Role of Telecommunications - Promoting Unity in an Environment of Diversity

Datuk Dr. Haji Tuah
Chairman, Telekom Malaysia Bhd.

Telekom Malaysia Berhad (TM)
28th February 2010

Many Dimension of Diversity in Malaysia

<table>
<thead>
<tr>
<th>Region</th>
<th>Percentage (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Peninsula Malaysia</td>
<td>70.5</td>
</tr>
<tr>
<td>Sabah</td>
<td>11.6</td>
</tr>
<tr>
<td>Sarawak</td>
<td>18.5</td>
</tr>
</tbody>
</table>

Population Distribution

Race          Percentage (%)
Malay & other indigenous 58
Chinese 27
Indians 8
Others 7

Unity Through Economic Development

Role of NEP
- Eradicating poverty
- Economic restructuring to eliminate the identification of ethnicity with economic function

Vision 2020
- Ensuring an economically just society, with fair and equitable distribution of the wealth of the nation, in which there is full partnership in economic progress

Unity a Common Theme in Malaysia Development Plans

First Malaysia Plan 1966
- To promote the integration of the peoples and states of Malaysia by embarking upon a development plan explicitly designed to promote the welfare of all

Ninth Malaysia Plan 2006
- The third thrust of the national mission is to address persistent social economic inequalities constructively and productively

1 Malaysia
- Menjanaikan tarja teras perpaduan wawasan budaya dan memperkuat nilai-nilai kesejahteraan rakyat Malaysia. Terperkenak mi ahli ahli kerajaan dan rakyat yang mengetahui semangat bencana pesti di kualitatif rakyat bertambah kuat. Tersebut Perpaduan ini dalam rangka kerja kerja yang disiakakan untuk menjadi cara budi rakyat Malaysia.

Telecommunication and Economic Development

Necessary that is economically rich that is not information rich or telecommunication rich
- Early 20th Century: AT&T (USA), Siemens (Germany), Ericsson (Sweden)
- 21st Century: NTT, NEC, Fujitsu (Japan), Samsung, LG (Korea)
- Rising power houses: Huawei, ZTE, Fiberhome (China)
Links between Sabah, Sarawak and Peninsular Malaysia (1967)

Allocation for Telecommunication Development 1st Malaysia Plan

<table>
<thead>
<tr>
<th>Component</th>
<th>Budget (1966, RM)</th>
<th>Budget (1971, RM)</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>877</td>
<td>781</td>
<td>-10%</td>
</tr>
<tr>
<td>Functional components</td>
<td>767</td>
<td>576</td>
<td>-25%</td>
</tr>
<tr>
<td>Communications</td>
<td>130</td>
<td>205</td>
<td>+58%</td>
</tr>
<tr>
<td>Regional components</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Malaysia</td>
<td>171</td>
<td>121</td>
<td>-25%</td>
</tr>
<tr>
<td>Eastern States</td>
<td>50</td>
<td>111</td>
<td>+15%</td>
</tr>
</tbody>
</table>

Links between Peninsular Malaysia and States of Sabah and Sarawak (2009)

Convergence of Telecommunication and Content

1966 - Telecommunications, Post and Broadcasting under the same ministry

1998 - Communications & Multimedia Act
  - First World Convergence Act

Ubiquity - Key to be an effective bridge

Network effects - Law of increasing returns

Links between Peninsular Malaysia and States of Sabah and Sarawak (2009)

Cellular Growth

- Total Subscriptions (2009)
National Policy Objectives of the CMA 1998

- Creating a global hub
- Building a civic society
- Nurturing local content and culture
- Ensuring long-term benefits for end-users
- Nurturing user confidence
- Promoting access and equity
- Creating a robust applications environment
- Facilitating efficient allocation of resources
- Developing industry capabilities
- Promoting secure and safe networking

Policies/Regulations to Widen Cellular Penetration

- Promotion of the role of the regulator in promoting competitiveness of mobile services
- Provision of lower barriers for emerging independent mobile operators
- Lower Cost arrangement of mobile services
- Establishment of infrastructure companies to facilitate faster rollout of cellular services

Global Axiata Presence

- Edotco Malaysia Bhd (Malaysia, 100%)
- PT Electrotelindo Pratama Tbk (Indonesia, 41.9%)
- Doyu Telecom Pte Ltd (Singapore, 82.5%)
- TM International Holding Bhd (Singapore, 70.6%)
- Malag C-Net Ltd (Malaysia, 100%)
- Star Communications Ltd (Global, 100%)
- Multimedia Ltd (Singapore, 93.7%)
- Renauto Persero Public Company Ltd (Thailand, 17.6%)
- UMMET Mobile Public Company Ltd (Thailand, 52.4%)
- Mobile Telecommunications Company of Pakistan (Pvt) Ltd (Pakistan, 42.5%)
- Mobile Telecommunications Company of Sudan (MTC Sudan, 61.9%)

Axiata Regional Position

- Total Subs (MM)
- Malaysia: 250.39
- Indonesia: 107.98
- Thailand: 10.2
- Sri Lanka: 1.44

Subscribers for Malaysia and TM Early Years of Internet (1996-2000)

- 1996: 10,000
- 1998: 100,000
- 2000: 1,000,000

Subscribers for Internet and TM early years of internet 1996 to 2000

Internet Developments in Malaysia

- 1994: First introduced by MIMOS experimental network JARING
- 1995: First commercial service by MIMOS
- 1996: Second internet service provider offered by Telekom Malaysia
- 2008: Internet reached 250,000 customers
Government Investments in Broadband

The economic downturn is accelerating governments investments in broadband networks.

<table>
<thead>
<tr>
<th>Country</th>
<th>Total</th>
<th>3G vs 2G</th>
<th>3G vs 2G</th>
<th>3G vs 2G</th>
<th>3G vs 2G</th>
</tr>
</thead>
<tbody>
<tr>
<td>France</td>
<td>50%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
<td>100%</td>
</tr>
<tr>
<td>Spain</td>
<td>2000</td>
<td>10%</td>
<td>10%</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td>Germany</td>
<td>2000</td>
<td>20%</td>
<td>20%</td>
<td>20%</td>
<td>20%</td>
</tr>
<tr>
<td>Japan</td>
<td>3000</td>
<td>60%</td>
<td>60%</td>
<td>60%</td>
<td>60%</td>
</tr>
<tr>
<td>Hong Kong</td>
<td>2000</td>
<td>10%</td>
<td>10%</td>
<td>10%</td>
<td>10%</td>
</tr>
<tr>
<td>China</td>
<td>2000</td>
<td>10%</td>
<td>10%</td>
<td>10%</td>
<td>10%</td>
</tr>
</tbody>
</table>

Malaysia – National Broadband Plan 2004

<table>
<thead>
<tr>
<th>Schoolnet</th>
<th>Clinics</th>
<th>Community Broadband Centers</th>
<th>Community Broadband Libraries</th>
</tr>
</thead>
<tbody>
<tr>
<td>10,000</td>
<td>359 clinics</td>
<td>250 CBC</td>
<td>510 CBL</td>
</tr>
</tbody>
</table>

Cabinet Committee on Broadband 2006

- Supply-driven approach with Public/Private Partnership
- Government’s contribution 2-3.5b, TM to invest 0.5b and total investment at 11.5b
- TM to roll out 1.5b lines by 2012
- TM undertaking for bridging digital divide in 50% rural
- To reach 50% broadband penetration by 2010 through B40 and FFI

Role of Universal Service Provision in Promoting Ubiquity

- Sec 202 CMA: Minister to determine criteria for operators to access broadband infrastructure at reasonable prices in underserved areas
- Sec 204 (1): Universal Service Fund (USF) established for such purpose
- Sec 204 (2): Contributions by operators to the USF fund

USP Implementation 2002-2009

- B9 designated USP areas
- Basic fixed line voice and internet
- Below national average of about 50%
- Broadband and cellular included in 2008
- Community Broadband Centers
- Community Broadband Libraries
- Provision for content development and promotions
- Provision on Tele broadband up to 50%

USP Allocation

- Community Broadband Centers
- Community Broadband Libraries
- Available for Community Broadband Center, Community Broadband Libraries & Other Telecommunication Services
Contribution of USP to National Broadband Penetration

Managing Undesirable Content on the Internet
- Homeland Security Act
- Registration of political websites
- Censorship on pornography
- Prohibition of undesirable content

Case 1: Indonesia

Section 233 of the Communications and Multimedia Act
A person who makes, creates, initiates, transmission of any comment, request, suggestion or communication which is obscene, indecent, false, menacing or offensive is character with intention to annoy, abuse, threaten or harass any person commits an offense- fine not exceeding fifty thousand ringgit or imprisonment not exceeding one year or both

Section 212 CMA
Content Forum
- Restrictions on provision of unsuitable content
- Procedures for handling public complaints
- Representation of Malaysian culture and national identity
- Public information and education regarding content regulation and technologies for end user control of content

From Self Regulations to Punitive Actions

Content Code
- Nagarsek - deemed to demean Malaysian flag
- Insults to Sultan of Perak - 8 cases, 3 plead guilty
- Insult to late Sultan of Johore - case pending

High Profile Internet Cases
Ministry of Information, Communication and Culture – List of Cases (end 2009)

<table>
<thead>
<tr>
<th>Description</th>
<th>No. of Cases</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cases investigated by SIMM</td>
<td>352</td>
</tr>
<tr>
<td>Cases compounded</td>
<td>38</td>
</tr>
<tr>
<td>Cases closed</td>
<td>174</td>
</tr>
<tr>
<td>Cases requiring further investigations by Attorney General</td>
<td>36</td>
</tr>
</tbody>
</table>

Price Waterhouse Coopers Report Global Entertainment and Media Outlook 2009-2013

Global Internet accessed Market (Overall worldwide consumption of %7.5%)

- 2009: $US 212 Billion
- 2013: $US 314 Billion

New Media Impact on the Net Generation (Born Between 1977 - 1997)

- Economic
- Consumer Behavior
- Advertising
- Organization
- Public Institutions

8 Characteristics of Net Generation

- They want freedom – choice, expression
- They love to customize
- They want engagement – online
- They look for corporate integrity and openness
- They want entertainment and play in their work, education, social life
- They are collaboration and relationship generation
- They have need for speed, reach
- They are innovators – global access to information

Malaysia Net Generation

Net Generations Answer the Question: Would You Rather Live without TV or Internet

- 72% - 67%
- 17% - 20%

Live without television
Live without the internet
New Attributes and New Ethics

Jeff Jarvis:

- More open, transparent and trusting by our society
- Inverse relationship between trust and control
- Need for collaboration and sharing of information

Managing Sensitivities through the Internet

- Controversy over the use of Allah and cases of arson involving religious premises
- Avenue for exchange of information, check on validity of purported events and rally for solidarity and promotion of public good

Actions to Promote National Unity through New Media

- Government
  - Promote further trust of the Internet and information exchange associated with it and transparency in operation
- Society
  - Don't be evil - since evil deeds - one way or the other will spill over into the Internet
- Civil Society and NGOs
  - Use new media to organize communities better - economic, education, environment, entertainment

Conclusion

1. Economic development strategies hampered central in addressing unity in Malaysia
2. Telecommunication underplay role in the government economic development agenda
3. Ubiquity is key - new media with the power to exchange information and organize communities to promote unity
4. Government should promote transparency, society to do good and not be evil, and civil society to organize their communities better
FORUM BICARA SEHARI
BERSAMA PROFESOR ADJUNG
UUM CAS

PERPADUAN MENERUSI KEPELBAGAIAN

Ahad, 28 Februari 2010

CD COMMUNICATIONS GROUP SDN
BHD
G-2, Jalan PJU 8/3A,
Damansara Perdana,
47820 Petaling Jaya,
Selangor Darul Ehsan

MAKLUMAT KORPORAT

- Ditubuhkan pada 1988, 100% milik bumiputera.
- Kumpulan komunikasi pemasaran bersepadu.
- 5 syarikat dalam Kumpulan.
- Staf pelbagai kaum seramai 102 orang.
- Ahli MAA & AAAAA
- Akreditasi dengan semua media

Cara dan Amanah kami

bekerja

bersukan

bersosial

beramal

bersukan
Terima kasih
UNITY THROUGH DIVERSITY - THE RHB EXPERIENCE -

28 February 2010 -
Dato' Tajuddin Alan
Group Managing Director
RHB Banking Group

1Malaysia Concept

National Unity
Ethnic Tolerance
Operational Efficiency

Values

<table>
<thead>
<tr>
<th>Perseverance</th>
<th>Culture of Excellence</th>
</tr>
</thead>
<tbody>
<tr>
<td>Acceptance</td>
<td>Loyalty</td>
</tr>
<tr>
<td>Education</td>
<td>Humility</td>
</tr>
<tr>
<td>Integrity</td>
<td>Meritocracy</td>
</tr>
</tbody>
</table>

The Malaysian Banking Industry
The Evolution of Banking Institutions (BIs)

Domestic BIs ➔ Regional Presence & Expansion ➔ International Outreach & Competition with Foreign Institutions

Increased customer awareness & demands

- Customer Value Proposition - Enhanced and innovative financial product & service offerings
- High level of customer service standards

Banking Culture – Results Driven

- To remain competitive, BIs are managed with a focused approach

Emphasis on –

- efficient delivery
- top quality service
- high performance
- exceeding targets
- excellent financial results

The Banking Environment & The Bank Employee

- Highly regulated and well supervised

Laws, rules & regulations, guidelines issued, monitored and enforced by regulatory bodies

- Scope of work
- Limits of Authority
- Discretionary Powers
- Acting in the Interest of the organisation

Risk Management Framework
- Internal Audit Examination
- Company Policies, Procedures & Manuals

Corporate Governance concepts of responsibility, accountability and transparency

Management of BIs

- Getting the best employees and getting the best out of the employees

In an environment that demands high standards from all bank employees and low tolerance of errors, the management team of BIs are required to ensure –

- The inculcation of a strong work culture & teamwork
- Performance culture – reward/incentive framework
- Clear career path and personal development plans
- Provision of regular training and re-skilling programs to enhance skill sets
Driving Unity in RHB

Staff Statistics by Ethnicity as at 31 December 2009

- 62.6% Bumiputra
- 31.2% Chinese
- 6.3% Indian
- 0.7% Others

The Evolution of the RHB Group

1963 - Started off with a single branch business
1966 - Acquired 30% of OCBC Bank
1967 - Merged with Anglo-Yus Bank to form RHB Bank
1995 - Acquired First Bank
2001 - Acquired Bank Islam to become one of 10 anchor banks under BNM banking consolidation exercise
2007 - Reacquired 50% minority interest in RHB Bank
2008 - Completed Phase 1 of the Transformation, 1st Full year as a Universal Bank

RHB – Beyond Ethnicity

- Internally - Inculcation of the RHB Culture “Performance Driven”
- Externally - To strengthen the RHB Brand “Banking Simplified”

RHB Work Culture - Performance Driven -

Innovation
Respect
Living Our Core Values
Customer Focus
Teamwork
Quality Service

Beyond Ethnicity

Encouraging Balanced Work-Life and Productive Workforce –

- Employee Activities
- Sport Activities
- Social Activities

Employee Activities

- Family Day
  - Effective way to get staff and family members to gather and foster better relationship
  - Indirectly promotes teamwork and respect
- Majlis Iftar
  - Participation of non-Muslim management members and staff
  - Promoting unity and understanding
- Annual Dinner
  - Building employee engagement and morale
  - Reward mechanism for staff work contribution and performance
Sports Activities
- National Bank Sports Council Games
- Development Program – Football, Futsal, Paintball
- Inter-region Sports Fiesta
- Unity Games
- MIBA Sports Meets
- Sports Recognition Night
- Children Football Camp

Social Activities
- Teh Tarik with the GMD
  - GMD meet the staff session held at HQ and Regional offices
  - promotes unity through sharing of strategies and aspirations of the banking group
- Division / Department Gathering / Dinner
  - to celebrate achievement of milestone or ethnic festivities
  - promotes teamwork and unity between staff of different departments

Creating the RHB Brand
- Corporate Social Responsibility (CSR)
  - Philosophy –
    i) to embark on initiatives that cut across and impacts the community at large, transcending cultural and religious differences
    ii) Voluntary contribution that is expected to create and instill positive social values not only to the Group’s employees but also to the society as a whole

Awareness Campaign
- Missing Children – Reuniting Families
  - Initially launched in 2007 to assist police in locating missing children under 18 years old
  - Displayed and distributed posters
  - Print ads of safety tips for children and parents
  - Compilation of booklet – Crime Prevention Tips for Kids
  - Distributed booklets to primary schools in urban areas susceptible to high crime rates in a road show in 6 major cities

Let’s Learn with RHB
- RHB-NST Spell-It-Right (SIR) Challenge
- RHB-The Star Mighty Minds
- Upgrade of Reading Materials and School Resource Centres

Unity Through Diversity
- Employees of a Banking Institution - RHB are unified through the organisation’s work culture and the management’s expectations of high performance as well as the promise of reward & recognition for achievements that transcend ethnic, cultural, social and educational background
THANK YOU