



www.sidc.com.my

Delivering Professional Excellence

annual report 2011



Achieving Results with Outstanding People



The key to success lies in people. Calibre of the highest degree must be present to drive excellence. At the SIDC, this is our commitment to our programme participants, partners, employees and stakeholders.

Driving Performance with Integrity

Our interactions on these interconnecting and expandable platforms signify the SIDC's professional ability to infuse quality and efficiency with integrity, as we reach for excellence across an exponential range of offerings and delivery channels.



Providing Quality through Our Passion



The quality and relevancy of our programmes reflect our passion for training and human capital development. It is through this passion that we draw inspiration to generate fresh ideas and innovate our programmes, enabling us to keep up with the ever-changing requirements of our target audiences.



Forging Relationships to Build Trust



We build trust in our partners and stakeholders by engaging in active partnerships and fostering long-term relationships that serve as a foundation for mutual growth and success. Working hand in hand, we can produce the best possible outcomes.

Our Vision

To be recognised internationally as the leading developer of capital market professionals and investor education.

Our Mission

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

1. Educating investors in Malaysia so that they:
 - are protected from fraudulent transactions as informed market participants;
 - develop an informed interest in investing based on market and business fundamentals; and
 - value good corporate governance and Corporate Social Responsibility (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 through the talent development pipeline

SIDC background

The **SECURITIES INDUSTRY DEVELOPMENT CORPORATION (SIDC)** is the training and development arm of the Securities Commission Malaysia (SC) and the leading capital markets education, training and information resource provider in ASEAN.

Established in 1994 and incorporated as a corporate entity in 2007, the SIDC has been in the business of training and developing capital market participants in Malaysia and internationally for almost two decades. It designs and facilitates training programmes for Malaysian and foreign regulators, company directors and market professionals as well as conducts public investor education seminars on wise investing and investors' rights.

The SIDC also builds human capital for the Malaysian capital market through its talent development programmes. In addition, the SIDC works closely with the SC to develop, maintain and administer the SC Licensing Examinations and the mandatory Continuing Professional Education (CPE) programme as part of the licensing regime for Malaysian capital market intermediaries.

Through its comprehensive experience and successful track record in developing and delivering innovative, high-calibre, fit-for-purpose programmes for specific target audiences, it has established a reputation synonymous with professional excellence and has been acknowledged by international institutions such as the International Organization of Securities Commissions (IOSCO), the Asian Development Bank (ADB), the Asia-Pacific Economic Cooperation (APEC) and ASEAN.



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Chairman's Statement

“ Witnessing the SIDC evolve and progress in tandem with the needs and expectations of the market, I am reassured to know that the company is in the hands of a capable team that continues to value integrity as the cornerstone of its achievements. ”

As I complete my term as the Chairman of the Securities Industry Development Corporation (SIDC), I am pleased to look back at its accomplishments for 2011 and to note the positive transformation and growth of the organisation since its incorporation in 2007.

Corporatisation has required that the SIDC not only deliver its mandate as the training arm of the Securities Commission (SC) in accordance with aggressive annual performance targets, but also to do so with integrity, transparency and accountability to all its stakeholders. Reviewing the SIDC's track record for some of its key initiatives in the last few years, I am truly encouraged that it has, for the most part, proven its ability to produce the expected results and fulfil its responsibilities with the requisite degree of professionalism.

One of the areas that has seen the biggest advancement for the SIDC is investor education. The participant reach for the SIDC's investor education programmes has recorded significant year-on-year growth and increased more than three-fold since its incorporation. From 17,928 participants in 2008 to 62,043 participants in 2011, the rise reflects the SIDC's effectiveness in implementing such initiatives on a large-scale, multi-pronged basis. More importantly, the programmes have enjoyed steady above-average participant ratings for the quality of their content and presentation through the years.

In particular, I wish to highlight the success of the Kids & Cash and Teens & Cash programmes. The Kids & Cash programme was launched in November 2007 to instil the importance of managing money in

primary school children through group activities and games. Kicking off with a pilot initiative involving 200 students, the programme had succeeded in reaching out to 10,670 students by end 2008. Riding on the achievement of Kids & Cash, a programme for secondary school children with similar objectives named Teens & Cash was piloted in 2009. Post-event surveys have pointed to the positive impact of both programmes in inculcating good saving habits and smart financial management in the young.

The ongoing popularity of Kids & Cash and Teens & Cash has led the SIDC to continuously innovate and improve the modules to ensure they are relevant and appealing to their target segments - an example being the increased use of online strategies to engage the interest of these young individuals. As a result, the programmes have attracted



Tan Sri Zarinah Anwar

Chairman
Securities Industry Development Corporation

Chairman's Statement (cont'd)

the total participation of over 40,000 students a year for 2010 and 2011 consecutively. With the launch of the Kids & Cash and Teens & Cash Train the Teacher programmes in 2011 - in which school teachers are trained with the skills and knowledge to carry out these financial literacy programmes in their respective schools - I am confident that both Kids & Cash and Teens & Cash will continue their exponential growth and benefit even larger numbers of school children in the near future.

The Industry Transformation Initiative (ITI) is another key SIDC project launched in 2007. A 5-year initiative funded by the Capital Market Development Fund to boost investor confidence by improving the professional competencies of market intermediaries through training and personal development, the ITI has trained more than 60,000 participants since its inception till end 2011. Consistently well received by the industry, the programme registered 20,648 participants in 2011 - the highest annual figure to date. The average "Good to Excellent" rating by the participants of the 181 courses conducted in 2011 indicates the high level of satisfaction with the programme.

As the ITI reaches the end of its lifespan in 2012, the SIDC must ensure that the transformational effects the initiative has delivered to the capital market talent pool are well sustained through subsequent development programmes. The successor to the ITI programme must be able to translate

CMP2 talent development strategies into action while addressing market requirements for the continued upskilling of market professionals. The expectations from the industry will be high; nonetheless, I am positive the SIDC will be able to step up to the challenge and work even harder to surpass its ITI track record.

In the area of regulatory training, the SIDC's partnership with the Australian Treasury, which began in 2009 and continued through 2011, has spawned several capacity building programmes for emerging market regulators under the Asia Pacific Economic Cooperation (APEC) and the East Asia Summit (EAS) banners. These initiatives have strengthened the SIDC's international reputation as a preferred strategic partner in training emerging market regulators. In particular, the APEC Work Placement Programme conducted in 2010 - in which emerging market regulators were placed with the SIDC to learn how to establish SIDC-like training organisations in their respective jurisdictions - was highly regarded and generated requests for repeat programmes in 2011 and 2012.

The SIDC's mission to build human capital through the graduate talent development pipeline saw fruition with the completion of the Graduate Development Programme (GDP) in August 2011. The 2-year programme, one of the initiatives under the SC Executive Enhancement and Development (SEED) Programme developed and delivered by the SIDC, successfully

produced 187 trained talents and enhanced these individuals' career opportunities within the capital market industry. I have no doubt that moving forward, the SIDC will continue to play a major role in nurturing capital market talents through the implementation of knowledge and skill-building programmes and relevant qualifications for new entrants to the industry.

Witnessing the SIDC evolve and progress in tandem with the needs and expectations of the market, I am reassured to know that the company is in the hands of a capable team that continues to value integrity as the cornerstone of its achievements, as the theme of this annual report "Driving Performance with Integrity" reflects. Before I take my leave, I would like to commend the management and staff of the SIDC for their untiring efforts in upholding the SIDC's brand promise of "Delivering Professional Excellence", by consistently conducting themselves and carrying out their duties in line with the company's core values. I would also like to thank the Board of Directors for their support and guidance, and for their enthusiasm in contributing towards the achievement of the SIDC's goals and objectives.

I wish the SIDC all the best as it moves ahead to meet new challenges and set new standards. I have every confidence that it will continue to deliver the exceptional quality programmes for which it is known.

Chief Operating Officer's Statement



Azman Hisham Che Doi

Chief Operating Officer
Securities Industry Development Corporation

Chief Operating Officer's Statement (cont'd)

“Organisations like the SIDC constantly need to be adaptable and flexible to remain relevant to the industry. We are fortunate to have staff and partners with potential, capability, speed of innovation and integrity contributing towards a high performance culture that has sustained the SIDC's success over the years.”

With the fast and continuous changing of domestic and global capital market landscapes, capital market professional training and education is becoming increasingly challenging and demanding. Organisations like the SIDC constantly need to be adaptable and flexible to remain relevant to the industry. We are fortunate to have staff and partners with potential, capability, speed of innovation and integrity contributing towards a high performance culture that has sustained the SIDC's success over the years.

In 2011, the reach of investor education programmes expanded significantly. A total of 62,043 participants including primary and secondary school children, university students, blue and white collar workers, parents and rural communities participated in various financial literacy programmes conducted around Malaysia. The most significant of these is our Kids & Cash programme, which attracted a total of 20,107 primary school children.

In facilitating capital market licensing requirements, we conducted 324 sessions of examinations in five regulated activities. A total of 1,069 candidates managed to complete all relevant examinations and became eligible to apply for the CMSRL in their respective regulated activities. In addition, we approved 711 CPE courses to facilitate intermediaries in upgrading their knowledge and competencies as well as fulfilling their CPE requirements.

To enable intermediaries to enhance their capabilities, Industry Transformation Initiative (ITI) programmes were conducted regularly throughout Malaysia in 2011. We added six new modules to the ITI curriculum, bringing the total up to 25 modules. This significant initiative, funded by the Capital Market Development Fund, benefitted a total of 20,648 participants for the year.

Another notable achievement in 2011 was related to our talent development programmes. A total of 388 graduates have successfully completed the training offered under the Graduate Development Programme (GDP) and the Islamic Capital Market Graduate Training Scheme (ICMGTS) since their launch in 2009, of whom 338 have been offered employment by the industry. It is encouraging to note that the quality of graduates produced by the programmes is recognised by the industry and that we have received requests for the programmes to be continued in future.

Being very prudent in our financial management, we also managed to strengthen our financial position in 2011, which fortifies our ability to carry out future business plans/activities.

Moving forward to 2012, we foresee a fast-moving and demanding year ahead. With the launch of CMP2 in April 2011, the Malaysian capital market is poised for growth in the next 10 years in all areas including equities, derivatives, fund management, corporate finance, financial planning and investment advisory services.

With the expected growth, we foresee that the scope of intermediary activities will be wider and intermediaries will be dealing with more innovative and increasingly complex capital market products. Thus, it is essential that their skills be continually enhanced to keep up with the changes and to enable them to offer services of a high professional standard. As the training and education arm of the SC, the SIDC rises to the challenge to raise the competencies of market players to meet these expectations. In 2012, we will continue to innovate to ensure our programmes reflect the needs of the new market environment.

Our investor education programmes will continue to be one of our core activities, where the focus will be shifted from financial literacy to financial capability to create more sophisticated and knowledgeable investors. Outreach programmes for schools and universities will be intensified to reflect our continuous commitment in instilling investment knowledge from a young age. Similarly, investor education programmes for other target groups will also be expanded.

In the areas of capital market intermediaries training, our current initiatives on training will be continued. To further strengthen these initiatives,

a more structured and progressive training framework will be developed to provide comprehensive training opportunities for all levels of market professionals. Further, in accordance with the strategic “Growth with Governance” thrust in CMP2 as well as the significance of the Corporate Governance Blueprint and the new Malaysian Code on Corporate Governance issued in March 2012, the SIDC will explore opportunities to offer corporate governance training in the Malaysian capital market.

Licensing examinations and CPE courses will continue to be offered and enhanced in 2012 to facilitate the demand for licensed market intermediaries in the capital market. In addition, we will also cater to requests for special examination sessions and CPE programmes from capital market institutions to assist them in fulfilling the licensing requirements.

Recognising the demand for a continuous supply of talents to serve the capital market, the SIDC will continue to deliver its talent development programmes, designed specifically for graduates to acquire capital market skills. To promote sustainability, apart from conducting such programmes on our own, the SIDC will be collaborating with universities to introduce the capital market curriculum. The first collaboration will be with Universiti Teknologi MARA (UiTM)’s School of Accounting in Shah Alam.

Finally, I wish to applaud and thank my staff for their relentless effort and initiative in making the SIDC an organisation of integrity and calibre as well as a brand to be trusted in capital markets education. I would also like to thank the Chairman and our Board of Directors for their continued support and guidance in the management of the SIDC’s operations and activities.





Achieving Results with Outstanding People

The key to success lies in people. Calibre of the highest degree must be present to drive excellence. At the SIDC, this is our commitment to our programme participants, partners, employees and stakeholders.





Doing Business According to Our Values



INNOVATIVE

- Innovation is our lifeblood. We recognise the need to change for constant improvement and we are creative about it.
- In the area of investor education, we are increasingly employing online channels and social media in a fun and interactive way to reach out to the younger target segments.
- The “Bijak Mengurus Wang” Facebook fan page was launched as an alternative information channel for financial management and investments, and quickly gained popularity with more than 2,000 subscribers.
- In 2011, the SIDC also launched the first ever nationwide Kids & Cash interschool online quiz competition as part of the Kids & Cash programme to overwhelming response, attracting the participation of over 2,000 primary schools.

PERFORMANCE DRIVEN

- At the SIDC, we not only strive for all-round quality in our programmes but also continually work towards expanding our participant reach. The evidence is clear in our flourishing track record.
- Our investor education initiatives met all annual performance targets in terms of participant numbers for the third consecutive year. The SIDC served 62,043 participants in our financial literacy programmes for 2011 as compared to 50,654 participants for 2010, marking a rise of 22%.
- We trained a total of 60,456 capital market intermediaries under the Industry Transformation Initiative (ITI) since its launch in 2007. In 2011, we delivered ITI programmes to 20,648 participants, an increase of 48% over the previous year.
- Participant numbers for the SIDC’s various training programmes grew 55% to reach 22,604 for the year, as compared to 14,608 in 2010.

CUSTOMER FOCUSED



- With a constant finger on the pulse of our target segments, we are agile in responding to and acting on their needs and expectations.
- In 2011, the Shariah Advisor Programme (i-Shariah), the SC's new continuous professional development programme for intermediaries in the Islamic Capital Market was launched to meet industry demand for Shariah advisory training.
- With regard to training for regulators, the successful inaugural APEC Work Placement Programme of 2010 was followed up with a second programme in 2011. Having considered feedback from past participants, the second programme was modified in structure and length to achieve the same objectives within a shorter timeframe.
- The SIDC also designed and delivered an exclusively customised programme for the Emirates Securities and Commodities Authority (SCA) to complement their in-house training. Focusing on the competencies required by their capital market regulators in a context relevant to their operations, the programme was well regarded by participants, leading to a possible follow-up programme in 2012.

QUALITY FOCUSED



- Quality is something we never compromise on when we carry out our role as the training and development arm of the SC.
- We pride ourselves in the consistently positive feedback we receive from participants of our wide-ranging programmes year after year.
- The SIDC earned "Good to Excellent" ratings for many of our programmes in 2011, including:
 - The Kids & Cash and Teens & Cash investor education programmes for school children.
 - The Industry Transformation Initiative (ITI) programmes for capital market intermediaries.
 - The Emerging Markets Programme (EMP) and the Islamic Markets Programme (IMP), the SC's flagship programmes for regulators.
 - The Advanced Business Management Programme (ABMP), the SC's flagship training programme for directors and corporate leaders in the financial services industry.

RELIABLE



- As an organisation with an all-encompassing emphasis on integrity, we live up to our brand promise of "Delivering Professional Excellence" through ethical practices, accountability and transparency.
- This conduct is evident in the way we deliver our programmes, manage our business processes and build relationships with our stakeholders, employees, partners and vendors.
- In this way, the SIDC has built up a reputation of reliability and trustworthiness to become a respected name in the capital markets education and training field across ASEAN and internationally.

Our First Mission: Educating Investors

INVESTOR EDUCATION

The SIDC's continued drive to create knowledgeable and vigilant investors in the capital market with the funding from the Capital Market Development Fund (CMDf) met favourable results in 2011.

Participant reach continued to expand year-on-year. A total of 62,043 participants from various segments of society benefited from the SIDC's investor education initiatives compared to 50,654 in 2010.

Most importantly, we confirmed the effectiveness of our financial literacy programmes with factual evidence and managed to exceed target audiences' expectations with the quality we delivered.



KIDS & CASH AND TEENS & CASH

The overwhelming response to the Kids & Cash and Teens & Cash programmes reflected their pivotal role in instilling the right spending habits among students. A total of 40,738 students participated in the programmes, exceeding the SIDC's target for the year of 40,000.

Captain Cash and his Cash Agents visited 20,107 primary school students aged 10 to 12 throughout Malaysia, providing them with useful and fun lessons on basic money management. They also delivered interesting lessons on money management and investing to 20,631 secondary school students aged 13 to 17. Interpersonal skills were seamlessly integrated into both programmes, providing students with an opportunity to explore their potential in an engaging environment. The modules for Kids & Cash and Teens & Cash were refreshed, emphasising reinforcements in the form of quizzes, games, instructional videos and more. As a result, all 100% of the students and teachers who participated rated both programmes and their speakers "Good to Excellent".

A survey conducted three months after the programme revealed that 95% of school children made efforts to start/increase their savings and 97% were able to differentiate between needs and wants when making purchases after attending Kids & Cash.

Another major achievement was the inaugural Kids & Cash and Teens & Cash Train the Teacher programmes, which were designed to equip teachers with the relevant financial literacy knowledge and skills to conduct the above programmes in their schools. A total of 100 teachers from Selangor and Terengganu have been trained since the launch of the programmes.

A ground-breaking nationwide Kids & Cash interschool online quiz competition, in which 2,116 primary schools participated, was also conducted for the first time as an extension of the Kids & Cash programme. In the grand finals held at the Securities Commission Malaysia, Sekolah Jenis Kebangsaan (Cina) Ayer Keroh from Melaka emerged as the overall champion.

CASH@CAMPUS

Designed to educate students on money management and expose them to wise investing, the Cash@Campus financial management and investment workshops received 3,035 participants from various institutions of higher learning and a huge number of enquiries, reflecting their popularity and effectiveness.

On average, 98% of all Cash@Campus participants rated the overall programme and its speakers "Good to Excellent".

CAMPUS KACHING!

The SIDC successfully implemented the second edition of Campus kaChing!, an annual inter-varsity money management competition that combines speech and song writing skills.

The number of universities participating saw a big jump from 19 in 2010 to 42 in 2011, due to more innovative and comprehensive promotional efforts. Participants were required to compose and perform a song about smart money management or wise investing as well as act out a performance to support the song.

The champion team Re-Verb, from University of Malaya, won RM5,000 while the runner-up and third-placed teams took home RM3,000 and RM1,000 respectively.

“BIJAK MENGURUS WANG” SEMINARS

The Bijak Mengurus Wang (B.M.W.) seminars reached out to larger numbers of women, parents, rural communities and blue collar workers throughout Malaysia than the previous year, increasing participants’ familiarity with investing, awareness of investors’ rights and responsibilities as well as resistance to scams.

Attracting 8,009 participants in total, the B.M.W. seminars saw an increase of over 2,000 participants as compared with 2010. All 43 seminars delivered were rated “Good to Excellent” by the participants.

To leverage social media and make full use of technological innovations, the SIDC also created the “Bijak Mengurus Wang” Facebook fan page. The page

“ All 43 Bijak Mengurus Wang (B.M.W.) seminars were rated “Good to Excellent” by the participants. ”



Our First Mission: Educating Investors (cont'd)

quickly became a hit among past and current seminar participants of all ages, attracting more than 2,000 subscribers. The fan page also serves as an alternative platform to the Malaysian Investor website, where participants may ask questions and view the latest articles on financial management and investments.

MONEY@WORK

The Money@Work seminars, attended by 1,697 employees from various government organisations in Malaysia, aimed to improve participants' sophistication in managing savings as well as develop capability in investing. To meet the programme's objectives and the participants' needs, the sessions were conducted with increased frequency in small groups.

Ninety-nine percent of all Money@Work participants rated the programme and its speakers "Good to Excellent".

MEDIA ARTICLES

A total of 53 media articles on a wide range of investor education topics, which included smart investing, money management and scam detection, were published in various local newspapers and magazines such as *Harian Metro*, *Berita Harian*, *New Straits Times*, *theLink*, *Money Compass*, *Smart Investor*, and *Pa & Ma* magazine.

MALAYSIAN INVESTOR WEBSITE (WWW.MIN.COM.MY)

The MIN website, which serves as the main point of reference for the public and investors, was regularly promoted on various media, resulting in 6.09 million hits for the year. Seventy-three enquiries were also successfully answered via the website. This made the MIN website one of the main sources of investor education among the general public.

EDUCATIONAL LEAFLETS

A total of 501,928 leaflets were distributed to the public during the year. Four new leaflets were developed by the SIDC:

- Common Money Mistakes to Avoid
- Secrets of Savvy Investors: Attending the AGM
- The Fundamental Principles of Wise Investing
- Common Investment Mistakes



List of Investor Education Programmes in 2011

Programme	2011 Participant Reach	2010 Participant Reach
Kids & Cash and Teens & Cash	40,738	40,904
Kids & Cash Inter-school Online Quiz	2,116 schools (8,464 students)	N/A
Train the Teacher for Kids & Cash and Teens & Cash	100	N/A
Cash@Campus	3,035	2,518
Campus kaChing!	42 universities	19 universities
B.M.W. (Be Money Wise) Seminars	8,009	5,956
Money@Work	1,697	1,276
TOTAL	62,043	50,654

5TH INSTITUTIONAL INVESTORS SERIES (IIS) 2011

The Institutional Investors Series (IIS) is an annual seminar exploring the latest trends, products and challenges faced by institutional investors. Supported by the SC and designed and delivered by the SIDC in collaboration with sponsors Aberdeen Asset Management, Amundi Asset Management (formerly Credit Agricole Asset Management), BNP-Paribas Investment Partners, Nomura Asset Management and Franklin Templeton Asset Management, the programme is targeted at CEOs, CIOs, COOs, CFOs, Senior Executive Directors, Heads of Investment and key decision makers of institutional investment firms.

The fifth IIS 2011 was held on 30 June 2011 for an audience of 40 participants. The seminar, themed “Riding the Tide: Strategies for Opportunities in Uncertain

Times”, aimed to evoke thought-provoking discussion on opportunities surfacing in times of uncertainty and related strategies for institutional investors to tap the prospects.

Among the topics discussed included the potential of Asian local currency debt, the impact of a commodities uptrend and investment opportunities in emerging markets. Leading international experts from the sponsor organisations shared lessons from the recent crises, including current issues and concerns along with the necessary strategies for investment decision-making during unpredictable times.

Based on the individual testimonials and the “Good to Excellent” rating received, participants found the fifth IIS seminar well-delivered and highly relevant for global investors.



Our Second Mission: Educating Intermediaries

To carry out our mission of establishing and maintaining a deep capital market intermediary talent pool through professional education, the SIDC works closely with the SC in setting competency standards for the capital market industry. We develop, maintain and administer the SC Licensing Examinations and also manage continuing education programmes to enhance the professional skills and calibre of intermediaries.



SC LICENSING EXAMINATION PREPARATORY COURSES

The SC Licensing Examination Preparatory Courses assist candidates to prepare for the topics covered in the respective SC licensing examination modules.

Taught by subject matter experts, the courses offer participants practice on sample question sets to get used to the Computer-Based Examination (CBE). Participants also go through revision and review sessions with course leaders to reinforce learning and check progress.

The preparatory courses in 2011 saw a doubling in the number of participants and courses over the previous year. A total of 1,202 participants enrolled in the 52 preparatory courses conducted for eight examination modules, as compared to 528 participants and 26 courses in 2010. This significant growth can be attributed to the issuance of the “Guidelines on Investor Protection”, which makes it compulsory for employees of registered persons who carry out the regulated activities specified in Part 1 of schedule 4 of the *Capital Markets & Services Act 2007* to pass the relevant SC Licensing Examinations.

No.	Modules	Course Title	Number of Courses	Number of Participants
1	Module 6	Malaysian Stock Market & Securities Law (Module 6) Preparatory Course	19	469
2	Module 7	Financial Statement Analysis and Asset Valuation (Module 7) Preparatory Course	20	512
3	Module 9	Funds Management Regulations (Module 9) Preparatory Course	2	21
4	Module 10	Asset and Funds Management (Module 10) Preparatory Course	2	35
5	Module 12	Investment Management and Corporate Finance Preparatory Course (Module 12) Preparatory Course	3	73
6	Module 14	Futures and Options (Module 14) Preparatory Course	2	20
7	Module 16	Rules and Regulations of Futures and Options (Module 16) Preparatory Course	1	10
8	Module 19	Advisory Services: Rules & Regulations (Module 19)	3	62
Total			52	1,202

SC LICENSING EXAMINATIONS - COMPUTER-BASED EXAMINATIONS

The SIDC is a one-stop examination centre for individuals who need to be licensed by the SC, to serve as head of operations, head of compliance, compliance officer, or to be a local participant, and those who intend to be employees of registered persons who carry out the regulated activities specified in Part 1 of schedule 4 of the *Capital Markets & Services Act 2007*.

The SC Licensing Examinations are delivered through the Computer Based Examinations (CBE) system, which is a flexible and efficient way of conducting examinations that meet the needs of the capital market industry. For instance, candidates can receive their results together with their scores immediately upon them completing their examinations. In addition, candidates' bookmarks can be restored to a back-up computer in the event of a computer breakdown, thus making it easier for them to ascertain questions they need to re-visit. A CBE simulation is also available on the SIDC website for candidates to try out and get accustomed to the examinations format.

During the year, the SIDC successfully conducted 324 examination sessions for the 13 SC Licensing Examination modules at various locations in Malaysia. Apart from Kuala Lumpur, the examinations were held in centres in Penang, Johor Bahru, Kuching and Kota Kinabalu to accommodate candidates across the country. An increase in the number of candidates was recorded, with a total of 7,199 candidates sitting the examinations in 2011 as compared to 4,119 candidates the previous year. The huge increase in the number of candidates is due to the issuance of the

"Guidelines on Investor Protection", which require employees of registered persons who carry out the relevant regulated activities to pass the respective SC Licensing Examinations.

To meet the demand, the SIDC has increased the frequency of the examinations from two sessions a day to three. Special examinations sessions are also conducted in Kuala Lumpur for companies wishing to register their staff for the examination, subject to the company fulfilling the required terms and conditions.

SC Licensing Examinations Modules Conducted in 2011 and 2010

SC Licensing Examinations		Number of Candidates*	
		2011	2010
Module 6	Stock Market and Securities Law	2,271	1,129
Module 7	Financial Statement Analysis and Asset Valuation	2,466	1,154
Module 9	Funds Management Regulation	303	216
Module 10	Asset and Funds Management	280	221
Module 11	Fundamentals of Compliance	116	97
Module 12	Investment Management and Corporate Finance	602	443
Module 14	Futures and Options	348	292
Module 16	Rules & Regulations of Futures and Options	321	278
Module 17	Securities and Derivatives Trading (Rules and Regulations)	41	12
Module 18	Securities and Derivatives Trading (Products and Analysis)	20	11
Module 19	Advisory Services (Rules and Regulations)	278	188
Module 19A	Advisory Services (Rules and Regulations) - Part A	135	71
Module 19B	Advisory Services (Rules and Regulations) - Part B	18	7
Total		7,199	4,119

Our Second Mission: Educating Intermediaries (cont'd)

INDUSTRY TRANSFORMATION INITIATIVE (ITI)

Designed by the SIDC and funded by the Capital Market Development Fund (CMDf), the Industry Transformation Initiative (ITI) is a modular-based development programme for capital market intermediaries integrating technical and interpersonal competencies. The 5-year project was established in 2007 to boost market professionalism and investor confidence by enhancing the skills of market intermediaries.

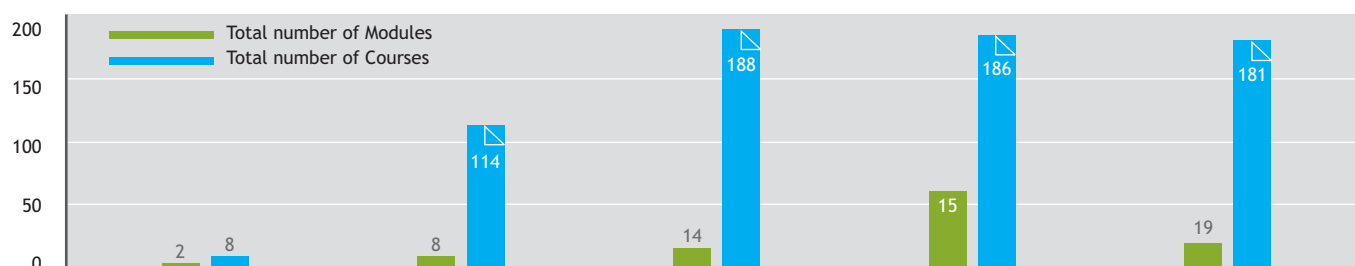
The ITI's fit-for-purpose modules address the specific requirements of different roles in the industry and involve participants in innovative job-related activities, projects and discussions. Industry focus groups are regularly held to review and maintain the programme's relevancy.

2011 saw a notable 48% increase in the number of ITI participants (20,648 participants) compared to 2010 (13,825 participants). A total of 181 courses were conducted for 19 ITI modules. As a testament to the consistent quality of the courses, participants have accorded them a "Good to Excellent" average course rating.

Industry Transformation Initiative (ITI) Courses Conducted in 2011

No.	Modules	Course Title	Number of Courses	Number of Participants*
1	EQ01	Economics and Capital Markets I: Forces Shaping the Global Capital Markets	24	2,478
2	EQ02	Essential of Fundamental Analytics I: Analysing Company Performance	24	2,982
3	EQ03	Corporate Strategic Analytics I: Essentials of Corporate Proposal Analysis	17	1,847
4	EQ04	Corporate Governance and Ethics: Strengthening Professionalism Through Ethics	18	1,591
5	EQ05	Economics and Capital Markets II: Macroeconomic Analytics - Clues to the Future	13	808
6	EQ06	Essentials of Fundamental Analytics II: Creating a Framework for Sector Analysis	21	1,161
7	EQ07	Corporate Strategic Analytics II: Value Creation Strategies & Take-over Analysis	13	698
8	DA01	Structured Products and Hybrids I: Framework and Concepts	2	49
9	DA02	Options and Futures I: Principles and Valuations	1	83
10	DA03	Risk Management: Analysing Risks in Derivatives Trading	1	74
11	DA04	Structured Products and Hybrids II: Alternative Investment Instruments	2	127
12	FP01	Financial Planning: Putting Theory into Practice	4	923
13	FP02	Financial Planning: The Practice of Wealth Management	4	459
14	ICM01	Islamic Capital Market: Financial Philosophy & Jurisprudence	8	1,838
15	ICM02	Islamic Capital Market: Islamic Equity Products	9	1,959
16	ICM03	Islamic Capital Market: The Sukuk Market	10	2,326
17	ICM04	Islamic Capital Market: Islamic Structured Products	4	1,038
18	PM01	Portfolio Management: Designing an Equity Strategy	4	183
19	PM02	Portfolio Management: In Pursuit of Performance and Returns	2	24
Total			181	20,648

Number of ITI Courses Organised from 2007 to 2011



CONTINUING PROFESSIONAL EDUCATION (CPE)

The mandatory Continuing Professional Education (CPE) programme cultivates a continued learning and upskilling culture among market intermediaries that is important to ensure the long-term quality of practising professionals. All individual persons conducting capital market activities regulated under the *Capital Markets & Services Act 2007 (CMSA)*, such as the Capital Markets Services Representative's Licence (CMSRL) holders and the Employees of Registered Persons (ERPs), are required to undergo this post-licensing programme.

CPE-APPROVED COURSES

The role of the CPE Secretariat is to administer all CPE course applications submitted by training providers nationwide. In 2011, a total of 711 CPE-approved courses were conducted. Of these, 561 (79%) courses belonged to the Market Development category whilst the remaining 150 (21%) were Market Regulations courses. The majority of the courses were held in Kuala Lumpur and Selangor.

These courses attracted a total of 28,845* participants, of which 19,085* (66%) were CMSRL holders, 9,431* (33%) were non-CMSRL holders and 329 (1%) were ERPs.

CPE-approved Courses Conducted in 2010 and 2011

Course Category	CPE Courses Conducted			
	2011 Number of Courses	2011 Number of Participants	2010 Number of Courses	2010 Number of Participants
Market Development	561 (79%)	21,558 (75%)	550 (80%)	22,576 (82%)
Market Regulations	150 (21%)	7,287 (25%)	138 (20%)	4,869 (18%)
Total	711	28,845	688	27,445

Participants of CPE-Approved Courses in 2010 and 2011

Year	CMSRL Holders*	ERP	Non-CMSRL Holders*	Total
2011	19,085	329	9,431	28,845
2010	16,740	-	10,705	27,445

Our Second Mission: Educating Intermediaries (cont'd)

EMPLOYEES OF REGISTERED PERSONS

The CPE Secretariat was tasked to register, manage and maintain all details relating to the CPE points collection of the Employees of Registered Persons (ERPs) in view of the mandatory CPE requirements imposed on these individuals following the issuance of the “Guidelines on Investor Protection”.

A total of 523 ERPs from the respective 33 registered persons, i.e. the financial institutions, were registered in the CPE Tracker System in 2011. As this is an on-going exercise, the Secretariat will continuously create and retain the profiles of ERPs in the system as and when notified and updated by the financial institutions, as well as record the CPE activities of the ERPs.

BUMIPUTERA TRAINING FUND

To improve the knowledge and skills of Bumiputera employees in the stockbroking industry, the SIDC conducted 107 technical and behavioural programmes throughout the year for 28 participating investment banks and stockbroking companies under the Bumiputera Training Fund (BTF).

A total of 807 participants benefited from these programmes. Remisiers and dealer’s representatives made up the largest group of participants at 46%, followed by participants from the Executive category representing 31% of the total.

In 2011, the BTF took a step forward by placing more emphasis on the need for leadership and high-impact programmes such as the 5th International Islamic Capital Market Forum, Islamic Market Programme and Advanced Business Management Programme. These programmes were aimed at building talent at the higher levels who can then be relied on to cascade the acquired knowledge and skills to employees within the industry.

Breakdown of BTF Course Participants

Group	Number of Participants (2011)*	(%)	Number of Participants (2010)*	(%)
Remisiers	101	13	320	33
Paid dealer’s representatives	265	33	121	13
Executives	253	31	227	24
Support staff	106	13	144	15
Managers and above	78	10	121	13
Trainee dealer’s representatives	4	-	21	2
Total	807	100	954	100

BUMIPUTERA DEALER REPRESENTATIVES EDUCATION FUND

The Bumiputera Dealer Representatives Education Fund (BDREF) was established to boost the professional skills and knowledge of Bumiputera remisiers and paid dealer’s representatives and to strengthen their role in the Malaysian capital market.

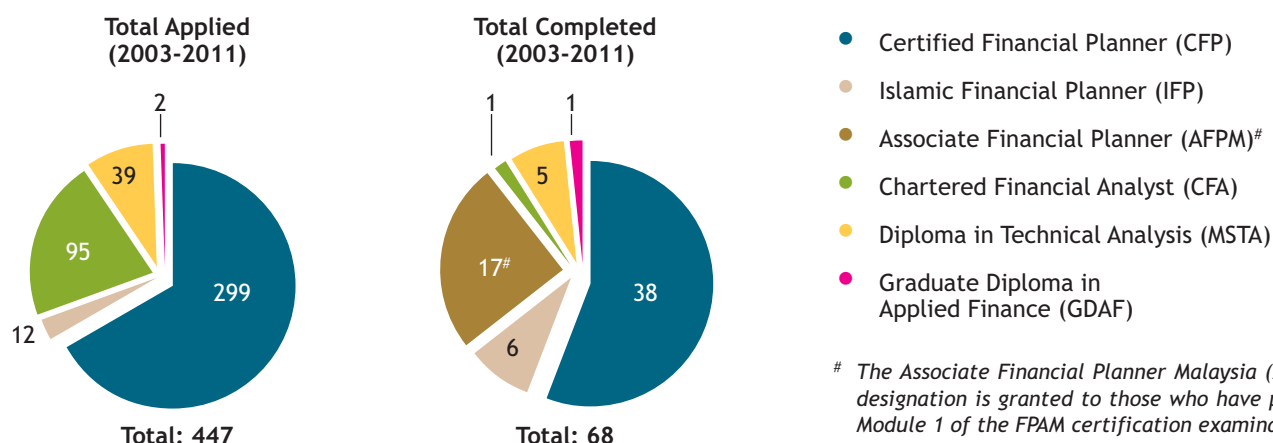
The fund is primarily used to develop Bumiputera remisiers and paid dealer’s representatives by providing them financial assistance to pursue professional qualification courses related to the capital market. Attaining a relevant professional qualification with assistance from the fund provides these individuals with greater career progression opportunities within the capital market industry.

During the year, 16 applications were approved by the fund’s Education Committee, comprising 3 applications to pursue the Certified Financial Planner (CFP) qualification, 1 application to pursue the Islamic Financial Planner (IFP) qualification and 12 applications to pursue the Chartered Financial Analysis (CFA) qualification. Collectively, 447 Bumiputera participants have benefited from the fund, with 68 participants successfully achieving professional certification since 2003.



The number of BDREF students pursuing approved courses as at end December 2011 and the number of course enrolments under BDREF since 2003 are presented below.

Table 1: BDREF Participants with Professional Qualifications as at 31 December 2011



SHARIAH ADVISOR PROGRAMME (I-ADVISOR)

The Shariah Advisor Programme (i-Advisor) is a new initiative by the SC introduced in 2011 to provide continuous professional development in the area of Shariah Advisory relating to the Islamic Capital Market (ICM). The programme, funded by the Capital Market Development Fund (CMDf) and organised by the SIDC, was exclusively developed to provide continuous learning for Shariah advisors, academicians and practitioners in Islamic Finance, especially in the areas of accounting, finance, and law.

The programme consists of five comprehensive modules integrating the theoretical and practical aspects of industry knowledge. Participants are allowed to enrol for any module without any prerequisite.

Two series of the programme were conducted in 2011: the first from March to May and the second from June to October. Since its launch, i-Advisor has successfully trained 144 participants comprising top management, senior executives, Shariah advisors and academicians. So far, the programme has received an average “Good to Excellent” rating from its participants, an indication of its effectiveness and quality.

DUAL LICENSING FAST TRACK PROGRAMME

Jointly organised by the SIDC and Bursa Malaysia Derivatives (BMD), the Dual Licensing Fast Track Programme (DLFT) was launched in June 2011 for experienced CMSRL holders intending to achieve dual licence status for dealing in securities and trading in futures contracts. The programme’s objective is to enable participants to apply hedging, arbitrage and speculative strategies on the trading of commodity, equity and financial derivatives on BMD. A total of 10 DLFT courses were conducted in 2011, attracting 449 CMSRL holders. The programme was given an average rating of “Good to Excellent” by its participants.



* These figures include the multiple counting of participants who attended more than one course/examination.

Our Third Mission: Educating Regulators

Building on the SIDC's established reputation in the training of regional and global capital market regulators, we strengthened our focus on delivering effective custom-made programmes for regulators as well as collaborating with international agencies to implement capacity-building training initiatives in 2011.

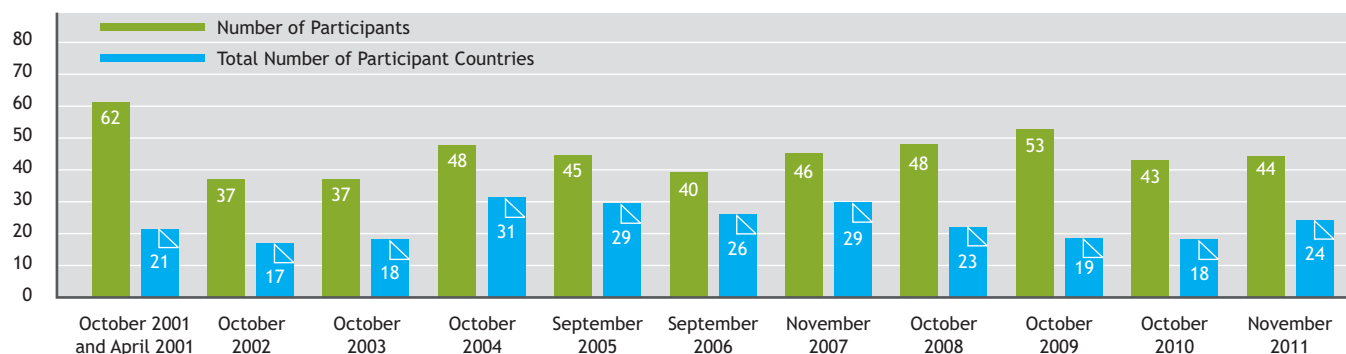
EMERGING MARKETS PROGRAMME

The Emerging Markets Programme (EMP) is an annual SC flagship initiative jointly organised by the SC and SIDC that provides a platform for capital market regulators to exchange knowledge and gain exposure on policy, legal and technical issues related to capital markets. Over the years, the EMP has grown in reputation as a definitive and relevant Regulator-to-Regulator (R2R) training programme, especially for emerging market regulators who often operate in conditions of dynamic and rapid change. Since its launch in 2001, it has attracted 503 participants from 62 countries.

The 12th EMP was held from 2 to 4 November 2011. Themed "Strengthening Market Integrity in the Changing Capital Market Landscape", the programme addressed the state of market integrity post-Global Financial Crisis and discussed pertinent regulatory strategies and actions required to instil and uphold market integrity. Senior experts from regulatory authorities worldwide shed light on key reforms that were required and the challenges in implementing them, along with possible approaches for R2R collaboration to promote market integrity.



The number of participants and participant countries throughout the EMP series



The 3-day programme was presented by 18 speakers from 11 countries and received an overall “Good to Excellent” rating from its 44 participants, who comprised senior international capital market regulators from 24 emerging economies.

ISLAMIC MARKETS PROGRAMME

The Islamic Markets Programme (IMP), launched in 2006, is another annual flagship regulatory initiative undertaken by the SC and SIDC. An important part of Malaysia’s strategy to become a recognised Islamic Financial Centre of Excellence, the IMP aims to equip both intermediaries and regulators alike with knowledge and understanding of Islamic Capital Market (ICM) at a local and international level.



The 6th IMP, themed “The Role of Regulation in Overcoming Challenges in Developing Islamic Markets”, was held from 27 to 29 June 2011 and drew 42 participants from 9 countries. The programme discussed the challenges faced in product innovation, human capital development, interpretation of Shariah principles as well as governance, and explored possible solutions.

Receiving a “Good to Excellent” average rating from participants, the 6th IMP reflected the programme’s continued value for a capital market industry that acknowledges the need for sound business, legal and regulatory foundations amid its massive growth potential.

INTERNATIONAL CAPACITY-BUILDING PROGRAMMES FOR REGULATORS OF EMERGING MARKETS

Partnership with the Australian Treasury

In 2007, the Australian Treasury and the Australian Agency for International Development (AusAID) began a long-term partnership with the SIDC to develop and conduct a range of capacity-building programmes for regulators of Asia-Pacific Economic Cooperation (APEC) and East Asia Summit (EAS) member countries, specifically the securities market regulators of the agencies of Cambodia, Lao PDR, Vietnam, Indonesia, Thailand, Philippines and the PRC.

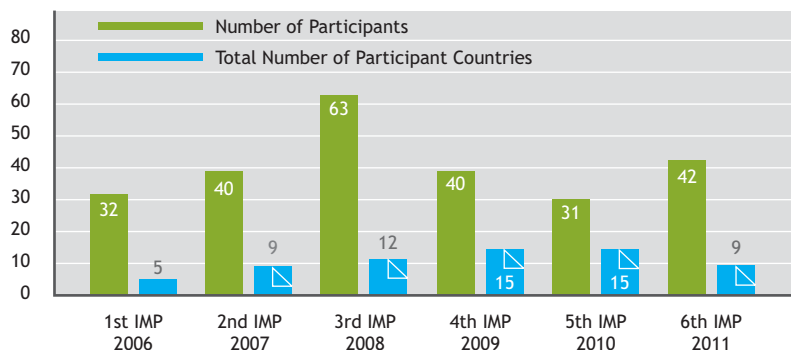
To take on these long-term activities, the SIDC had to analyse training needs of all targeted APEC and EAS countries and propose, design, develop and deliver programmes in consultation with the Australian Treasury and ASEAN Secretariat. This relationship has continued into 2011, where two capacity-building programmes were conducted:

- **Strengthening Policies and Processes for Facilitating Cross-Border Funds Passporting Second Capacity Building Workshop (Phases 1 and 2)**
- **APEC Work Placement Programme II**

In addition, the second and final phase of the 2010 APEC programme entitled “Developing Capacity for Cross Border Recognition of Equivalent Regulatory Regimes for Issuing and Trading Financial Products and Services” was completed in Hong Kong during the first quarter of 2011. Using the technical understanding of regulating cross border business gained from Phase 1 of the workshop in October 2010, 12 regulators from Vietnam, Philippines and Thailand presented their findings for an action planning assignment related to cross-border trading in their home jurisdictions.

The assignment led participants to realise that a complementary and accommodative approach should be adopted to integrate and synergise regional development ideas for a win-win way forward for all parties. They also acknowledged the need for capacity-building to develop common international competencies for cross border regulation among regulators. In this respect, the participants concluded that the workshop programme helped promote regulatory networking and cooperation.

The number of participants and participant countries throughout the IMP series



Our Third Mission: Educating Regulators (cont'd)



APEC: Strengthening policies and processes for facilitating Cross-Border Funds Passporting Second Capacity Building Workshop

Phase 1

Singapore Workshop,
4-5 August 2011

Phase 2

Kuala Lumpur Workshop,
14-15 December 2011

This APEC training programme complements and supports the ASEAN Capital Markets Forum (ACMF)'s Mutual Recognition and Harmonisation Framework, an initiative to explore the mutual recognition and harmonisation of rules and regulations underpinning cross-border trading of financial products.

The aim of the programme was to help strengthen the technical capacity of participating ASEAN economies and their potential to join the APEC-initiated Asian Region Funds Passporting scheme in the future.

A total of 16 officers from the regulatory agencies of Vietnam, Philippines, Indonesia and Thailand participated in the programme. The Phase 1 workshop focused specifically on addressing some of the developmental gaps identified by the participating ASEAN economies. In the concluding Phase 2 workshop, participants discussed some of the newer developmental gaps that surfaced during the first workshop as well as challenges related to domestic market reforms. Through exercises to develop and present implementable ideas to fellow regulators in a challenging environment, participants developed the essential skills for high-level

decision-making that help enhance greater cross-border access and establish robust policies for market stability and investor protection.

The programme ended successfully with a call from the participants to continue the education process. The SIDC has been commissioned to lead-develop a third APEC programme for 2012.

APEC Work Placement Programme II (8-12 August 2011)

Following the favourable response to the first APEC work placement programme in 2010, the SIDC received follow-up requests for the development of a second programme in 2011, exclusively targeted at APEC capital market regulators intending to establish an "SIDC-like" industry training function to support the capacity-building and training strategies of their capital market regulatory bodies. The result was the APEC Work Placement Programme II.

A total of 16 officers from the human performance improvement units and training functions of the Capital Market Advisory Agency of Indonesia (BAPEPAM), the Philippine Securities and Exchange Commission (SEC), the Securities and Exchange Commission of Thailand (SEC) and the State Securities Commission of Vietnam (SSC) participated in the 5-day programme. Specially designed activities included presentations to facilitate specific knowledge and skills transfer, face-to-face exchanges with SIDC senior management, direct observation and staff interaction, SIDC office walkabouts to see its set-up and experience its culture, as well as discussions on emerging trends and training challenges to brainstorm effective training responses and cooperation opportunities for emerging APEC economies.

At the end of the programme, participants formally requested a third APEC Work Placement Programme in 2012 to allow some of their other team members the same valuable opportunity to learn directly from the SIDC.

Programme for the Emirates Securities and Commodities Authority

During the year, the SIDC also developed, customised and delivered a programme entitled “Fundamentals of Capital Market Regulation” for the

Emirates Securities and Commodities Authority (SCA). The fit-for-purpose programme was designed to complement the SCA’s internal staff training, emphasising the fundamental knowledge and specific skill-sets required to function effectively as a capital market regulator.

Held from 1 to 9 March 2011, the programme comprised interactive seminars on capital market regulation and the Islamic Capital Market as well as a skills development workshop. The

programme provided focused learning outcomes to effectively enhance the market supervision and enforcement competencies of its seven participants, all of whom are mid-career officers of the SCA. Having received positive feedback and a “Good to Excellent” average rating for the programme, the SIDC is now in negotiation with the SCA to conduct a follow-up programme in 2012.



Our Fourth Mission: Educating Directors

In 2011, we sought new avenues and explored innovative ideas of raising the standard of corporate governance among company directors in our existing and upcoming training and development initiatives.



THE NON-EXECUTIVE DIRECTOR DEVELOPMENT SERIES: IS IT WORTH THE RISK?

The Non-Executive Director Development Series (NEDDS) is a collaboration between the SIDC and PricewaterhouseCoopers (PwC) to equip non-executive directors of Malaysian public-listed companies with the skills required to effectively dispense their duties in managing and safeguarding shareholders' value. In 2011, we ran one programme with 14 participants before NEDDS was discontinued. NEDDS will be replaced by a series of directors' programmes focusing on corporate governance to be launched by the fourth quarter of 2012.

ADVANCED BUSINESS MANAGEMENT PROGRAMME

The Advanced Business Management Programme (ABMP) is a SC flagship programme launched in 2007 and subsidised by the Capital Markets Development Fund (CMDf). A 3-day residential programme designed jointly by the SIDC and the Institute of Management Development (IMD), Lausanne, Switzerland, the programme is intended for the C-suite and welcomes participants from all over the world to create a richer learning environment.

The premier programme aims to cultivate world-class human capital for the Malaysian financial services industry, benchmark best practices worldwide, assert top investment opportunities for continued business success and provide a platform for industry players to come together to share knowledge and experiences, discuss real-world issues and identify implementable business solutions. The importance attached to this programme by the SC is best illustrated by the fact that participants receive 30 CPE points each instead of the usual 10 points.

The 4th ABMP this year was successfully held from 20 to 22 June 2011. Themed "Risk, Reform and Growth", the programme focused on pertinent leadership issues in the financial services industry, particularly in the areas of strategy, risk management, innovation, structured products, acquisitions and change management. Experts from the IMD shared their insights with 21 senior financial leaders through intensive discussions and focused case studies.

The programme was very well received among the participants and many requested longer or follow-up programmes, stating the ABMP as highly relevant. The programme garnered an average rating of 4.6 out of 5 ("Good to Excellent").



Our Fifth Mission: Developing New Talent

2011 saw the successful completion of the Graduate Development Programme (GDP), which achieved its set target in terms of number of participants trained. The GDP and the Islamic Capital Market Graduate Training Scheme (ICMGTS) are two training initiatives under the SC Executive Enhancement and Development (SEED) programme launched in 2009 to develop and grow the Malaysian capital market talent pool.

Continuing our mission to build the capital market talent pipeline, the SIDC will roll out a new talent programme as a successor to the above SEED initiatives towards the second half of 2012, nurturing a pool of entry-level market professionals through multi-modal training encompassing technical skills, soft skills and licensing examinations.

GRADUATE DEVELOPMENT PROGRAMME

The SIDC was entrusted by the SC to design, develop and implement the Graduate Development Programme (GDP) over a period of 2 years, commencing in mid-2009 and ending in August 2011. Funded by the Capital Market Development Fund (CMDf), the GDP was aimed at providing training and on-the-job attachment to enhance employability and career mobility of graduates in the capital market.

Comprising two parts, the GDP would start off with an intensive 6-week classroom training, providing participants with comprehensive technical knowledge and inter-personal skills. In 2011, a total of 21 graduates and 67 graduates under the fourth and fifth intakes respectively completed this Part 1 training. Participants of both intakes rated the classroom training “Good to Excellent”.

These participants were then required to sit the SC’s Licensing Examinations for Module 6 (Stock Market and Securities Law) and Module 7 (Financial Statement Analysis and Asset Valuation) to increase their professional marketability among investment banks and stockbroking companies.

In Part 2 of the programme, participants were required to serve a 22-month attachment with financial services organisations to give them relevant exposure to the day-to-day activities of capital market intermediaries. Of the 88 participants in Intakes 4 and 5, 87 candidates were successfully placed with 22 companies and are currently undergoing their on-the-job attachment, while one candidate opted out prior to the attachment for further studies.

The GDP is a success story for the SIDC, with 187 participants trained within the stipulated 2-year period, exceeding the set target of 180 participants.

ISLAMIC CAPITAL MARKET GRADUATE TRAINING SCHEME

The Islamic Capital Market Graduate Training Scheme (ICMGTS) is jointly developed by the SC and the SIDC to facilitate the creation of human capital for the Islamic Capital Market (ICM).

Funded by Capital Market Development Fund (CMDf), its main objective is to produce entry-level professionals for the ICM with strong fundamental knowledge and skills as well as a global qualification. The ICMGTS consists of 8 weeks’ training on soft skills and technical ICM knowledge, upon completion of which the SIDC will facilitate the graduates in gaining valuable experience through job placements or career opportunities with reputable financial institutions in the capital market.

2011 witnessed the fourth and fifth intakes of the ICMGTS with 44 and 33 participants respectively. Since its inception, the ICMGTS has received 1,612 applications, out of which 201 applicants were selected and 92% of them placed in various financial industry organisations for job attachments, reflecting its popularity and noteworthy success rate thus far.





Providing Quality through Our Passion

The quality and relevancy of our programmes reflect our passion for training and human capital development. It is through this passion that we draw inspiration to generate fresh ideas and innovate our programmes, enabling us to keep up with the ever-changing requirements of our target audiences.





Event Highlights



11 - 13 February 2011

Teachers from selected schools in Selangor beaming with pride after completing the Train the Teacher programme, which equips them with the know-how to conduct Kids & Cash or Teens & Cash programmes in their schools.



April 2011

Students of the Management and Science University paying close attention to Cash@Campus speaker Nasrul Shah Samsudin as he explains the basic techniques of prudent investing and financial management.



20 - 22 June 2011

This year's Advanced Business Management Programme entitled "Risk, Reform & Growth" was attended by 21 senior leaders in the financial services industry. Experts from the Institute of Management Development, Lausanne led them through in-depth discussions in the areas of risk management, structured products, change management and more.



27 - 29 June 2011

The 6th Islamic Markets Programme, themed "The Role of Regulation in Overcoming Challenges in Developing Islamic Markets" attracted 42 participants from 9 countries. The programme addressed the challenges to regulating Islamic markets and ways to overcome them from a regulatory perspective.



30 June 2011

Mr Philippe Ithurbide from Amundi Asset Management delivering his presentation entitled "A Rebalancing World: Inflation, Normalisation & Public Debt Crisis" at the 5th Institutional Investors Series programme, themed "Riding the Tide: Strategies for Opportunities in Uncertain Times".



11 July - 19 August 2011

Participants of the 5th intake of the Graduate Development Programme engrossed in a knowledge and competency-building group activity. The programme assists participants in their transition into the capital market industry as entry level professionals by developing their technical and interpersonal skills.



July 2011

The Islamic Capital Market Graduate Training Scheme (ICMGTS) aims to create a talent pool for the Islamic Capital Market by providing entry level professionals with strong technical skills and exposure to industry practices through activity-based training and job attachments within the industry.



2 - 4 November 2011

The SC's flagship programme for regulators, the Emerging Markets Programme, drew 44 senior international capital market regulators from 24 economies this year. The programme discussed the state of market integrity post-GFC and looked at the regulatory strategies and actions required to maintain market integrity.



10 November 2011

The final of Kids & Cash online quiz competition in progress. Captain Cash looks on excitedly as a member of the SK Perempuan Methodist Kuantan team attempts to answer a challenging question. Kids & Cash is a fun and interactive programme aimed at inculcating a money management culture as well as a basic understanding of investment in primary school children.



14 - 15 December 2011

The "APEC: Strengthening Policies and Processes for Facilitating Cross-Border Funds Passporting Second Capacity Building Workshop" welcomed the participation of 16 regulators from Indonesia, the Philippines, Thailand and Vietnam and focused on addressing the regulatory and developmental gaps in cross-border financial products.



December 2011

Participants learning about financial management, wise investing and scam avoidance in a relaxed atmosphere during a Bijak Mengurus Wang Rural Community Seminar.



December 2011

Participants being shown a real-life credit card statement as part of the Money@Work programme conducted at the Ministry of Defence, Malaysia

SIDC Training Programmes 2011

Programme	Target Audience	Number of Participants
5th Institutional Investors Series: Riding the Tide: Strategies for Opportunities in Uncertain Times	<ul style="list-style-type: none"> • Institutional investors 	40
SC Licensing Examination Preparatory Course (Module 6): Malaysia Stock Market & Securities Law	<ul style="list-style-type: none"> • Candidates preparing for Module 6 of the SC Licensing Examination • New entrants to the capital market industry • Employees of stockbroking and investment firms 	469
SC Licensing Examination Preparatory Course (Module 7): Financial Statement Analysis and Asset Valuation	<ul style="list-style-type: none"> • Candidates preparing for Module 7 of the SC Licensing Examination • New entrants to the capital market industry • Employees of stockbroking and investment firms 	512
SC Licensing Examination Preparatory Course (Module 9): Funds Management Regulation	<ul style="list-style-type: none"> • Candidates preparing for Module 9 of the SC Licensing Examination • New entrants to the capital market industry • Employees of stockbroking and investment firms 	21
SC Licensing Examination Preparatory Course (Module 10): Asset and Funds Management	<ul style="list-style-type: none"> • Candidates preparing for Module 10 of the SC Licensing Examination • New entrants to the capital market industry • Employees of stockbroking and investment firms 	35
SC Licensing Examination Preparatory Course (Module 12): Investment Management and Corporate Finance	<ul style="list-style-type: none"> • Candidates preparing for Module 12 of the SC Licensing Examination • New entrants to the capital market industry • Employees of stockbroking and investment firms 	73
SC Licensing Examination Preparatory Course (Module 14): Futures and Options	<ul style="list-style-type: none"> • Candidates preparing for Module 14 of the SC Licensing Examination • New entrants to the capital market industry • Employees of stockbroking and investment firms 	20
SC Licensing Examination Preparatory Course (Module 16): Rules and Regulations of Futures and Options	<ul style="list-style-type: none"> • Candidates preparing for Module 16 of the SC Licensing Examination • New entrants to the capital market industry • Employees of stockbroking and investment firms 	10



Programme	Target Audience	Number of Participants
SC Licensing Examination Preparatory Course (Module 19): Advisory Services (Rules & Regulations)	<ul style="list-style-type: none"> • Candidates preparing for Module 19 of the SC Licensing Examination • New entrants to the capital market industry • Employees of stockbroking and investment firms 	62
Industry Transformation Initiative courses (various modules)	<ul style="list-style-type: none"> • Capital Markets Services Representative's Licence (CMSRL) holders • Public 	20,648
Shariah Advisor Programme (i-Advisor)	<ul style="list-style-type: none"> • Shariah advisors • Academicians • Practitioners in Islamic Finance 	144
Dual Licensing Fast Track Programme (DLFT)	<ul style="list-style-type: none"> • Experienced CMSRL holders intending to achieve dual licence status for dealing in securities and trading in futures contracts 	449
12th Emerging Markets Programme: Strengthening Market Integrity in the Changing Capital Market Landscape	<ul style="list-style-type: none"> • Local and international regulators 	44
6th Islamic Markets Programme: The Role of Regulation in Overcoming Challenges in Developing Islamic Markets	<ul style="list-style-type: none"> • Conventional bankers • Capital Markets Services Representative's Licence (CMSRL) holders • CEOs and senior personnel of companies • Staff of government agencies • Shariah lecturers or graduates 	42
The Non-Executive Director Development Series (NEDDS): Is it Worth the Risk?	<ul style="list-style-type: none"> • Non-executive directors of public-listed companies 	14
Advanced Business Management Programme	<ul style="list-style-type: none"> • CEOs and senior personnel of companies • Regulators 	21
TOTAL		22,604





Forging Relationships to Build Trust

We build trust in our partners and stakeholders by engaging in active partnerships and fostering long-term relationships that serve as a foundation for mutual growth and success. Working hand in hand, we can produce the best possible outcomes.





Our Board of Directors

Tan Sri Zarinah Anwar is the Chairman of the Securities Commission Malaysia (SC), a post she assumed on 1 April 2006. Prior to this, she served as the Deputy Chief Executive of the SC since 1 December 2001, overseeing the SC's Market Supervision, Enforcement and Corporate Resources divisions.

Tan Sri Zarinah currently chairs the Venture Capital Consultative Council that aims to assist and promote the development of the venture capital industry in Malaysia. She also serves on the Boards of the Labuan Offshore Services Authority, Integrity Institute Malaysia, the Capital Market Development Fund, and the Financial Reporting Foundation. She is also a member of the Foreign Investment Committee and the National Innovation Council.

Prior to joining the SC, Tan Sri Zarinah was with Shell Malaysia for 22 years. During that time she held key positions such as the Deputy Chairman of Shell Malaysia and Director for Human Resources, Corporate Affairs and Legal. Tan Sri Zarinah was a member of the Board of Directors of various Shell Companies and member of the Board of Trustees of various Shell Malaysia Trust Funds. She was also a member of Shell's Global Diversity Council.

Tan Sri Zarinah was, for several years, the Vice President of the Malaysian Employers Federation and served as a member on the Board of Directors of the Social Security Organisation (SOCSSO), the National Labour Advisory Council and the Board of Governors and Board of Trustees of Kolej Tuanku Jaafar.

Tan Sri Zarinah graduated with an LLB (Hons) from University Malaya in 1976. She started her career in the Government's Legal and Judicial service where she served as Magistrate, Senior Assistant Registrar, Solicitor in the Public Trustee's department and Assistant Parliamentary Draftsman in the Attorney General's Chambers.

Tan Sri Zarinah Anwar

Chairman
Securities Industry Development Corporation





Dato Dr. Nik Ramlah Mahmood

Managing Director
Securities Commission Malaysia

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

Dr. Nik Ramlah joined the SC in 1993 as Manager of Law Reform Department. In 1997 she was made Director of the Policy and Development Division. She has been involved in many of the Commission's developmental initiatives for the Malaysian capital market including those relating to development of the Islamic capital market, bond market, fund management, corporate governance and rationalisation of the regulatory framework for the capital market. She was made Managing Director in 2008.

Dr. Nik Ramlah is a member of the Professional Development Panel of International Centre for Education in Islamic Finance (INCEIF) and a practising member of the Association of Chartered Islamic Finance Professionals Malaysia (ACIFP). She is also a member of EXCO of the Asian Institute of Finance (AIF).

Dr. Nik Ramlah obtained a First Class Honours in Law from the University of Malaya and her LLM and PhD. from the University of London. For her PhD, she was a recipient of a scholarship from the Association of Commonwealth Universities.

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



Dato' Tajuddin Atan

Chief Executive Officer
Bursa Malaysia Berhad

Dato' Tajuddin Atan is currently the Chief Executive Officer and Executive Director of Bursa Malaysia Berhad, where he is entrusted to develop the exchange into an attractive and competitive exchange in the region and to make the capital market more vibrant. He is a director of several of Bursa Malaysia's group companies and also sits on the Boards of the Capital Market Development Fund (CMDf) and the Securities Industry Development Corporation. He is a member of the Executive Committee of Malaysia International Islamic Financial Centre and the Financial Reporting Foundation as well as a non-executive member of SME Corp Malaysia. Dato' Tajuddin also currently serves as an Adjunct Professor at the Faculty of Economics and Management of Universiti Putra Malaysia.

Dato' Tajuddin graduated with a Bachelor of Science in Agribusiness from Universiti Putra Malaysia and later obtained a MBA from Ohio University.

Dato' Tajuddin commenced his career with Bank Bumiputra (M) Berhad (BBMB), holding various senior positions over a period of more than 16 years including a stint at the bank's New York Branch. His last designation with Bumiputra Commerce Bank, the merged banking entities of Bank of Commerce Berhad and BBMB, was as Treasurer, Treasury Division. He spent the next few years in the corporate arena where he gained valuable experience in financial restructuring, corporate strategic management and improvement of operational efficiency in various public listed companies in the areas of shipping, property development and construction and electronics.

Dato' Tajuddin was the Chief Executive Officer of Bank Simpanan Nasional (National Savings Bank) from October 2004 until November 2007 where he successfully led the transformation of BSN into a sustainable, profitable and efficiently governed community bank. Thereafter, he joined Bank Pembangunan Malaysia Berhad (Development Bank of Malaysia) in December 2007 as its President/Group Managing Director and initiated a business improvement process to bring about operational finesse. Dato' Tajuddin was subsequently appointed as the Managing Director of RHB Bank Berhad and Group Managing Director of RHB Capital Berhad from May 2009 and July 2009 respectively until 31 March 2011. Under his leadership, the RHB Banking Group recorded its highest net profit as well as the highest ROE and ROA in 10 years for the financial year 2010.

Our Board of Directors (cont'd)



Tan Sri Dato' Dr. Wan Mohd Zahid

Chairman of Sime Darby Healthcare Division, Sime Darby Motors Division and a member of the Board of Directors of Sime Darby Berhad

Tan Sri Dato' Dr. Wan Mohd Zahid is the Chairman of Sime Darby Healthcare Division, Sime Darby Motors Division and also a member of the Board of Directors of Sime Darby Berhad.

Tan Sri Dato' Dr. Wan Mohd Zahid holds a Bachelor of Arts (Honours) degree from University of Malaya, Masters from Stanford University and PhD from University of California, Berkeley. He underwent a course in business management under the Advanced Management Program at Harvard Business School. He started his career as a teacher, moving up to principal level and eventually held various positions in the Ministry of Education. His last post prior to retirement was as Director-General of Education.

Tan Sri Dato' Dr. Wan Mohd Zahid is currently the Chairman of Universiti Teknologi MARA, FEC Cables (M) Sdn Bhd and Kolej Universiti Teknologi and Pengurusan Malaysia. He is also a Director of Permodalan Nasional Berhad (PNB), Amanah Saham Nasional Bhd, Perbadanan Usahawan Nasional Bhd, SP Setia Berhad and Yayasan Sime Darby. He was formerly the Chairman of Berger International Ltd based in Singapore, and Deputy Chairman of International Bank Malaysia Berhad.



Gerald Ambrose

Managing Director, Malaysia
Aberdeen Asset Management

Gerald Ambrose is the managing director of Aberdeen Asset Management Sdn Bhd, the group's Malaysian office. He joined Aberdeen Asset Management in 2005 after the company was selected to be the first licensed foreign-owned fund manager under the government's Special Scheme.

Previously, Gerald was an institutional sales director covering ASEAN equities at Kim Eng Securities in Singapore, HSBC James Capel in London and BNP Paribas in London, the latter sending him to set up the institutional broking operations of its associate, Mohaiyani Securities Sdn Bhd in 1990. Prior to that, Gerald served as a submarine officer in the Royal Navy until 1987.

Gerald Ambrose graduated with an MA (Honours) degree in Land Economy from Pembroke College, Cambridge University.



Angelina Kwan

Executive Managing Director,
Chief Operating Officer and
a Group Executive Director of the
Board of REORIENT Group Limited

Angelina Kwan, Executive Managing Director, Chief Operating Officer and a Director of the Board of REORIENT Group Limited (HKEx stock code 376, formerly Asia TeleMedia Limited ("ATL")) is responsible for all operating aspects of the Group's businesses and future ventures. She previously held the position of Chief Executive Officer of Mansion House Securities (F.E.) Limited, the wholly owned operating subsidiary of ATL, where she ran its operations, and whilst working with the Liquidators and the Investor successfully restructured and relisted the Group. She is also the Managing Director and Founder of Stratford upon Avon Finance Limited, a Compliance and Corporate Governance Consulting Firm. She was previously the Chief Operating Officer for the Cantor Fitzgerald Group of companies and was also with the Securities and Futures Commission of Hong Kong where she held the positions of Director of the Supervision of Markets Division as well as Director of Enforcement. Angelina has over 25 years of experience in Management, Regulation, Compliance, Audit and Internal Audit across a wide range of businesses in both Asia and the US.

A Certified Public Accountant both in Hong Kong and the United States, Angelina holds a Bachelor of Science in Business Administration (Accounting), an M.B.A. (Finance) and a Bachelor of Laws. She is an Honorary Adjunct Professor of Finance for the Hong Kong Polytechnic University, a SFC appointed Director and a Fellow of the Hong Kong Securities Institute, a Hong Kong Government appointed member of the Financial Reporting Council Process Review Panel, a Director of the Securities Industry Development Corporation of Malaysia, an Independent Non-executive Director of Aviva Life Insurance Hong Kong, and serves on a number of Boards and Committees. She lectures frequently for various international government and regulatory organisations as well as course providers.

Chay Wai Leong was appointed as Group Managing Director of K & N Kenanga Holdings Berhad and Managing Director of Kenanga Investment Bank Berhad on 17 May 2011.

Chay is also a Director of the Securities Industry Development Corporation, a company sponsored by the Securities Commission Malaysia and Bursa Malaysia involved in the development of capital markets.

Prior to his appointment at Kenanga, he was the Managing Director of RHB Investment Bank Berhad and Head of Corporate & Investment Banking of RHB Banking Group. In addition to his role as Managing Director of RHB Investment Bank, he was in charge of the Corporate Banking business of the RHB Banking Group. Under his leadership, RHB Investment Bank won numerous awards including Malaysia Bond House of the Year 2008 from IFR Asia, Best Equity House in 2009 from Finance Asia, Best Local Brokerage from AsiaMoney (1990-2008), Best Mergers & Acquisitions House of the Year 2010 from The Asset and Best Deal of the Year from Islamic Finance (2008-2010).

From 2002 to 2006, Chay was with Standard Bank, one of South Africa's largest financial groups as the Country Head for Malaysia. Concurrently, he was also Director for Regional Originations for Standard Bank Asia Ltd in Hong Kong and a Director at Standard Merchant Bank (Asia) Ltd, Standard Bank's merchant banking unit based in Singapore.

Chay worked at Jardine Fleming based in Hong Kong as Director of Investment Banking from 1990 to 1996. In 1997, he went on to start the investment banking business for Flemings in Malaysia. He was appointed Director and Head of Investment Banking for Chase JF Malaysia following the merger of Jardine Fleming and Chase Manhattan Bank in 2000. A year later, he was appointed Director and Head of Investment Banking for JP Morgan Malaysia after the merger of Chase and JP Morgan. During his tenure as Director and Head of Investment Banking for Jardine Fleming/JP Morgan Chase in Malaysia, the firm won the Euromoney award for "Best Foreign Securities Firm in Malaysia" consecutively from 1997 to 2000.

Chay started his career in 1987 at Bankers Trust Brokerage in Singapore as an Investment Analyst.

He holds a Bachelor of Business Administration from the National University of Singapore.



Chay Wai Leong

Group Managing Director
K & N Kenanga Holdings Berhad

The SIDC Family: Performing with Integrity. Delivering with Pride.

At the SIDC, our staff share the same respect for integrity and the same zeal for excellence regardless of the diverse roles we play. We believe in what we do and we thrive in the satisfaction of doing it well. Together, we aim high, to inspire and to deliver positive change at the forefront of our field.



Investor
Education &
National Agenda



TIE –
Design &
Development
and Marketing



Examinations
& CPE/CPD



TIE –
Operations
& Event
Management



Finance & Administration,
Corporate Communications
and Human Resources



Senior Management

AZMAN HISHAM CHE DOI Chief Operating Officer

Azman Hisham Che Doi is the Chief Operating Officer overseeing operations of the SIDC. He completed his Masters degree in Financial Management from the University of Hull, UK in 1995. He is a Certified Training Professional. Azman began his career as an analyst at Bapema Trading Sdn. Bhd. in 1992 and moved on to become a lecturer teaching Investment Analysis, Financial Management and Corporate Finance at Universiti Utara Malaysia (UUM). He joined the SC in 1998 where he was responsible for licensing examinations, which included setting up the examinations department as well as examination framework for the Malaysian capital market. Among his international involvements included working with regional counterparts from Hong Kong, Indonesia and Cambodia. In 2006, he was involved in the Asean Capital Market Forum Working Group; and in 2008 he managed a consultancy project for the Capital Market Authority of Saudi Arabia.



Azman Hisham
Che Doi



Sarimah
Ramthandin

SARIMAH RAMTHANDIN Director, Training and Investor Education Division

Sarimah Ramthandin is the Director of the Training and Investor Education Division. She holds an MBA from University Malaya and a BSc in Business Administration (Finance) from Iowa State University, USA. She is also a Certified Training Professional with over 14 years of experience in the capital market industry. She started her career in 1996 as an internal auditor for Hong Leong Finance Bank Berhad and later as a dealer's representative in Kenanga Investment Bank. In 2000, she joined the SIDC's examinations department where she was involved in developing examination study guides and questions. She

moved to the Investor Education (IE) department in 2003 and has since led various IE initiatives for the SIDC. She is instrumental in the conceptualisation, development and implementation of various IE projects including strategic partnership, publications and financial literacy programmes. Sarimah is a regular speaker on topics ranging from good money management habits to smart investing in the local broadcast media.

SIVALINGAM NAVARATNAM General Manager and Head of International Programmes and Corporate Governance

Sivalingam Navaratnam is the Head of International Programmes and Corporate Governance, responsible for developing partnerships for new international business opportunities and training programmes on corporate governance. He works closely with international regulators and funding agencies in developing training initiatives for the ASEAN and APEC markets. Sivalingam joined the SC in 1998 and has played a key role in the development and implementation of the Continuous Professional Education (CPE) programme, the Capital Market Graduate Training Scheme (CMGTS), Bumiputera Training Fund (BTF) and the SC's flagship



Sivalingam
Navaratnam

programmes, namely the Emerging Markets Programme (EMP) and Islamic Markets Programme (IMP). Prior to joining the SC, he was a senior lecturer of finance in a local training institute and an auditor in Ernst & Young. His areas of expertise include development of human capacity building strategies and curriculum frameworks for capital market development, programme assessment, development and delivery of training models, evaluation and programme quality control. He completed the examinations of the Chartered Institute of Management Accountants (CIMA), UK and holds a Masters in Business Administration from the University of Strathclyde, UK. He is also a Certified Training Professional.

CSR in Action: Reaching Out to Care for Nature

The SIDC culture emphasises a high degree of work-life balance and employees are encouraged to develop a well-rounded experience at work that extends beyond achieving performance targets to include participating in CSR activities and volunteerism.

As a leading provider of capital markets training and investor education, the SIDC stays true to our core corporate values to create a positive and sustainable impact in the work we do. Alongside this commitment, we take our corporate citizenship seriously, not only in ensuring fair, responsible and ethical treatment of our employees, clients, stakeholders, partners and the community we serve, but also in engendering a healthy respect and affinity for nature and the environment we live in.

SIDC employees are encouraged to participate in environmental volunteerism as part of the SIDC's corporate social responsibility (CSR) thrust to perpetuate a spirit of "nurturing nature" within our corporate culture. In keeping with our CSR motto "We Care. We Do", 35 SIDC employees ended the year meaningfully by spending a full day volunteering at Zoo Negara in December 2011.

Our volunteer group arrived at Zoo Negara bright and early in the morning well prepared and armed with an abundance of enthusiasm to do our bit for the wellbeing of our animal friends. Volunteers were split into groups of three to five to handle different species of animals, which included giraffes, goats, rabbits, bears, snakes, giant tortoises, tapirs, rhinoceroses, Indian gaurs and porcupines.

Spending a day in the life of a zookeeper was an eye-opening and even humbling experience. The daily routine to ensure the animals are well-fed and kept in a reasonably clean and hygienic environment is a full-time task akin to a labour of love. Many hands make light work, and the day progressed smoothly as we toiled to sweep and tidy up the animals' enclosures, clean their watering holes, feed and even medicate them. For most city dwellers that rarely have the chance to be in touch with nature, it was exciting to be able to enjoy the company of wild animals up close. In addition to animal care, some volunteers were roped in by the zookeepers to help with administrative tasks.

As the chores got completed and the day drew to a close, the volunteers felt a sense of achievement in having contributed their time and effort for the benefit of Zoo Negara's residents. The activities at the zoo reminded SIDC staff that Planet Earth belonged not only to the human race but to other living species as well. As caring and responsible inhabitants, doing what we can today to protect their existence and to lessen the damage inflicted on the natural environment will help ensure all species have an equal chance of survival in the future.



SIDC IN THE NEWS

THE YEAR OF 2011

www.sidc.com.my

SIDC pelawa siswa sertai pertandingan I-Film

PERBADANAN Pembangunan Industri Sekuriti (SIDC), cabang latihan dan pendidikan di Suruhanjaya Sekuriti Malaysia (SC), mempelawa penyertaan pelajar kolej dan universiti dalam Pertandingan Filem Literasi Kewangan Antara Varsiti (I-Film).

SIDC dalam kenyataannya berkata, pertandingan yang menawarkan hadiah wang tunai sehingga RM3,000 itu adalah terbuka kepada semua pelajar kolej dan universiti yang berminat menggunakan rangkaian sosial di dalam talian.

"Ia bertujuan untuk menilai kebolehan pelajar bagi mempromosikan konsep pengurusan wang dan pelaburan untuk masa depan secara kreatif kepada rakan mereka," kata kenyataan yang dikeluarkan di Kuala Lumpur itu semalam.

Untuk menyertainya, pelajar perlu menghasilkan sebuah video asli mengenai pengurusan kewangan atau pelaburan bijak dalam format yang menghiburkan seperti muzik video, animasi, filem pendek atau pengumuman khidmat masyarakat.

Katanya, I-Film adalah satu daripada pelbagai usaha inovatif yang dijalankan SIDC bagi mewujudkan pelabur yang berpengetahuan dan mahir dalam pasaran modal melalui pendidikan pelabur berkualiti kepada rakyat negara ini.

Pertandingan literasi kewangan lain yang dianjurkan SIDC pada 2011 adalah Pertandingan Kanak-kanak Peringkat Kebangsaan & Kuiz Antara Sekolah yang menyaksikan penyertaan daripada 2,116 sekolah rendah di seluruh Malaysia.

Selain itu, SIDC turut meningkatkan kesedaran masyarakat mengenai pelaburan bijak dan pengurusan wang menerusi seminar dan bengkel pendidikan pelabur yang menyasar pelbagai lapisan komuniti seperti pelajar sekolah, universiti, ibu bapa, wanita serta pekerja kolar putih dan biru. Tahun ini, seramai 47,548 peserta seluruh negara mendapat manfaat daripada program literasi kewangan yang diadakan.

Pertandingan I-Film ditutup pada 11 Februari depan dan pemenang akan diumumkan pada 17 Februari.

SIDC berkata, mereka yang berminat boleh melayari laman web Malaysian Investor di www.min.com.my atau laman Facebook www.facebook.com/malaysianinvestor.

08 | NEWS WITHOUT BORDERS +
Friday, 10 September 2011

Financial literacy teaching skills

> Ministry wants 100 teachers each year to be trained under the 'Train the Trainer for Teachers' programme

BY PREMALATHA JAYARAMAN
premalatha@news.com

PETALING JAYA: Inspired by the success of the 'Train the Trainer for Teachers' programme organised by the Securities Commission earlier this year, the Education Ministry is aiming to get 100 teachers a year trained with financial literacy teaching skills.

In deputy minister Dr Wee Ka Siong said that under the pilot programme conducted earlier this year, 100 teachers from Selangor and Terengganu were equipped with the tools and skills to run activity-based workshops to help children learn about money management and formulate smart spending habits in fun-filled and creative ways.

The state education department can assist the SC in ensuring the success of the programme, which is intended to make kids financially literate.

and resistance to access and to ensure the sustainability of efforts supporting the transition from financial literacy to financial capability.

She said through initiatives like 'Kids & Cash' and 'Teens & Cash', which have been running for the past three years, the SC has reached about 90,000 students.

With the commitment of the teachers and the support of their principals and the ministry, she said the 'Train the Trainer for Teachers' has the potential to triple that reach over the next five years.

Zainab said according to a post-programme survey, 95% of schoolchildren started saving or increasing their savings and were able to distinguish between needs and wants when making purchases, and have decided to invest their money after going through financial literacy programmes like 'Kids & Cash' and 'Teens & Cash'.

回教金融年均成長14% 逐步滲透歐非市場

再納依茲指出，截至今年5月的前12個月，全球回教債券總值按年增長10%。

Solid growth in

The Islamic finance industry grows at 14%

By EBY SAIF
esay@news.com

KUALA LUMPUR: Islamic finance has achieved a substantial growth in the past two decades, amounting to a growth rate of about 14% over the past 25 years.

Securities Commission Malaysia (SC) Islamic capital market executive director Zainal Abidin said Islamic finance industry that was currently estimated to be worth about US\$1 trillion in 2008 had made further inroads in the Islamic traditional markets such as Malaysia and the Gulf Cooperation Council (GCC) while welcoming new markets such as Europe and Africa.

"While Islamic banking assets account for a larger part of this value, the segment that has enjoyed especially strong growth in the more recent years is sharia-compliant equity, he said.

Zainal said while at the same period, the size of global Islamic finance assets had increased by 10%.

Key challenges to Islamic finance



(on left) SIDC international desk general manager (GMI) N Sivalingam, Prof Dr Niehaus, SC GM Dr Rosliza Mat Yalin, Zainal and SC project director Wan Abdul Rahim Kamil

HABHAJIAN SINGH

NE of the key challenges facing Islamic finance is the uncertainty and disparity in various legal, regulatory and frameworks when compared to its conventional counterparts, said a Malaysian banker.

The challenge becomes more acute when we go into cross-border situations where multiple legal, regulatory and jurisdictions apply," said GMI N Sivalingam.

The challenge becomes more acute when we go into cross-border situations where multiple legal, regulatory and jurisdictions apply," said GMI N Sivalingam.

clear or not as economical compared to the conventional route.

"Until these issues are satisfactorily addressed, there will be some degree of apprehension among industry players and practitioners to fully embrace Islamic finance," he said at the opening of the three-day 6th Islamic Markets Programme (IMP) organised by the SC and the Securities Industry Development Corp (SIDC) in Kuala Lumpur yesterday.

The IMP, which was first held in 2006, is themed: The Role of Regulation in Overcoming Challenges in Developing Islamic Markets.

greater harmonisation in interpretation of Shariah principles also represents a major challenge for the industry.

"While the differences in opinion are not prevalent, the inability to achieve complete harmonisation is, in some extent, affecting the industry's efforts to build up scale in terms of product development, distribution and expertise, as well as cost efficiencies."

"Efforts to truly globalise Islamic finance through cross-border transactions and the offering of such products and services are also being hampered," he said.

One of the key speakers at the event, attended by a

other jurisdictions, is Prof Dr Voller Niehaus, the visiting professor at the Henley Business School at University of Reading, UK.

Another speaker is Khairul Nizam, the deputy secretary general of the Accounting and Auditing Organisation for Islamic Financial Institutions (AAOIFI) who will speak on the 'AAOIFI Standard Risk Framework for Global Perspective'.

International Centre for Education on Islamic Finance (INCEIF) lecturer Dr Akhene Labassan will speak on the role of the Shariah advisory board in terms of compliance, transparency

Memastikan ibu tunggal tidak tertipu

PERUNDING Pusat Perkembangan Industri Sekuriti (SIDC), Mohd Nasrul Shah Saemudin,

berkata antara perkara yang boleh dilakukan oleh ibu tunggal dalam memantapkan kedudukan kewangan mereka adalah melalui pelaburan.

"Mereka harus bijak melabur wang mengikut pasaran yang stabil dan mudah difahami di samping meningkatkan pelbagai perkara yang harus diketahui sebelum melabur supaya tidak terkejut dengan skim pelaburan yang tidak sah."

"Antara ciri-ciri pelaburan yang sah ialah menawarkan pulangan yang tinggi sehingga 20 hingga 30 peratus setahun tanpa risiko kerana pelaburan biasa atau sah tidak akan menawarkan pulangan seperti yang diberi."

"Perasaan curiga harus ada sekiranya sesuatu pelaburan mendakwa tidak akan mendatangkan sebarang kerugian sama sekali kerana setiap pelaburan mempunyai risiko-nya sendiri," katanya.

Di samping itu, katanya, jangan melabur jika mereka tidak mempunyai produk dan pulangan akan dibayar mengikut bilangan orang yang mendaftar.

"Berhati-hati dengan plan yang menjanjikan anda untuk melabur orang lain bukannya untuk menjual produk atau perkhidmatan."

"Pekataan yang menjadi kunci utama untuk mengenali kita supaya berhati-hati ialah piramid."

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Alharamiah, Sabtu 30 April 2011

Kids and Cash galak menabung

JAWI: Baga memartikan sifat menabung dengan dalam kalangan pelajar sekolah sari Program Kids and Cash dijalankan.

Program yang dilaksanakan Securities Industry Development Corporation (SIDC) terhadap pelajar sekolah ini bertujuan untuk menyemai benih pengurusan kewangan dalam kalangan pelajar.

Sekretaris Inovasi Pendidikan, Department SIDC Yumna Zulfa, berkata program Kids and Cash dijalankan bagi meningkatkan minat pelajar terhadap tabung.

"Kanak-kanak ini akan mendidik kanak-kanak terdahulu mengenai pentingnya menabung wang, habit pelaburan bijak serta cara menguruskan kewangan pada masa yang muda."

"Kanak-kanak ini juga akan didedahkan kepada konsep pelaburan yang berfaedah melalui program Kids and Cash."

Program ini dilaksanakan oleh SIDC dan bertujuan untuk meningkatkan minat pelajar terhadap tabung.

Sekretaris Inovasi Pendidikan, Department SIDC Yumna Zulfa, berkata program Kids and Cash dijalankan bagi meningkatkan minat pelajar terhadap tabung.



Sebahagian pelajar SK Kelantan Jaya menerima tabung daripada SIDC sempena Kids and Cash.

dengan kanak-kanak memartikan sifat menabung dengan dalam kalangan pelajar sekolah sari Program Kids and Cash dijalankan.

Sekretaris Inovasi Pendidikan, Department SIDC Yumna Zulfa, berkata program Kids and Cash dijalankan bagi meningkatkan minat pelajar terhadap tabung.



Financial Statements

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Directors' Report

for the year ended 31 December 2011

The Directors have pleasure in submitting their report and the audited financial statements of the Company for the financial year ended 31 December 2011.

PRINCIPAL ACTIVITIES

The Company supports the Securities Commission Malaysia ("SC") and Bursa Malaysia in the creation of a vibrant Malaysian capital market. The Company has five 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, training of directors of public listed companies and development of the capital market talent pipeline. It also aims to develop and support high quality research relating to the financial services industry.

RESULTS

	RM
Net income for the year	2,387,153

RESERVES AND PROVISIONS

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

DIRECTORS OF THE COMPANY

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

Tan Sri Zarinah Anwar
 Dato' Tajuddin Atan (appointed on 20 May 2011)
 Dato Dr. Nik Ramlah Nik Mahmood
 Tan Sri Dato' Dr Wan Mohd Zahid Mohd Noordin
 Gerald Michael Ambrose
 Angelina Agnes Kwan
 Chay Wai Leong
 Dato' Yusli Mohamed Yusoff (resigned on 31 March 2011)

DIRECTORS' BENEFITS

Since the end of the previous financial year, no Director of the Company has received nor become entitled to receive any benefit 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 the Company or any other body corporate.

OTHER STATUTORY INFORMATION

Before the statement of financial position and statement of comprehensive income of the Company were made out, the Directors took reasonable steps to ascertain that:

- i) All known bad debts have been written off and adequate provision made for doubtful debts, and
- ii) any current assets which were unlikely to be realised in the ordinary course of business have been written down to an amount which they might be expected so to realise.

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

- i) that would render the amount written off for bad debts, or the amount of the provision for doubtful debts in the Company inadequate to any substantial extent, 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.

At 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 financial performance of the Company for the financial year ended 31 December 2011 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.

Directors' Report for the year ended 31 December 2011 (cont'd)

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:



Tan Sri Zarinah Anwar



Dato' Tajuddin Atan

Kuala Lumpur, Malaysia

Date: 23 March 2012

Statement of Financial Position

as at 31 December 2011

	Note	2011 RM	2010 RM
Assets			
Property, plant and equipment	3	656,326	815,121
Total non-current asset		656,326	815,121
Trade and other receivables	4	1,218,390	1,371,343
Cash and cash equivalents	5	38,323,021	32,838,651
Total current assets		39,541,411	34,209,994
Total assets		40,197,737	35,025,115
Equity			
Accumulated surplus		7,663,670	5,276,517
Total equity		7,663,670	5,276,517
Liabilities			
Long-term prepaid expenses	6	32,024,181	28,980,613
Total non-current liability		32,024,181	28,980,613
Trade and other payables	7	509,886	767,985
Total current liabilities		509,886	767,985
Total equity and liabilities		40,197,737	35,025,115

The notes on pages 55 to 67 are an integral part of these financial statements.

Statement of Comprehensive Income

for the year ended 31 December 2011

	Note	2011 RM	2010 RM
Income			
Training industry		3,638,346	3,911,628
Examination fees		1,307,715	788,948
Sale of publications		305,227	141,802
Rental income		373,220	488,460
Consultant services		601,311	419,172
Income received from fixed deposits		1,282,441	917,919
Other income		9,466	29,653
		<u>7,517,726</u>	<u>6,697,582</u>
Amortisation of long-term prepaid expenses		10,271,432	13,417,106
		<u>17,789,158</u>	<u>20,114,688</u>
Less: Expenditure			
Event expenses		7,919,801	9,778,270
Staff costs	8	6,103,630	6,928,858
Administration expenses		1,378,574	1,549,759
		<u>15,402,005</u>	<u>18,256,887</u>
Income before tax	9	2,387,153	1,857,801
Income tax expense	10	-	-
Net income for the year and total comprehensive income for the year		<u>2,387,153</u>	<u>1,857,801</u>

The notes on pages 55 to 67 are an integral part of these financial statements.

Statement of Changes in Equity

for the year ended 31 December 2011

	Accumulated surplus RM
At 1 January 2010	3,418,716
Total comprehensive income for the year	1,857,801
At 31 December 2010/1 January 2011	5,276,517
Total comprehensive income for the year	2,387,153
At 31 December 2011	7,663,670

The notes on pages 55 to 67 are an integral part of these financial statements.

Statement of Cash Flows

for the year ended 31 December 2011

	2011 RM	2010 RM
Cash flows from operating activities		
Income before tax	2,387,153	1,857,801
Adjustments for:		
Amortisation of long-term prepaid expenses	(10,271,432)	(13,417,106)
Depreciation of property, plant and equipment	307,339	344,258
Impairment loss on trade receivables	-	35,059
Interest income	(1,282,441)	(917,919)
Loss on disposal of property, plant and equipment	-	4,517
Plant and equipment written off	1,089	-
Reversal of impairment loss on trade receivables	(4,880)	(11,070)
Operating loss before changes in working capital	(8,863,172)	(12,104,460)
Changes in working capital:		
Trade and other receivables	545,359	123,324
Trade and other payables	(258,099)	300,864
Cash used in operations	(8,575,912)	(11,680,272)
Income tax refund	-	113,001
Net cash used in operating activities	(8,575,912)	(11,567,271)
Cash flows from investing activities		
Interest received	1,106,915	929,654
Acquisition of property, plant and equipment	(149,633)	(68,226)
Net cash from investing activities	957,282	861,428
Cash flows from financing activity		
Grants received	13,103,000	14,750,000
Net cash from financing activity	13,103,000	14,750,000
Net increase in cash and cash equivalents	5,484,370	4,044,157
Cash and cash equivalents at beginning of year	32,838,651	28,794,494
Cash and cash equivalents at end of year	38,323,021	32,838,651

The notes on pages 55 to 67 are an integral part of these financial statements.

Notes to the Financial Statements

The 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 five 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, training of directors of public listed companies and development of the capital market talent pipeline. It also aims to develop and support high quality research relating to the financial services industry.

The financial statements were authorised for issue by the Board of Directors on 23 March 2012.

1. BASIS OF PREPARATION

(a) Statement of compliance

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

The Company shall apply the following accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board (MASB) once they become effective:

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2011

- IC 19, *Extinguishing Financial Liabilities with Equity Instruments*
- Amendments to IC 14, *Prepayments of a Minimum Funding Requirement*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2012

- FRS124, *Related Party Disclosures* (revised)
- Amendments to FRS 1, *First-time Adoption of Financial Reporting Standards - Severe Hyperinflation and Removal of Fixed Dates for First-time Adopters*
- Amendments to FRS 7, *Financial Instruments: Disclosures - Transfers of Financial Assets*
- Amendments to FRS 112, *Income Taxes - Deferred Tax: Recovery of Underlying Assets*

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2012

- Amendments to FRS 101, *Presentation of Financial Statements - Presentation of Items of Other Comprehensive Income*

Notes to the Financial Statements (cont'd)

1. BASIS OF PREPARATION (CONT'D)

(a) Statement of compliance (cont'd)

FRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2013

- FRS 9, *Financial Instruments* (2009)
- FRS 9, *Financial Instruments* (2010)
- FRS 10, *Consolidated Financial Statements*
- FRS 11, *Joint Arrangements*
- FRS 12, *Disclosure of Interests in Other Entities*
- FRS 13, *Fair Value Measurement*
- FRS 119, *Employee Benefits* (2011)
- FRS 127, *Separate Financial Statements* (2011)
- FRS 128, *Investments in Associates and Joint Ventures* (2011)
- IC Interpretation 20, *Stripping Costs in the Production Phase of a Surface Mine*

The Company's financial statements for annual period beginning on 1 January 2012 will be prepared in accordance with the Malaysian Financial Reporting Standards (MFRSs) issued by the MASB and International Financial Reporting Standards (IFRSs). As a result, the Company will not be adopting the above FRSs, Interpretations and amendments.

The change of the financial reporting framework is not expected to have any significant impact on the financial position and performance of the Company.

(b) Basis of measurement

The financial statements of the Company have been prepared on the historical cost basis other than as disclosed in Note 2.

(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 judgments

The preparation of financial statements in conformity with FRSs 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 period in which the estimates are revised and in any future periods affected.

There are no significant areas of estimation uncertainty and critical judgements in applying accounting policies that have significant effect on the amounts recognised in the financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies set out below have been applied consistently to the periods presented in these financial statements, and have been applied consistently by the Company, unless otherwise stated.

(a) Financial instruments

(i) Initial recognition and measurement

A financial asset or a financial liability is recognised in the statement of financial position when, and only when, the Company becomes a party to the contractual provisions of the instrument.

A financial instrument is recognised initially, at its fair value plus, in the case of a financial instrument not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

(ii) Financial instrument categories and subsequent measurement

The Company categorises financial instruments as follows:

Financial assets

Loans and receivables

Loans and receivables category comprises receivables and cash and cash equivalents.

Financial assets categorised as loans and receivables are subsequently measured at amortised cost using the effective interest method.

All financial assets are subject to review for impairment (see Note 2(e)).

Financial liabilities

All financial liabilities are subsequently measured at amortised cost.

(iii) Derecognition

A financial asset or part of it is derecognised when, and only when the contractual rights to the cash flows from the financial asset expire or the financial asset is transferred to another party without retaining control of substantially all risks and rewards of the asset. On derecognition of a financial asset, the difference between the carrying amount and the sum of the consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised in equity is recognised in profit or loss.

A financial liability or a part of it is derecognised when, and only when, the obligation specified in the contract is discharged or cancelled or expires. On derecognition of a financial liability, the difference between the carrying amount of the financial liability extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

Notes to the Financial Statements (cont'd)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(b) Property, plant and equipment

(i) Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

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 profit or loss.

(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 to profit or loss. The costs of the day-to-day servicing of property, plant and equipment are recognised in profit or loss as incurred.

(iii) Depreciation

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

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
• Furniture and fitting	5 years
• Renovation	10 years

Depreciation methods, useful lives and residual values are reviewed, and adjusted as appropriate at the end of the reporting period.

(c) Receivables

Trade and other receivables are categorised and measured as loans and receivables in accordance with Note 2(a).

(d) Cash and cash equivalents

Cash and cash equivalents consist of cash in hand, balances and deposits with banks.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)**(e) Impairment****(i) Financial assets**

All financial assets are assessed at each reporting date whether there is any objective evidence of impairment as a result of one or more events having an impact on the estimated future cash flows of the asset. Losses expected as a result of future events, no matter how likely, are not recognised.

An impairment loss in respect of loans and receivables is recognised in profit or loss and is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account.

(ii) Other assets

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

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 (known as cash-generating unit).

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 or cash-generating unit.

An impairment loss is recognised if the carrying amount of an asset or its related cash-generating unit exceeds its estimated recoverable amount.

Impairment losses are recognised in profit or loss. Impairment losses recognised in prior periods are assessed at the end of each reporting period 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 since the last impairment loss was recognised. 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 profit or loss in the year in which the reversals are recognised.

(f) Employee benefits**(i) 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.

(ii) State plans

The Company's contributions to statutory pension fund are charged to profit or loss in the financial year to which they relate. Once the contributions have been paid, the Company has no further payment obligations.

Notes to the Financial Statements (cont'd)

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

(g) Revenue recognition

(i) Fees and services

Fees and services income is recognised in profit or loss on an accrual basis.

(ii) Grants

Grants are recognised initially as long-term prepaid expenses when there is reasonable assurance that they 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 profit or loss in the same periods in which the expenses are recognised.

(iii) Interest income

Interest income is recognised as it accrues, using the effective interest method in profit or loss.

(h) Income tax

Income tax comprises current and deferred tax. Current tax and deferred tax is recognised in the profit or loss except to the extent that it relates to a business combination or items recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantially enacted by the end of the reporting period, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognised using the liability method, providing for temporary differences between the carrying amounts of assets and liabilities in the statement of financial position and their tax bases. Deferred tax is not recognised for the following temporary differences: the initial recognition of goodwill, the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss. Deferred tax is measured at the tax rates that are expected to apply to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

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 the end of each reporting period and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

A tax incentive that is not a tax base of an asset is recognised as a reduction of tax expense in profit or loss as and when it is granted and claimed. Any unutilised portion of the tax incentive is recognised as a deferred tax asset to the extent that it is probable that future taxable profits will be available against which the unutilised tax incentive can be utilised.

3. PROPERTY, PLANT AND EQUIPMENT

	Office equipment RM	Computer equipment RM	Communication equipment RM	Furniture & Fitting RM	Renovation RM	Total RM
Cost						
At 1 January 2010	175,888	631,608	70,483	262,077	307,089	1,447,145
Additions	1,699	53,724	-	450	12,353	68,226
Reclassifications	(8,191)	3,188	-	5,003	-	-
Write-off	-	(5,300)	(7,135)	-	-	(12,435)
At 31 December 2010/1 January 2011	169,396	683,220	63,348	267,530	319,442	1,502,936
Additions	13,471	131,410	4,752	-	-	149,633
Write-off	-	-	(1,188)	-	-	(1,188)
At 31 December 2011	182,867	814,630	66,912	267,530	319,442	1,651,381
Depreciation						
At 1 January 2010	57,312	250,013	16,441	17,472	10,236	351,474
Depreciation for the year	32,493	213,091	13,979	53,780	30,915	344,258
Write-off	-	(5,299)	(2,618)	-	-	(7,917)
At 31 December 2010/1 January 2011	89,805	457,805	27,802	71,252	41,151	687,815
Depreciation for the year	35,538	173,105	13,245	53,507	31,944	307,339
Write-off	-	-	(99)	-	-	(99)
At 31 December 2011	125,343	630,910	40,948	124,759	73,095	995,055
Carrying amounts						
At 1 January 2010	118,576	381,595	54,042	244,605	296,853	1,095,671
At 31 December 2010/1 January 2011	79,591	225,415	35,546	196,278	278,291	815,121
At 31 December 2011	57,524	183,720	25,964	142,771	246,347	656,326

4. TRADE AND OTHER RECEIVABLES

	2011 RM	2010 RM
Amount due from the SC	225,398	316,688
Trade receivables	522,033	742,911
Other receivables	509,778	355,443
	1,257,209	1,415,042
Less: Allowance for impairment loss	(38,819)	(43,699)
	1,218,390	1,371,343

Included in other receivables are interests due from fixed deposits placement of RM498,694 (2010: RM323,167).

Notes to the Financial Statements (cont'd)

5. CASH AND CASH EQUIVALENTS

	2011 RM	2010 RM
Cash and bank balances	558,171	1,133,452
Deposits placed with licensed banks	23,209,003	12,705,199
Deposits placed with a scheduled institution	14,555,847	19,000,000
	<u>38,323,021</u>	<u>32,838,651</u>

The deposits placed with licensed banks and scheduled institution earned income at rates ranging from 1.90% to 3.65% (2010: 1.75% to 3.2%) and for periods ranging from 0.5 months to 12 months.

6. LONG-TERM PREPAID EXPENSES

	2011 RM	2010 RM
Non-current		
Long-term prepaid expenses	<u>32,024,181</u>	<u>28,980,613</u>
Grant from Capital Market Development Fund ("CMDF")	60,190,000	49,375,000
Grant from the SC	<u>20,500,000</u>	<u>18,000,000</u>
	80,690,000	67,375,000
Less: Amortisation of long-term prepaid expenses		
Grant from CMDF	(30,867,202)	(22,506,375)
Grant from the SC	<u>(17,798,617)</u>	<u>(15,888,012)</u>
At 31 December	<u>32,024,181</u>	<u>28,980,613</u>

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

(i) Grant from the SC

The SC agreed to provide assistance to the Company in the amount of RM2.5 million (2010: RM3 million) and for subsequent years, such sums granted are 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 the CMDF

The CMDF agreed to provide RM60.19 million in the first five years beginning year 2007 while the remaining of RM4.56 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"), the Investor Education Initiatives ("IEI") and the Graduate Development Programme ("GDP") over five (5) years. The grants 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. TRADE AND OTHER PAYABLES

	2011 RM	2010 RM
Other payables	405,895	501,750
Accrued expenses	38,185	163,966
Amount due to the SC	54,202	89,370
Institute of Corporate Responsibility Malaysia (“ICRM”) fund	11,604	12,899
	<u>509,886</u>	<u>767,985</u>

8. STAFF COSTS

	2011 RM	2010 RM
Employees Provident Fund	626,240	691,111
Remuneration, bonus, staff medical, staff training and overtime	5,477,390	6,237,747
	<u>6,103,630</u>	<u>6,928,858</u>

The number of employees of the Company at the end of the year was 48 (2010: 60).

9. INCOME BEFORE TAX

	2011 RM	2010 RM
Income before tax is arrived at after charging:		
Auditor’s remuneration	15,500	15,500
Impairment loss on trade receivables	-	35,059
Depreciation on property, plant and equipment	307,339	344,258
Management fees	264,000	275,400
Rental expenses	363,930	427,646
	<u></u>	<u></u>
and after crediting:		
Amortisation of long-term prepaid expenses	10,271,432	13,417,106
Rental income	373,220	488,460
Reversal of impairment loss on trade receivables	4,880	11,070
	<u></u>	<u></u>

10. INCOME TAX EXPENSE

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 2012.

Notes to the Financial Statements (cont'd)

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.

Significant related party transactions other than key management personnel compensation are as follows:

	Transactions value for the year ended 31 December		Net/Gross balance outstanding at 31 December	
	2011 RM	2010 RM	2011 RM	2010 RM
Related companies				
SC				
- Management fees	(264,000)	(275,400)	(22,000)	(22,200)
- Grant	2,500,000	3,000,000	212,000	250,000
CMDP				
- Grant	10,815,000	12,000,000	-	-
Permodalan Nasional Berhad				
- Training Industry*	17,760	60,000	2,040	-
Bursa Malaysia Berhad				
- Training Industry*	30,000	-	-	-
Aberdeen Asset Management Sdn Bhd				
- Training Industry*	7,164	-	-	-
Kenanga Investment Bank Berhad				
- Training Industry*	186,660	-	29,810	-
RHB Investment Bank				
- Training Industry*	-	32,040	-	2,700

* There is no allowance for impairment losses being provided in respect of these balances which are outstanding at financial year end.

The terms and conditions for the above transactions are based on normal trade terms. All the amounts outstanding are unsecured, interest-free and expected to be settled in cash.

12. CAPITAL COMMITMENTS

	2011 RM	2010 RM
Capital expenditure commitments		
Plant and equipment		
<i>Approved but not contracted for:</i>		
Within one year	72,950	483,300

13. FINANCIAL INSTRUMENTS

13.1 Categories of financial instruments

The table below provides an analysis of financial instruments categorised as follows:

- (a) Loans and receivables (L&R); and
- (b) Other financial liabilities measured at amortised cost (OL).

	Carrying amount RM	L&R/ (OL) RM
2011		
Financial assets		
Trade and other receivables	1,218,390	1,218,390
Cash and cash equivalents	38,323,021	38,323,021
	<u>39,541,411</u>	<u>39,541,411</u>
Financial liabilities		
Trade and other payables	(509,886)	(509,886)
2010		
Financial assets		
Trade and other receivables	1,371,343	1,371,343
Cash and cash equivalents	32,838,651	32,838,651
	<u>34,209,994</u>	<u>34,209,994</u>
Financial liabilities		
Trade and other payables	(767,985)	(767,985)

13.2 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. The Company has exposure to the following risks from its use of financial instruments:

- Credit risk
- Liquidity risk
- Market risk

13.3 Credit risk

Credit risk is a risk of a financial loss to the Company if a counterparty to a financial instrument fails to meet its contractual obligations. 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 with licensed banks and a scheduled institution. The maximum exposure to credit risk is represented by the carrying amount of each financial asset.

Notes to the Financial Statements (cont'd)

13. FINANCIAL INSTRUMENTS (CONT'D)

13.3 Credit risk (cont'd)

The ageing of receivables as at the end of the reporting year was:

	Gross RM	Individual impairment RM	Net RM
2011			
Not past due	987,686	-	987,686
Past due 1 - 30 days	27,261	-	27,261
Past due 31 - 60 days	47,329	-	47,329
Past due more than 60 days	194,933	(38,819)	156,114
	1,257,209	(38,819)	1,218,390
2010			
Not past due	1,094,502	-	1,094,502
Past due 1 - 30 days	56,805	-	56,805
Past due 31 - 60 days	91,205	-	91,205
Past due more than 60 days	172,530	(43,699)	128,831
	1,415,042	(43,699)	1,371,343

The movements in the allowance for impairment losses of receivables during the financial year were:

	2011 RM	2010 RM
At 1 January	43,699	19,710
Impairment loss recognised	-	35,059
Impairment loss reversed	(4,880)	(11,070)
At 31 December	38,819	43,699

Investments and other financial assets

Risk management objectives, policies and processes for managing the risk

Investments are allowed only in liquid securities and only with counterparties that have a credit rating equal to or better than sovereign or near sovereign.

Exposure to credit risk, credit quality and collateral

At the end of the reporting period, the Company has only invested in fixed deposits. The maximum exposure to credit risk is represented by the carrying amounts in the statement of financial position.

13.4 Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. 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.

13. FINANCIAL INSTRUMENTS (CONT'D)**13.4 Liquidity risk (cont'd)***Maturity analysis*

The table below summarises the maturity profile of the Company's financial liabilities as at the end of the reporting period based on undiscounted contractual cash flow.

	Carrying amount RM	Contractual cash flow RM	Under 1 year RM
2011			
Financial liabilities			
Trade and other payables	509,886	509,886	509,886
2010			
Financial liabilities			
Trade and other payables	767,985	767,985	767,985

13.5 Market risk

Market risk is the risk that changes in market prices, such as interest rates that will affect the Company's financial position or cash flows.

13.5.1 Interest rate risk

The interest rate profile of the Company's significant interest-bearing financial instruments, based on carrying amounts as at the end of the reporting period was:

	2011 RM	2010 RM
Fixed rate instruments		
Financial assets	38,323,021	32,838,651

*Interest rate risk sensitivity analysis**Fair value sensitivity analysis for fixed rate instruments*

The Company does not account for any fixed rate financial assets at fair value through profit or loss, and the Company does not designate derivatives as hedging instruments under a fair value hedge accounting model. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

13.6 Fair value

In respect of cash and cash equivalents, trade and other receivables and trade and other payables, the carrying amounts approximate fair value due to the relatively short-term nature of these financial instruments.

14. RESERVES MANAGEMENT

The Company's reserves management objective is to maintain adequate reserves to safeguard the Company's ability to perform its duties and functions independently and effectively. The Management monitors the long-term capital commitments to ensure that sufficient funds are available to meet the obligations. The Company's investments are managed in a prudent manner to ensure the preservation of the reserves.

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 51 to 67 are drawn up in accordance with 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 at 31 December 2011 and of its financial performance and cash flows for the financial year then ended.

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

Sam

Tan Sri Zarinah Anwar

Long

Dato' Tajuddin Atan

Kuala Lumpur,

Date: 23 March 2012

Statutory Declaration

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

I, **Azman Hisham Che Doi**, the officer primarily responsible for the financial management of the Securities Industry Development Corporation, do solemnly and sincerely declare that the financial statements set out on pages 51 to 67 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 Kuala Lumpur on 23 March 2012.



Azman Hisham Che Doi

Before me: _____



Independent Auditors' Report

to the members of the Securities Industry Development Corporation

(Company No. 765264-K)

(Limited by Guarantee - Incorporated in Malaysia)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of the Securities Industry Development Corporation, which comprise the statement of financial position as at 31 December 2011, and the statements of comprehensive income, changes in equity and cash flows for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 51 to 67.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of these financial statements that give a true and fair view in accordance with Financial Reporting Standards and the Companies Act, 1965 in Malaysia, and for such internal control as the Directors determine are necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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 entity's preparation of the financial statements that gives a true and fair view 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 entity'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 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 at 31 December 2011, and of its financial performance and cash flows for the year then ended.

Independent Auditors' Report to the members of the Securities Industry Development Corporation (cont'd)

(Company No. 765264-K)

(Limited by Guarantee - Incorporated in Malaysia)

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

Petaling Jaya, Malaysia

Date: 23 March 2012



Peter Ho Kok Wai
Partner
Approval Number: 1745/12/13(J)

**SECURITIES INDUSTRY
DEVELOPMENT CORPORATION**

3, Persiaran Bukit Kiara
Bukit Kiara
50490 Kuala Lumpur
Malaysia

T : 603-6204 8667
F : 603-6201 5112
E : sidc@sidc.com.my

www.sidc.com.my