

SUPPORTING NATIONAL TRANSFORMATION PROGRAMMES

G20 support of Government Transformation Programme
- selected projects and other related initiatives

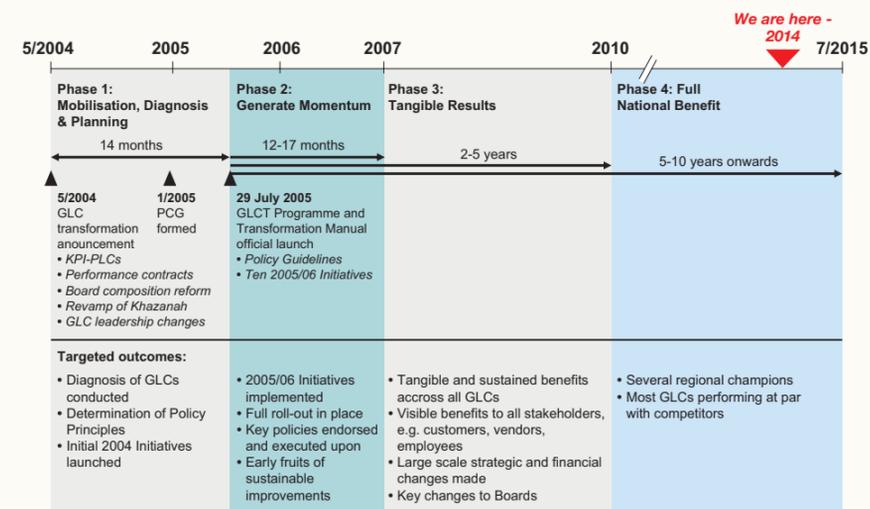
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|------|---|------|---|
| | FIGHTING CORRUPTION <ul style="list-style-type: none"> Whistle Blower Policy Corporate Integrity Pledge | | RAISING LIVING STANDARDS OF LOW INCOME HOUSEHOLDS <ul style="list-style-type: none"> Low-cost Internet Package Komputer 1Malaysia |
| | ASSURING QUALITY EDUCATION <ul style="list-style-type: none"> Capacity building in rural schools through ICT and other programmes Supporting education improvement via the PINTAR Foundation Programme | | ADDRESSING RISING COST OF LIVING <ul style="list-style-type: none"> Provision of utilities allowance, schooling assistance for low income workers Affordable housing financing |
| | IMPROVING RURAL BASIC INFRASTRUCTURE <ul style="list-style-type: none"> Projek Bekalan Elektrik Luar Bandar (BELB) Upgrading of roads to probase roads and all-weather roads | | IMPROVING URBAN PUBLIC TRANSPORT <ul style="list-style-type: none"> Integrated Touch 'n Go ticketing system for LRT and RapidKL buses |

G20 support of Economic Transformation Programme
- selected projects and other related initiatives

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|------|--|----------|--|
| | OIL, GAS AND ENERGY <ul style="list-style-type: none"> Drilling activities in Berantai field Renewable energy park financing | | EDUCATION <ul style="list-style-type: none"> Collaboration between researchers, industries and inventors to increase research capabilities |
| | PALM OIL AND RUBBER <ul style="list-style-type: none"> Usage of crop harvesting mechanisation to improve worker productivity Oleo derivatives project financing | | HEALTHCARE <ul style="list-style-type: none"> Developing new medical centers in Ara Damansara and Desa Parkcity |
| | FINANCIAL SERVICES <ul style="list-style-type: none"> Significant investments and acquisitions in several major banks to develop regional banking while improving its services | | COMMUNICATIONS, CONTENT AND INFRASTRUCTURE <ul style="list-style-type: none"> Notebook 1Malaysia, Wifi 1Malaysia, Pusat Internet 1Malaysia, Kampung Tanpa Wayar, Community Broadband Centre |
| | TOURISM <ul style="list-style-type: none"> St. Regis Hotel development Improved flight network connectivity for seamless travel | | BUSINESS SERVICES <ul style="list-style-type: none"> Up-scaling systems engineering and human capital capability in shipbuilding and ship repair industry Maintenance, repair and overhaul (MRO) services |
| | AGRICULTURE <ul style="list-style-type: none"> Paddy demo lot in IADA to demonstrate 100% yield increase | | WHOLESALE AND RETAIL <ul style="list-style-type: none"> Transforming KLIA into a commercial and retail hub Development of Big Box Boulevard in Nusajaya |
| | GREATER KUALA LUMPUR / KLANG VALLEY <ul style="list-style-type: none"> Beautification and cleaning of Klang River | | |

10-YEAR PROGRAMME

The GLCT Programme is a 10-year programme over four phases and is entering its final year.



Source: G20 reporting to PCG Secretariat, Pemandu, GLC Transformation Manual July 2005, PCG analysis

PUTRAJAYA COMMITTEE FOR GLC HIGH PERFORMANCE (PCG)



GOVERNMENT-LINKED INVESTMENT COMPANIES (GLICs)



G20



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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GLC TRANSFORMATION PROGRAMME REPORT CARD

JUNE 2014

CATALYSING INCLUSIVE GROWTH
Diversity, Inclusivity & Sustainability



01 DELIVERING HIGH PERFORMANCE

G20 TOTAL SHAREHOLDER RETURN

13.4%
per annum

from 14 May 2004 to 16 May 2014



G20 MARKET CAP TRIPLED TO

RM425bn

from 14 May 2004 to 16 May 2014

G20 RETURN ON EQUITY

12%
in FY2013

G20 NET PROFIT CAGR OF

11.1%

from FY2004 to FY2013

G20 ECONOMIC PROFIT up by

RM8.4bn

from FY2005 to FY2013

G20 PAID **RM93bn** DIVIDENDS

AND **RM57bn** TAXES
from FY2004 to FY2013

GLIC and G20 Presence Worldwide

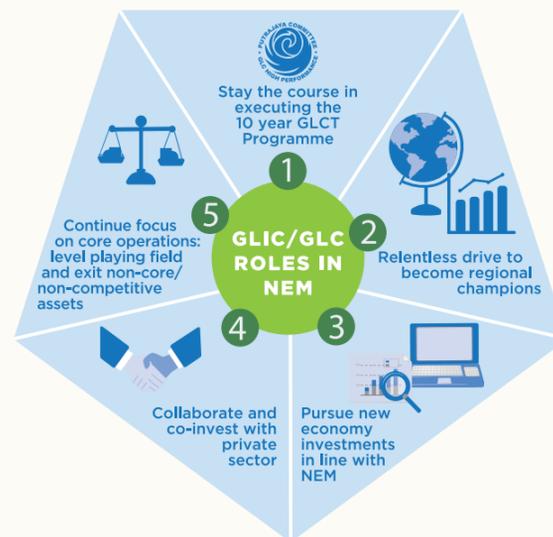
G20 have revenue-generating operations and assets in

55
countries

Number of GLICs and G20 companies in each country

02 CONTRIBUTING TO NATIONAL DEVELOPMENT

5 Roles of GLICs and GLCs in NEM



1 Continue to stay the course in executing the GLCT Programme

- GLCs have been diligently executing their various transformation, turnaround, restructuring and growth programmes

2 Become regional champions

- G20 have revenue generating operations and assets in **55** countries
- G20 bank overseas share of net interest income grew from 15.2% to **20.8%** from FY2004 to FY2013
- G20 non-bank overseas share of revenue grew from 30.3% to **33.8%** from FY2004 to FY2013
- G20 overseas share of assets of **28.7%** in FY2013 vs. 11.6% in FY2004
- 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 and co-invest with private sector

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

5 Continue focus on core operations on level playing field and divest non-core and non-competitive assets

- GLICs and GLCs have responded to the Government's call to divest non-core assets
- Selected divestments include Celcom Childcare, Time Engineering, TM Resorts, STLR and U-Insurance

G20 Undertake Bumiputera Empowerment Agenda (BEA)

- YAB Prime Minister introduced the Bumiputera Economic Empowerment initiatives to ensure the majority of Malaysians are included in the nation's pursuit of growth
- In response, the G20 presented their BEA key performance indicators (KPIs) and game changing initiatives (GCIs) to YAB Prime Minister at the 26th PCG meeting in April 2014
- GLICs and G20 will be professionalising BEA in a market friendly, merit-based and transparent manner while promoting inclusivity and equitability
- The G20s KPIs and GCIs are envisaged to create various opportunities worth an estimated RM5 billion in 2014

03 PROVIDING BENEFITS TO ALL STAKEHOLDERS

RM93bn dividends paid by G20 from FY2004 to FY2013, enriching the investing public and contributors to trust agencies such as EPF and PNB

RM57bn taxes paid by G20 from FY2004 to FY2013, benefiting the rakyat

CUSTOMERS

Numerous
international and local awards won by G20



EMPLOYEES

RM513m

...spent by G20 on training and development in 2013

128,934
G20 non-executives

...benefiting from upward mobility schemes to provide opportunities for them to grow professionally

VENDORS & SUPPLIERS

60,666
suppliers

...registered with G20 in 2013

RM75.1bn

...worth of business opportunities awarded by G20 to their suppliers in 2013

88 vendors graduated

...from four G20's vendor development programmes (VDPs) from 2004 to 2013. There are 1,325 vendors in the four G20's VDPs in 2013

380
TERAS companies

...registered with G20 of which 98 were awarded contracts in 2013

SOCIETY

RM4bn
spent

...by G20 on corporate responsibility initiatives from 2004 to 2013

565,216
Pintar students

...benefited from G20 adopted schools from 2006 to 2013

5,892
poor families SEJAHTERA

...benefited from G20 support through Yayasan Sejahtera, from 2009 to 2013