



[www.sidc.com.my](http://www.sidc.com.my)

Securities Industry  
Development Corporation

3, Persiaran Bukit Kiara  
Bukit Kiara  
50490 Kuala Lumpur  
Malaysia

T : +603-6204 8000  
F : +603-6201 8008  
E : [sidc@sidc.com.my](mailto:sidc@sidc.com.my)

[www.sidc.com.my](http://www.sidc.com.my)

ANNUAL REPORT

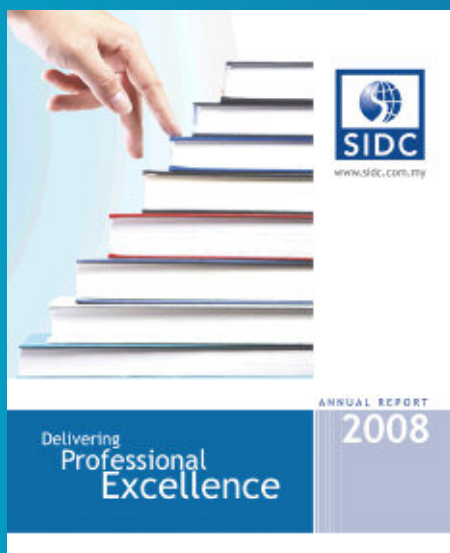
2008

Delivering  
Professional  
Excellence

Rationale:

Just as a journey of a thousand miles begins with a single step, so SIDC has put in place a clear and well-structured blueprint that will help us establish, over time, an indelible mark across markets we serve as a leading training and development provider.

As we continue to enhance our core competencies throughout our journey, we remain confident that...  
where others see challenges, we only see opportunities.  
where others see overcrowded markets, we only see strategic partnerships.  
where others see barriers, we only see hurdles to jump.



# vision

To be recognised internationally as the leading training and development provider for the capital markets in Asia Pacific.




## SIDC background

SECURITIES INDUSTRY DEVELOPMENT CORPORATION (SIDC), a leading capital markets education, training and information resource provider in ASEAN, is the training and development arm of the Securities Commission Malaysia (SC). It was established in 1994 and incorporated in 2007.

SIDC has been delivering professional excellence for more than 10 years. We organise training programmes for Malaysian and foreign regulators, company directors and market professionals as well as conduct public investor education seminars on wise investing and investors' rights.

We develop and facilitate training both locally and internationally through a range of programmes and activities, including conferences, seminar and workshops. In close collaboration with the SC, we develop examination questions and modules and conduct licensing examinations as part of the licensing regime for Malaysian capital market intermediaries.

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The launch of an independent standalone SIDC required a new statement of its Mission, Vision and Values, captured in the brand promise “Delivering Professional Excellence”.

## Our Mission

To support the Securities Commission Malaysia and Bursa Malaysia in making the Malaysian capital market a preferred destination for investors by:

1. Educating Malaysian investors so they:
  - Are protected from fraudulent transactions as informed market participants
  - Develop an informed interest in investing based on market and business fundamentals
  - Value good corporate governance and CSR;
2. Developing and training Malaysian capital market intermediaries to meet world class standards;
3. Developing and training emerging market regulators;
4. Training directors of public listed companies;
5. Building human capital for the Islamic capital market.



As a leading training and development provider for Capital Markets,  
our ability to meet the expectations of markets that we serve comes from  
our clear understanding of the need to...



have a clear **vision**  
because long term sustainability matters



A man in a dark pinstripe suit and white shirt is seen from behind, holding a large, light-colored seashell to his right ear. He is looking out over a vast blue ocean under a bright blue sky with soft, wispy clouds. The scene is peaceful and evokes a sense of listening and attention.

be an attentive

**listener**

because market intelligence matters

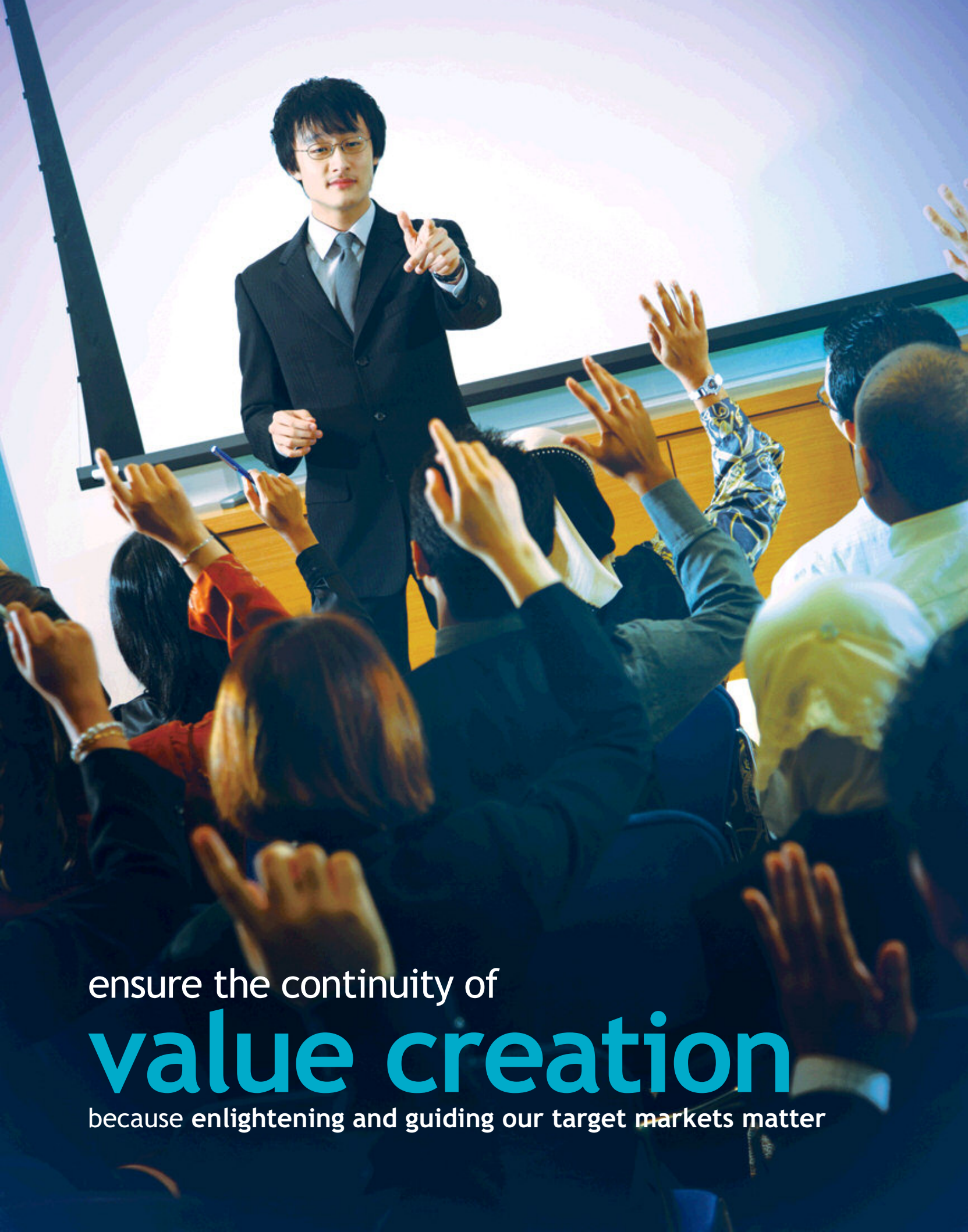
A hand in a dark suit sleeve holds a solid blue folder. The background is a blurred bookshelf with books of various colors. The text is overlaid on the blue folder.

extend our

# brand reach

because increased customer acceptance matters





ensure the continuity of

**value creation**

because enlightening and guiding our target markets matter

# our values

## CUSTOMER FOCUSED

We...

- recognise our customers have choice
- recognise our customers' needs change over time
- provide programmes and services that are fit for purpose
- are commercial



## QUALITY FOCUSED

We...

- deliver quality programmes
- have quality processes
- have quality jobs
- recruit and retain quality people
- work with quality partners and suppliers



## INNOVATIVE

We...

- welcome change
- welcome new ideas regardless of their source
- offer innovative programmes
- seek innovation in our ways of working and programme delivery



## PERFORMANCE DRIVEN

We...

- are accountable
- reward performance
- seek continuous improvement
- focus on increasing productivity

## RELIABLE

We...

- believe that integrity is a threshold criterion
- keep our promises
- meet our deadlines
- deliver a consistent 'on brand' experience
- are transparent

10

SECURITIES  
INDUSTRY  
DEVELOPMENT  
CORPORATION

# CHAIRMAN'S statement



**Tan Sri Zarinah Anwar**  
Chairman  
Securities Industry Development Corporation



**“The basic mission of SIDC is to help make Malaysia a preferred destination for investors - both domestic and foreign. As a result, it needs to change to reflect new development needs of the Malaysian capital market as it evolves.”**

I am delighted to present the second annual report of the Securities Industry Development Corporation (SIDC).

In last year's annual report, I explained why we incorporated SIDC, indicating that its role would evolve over time as SIDC embarked on the long journey of transformation as it sought to deliver professional excellence.

The basic mission of SIDC is to help make Malaysia a preferred destination for investors - both domestic and foreign. As a result, it needs to change to reflect new development needs of the Malaysian capital market as it evolves.

During 2008, SIDC's mission broadened as we focused more on the requirement to enhance Malaysia's position as the leading Islamic capital market hub in order to capture opportunities offered by its dynamic growth. This did not mean that SIDC stopped investor education, examinations, training and development for licensed intermediaries or its consultancy-based activities. Instead SIDC worked with the Securities Commission to develop a curriculum-based set of programmes, funded by the Capital Market Development Fund (CMDf), designed to attract top graduates into the Islamic capital market.

SIDC's roll out of the modules for the Industry Training Initiative (ITI) during the course of the year could be described as “the second step in a thousand mile journey” to paraphrase Lao Tzu. Indeed this is perhaps the best way to describe all the programmes that have been, or are being developed by SIDC. They are continuously improved, based

on feedback from participants and on changing market needs. What was good enough for last year is no longer good enough for this year and certainly will not be for next year. This is a reflection of SIDC's core values in action: focusing on customers, delivering quality learning experiences and providing innovative programmes designed to foster leading edge thinking.

SIDC pushed the envelope on programmes where the SC was the primary client: the Islamic Markets Programme (IMP), the Emerging Markets Programme (EMP) and the Advanced Business Management Programme (ABMP). To enhance capacity in investment management at the Institutional level, the SC worked with SIDC to develop a Institutional Investors Series. In response to the need to raise the bar on corporate governance, SIDC developed a suite of programmes targeted at directors which will be run in 2009. In consultancy, SIDC worked closely with the SC to help the Saudi Capital Market Authority develop a competency dictionary and succession planning strategy tailored to its unique needs.

SIDC has achieved a great deal in 2008 and I am pleased that all its KPIs were met and that SIDC came out of the year financially stronger than it was at the start. However, there is much more still to do and SIDC's challenges for 2009 are greater than in 2008, in a more difficult environment. Nevertheless, I remain confident that SIDC will rise to the occasion and will continue to make great strides in its long journey of development and change as it delivers professional excellence in the Malaysian capital market.

# CHIEF EXECUTIVE OFFICER'S review of operations

2008 was SIDC's second year as an incorporated entity, and our first full year of results.

## HIGHLIGHTS OF THE YEAR

I am very pleased to report that despite being substantially below budget for headcount, we were able to meet all our KPIs and strengthen our finances. This could not have been achieved without the unwavering commitment and dedication of the great people who work in SIDC. Everyone, no matter how junior they are or routine their job might be, contributed to this achievement.

**John Zinkin**  
Chief Executive Officer  
Securities Industry Development Corporation



## Meeting our KPIs

SIDC's mission consists of raising levels of financial literacy and investor protection; training and developing licensed intermediaries; providing support to emerging market regulators; training and developing people entering the Islamic Capital Market; and promoting responsible business practices through training of directors of public listed companies and supporting the Institute of Corporate Responsibility Malaysia (ICRM).

### *Raising levels of financial literacy and investor education*

2008 saw the beginning of the very successful implementation of the roll out of the SC's Investor Education Blueprint. We exceeded all our KPIs, most notably in our signature "Kids and Cash" programme, where in the space of six months we were able to teach 10,670 children, aged 10-12, how to budget. Our "Bijak Mengurus Wang" or "Be Money Wise" programme reached 2,070 people and our Cash@Campus financial planning and investment seminars were attended by 2,054 students. The success and popularity of these Capital Market Development Fund (CMDf) funded programmes in 2008 has led us to raise the bar even higher for 2009.

In August, we ran the second Institutional Investors Series (IIS) with our partners Aberdeen Asset Management, BNP-Paribas Investment Partners and Nomura Asset Management. Once again, our partners brought in their top experts from around the world to review where the economy was going and the asset classes on offer outside Malaysia. 210 participants attended a full-day programme and as a result of their feedback, we will be running another such seminar in 2009.

## *Developing licensed intermediaries*

114 Industry Transformation Initiative (ITI) programmes were held across the country with 8,906 participants. In addition to the two mandatory modules launched in 2007, we added the other two mandatory modules and four more of the core modules, so that eight out of the 12 core modules were offered to licensed intermediaries during the year. As we roll out all 25 modules, the subject matter will become progressively more advanced and challenging so that by the end of the process, we will indeed have transformed the level of knowledge and its application for most licensed intermediaries.

SIDC continues to set the licensing examinations and with the agreement of the SC's Licensing department is now developing a suite of preparatory programmes to help prospective licensees when they sit for their examinations.

### *Helping emerging market regulators*

In October, we ran the ninth week-long Emerging Markets Programme (EMP), supported by the EPU's Malaysian Technical Cooperation Programme, which was attended by 48 participants from 22 countries, including for the first time people from Bhutan, Kosovo, Malawi and the Virgin Islands. The theme was "Competition, Collaboration and Compliance" with keynote speakers from the major jurisdictions around the world.

In August, SIDC began a six-month consulting project for the Saudi Capital Markets Authority in Riyadh, which was successfully completed in February 2009.

In November, we helped organise a week long programme by the SC for the APEC Financial Regulators' Training Initiative.

# CHIEF EXECUTIVE OFFICER'S review of operations

## *Developing the Islamic Capital Market*

In July, SIDC organised the third Islamic Markets Programme, endorsed by the Economic Planning Unit (EPU) Malaysian Technical Cooperation Programme (MTCP), which was attended by 63 participants from 12 countries. Attendance was 58% higher than in 2007, and has now reached a ceiling beyond which the learning experience deteriorates. As part of the SC's increased emphasis on Islamic Capital Markets, SIDC also organised the successful International Islamic Capital Markets Forum in March and November. In November, SIDC entered into a strategic alliance with the Securities Investment Institute (SII-UK) in London which will form the basis of new initiatives focusing on Islamic Capital Markets in 2009.

## *Promoting responsible business practices*

SIDC developed a director's training roadmap after taking into account the concerns of key stakeholders: the SC, Bursa Malaysia, Khazanah and Bank Negara Malaysia. This is designed to minimise overlap with programmes offered by ICLIF and MINDA and to maximise co-operation between the three training organisations. SIDC and MINDA now collaborate in the development of board level training programmes.

Over the summer SIDC worked closely with the SC in the development and delivery of the second Advanced Business Management Programme (ABMP) where the focus was on leading edge thinking in strategy, innovation and change, corporate governance and finance. This eight-day residential programme was developed with IMD Lausanne and was led by Professor Didier Cossin for Finance; Professor Bala Chakravarty for Strategy; Professors Ulrich Steger and Arturo Bris for Corporate Governance; and Professors David Robertson and Steffen Raub for Innovation and Change Management respectively. 27 people attended from industry, the SC and Bursa Malaysia. The programme was supported by the CMDF.

SIDC began development work with PriceWaterhouseCoopers on a new one-day directors' training programme. We also advised Bursa Malaysia on the development of a director's corporate governance toolkit.

Finally, as part of promoting responsible business practices, SIDC was one of the working partners with *the Star* and the Institute of Corporate Responsibility Malaysia (ICRM) in the design, development and delivery of the Starbiz-ICRM Corporate Responsibility Awards.

## *Strengthening our finances*

Although SIDC is a not-for-profit organisation, this does not mean that we can be profligate with the money we receive from the CMDF or the SC. We treat the grants we receive as if it was money from our own pocket and are careful to ensure that we get best value for every dollar we spend to deliver programmes on behalf of the SC and the CMDF. The same applies to programmes with our partners.

I am very pleased that our financial position has improved over the year, as can be seen from our audited accounts.

Our income rose by 90.7% to RM 13.36 million in 2008 compared with 2007, reflecting the huge increase in programmes offered during the year. Our expenses rose by 66% to RM 11.57 million, reflecting our ability to increase productivity, as our headcount rose from 34 to 51. The net effect of this was that our net surplus for the year went from RM 109,394 at the end of 2007 to RM 1,575,583 at the end of 2008.

## OUTLOOK FOR 2009

There is no question that 2009 will be a challenging year. Our KPIs in some instances have doubled over 2008 in an economic climate that is not benign. We are bringing new programmes on stream and we are restructuring to prepare for the introduction of the Capital Market Professional (CMP) Qualification by the end of 2010 as we continue on our journey from an exams-based licensing regime to a professional, industry-based certification regime.





Despite the difficult economic environment, it is not the market that constrains our growth; it is the shortage of talent and requisite skills. We will continue to invest in training our people and our policy remains to promote from within wherever possible. But as we grow, we will need to hire and harvest the benefits of diversity of experience. We will continue to partner with the best in our industry to leverage their expertise and resources, if needed, so that we can jointly create learning platforms and learning experiences that are of benefit to both parties and above all to our clients, the people who attend our programmes.

### MY THANKS TO SIDC STAFF

Once again, I would like to thank all who work at SIDC for their dedication and commitment to living our values and helping us all on our journey to being recognised internationally as the best training and development provider in Asia Pacific.

It is a privilege to work with people who think positively, are prepared to accept the challenge of permanent change, and who know that work well done is a form of worship.

I look forward to the challenges of 2009 and am confident that as a team we will, once again, meet our KPIs.

# OUR FIRST ROLE

## educating investors

### FINANCIAL LITERACY PROGRAMMES 2008

#### Kids & Cash

This signature programme was a huge success given the overwhelming response from the target segment. A total of 10,670 primary school students aged 10 to 12, throughout Malaysia benefited from various lessons on money management. Interpersonal skills were also seamlessly integrated into the programme, providing students with an opportunity to explore their potential in a fun-filled environment.

In facilitating the effectiveness of the lessons taught, a total of 50 teachers were given the necessary exposure and training needed to monitor the students' appreciation of the programme's learning objectives.

#### Teaching Children about Money Seminar for Parents

Six "Be Money Wise" (B.M.W.) seminars for parents were conducted nationwide. Its objective is to help equip parents with the necessary knowledge to groom their children to be thrifty. The B.M.W. seminars were a hit among parents as evidenced by the attendance of 1,210 participants, which was 17% more than was expected.

#### Seminars for Women

Six "Be Money Wise" (B.M.W.) seminars for women were conducted nationwide to help them in their bid to be financially independent. A total of 1,520 participants attended the seminars which were held during the second half of the year.

#### Seminars for Blue Collar Workers and The Rural Community

A total of 260 blue collar workers and 450 members of the rural community participated in the "Be Money Wise" seminars held separately for these target segments. Given the importance of increasing the level of financial awareness among these segments of the community, we ventured out to various factories, offices and FELDA estates to conduct seminars in an interactive fashion, using workbooks and visual aids to effectively convey useful knowledge on money management and wise investing.

#### Seminars for Employee of Large Organisations and Government Agencies

We carried out the "Money@Work" seminars for 671 employees from large organisations and employees of government agencies. These seminars were conducted more frequently and for relatively smaller groups than that of our other programmes to cater for the needs of the participants. Bearing the same objectives as the BMW programmes, the "Money@Work" programme was also well received throughout the year.





### University Programme

A total of eight “Cash@Campus” sessions were held at various universities nationwide for 2,054 students. The objective of the programme was to educate students on money management and provide them with the necessary exposure to wise investing. The sessions held also saw a keen interest among the students for the programme with 1,781 students signing up as members of the “Cash@Campus” club.

### Media Articles

44 media articles were published in various local newspapers and magazines such as the *Berita Harian*, *New Straits Times*, *Jr. Statesman*, *Money Compass* and family magazines such as *Pa & Ma*. Some of the articles were also aired by the local radio stations namely Lite FM. The media articles focused on educating the Malaysian public on wise investing, managing money and protection from scams.

### Malaysian Investor Website (www.min.com.my)

In order to cater for the needs of various segments of the Malaysian public on money management and wise investing and not just investing adults, the Malaysian Investor Website (MIN) was given a “new look”.

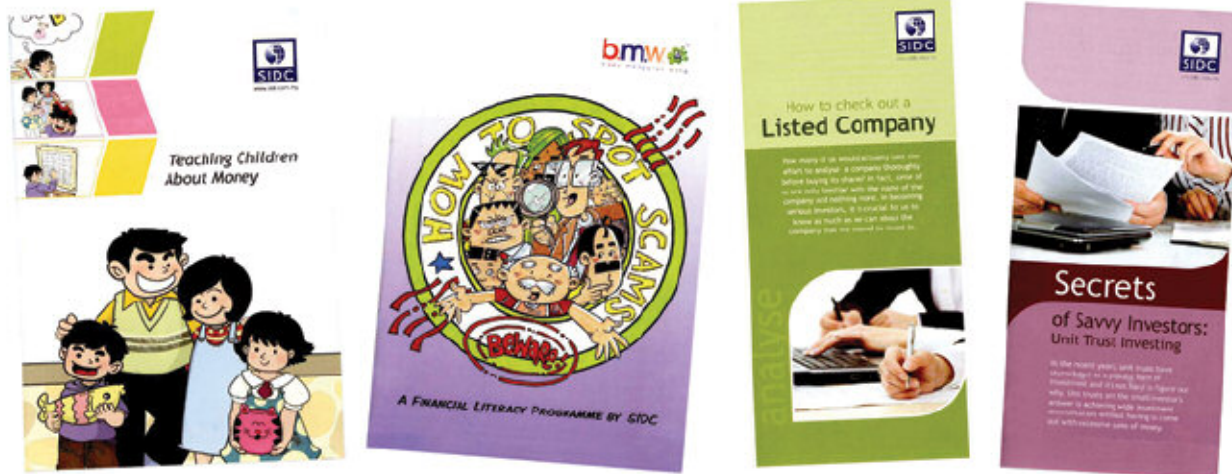
The new MIN, which is now bilingual (English and Bahasa Malaysia); is more visually attractive, functional and informative. Online financial tools and games were introduced to provide MIN viewers with more interactive and enjoyable experience. The enhancements allow room for viewers to explore over a hundred articles and interactive online tools featured in the website. The list of articles featured is dynamic with regular additions being made monthly. 21 new articles were posted on the MIN website.

The Investor Education Department (IED) responded to 181 investor online queries. The average monthly hit rate for the year was approximately 700,000, with the numbers expected to increase following the launch of the new and improved website.



# OUR FIRST ROLE

## educating investors



### Leaflets

Four leaflets - “How to Check Out a Listed Company”, “Secret of Savvy Investors: Unit Trust Investing”, “How to Spot Scams” and “Teaching Children About Money” - covering various angles on money management and wise investing were developed for distribution. The key objective is to provide knowledge to investors on the basics principles of stock and unit trust investing, investor protection as well as the know-how in guiding children to the right path of money management.

### Partnership in Education

The IED participated in PNB’s “Minggu Saham Amanah Malaysia” exhibition in Melaka and established good rapport with FELDA and the DBKL when conducting B.M.W. programmes for the rural community and employees of large organisations, respectively.

We also distributed 60,550 booklets. We collaborated with media partners such as the *New Straits Times*, *Money Compass*, *Pa & Ma* magazine, *Lite & Easy FM* and *Women FM* to publish and air investor education knowledge-based information on a regular basis. The “Kids & Cash” programme received strong media coverage on Astro Awani and TV9, with four capsules featured on each station.

## NUMBER OF FINANCIAL LITERACY PROGRAMMES ORGANISED IN 2008

| Investor Education Programmes  | Number of Participants |
|--------------------------------|------------------------|
| Kids & Cash                    | 10,670                 |
| B.M.W. for Parents             | 1,210                  |
| B.M.W. for Women               | 1,520                  |
| B.M.W. for Blue Collar Workers | 260                    |
| B.M.W. for Rural Area Folks    | 450                    |
| Money@Work                     | 671                    |
| Cash@Campus                    | 2,054                  |
| <b>Total</b>                   | <b>16,835</b>          |





## 2nd Institutional Investors Series (IIS) 2008

The second IIS series entitled “Maximising Returns in Uncertain Times”, was held on 26 August 2008 at Sime Darby Convention Centre. Sponsored by Aberdeen Asset Management, BNP-Paribas Investment Partners and Nomura Asset Management, IIS 2008 saw experts from these organisations help 210 participants nationwide explore trends, products and challenges faced by institutional investors in one of the most difficult and uncertain investment conditions during the third quarter of 2008.

The purpose of this seminar was to acquaint participants with the advantages and drawbacks of the different products on offer so that portfolios can match risk appetites as well as maximise returns. It was targeted at senior management from institutional investors’ organisations, fund managers, institutional dealers and those involved in the capital market.

The seminar addressed how the global economy faced the twin economic evils of inflation and low or negative growth. It explored the different approaches of leading central banks to a unique set of circumstances and how it created difficulties for policy makers of emerging economies to respond appropriately.

## OUR SECOND ROLE

# educating intermediaries

### CONTINUING PROFESSIONAL EDUCATION (CPE)

Continuing Professional Education (CPE) is a continuous development of personal growth, to further improve the competencies and to apprehend the full potential of working professionals in their working environments. In 2001, the CPE requirements was made one of the conditions that the Capital Markets Services Representative's licence (CMSRL) holder must comply with if they wish to renew their licence. CPE puts in place the fundamentals required for ensuring that the market is served by practitioners who continue to have an acceptable level of knowledge and capability.

### MONITORING CPE

The CPE Tracker System was implemented in 2005. It is to ensure tighter control and supervision of all CPE approved training providers. It enhances the effectiveness and efficiency of CPE administration, especially for processing, tracking and monitoring all CPE approved courses. It also helps CMSRL holders to check their accumulated CPE points on a real time basis. This system has direct interface to the SC's Licensing Department's Electronic Licensing Application (ELA) that would enable straight-through-processing of all licence renewals.

In 2008, SIDC processed nearly 740 course applications with 553 CPE programmes conducted nationwide for market intermediaries through 60 registered training providers. 83% (459 courses) of CPE courses focused on Market Development i.e. on economic outlook, capital market products and services, corporate finance and investors and shareholders. 17% (94 courses) focused on Market Regulations i.e. on regulatory, risk and corporate governance issues. 448 of CPE courses were conducted in Kuala Lumpur and Selangor since majority of the SC's CMSRL holders are based in the Klang Valley.

### NUMBER OF CPE APPROVED COURSES APPROVED BY THE CPE SECRETARIAT IN 2008

| Month        | Number of courses |
|--------------|-------------------|
| January      | 34                |
| February     | 19                |
| March        | 54                |
| April        | 52                |
| May          | 47                |
| June         | 54                |
| July         | 59                |
| August       | 77                |
| September    | 24                |
| October      | 41                |
| November     | 58                |
| December     | 34                |
| <b>Total</b> | <b>553</b>        |



## NUMBER OF CPE APPROVED COURSES CONDUCTED PER STATE

| State           | Number of courses |
|-----------------|-------------------|
| Kedah           | 2                 |
| Penang          | 28                |
| Perak           | 14                |
| Kuala Lumpur    | 400               |
| Selangor        | 48                |
| Melaka          | 7                 |
| Negeri Sembilan | 2                 |
| Johor           | 19                |
| Pahang          | 5                 |
| Terengganu      | 0                 |
| Kelantan        | 2                 |
| Sabah           | 9                 |
| Putrajaya       | 2                 |
| Sarawak         | 15                |
| <b>Total</b>    | <b>553</b>        |

### The CPE Nationwide Audit

In December, SIDC as the CPE Secretariat began a CPE Nationwide Audit to assess the quality standards of the CPE programmes.

The Audit sought reliable primary data to determine CPE course effectiveness and evaluate market perception of the programme. It will also provide hard evidence and insights to inform future policy development decisions in constructing the infrastructure needed to support a high performance culture among SC's licensed market professionals.

This audit was intended to go beyond the scope of gauging the observance of CPE compliance standards among trainers and traditional measurement of customer satisfaction i.e.

'design, content and delivery'. It focuses on the measurable outcomes rather than inputs by measuring course relevance and its alignment to learners' business priorities.

The findings from the audit will be useful to provide recommendations for the way forward in capital market services and financial industry training in Malaysia. They will be useful in recommending the training approaches that could be most appropriate and contribute most effectively to CPE participants in the way in which they do their work.

As at 31 December 2008, 26% of the training providers were inspected. This exercise will be completed by March 2009.

# OUR SECOND ROLE

## educating intermediaries

### National agenda programmes:

#### 1. Bumiputera Training Fund

Established in 1997, the Bumiputera Training Fund (BTF) provides training for all Bumiputera employees in the capital markets. The BTF was set up with contributions of RM1 million each from the SC and Bursa Malaysia, and RM50,000 from each of the stockbroking companies. Under BTF, SIDC organises training programmes that benefit all levels of Bumiputera professionals and licensed representatives to enhance their technical and developmental skills. SIDC as BTF secretariat manages the programme with oversight by an Education Committee, a Finance Committee and a Board of Trustees.

The duration of the BTF courses are usually one or two days and cover four categories namely, investment management, personal enhancement, compliance and risk management, sectoral analysis and contemporary issues.

The number of BTF participants increased by 5% in 2008. A total of 1,250 participants attended 73 BTF courses.

Participation by remisiers, paid dealer's representatives and trainee dealer's representatives grew by 10%, 21% and 138% respectively.

### BREAKDOWN OF BTF COURSES PARTICIPANTS

| Group                            | 2008         | 2007         | Difference (%) |
|----------------------------------|--------------|--------------|----------------|
| Remisiers                        | 407          | 369          | 10             |
| Executives                       | 307          | 326          | (6)            |
| Paid dealer's representatives    | 246          | 203          | 21             |
| Support staff                    | 158          | 149          | 6              |
| Managers and above               | 101          | 134          | (25)           |
| Trainee dealer's representatives | 31           | 13           | 138            |
| <b>Total</b>                     | <b>1,250</b> | <b>1,194</b> | <b>5</b>       |

### NUMBER OF BTF COURSES ORGANISED IN 2008

| Course Category                                    | Number of Courses | Number of Participants |
|--|-------------------|------------------------|
| Investment Management and Contemporary Issue (IMC) | 13                | 228                    |
| Risk Management and Compliance (RMC)               | 1                 | 3                      |
| Personal Enhancement (PE)                          | 20                | 552                    |
| Preparatory Courses                                | 4                 | 31                     |
| Industry Transformation Initiative (ITI)           | 35                | 436                    |
| <b>Total</b>                                       | <b>73</b>         | <b>1,250</b>           |



A total of 28 stockbroking companies enrolled their bumiputera employees in the BTF training courses. The highest number of participants came from Kenanga Investment Bank Bhd (251 participants), followed by OSK Investment Bank Bhd (200 participants) and Inter-Pacific Securities Sdn Bhd (82 participants).

## 2. The Bumiputera Dealer Representatives Education Fund

The Bumiputera Dealer Representatives Education Fund (BDFEF) or Dana Pendidikan Wakil Peniaga Bumiputera (DPWPB) was launched on 7 July 2003. The objective of the Fund is to increase the number of Bumiputera dealer's representatives with professional qualifications and provide an opportunity for career progression within the capital market industry in line with the emphasis placed on training and education in the Capital Market Masterplan (CMP).

Under the fund, 70% financing is available to Bumiputera dealer's representatives for enrolling and completing courses and examinations leading to professional qualifications relevant to the Malaysian capital market e.g. Certified Financial Planning (CFP), Chartered Financial Analysts (CFA) and Diploma In Technical Analyst by Members of Society for Technical Analyst (MSTA).

A board of trustees, supported by an Education and Finance Committee that comprises the SC, Bursa Malaysia, Association of Stockbroking Companies Malaysia (ASCM) and Persatuan Remisier Bumiputera Malaysia (PRIBUMI) oversees the implementation of the Fund.

As at December 2008, 396 bumiputera have benefited from this programme. 64 completed their courses and successfully acquired their professional certifications.

## PROFESSIONAL QUALIFICATION CERTIFICATION PROCURED UNDER BDFEF

| Courses  | Total Applications Received<br>(2003-2008) | Total Completed<br>(2003-2008) |
|--|--|--------------------------------|
| Certified Financial Planner (CFP)                          | 296  | 37                             |
| Islamic Financial Planner Certificate (IFP)                | 5  | 5                              |
| Associate Financial Planner (AFPM)*                        | -  | 17                             |
| Chartered Financial Analyst (CFA)                          | 79   | 1                              |
| Diploma in Technical Analysis (MSTA)                       | 15   | 3                              |
| Graduate Diploma in Applied Finance and Investment (GDAFI) | 1  | 1                              |
| <b>Total</b>   | <b>396</b>                                 | <b>64</b>                      |

Note: \*AFPM certificate holder is a trade member of FPAM and has passed Module 1 of Certified Financial Planner (CFP)

## Industry Transformation Initiative (ITI)

The Industry Transformation Initiative (ITI) launched in July 2007 is a five-year project funded by the Capital Market Development Fund (CMDf). ITI aims at improving market professionalism by bridging the technical skill gaps and interpersonal competencies of market intermediaries to boost investor confidence.

As a result of the feedback from the market, SIDC reviewed the ITI courses and changed the course duration from two-day to a one-day programme effective from 15 March 2008.

# OUR SECOND ROLE

## educating intermediaries

### NUMBER OF ITI COURSES ORGANISED IN 2008

| Course Code  | Course Title  | Number of Courses | Number of Participants |
|--------------|---|-------------------|------------------------|
| EQ01         | Economics and Capital Markets I: Forces Shaping Global Capital Markets        | 35                | 2,819                  |
| EQ02         | Essentials of Fundamental Analytics I: Analysing Company Performance          | 35                | 2,956                  |
| EQ03         | Corporate Strategic Analytics I: Essentials of Corporate Proposal Analysis    | 16                | 1,375                  |
| EQ04         | Corporate Governance and Ethics: Strengthening Professionalism Through Ethics | 20                | 1,626                  |
| FP01         | Financial Planning: Putting Theory into Practice                              | 3                 | 47                     |
| FP02         | Financial Planning: The Practice of Wealth Management                         | 2                 | 24                     |
| DE01         | Debt Capital Market: Understanding the Bond Market                            | 1                 | 20                     |
| DA02         | Debt Capital Market: Mechanics of Bond Issuance and Trading                   | 2                 | 39                     |
| <b>Total</b> |   | <b>114</b>        | <b>8,906</b>           |

## PROFESSIONAL EDUCATION & EXAMINATIONS

### Introduction of Computer-Based Examination (CBE)

SIDC successfully launched the computer-based examination (CBE) system to replace the conventional “pen and paper” system for the SC licensing examination. The CBE system was designed to facilitate the growing needs of the capital market industry.

With the CBE system in place, SIDC is able to increase the frequency of examinations. The SC licensing examinations is now offered on a weekly basis with a minimum of four sessions per week. Candidates are able to obtain their examination results immediately, upon completing their examinations.

SIDC also launched the CBE system simulation on the SIDC website. The simulation was designed to assist candidates to familiarise themselves with the new format of the CBE system.

### Introduction of New Rules and Regulations Modules

In May, SIDC introduced three new rules and regulations modules to facilitate individuals who intend to apply for a Capital Market Services Representative’s Licence (CMSRL) to carry on the regulated activity of Advising on Corporate Finance or Investment Advice, namely:

- Module 19: Advisory Services (Rules and Regulations)
- Module 19A: Advisory Services (Rules and Regulations) - Part A
- Module 19B: Advisory Services (Rules and Regulations) - Part B

With the introduction of the new examinations, the previous Module 15: Investment Advisory (Rules and Regulations) ceased to be offered and the combinations of examinations applicable for the respective regulated activities are as follows:

| Regulated Activity            | Applicable Examination                    |
|-------------------------------|---|
| Advising on Corporate Finance | Modules 12 & 19; or Modules 12, 19A & 19B |
| Investment Advice             | Modules 12 & 19; or Modules 12 & 19A      |

The new combinations will provide greater flexibility to candidates in completing their rules and regulations examinations.

### SC Licensing Examinations

The Professional Education & Examinations department conducted 201 examination sessions for 14 modules at various locations in Malaysia. Apart from Kuala Lumpur, the examinations were held in Penang, Johor Bahru, Kuantan, Kuching and Kota Kinabalu to ensure easy access to examinations centres for candidates across the country. A total number of 4,318 candidates sat for the examinations throughout the year.

| Examinations   | Number of candidates<br>2007 | Number of candidates<br>2008 |
|--|------------------------------|------------------------------|
| Module 6      Stock Market and Securities Law                            | 923                          | 963                          |
| Module 7      Financial Statement Analysis and Asset Valuation           | 1,272                        | 1,046                        |
| Module 9      Funds Management Regulation                                | 210                          | 292                          |
| Module 10     Asset and Funds Management                                 | 244                          | 291                          |
| Module 11     Fundamentals of Compliance                                 | 107                          | 170                          |
| Module 12     Investment Management and Corporate Finance                | 172                          | 450                          |
| Module 14     Futures and Options  | 233                          | 343                          |
| Module 15     Investment Advisory (Rules and Regulations)                | 145                          | 178                          |
| Module 16     Rules & Regulations of Futures and Options                 | 250                          | 399                          |
| Module 17     Securities and Derivatives Trading (Rules and Regulations) | 10                           | 7                            |
| Module 18     Securities and Derivatives Trading (Products and Analysis) | 9                            | 5                            |
| Module 19*    Advisory Services (Rules and Regulations)                  | 0                            | 135                          |
| Module 19A*   Advisory Services (Rules and Regulations) - Part A         | 0                            | 29                           |
| Module 19B*   Advisory Services (Rules and Regulations) - Part B         | 0                            | 10                           |
| <b>Total</b>   | <b>3,575</b>                 | <b>4,318</b>                 |

\* Introduced in May 2008.

## OUR THIRD ROLE

# educating regulators



### OUR FLAGSHIP PROGRAMME: EMERGING MARKETS PROGRAMME (EMP)

**Strengthening Emerging Markets: Competition, Collaboration and Compliance (18-24 October 2008)**

The Emerging Markets Programme (EMP) is an annual programme, which offers a unique opportunity for regulators of emerging economies to exchange ideas and share expertise on significant capital market development and regulation. The 9th EMP explored the interaction of the '3C's, namely "Competition, Collaboration and Compliance" within emerging markets, emphasising their unique needs in light of the recent market developments.

The week-long programme was attended by 48 senior foreign regulators from 22 emerging economies. They benefited from sharing their practical experiences and knowledge of regulatory issues which affects emerging capital markets.

There were 23 speakers from 10 countries including representatives from the Securities Commission Malaysia, China Securities and Regulatory Commission, Hong Kong Securities and Futures Commission, Monetary Authority of Singapore, Ontario Securities Commission, Securities and Exchange Board of India, Securities and Exchange Commission of Thailand, Singapore Exchange Limited, United States Securities and Exchange Commission, and the United Kingdom Futures and Options Association.





### 3RD ISLAMIC MARKETS PROGRAMME (IMP)

**Product Innovation: Integrating Shariah and Market Needs (6-11 July 2008)**

The IMP was targeted at both experienced practitioners and new entrants to Islamic finance. The programme discussed the fundamentals of Islamic finance, the underlying concepts and mechanics, as well as new ideas and approaches generated from the interactive discussions. For the first time, this third IMP introduced the CEO Forum, where challenges and approaches towards standardisation of Shariah ruling for sukuk were discussed.

The programme drew 63 participants from 12 countries, namely, Bangladesh, Comoros, Croatia, Iran, Jordan, Kazakhstan, Kosovo, Maldives, Nigeria, Republic of Djibouti, Sri Lanka, Uzbekistan as well as Malaysia.

Given the success of three IMPs, SIDC will continue to organise this programme annually as an ongoing platform for discussion and exchange of ideas on Islamic capital markets.

### OUR FOURTH ROLE: EDUCATING DIRECTORS

In helping raise the standards of governance, ethics and professionalism among company directors in Malaysia, SIDC began development work with partners on developing a suite of training programmes aimed at company directors. The targeted training will provide them with the necessary tools designed specifically to take their understanding to the next level of good governance and ethical business practices. These programmes will be rolled out in 2009.

### OUR FIFTH ROLE: BUILDING HUMAN CAPITAL FOR ICM

To support Malaysia's commitment in retaining its global leadership position in Islamic Finance; SIDC broadened its mission and focused its initiative in building human capital for the Islamic capital market. Working closely with the SC, SIDC developed a curriculum-based graduate training scheme, designed to develop entry level professionals for the domestic Islamic capital market. This scheme, funded by the Capital Market Development Fund (CMDF), will be launched in 2009.

# calendar of events 2008



**17 JANUARY**

## ACCA-SIDC MOU SIGNING CEREMONY

This MoU marks a significant milestone in our corporate history, following a joint-venture between two leading organisations - ACCA and SIDC. Both organisations share common and strong interests in raising professional standards in the capital market and accounting profession. The MoU was signed by John Zinkin, CEO of SIDC and Tay Kay Luan, Director - ASEAN & Australasia of ACCA. It was witnessed by Tan Sri Zarinah Anwar, Chairman of the SC and SIDC, and Allen Blewitt, Chief Executive of ACCA.



**25 JANUARY**

## LAUNCH OF STARBIZ-ICR MALAYSIA CORPORATE RESPONSIBILITY AWARDS

The soft launch of the StarBiz-ICR Malaysia Corporate Responsibility Awards was officiated by Datuk Mohd Effendi Norwawi, Minister in the Prime Minister's Department. It was attended by 110 guests including Tan Sri Zarinah Anwar, Chief Judge of the Awards, Dato' Johan Raslan, Chairman, ICR Malaysia, Datin Linda Ngiam, Executive Director and Group COO, Star Publication (M) Berhad,

Dato' Wong Chun Wai, Group Chief Editor of Star Publications (M) Berhad, Dato' Kok Wee Kiat, Chairman of the Environmental Quality Council Malaysia and chief executives of ICR Malaysia member companies.

Endorsed by Bursa Malaysia and the Economic Planning Unit (EPU), the aim of the Award is to help promote responsible business practices among Malaysian companies by increasing their global competitiveness with best CR practices. Equally, it encourages Malaysian companies to inculcate CR values into their business strategies, raise business standards for the benefit of all stakeholders and create greater awareness among companies and the public that CR-related activities should be viewed as investment strategies and not as liabilities.



**22 APRIL**

## SIDC-ICAEW PROGRAMME COLLABORATION OF CORPORATE FINANCE QUALIFICATION (CFq)

This programme collaboration between SIDC and the Institute of Chartered Accountants in England and Wales (ICAEW) marks a credible strategic alliance and a strong distinction that will allow the recipient of the qualification to draw on the rich resources from both organisations. SIDC is the first ICAEW partner outside the UK and Canada to offer the CF qualification to the corporate finance community in Malaysia. The event also witnessed the signing of the Programme Collaboration Statement by John Zinkin, CEO of SIDC and Dr Raymond Madden, Executive Director of Learning & Development, ICAEW UK.

## 28 APRIL

### THE HONG KONG SECURITIES INSTITUTE (HKSI) MISSION TO MALAYSIA

SIDC hosted 30 delegates from the HKSI who visited the Securities Commission on 28 April 2008. The delegation was led by Dr Au King-lun, Chairman of HKSI. John Zinkin presented an overview of SIDC and the visit ended with a tour of the SC building and SIDC.

## 6-11 JULY

### 3rd ISLAMIC MARKETS PROGRAMME (IMP)

#### PRODUCT INNOVATION: INTEGRATING SHARIAH AND MARKET NEEDS

This year's IMP saw the introduction of the CEO Forum, where challenges and approaches towards standardisation of Shariah ruling for sukuk were discussed. The forum was moderated by SC Managing Director Dato Dr Nik Ramlah Mahmood. Among the speakers at the forum were Datuk Vaseehar Hassan Abdul Razack of Unicorn International Islamic Bank Malaysia Bhd and Badlisyah Abdul Ghani, CEO of CIMB Islamic Bank Berhad.

Other speakers at the third IMP include Dr Mohd Daud Bakar, International Institute of Islamic Finance Inc, Badlishah Bashah, Dr. Md Nurdin Ngadimon, Azman Ahmad & Kamarudin Hashim, SC, Dr. Aznan Hasan, Bursa Malaysia, Mohammad Faiz Azmi & Jennifer Chang, PricewaterhouseCoopers, Mohamed Ridza Abdullah, Mohamad Ridza & Co & Rafe Haneef, Fajr Capital Plc.

The programme was well-received by 63 local and foreign participants from 12 countries, 13 participants were sponsored by the EPU's Malaysian Technical Cooperation Programme (MTCP).



## 26 AUGUST

### 2nd INSTITUTIONAL INVESTORS SERIES (IIS)

#### MAXIMISING RETURNS IN UNCERTAIN TIMES



Following the success of the first seminar held in 2007, SIDC in partnership with Aberdeen Asset Management, BNP Paribas Investment Partners and Nomura Asset Management organised the second Institutional Investors Series this year. It drew over 200 participants from 68 organisations, including major institutional investor organisations such as Lembaga Tabung Haji, EPF, Khazanah Nasional, Lembaga Tabung Angkatan Tentera, SOCSO, Perbadanan Nasional Berhad, Kumpulan Wang Persaraan, Permodalan Nasional Berhad and Permodalan Nasional Berhad. Distinguished speakers from IIS sponsors shared their insights and thoughts on various issues with institutional investors.

# calendar of events 2008



## 18-24 OCTOBER

### 9TH ANNUAL EMERGING MARKETS PROGRAMME (EMP) STRENGTHENING EMERGING MARKETS: COMPETITION, COLLABORATION AND COMPLIANCE

The 9th EMP explored the interaction of the '3C's, namely "Competition, Collaboration and Compliance" within emerging markets, emphasising their unique needs in light of the recent market developments. A total of 48 senior international financial regulators from 22 emerging economies attended the week-long annual programme to share their practical experiences and knowledge of regulatory issues affecting emerging capital markets. The programme was presented by 23 speakers from 10 countries.



## 13 NOVEMBER

### INTERNATIONAL ISLAMIC CAPITAL MARKET FORUM II (IICMF)

The second forum themed "Islamic Alternative Strategy Funds and Venture Capital" was held at the Securities Commission Malaysia. The objectives of this forum were to bring about greater awareness on other Islamic asset classes, highlight pertinent Shariah issues, and convey the regulator's perspective and share valuable lessons from the industry. 245 participants attended with presenters from the United Kingdom, Hong Kong, Bahrain, Switzerland and Malaysia.

## 24-28 NOVEMBER

### APEC FRTI - SEMINAR ON FINANCIAL REPORTING AND DISCLOSURE

This regional seminar under the auspices of the APEC Financial Regulators Training Initiative (FRTI) was organised by the Asian Development Bank (ADB) and co-hosted by SIDC. It was targeted at regulators responsible for overseeing the regulation associated with financial reporting and disclosure. It drew participation from securities regulatory organisations and stock exchanges of APEC economies and ADB member-countries. The seminar was attended by 28 participants from six economies from the region. Presenters for the seminar consists of representatives from securities regulatory organisations from the United States, Canada, Dubai and Malaysia.



## 17-19 NOVEMBER

### DERIVATIVES IN EMERGING MARKETS

#### IMPROVING EFFICIENCY WHILE SAFEGUARDING FINANCIAL STABILITY

This programme was a joint seminar between the SC, the IMF Monetary and Capital Markets Department (MCM) and the IMF Regional Office for Asia and the Pacific (OAP). The objective of the seminar is to enhance the capacity among policy makers and regulators in member countries to create an enabling environment for well-functioning and safe derivatives markets. The seminar helped facilitate the sharing of experiences across mature and emerging market countries. Held at the SC, it was attended by 36 participants including ten foreign participants.

## 20 NOVEMBER

### COLLATERAL MANAGEMENT AND REPO MARKETS IMPROVING EFFICIENCY WHILE SAFEGUARDING FINANCIAL STABILITY

The one-day programme was a joint seminar between the SC and the IMF Monetary and Capital Markets Department (MCM) and the IMF Regional Office for Asia and the Pacific (OAP) on 20 November 2008. The objective of the seminar was to enhance the capacity among policy makers, regulators and industry practitioners in member countries to understand the mechanics of repo markets. Held at the SC, it was attended by 37 participants including 12 foreign participants.

## 27 NOVEMBER

### SIDC MEDIA APPRECIATION NIGHT

SIDC organised a Media Appreciation Dinner to thank members of the media for their support in 2008. A creative video presentation was shown during the dinner. It highlighted SIDC's key activities as well as its core messages and values against an overview of global events.



## 12 & 13 DECEMBER

### KIDS & CASH HOLIDAY PROGRAMME

SIDC organised a Kids & Cash Holiday Programme as part of SC's Corporate Responsibility (CR) activity for school children aged 10-12. The half-day programme attracted more than 200 kids who benefited from a wide range of fun activities, led by Captain Cash and its Cash Agents. This programme received excellent media coverage in both print and electronic media.

## calendar of events 2008

| Date                  | Programme   | Target Audience  | Number of Participants |
|-----------------------|---|--|------------------------|
| <b>JAN</b><br>26-27   | Malaysian Stock Market & Securities Law (Module 6) Preparatory Course                     | <ul style="list-style-type: none"> <li>• Candidates preparing for Module 6 of the SC Licensing Examinations</li> <li>• New entrants to the capital market industry</li> <li>• Employees of stockbroking and investment firms</li> </ul>  | 17                     |
| <b>FEB</b><br>23-24   | Financial Statement Analysis & Asset Valuation (Module 7) Preparatory Course              | <ul style="list-style-type: none"> <li>• Candidates preparing for Module 7 of the SC Licensing Examinations</li> <li>• New entrants to the capital market industry</li> <li>• Employees of stockbroking and investment firms</li> </ul>  | 24                     |
| <b>APRIL</b><br>19-20 | Investment Advisory (Rules and Regulations) (Module 15) Preparatory Course                | <ul style="list-style-type: none"> <li>• Candidates preparing for Module 15 of the SC Licensing Examinations</li> <li>• New entrants to the capital market industry</li> <li>• Employees of stockbroking and investment firms</li> </ul>   | 84                     |
| 26-27                 | Malaysian Stock Market & Securities Law (Module 6) Preparatory Course                     | <ul style="list-style-type: none"> <li>• Candidates preparing for Module 6 of the SC Licensing Examinations</li> <li>• New entrants to the capital market industry</li> <li>• Employees of stockbroking and investment firms</li> </ul>  | 44                     |
| <b>JUNE</b><br>17-18  | SIDC CMW Series:<br>The Malaysian Equity Market   | <ul style="list-style-type: none"> <li>• New entrants to the capital market industry and staff of the stockbroking companies</li> <li>• Members of the public who wish to know more about the Malaysian equity market</li> </ul>   | 24                     |
| <b>JULY</b><br>6-11   | 3rd Islamic Markets Programme<br>Product Innovation: Integrating Shariah And Market Needs | <ul style="list-style-type: none"> <li>• Conventional bankers</li> <li>• Intermediate fund managers</li> <li>• Dealer's representatives</li> <li>• CEOs and senior personnel of companies</li> <li>• New entrants in Islamic Capital Market</li> <li>• Staff of government agencies</li> <li>• Shariah lecturers or graduates</li> </ul> | 63                     |
| 26-27                 | Investment Management and Corporate Finance (Module 12) Preparatory Course                | <ul style="list-style-type: none"> <li>• Candidates preparing for Module 12 of the SC Licensing Examinations</li> <li>• New entrants to the capital market industry</li> <li>• Employees of stockbroking and investment firms</li> </ul>   | 99                     |

| Date                    | Programme  | Target Audience  | Number of Participants |
|-------------------------|--|--|------------------------|
| <b>AUGUST</b><br>2-3    | Malaysian Stock Market & Securities Law (Module 6) Preparatory Course                  | <ul style="list-style-type: none"> <li>• Candidates preparing for Module 6 of the SC Licensing Examinations</li> <li>• New entrants to the capital market industry</li> <li>• Employees of stockbroking and investment firms</li> </ul>  | 55                     |
| 5-6                     | SIDC CMW Series: Fundamentals of Fund Management                                       | <ul style="list-style-type: none"> <li>• Fund managers</li> <li>• Trustees of pension plans</li> <li>• Corporate treasurers</li> <li>• Brokers</li> <li>• Investment managers</li> <li>• New entrants to the capital market industry</li> <li>• Employees of stockbroking companies</li> <li>• Members of the public who wish to know more about the fund management industry</li> </ul> | 70                     |
| 9-10                    | Financial Statement Analysis & Asset Valuation (Module 7) Preparatory Course           | <ul style="list-style-type: none"> <li>• Candidates preparing for Module 7 of the SC Licensing Examinations</li> <li>• New entrants to the capital market industry</li> <li>• Employees of stockbroking and investment firms</li> </ul>  | 90                     |
| 16-17                   | Investment Management and Corporate Finance (Module 12) Preparatory Course             | <ul style="list-style-type: none"> <li>• Candidates preparing for Module 12 of the SC Licensing Examinations</li> <li>• New entrants to the capital market industry</li> <li>• Employees of stockbroking and investment firms</li> </ul>   | 48                     |
| 23-24                   | Advisory Services (Rules and regulations) (Module 19 or 19A or 19B) Preparatory Course | <ul style="list-style-type: none"> <li>• Candidates preparing for Module 19 of the SC Licensing Examinations</li> <li>• New entrants to the capital market industry</li> <li>• Employees of stockbroking and investment firms</li> </ul>   | 32                     |
| 26                      | 2nd Institutional Investors Series: Maximising Returns in Uncertain Times              | <ul style="list-style-type: none"> <li>• Institutional investors</li> </ul>  | 210                    |
| <b>OCTOBER</b><br>18-24 | 9th Emerging Markets Programme: Competition, Collaboration and Compliance              | <ul style="list-style-type: none"> <li>• Regulators from Malaysia and other Securities Commissions around the world</li> </ul>   | 48                     |
| <b>JAN-DEC</b>          | Industry Transformation Initiative (ITI)<br>EQ01,EQ02,EQ03,EQ04,FP01,FP02,DE01,DA02    | <ul style="list-style-type: none"> <li>• All CMSRL Holders</li> <li>• Public</li> </ul>  | 8,906                  |
| <b>TOTAL</b>            |  |  | <b>9,818</b>           |

# board of directors



from left: Tan Sri Zarinah Anwar, Dato' Yusli Mohamed Yusoff, Dato Dr. Nik Ramlah Mahmood



# directors' profile

## TAN SRI ZARINAH ANWAR

Chairman  
Securities Commission Malaysia

Tan Sri Zarinah Anwar was appointed the Chairman of the Securities Commission Malaysia on 1 April 2006. She served as the Deputy Chief Executive of the SC and Member of the Commission since 1 December 2001. Tan Sri Zarinah currently chairs the Malaysian Venture Capital Development Council (MVCDC) and the Capital Market Development Fund (CMDf). She is also a member of the National Economic Consultative Council (NECC), a member of the Labuan Offshore Financial Services Authority (LOFSA), Foreign Investment Committee (FIC), Malaysia International Islamic Financial Centre (MIFC), National Innovation Council (NIC) and Board of Directors of the Institut Integriti Malaysia (IIM).

Tan Sri Zarinah is also the Vice Chairman of the Emerging Markets Committee of International Organisation of Securities Commissions (IOSCO). Prior to joining the SC, Tan Sri Zarinah was the Deputy Chairman of Shell Malaysia.

## DATO' YUSLI MOHAMED YUSOFF DPMS

Chief Executive Officer  
Bursa Malaysia Berhad

Dato' Yusli bin Mohamed Yusoff, aged 50, graduated with a Bachelor of Economics from the University of Essex (United Kingdom) in 1981, and is a member of the Institute of Chartered Accountants, England & Wales (ICAEW), the Malaysian Institute of Accountants (MIA), the Malaysian Institute of Certified Public Accountants (MICPA) as well as an Honorary Member of the Institute of Internal Auditors Malaysia (IIAM).

Dato' Yusli began his career with Peat Marwick Mitchell & Co London and has since held various key positions in a number of public listed and private companies in Malaysia, whose activities spanned over property and infrastructure development, telecommunications, engineering and merchant banking. His career in the stockbroking industry began when he was appointed the Chief Executive Officer of CIMB Securities Sdn Bhd in January 2000. He also served as the Chairman of the Association of Stockbroking Companies in Malaysia from 2003 to 2004.

Presently, Dato' Yusli is the Chief Executive Officer of Bursa Malaysia Berhad and a Director of its group of companies. He also sits on the Malaysian Capital Market Development Fund Board and is an executive committee member of the Financial Reporting Foundation/Malaysian Accounting Standards Board.

## DATO DR. NIK RAMLAH MAHMOOD

Managing Director  
Securities Commission Malaysia

Dato Dr. Nik Ramlah Mahmood is the Managing Director of the Securities Commission Malaysia. She is also Executive Director of the SC's Enforcement Division.

Dato Dr. Nik Ramlah is a member of the Professional Development Panel of International Centre for Education in Islamic Finance (INCEIF). She is also a member of the Technical Committee of the Islamic Financial Services Board.

Prior to joining the SC in 1993, Dato Dr. Nik Ramlah was an Associate Professor in the Faculty of Law, University of Malaya.

# ceo's profile



## JOHN ZINKIN

Chief Executive Officer  
Securities Industry Development Corporation

John Zinkin has 38 years experience in business, of which 24 have been in Asia, holding senior line management and corporate strategy/business development positions in major multinational manufacturing, marketing and consulting companies.

He is also the Deputy Chairman of Institute of Corporate Responsibility, Malaysia - a network designed to promote best practices in Corporate Social Responsibility. He is the Visiting Fellow of the International Centre for Corporate Social Responsibility in Nottingham, UK where his areas of research are CSR and Corporate Governance. He is on the board of UM Specialist Centre (UMSC).

He has written *What CEO Must Do To Succeed*, published by Prentice Hall in 2003 and co-authored *Corporate Governance*, published by John Wiley in 2005.

Formerly Special Professor of Brand Marketing and Associate Professor of Marketing and Strategy at the University of Nottingham in Malaysia, he was responsible for the MBA programme.

John attended the London Business School where he received an MSc in Business Administration; Magdalen College, Oxford where he majored in Politics, Philosophy and Economics, and Winchester College.

# organisation chart



# departmental roles

## CEO'S OFFICE: FINANCE & ADMINISTRATION DEPARTMENT

Finance & Administration Department (F&A) assists the management to achieve SIDC's corporate objectives. Our responsibilities include ensuring the delivery of value to our stakeholders, managing financial risk and maintaining proper financial controls. To achieve these, we are responsible for all finance operations, budgeting, procurement and other administrative functions to support SIDC's operations.

Our team works closely with other departments in providing quality service and timely information to the management and our stakeholders. We also ensure the integrity of SIDC's financial statements, its financial instruments and optimise SIDC's budget performance and integration.



MOHD IZAMUDDIN ABDULLAH  
(MANAGER)



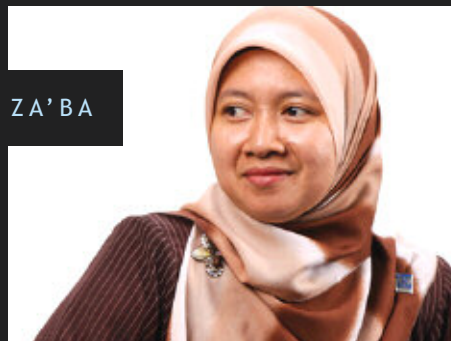
MOHD SHAHRIL YUSOF FIROZZAMAN



SHARIFAH SAJARULIANA S. IBRAHIM



NOR AFIZA ZA'BA

NORAINI MAHMOOD  
(EXECUTIVE ASSISTANT)

The Human Resources Department is committed to formulating HR initiatives in alignment with our corporate strategic direction, as well as balancing the critical human resources issues and needs.

## CEO'S OFFICE: HUMAN RESOURCES

FAIZAH ABDUL AZIZ  
(MANAGER)

# departmental roles

## CEO'S OFFICE: PROGRAMME DEVELOPMENT DESIGN & AUDIT

The Programme Development Design & Audit Department was formed in March 2008. Originally part of the Training and Education Department, the rationale for its separation was to create a specialised unit that would focus exclusively on research and development of client-specific and high quality training programmes. The second objective was to achieve a faster product-to-market delivery time of SIDC programmes. Changing behaviour or improving performance is best done through short, focused and frequent training interventions. Hence, the department design programmes that are 'portable' for quick delivery. Our training programmes have fully adaptable modules that can be included in a blend of learning mediums.

Through our consultative approach, we meet the discerning needs of our clients that range from domestic capital market businesses to emerging economies in the APEC (Asia-Pacific Economic Cooperation) region.

We provide consultancy on training frameworks business strategies and plans, conducting specific research and training needs assessments and the development of learning objectives for capital market business organisations. We design the most practical and customised programme formats for clients and the development of training evaluation models.



SIVALINGAM NAVARATNAM  
(GENERAL MANAGER)



ONG TOK LEE  
(MANAGER OF AUDIT & DEVELOPMENT)



JENNIFER HO MEI LING

We conduct regular evaluation and programme audits to provide valuable feedback and to help us enhance the quality of our training programmes through innovative and improved measures that are more efficient and cost effective.

Our core expertise lies in the achievement of strategic goals through the delivery of customised, well-designed programmes and the formulation of high-level strategies for the development of emerging capital markets.



DINA ADILA AMRAN



AHMAD YUSOFF HAMZAH

## BUSINESS DEVELOPMENT: RESEARCH & CASE STUDIES

This unit was created early this year to develop the infrastructure and framework for SIDC's research activities. Its aim is to establish areas of priorities and provide resource expertise in current and relevant issues facing the capital market that can help contribute to the development and, enhance the reputation of the local capital market from a global perspective.

SIDC's Research unit was engaged as a working partner in the inaugural StarBiz-ICR Malaysia Corporate Responsibility Awards. This project was a joint initiative between StarBiz, the daily business section of The Star, and Institute of Corporate Responsibility (ICR) Malaysia. Its objective was to highlight companies with leading responsible business practices.

We were involved in developing the methodology and criteria for the Awards, and coordinated the judging process, including convening a distinguished panel of judges. At the Awards presentation ceremony in August 2008, seven distinguished organisations received Awards for their respective categories.

In November, SIDC took over as the ICR Malaysia Secretariat from ACCA Malaysia.



JANICE LIM SHUK YEN

# departmental roles

## BUSINESS DEVELOPMENT: MARKETING & CORPORATE SERVICES

As the “face” of SIDC, everything we do revolves around a passionate customer-centric philosophy that, simply put, underpins our belief that “your view matters”. It’s an approach that is central to our objective of enhancing SIDC’s reputation and presence as leading capital market training and development provider in Asia Pacific. Given the diverse target markets that we serve across all sectors and industries, the Marketing & Corporate Services Department’s key responsibilities are to:

- Create greater demand for SIDC’s products, services and facilities
- Build SIDC’s brand value, both domestically and internationally
- Communicate SIDC’s role and services to internal and external stakeholders

As an integral part of the SIDC and an important support service provider to all departments, we handle the following wide range of responsibilities:

- Promote SIDC’s products and services locally and internationally through various marketing and promotional channels;
- Manage brand activities for SIDC, protect and promote SIDC’s brand ensuring a consistent and positive image of SIDC;
- Manage stakeholder engagement, communications and media relations activities;
- Undertake sales and marketing activities and oversee the sales of all SC’s and SIDC’s publications. Manage SIDC Shop as the front office of SIDC;
- Oversee all customer relations activities and communicating customers’ feedback to internal stakeholders;
- Handle public enquiries on SIDC’s training programmes and services;
- Administer registration of SC Licensing Examinations and SIDC’s training and seminar registrations.

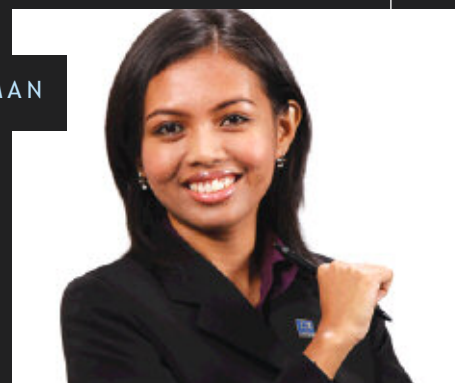
DINA MOHD NOR  
(MANAGER)



NURHAYATI ZUBIR



NURZURAINI KAMARUZAMAN



SAADON SALAMAN PERSE



SHARIFUDDIN SHAHBUDDIN



ABDUL JALIL ABU HASSAN



RAV ALFIE ROPEE ADMAN



NOORHANIZAL MD DALI



# departmental roles

## OPERATIONS:

Operations include Professional Education and Examinations, Investor Education, Training and Development and Event Management.



AZMAN HISHAM CHE DOI  
(DIRECTOR, OPERATIONS)



SHIRLEY CHEW LE PENG  
(MANAGER, PROJECT  
MANAGEMENT OFFICE)

## OPERATIONS: PROFESSIONAL EDUCATION & EXAMINATIONS

This department has been entrusted to develop and conduct the SC Licensing Examinations. These examinations are designed to set a minimum standard of competency required of individuals seeking to be licensed by the SC or approval from the SC to serve as a Capital Markets Services Representatives Licence (CMSRL) holder in a key management position, as a Compliance Officer or Local Participant.

The scope of work requires the department to work closely with regulators, exchanges, industry associations, market participants and international counterparts to ensure that the examinations conducted reflect industry needs as well as international best practices. The department's operations and activities are based on established policies and procedures.

In addition, the department seeks advice from its advisory panel on the overall policy direction and structural issues relating to licensing examinations while numerous working committees have been established to ensure quality, relevance and adequacy in developing the syllabi and examination questions for each examination module.



LEE CHING CHING



AZRINA ABDUL AZIZ



SITI AFIDA AHMAD



NOR SUZLIYANA ABDUL RAHIM



AZIZI ISMAIL



SURIANI MOHD RASHID

# departmental roles

## OPERATIONS: INVESTOR EDUCATION

‘Inculcating good money management and wise investing habits’ - this has been the focal point of the Investor Education Department’s programmes throughout 2008.

We successfully preserved the extensive level of outreach we achieved last year and more. Valuable lessons on money management and wise investing were dispersed through a variety of signature programmes to various segments of the Malaysian community.

These programmes were complemented by reader friendly printed educational materials as well as a web-based learning infrastructure that was given a new touch in late 2008.



SARIMAH RAMTHANDIN  
(GENERAL MANAGER)



SHAZREEN ZAINAL



MOHD AZRIL BAHAMAN





MOHD SHAH ANDREW



RAJA NOR LIYANA RAJA AZNIL



AHMAD AZZAD EHDA ANUARUDIN



MOHAMMAD YUNUS ZULKIFLI

# departmental roles

## OPERATIONS: TRAINING & DEVELOPMENT

Analyse, develop, execute and evaluate - these are the very fundamentals on how SIDC's Training and Development team operates. We are committed in achieving a culture of excellence through continuous improvement. Our programmes are designed and tailored to meet industry needs and expectations.

The Development team conducts research on identified programmes for relevance, and accuracy to produce structured programmes. We maximised the quality of our programme through numerous partnerships with international and professional training institutions. We identify resources and collaborate with qualified institutional experts in preparing and presenting our programmes.

The Administration team works closely with the Development team to develop an official programme schedule, complete with an appropriate budget for management approval. Through proper planning, well organised resources and the right protocol, we ensure the efficient delivery of the programmes.



NOR AZIAH MOHD ALI  
(MANAGER)



AINUL ROSLINA GHAZALI  
(MANAGER, ISLAMIC CAPITAL MARKET)



KRUTHIGA PREMAR



KHAIRUL SHAFINAS MUSLIM



SHARIZAN LAILY SHAHARUDDIN



KHAIRUL BARIAH IBRAHIM



ZAINE MOHD NOH



MAZNITA CHEMANGIN

# departmental roles

## OPERATIONS: EVENT MANAGEMENT



NOORHADI ALI SABARMISI



MOHAMAD ZAIHAN ABU HASSAN



HASLINDA MOHAMAD ISMAIL



# corporate responsibility

## STAFF ENGAGEMENT

In the SIDC, **People Matter**. The knowledge, skills and expertise garnered by the people within are the main factor that determine the success of SIDC. SIDC allocated an annual training budget of 5% of total payroll costs, so that employees can continuously improve their skills and competencies with the relevant knowledge and up-to-date techniques.

Some of the training programmes attended by SIDC employees:

1. The Islamic Financial Planner
2. Project Management
3. Copywriting
4. Certified Training Professional Programme
5. CSR Asia Training Course: CSR Essentials
6. Media Planning Workshop, Critical Insight
7. Spoken & Written Communication Skills
8. Sales Ninja Workshop

SIDC aims to be the 'Employer of Choice' and thus, needs motivated staff with the highest standards of integrity, professional abilities, passion and commitment to help SIDC achieve its corporate strategic directions and business goals.

### Team Building

Our team building programme was successfully conducted on 13 to 14 August at Guoman Hotel, Port Dickson.

### Brown Bag

SIDC regularly organised brown bag sessions as part of its continuous commitment to the personal growth and development of its employees. These sessions provide an avenue for the employees to learn and share knowledge on:

- Marketing
- Programme Design and Delivery
- The 8th Habit - Stephen Covey



# corporate responsibility



## SIDC Outstanding Employee Recognition Award

In creating a high-performance workplace, recognition is a motivating factor that provides employees with increased job satisfaction and encouragement to perform their jobs more effectively. "The Outstanding Employee Recognition Award" programme was established to give recognition to the support staff for exemplary performance reflecting the highest standards of quality, excellence, service and innovation. The award is presented quarterly to the winner by the CEO.

All Heads of Departments are encouraged to nominate at least one support staff. The winner will be selected by the HR committee. Each winner receives a cash reward and will have his/her name inscribed on a plaque.



More Employee Recognition programmes are planned in the future to recognise employees for their accomplishments so that they feel appreciated for their efforts. These will also promote good employee relations, improve morale and increase productivity.

## Kids & Cash

SIDC designed its Corporate Responsibility (CR) programme called Kids and Cash as a result of recognising the importance of inculcating a money management culture at an early stage. This money management programme is targeted at school children aged 10 to 12. Through this programme, 29 SIDC employees volunteered as Cash Agents in 23 Kids and Cash programmes conducted within the Klang Valley. This unique employee volunteering programme has also opened the doors to the SC employees who volunteered as Cash Agents during SIDC's participation in the M2K Exhibition in Johor Bahru.



# our new line of business

## HR ASSESSMENT CENTRE

SIDC in collaboration with the SC, embarked on a six-month consultancy project for the Capital Market Authority of Saudi Arabia (CMA) in the area of strategic human resource management. The scope of consultancy services covers two aspects, namely “Developing Learning and Development Programme for CMA staff” and “Succession Planning”. This is part of SIDC’s mandate to provide assistance to emerging markets regulators.

As one of its deliverables for the Succession Planning project, SIDC conducted the Leadership Assessment Centre for CMA Talents in October. The assessment centre was designed using the best available and most updated tools which includes case studies, role-plays, brainstorming and group discussions.

The project was successfully completed in December 2008. Following the success of the Assessment Centre for CMA, SIDC will continue to offer dynamic Assessment Centres to other organisations as a tool to select, promote, and develop talent.



## FINANCIAL LITERACY PROGRAMMES

SIDC conducted a wide range of financial literacy programmes for various target groups within the community. Responding to demands and leveraging on the vast experience gathered while conducting these programmes, SIDC began developing specialised programmes for companies and organisations. Our value proposition lies in our flexible approach in building customised multimedia and financial education programmes. These programmes have gained recognition from the regulators, government agencies, capital market associations as well as the financial services sector.



## SIDC in the news

## Strong support for local Islamic finance industry

By HABHAJAN SINGH

MALAYSIAN financial regulators are making their mark in providing top-notch grounding and further education for the growth of Islamic finance.

Both Bank Negara Malaysia (BNM) and the Securities Commission (SC) have actively engaged practitioners in assisting them to climb the ladder in terms of their knowledge and expertise.

The central bank, for example, has hosted a number of delegations from various countries keen to learn more about Islamic finance, while the SC, regulators of Malaysia's capital markets, has played its part locally.

The Securities Industry Development Corporation (SIDC), the SC's training arm, recently organised a one-week Islamic Markets Programme (IMP) 2008 attended by regulators and industry practitioners from 13 countries.



From left: Unicore International Islamic Bank Malaysia Bhd's chairman Detuk Vaseehar Hassan, Securities Commission MD Datuk Dr Nik Ramli Nik Mahmood and CIMB Islamic CEO Badriyah Abdul Ghani

OSK Investment Bank Bhd director and head of Islamic banking Yaiti Yusoff (front, centre), with Valuecap Sdn Bhd treasury manager Zarina Muhammad (right) and Income Tax Department director Teoh Char Tong (left) attending the IMP 2008

## SIDC anjur Program Pasaran Islam setiap tahun

KUALA LUMPUR 11 Julai - Perbadan Pembangunan Industri Sekuriti (SIH) akan terus menganjurkan Program Pasaran Islam (IMP) setiap tahun sebagai platform untuk perbincangan dan periklanan idea tentang pasaran modal Islah.

IMP ketiga bermula di sini pada 11 Julai dan akan berakhir hari ini di Suruhanjaya Sekuriti dengan tema "Inovasi dan Inovasi".

## Ajar budak urus wang

KUALA LUMPUR 11 Julai - Jika anda anak anda tidak melaburkan apa-apa berfaedah semasa cuti peribadi mereka, inikarung, mungkin ia pilihan untuk memaafkannya program yang berorientasikan keseronokan mengenai asas perniagaan wang.

Program ini ini yang dikenali sebagai

## Building portfolios, protecting assets amid global uncertainties

WITH a global recession looming and different responses from central banks in the US, Japan and Europe that are each responding to their unique set of circumstances, policy makers in emerging markets are faced with difficult decisions.

They must take measures to head off inflation while not allowing their currencies to appreciate unduly against the US dollar.

Adding to the pressure is the sharp rise in the price of commodities, in particular of oil, which has made it harder for policy makers everywhere to predict whether the stagflation of the 1970s is set for a comeback or not.

Rising inflation combined with low or negative growth as well as the ongoing credit crunch has institutional investors worrying about the long-term value of the assets in which they have put their money in.

Securities Industry Development Corporation (SIDC) CEO John Zinkin said as Malaysian institutional investors are moving outside the country with their investments, it is vital for them to understand the issues around the world.

According to Zinkin, SIDC's Institutional Investors Series is designed to help them navigate these global uncertainties and understand the impact international trends and issues have on their investment decisions and opportunities.

"The world has become much more

dangerous. Investors can still get good returns, but they have to know what they're doing," he said.

SIDC, a leading training and development provider for the capital markets, launched its Institutional Investors Series (IIS) in 2007.

The series is supported by the Securities Commission Malaysia as well as by the Asset Management, BNP Paribas and Nomura Management.

The IIS is designed to help institutional investors make the best investment decisions in a climate of uncertain macroeconomic and volatile financial markets.

SIDC has been experiencing a tremendous increase in the requests for its second instalment of the year, which will include a seminar titled "Maximising Value in Uncertain Times" on Aug 26.

Last month, SIDC organised a one-week Islamic Markets Programme (IMP) 2008 that was attended by regulators, financial regulators from 13 countries.

The programme brought together a good number of industry players, including international and local regulators, and the president of the International Institute of Islamic Finance (IIF) Mohd Daud Bakar, Securities Commission (SC) senior Shariah expert M Nuridin Magidom and Malaysia Bhd Shariah advisor Dr. Hasan.

## SIDC - ICAEW - CICA Corporate Finance Qualification - A calibre qualification has arrived

Following the Programme Collaboration between the Securities Industry Development Corporation (SIDC) and the Institute of Chartered Accountants in England and Wales (ICAEW) and the Canadian Institute of Chartered Accountants (CICA), awarding and existing Corporate Finance Qualification (CFQ) is now able to obtain this prestigious qualification in Malaysia.

The launch of the CFQ by SIDC is being viewed as another milestone. With ICAEW's corporate finance faculty established in 1997, they now have more than 75 member firms - ranging from accountants, major accounting and professional services firms, banks, private equity houses, law firms and consultancies.

With the CFQ strategically designed and innovatively crafted, this qualification is expected to offer a stimulating and challenging learning experience. At the same time, this qualification is expected to provide accelerated development and demonstrable skills required in the fast-moving industry.

Both new and existing corporate finance practitioners the appropriate technical skills and best practice approaches that will benefit both the employee and employer. Apart from signifying as a prestige qualification across the globe, this Diploma and Advanced Diploma qualification has become an international benchmark for corporate finance practitioners. Thus, this exclusive programme is expected to demarcate itself from other qualifications.

On that note, the programme combines both comprehensive technical knowledge and skills with practical application together with high-level strategy to help corporate finance professionals achieve professional and technical excellence.

Upon completion of this programme, coupled with the appropriate work experience attached, individuals will be awarded the esteemed Corporate Finance designation that is "CF". The "CF" credential is expected to elevate the performance of individuals. Holders of this designation will benefit from greater business and career opportunities, let alone benefiting the financial services industry as a whole.

The Corporate Finance programme in Malaysia is open to all aspiring, established and ambitious corporate finance professionals, irrespective of the professional qualifications and memberships they may currently hold.

Participants are welcome from all sectors of the corporate finance industry. Recent participants have come from a variety of backgrounds including banking, accountancy and insurance.

The Corporate Finance qualification in Malaysia comprises of Certificate, Diploma and Advanced Diploma. The SIDC provides the Certificate level and teaches all three stages of the Corporate Finance qualification. The SIDC Certificate in Corporate Finance is required prior to commencing the Diploma level. The CFQ will be awarded after all the three stages have been completed combined with the relevant work experience.



## Responsibility of doing business the right way

thing that is done must be of high quality



WHOSE BUSINESS IS IT ANYWAY? JOHN ZINKIN

john.zinkin@sidc.com.my

It is the customer who determines what business is.

By EUGENE MAHALINGAM

eugene.mahal@gmail.com

suppliers and distributors must

be responsible to our

eyes, the men and women

work with us throughout

the world. We must respect

their dignity and recognise

that they have a sense of

us in their jobs. Compensation

fair and adequate, and work

conditions clean, orderly and

safe. We must... help our employees

their family responsibilities.

They must feel free to make

choices and complaints. They

be equal opportunity for

development and

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# DIRECTORS' report

for the year ended 31 December 2008

SECURITIES  
INDUSTRY  
DEVELOPMENT  
CORPORATION

The Directors have pleasure in submitting their report and the audited financial statements of the Company for the year ended 31 December 2008.

## PRINCIPAL ACTIVITIES

The Company supports the Securities Commission ("SC") and Bursa Malaysia in the creation of a vibrant Malaysian capital market. The company has four principal activities; promotion of investor education (both retail and institutional), training and development of SC licensed capital market intermediaries, training and development of emerging market regulators and training of directors of public listed companies. It also aims to develop and support high quality research relating to the financial services industry.

## RESULTS

RM

Net surplus for the year

1,575,583

## RESERVES AND PROVISIONS

There were no material transfers to or from reserves and provisions during the year under review.

## DIRECTORS OF THE COMPANY

Directors who served since the date of the last report are:

Dato' Sri Zarinah Anwar

Dato' Yusli Mohamed Yusoff

Dato Dr. Nik Ramlah Nik Mahmood

## DIRECTORS' BENEFITS

Since the date of incorporation, no Director of the Company has received nor become entitled to receive any benefit (other than a benefit included in the aggregate amount of emoluments received or due and receivable by Directors as shown in the financial statements) by reason of a contract made by the Company or a related corporation with the Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

There were no arrangements during and at the end of the financial year which had the object of enabling Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any other body corporate.



## OTHER STATUTORY INFORMATION

Before the financial statements of the Company were drawn up, the Directors took reasonable steps to ascertain that:

- i) there are no bad debts to be written off and no provision needs to be made for doubtful debts, and
- ii) all current assets have been stated at the lower of cost and net realisable value.

As of the date of this report, the Directors of the Company are not aware of any circumstances:

- i) that would render it necessary to write off any bad debts or provide for any doubtful debts, or
- ii) that would render the value attributed to the current assets in the financial statements of the Company misleading, or
- iii) which have arisen which render adherence to the existing method of valuation of assets or liabilities of the Company misleading or inappropriate, or
- iv) not otherwise dealt with in this report or the financial statements, that would render any amount stated in the financial statements of the Company misleading.

As of the date of this report, there does not exist:

- i) any charge on the assets of the Company that has arisen since the end of the financial year and which secures the liabilities of any other person, or
- ii) any contingent liability in respect of the Company that has arisen since the end of the financial year.

No contingent liability or other liability of the Company has become enforceable, or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Directors, will or may substantially affect the ability of the Company to meet its obligations as and when they fall due.

In the opinion of the Directors, the results of the operations of the Company for the financial year ended 31 December 2008 have not been substantially affected by any item, transaction or event of a material and unusual nature nor has any such item, transaction or event occurred in the interval between the end of that financial year and the date of this report.



## AUDITORS

The auditors, Messrs KPMG, have indicated their willingness to accept re-appointment.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:



Dato' Sri Zarinah Anwar



Dato Dr. Nik Ramlah Nik Mahmood

Kuala Lumpur,

Date: 16 March 2009

# BALANCE sheet

at 31 December 2008

|                                      | Note | 2008<br>RM | 2007<br>RM |
|--------------------------------------|------|------------|------------|
| <b>Assets</b>                        |      |            |            |
| Property, plant and equipment        | 3    | 383,698    | 206,656    |
| <b>Total non-current assets</b>      |      | 383,698    | 206,656    |
| Receivables                          | 4    | 1,394,302  | 1,429,847  |
| Cash and cash equivalents            | 5    | 25,428,324 | 15,720,689 |
| <b>Total current assets</b>          |      | 26,822,626 | 17,150,536 |
| <b>Total assets</b>                  |      | 27,206,324 | 17,357,192 |
| <b>Equity</b>                        |      |            |            |
| Accumulated surplus                  |      | 1,684,977  | 109,394    |
| <b>Total equity</b>                  |      | 1,684,977  | 109,394    |
| <b>Liabilities</b>                   |      |            |            |
| Long term prepaid expenses           | 6    | 23,180,797 | 13,525,686 |
| <b>Total non-current liabilities</b> |      | 23,180,797 | 13,525,686 |
| Payables and accruals                | 7    | 2,324,074  | 3,667,514  |
| Current tax liabilities              |      | 16,476     | 54,598     |
| <b>Total current liabilities</b>     |      | 2,340,550  | 3,722,112  |
| <b>Total equity and liabilities</b>  |      | 27,206,324 | 17,357,192 |

The notes on pages 64 to 73 are an integral part of these financial statements.

## INCOME statement

for the year ended 31 December 2008

SECURITIES  
INDUSTRY  
DEVELOPMENT  
CORPORATION

|  | Note | 2008<br>RM             | 12.3.2007<br>to<br>31.12.2007<br>RM |
|--|------|------------------------|-------------------------------------|
| <b>Income</b>                              |      |                        |                                     |
| Training industry                          |      | 3,689,612              | 1,888,122                           |
| Examination fees                           |      | 925,013                | 503,593                             |
| Sale of publication                        |      | 78,126                 | 23,881                              |
| Rental income                              |      | 265,593                | 107,274                             |
| Consultant services                        |      | 595,350                | -                                   |
| Income received from fixed deposits        |      | 849,397                | 162,726                             |
| Other income                               |      | 38,197                 | 1,266                               |
|  |      | <hr/>                  | <hr/>                               |
| Amortisation of long term prepaid expenses | 9    | 6,441,288<br>6,914,889 | 2,686,862<br>4,444,314              |
|  |      | <hr/>                  | <hr/>                               |
|  |      | 13,356,177             | 7,131,176                           |
| <b>Less: Expenditure</b>                   |      |                        |                                     |
| Events expenses                            |      | 4,926,905              | 3,593,106                           |
| Staff costs                                | 8    | 4,996,991              | 2,812,112                           |
| Administration expenses                    |      | 1,646,175              | 561,966                             |
|  |      | <hr/>                  | <hr/>                               |
|  |      | 11,570,071             | 6,967,184                           |
| <b>Surplus before taxation</b>             | 9    | 1,786,106              | 163,992                             |
| Taxation                                   | 10   | (210,523)              | (54,598)                            |
|  |      | <hr/>                  | <hr/>                               |
| <b>Net surplus for the year/period</b>     |      | 1,575,583              | 109,394                             |
|  |      | <hr/>                  | <hr/>                               |

The notes on pages 64 to 73 are an integral part of these financial statements.

# STATEMENT OF changes in equity

for the year ended 31 December 2008

|  | Accumulated<br>surplus<br>RM |
|--|------------------------------|
| At 12 March 2007 (date of incorporation) | -                            |
| Net surplus for the period               | 109,394                      |
| At 31 December 2007/1 January 2008       | 109,394                      |
| Net surplus for the year                 | 1,575,583                    |
| At 31 December 2008                      | 1,684,977                    |



## CASH FLOW statement

for the year ended 31 December 2008

SECURITIES  
INDUSTRY  
DEVELOPMENT  
CORPORATION

|   | Note | 2008<br>RM         | 12.3.2007<br>to<br>31.12.2007<br>RM |
|---|------|--------------------|-------------------------------------|
| <b>Cash flows from operating activities</b>                                 |      |                    |                                     |
| Surplus before taxation   |      | 1,786,106          | 163,992                             |
| Adjustment for:   |      |                    |                                     |
| Amortisation of long term prepaid expenses                                  | 9    | (6,914,889)        | (4,444,314)                         |
| Depreciation of property, plant and equipment                               | 3    | 110,617            | 18,077                              |
| Interest income   |      | (849,397)          | (162,726)                           |
| Deficit before changes in working capital                                   |      | (5,867,563)        | (4,424,971)                         |
| Changes in working capital:   |      |                    |                                     |
| Receivables   |      | 413,883            | (1,399,737)                         |
| Payables and accruals   |      | (1,343,440)        | 3,667,514                           |
| Cash used in operation  |      | (6,797,120)        | (2,157,194)                         |
| Tax paid  |      | (248,645)          | -                                   |
| <b>Net cash used in operating activities</b>                                |      | <b>(7,045,765)</b> | <b>(2,157,194)</b>                  |
| <b>Cash flows from investing activities</b>                                 |      |                    |                                     |
| Interest received   |      | 471,059            | 132,616                             |
| Purchase of equipments  | 3    | (287,659)          | (224,733)                           |
| <b>Net cash from/(used in) investing activities</b>                         |      | <b>183,400</b>     | <b>(92,117)</b>                     |
| <b>Cash flow from financing activities</b>                                  |      |                    |                                     |
| Long term prepaid expenses  |      | 16,570,000         | 17,970,000                          |
| <b>Net cash from financing activities</b>                                   |      | <b>16,570,000</b>  | <b>17,970,000</b>                   |
| <b>Net increase in cash and cash equivalents</b>                            |      | <b>9,707,635</b>   | <b>15,720,689</b>                   |
| <b>Cash and cash equivalents at beginning of year/date of incorporation</b> |      | <b>15,720,689</b>  | <b>-</b>                            |
| <b>Cash and cash equivalents at end of year/period</b>                      |      | <b>25,428,324</b>  | <b>15,720,689</b>                   |

Cash and cash equivalents included in the cash flow statement comprise the following balance sheet amount:

|   | Note | 2008<br>RM        | 2007<br>RM        |
|---|------|-------------------|-------------------|
| Cash and bank balances  | 5    | 928,324           | 220,689           |
| Deposits placed with licensed bank                              | 5    | 7,500,000         | 15,500,000        |
| Deposits placed with Malaysian Building Society Berhad ("MBSB") | 5    | 17,000,000        | -                 |
|   |      | <b>25,428,324</b> | <b>15,720,689</b> |

The notes on pages 64 to 73 are an integral part of these financial statements.

# NOTES TO THE financial statements

Securities Industry Development Corporation is a company limited by guarantee, incorporated and domiciled in Malaysia. The addresses of the principal place of business and registered office of the Company are as follows:

**Principal place of business**

3, Persiaran Bukit Kiara,  
Bukit Kiara,  
50490 Kuala Lumpur.

**Registered office**

Suite 13.03, 13th Floor,  
Menara Tan & Tan,  
207 Jalan Tun Razak,  
50400 Kuala Lumpur.

The Company supports the SC and Bursa Malaysia in the creation of a vibrant Malaysian capital market. The company has four principal activities; promotion of investor education (both retail and institutional), training and development of SC licensed capital market intermediaries, training and development of emerging market regulators and training of directors of public listed companies. It also aims to develop and support high quality research relating to the financial services industry.

The financial statements were approved by the Board of Directors on 16 March 2009.

## 1. BASIS OF PREPARATION

### (a) Statement of compliance

The financial statements of the Company have been prepared in accordance with Financial Reporting Standards (FRS), accounting principles generally accepted and the Companies Act, 1965 in Malaysia.

The Company has not applied the following accounting standards (including its consequential amendments) and interpretations that have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective:

| FRSs/Interpretations  | Effective date |
|---|----------------|
| FRS 4, <i>Insurance Contracts</i>                                       | 1 January 2010 |
| FRS 7, <i>Financial Instruments: Disclosures</i>                        | 1 January 2010 |
| FRS 8, <i>Operating Segment</i>   | 1 July 2009    |
| FRS 139, <i>Financial Instruments: Recognition and Measurement</i>      | 1 January 2010 |
| IC Interpretation 9, <i>Reassessment of Embedded Derivatives</i>        | 1 January 2010 |
| IC Interpretation 10, <i>Interim Financial Reporting and Impairment</i> | 1 January 2010 |

The Company, where applicable, plans to apply the abovementioned FRSs/Interpretations from the annual period beginning 1 January 2010, except for FRS 4, FRS 8 and IC Interpretation 10 which are not relevant to the Company.

The impact of applying FRS 7 and FRS 139 on the financial statements upon first adoption as required by paragraph 30(b) of FRS 108, *Accounting Policies, Changes in Accounting Estimates and Errors* is not disclosed by virtue of the exemptions given in the respective FRSs. The initial application of IC Interpretation 9 is not expected to have any material impact on the financial statements of the Company.

## 1. BASIS OF PREPARATION (CONTINUED)

### (b) Basis of measurement

The financial statements have been prepared on the historical cost basis.

### (c) Functional and presentation currency

These financial statements are presented in Ringgit Malaysia (RM), which is the Company's functional currency.

### (d) Use of estimates and judgements

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the year in which the estimate is revised and in any future years affected.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### (a) Property, plant and equipments

#### (i) *Recognition and measurement*

Items of property, plant and equipment are stated at cost less any accumulated depreciation and any impairment losses (if any).

Cost includes expenditures that are directly attributable to the acquisition of the asset and any other costs directly attributable to bringing the asset to working condition for its intended use, and the costs of dismantling and removing the items and restoring the site on which they are located. The cost of self-constructed assets also includes the cost of materials and direct labour. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

When significant parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment and are recognised net within "other income" or "other operating expenses" respectively in the income statement.

#### (ii) *Subsequent costs*

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably. The carrying amount of the replaced part is derecognised. The costs of the day-to-day servicing of property, plant and equipment are recognised in the income statement as incurred.

#### (iii) *Depreciation*

Depreciation is recognised in the income statement on a straight-line basis over the estimated useful lives of each part of an item of property, plant and equipment.

## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (a) Property, plant and equipments (continued)

#### (iii) Depreciation (continued)

The estimated useful lives for the current year and comparative periods are as follows:

|                           |         |
|---------------------------|---------|
| • Office equipment        | 5 years |
| • Computer equipment      | 3 years |
| • Communication equipment | 5 years |

Depreciation methods, useful lives and residual values are reassessed at the reporting date.

### (b) Receivables

Receivables are initially recognised at their cost when the contractual right to receive cash or another financial asset from another entity is established.

Subsequent to initial recognition, receivables are stated at cost less allowance for doubtful debts.

Receivables are not held for the purpose of trading.

### (c) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in value. For the purpose of the cash flow statement, cash and cash equivalents are presented net of bank overdrafts and pledged deposits (if any).

### (d) Impairment of assets

The carrying amounts of assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

An impairment loss is recognised if the carrying amount of an asset or its cash-generating unit exceeds its recoverable amount. Impairment losses are recognised in the income statement. Impairment losses recognised in respect of cash-generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit (groups of units) on a pro rata basis.

Impairment losses recognised in prior years are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Reversals of impairment losses are credited to the income statement in the year in which the reversals are recognised.



## 2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

### (e) Employee benefits

#### *Short term employee benefits*

Short-term employee benefit obligations in respect of salaries, annual bonuses, paid annual leave and sick leave are measured on an undiscounted basis and are expensed as the related service is provided.

The Company's contribution to the Employee's Provident Fund are charged to the income statements in the year to which they relate. Once the contributions have been paid, the Company has no further payment obligations.

### (f) Payables

Payables are measured initially and subsequently at cost. Payables are recognised when there is a contractual obligation to deliver cash or another financial asset to another entity.

### (g) Recognition of income and expenditure

All income and expenditure are accounted for on an accrual basis.

### (h) Long term prepaid expenses

A Grant is recognised initially as long term prepaid expenses when there is reasonable assurance that it will be received and that the Company will comply with the conditions associated with the grant. Grants that compensate the Company for expenses incurred are recognised in the income statements as and when the expenses incurred.

### (i) Interest income

Interest income is recognised as it accrues, using the effective interest method.

### (j) Tax expense

Tax expense comprises current and deferred tax. Tax expense is recognised in the income statement except to the extent that it relates to items recognised directly in equity, in which case it is recognised in equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for the following temporary differences: the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit (tax loss). Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax liability is recognised for all taxable temporary differences.

A deferred tax asset is recognised to the extent that it is probable that future taxable profits will be available against which temporary difference can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

**3. PROPERTY, PLANT AND EQUIPMENT**

|                                      | Office<br>equipment<br>RM | Computer<br>equipment<br>RM | Communication<br>equipment<br>RM | Total<br>RM |
|--------------------------------------|---------------------------|-----------------------------|----------------------------------|-------------|
| <b>Cost</b>                          |                           |                             |                                  |             |
| At 12.3.2007 (date of incorporation) | -                         | -                           | -                                | -           |
| Additions                            | 87,079                    | 137,654                     | -                                | 224,733     |
| At 31 December 2007/1 January 2008   | 87,079                    | 137,654                     | -                                | 224,733     |
| Additions                            | 44,456                    | 203,462                     | 39,741                           | 287,659     |
| At 31 December 2008                  | 131,535                   | 341,116                     | 39,741                           | 512,392     |
| <b>Depreciation</b>                  |                           |                             |                                  |             |
| At 12.3.2007 (date of incorporation) | -                         | -                           | -                                | -           |
| Depreciation for the period          | 5,047                     | 13,030                      | -                                | 18,077      |
| At 31 December 2007/1 January 2008   | 5,047                     | 13,030                      | -                                | 18,077      |
| Depreciation for the year            | 21,838                    | 82,506                      | 6,273                            | 110,617     |
| At 31 December 2008                  | 26,885                    | 95,536                      | 6,273                            | 128,694     |
| <b>Carrying amounts</b>              |                           |                             |                                  |             |
| At date of incorporation             | -                         | -                           | -                                | -           |
| At 31 December 2007/1 January 2008   | 82,032                    | 124,624                     | -                                | 206,656     |
| At 31 December 2008                  | 104,650                   | 245,580                     | 33,468                           | 383,698     |

**4. RECEIVABLES**

|                    | 2008<br>RM       | 2007<br>RM       |
|--------------------|------------------|------------------|
| Amount due from SC | 391,192          | 1,399,737        |
| Other receivables  | 1,003,110        | 30,110           |
|                    | <b>1,394,302</b> | <b>1,429,847</b> |

Included in other receivables are interest due from fixed deposit placement of RM408,448 (2007: RM30,110) and amount due from Capital Market Authority, Saudi Arabia of RM126,865 (2007: nil) relating to consultancy service.

## 5. CASH AND CASH EQUIVALENTS

|                                     | 2008<br>RM        | 2007<br>RM        |
|-------------------------------------|-------------------|-------------------|
| Cash and bank balances              | 928,324           | 220,689           |
| Deposits placed with licensed banks | 7,500,000         | 15,500,000        |
| Deposits placed with MBSB           | 17,000,000        | -                 |
|                                     | <u>25,428,324</u> | <u>15,720,689</u> |

## 6. LONG TERM PREPAID EXPENSES

|   | 2008<br>RM          | 2007<br>RM         |
|---|---------------------|--------------------|
| <b>Non-current</b>                                  |                     |                    |
| Long term prepaid expenses                          | <u>23,180,797</u>   | <u>13,525,686</u>  |
| Grant from SC                                       | 10,000,000          | 5,000,000          |
| Grant from Capital Market Development Fund ("CMDf") | <u>24,540,000</u>   | <u>12,970,000</u>  |
|   | 34,540,000          | 17,970,000         |
| Less: Amortisation of long term prepaid expenses    | <u>(11,359,203)</u> | <u>(4,444,314)</u> |
| At 31 December                                      | <u>23,180,797</u>   | <u>13,525,686</u>  |

The Company received two grants during the current financial year and they are as follows:

### (i) Grant from SC

SC agreed to provide assistance to the Company in the amount of RM5 million (2007: RM5 million) and for subsequent years, such sums granted is to be agreed upon by both the SC and the Company based on a budget proposal to be prepared by the Company, supported by clear justifications and Key Performance Indicators (KPIs).

### (ii) Grant from CMDf

CMDf agreed to provide RM24.54 million in the first two years while the remaining of RM31.93 million would be disbursed throughout the remaining years up until year 2012. This is due to the fact that the Company shall implement the activities and deliver the products and services defined as the Industry Transformation Initiative ("ITI"), the Capital Market Graduate Training Scheme ("CGMTS"), the Advance Business Management Programme ("ABMP") and the Investor Education Initiatives ("IEI") throughout the five (5) year. The Funds are provided solely for financing the development, implementation and administration of the projects, including any expenses and shall not be used for any other purpose unless approved by the CMDf.

**7. PAYABLES AND ACCRUALS**

|                  | 2008<br>RM       | 2007<br>RM       |
|------------------|------------------|------------------|
| Other payables   | 565,603          | 50,500           |
| Amount due to SC | 1,758,471        | 3,617,014        |
|                  | <u>2,324,074</u> | <u>3,667,514</u> |

**8. STAFF COSTS**

|                          | 2008<br>RM       | 2007<br>RM       |
|--------------------------|------------------|------------------|
| Employees Provident Fund | 566,324          | 335,951          |
| Other staff costs        | 4,430,667        | 2,476,161        |
|                          | <u>4,996,991</u> | <u>2,812,112</u> |

The number of employees of the Company at the end of the year was 51 (2007 - 38).

**9. SURPLUS BEFORE TAXATION**

|  | Note | 2008<br>RM | 12.3.2007<br>to<br>31.12.2007<br>RM |
|--|------|------------|-------------------------------------|
| <b>Surplus before taxation is arrived at after charging:</b> |      |            |                                     |
| Auditor's remuneration                                       |      | 15,000     | 15,000                              |
| Depreciation on property, plant and equipment                | 3    | 110,617    | 18,077                              |
| Management fee   |      | 284,400    | 142,200                             |
|  |      | <u></u>    | <u></u>                             |
| <b>and after crediting:</b>                                  |      |            |                                     |
| Amortisation of long term prepaid expenses                   |      | 6,914,889  | 4,444,314                           |
| Rental income  |      | 265,593    | 107,274                             |
|  |      | <u></u>    | <u></u>                             |



## 10. TAXATION

|  | 2008<br>RM       | 12.3.2007<br>to<br>31.12.2007<br>RM |
|--|------------------|-------------------------------------|
| Current tax expense                            |                  |                                     |
| Current year                                   | 220,843          | 54,598                              |
| Over provision in prior period                 | (10,320)         | -                                   |
|  | <u>210,523</u>   | <u>54,598</u>                       |
| <b>Reconciliation of effective tax expense</b> |                  |                                     |
| Surplus before taxation                        | <u>1,786,106</u> | <u>163,992</u>                      |
| Tax at Malaysian tax rate of 26% (2007: 27%)   | 464,388          | 44,278                              |
| Effect of changes in tax rate                  | -                | 181                                 |
| Tax exempt income                              | (243,545)        | -                                   |
| Non-deductible expenses                        | -                | 5,439                               |
| Deferred tax assets not recognised             | -                | 4,700                               |
| Over provision in prior period                 | (10,320)         | -                                   |
| Tax expense                                    | <u>210,523</u>   | <u>54,598</u>                       |

**Unrecognised deferred tax assets**

Deferred tax assets have not been recognised in respect of the following items:

|                                  | 2008<br>RM   | 2007<br>RM   |
|----------------------------------|--------------|--------------|
| Deductible temporary differences | (23,566)     | (23,566)     |
| Unabsorbed capital allowance     | 28,266       | 28,266       |
|                                  | <u>4,700</u> | <u>4,700</u> |

The company was granted approval from the Minister of Finance to be exempted from taxation for statutory income except for dividend income with effect from Year Assessment (YA) 2008 until YA 2012.

## 11. RELATED PARTIES

For the purposes of these financial statements, parties are considered to be related to the Company if the Company has the ability, directly or indirectly, to control the party or exercise significant influence over the party in making financial and operating decisions, or vice versa, or where the Company and the party are subject to common control or common significant influence. Related parties may be individuals or other entities.

The significant related party transactions of the Company are as follows:

|                        | Transactions<br>amount for the<br>year ended |                  | Net/Gross<br>balance<br>outstanding at |                  |
|------------------------|--|------------------|--|------------------|
|                        | 31.12.2008<br>RM                             | 31.12.2007<br>RM | 31.12.2008<br>RM                       | 31.12.2007<br>RM |
| <b>Related company</b> |  |                  |  |                  |
| SC                     |  |                  |  |                  |
| - Management fee       | 284,400                                      | 142,200          | 23,700                                 | 23,700           |
| - Grant                | 5,000,000                                    | 5,000,000        | -                                      | -                |
| <b>CMDP</b>            |  |                  |  |                  |
| - Grant                | 11,570,000                                   | 12,970,000       | -                                      | -                |

## 12. FINANCIAL INSTRUMENTS

### Financial risk management

The Company has policies and guidelines on the overall investment strategies and tolerance towards risk. Investments are managed in a prudent manner to ensure the preservation and conservation of the fund.

### Credit risk

The Company has a formal credit policy in place and the exposure to credit risk is monitored on an ongoing basis. Fixed deposits are placed only with licensed financial institutions. The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

### Liquidity risk

The Company monitors and maintains a level of cash and cash equivalents deemed necessary by the Company to finance its operations and to mitigate the effects of fluctuations in cash flows.

**12. FINANCIAL INSTRUMENTS (CONTINUED)***Effective interest rates and repricing analysis*

|                                     | 2008  |                   | 2007  |                   |
|-------------------------------------|---|-------------------|---|-------------------|
|                                     | Effective<br>interest<br>rate per<br>annum<br>% | Total<br>RM       | Effective<br>interest<br>rate per<br>annum<br>% | Total<br>RM       |
| <b>Financial assets</b>             |   |                   |   |                   |
| Deposits placed with licensed banks | 3.75  | <u>24,500,000</u> | 3.50  | <u>15,500,000</u> |

**Fair values**

In respect of receivables, deposits and prepayments, cash and cash equivalents and payables and accruals, the carrying amounts approximate fair values due to the relatively short term nature of these financial statements.

**13. CAPITAL COMMITMENTS**

|   | 2008<br>RM     | 2007<br>RM |
|---|----------------|------------|
| <b>Property, plant and equipment</b>    |                |            |
| <i>Approved but not contracted for:</i> |                |            |
| Within one year                         | <u>882,000</u> | <u>-</u>   |

# STATEMENT BY directors

pursuant to Section 169(15) of the Companies Act, 1965

In the opinion of the Directors, the financial statements set out on pages 60 to 73 are drawn up in accordance with the Companies Act, 1965 and Financial Reporting Standards so as to give a true and fair view of the financial position of the Company at 31 December 2008 and of its financial performance and cash flows for the year ended on that date.

Signed on behalf of the Board of Directors in accordance with a resolution of the Directors:



Dato' Sri Zarinah Anwar



Dato Dr. Nik Ramlah Nik Mahmood

Kuala Lumpur,

Date: 16 March 2009

# STATUTORY declaration

pursuant to Section 169(16) of the Companies Act, 1965

I, **John Zinkin**, the officer primarily responsible for the financial management of Securities Industry Development Corporation, do solemnly and sincerely declare that the financial statements set out on pages 60 to 73 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the above named in Petaling Jaya on 16 March 2009.



John Zinkin

Before me:



# INDEPENDENT auditors' report

to the members of Securities Industry Development Corporation

(Company No. 765264-K)  
(Limited by Guarantee - Incorporated in Malaysia)

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SECURITIES  
INDUSTRY  
DEVELOPMENT  
CORPORATION

## Report on the Financial Statements

We have audited the financial statements of Securities Industry Development Corporation, which comprise the balance sheet as at 31 December 2008 of the Company, and the income statement, statement of changes in equity and cash flow statement of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 60 to 73.

## *Directors' Responsibility for the Financial Statements*

The Directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with applicable approved Financial Reporting Standards and the Companies Act, 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

## *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## *Opinion*

In our opinion, the financial statements have been properly drawn up in accordance with applicable approved Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as of 31 December 2008 and of its financial performance and cash flows for the year then ended.

**Report on Other Legal and Regulatory Requirements**

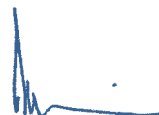
In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report that in our opinion the accounting and other records and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

**Other Matters**

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



**KPMG**  
Firm Number: AF 0758  
Chartered Accountants



**Johan Idris**  
Approval Number: 2585/10/10(J)  
Chartered Accountant

Petaling Jaya,

Date: 16 March 2009



“The SIDC brand is now an asset that not only has to be preserved, but must be allowed to flourish and grow at an even faster rate.

“The SIDC’s role is critical in enhancing the competitiveness of the Malaysian capital market, and in fulfilling our aspirations to be an international financial centre.”

Tan Sri Zarinah Anwar