hong Kong (daily), London (double daily)

- ▶ Group fleet (as at 31 December 2013): 148 aircraft
 - Includes 6 A380s, 14 A333s, 15 B777s, 49 B738s, 3 ATR72-600s, 3 DHC6-400s
- ▶ New aircraft delivered 2013: 24; aircraft redelivered: 19; average age of fleet for Group: 6.95 years
- ▶ Major awards won: '5-star airline' by Skytrax, Satay voted as 'Best Signature Airline Dish' by Skytrax; 'Asia's Leading Airline' at World Travel Awards 2013; Silver at Putra Brand Awards 2013 for Transportation, Travel & Tourism; 'Pride in Excellence' by Boeing for capabilities to maintain the B737 fleet

CHALLENGES

Industry outlook

- ▶ Marginal GDP growth expected for Asia in 2014
- ▶ Air traffic growth (2012 - 2032) in Asia Pacific and between Asia Pacific to Europe expected to be between 5.5 - 6% annually
- ▶ Middle income class growth forecast to mature in Europe and North America by 2030; growth in Asia Pacific
- ▶ Increased number of aircrafts order by competitors until 2032: Asia Pacific 13,000; Europe 7,500; North America 7,250
- ▶ Cargo industry environment remains challenging

- ▶ Fuel prices expected to remain high (2013 average price for jet fuel is USD128 per barrel)
- ▶ Forex issues - weak Ringgit against USD is impacting costs
- ▶ Continued growth of low cost carriers (LCCs) and hybrid carriers will add more capacity to already crowded domestic and regional markets
- ▶ Over-capacity with influx and growth of Middle Eastern carriers and other regional full service carriers
- ▶ Intense competition for market share will further lower yield for all carriers

Competitive landscape

- ▶ Asia Pacific airline industry fast maturing with intense competition
- ▶ Airlines growing fast organically via joint-ventures or taking equity stakes
- ▶ US airlines consolidating to strengthen financial position
- ▶ Blurring of lines in product offerings of full service carriers (FSCs), LCCs and hybrid carriers, signaling a change in business model
- ▶ Massive aircraft deliveries to Asia Pacific and Middle East
- ▶ Asian Open Skies 2015

MALAYSIAN AIRLINE SYSTEM BERHAD



AHMAD JAUHARI YAHYA
Managing Director /
Group Chief Executive Officer

2013 PERFORMANCE HIGHLIGHTS

EBITDA



IMPROVEMENT TO

RM254m

in FY2013

REVENUE



INCREASE TO

RM15.12bn

in FY2013

COST OPTIMISATION

ONLY
+10%

DESPITE
INCREASING
CAPACITY

17%
2013 Y-o-Y

PASSENGERS



TO
RM17.2m

2013 Y-o-Y

FOR CORE AIRLINE, MH



CAPACITY
(AVAILABLE
SEAT
KILOMETRE)

17%
2013 Y-o-Y

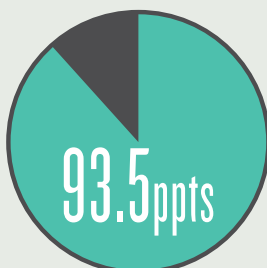
TRAFFIC
(REVENUE
PASSENGER
KILOMETRE)

27%
2013 Y-o-Y

SEAT LOAD
FACTOR

6.3%
2013 Y-o-Y

HIGHEST EVER SEAT LOAD FACTOR



ACHIEVED ON

20 DECEMBER 2013

AWARDS



'5-STAR
AIRLINE'
BY
SKYTRAX



Asia's Leading Airline

'ASIA'S
LEADING
AIRLINE'
AT WORLD
TRAVEL
AWARDS
2013

CAPITAL RESTRUCTURING & RIGHTS ISSUE CORPORATE EXERCISE COMPLETED

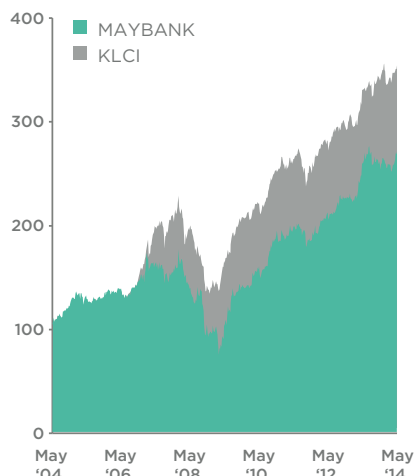
41%

OVERSUBSCRIBED



MALAYAN BANKING BERHAD

TSR INDEX

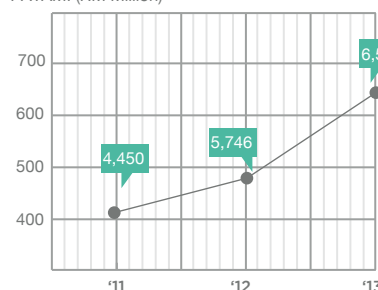


HISTORICAL PERFORMANCE

FY 31 December

Unit: RM m	'11	'12	'13
Net Interest Income	7,186	9,297	9,585
Loan Assets	255,018	311,825	355,618
Market Cap	66,855	77,648	88,089

PATAMI (RM Million)

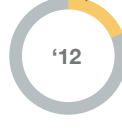


¹As per BNM Capital Adequacy framework effective 1 Jan 2013 (in line with Basel III) which supersedes risk-weighted capital ratio (in line with Basel II)

ROE
14.5%



ROE
16.0%



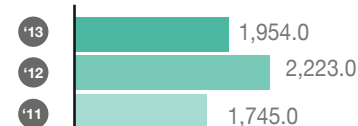
ROE
15.1%



Common
Equity Tier 1
Capital
Ratio¹
11.3%

ECONOMIC PROFIT

Unit: RM m



HEADLINE KPIs

Unit: %	'13 Target	'13 Actual	'14 Target
ROE	15.0	15.1	15.0
Group Loans Growth	12.0	14.0	12.0

ACHIEVEMENTS

Registered strong all-round FY2013 financial performance

- Recorded a Profit After Tax and Minority Interest (PATAMI) of RM6.55 billion - the highest profit ever in the 52-year history of Maybank
 - 14% higher than the achievement for FY2012
 - Contributed by higher pre-tax profit in Malaysia (12.1%), Singapore (9.8%), Indonesia (18.8%) and other countries (12.7%)
- Achieved full year ROE of 15.1%, meeting Headline KPI target and above peer group average
- Group's loans growth of 14% and deposits growth of 14%, both ahead of 12% targets
- Cost-to-income ratio improved to 47.8% from 48.6% in FY2012, owing to slower overhead expense growth of 8.4% against net income growth of 10.5%
- Asset quality continued to improve; gross impaired loans ratio at 1.48% as at 31 December 2013, a 30 basis points (bps) improvement from a year ago. Net charge-off rate maintained at 23 bps for FY2013 and loan loss coverage improved to 107.5%
- Net dividend per share of 53.5sen with total FY2013 net dividend at RM4.71 billion

Key Corporate Development

- Appointment of Datuk Abdul Farid Alias as Group PCEO and new CEOs for BII, Maybank Kim Eng and Etiqa

- Refreshed organisation structure to further accelerate Maybank Group's vision to be a regional financial services leader

The Transformation Journey - Year of Accelerating Regionalisation

- Kick-started two catalytic retail initiatives making an entry to the ASEAN region: Regional Cards and Regional Wealth Management, each with its own centres of excellence
- Implementation of web-based platforms, Regional Trade Finance and Regional Cash Management System, enabling our clients to make regional transactions in all 10 ASEAN countries as well as Greater China
- Implementation of the regional organisation for all Maybank Kim Eng businesses across 10 countries and significant growth in deals originating from markets outside Malaysia

Achieving towards Maybank's 2015 Strategic Objectives

- Undisputed No.1 Retail Financial Services provider in Malaysia by 2015
 - "Best Retail Bank, Malaysia" by Asian Banker (2013)
 - Second most profitable retail/commercial bank
 - Widest physical network with a market share of 20%
- Leading ASEAN wholesale bank, eventually expanding to Middle East, China & India
 - Market share in Malaysia: No.1 in corporate lending and non-retail deposits, No.1 in Trade Finance, No.1 in equity, No.1 in Syndication and No.2 in M&A value

- Undisputed Insurance & Takaful leader in Malaysia & emerging regional player:
 - No.1 market share in General business and Family Takaful business in Malaysia
 - Strong capital position with international rating of A for both Etiqa Insurance Berhad and Etiqa Takaful Berhad
- Truly regional organisation with -40% of pre-tax profit derived from international operations by 2015:
 - International PBT contribution at 30.3% with footprint in all 10 ASEAN countries and in Asia
- Global leader in Islamic:
 - Largest Islamic bank in ASEAN and top 5 globally by asset size (RM91.4 billion)
 - "Best Islamic Financial Institutions Awards 2013 for Asia, Malaysia and Singapore" by Global Finance

Notable Awards for FY2013

- Bloomberg Markets - 13th Most Strongest Bank in the World
- Asia's Best Companies 2013 Award - Best Corporate Governance and Best Corporate Social Responsibility
- Euromoney Awards for Excellence 2013 - Best Bank in Malaysia
- Towers Watson Global High Performing Company - first and only Asian organisation to be included in international recognised benchmark
- Efma-Accenture Innovation Awards 2013 - joint winner in Responsible Business category with BNP Paribas

CHALLENGES

- Economic challenges persist globally but Maybank expects domestic economic growth to hold up at about 5%, aided by stronger growth in exports and a pick-up in private investment fuelled by the ETP
- Inflationary pressures continue to build domestically. Maybank expects household consumption to moderate, compounded by a possible 25-50 bp hike in the OPR this year
- Competitive pressures persist and NIMs are expected to compress further this year, while credit costs are expected to normalise. Maybank will focus on sound risk management practices to address potential higher credit costs



MALAYAN BANKING BERHAD



DATUK ABDUL FARID ALIAS
Group President &
Chief Executive Officer

2013 PERFORMANCE HIGHLIGHTS

PATAMI

RM6.55bn
HIGHEST EVER IN 52 YEARS HISTORY
+14% Y-o-Y
IN 2013

MARKET CAPITALISATION AS AT 30 MAY 2014

USD27.27bn
NO.3 AMONG
ASEAN BANKS

PRE-TAX PROFITS

30%

FROM INTERNATIONAL
OPERATIONS

- 2,400 OFFICES IN 20 COUNTRIES
- 22 MILLION CUSTOMERS
- 48,000 MAYBANKERS WORLDWIDE

MAYBANK ISLAMIC

3rd LARGEST
ISLAMIC BANK GLOBALLY

30.6% FINANCING
MARKET
SHARE
IN MALAYSIA

AWARDS

EUROMONEY

EUROMONEY AWARDS FOR
EXCELLENCE 2013 -
BEST BANK IN MALAYSIA

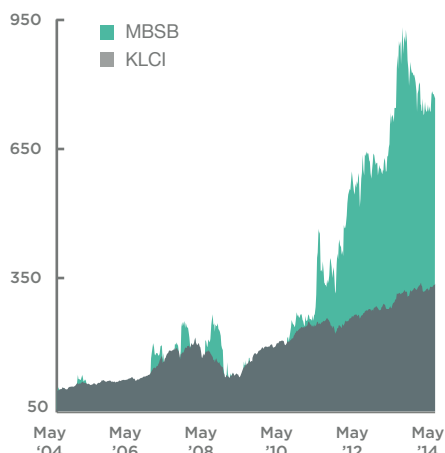
THE ASIAN BANKER

THE ASIAN BANKER LEADERSHIP
ACHIEVEMENT AWARDS 2013 -
BEST MANAGED BANK IN MALAYSIA



MALAYSIA BUILDING SOCIETY BERHAD

TSR INDEX



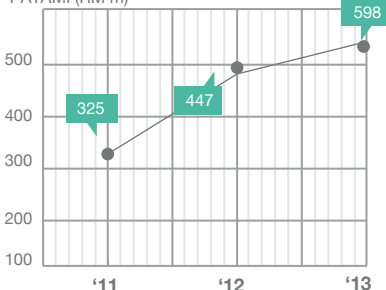
HISTORICAL PERFORMANCE

FY 31 December

Unit: RM m

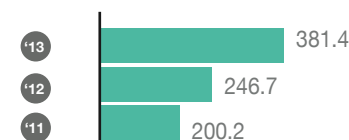
	'11	'12	'13
Net Interest Income	206	151	98
Financing/Loan Assets	15,185	24,266	30,296
Market Cap	2,285	2,803	3,863
Non-interest income	160	126	140
Income from Islamic banking operations	398	850	1,265

PATAMI (RM m)



ECONOMIC PROFIT

Unit: RM m



HEADLINE KPIS

Unit: %	'13 Target	'13 Actual	'14 Target
ROE	15.0	32.4	15.0
Revenue Growth	25.0	37.4	10.0

ACHIEVEMENTS

Financial performance is meeting targets and is on the rise

- Recorded a profit before tax of RM932.3 million in FY2013, an increase of 42% as compared to FY2012
- Reduced net NPL ratio of the Group from 4.5% in FY2012 to 3.4% in FY2013
- Net loan, advances and financing stood at RM30.3 billion in FY2013, an increase of 24.8% as compared to FY2012
- Significant reduction of 85% for corporate legacy net NPL from RM1.2 billion (74.2%) in March 2009 to RM0.2 billion (6.4%) in December 2013
- World's first Structured Covered Sukuk Commodity Murabahah Programme of up to RM3.0 billion backed by Financing Receivables

Enhancing customer value proposition and improving service level

- Established a new Region, Perak with its own Regional Business Representative
- Introduced Ekspres Tunai Hub with four-hours approval turnaround time for Personal Financing

Improved operational platform

- Emplaced a New Liquidity Framework
- Completed Phase 2 final cut-over of MiCoB (new banking platform)

Increased focus on customers and society

- Distributed RM1.0 million for MBSB 1Malaysia Education Fund Program to Yayasan Cemerlang and MBSB's customers
- Built 10 new homes for under-privileged families in rural areas under Program Sejahtera
- Continued supporting the PINTAR programme since 2007

Awards & accolades

- The Edge Billion Ringgit Club 2013**
 - 1st for Highest Profit Growth (Financial Sector). This is the third consecutive year that MBSB has won this award
 - 2nd for Most Profitable Company & Best Performing Stock
- Forbes Asia**
 - Listed in 200 Best Companies Under a Billion (USD) in Asia
- Islamic Finance Awards**
 - Structured Finance Deal of the Year: MBSB RM495 million Covered Sukuk Commodity Murabahah (First Tranche)
- 11th RAM League Awards - Blueprint Award 2013**
 - New Structured-Finance Benchmark Deal
 - Outstanding Deal of the Year

CHALLENGES

Staying at par with the industry

- MBSB now operates on a level playing field with other financial institutions due to new lending guidelines by BNM
- Lending growth trending downwards
- Big banks eyeing small SMEs for corporate loans

Improving further delivery platform

- Expansion of auto finance hubs to other regions
- Kids Fun Branch established to offer customized products to suit the needs of all in the family
- To develop further MBSB's present talents to ensure effective contribution by the staff in a banking environment



MALAYSIA BUILDING SOCIETY BERHAD

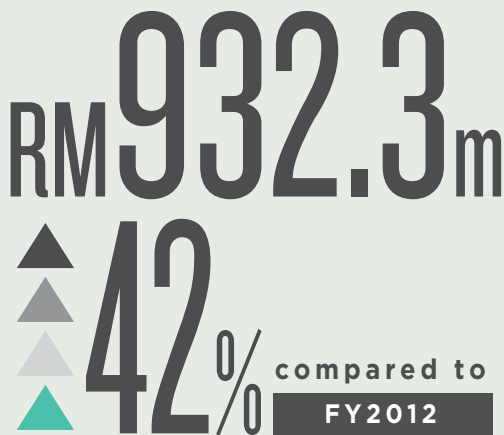


DATO' AHMAD ZAINI OTHMAN
President & Chief Executive Officer

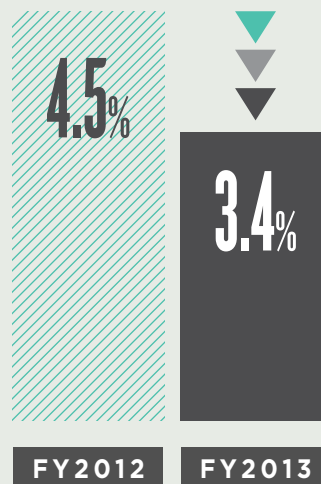
2013 PERFORMANCE HIGHLIGHTS

PROFIT BEFORE TAX

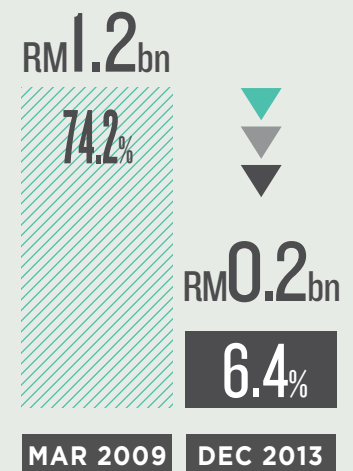
FY2013



GROUP'S NET NPL



CORPORATE LEGACY'S NET NPL

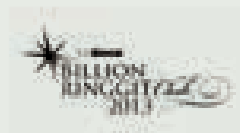


**WORLD'S FIRST
STRUCTURED
COVERED
SUKUK
COMMODITY
MURABAHAH
PROGRAMME
OF UP TO**

RM3.0bn

**BACKED BY
FINANCING
RECEIVABLES**

AWARDS



THE EDGE BILLION RINGGIT CLUB 2013

- 1ST FOR HIGHEST PROFIT GROWTH (FINANCIAL SECTOR). THIS IS THE THIRD CONSECUTIVE YEAR THAT MBSB HAS WON THIS AWARD
- 2ND FOR MOST PROFITABLE COMPANY & BEST PERFORMING STOCK



FORBES ASIA

LISTED IN 200 BEST COMPANIES
UNDER A BILLION (USD) IN ASIA



11TH RAM LEAGUE AWARDS - BLUEPRINT AWARD 2013

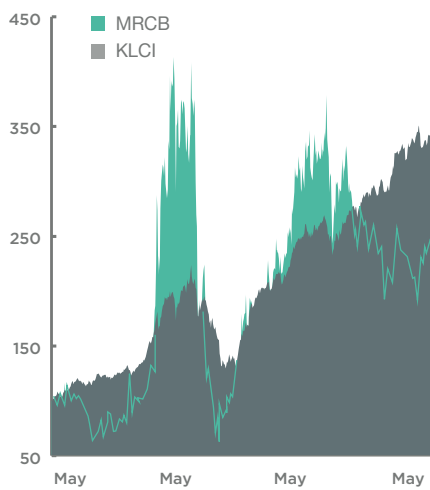
- NEW STRUCTURED-FINANCE BENCHMARK DEAL
- OUTSTANDING DEAL OF THE YEAR





MALAYSIAN RESOURCES CORPORATION BERHAD

TSR INDEX



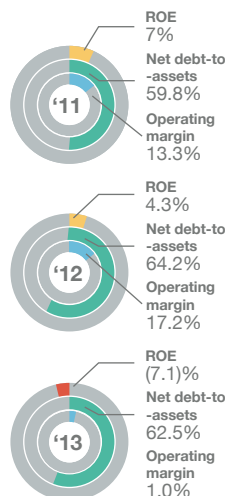
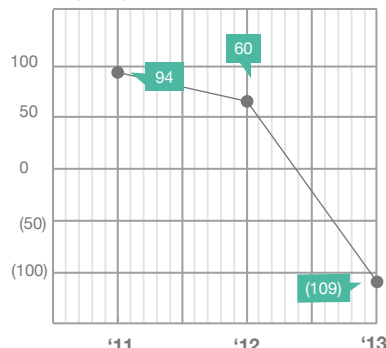
HISTORICAL PERFORMANCE

FY 31 December

Unit: RM m

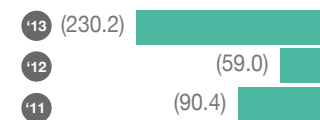
	'11	'12	'13
Operating Cashflow	(31)	(256)	(109)
Net Cash / (debt)	(2,108)	(1,603)	(1,841)
Market Cap	2,994	2,151	2,130

PATAMI (RM m)



ECONOMIC PROFIT

Unit: RM m



HEADLINE KPIS

Unit: RM m	'13 Target	'13 Actual	'14 Target
Group Revenue	1,200	941	1835.6
Revenue Property Sales	1,000	470	924.5
New Order Book Growth For Engineering, Infrastructure and Others	1,000*	1,698.9	1,771.7
Group PBT	150	(110)	512

* Revised onwards from 1,290 in last year's scorecard

ACHIEVEMENTS

Financial performance for the 3 months period ended 31 December 2013:

- Revenue of RM369.0 million and PBT of RM19.3 million

On-going projects, commencement of works and strong capital management practices

- On-going developments valued more than RM4.4 billion in Kuala Lumpur Sentral for 2013
- Completed Shell Towers in 2013 which complies LEED Gold standard. Future developments in KL Sentral include Sentral Residences, Q Sentral & St. Regis Hotel & Residences which are to comply with BCA (Singapore) and GBI (Malaysia) standards
- High office rent rates in KL Sentral - RM6.00-RM9.00 psf monthly rent, matching rates in prime areas of KL

Contributing to the ETP by creating a state-of-the-art transport hub & other transit orientated developments

- JV with Pelaburan Hartanah Berhad to develop an integrated transport hub in Penang that will stimulate economic growth in Northern Peninsular Malaysia. To emulate KL Sentral and to serve as a premier transportation centre in mainland Penang

Continuous support towards environmental and social development

- Working towards river rehabilitation in Sungai Pahang & Perai
- Focusing on new developments that are eco-friendly with latest green technology application
- Continuous work done on "greening" of Kuala Lumpur Sentral and donation towards establishing Taman Botani Perdana under the green initiatives of the Greater Kuala Lumpur development plan
- Donation to Yayasan Peneraju Pendidikan Bumiputera to enable more Bumiputera graduates achieve high-income employment
- Donation for building upgrade on mosque and staff quarters at Masjid Jamek Pasir Pelangi, Johor Bahru

CHALLENGES

Susceptibility to external factors

- Weakness of demand for overall property for commercial and high end residential due to economic conditions, excess supply and recent property cooling measures implemented by the government to curb property speculation
- Fluctuating costs of raw materials could negatively impact profit margins particularly when contract prices are fixed regardless of the increase in world commodities market
- Availability of skilled labour to carry out projects
- Slow payments from clients affecting work progress and cashflow
- Risk of inflation which could prompt the government to increase OPR, which could increase financing costs

Measures

- Improving profit margins, legal defence, tax structure, pre-empting issues, and focusing on niche market
- Improve and enhance the margin, performance and efficiency from better management of existing and future operations - higher returns and cost reduction
- Review terms and conditions in agreements with vendors and purchasers and documentation/notification process from a legal perspective to ensure that MRCB's best interests are kept
- Efficient tax planning for all business structures and internal reorganization of shared administrative cost

- Identify issues related with financing, human capital and company growth on a strategic level to cope with a dynamic changing environment in which MRCB operates in
- To focus on green building technology and transport orientated developments which is where MRCB's strengths lies



MALAYSIAN RESOURCES CORPORATION BERHAD



DATUK MOHAMAD SALIM
FATEH DIN
Group Managing Director

2013 PERFORMANCE HIGHLIGHTS

ON-GOING
DEVELOPMENTS
VALUED AT

>RM4.4bn

IN KL SENTRAL
FOR 2013

PENANG SENTRAL
STATE OF THE ART
INTEGRATED
TRANSPORT HUB
BEING DEVELOPED
WITH GDV OF

RM2.1bn

SHAREHOLDERS FUNDS

2013

RM1.7m

2012

RM1.3m

RM1.3m

2012

RM1.7m

+29.2%

2013

NET PROFIT

RM19.2m

433%

RM3.6m

Q1 2013

Q1 2014

COMPLETION & FUTURE DEVELOPMENT

COMPLETED **SHELL TOWER**
AND **ASCOTT RESIDENCES**

IN 2013 WHICH COMPLIES WITH

LEED GOLD STANDARD.

FUTURE DEVELOPMENTS IN
KL SENTRAL INCLUDE SENTRAL
RESIDENCES, Q SENTRAL &
ST. REGIS HOTEL & RESIDENCES
WHICH ARE TO COMPLY WITH

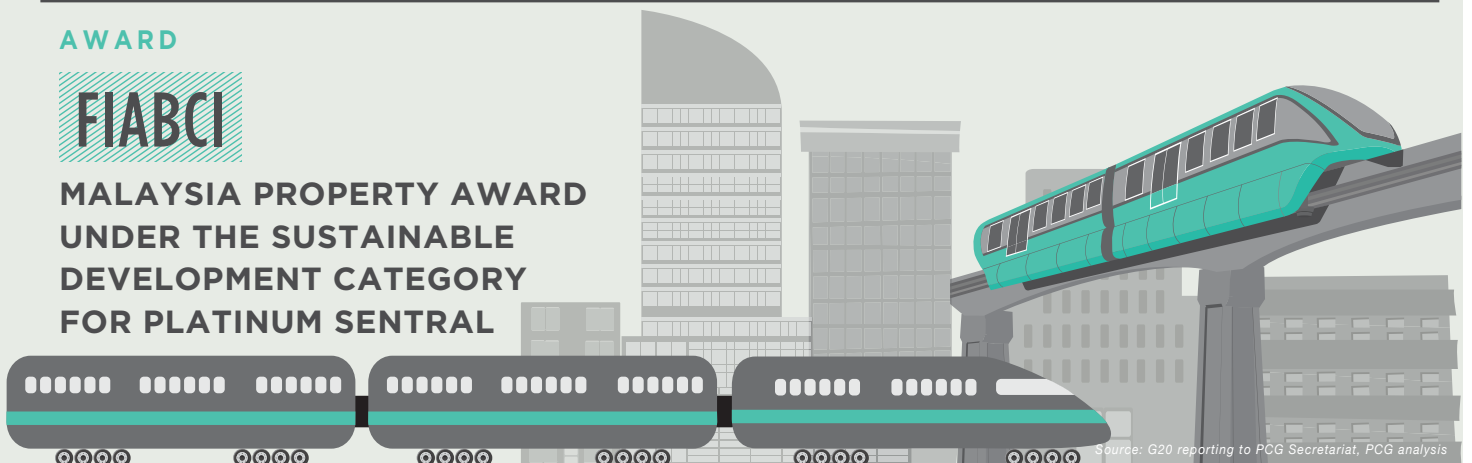
BCA (SINGAPORE) AND

GBI (MALAYSIA) STANDARDS

AWARD

FIABCI

MALAYSIA PROPERTY AWARD
UNDER THE SUSTAINABLE
DEVELOPMENT CATEGORY
FOR PLATINUM SENTRAL

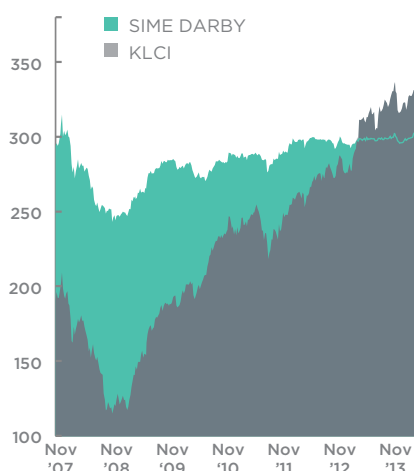


Source: G20 reporting to PCG Secretariat, PCG analysis



SIME DARBY BERHAD

TSR INDEX

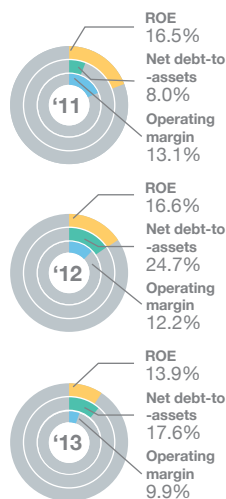
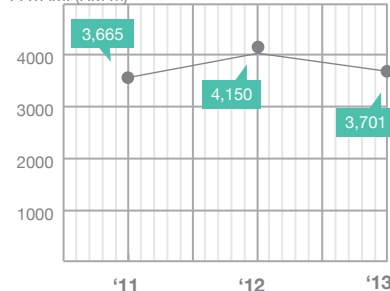


HISTORICAL PERFORMANCE

FY 30 June

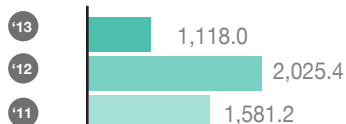
Unit: RM m	'11	'12	'13
Operating Cashflow	3,175	2,478	3,378
Net Cash / (debt)	(2,151)	(5,239)	(5,992)
Market Cap	55,468	59,434	57,571

PATAMI (RM m)



ECONOMIC PROFIT

Unit: RM m



HEADLINE KPIs

	'13 Target	'13 Actual	'14 Target
Return on Average Shareholder's Funds (%)	12.0	14.0	10.0
Net Profit (RM m)	3,200	3,700	2,800

ACHIEVEMENTS

FY2013 Results Exceeded Targets

- The Group achieved a net profit of RM3.7 billion and a Return on Average Shareholders' Funds (ROASF) of 14%, exceeding its net profit target of RM3.2 billion by 16% and ROASF target of 12% by 2%, respectively
- This reflects the strength of Sime Darby's diversified and well-positioned business portfolio as the conglomerate model remains key in delivering sustainable profits

Plantation Division

- The world's largest producer of certified sustainable palm (2.03 million MT of palm products as at 30 June 2013)
- As at June 2013, 55 out of 60 Strategic Operating Units have been certified by the Roundtable Sustainable Palm Oil
- A total of 8,025 hectares of oil palm was planted in Liberia as at June 2013

Industrial Division

- Successful integration of the Bucyrus business, with a profit contribution of RM125 million for FY2013
- China Engineers Ltd., Sime Darby's Caterpillar dealership in China, won the biggest single order in the company's history with a delivery of 70 hydraulic excavators to Shantao Dahao Construction in Guangdong

Motors Division

- Acquisition of the Porsche dealership in Australia as well as the Citroen dealership in New Zealand & Australia

Property Division

- The First Phase of the Battersea Power Station project garnered an impressive 99% take-up rate (GSV - £793 million) since being launched in January 2013

Energy & Utilities Division

- Completion of the construction of 1 X 20,000 MT berth of Weifang Port, as part of its expansion from a multi-cargo port to a container port
- The completion of Taiping Port's construction in Jining will also add further capacity to the coal ports located along the Grand Canal

Healthcare Division

- Completion of the 50:50 joint venture between Sime Darby's Healthcare business and Ramsay Health Care Ltd., recognising a capital gain of RM340 million

CHALLENGES

Key Challenges Ahead

- The Group continues to face risks and challenges in its business environment
 - Downward pressure on commodity prices
 - Slowdown in the global economy
 - Tighter fiscal & monetary policies
 - Challenges in entering new markets
 - Regulatory, social and environmental risks

Measures

- Navigating through Volatility

The following are key measures being undertaken by the Group to address business risks and potential headwinds ahead

 - Continued focus on enhancing operational efficiencies and improving productivity by seeking new ways to build the right capabilities and to implement more effective processes
 - Implementation of stricter working capital management and prudent cost controls, together with a more disciplined approach towards capital allocation and cash flow management.

- Leveraging on innovation, research & development and brand positioning which will be vital for the organisation to maintain its competitive positioning and market leadership
- Given the recent increase in NGO pressure and sustainability issues, the Group has intensified its efforts on engaging Environmental, Social and Governance (ESG)-related stakeholders



SIME DARBY BERHAD



TAN SRI DATO' SERI MOHD
BAKKE SALLEH
President & Group Chief Executive

2013 PERFORMANCE HIGHLIGHTS

NET PROFIT

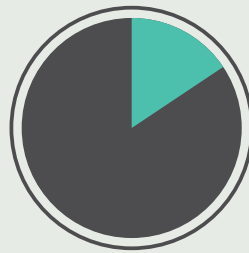
FY 2013

RM3.7bn

EXCEEDING KPI OF
RM3.2bn BY



RETURN ON AVERAGE SHAREHOLDERS' FUNDS



+14%

SURPASSED KPI
OF **12%** BY

+2%

JOINT VENTURE

COMPLETED
50:50

SIME DARBY'S HEALTHCARE BUSINESS
+
RAMSAY HEALTH CARE LIMITED

CERTIFICATION

JUNE 2013

92%

OF THE PLANTATION DIVISION'S SOUS
(STRATEGIC OPERATING UNITS)
HAVE BEEN CERTIFIED BY

**RSPO (ROUNDTABLE ON
SUSTAINABLE PALM OIL)**

PROPERTY DEVELOPMENT

BATTERSEA

POWER STATION 1ST PHASE

GARNERED AN IMPRESSIVE

99% TAKE-UP RATE

(GSV - £793MN)

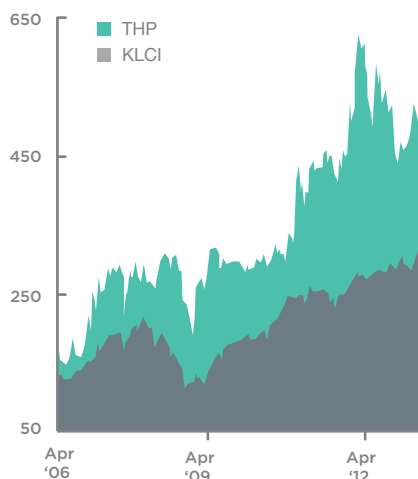




TH PLANTATIONS BERHAD

TH PLANTATIONS BERHAD

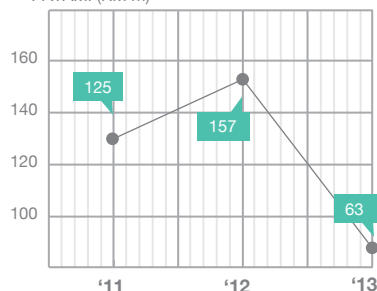
TSR INDEX



HISTORICAL PERFORMANCE

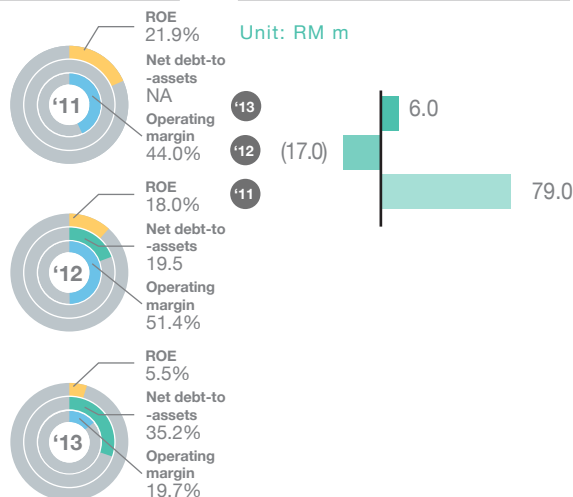
Unit: RM m	'11	'12	'13
Operating Cashflow	159	(29)	131
Net Cash / (debt)	17	(365)	(862)
Market Cap	1,079	1,442	1,655

PATAMI (RM m)



ECONOMIC PROFIT

Unit: RM m



HEADLINE KPIs

	'13 Target	'13 Actual	'14 Target
Return on Equity (%)	6.5	5.47	6.0
FFB yield per mature hectare (mt/ha)	20.50	23.86	22.40
Dividend	To distribute approximately 50% of Group's Annual PATAMI	First and final single tier dividend per ordinary share of 3.62 sen	To distribute approximately 50% of Group's Annual PATAMI
Landbank Increase (FY2013 - FY2015)	Driven to undertake new and strategic land bank expansions of an additional 30,000 hectares by 2015 As at 1Q14, THP had acquired 17,895 hectares of oil palm plantation in Sarawak and Indonesia translating into 60% of land bank expansion target		

ACHIEVEMENTS

Financial Portfolio Value Creation

- Recorded an increase in revenue by 25% to RM470.0 million
- Registered a net profit of RM76.5 million
- Balance sheet recorded a growth of 6% in shareholders' funds from RM1.12 billion to RM1.19 billion
- Market capitalisation increased by 15% to RM1.7 billion

Shareholders Value Creation

- Declared a dividend commitment of RM31.86 million, translating into a payout of 50.5% of Group's annual PATAMI
- Bonus issue on the basis of one bonus share for every five existing shares

Operational Portfolio Value Creation

- Achieved a higher production of fresh fruit bunches per hectare i.e. 23.86mt/ha on the back of lower production cost by focusing on Key Growth Nodes, a Group-wide business sustainable initiatives leveraging on Performance Improvement Programme

- Acquired oil palm plantation land totaling 6,514 hectares in Sarawak
- Maiden expansion in Indonesia totaling 11,380 hectares in 1Q14

Supporting The National Agenda

- Our 60:40 joint venture development with the State agencies & the Natives (locals) to develop idle Native Customary Rights (NCR) land into oil palm plantations in Sarawak
- The NCR land owners are provided with incentive payment of RM720 per hectare per year and has benefitted 1,684 local Bumiputera
- Dividend shall also be paid to local Bumiputera shareholders upon profitability
- The total project area of 3,444 hectares is in Beladin and Simunjan, Sarawak

CHALLENGES

Susceptibility Of Changes in External Factors

- Challenging world economic landscape and unfavourable regulatory changes in the palm oil industry
- Softening of CPO prices have adverse impact on bottomline
- Smear campaign against palm oil industry by western NGOs

Managing the Internal Factors

- Heighten attention on lowering the production costs by improving efficiency and productivity to strategically position THP Group in staying relevant and competitive in the highly challenging market conditions
- Focus on human resource development on improvement of capability and productivity through:
 - Performance Management Process
 - Learning and Development Strategy Programme



TH PLANTATIONS BERHAD



DATO' ZAINAL AZWAR BIN
ZAINAL AMINUDDIN
Chief Executive Officer

2013 PERFORMANCE HIGHLIGHTS

GROUP REVENUE



2013

RM470m

ECONOMIC PROFIT

2013

RM6m

2012

(RM17m)



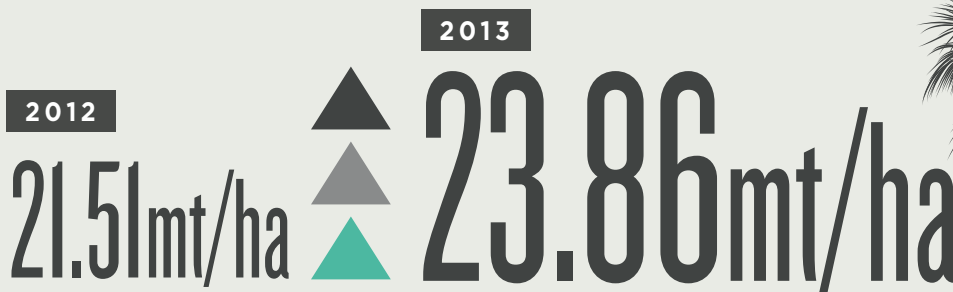
MARKET CAPITALISATION



2012

2013

FFB PRODUCTION (YIELD / HA)



LAND BANK

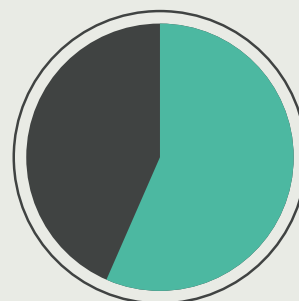
EXPANSION OF LAND BANK BY

17,895 HA



109,092 HA

VIA ACQUISITIONS OF LAND IN
SARAWAK & MAIDEN EXPANSION
IN INDONESIA

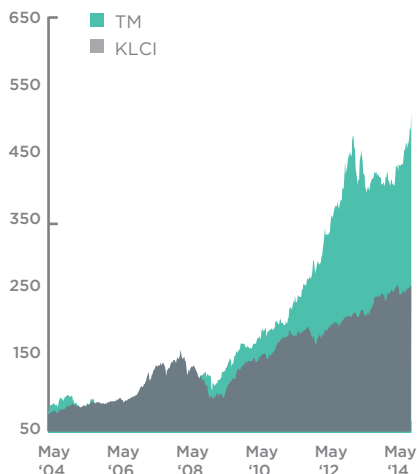


ACHIEVED 60%
OF THE TARGETED
30,000 HA LAND
BANK EXPANSION
FOR MEDIUM TERM
HEADLINE KPI
(FY2013-FY2015)



TELEKOM MALAYSIA BERHAD

TSR INDEX

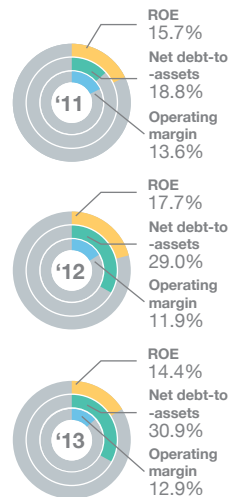


HISTORICAL PERFORMANCE

FY 31 December

Unit: RM m	'11	'12	'13
Operating Cashflow	3,156	2,860	2,933
Net Cash / (debt)	(1,759)	(2,885)	(3,299)
Market Cap	17,744	21,608	19,855

PATAMI (RM m)



ECONOMIC PROFIT

Unit: RM m



HEADLINE KPIS

	'13 Target	'13 Actual	'14 Target
Revenue Growth (%)	6	6.4	5.0-5.5
EBIT Growth (%)	3	18.2	5
Customer Quality Perspective	TRI'M Score of 72	TRI'M Score of >72	TRI'M Score of 72

ACHIEVEMENTS

Achieved All Headline KPIs for 4th Consecutive Year

- ▶ Revenue growth of 6.4%
- ▶ Normalised EBIT growth of 18.2%
- ▶ Customer Satisfaction Measure, or TRI'M score of >72

Revenue Growth

- ▶ 2013 revenue exceeded RM10 billion for the first time at RM10.63 billion
- ▶ Non-voice (data, internet & multimedia, others) revenue continues to surpass voice, contributing to 66% of group revenue

- ▶ Revenue derived from internet & multimedia is now 25% of group's revenue
- ▶ Normalised PATAMI exceeded RM1 billion in 2013

Continued Commitment to Shareholders Value Creation

- ▶ Exceeded the minimum dividend commitment of RM700 million and announced RM933.7 million total payout (26.1 sen per share) for 2013

Malaysia's Broadband Champion

- ▶ Maintained leadership in broadband segment with 2.2 million customers, up from 2.1 million customers in 2012
- ▶ 41% of total TM broadband customers are on highspeed broadband services (4Mbps and above)
- ▶ Recorded stronger average revenue per user (ARPU) across both Streamyx and UniFi as compared to 2012

CHALLENGES

Arresting Decline in Voice Services Revenue

- ▶ Although at a slower pace, decline is continuing year-on-year due to lower usage and fixed-to-mobile substitution. However, this is mitigated by growth in the internet & multimedia and data revenue
- ▶ Efforts to arrest decline through improved offering in terms of services and pricing

Competition in Broadband Space

- ▶ Competition from mobile, LTE and other highspeed broadband (HSBB) providers
- ▶ There are also other opportunities available for TM with mobile broadband growth and increased data consumption (i.e. backhaul services for celcos)

Cost and Capex Management

- ▶ Careful management of HSBB and "Business-as-usual" capital expenditure spend remains crucial along with continued implementation of cost management initiatives, particularly in relation to manpower cost, maintenance and utilities. This is compounded by the challenge of maintaining two concurrent networks while TM undergoes transition to an all-IP Next Generation Network (NGN) as well as high takeup of UniFi customers and the need to maintain quality of service, in addition to the impact of increased tariffs and implementation of the Minimum Retirement Age Act 2012 in 2013

Regulatory

- ▶ Regulatory support remains important in light of increasingly competitive industry landscape to ensure equitable and balanced industry structure and fair returns on HSBB network investments



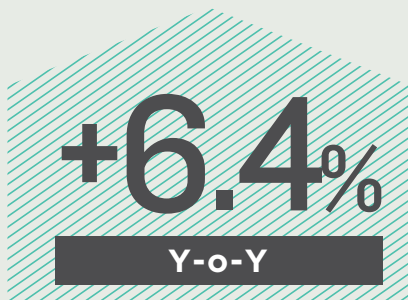
TELEKOM MALAYSIA BERHAD



**TAN SRI DATO' SRI ZAMZAMAIRANI
MOHD ISA**
Managing Director /
Group Chief Executive Officer

2013 PERFORMANCE HIGHLIGHTS

REVENUE



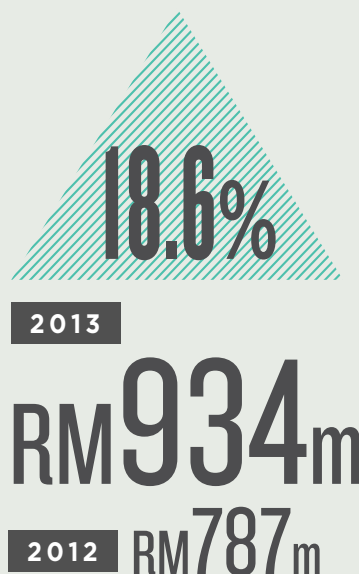
NORMALISED PATAMI



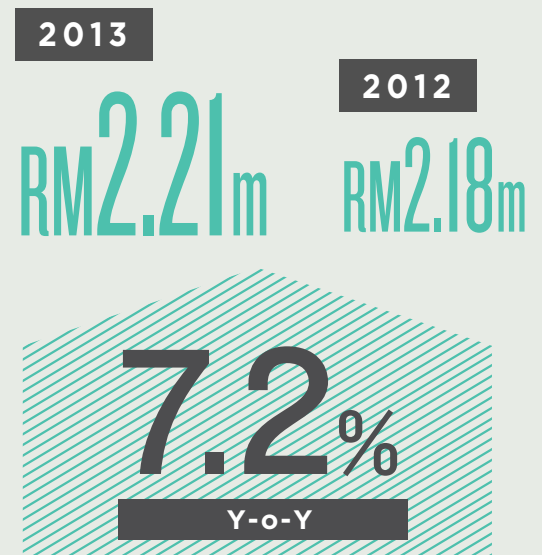
NORMALISED EBIT



DIVIDEND



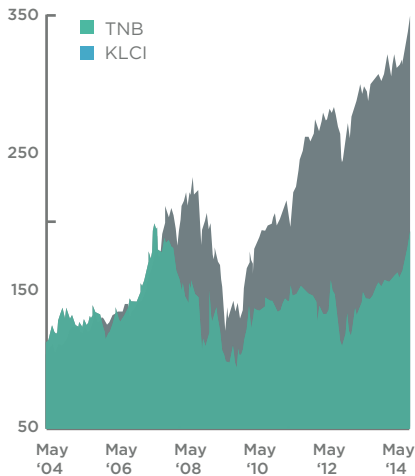
CUSTOMER BASE





TENAGA NASIONAL BERHAD

TSR INDEX

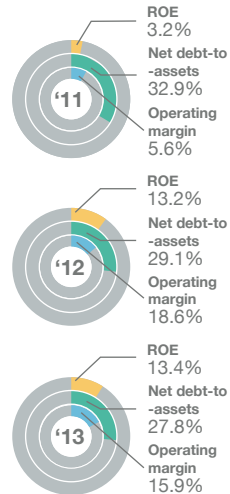
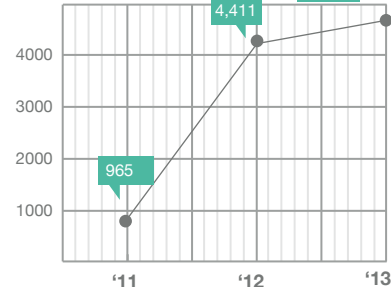


HISTORICAL PERFORMANCE

FY 31 August

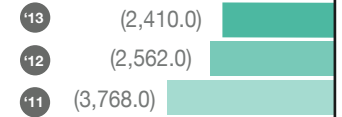
Unit: RM m	'11	'12	'13
Operating Cashflow	4,410	7,967	8,570
Net Cash / (debt)	(15,100)	(14,446)	(13,659)
Market Cap	28,647	37,631	49,269

PATAMI (RM m)



ECONOMIC PROFIT

Unit: RM m



HEADLINE KPIs

Unit: %	'13 Target	'13 Actual	'14 Target
Return on Asset (ROA)	4.5 - 5	4.9	6.5 - 7.0
Company CPU (sen/kWh)	30.5 - 31.5	30.8	30.5 - 32
Revenue from Non Regulated Business (RM bn)	1.9 - 2.0	2.2	2.2 - 2.6
Equivalent Plant Availability Factor	*	*	85 - 90%
Transmission System Minutes (min)	1.1-2.0	0.44	1.5-2.0
Distribution SAIDI (min)	60-65	64.17	55-60

*The KPI is commencing in FY2014

ACHIEVEMENTS

TNB's financial performance meeting targets and on the rise

- ▶ ROA improved from 4.5% (FY2012) to 4.9% (FY2013)
- ▶ Higher revenues of RM37 billion, compared to RM35 billion in FY2012
- ▶ Strong share price rose to above RM11 in FY2013
- ▶ Stable fundamental of foreign shareholdings rose up to 26%

TNB continuously sustaining Malaysia's security and reliability of supply

- ▶ Sustained Generation Equivalent Availability Factors at 88% in FY2013
- ▶ Transmission System Minutes improved by 60% as the lowest ever achieved to 0.43 minutes (FY2011 - 1.0 min, FY2012 - 1.0 min, FY2013 - 1.03 min)

- ▶ World-class system reliability in terms of System Average Interruption Duration Index, < 65 minutes
- ▶ TNB won bids to build 2 power plants (Track 1 Prai & Track 3A Manjung 5), ensuring security of supply

Strengthened foothold in the region

- ▶ Achieved RM2.2 billion revenue from its non-regulated income stream in FY2013
- ▶ Internationally, TNB has presence in Indonesia, Brunei, Pakistan, Saudi Arabia, United Arab Emirates and Kuwait

TNB has improved its customer services

- ▶ Improvement in customer touch points:
 - Supply connection - 7 day supply connection
 - Billing - easy to understand new bill layout
 - Payment - ePAY at Petronas stations & payment kiosk at TNB PKPs

- Faster response time in streetlight repairs - much reduced customer complaints
- Multi-language agents in call centres

TNB achieved tremendous recognitions locally & internationally

- ▶ 2013 Platt's Global Energy Award: No. 1 Electric Utility Company in Asia
- ▶ 2013 Employer Branding Institute: Asia's Best Employer Award

CHALLENGES

- ▶ Security of fuel impact to availability of fuel
- ▶ The economics of electricity supply involve factors such as the availability and cost of fuel, capital investments and technology, environmental costs and national policies, among others. These have to be carefully balanced to ensure optimum reliability and affordability of electricity to the end user
- ▶ Pressure tariff and country economic competitiveness
- ▶ Land acquisition for new plants and line for electricity supply

Prospects and Way Forward

- ▶ Strengthening of domestic business by driving change to enhance its business in the fastest, most efficient manner through ITNB Transformation Programme:
 - Engaging effectively with TNB major stakeholders
 - Delivering exceptional customer experience
 - Delivering efficiency in business cost
 - Transform organization towards world-class leaders with the exceptional business competencies

- ▶ Innovation - SMART GRID, Smart Meter
- ▶ Regional Champion - Growing business internationally

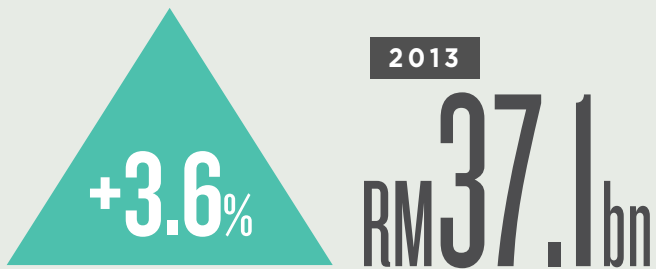
TENAGA NASIONAL BERHAD



DATUK SERI IR. AZMAN MOHD
President / Chief Executive Officer

2013 PERFORMANCE HIGHLIGHTS

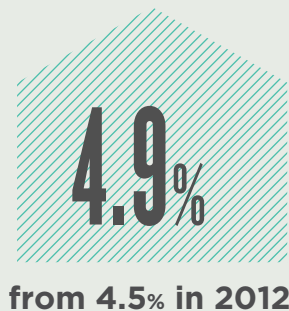
REVENUE



EBITDA MARGIN



RETURN ON ASSET



NET PROFIT



REGIONAL PRESENCE



Presence in 6 countries
**Brunei, Indonesia,
Kuwait, Pakistan,
Saudi Arabia & UAE**

Further expansion
by setting up 2 hubs
in **Southeast Asia &
the Middle East**

MARKET CAPITALISATION



INCREASE IN CUSTOMER SATISFACTION INDEX



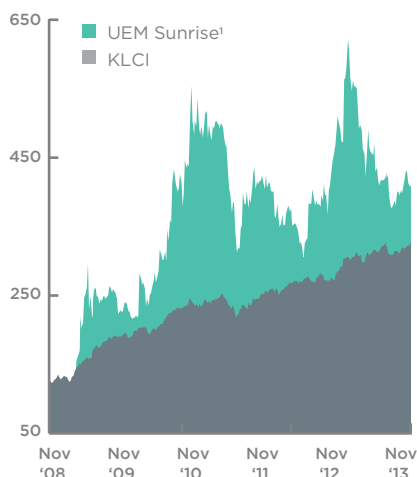
AWARDS



- Energy Company of the Year 2014 at **Power & Electricity Awards 2014**
- Asian CEO of the Year for 2 consecutive years (2013 & 2014) at **Power & Electricity Awards 2014**
- Platts Award 2013 - **#1 Electric Utilities in Asia**



TSR INDEX

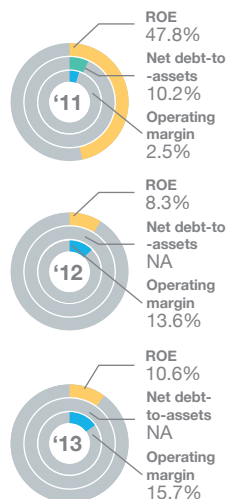
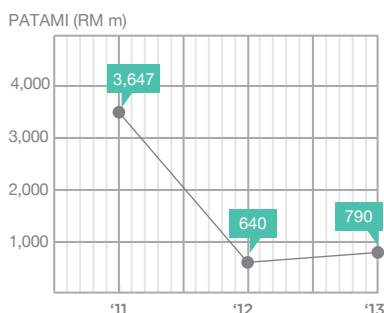


¹UEM Group Berhad being unlisted, its listed subsidiary UEM Sunrise is utilised as proxy for TSR and market capitalisation

HISTORICAL PERFORMANCE

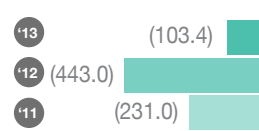
FY 31 December

Unit: RM m	'11	'12	'13
Operating Cashflow	1,964	357	705
Net Cash (debt)	(1,091)	1,619	476
Market Cap	NA	NA	NA



ECONOMIC PROFIT

Unit: RM m



HEADLINE KPIs

Unit: %	'13 Target	'13 Actual	'14 Target
Revenue Growth	41.4	29.2	30.0
ROE	9.0	10.6	11.3

ACHIEVEMENTS

Expansion, growth and other operational achievements

► Expressways

- UEM focused on expanding the network to improve connectivity and smooth ridership with fourth lane expansion at various parts of North-South Expressway and construction of new interchanges
- Bukit Gambir and Sg. Buaya Interchanges were completed and opened to public in 2014
- In Indonesia, UEM is constructing the 116-kilometre Cikampek-Palimanan Toll Road
- In India, UEM's Uniquet Infra Ventures Private Limited (Uniquet) is constructing a 124-kilometre Build-Operate-Transfer project on NH-8D connecting Jetpur and Somnath in Gujarat
- In January 2014, Uniquet acquired a brownfield toll road in India with acquisition of 67% in SEW Navayuga Barwani Tollways Private Limited, a toll and expressway operator of the four-lane highway that spans from Khalghat to Madhy Pradesh / Maharashtra border

► Township & Property Development

UEM Sunrise's acquisition of two prime freehold land parcels in the Central Business District of Melbourne marks the company's maiden venture into Australian market. Australia is identified as one of the key countries under its strategic regional plan

► Asset & Facility Management (AFM)

The current reorganisation which include Propel & Opus under the umbrella of Faber will solidify UEM's position as the largest local AFM company with stronger financial standing to facilitate further expansion

► Engineering & Construction

Expansion of CIMA's Bahau 2nd production line was completed with commissioning of the 2 kiln commenced in September 2013. UEM Builders achieved a significant milestone when it completed the installation of the final approach span for Penang Second Bridge, 106 days ahead of schedule, with official handover to Jambatan Kedua Sdn. Bhd. in November 2013

List of the Key Awards & Accolades

► UEM Sunrise

- Verdi eco-dominiums won the Best Green & Smart High-Rise Residential Development
- Almās@Puteri Harbour accorded the Best Integrated High-Rise at the Malaysian Reserve Property Press Awards 2013.
- Ranked as country's 4th Top Property Developer at The Edge Property Excellence 2013 Awards
- Radia@Bukit Jelutong named as Five Star Best Commercial High Rise Development - Malaysia Category at the Asia Pacific Property Awards 2013-2014

► Kualiti Alam

Received 2 Gold Awards (Achievement Awards and Managing Occupational Road Risk Award)

► UEM Group

Won 7 HR Excellence Awards at the inaugural Human Resources Excellence Awards Malaysia 2013 Gala Night

CHALLENGES

Managing Impact of Internal & External Factors

- Gap in gaining talent with the right skill-set to meet Group's needs & aspirations
- Achieving high level of competency, quality, productivity and innovation for growth & sustainability
- Heightened local competition given large number of players in the construction market and rising labour costs

- Foreign exchange fluctuation and strengthening of RM against most currencies in this region
- Property demand affected by cooling measures introduced to curb speculation in the property market i.e. Developer Interest Bearing Scheme, Real Property Gains Tax & increase in floor price for foreigners



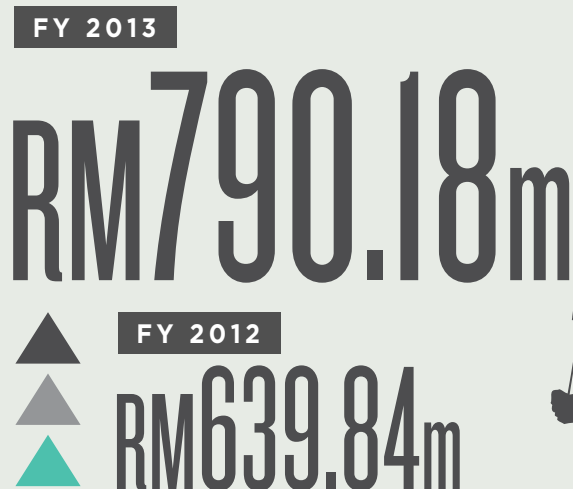
UEM GROUP BERHAD



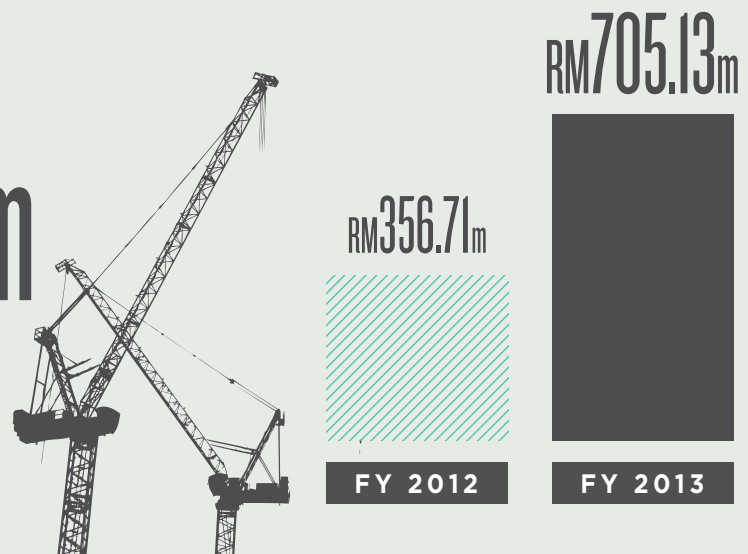
DATO' IZZADDIN IDRIS
Group Managing Director /
Chief Executive Officer

2013 PERFORMANCE HIGHLIGHTS

NET PROFIT



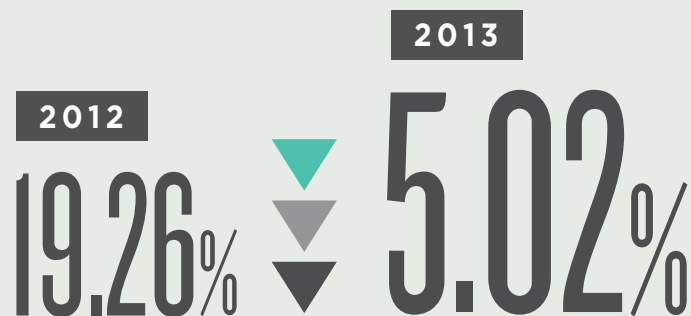
OPERATING CASHFLOW



RETURN ON EQUITY



NET CASH-TO-ASSETS



OPERATING MARGIN

2013

15.69%

2012

13.62%

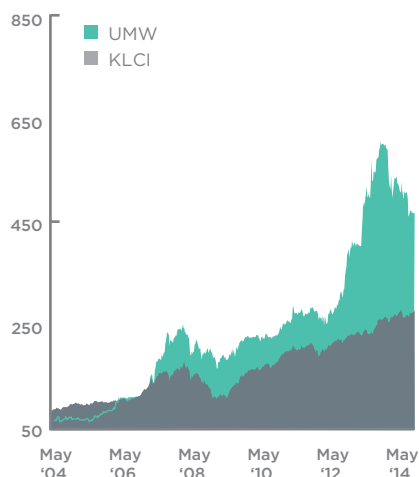


2013 SCORECARD



UMW UMW HOLDINGS BERHAD

TSR INDEX



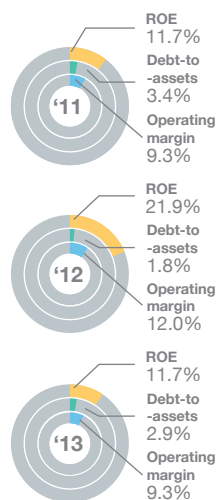
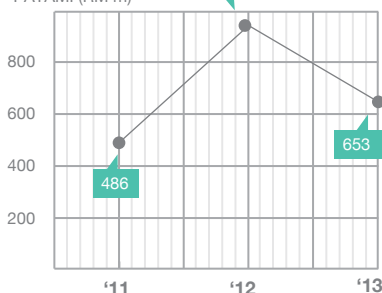
HISTORICAL PERFORMANCE

FY 31 December

Unit: RM m

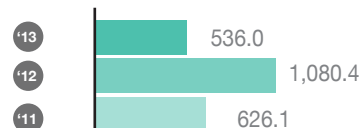
	'11	'12	'13
Operating Cashflow	1,379	1,244	1,021
Net Cash / (debt)	(375)	(215)	(431)
Market Cap	8,178	13,949	14,090

PATAMI (RM m)



ECONOMIC PROFIT

Unit: RM m



Note: FY2012 is a restated figure from 1,054.4 in last year's scorecard

HEADLINE KPIs

Unit: %	'13 Target	'13 Actual	'14 Target
Return on Average Shareholder's Funds	10.0	11.7	10.0
Dividend Pay Out	50	78.7	50

ACHIEVEMENTS

Financial performance (audited 2013 Results)

- Revenue recorded for the financial year ended 31 December 2013 of RM13,951.5 million was 11.8% lower than revenue recorded in 2012. This was mainly attributable to lower contribution from the automotive and equipment segments arising from lower sales
- Profit before taxation recorded for the financial year ended 31 December 2013 was RM1,435.7 million compared to the profit before taxation of RM2,020.3 million recorded in 2012

- Net profit attributable to equity holders of the Company for the financial year ended 31 December 2013 reduced to RM652.9 million from RM994.3 million registered in 2012
- UMW achieved its target Headline KPI for 2013 as stated below:
 - Annual Return on shareholders' funds of 11.7% against the target of 10.0%.
 - Annual dividend pay-out of 78.7% of the net profit attributable to shareholders against the target of 50.0%.

Increased focus on customers and society

- UMW Group has contributed over RM23.8 million in 2013 for its CSR Programmes which covers the workplace, community and environment
- UMW-INSTEP Drilling Academy was established to address amongst others, the shortage of skilled Malaysian drillers and drilling personnel, the competency gap between local and international drillers, the human capital and workforce development needs of UMW O&G and PETRONAS, and to support the national objective of transforming Malaysia into an Oil & Gas learning hub for the Asia-Pacific region

CHALLENGES

Automotive segment

- The year 2014 is expected to remain challenging for the automotive segment with intense competition expected from the market via aggressive promotions on new model launches. Nevertheless, the Automotive Segment is targeted to sustain its performance in 2014

Equipment segment

- The Equipment Segment is expected to remain challenging if commodity prices continue to be at the current low level.

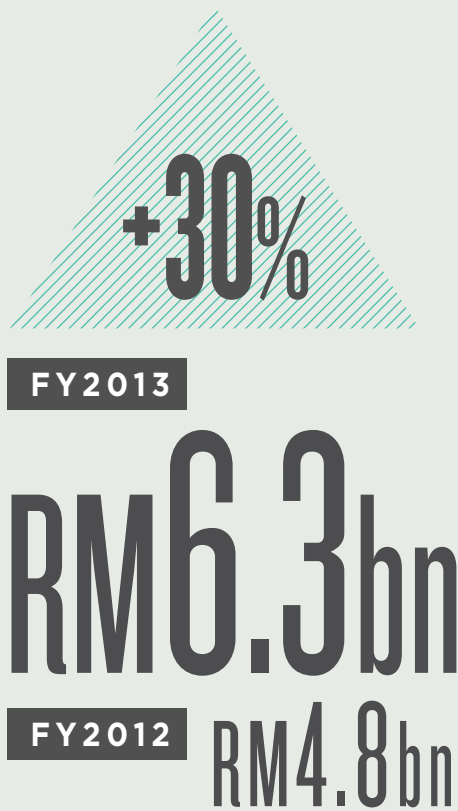
UMW HOLDINGS BERHAD

2013 PERFORMANCE HIGHLIGHTS



DATUK SYED HISHAM SYED WAZIR
President &
Group Chief Executive Officer

SHAREHOLDERS FUNDS



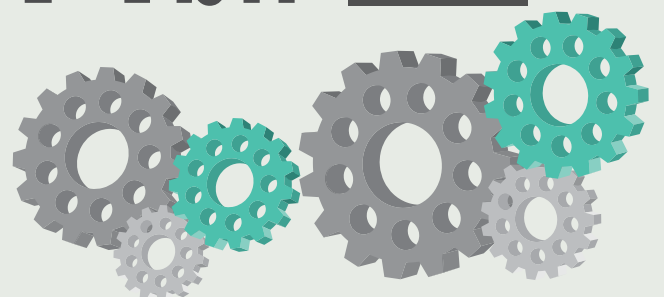
DIVIDEND PAYOUT



NET ASSETS PER SHARE



MARKET CAPITALISATION





APPENDIX B

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

1 $EP = (ROIC - WACC) * \text{Invested Capital}$; or

Residual Approach

2 $EP = NOPLAT - (\text{Invested Capital} * WACC)$

Note:

ROIC : Return on Invested Capital

WACC : Weighted Average Cost of Capital

NOPLAT : Net Operating Profit less Adjustable 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 divisions:

a PROFIT vs. CAPITAL

Takes into account the required rate of return for equity and debt capital providers while analyzing 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 that ordinarily lends confidence to investors.

APPENDIX C

KEY INTERNATIONAL/REGIONAL AND DOMESTIC AWARDS RECEIVED BY G20 IN 2013

AFFIN HOLDINGS

Key International and Regional Awards Won

- ▶ **Best Stock Picker #3: Food, Household and Personal service**
Financial Times and Starmine
- ▶ **Best Islamic Project Finance**
The Asset Triple A Islamic Finance Awards 2013

Key Domestic Awards Won

- ▶ **Best Analyst Call Awards 2013 - for a Technology stock**
The Edge
- ▶ **Best Local House #5**
- ▶ **Most Independent House #6**
- ▶ **Best Sales Team #8**
- ▶ **Best Execution #9**
Asiamoney Brokers Poll 2013

axiata

Key International and Regional Awards Won

- ▶ **Best Telecom Group: Frost & Sullivan 2013 - Asia Pacific ICT Award**
Frost & Sullivan Asia Pacific
- ▶ **Silver Award: Best Asian and South Pacific Legal**
International Legal Alliance Summit

Key Domestic Awards Won

- ▶ **NACRA Merit Award**
Malaysian Institute of Accountants
- ▶ **ASEAN Conglomerate & CEO of the year award**
Malaysian Business Awards
- ▶ **Top 3 Corporate Governance Transparency Malaysia-ASEAN**
Malaysia-ASEAN-Corporate Governance Index 2013 Awards
- ▶ **Top 5 Overall Corporate Governance**
Malaysia-ASEAN Corporate Governance Index 2013 Awards

- ▶ **Best Conduct of Annual General Meeting**
Malaysia-ASEAN Corporate Governance Index 2013 Awards



Key International and Regional Awards Won

- ▶ **Islamic Banker of the Year 2013**
Edbiz Consulting
- ▶ **Most Innovative Islamic Bank in Malaysia 2013 (Winner)**
International Finance Magazine
- ▶ **Islamic Bank of the Year Awards 2013 (Malaysia)**
The Banker
- ▶ **Trailblazer of the Year 2013**
Banking & Payments Asia
- ▶ **Trailblazer Awards 2013 - Special Commendation in Mobile Banking (Financial Inclusion)**
Banking & Payments Asia

Key Domestic Awards Won

- ▶ **The Edge Billion Ringgit Club Corporate Awards 2013: Best Performing Stock - Highest Returns to Shareholders Over Three Years under the Finance Sector**
The Edge
- ▶ **Best Call for GHL Systems Berhad**
The Edge
- ▶ **Best Call for Tambun Indan Land Berhad**
The Edge
- ▶ **Best Call for Uzma Berhad**
The Edge



Key International and Regional Awards Won

- ▶ **Top 10 Agent Sales**
Qatar Airways
- ▶ **Top Agency Sales**
Singapore Airlines
- ▶ **Outstanding Sales Support**
Emirates Airlines

Key Domestic Awards Won

- ▶ **Excellent Award: In recognition for outstanding overall PCPP HSE Performance with 1.5 million man-hours with zero LTI in 2013**
PCPP Operating Company Sdn Bhd
- ▶ **Competition: Langkawi Fire Fighting Competition - Overall Champion 2013**
Jabatan Bomba dan Penyelamat Malaysia and Langkawi Security Council
- ▶ **Annual Productivity Conference and Exposition: 3 Stars (Highest rating in the competition) for National ICC Convention & Quality Environment Convention**
Malaysian Productivity Corporation
- ▶ **Most outstanding cuisine at the Gala Lunch: Bunga Emas, The Royale Chulan Kuala Lumpur**
Malaysia International Gourmet Festival 2013
- ▶ **Best value menu of the festival: Bunga Emas, The Royale Chulan Kuala Lumpur**
Malaysia International Gourmet Festival 2013



Key International and Regional Awards Won

- ▶ **Pharmaceuticals Company of the Year - Generic Drug Category**
Frost & Sullivan
- ▶ **HR Leadership Award**
Asia Pacific HRM Congress
- ▶ **Organisation with Innovative HR Practices Award**
Asia Pacific HRM Congress
- ▶ **Award for Career Fairs, Campus Recruitment**
Asia Pacific HRM Congress

Key Domestic Awards Won

- ▶ **First pharmaceutical manufacturer to receive Halal Pharmaceutical Certification MS 2424:2012**
The Malaysia Book of Records
- ▶ **Sole recipient of Platinum Award for:**
 - Employee, Health and Safety Code
 - Process Safety Code**Gold Awards for :**
 - Community Awareness & Emergency Response Code
 - Product Stewardship Code
 - Distribution Code
 - Employee Health and Safety Code
 - Pollution Prevention Code
 - Process Safety Code*Chemical Industries Council Malaysia (CICM)*
- ▶ **Prime Minister's Hibiscus Award 2012/2013**
Malaysian International Chamber of Commerce & Industry
- ▶ **Anugerah Majikan 1Malaysia**
Ministry of Human Resources
- ▶ **Brandlaureate Award: Best Brand In Manufacturing - Fertilizers**
The Brandlaureate



Key International and Regional Awards Won

- ▶ **Domestic Bank of the Year; Asia**
IFR
- ▶ **Global and Asia Pacific Islamic Bank of the Year**
The Banker
- ▶ **Regional Deal of the Year: China Huishan Dairy Holdings HK\$11.3bn (US\$1.5bn) initial public offering**
Asiamoney
- ▶ **Asia Pacific Power Deal of the Year**
PFI International
- ▶ **Marquee Award: Best Asset Management Company**
Alpha SEA

Key Domestic Awards Won

- ▶ **Best Investment Bank in Malaysia**
Euromoney
- ▶ **Best Equity House in Malaysia**
Asiamoney
- ▶ **Best Islamic Bank in Malaysia**
Asiamoney
- ▶ **Best Bond House in Malaysia**
Finance Asia
- ▶ **Best Private Wealth Management Bank in Malaysia**
Alpha SEA



Key International and Regional Awards Won

- ▶ **World's Best Immigration Service - KLIA as the best airport immigration service**
Skytrax World Airport Award
- ▶ **Best CFO - Awarded to MAHB CFO**
Finance Asia
- ▶ **Lifetime Achievement Award - Awarded to MAHB Managing Director, Tan Sri Bashir Ahmad**
ASEAN Business Advisory Council Malaysia

- ▶ **Top Halal Friendly Airports**
Crescentrating's Halal Friendly Travel Ranking 2013

- ▶ **Top 10 Airports Worldwide - third**
Smart Travel Asia 2013

Key Domestic Awards Won

- ▶ **Gold Award for Excellence in Public Relations Internal Employee Communications**
Marketing Excellence Award 2013
- ▶ **Silver Award for Public Relations Corporate Communications**
Marketing Excellence Award 2013
- ▶ **Silver Award in the Employer of Choice Award**
Malaysia HR Award 2013
- ▶ **Best of Country (Malaysia) Trade Campaign**
Promotion Marketing Awards of Malaysia
- ▶ **Gold Award for 'Anugerah Tandas Bersih - 1Malaysia'**
Kementerian Kesejahteraan Bandar Perumahan dan Kerajaan Tempatan



Key International and Regional Awards Won

- ▶ **Asia's Leading Airline**
World Travel Awards
- ▶ **The World's 5-Star Airline Award**
Skytrax World Airline Awards
- ▶ **Best Airline Signature Dish**
Skytrax World Airline Awards

Key Domestic Awards Won

- ▶ **Silver Award for Transportation, Travel & Tourism**
Putra Brand Awards
- ▶ **Minister's Special Award 2013**
Sabah Tourism Awards
- ▶ **Outstanding Transport Contribution to Tourism 2013**
Sarawak Hornbill Tourism Awards



Key International and Regional Awards Won

- ▶ **13th Most Strongest Bank in the World**
Bloomberg Market Magazine
- ▶ **Best Corporate Governance and Best Corporate Social Responsibility**
Asia's Best Companies 2013 Award
- ▶ **Joint winner for the category "Responsible Business" with BNP Paribas**
Efma - Accenture Innovation Awards 2013
- ▶ **Best bank in Malaysia**
Euromoney Awards for Excellence 2013
- ▶ **Overall Winner: Best Takaful (Insurance) Provider - Etiqa Takaful Berhad**
Global Finance magazine

Key Domestic Awards Won

- ▶ **Gold Award - Overall Excellence Award**
NACRA 2013 Awards
- ▶ **Industry Excellence Award - Finance**
NACRA 2013 Awards
- ▶ **Platinum Award - Best Designed Annual Report Award**
NACRA 2013 Awards
- ▶ **Winner of the Banking & Financial Services Category**
Malaysia's 100 Leading Graduate Employer Awards 2013
- ▶ **Overall winner - Best Sustainability Report category**
ACCA Malaysia Sustainability Reporting Awards 2013



Key International and Regional Awards Won

- ▶ **The Region's Top 200 Small & Midsize Companies in Asia**
Forbes Asia

- ▶ **The Banker's Recognition - fourth ranking in Asia Pacific and 995th globally for Return on Capital (ROC)**
The Banker

Key Domestic Awards Won

- ▶ **Winner for Highest Profit Growth Company**
The EDGE Billion Ringgit Club 2013
- ▶ **Second Place for Most Profitable Company**
The EDGE Billion Ringgit Club 2013
- ▶ **Second Place for Best Performing Stock**
The EDGE Billion Ringgit Club 2013



Key Domestic Awards Won

- ▶ **5th Malaysian Business Award**
ASEAN-BAC Malaysia Chapter
- ▶ **NACRA 2013**
Nacra Annual Corporate Report Awards
- ▶ **Sustainable Development Category**
FIABCI Malaysia



Key International and Regional Awards Won

- ▶ **Deal of the Year: Corporate Finance - Sime Darby Global Sukuk programme**
Islamic Finance News
- ▶ **Best Villa Development: Seri Pilmoor**
SEA Property Awards 2013
- ▶ **Best Deal in Malaysia: Sime Darby USD800m two-tranche sukuk**
Asset Triple A Country Awards 2013 Southeast Asia
- ▶ **Borrower of the Year in Southeast Asia & Best Foreign Currency Bond Deal of the Year in Southeast Asia**
Alpha Southeast Asia

- ▶ **Best Islamic Finance Deal - Sime Darby USD800m dual-tranche sukuk**
FinanceAsia Achievement Awards 2013

Key Domestic Awards Won

- ▶ **Best CFO for Investor Relations award in the 'big cap' category (largest 30 stocks in Malaysia by market capitalisation)**
Malaysia Investor Relations Association (MIRA) Awards 2013
- ▶ **Award for Quality of Annual Reports/ Formal Disclosure**
Malaysia Investor Relations Association (MIRA) Awards 2013
- ▶ **Gold under the Property Development category and also honoured as a Putra Brand Icon**
Putra Brand Awards 2013
- ▶ **The Edge Top Property Developers Award**
The Edge
- ▶ **"Emas" status - Sime Darby USD800m sukuk issuance**
Bank Negara Malaysia



Key International and Regional Awards Won

- ▶ **Malaysia Invention and Innovation Awards 2013**
Malaysia Association of Research Scientists
- ▶ **Fixed Broadband Service Provider of the Year**
Frost & Sullivan Asia Pacific 2013 ICT Award
- ▶ **Best Live Online TV Service or Solution**
TV Connect Industry Awards 2013
- ▶ **Best Strategic CSR**
Alpha Southeast Asia's Institutional Investor Corporate Awards 2013
- ▶ **Best Annual Report in Malaysia**
Alpha Southeast Asia's Institutional Investor Corporate Awards 2013

Key Domestic Awards Won

- ▶ **Best Broadband Carrier**
Reader's Digest
- ▶ **Telecom Service Provider of the Year**
Frost & Sullivan Malaysia 2013 Excellence Awards
- ▶ **Data Communications Service Provider of the Year (seventh time)**
Frost & Sullivan Malaysia 2013 Excellence Awards
- ▶ **Bronze Award - Communication Networks Category**
Putra Brand Award 2013
- ▶ **Managed Connectivity Category (Winner)**
Computerworld Reader's Choice Awards 2013



Key International and Regional Awards Won

- ▶ **Asian CEO of the Year 2013**
Power & Electricity World Asia 2013
- ▶ **First place in "Top by Industry - Electric Utilities in Asia Award".**
Platts Top 250 Asia Awards
- ▶ **Fifteenth place in "Overall Performance in Asia"**
Platts Top 250 Asia Awards
- ▶ **ASEAN Coal Award 2013**
ASEAN Energy Awards 2013
- ▶ **Asia's Best Employer Brand Award 2013**
Employer Branding Institute, World HRD Congress, Singapore

Key Domestic Awards Won

- ▶ **Third place in Silterra Category**
Innovate Malaysia Design Competition 2013
- ▶ **Best Paper Award**
ICAEP 2013

- ▶ **SGAM ICT Award**
ShareGuide Association Malaysia
- ▶ **Malaysia Power Plant Service Provider of the Year**
Frost & Sullivan Asia Pacific



Key International and Regional Awards Won

- ▶ **Five Star Apartment & Commended Landscape Architecture (Malaysia category)**
Asia Pacific Property Awards
- ▶ **Highly Commended Retail Development (Malaysia category)**
Asia Pacific Property Awards
- ▶ **Five Star Best Commercial High Rise Development (Asia Pacific Category)**
Asia Pacific Property Awards
- ▶ **Best Commercial High Rise Development (Malaysia Category)**
Asia Pacific Property Awards
- ▶ **Malaysia Deal of the Year - PLUS RM23.35bn IMTN Programme and RM11bn Guaranteed Sukuk Programme**
Islamic Finance News

Key Domestic Awards Won

- ▶ **Human Resource Excellence Awards - Excellence in CSR Practices**
Human Resource Magazine
- ▶ **The Edge Billion Ringgit Club - fourth consecutive year**
The Edge
- ▶ **Top 4 Property Developer**
The Edge
- ▶ **Certified Gold Award**
Building & Construction Authority of Singapore
- ▶ **Best Green & Smart High Rise Residential Development**
Malaysian Reserve



Key International and Regional Awards Won

- ▶ **Toyota President's Gold Award 2012**
Toyota Material Handling International
- ▶ **Diamond Club Membership Status in the Premier Club Recognition**
Toyota Material Handling International
- ▶ **Tennant SEAT Export Distributor of The Year Award 2012**
Tennant Company
- ▶ **TMHI Award 2012 Customer Support Award**
Toyota Material Handling Group
- ▶ **Silver Award 2012**
Customer Support and Trust Certificate

Key Domestic Awards Won

- ▶ **Top 10 Most Established Brand (Automotive & Industrial segment)**
Brandlaureate Best Brands Awards 2012/2013
- ▶ **The Edge - BRC Highest Profit Growth Company Award**
The Edge
- ▶ **Best Model of the Year Award**
Frost & Sullivan Malaysia Excellence Awards 2013
- ▶ **Luxury Family Cars - first**
Asian Auto Fuel Efficiency Awards
- ▶ **2 years Zero Lost Time Incident Award**
Petronas Carigali

APPENDIX D

ACRONYMS & ABBREVIATIONS

1MDB	1Malaysia Development Berhad	ETP	Economic Transformation Programme
AFFIN	Affin Holdings Berhad	EXCO	Executive Committee
AFFINBANK	Affin Bank Berhad	FBM KLCI	FTSE Bursa Malaysia Kuala Lumpur Composite Index
ASB2	Amanah Saham Bumiputera 2	FTA	Free Trade Agreement
Axiata	Axiata Group Berhad	FY	Financial Year
BA	Bumiputera Agenda	FYE	Financial Year End
BEC	Bumiputera Economic Congress	G20	A selection of originally 20 larger GLCs controlled by the Government – Linked Investment Company constituents of the Putrajaya Committee on GLC High Performance. There are currently 17 GLCs in the G20 due to various mergers, demergers and corporate exercise
BEE	Bumiputera Economic Empowerment		
BETR	Bumiputera Economic Transformation Roadmap	Gapurna	Gapurna Group Sdn. Bhd.
BIMB	Bank Islam Malaysia Berhad	GCIs	Game Changing Initiatives
BHB	BIMB Holdings Berhad	GDP	Gross Domestic Product
BNM	Bank Negara Malaysia	GEMS	Graduate Employability Management Scheme
Boustead	Boustead Holdings Berhad	GLC	Government-Linked Company
CAGR	Compounded Annual Growth Rate	GLCT	GLC Transformation
CCM	Chemical Company of Malaysia Berhad	GLIC	Government-Linked Investment Company
CEO	Chief Executive Officer	GNI	Gross National Income
CFO	Chief Financial Officer	GST	Goods and Services Tax
CIC	Continuous Improvement Circle	GTP	Government Transformation Programme
CIMB	CIMB Group Holdings Berhad	IHH	IHH Healthcare Berhad
CR	Corporate Responsibility	JV	Joint Venture
CSC	Corporate Sustainability Circle	Khazanah	Khazanah Nasional Berhad
CSR	Corporate Social Responsibility	KLCI	Kuala Lumpur Composite Index
Digital Malaysia	National Digital Economy Initiative	KLIA	Kuala Lumpur International Airport
EBIT	Earnings Before Interest and Tax	klia2	Kuala Lumpur International Airport 2
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation		
EP	Economic Profit		
EPF	Employees Provident Fund		
EPPs	Entry Point Projects		
EPS	Earnings Per Share		



KPI	Key Performance Indicator	NEP	New Economic Policy
LDA	Leadership Development Audit	NGO	Non Governmental Organisation
LDC	Leadership Development Circle	NKEA	National Key Economic Area
LTAT	Lembaga Tabung Angkatan Tentera	NKRA	National Key Results Area on reducing crime, fighting corruption, improving rural basic infrastructure improving student outcome, raising living standards of low income household, improving urban public transport and addressing cost of living.
LTH	Lembaga Tabung Haji		
MAHB	Malaysian Airports Holdings Berhad		
MAS	Malaysian Airline System Berhad		
Maybank	Malayan Banking Berhad		
MBSB	Malaysia Building Society Berhad		
MCMC	Malaysian Communications and Multimedia Commission	p.a.	per annum
MDeC	Multimedia Development Corporation	PATAMI	Net Profit after Tax and Minority Interests
MDG	Millennium Development Goal	PBT	Profit Before Tax
MEB	Majlis Ekonomi Bumiputera	PBV	Price to Book Value
MINDA	Malaysian Directors Academy	PCG	Putrajaya Committee on GLC High Performance
MITI	Ministry of International Trade and Industries	PEMANDU	Performance Management & Delivery Unit
MNC	Multinational Company	Pharmaniaga	Pharmaniaga Berhad
MOHR	Ministry of Human Resource	PINTAR	Promoting Intelligence, Nurturing Talent and Advocating Responsibility
MRA	Minimum Retirement Age		
MRCB	Malaysian Resources Corporation Berhad	PF	PINTAR Foundation
MRO	Maintenance, Repair and Overhaul	PMC	Performance Management Circle
MRT	Mass Rapid Transit	PMO	Prime Minister's Office
MSCI	Morgan Stanley Composite Index	PNB	Permodalan Nasional Berhad
MTAB	Majlis Tindakan Agenda Bumiputera	PR1ME	Program Majudiri 1Malaysia
MW	Minimum Wage	PwC	PricewaterhouseCoopers
NDP	National Development Policy	RMC	Regulatory Management Circle
NEAC	National Economic Advisory Council	ROE	Return on Equity
NED	Non-Executive Directors	RTC	Rural Transformation Centre
NEIs	New Economy Investments	SC	Securities Commission
NEM	New Economic Model	Sime Darby	Sime Darby Berhad
		SLIM	Skim Latihan 1Malaysia

SME	Small and Medium Enterprise	UEM	UEM Group Berhad
TalentCorp	Talent Corporation Malaysia Berhad	UMS	Upward Mobility Scheme
TAR	Themed Attractions and Resorts Sdn. Bhd.	UMW	UMW Holdings Berhad
TERAJU	Unit Peneraju Agenda Bumiputera	UN	United Nations
TeraS	Syarikat Bumiputera Berprestasi Tinggi	UTC	Urban Transformation Centre
THP	TH Plantations Berhad	VDP	Vendor Development Programme
TM	Telekom Malaysia Berhad	WACC	Weighted Average Cost of Capital
TNB	Tenaga Nasional Berhad	YAB	Yang Amat Berhormat
TSR	Total Shareholder Return refers to the total return of a stock to an investor (capital gain plus dividends)	YB	Yang Berhormat
		Y-o-Y	Year-on-Year
		YS	Yayasan Sejahtera

NOTES

