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ANNUAL REPORT 2013

Delivering Professional Excellence

Progressive

Dynamic

Strategic



Progressive. Dynamic. Strategic.

Nature is the one universal design that has shaped human thought and civilisation since time immemorial. On the cover, elements of nature define the theme “Progressive. Dynamic. Strategic.”, expressing SIDC’s motivation in leading human capital development within the capital markets industry. Just as relentless forces of nature create awe-inspiring canyons over time, SIDC’s progressive ability for innovation nurtures the right talent for the industry as it grows. In the same way a droplet makes ever-expanding ripples across water, SIDC’s targeted initiatives serve evolving training needs to produce a dynamic impact across the industry. And like migratory birds that instinctively fly in a V formation to optimise their journey, SIDC has an ingrained strategic know-how to bring out the best in people.



SHAPING
the future
PROGRESSIVELY



Creating
DYNAMIC
impact
where it matters



STRATEGISING
for optimum
results

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

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Innovating for Results

By embracing a culture of progressive learning, developing and innovating, we are able to maximise opportunities in all areas of our operations and consistently achieve results.



Focused on the Industry's Pulse



In the face of constantly evolving client requirements and expectations, keeping on top of the latest industry developments enables us to stay resilient in our quest for excellence.

Rooted in Professionalism



Building on powerful values that reflect our integrity, we are committed to securing the trust of our clients, partners, and stakeholders.

The SIDC Family: Striding Confidently Towards the Future

With the dedicated commitment and diverse talents of our staff, SIDC is making positive advancements towards a dynamic future.



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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.

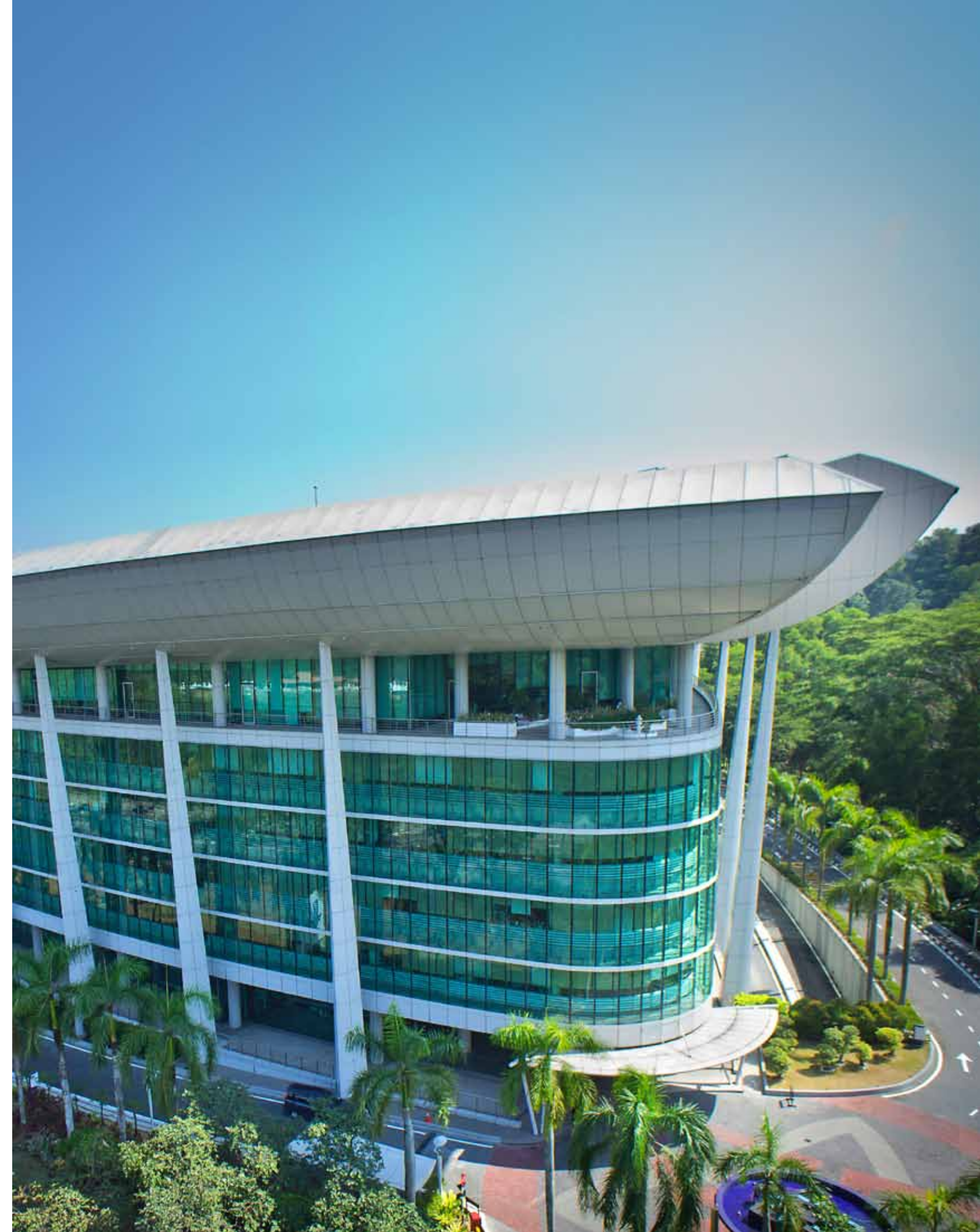
Established in 1994 and incorporated as a corporate entity in 2007, SIDC has been in the business of training and developing capital market participants in Malaysia and internationally for almost two decades. It designs and facilitates training programmes for Malaysian and foreign regulators, company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

SIDC also builds human capital for the Malaysian capital market through its talent development programmes. In addition, 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.



Continuous development and progress





Datuk (Dr) Ranjit Ajit Singh
Chairman
Securities Industry Development Corporation

Chairman's Statement

It is my privilege to present the Securities Industry Development Corporation (SIDC)'s seventh annual report. As the Securities Commission (SC) celebrates its 20th anniversary in 2013, it is notable that SIDC has been in existence for a significant part of SC's history, having been established in 1994 before being corporatised in 2007. Throughout its existence, SIDC has closely supported the SC's market development and regulatory mandate through industry-relevant training and capacity building initiatives.

Recognising the increasingly significant role of capital markets in the real economy, efforts to broaden market access, promote cross-border activities and facilitate greater adoption of technology continue to be intensified. In this increasingly competitive environment, a high-calibre and high-integrity talent pool becomes imperative in maintaining the attractiveness of the capital market and inspiring investor confidence.

To this end, SIDC plays a critical role in developing human capital for the Malaysian capital market. Its training programmes for diverse groups of market participants such as intermediaries, company directors, regulators, graduates and investors, contribute significantly to the development of industry professionals capable of fulfilling the demands of the evolving industry.

Development of Market Intermediaries

In 2013, SIDC's activities have continued to produce results in line with the SC's efforts to develop a fair, competitive and efficient capital market. Taking a strategic long-term perspective on the development of market intermediaries, SIDC provided a wide range of training programmes in 2013 to suit the different requirements of various regulated activities. Over 150 programmes covering conventional and Islamic capital market topics such as equity, derivatives, bonds, asset management, corporate finance, securities regulations and Shariah advisory were delivered and attended by 13,940 participants during the year.*

To ensure relevance and strengthen its training programmes, SIDC actively reached out to industry players to gather insights on their specific training requirements. As a result, strategic enhancements and updates were made to the Industry Training Initiative (ITI) based on feedback received. ITI - now in its seventh year - continued to be well-accepted by industry and drew 11,625 participants to its structured technical and soft skill programmes. In addition, more customised in-house programmes were also developed in 2013 to meet financial institutions' specific training and talent development needs, enriching the knowledge and skills of 506 employees from various capital market institutions.

SIDC also undertook a review and benchmarking exercise for the SC Licensing Examinations to ensure its standards and practices were aligned with global developments and changes in the market. The result of the external review validated that the SC Licensing Examinations were conducted in accordance with international best practices. The rigorousness with which the examinations are administered provides the necessary quality assurance to intermediaries fulfilling their licensing requirements.

*Total participants include multiple counting of participants who attended more than one training programme.

Chairman's Statement

Executive Development and Corporate Governance

In tandem with the SC's strategic "Growth with Governance" thrust in the Capital Market Masterplan 2 (CMP2), SIDC focused its corporate governance programmes at leadership level to promote good governance in listed companies and intermediaries.

In addition to conducting public corporate governance programmes, SIDC managed two prominent corporate governance events on behalf of the SC in June 2013, namely the OECD Asian Roundtable on Corporate Governance, and the International Corporate Governance Seminar. SIDC was also appointed to deliver a series of Bursa Malaysia workshops on "Corporate Governance Statement Reporting" between 2013 and 2014. The workshops, targeted at directors, senior management and company secretaries of public-listed companies, aimed to assist companies in developing more effective and meaningful disclosure of corporate governance policies and practices.

The SC's annual flagship executive development programme, the Advanced Business Management Programme (ABMP), was once again well received by top-level participants. Themed "Boosting Senior Management Skills in a Changing World", the programme garnered a high "Good to Excellent" rating of 4.8 out of 5, reflecting its continuing value in providing leading-edge management insights and innovative business strategies.

Development of New Talent

To support the SC's initiatives in developing talent for the capital market, specifically in boosting the licensed representative pipeline, in 2013 SIDC designed and delivered the GRP1000 Preparatory Programme where 44 young graduates were introduced to essential skills to become a licensed representative in Malaysia's securities and derivatives industry.

In the area of the Islamic capital market, SIDC has played an important role in producing entry-level professionals for the high-growth sector through the successful Islamic Capital Market Graduate Training Scheme (ICMGTS). Since 2009, a total of 361 graduates have benefited from the programme, which offers

training on technical Islamic capital market knowledge and soft skills to prepare participants for a career in the industry. For the year, 80 graduates were trained under the programme through two intakes. As one of SIDC's foremost talent development programmes to support the growth of the Malaysian capital market, ICMGTS' ongoing success and relevance is reflected in the high employment rate of its graduates. As of end 2013, a notable 87% of ICMGTS alumni have successfully gained employment in financial organisations, signifying the industry's confidence in the quality of the programme and its participants.

International Capacity Building Programmes and Consultancy Projects

In tandem with the SC's strong commitment and contribution to international regulatory initiatives, SIDC's capacity building programmes for regulators play a valuable complementary role in furthering close cooperation and knowledge-sharing with international counterparts.

Annual SC flagship regulator programmes including the Emerging Markets Programme (EMP) and the Islamic Markets Programme (IMP) again received strong ratings, indicating that their content and delivery met the international standards expected by regulators from both developing and developed markets. Notably, the EMP was commended by participants from 13 countries for its speakers' diversity and expansive experience that contributed richly to the topics discussed.

In March 2013, SIDC and the SC also developed and delivered an important four-part capital market development programme for the Lao PDR Securities and Exchange Commission Office (SECO), which received highly favourable feedback from the organisation.

SIDC also posted visible achievements on the international consultancy front, strengthening its position as the preferred partner of regulatory organisations for the delivery of custom-made capacity building programmes. Apart from extending its partnership with the Australian Agency for International Development (AusAID) to conduct programmes for APEC regulators until 2016, SIDC established itself as a training provider for the Asian Development Bank (ADB). A programme for the Lao PDR, Cambodia and Vietnam is planned to be delivered in the first quarter of 2014.

Investor Education

In pursuing the SC's agenda in investor education, in 2013 SIDC conducted the Kempen Pelabur Bijak Kebangsaan (KPBK) - a large-scale six-month nationwide campaign to promote wise investing - which reached an unprecedented 8.2 million people through various mass media including face-to-face seminars, TV and radio broadcasts as well as social media.

Furthermore, SIDC's on-the-ground awareness programmes for different segments of the population have maintained a major role in expanding investor education reach exponentially across the country. Throughout the year, programmes such as Kids & Cash, Teens & Cash, and Bijak Mengurus Wang (B.M.W.) continued to prove their effectiveness in raising investor knowledge and financial literacy as evidenced by the high ratings accorded by the public.

Charting Future Progress

In reviewing SIDC's performance in the past 12 months, I am pleased to note that the organisation continues to play a key role in capacity-building and talent development, particularly by enhancing the competency of Malaysian market professionals. I am confident that SIDC, with its nearly two decades of experience, is in a strong position to further advance its role as an industry-preferred professional training institute both domestically and internationally. The next five years will be an exciting journey for SIDC as it charts its way forward to be recognised internationally as a capital markets institute for the industry and its professionals. SIDC will be actively reaching out to industry players in a wider capacity to gather deeper insights into industry development needs.

I would like to thank the Board of Directors for their guidance and enthusiastic contribution towards SIDC's goals and objectives. To the management and staff of SIDC, I would like to extend my commendation for their good work and team effort in successfully fulfilling the organisation's roles and missions. The sustained commitment and spirit of innovation which characterise the SIDC team will enable the organisation to continue to deliver professional excellence in the years to come.



Chief Executive Officer's Statement



Azman Hisham Che Doi
Chief Executive Officer
Securities Industry Development Corporation

Overview

As in the past years, 2013 was another successful year for SIDC. We achieved or outperformed most of our targeted KPIs under the 2013 business plan. Overall, SIDC training programmes benefited 13,940 participants* and most of them managed to achieve “Good to Excellent” participant ratings, an indication of their quality, value, relevance and effectiveness in meeting participants’ training needs. On the organisational front, in 2013 SIDC continued to strengthen our position as a leading capital market training provider locally and among the emerging markets. We improved our product development and delivery as well as increased efforts to build our presence and reputation through various international collaborations and branding initiatives.

The success of 2013 is attributed to the strong teamwork, support and commitment of all SIDC staff in pursuing the organisation’s agenda. I am proud to note that our people continued to strive for superior performance and would like to extend my gratitude and appreciation to the dedicated SIDC family that continuously sought to make SIDC a successful organisation.

Development of Market Professionals

In 2013, SIDC successfully implemented more than 150 conventional and Islamic capital market training programmes across a wide range of topics. Most of the programmes upheld their participant ratings in the “Good to Excellent” band, indicating consistency in the high quality of programme content and delivery.

Structured technical and soft skill programmes under the Industry Training Initiative (ITI) continued to be highly popular among market intermediaries to help them advance their professional capabilities and competencies. ITI was delivered to 11,625 participants* in 2013. In total, since its launch in 2007, ITI has received close to 85,000 participants*. In the area of Islamic capital market, apart from the Islamic Markets Programme (IMP) and Islamic Capital Market Graduate Training Scheme (ICMGTS), we ran the Shariah Advisor Programme (i-Advisor), designed to enhance competencies of Shariah advisors in the area of Shariah Advisory relating to the Islamic capital market.

On top of that, SIDC developed and conducted a customised public programme “An Insight into Business Trust Guidelines” to complement the new guidelines implemented by the SC. We also ran various customised in-house programmes for financial institutions to help enhance the competencies of their market professionals. We trained 506 participants under this in-house initiative.

In addition, we continued to run the Dual Licensing Fast Track Programme (DLFT) targeted at dealer’s representatives (CMSRL holders for dealing in securities) who wish to be licensed as Futures Broker’s Representatives. The Familiarisation Programme for Registered Representatives (FPRR) specially designed for Trading Representatives and Introducing Representatives also continued to be organised to fulfil the need for capital market industry professionals. In total, 353 participants registered for

these programmes in preparation to participate in the respective regulated activities.

With regard to the SC Licensing Examinations, SIDC conducted 248 sessions catering to 4,318 candidates^ covering five regulated activities, with an overall passing rate of 44%. To prepare the candidates for the examinations, SIDC organised 36 examination preparatory courses which were attended by 822 participants.

SIDC also undertook initiatives to review and ensure the constant standards and integrity of the examination activities and among others, completed the review of one examination set for all the examination modules. In this exercise, views were sought from the respective Licensing Examination Review Committees where it was concluded that the composition of the questions in the set for each module was fair and reasonable. We also completed the benchmarking exercise and review of the examination framework in terms of preferred language for the examination, examination policies and procedures, question sets and syllabi.

The Continuing Professional Education (CPE) Secretariat administered by SIDC will continue to facilitate the Employees of Registered Persons’ (ERPs) CPE registration and CPE point collection. To date, a total of 2,608 ERPs from 42 Registered Persons (RPs) have been registered in the CPE Tracker System to record their CPE activities in line with the CPE requirements prescribed under the Guidelines on Investor Protection.

*This figure includes the multiple counting of participants who attended more than one training programme.

^This figure includes the multiple counting of candidates who sat for more than one examination.

Chief Executive Officer's Statement

Directors and Senior Executive Development

The annual Advanced Business Management Programme (ABMP), the SC's flagship programme for the C-suite, again proved its worth in providing industry leaders with strategic thinking, best practices and innovative insights in business management. A total of 18 participants comprising top management and board members of companies in the financial services industry attended this year's ABMP and accorded it top ratings, attesting to the programme's continuing relevance.

In accordance with the Malaysian Code on Corporate Governance issued in March 2012 and the focus on corporate governance in the Capital Market Masterplan 2 (CMP2), SIDC conducted public and in-house programmes to create awareness of the importance of corporate governance at management level. We delivered the "Malaysian Code on Corporate Governance 2012" public course for corporate governance practitioners, directors and top management of public-listed companies in April 2013, which received a "Good to Excellent" participant rating.

SIDC was also appointed by Bursa Malaysia to conduct two workshops on "Corporate Governance Statement Reporting" this year. Due to positive feedback, more workshops have been planned for 2014. Further, in December 2013 SIDC as part of a consortium led by Institut Tadbiran Awam Negara (INTAN) designed and delivered selected modules of the "Corporate Directors Leadership and Integrity" programme for appointed or to-be-appointed directors of government-owned and statutory-board-owned companies. In addition, SIDC successfully managed the OECD Asian Roundtable on Corporate Governance and the International Corporate Governance seminar co-hosted by the SC and Bursa Malaysia in June 2013.

Investor Education

In the area of investor education, initiatives for different segments of the population successfully reached out to 8.2 million of the population through on-ground as well as broadcast, online and print media activities. Regular on-ground programmes such as Kids & Cash, Teens & Cash and Bijak Mengurus Wang (B.M.W.) maintained excellent programme and speaker ratings, which reflected participants' satisfaction with their effectiveness in increasing investment knowledge and financial literacy.

The large-scale nationwide "Kempen Pelabur Bijak Kebangsaan 2012-2013" complemented SIDC's regular investor education activities successfully and helped to expand audience reach exponentially through 164 wise investing seminars and an extensive media campaign comprising broadcast infomercials on TV, radio and social media. Further, to reach out to a wider audience, SIDC developed the first ever KPBK financial literacy sermon incorporating religious elements presented in a simplified way. The sermons, which were held in four mosques, benefited 5,849 participants.

Talent Development

Supporting the SC's new Graduate Representative Programme (GRP1000) to boost the Malaysian capital market's licensed representative pipeline, SIDC designed, developed and delivered the GRP1000 Preparatory Programme to 44 young graduates, introducing them to the fundamental skills required to build a career as a licensed representative in the securities and derivatives industry. SIDC will conduct the follow-up GRP1000 Training Programme, a comprehensive 24-day programme with a structured framework of classroom training, skills development and knowledge sharing, in early 2014.

In addition, 2013 also saw the eighth and ninth intake of the Islamic Capital Market Graduate Training Scheme (ICMGTS) successfully producing a total of 80 graduates to widen the Islamic capital market talent pool at entry-level. Now in its fourth year, ICMGTS has earned the recognition of employers in the financial services sector as a reputable talent development programme and important contributor to the growth of the industry's talent pipeline.

Continuing our market leadership through innovative and relevant offerings, this year we have also successfully embarked on the business of talent assessment centre consultancy. We clinched several projects with government agency Yayasan Peneraju Pendidikan Bumiputera (YPPB) as the assessment centre service provider for their talent development programmes, generating a new revenue stream while building our professional presence in this area. For the year, we assessed a total of 170 candidates for two YPPB programmes and recommended 37 candidates for YPPB's consideration after rigorous screenings.

International Capital Markets Regulator Programmes

Annual SC flagship regulator programmes, the Emerging Markets Programme (EMP) and Islamic Markets Programme (IMP), were again successfully completed in 2013 with "Good to Excellent" ratings, indicating the participants' satisfaction with their content and delivery. Worth mentioning is the fact that the EMP, based on its established reputation and long-standing merits, managed to attract the participation of 44 regulatory officers from 13 economies despite the absence of Malaysian Technical Cooperation Programme (MTCP) funding this year. Participants and speakers also commended the EMP 2013 for its diversity of speakers, their breadth and depth of experience and candour, as well as the programme's sound administration.

On the international front, SIDC made great strides in expanding our activities and visibility in 2013. We successfully established ourselves as the training provider for the Asian Development Bank (ADB) and sealed an extension of our partnership with the Australian Agency for International Development (AusAID) to deliver APEC capacity building programmes for regulators until 2016. Together with the SC, SIDC also developed and delivered an important capital market development programme for the Lao PDR Securities and Exchange Commission Office (SECO).

Financial Position

Financially, SIDC performed relatively well as our revenue grew to RM18.77 million in 2013 from RM17.40 million in 2012. From the balance sheet perspective, we are healthy with a stronger accumulated reserve of RM11.57 million and cash position of RM29.69 million respectively as at 31 December 2013. SIDC's healthy financial position provides us reasonable cushion against unforeseen revenue shortfall and allows us to invest in the development of new programmes in the critical area of market professionals training.

Moving Forward

Moving forward, SIDC will continue to play a significant role in spearheading capital market professional development initiatives locally and internationally. We are currently in the midst of developing our new strategic business direction which will chart the path

of SIDC business activities in the next five years. In essence, we aim to have greater collaboration with industry players as well as international organisations in undertaking human capital development initiatives for the capital market industry. We will widen our offering of relevant programmes that contribute to the improvement of services by market professionals as well as promote a higher level of professionalism in the industry. Ultimately, we envision an SIDC that is internationally recognised as a leading organisation in the development of knowledgeable, competent and globally competitive capital market professionals to serve both the domestic and international capital market industry.

I would like to conclude by thanking all SIDC stakeholders including the Board of Directors, the SC, the Capital Market Development Fund, the industry and my staff for their support and contribution to the organisation. I am honoured to be given the exciting opportunity to lead SIDC into the next phase of its business. Working together with all stakeholders, I look forward to building upon our current achievements to forge an even brighter future for the organisation.

Innovating for Results

By embracing a culture of progressive learning, developing and innovating, we are able to maximise opportunities in all areas of our operations and consistently achieve results.



OUR Corporate Values

Innovative

- The new one-day GRP1000 Preparatory Programme and its follow-up 24-day GRP1000 Training Programme were developed as part of the SC's Graduate Representative Programme (GRP1000) for Malaysian capital market entrants. Based on SIDC's unique 5-star training principle, the programmes are innovatively put together to meet international competency standards and industry aspirations. Together, the programmes will provide fresh graduates comprehensive training to help them acquire the skillset and knowledge to be licensed representatives in the securities and derivatives industry.
- In investor education, SIDC explored new ways to reach out to a wider audience, delivering the first ever investor education sermon incorporating religious elements as part of the Kempen Pelabur Bijak Kebangsaan (KPBK). Presented in four mosques, the sermon benefited close to 6,000 individuals.
- Further, a creative media initiative was launched under the KPBK campaign in which four investor education infomercials were developed for radio and television and also uploaded on YouTube, helping to spread awareness on smart investing to an unprecedented 8.2 million people in the country.

Performance Driven

- SIDC successfully conducted over 150 programmes in 2013 covering an extensive range of conventional and Islamic capital market-related topics from equity, derivatives, bonds, securities restructuring, asset management, corporate finance to securities regulations. Over 13,000 market intermediaries* were trained for the year.
- Most programmes continued to enjoy "Good to Excellent" average ratings above 4.0 out of 5 in 2013, fortifying SIDC's established track record as a consistent performer in terms of delivering capital markets training.
- In particular, 11,625 capital market professionals and university students* were able to enhance their technical and soft skills through Industry Transformation Initiative (ITI) courses. The average ITI course rating of 4.2 out of 5 reflected participants' overall satisfaction with the training received. The total number of ITI participants also exceeded the 2013 target of 10,000 participants.

*This figure includes the multiple counting of participants who attended more than one course.



A vibrant professional presence

Customer Focused

- In 2013, SIDC focused on improving its core strengths in product development and delivery to offer programmes that reflected the latest industry requirements and met participants' specific training objectives and job needs.
- The SIDC Industry Corporate Gathering 2013 was organised in November 2013 to foster a closer working relationship with clients and gain insight into better value creation. The event was also a platform for industry players to network.
- Various customised in-house programmes were delivered to financial institution clients to help enhance the competencies of their market professionals. A total of 506 participants were upskilled under these in-house training initiatives.
- SIDC became an assessment centre service provider for Yayasan Peneraju Pendidikan Bumiputera, developing innovative task-oriented assessment activities to help the agency under the Prime Minister's Department select the most suitable candidates for its talent development programmes.

Quality Focused

- The Islamic Capital Market Graduate Training Scheme (ICMGTS) continued to contribute to the Islamic capital market talent pool by successfully developing 80 entry-level professionals in 2013. The programme's emphasis on quality instruction, relevance and practicality has produced 361 work-ready graduates since 2009.
- The following annual programmes consistently recorded "Good to Excellent" participant ratings year after year, confirming SIDC's ongoing ability to meet international training standards and expectations.
 - The Advanced Business Management Programme (ABMP), the SC's flagship programme targeted at company directors and the C-suite (rating of 4.8 out of 5).
 - The Emerging Markets Programme (EMP), the SC's flagship programme for regulators (rating of 4.5 out of 5).
 - The Islamic Markets Programme (IMP), the SC's flagship programme for regulators and Islamic capital market industry players (rating of 4.2 out of 5).

Reliable

- SIDC continued to strengthen its position as a reliable leading training institution for the capital markets industry through international collaborations.
 - It signed a Memorandum of Understanding with the National Institute of Securities Markets (NISM), India to work towards educational, research, training and other development activities related to the securities markets.
 - It was formally appointed as a training provider to the Asian Development Bank (ADB), to design, develop and deliver a three-phase training programme for securities regulators of Cambodia, Lao PDR and Vietnam in early 2014.
 - It secured an extension to its long-standing training partnership with the Australian Treasury and the Australian Agency for International Development (AusAID) till 2016, providing training for APEC regulators that bears testament to its proven track record in running international capacity building initiatives.
 - It developed and delivered an important capital market development programme for Lao PDR Securities and Exchange Commission Office (SECO) with strong participation by SC senior management in March 2013.

OUR First Mission

Educating Investors

Continuing its goal of creating informed and prudent capital market investors through various investor education programmes, SIDC in 2013 delivered programmes for different target segments that benefited over 8.2 million individuals throughout the country, exceeding the set target reach for the year.

A major achievement for the year was the conclusion of the nationwide “Kempen Pelabur Bijak Kebangsaan 2012-2013” (KPBK) in March 2013, which successfully widened the reach and scale of SIDC’s ongoing investor education initiatives. The 6-month campaign engaged segments of the public such as rural and urban folks, private and public sector employees as well as college and university students via seminars, conventional and online media initiatives, and educational publications.



The campaign also produced the first ever KPBK sermon incorporating religious elements. The sermon was delivered in four mosques for 5,849 participants, enabling SIDC to reach out and provide investor education to a larger audience than before. On top of this, SIDC conducted 164 Seminar Pelabur Bijak events for 40,210 individuals, where informative and interactive exhibitions, investors’ clinics, games, quizzes were held and opportunities were available for the public to check the legal status of investment schemes, lodge complaints and obtain relevant information directly from SC and SIDC representatives.

Four infomercials were also developed in 2013 as part of the KPBK and broadcast on 420 radio and 499 television slots, spreading key investor education messages to a mass nationwide audience of 8.2 million people. The infomercials, which were also made available on YouTube, raised awareness on the importance of informed investing and highlighted the investment pitfalls and risks that the public should be cautious of.

Lastly, investor education programmes that were officially completed in 2012 continued to be popularly requested, leading to additional sessions being conducted in 2013: Kids & Cash and Teens & Cash (9,502 participants in total), and Cash@Campus (716 participants in total).

Media Insertions and Leaflet Distribution

A total of 22 media articles on a wide range of investor education topics including wise investing, money management and protection from scams were published in various local magazines such as *Personal Money*, *Money Compass*, *Ringgit*, and *Financial 1st* to educate the Malaysian public.

In 2013, SIDC also distributed 544,260 leaflets nationwide in major newspapers, namely *Harian Metro* and *Berita Harian*.

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

The Malaysian Investor website was regularly promoted on various media throughout the year, generating 13.7 million hits in 2013 and recording an average monthly hit rate of 1.14 million. As one of the main sources of investor education among the general public and investors, the website also received and responded to a total of 61 enquiries.

International Recognition for SIDC’s Investor Education Programmes

SIDC’s investor education focus in 2013 was the benchmarking of its initiatives against international best practices. To strengthen the standard and quality of investor education initiatives, a review was undertaken for all of SIDC’s investor education programmes to ensure that they adhered to the OECD/INFE’s Recommendation on Principles and Good Practices for Financial Education and Awareness. The programmes’ effectiveness was also reevaluated based on the OECD/INFE Guide to Evaluating Financial Education Programmes.

Notably, the Asian Development Bank and emerging markets regulators recognised the achievements of SIDC’s programmes and regarded the initiatives as benchmarks and reference points during international discourses on investor education and financial literacy.



OUR Second Mission

Training Intermediaries

In 2013, SIDC enhanced the Industry Training Initiative (ITI) programme to make it more structured and progressive. New training modules were introduced to support the licensing regime in its development of registered representatives in the securities market. In addition, information in selected modules was updated to help strengthen intermediaries’ capabilities in undertaking regulated functions and providing client advice.

SIDC also developed new customised programmes to assist capital market organisations in closing staff competency gaps.

SIDC undertook a review and benchmarking exercise for the SC Licensing Examinations to ensure its content and practices were abreast with market changes and in line with more mature jurisdictions.

SC Licensing Examination Preparatory Courses

The SC Licensing Examination Preparatory Courses are designed to elevate candidates’ understanding of the module(s) they are sitting for.

The courses combine classroom learning with practice question sets to familiarise the candidates with the Computer Based Examination (CBE) system. Candidates also have the opportunity to reinforce their understanding of the presented material through post-session discussions with the trainer.

In 2013, 36 preparatory courses were conducted for eight examination modules. A total of 822 participants registered for the courses, which received a “Good to Excellent” average rating.

No.	Modules	Course Title	Number of Courses	Number of Participants
1	Module 6	Malaysian Stock Market & Securities Law (Module 6) Preparatory Course	6	144
2	Module 7	Financial Statement Analysis and Asset Valuation (Module 7) Preparatory Course	9	230
3	Module 9	Funds Management Regulations (Module 9) Preparatory Course	2	27
4	Module 10	Asset and Funds Management (Module 10) Preparatory Course	3	61
5	Module 12	Investment Management and Corporate Finance (Module 12) Preparatory Course	8	204
6	Module 14	Futures and Options (Module 14) Preparatory Course	1	7
7	Module 16	Rules and Regulations of Futures and Options (Module 16)Preparatory Course	1	8
8	Module 19	Advisory Services: Rules & Regulations (Module 19)	6	141
Total			36	822

SC Licensing Examinations - Computer Based Examinations

SIDC administers the SC Licensing Examinations, which are the qualifying examinations for individuals entering the Malaysian capital market for regulated activities such as dealing in securities, dealing in derivatives, fund management, investment advice and advising on corporate finance.

SIDC delivers the examinations at its one-stop examination centre in the SC building at Bukit Kiara, Kuala Lumpur. Apart from Kuala Lumpur, the examinations are also held in Penang, Johor Bahru, Kuching and Kota Kinabalu to accommodate candidates across the country.

The examinations are delivered through the Computer Based Examinations (CBE) system which allows for more flexibility and efficiency in conducting the sessions. For the convenience of candidates, all 13 examination modules are made available at every session and examination results and scores are available immediately upon completing the examinations.

Two examination sessions were offered three days a week at the examination centre in Kuala Lumpur. To facilitate companies that wished to have their employees sit for the SC Licensing Examinations in the same session, SIDC also held Special Examination sessions on a case-by-case basis.

For the year, SIDC conducted 248 examination sessions for all 13 examination modules at various locations in Malaysia. A total of 4,318 candidates sat for these examinations.



SC Licensing Examinations Modules Conducted in 2013 and 2012

SC Licensing Examinations		Number of Candidates*	
		2013	2012
Module 6	Stock Market and Securities Law	879	2,068
Module 7	Financial Statement Analysis and Asset Valuation	1,204	2,458
Module 9	Funds Management Regulation	200	255
Module 10	Asset and Funds Management	204	214
Module 11	Fundamentals of Compliance	63	126
Module 12	Investment Management and Corporate Finance	786	590
Module 14	Futures and Options	230	339
Module 16	Rules & Regulations of Futures and Options	192	358
Module 17	Securities and Derivatives Trading (Rules and Regulations)	18	19
Module 18	Securities and Derivatives Trading (Products and Analysis)	15	19
Module 19	Advisory Services (Rules and Regulations)	413	325
Module 19A	Advisory Services (Rules and Regulations) - Part A	97	119
Module 19B	Advisory Services (Rules and Regulations) - Part B	17	9
Total		4,318	6,899**

*This figure includes the multiple counting of participants who attended more than one examination.
**Pursuant to the introduction of the Guidelines of Investor Protection in 2011 which outline the examination requirements for the Employees of Registered Persons, SIDC recorded a higher number of participants for the SC Licensing Examinations for 2011 and 2012.

Our Second Mission

Training Intermediaries

Continuing Professional Education (CPE)

Continuing Professional Education (CPE) requirements form part of the “fit and proper” standards for all Capital Markets Services Representative’s Licence (CMSRL) holders and the Employees of Registered Persons (ERPs) to consistently improve and acquire new technical knowledge, skills and best practices.

Through this mandatory programme, market professionals are expected to be competent and able to carry out their functions effectively and efficiently, leading to greater investor confidence.

CPE-Approved Courses

At the end of 2013, there were a total of 80 active CPE training providers recorded in the CPE Tracker System. This year also saw the CPE Secretariat administering 911 CPE-approved courses conducted by these training providers either for public or in-house participants.

From the total, 670 (74%) courses were under the Market Development category whilst the remaining 241 (26%) were Market Regulations courses. These courses were attended by 32,844 participants* where 19,406 (59%) were CMSRL holders, 2,252 (7%) were ERPs and the remaining 11,186 (34%) were classified as “others”. As with previous years, the majority of CPE-approved courses were held in Kuala Lumpur and Selangor.

CPE-Approved Courses Conducted in 2013 and 2012

Course Category	CPE Courses Conducted			
	2013		2012	
	Number of Courses	Number of Participants*	Number of Courses	Number of Participants*
Market Development	670 (74%)	22,521 (69%)	628 (78%)	22,741 (76%)
Market Regulations	241 (26%)	10,323 (31%)	178 (22%)	7,347 (24%)
Total	911	32,844	806	30,088

Participants of CPE-Approved Courses in 2013 and 2012

Year	CMSRL Holders*	ERP*	Non-CMSRL Holders or ERP*	Total*
2013	19,406	2,252	11,186	32,844
2012	18,614	1,038	10,436	30,088

*This figure includes the multiple counting of participants who attended more than one CPE-approved course.

Employees of Registered Persons

The latest amendments to the Guidelines on Investor Protection made effective on 26 April 2013 include but are not limited to the revision of the CPE cycle period from two years to one year and the points collection from 40 points to 20 points respectively.

Following this, certain functions of the CPE Tracker System were enhanced to cater for the policy changes. The total number of Registered Persons (RPs) and ERPs registered in the CPE Tracker System also increased to 42 and 2,608 respectively.

In-House Familiarisation Programmes for ERPs

This year, the Secretariat continued to administer the in-house familiarisation programmes conducted by the RPs for their ERPs who possess less than five years’ experience but wish to carry out the selling and marketing of structured products and unlisted debt securities prior to the ERPs passing the required Investor Protection Professional Certification examination.

To date, a total of 3,712 ERPs have attended and successfully completed the in-house familiarisation programmes conducted by 14 RPs, all of which were approved by the Secretariat.

Industry Transformation Initiative

The Capital Market Development Fund (CMDf)-funded Industry Transformation Initiative (ITI) is a structured continuing education programme to develop and increase knowledge, problem-solving and technical skills as well as professional performance standards of Capital Markets Services Representative’s Licence (CMSRL) holders so that they can provide better investment advice and services to clients. Since 2007, close to 85,000 participants* have benefited from the programme.

SIDC delivered a total of 94 ITI courses across 21 modules to 11,625 participants* in 2013. The programme garnered an average rating of 4.2 out of 5 (“Good to Excellent”), reflecting participants’ positive evaluation of its overall quality and effectiveness.



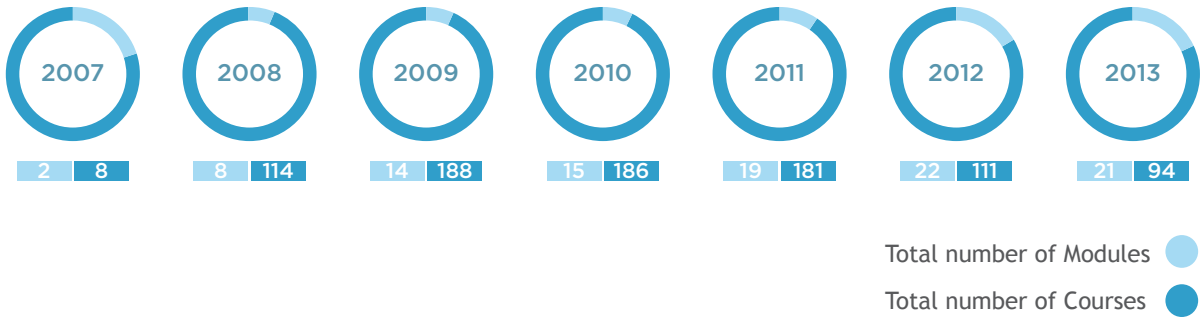
Our Second Mission
Training Intermediaries

Industry Transformation Initiative (ITI) Courses Conducted in 2013

No.	Modules	Course Title	Number of Courses	Number of Participants*
1	EQ01	Economics and Capital Markets I: Forces Shaping the Global Capital Markets	15	2,199
2	EQ02	Essential of Fundamental Analytics I: Analysing Company Performance	14	1,721
3	EQ03	Corporate Strategic Analytics I: Essentials of Corporate Proposal Analysis	10	966
4	EQ04	Corporate Governance and Ethics: Strengthening Professionalism Through Ethics	10	764
5	EQ05	Economics and Capital Markets II: Macroeconomic Analytics - Clues to the Future	5	430
6	EQ06	Essentials of Fundamental Analytics II: Creating a Framework for Sector Analysis	2	190
7	EQ07	Corporate Strategic Analytics II: Value Creation Strategies & Take-over Analysis	2	69
8	DA01	Structured Products and Hybrids I: Framework and Concepts	4	215
9	DA02	Options and Futures I: Principles and Valuations	3	268
10	DA03	Risk Management: Analysing Risks in Derivatives Trading	1	160
11	DA04	Structured Products and Hybrids II: Alternative Investment Instruments	1	50
12	DE02	Debt Capital Market: Mechanics of Bond Issuance and Trading	2	98
13	DE03	Debt Capital Market: The Credit Risk Assessment	1	24
14	FP01	Financial Planning: Putting Theory into Practice	4	474
15	FP02	Financial Planning: The Practice of Wealth Management	3	297
16	ICM01	Islamic Capital Market: Financial Philosophy & Jurisprudence	3	816
17	ICM02	Islamic Capital Market: Islamic Equity Products	2	785
18	ICM03	Islamic Capital Market: The Sukuk Market	4	967
19	ICM04	Islamic Capital Market: Islamic Structured Products	3	753
20	PM01	Portfolio Management: Designing an Equity Strategy	3	168
21	PM02	Portfolio Management: In Pursuit of Performance and Returns	2	211
Total			94	11,625

*This figure includes the multiple counting of participants who attended more than one course.

No. of ITI Courses Organised from 2007 to 2013



Shariah Advisor Programme

The Shariah Advisor programme (i-Advisor) continued to attract Islamic capital market practitioners in 2013, with a total of 171 participants being trained during the year. The programme, funded by the CMDP, provides continuous professional development for practitioners and academicians serving the Malaysian Islamic capital market. Among the modules offered include Fundamentals of Shariah Rulings, Regulatory Requirements and Legal Documentation in ICM, Accounting, Auditing and Taxation in ICM, Islamic Equity Market, The Sukuk Market and Contemporary Shariah Issues & Challenges. i-Advisor received “Good to Excellent” average ratings from its 2013 participants, reflecting its ongoing relevance and value.

Dual Licensing Fast Track Programme

The two-day Dual Licensing Fast Track Programme (DLFT) is targeted at new and experienced dealer’s representatives (CMSRL holders for dealing in securities) who opt to be licensed as Futures Broker’s Representatives. Participants are exposed to various instruments available in the Malaysian derivatives market, trading strategies as well as operations and rules associated with the derivatives market. The programme was delivered five times in 2013 for total of 105 participants, recording “Good to Excellent” average ratings for each session.

Anti-Money Laundering Act and Anti-Terrorism Financing Act 2001

The effectiveness of the Anti-Money Laundering Act and Anti-Terrorism Financing Act 2001 (AMLATFA) 2001 is contingent on capital market intermediaries being aware, alert and proactive in their vigilance to different methods and processes involved in money laundering and terrorism financing. SIDC’s AMLATFA 2001 programme is essential training for industry practitioners to gain an insight into the Act and guidelines covering its legal and regulatory obligations, issues and best practices, as well as its implications to Participating Organisations. In 2013, SIDC conducted three sessions of this programme for 112 participants in total, who accorded the programme a “Good to Excellent” average rating.

Our Second Mission

Training Intermediaries

An Insight into Business Trusts Guidelines

This awareness programme, held on 26 September 2013, was organised to acquaint participants with the Business Trusts Guidelines released by the SC, and to expose them to pertinent governance issues and challenges to be faced by various stakeholders in relation to the guidelines. A total of 45 participants attended the programme, which recorded an “Average to Good” rating.

International Institutional Investor Series 2013

The International Institutional Investor Series (IIS) 2013, jointly organised by the Malaysian Association of Asset Managers (MAAM) and SIDC, was delivered on 21 November 2013 at the Securities Commission Malaysia. In this one-day CPE-accredited programme, product specialists from international asset managers shared insights on what has changed fundamentally in the economic landscape, and explored new conceptual strategies, capabilities and opportunities that lie ahead. A total of 147 participants comprising a mix of corporate and industry players attended the programme, and gave it a “Good” rating.

Familiarisation Programme for Registered Representatives

This two-day programme is designed for Trading Representatives (TRs) and Introducing Representatives (IRs). It provides complete understanding of the rules and regulations governing the Malaysian securities market, trading activities, securities offences and products. Participants are assessed daily to gauge their level of understanding and knowledge acquisition.

Seven sessions were delivered in 2013 for 248 participants and 93% of participants passed the assessments conducted for both days. This course received a positive average rating of “Good to Excellent” for its overall quality.

Private Retirement Scheme Train-The-Trainer Workshop

Continuing from the previous 2012 workshops, this Train-The-Trainer Workshop was intended to train trainers who would later implement training programmes on the Private Retirement Scheme (PRS) based on the modules provided to individual representatives or employees of their respective organisations. A total of 24 certified trainers attended the 2013 workshop, which garnered an average participant rating of “Average to Good”.

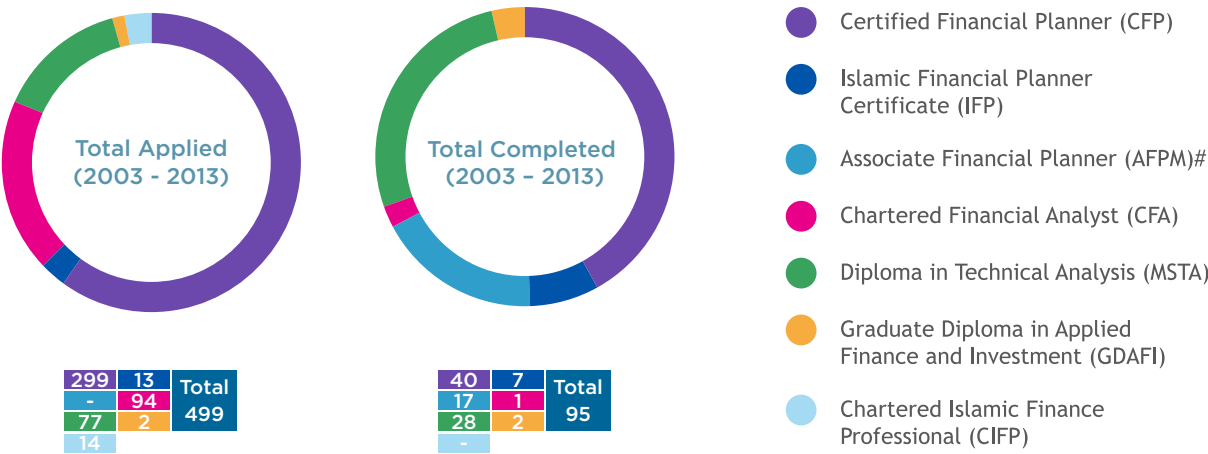
Bumiputera Dealer Representatives Education Fund

Launched in July 2003, the Bumiputera Dealer Representatives Education Fund (BDREF) aims to equip the capital market with an enhanced pool of Bumiputera dealer’s representatives by providing them financial assistance to pursue relevant courses and qualifications.

Successful funding applicants are able to receive full financing for their enrolment in professional qualification courses such as the Chartered Financial Analyst (CFA), Certified Financial Planner (CFP) and Diploma in Technical Analysis (MSTA).

In 2013, two funding recipients for the CFP and 13 funding recipients for the MSTA successfully completed their programmes. Since its inception, 95 beneficiaries of the fund have obtained professional qualifications.

BDREF Participants with Professional Qualifications as at 31 December 2013



The Associate Financial Planner Malaysia (AFPM) designation is granted to those who have passed Module 1 of the FPAM certification examination. AFPM members are individuals who have shown technical competency in basic financial planning.

In addition, 297 Bumiputera remisiers and dealer’s representatives benefited from non-examination-based programmes approved for BDREF funding in 2013. These included the Dual Licensing Fast Track Programme (DLFT), Industry Transformation Initiative (ITI) elective modules, technical analysis and fundamental analysis programmes as well as personal enhancement courses and team building programmes.

BDREF Non-Examination-Based Programmes in 2013

Courses	Number of Participants
Dual Licensing Fast Track Programme (DLFT)	9
Industry Transformation Initiative (ITI) elective modules (21 programmes)	43
PRIBUMI - Introduction to Technical Analysis	75
PRIBUMI - Financial Reporting and Analysis	44
PRIBUMI - Technical Analysis Programme (Intermediate Level)	29
Effective Communication (including utilising Social Media)	40
PRIBUMI Team Building Programme	57
Total	297





OUR Third Mission

Training Regulators

Structured and targeted training

SIDC made significant strides in expanding our international training activities for regulators in 2013. In addition to sealing an extension of our partnership with the Australian Agency for International Development (AusAID) to deliver Asia-Pacific Economic Cooperation (APEC) capacity building programmes for regulators until 2016, we successfully established ourselves as a provider of regulator training for the Asian Development Bank. We also developed and delivered an important capital market development programme for Lao PDR Securities and Exchange Commission Office (SECO) in collaboration with the SC.

Annual SC flagship regulator programmes, the Emerging Markets Programme (EMP) and Islamic Markets Programme (IMP), were again successfully completed in 2013 with participant feedback indicating their content and delivery had met the international standards expected of them.



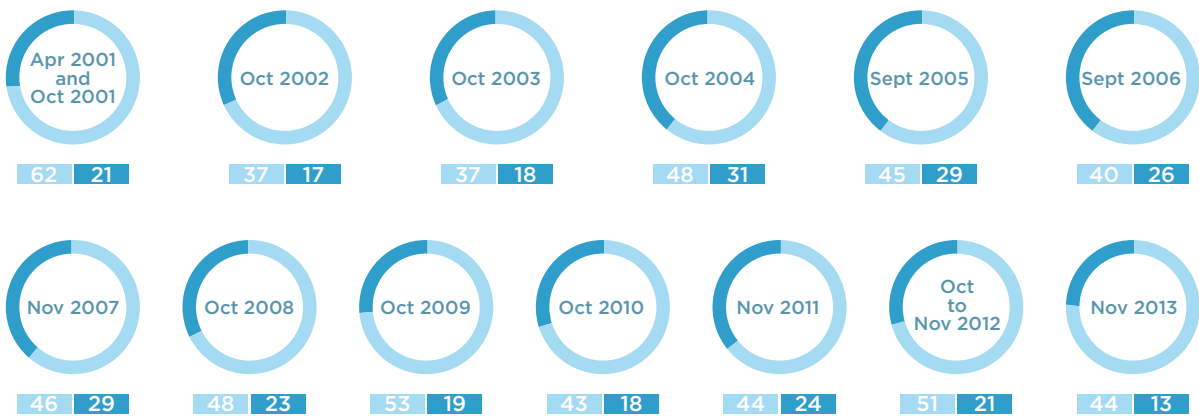
Emerging Markets Programme

The 14th Emerging Markets Programme (EMP), themed “Driving Sustainable Growth and Global Regulatory Reform: Role of Emerging Markets”, was held from 6 to 8 November 2013. In line with the IOSCO Growth and Emerging Markets Committee (GEM)’s call for stronger and more inclusive emerging markets, the EMP discussed how emerging markets could play a bigger role in driving sustainable growth and also contribute to international efforts in regulatory reform to strengthen the global financial system. The programme also looked at issues such as strengthening the regulatory framework, regional market integration, strengthening bond and Islamic markets, building resilience of market institutions, and encouraging retail investor participation.

The EMP was attended by 44 participants from 13 economies, with Botswana participating for the first time. The diverse range of expert speakers, comprising 18 capital market specialists from 12 economies, contributed to a stimulating learning experience for the participants. As with previous years, the programme was once again accorded a “Good to Excellent” rating by participants.

Since its inception in 2001, the programme has benefited a total of 598 capital market regulators from 66 countries.

The number of participants and participant countries throughout the EMP series



Total number of Participants ●
Total number of Participant Countries ●

Islamic Markets Programme

Themed “Widening Market Connectivity in Islamic Finance”, the eighth Islamic Markets Programme (IMP) held on 26-29 August 2013 attracted a total of 53 participants comprising foreign and local Islamic finance industry players. The programme brought experts, regulators and market participants from different jurisdictions such as Bangladesh, Hong Kong, Indonesia, Kenya, Nigeria, Singapore and Taiwan to share knowledge and further their understanding of Islamic finance.

In light of the recent increasing regional and global Islamic finance activities in terms of business transactions, capacity building and regulatory collaboration, the IMP provided a timely platform for the speakers and participants to engage on current issues such as market complexities, product diversity, differences of regulatory expectations, intricacies of cross-border challenges as well as industry best practices. Industry practitioners also shared the challenges faced in their respective economies and suggested possible solutions to further widen the attractiveness of Islamic finance internationally. As with previous years, the 2013 programme achieved a “Good to Excellent” average rating.



Our Third Mission

Training Regulators

International Capacity Building Programmes for Regulators of Emerging Markets

APEC: “Stable Integrated Capital Markets: Strengthening the Regional Financial Sector” Capacity Building Workshop, Taipei

25-26 June 2013

As with previous APEC capacity building workshops, this workshop in Taipei – the seventh in the series – was designed to complement and support the ASEAN Capital Markets Forum (ACMF) initiative and its strategic plan for regional integration of ASEAN capital markets by 2015. The workshop aimed to strengthen the technical capacity of participating ASEAN economies and develop their potential to join the APEC-initiated Asia Region Funds Passport scheme in the future.

The session discussed developmental gaps identified by the participating ASEAN economies in supporting domestic market reforms that lead to greater cross-border access and robust policies for market stability and investor protection.

Key topics included:

- Systemic risk from capital market integration; can market risk be recognised and mitigated before it happens?
- Value proposition of the Islamic capital market in expanding cross-border product diversity
- Investor protection through education - real-world examples

This workshop also offered participants an opportunity to network with fellow ASEAN regulators and develop the necessary soft skills to work competently in a rapid-paced regulatory landscape.

A total of 17 officers from the regulatory agencies of Chinese Taipei, Indonesia, the Philippines, Thailand and Vietnam attended this two-day workshop. The highly positive feedback from participants prompted a request to SIDC to continue its work in the design, development and delivery of the next international programme.



Technical Assistance and Capacity Building Programme Package for Lao PDR Securities and Exchange Commission Office (SECO), Vientiane

18-22 March 2013

PROGRAMME: Perspectives of Capital Market Development

Thirty senior officers of the Lao PDR government, the Bank of Lao PDR and SECO attended this high-level policy workshop, which served as an opening presentation aimed at sharing milestone experiences in Malaysian capital market growth over the years. The workshop discussed the establishment of the SC and Bursa Malaysia, the challenges of balancing market regulation with development, the progress of SC’s Capital Market Masterplan and the series of initiatives designed and implemented by the SC to strengthen corporate governance through greater internalisation of the culture of good governance.

SEMINAR: Growth and Development of Capital Markets

This half-day seminar was attended by 60 representatives from listed companies as well as officers of the Lao PDR government, the Bank of Lao PDR and SECO. Its objective was to present and explain the role of capital markets in economic development, i.e. as a driver of economic growth, the challenges of financing infrastructure development and business activities, as well as to discuss the primary instruments for fund raising. The seminar, which also touched on sources of funding, the dual role of capital market regulators and guiding principles of investor protection, concluded with an interactive discussion on the regulatory responses to the financial crisis.

PROGRAMME: Development of a Capital Market Masterplan

In this high-level workshop, seven senior officers from the Bank of Lao PDR and SECO had the opportunity to hear from senior level officers of the SC on its experiences in the development of its capital market masterplan. Based on a Q&A format, the workshop focused on sharing experiences and advice on the structure, content and timing of a masterplan for the development of Lao PDR’s capital market.

PROGRAMME: Capital Market Regulation Fundamentals - Primary and Secondary Markets

Five senior officers of the Bank of Lao PDR and SECO participated in this two-day workshop, which explored principles and practices of primary market regulation. The topics were largely related to Malaysia’s experiences in fund-raising, ranging from key fundamentals and related party transactions to the SC’s regulatory philosophy and approach. Discussions on the secondary market focused on the principles and practices of secondary market regulation and its gate-keeping functions. Other areas covered included the regulation of market intermediaries, policies with respect to foreign investor participation and the regulatory approach to collective investment schemes.

Future Capacity Building for Lao PDR Securities and Exchange Commission Office (SECO)

The technical assistance and capacity building programme package was well received. The secretary general of SECO expressed her appreciation for the time and effort spent by the SC and SIDC teams in preparing and delivering the sessions. SECO also sought advice on the possible establishment of an SIDC-type of organisation that could proactively plan capacity building initiatives and oversee their implementation effectively, and looked forward to future collaborations with SIDC.

OUR Fourth Mission

Training Directors

SIDC continued offering the acclaimed Advanced Business Management Programme, SC's annual three-day residential flagship business programme designed especially to enhance the strategic business management skills of the C-suite. A programme entitled Malaysian Code on Corporate Governance 2012 was also conducted with the aim of promoting corporate governance among corporate leaders through awareness and education.

In supporting a stronger corporate governance structure in Malaysia, SIDC in a strategic alliance with Bursa Malaysia designed and developed the "Corporate

Governance Statement Reporting" programme targeted at directors of public-listed companies. The programme received positive feedback, resulting in subsequent workshops being planned by Bursa Malaysia for 2014.

To expand the reach of corporate governance practices, SIDC also participated in a task force led by Institut Tadbiran Awam Negara (INTAN) to design, develop and deliver three modules in the "Corporate Directors Leadership and Integrity" programme targeted at directors of government-owned and statutory-board-owned companies appointed or to be appointed by State Governments.

Advanced Business Management Programme

The sixth Advanced Business Management Programme (ABMP) was delivered at Tanjung Rhu Resort, Langkawi on 27-31 May 2013. Jointly developed and organised by SIDC and leading executive education business school the International Institute for Management Development (IMD), Lausanne, Switzerland, this year's programme was entitled "Boosting Senior Management Skills in a Changing World".

The programme, which focused on risk governance at upper management levels, contextual business strategies and the latest innovation techniques and financial market trends in business, was attended by 18 senior executives and board members of companies in the financial services industry.

Delivered by IMD's top international faculty, the programme's strengths were acknowledged by its participants, who rated it highly in the "Good to Excellent" band (4.8 points out of 5).



Malaysian Code on Corporate Governance 2012

The Malaysian Code on Corporate Governance 2012 programme held on 30 April 2013 was attended by corporate governance practitioners, directors and top management of public listed companies. The programme, which drew 20 participants, sought to strengthen governance through clarifying the role of the board in providing leadership, enhancing board effectiveness, ensuring timely and high quality disclosures and strengthening the relationship between a company and its stakeholders.

Supported by regulation, the programme helped empower market participants to take on greater accountabilities and challenges. The rating of 4.4 out of 5 ("Good to Excellent") accorded by participants signified that the programme achieved its purpose of educating and creating awareness of the importance of corporate governance.

OUR Fifth Mission

Developing New Talent

As part of the SC's new Graduate Representative Programme (GRP1000) to develop young talent interested to be part of the capital markets industry as licensed representatives, the GRP1000 Preparatory Programme was delivered by SIDC to introduce fresh graduates to the industry. Meanwhile, the Islamic Capital Market Graduate Training Scheme (ICMGTS) continues to prove itself as a successful talent pipeline programme for entry-level professionals.

Islamic Capital Market Graduate Training Scheme

The eighth and ninth intakes for the ICMGTS produced a total of 80 entry-level professionals for the Islamic capital market in 2013. Since the programme's launch in 2009, a total of 2,998 applications have been received and from that, 361 graduates successfully trained to serve the industry. The continuation of the ICMGTS reflects the SC's ongoing commitment to develop long-term human capital to add value and enhance the competitiveness of the Malaysian capital market. Funded by the Capital Market Development Fund (CMDf), the programme consists of eight weeks of training on technical Islamic capital market knowledge and soft skills. SIDC regularly monitors the programme's contents, speakers' performance and graduates' employability in the capital market to ensure its relevance. To date, an average of 87% of ICMGTS graduates have gained employment in the capital market.



Graduate Representative Programme (GRP1000)

The GRP1000 is a comprehensive graduate programme by the SC specially designed to nurture young talent interested to be part of Malaysia's capital market as licensed representatives. Developed in collaboration with key industry players, the GRP1000 is structured to help boost the nation's talent pipeline so that a critical competitive advantage can be achieved, particularly in the securities and derivatives industry. The GRP1000 Preparatory Programme was conducted by SIDC as part of the GRP1000 to provide an introduction to the skills and knowledge required to succeed as an intermediary in Malaysia's securities and derivatives industry. A total of 44 participants attended this inaugural one-day programme. SIDC has also developed a 24-day GRP1000 Training Programme, which will be delivered in a structured framework of training, skills development and knowledge-sharing, and will offer participants direct career links to key industry players. This programme will be implemented in early 2014.

"Career Opportunities in the Capital Market" Seminar

In response to Malaysia's growing demand for more capital market representatives, SIDC delivered the "Career Opportunities in the Capital Market" seminar at academic institutions to attract new talent into considering a career in Malaysia's capital market. A total of 5,360 campus students nationwide attended the seminar in 2013 to learn more about topics such as the salaries, general requirements, job description and responsibilities of capital market representatives. Through this initiative, SIDC is able to strengthen its linkages with higher education institutions to facilitate its mission in capital market talent development.



Focused on the Industry's Pulse

In the face of constantly evolving client requirements and expectations, keeping on top of the latest industry developments enables us to stay resilient in our quest for excellence.



Event Highlights



March 2013

Participants in the 2013 March intake of the Islamic Capital Market Graduate Training Scheme (ICMGTS) sharing a light-hearted moment during the ice-breaking session. The ICMGTS aims to create a pool of entry-level professionals to facilitate the development of the Islamic capital market in Malaysia.

March 2013

Members of the public stopping by the “Kempen Pelabur Bijak 2012-2013” (KPBK) booth set up in Masjid Al-Muqarrabin, Bandar Tasik Selatan, Kuala Lumpur. This was the first time SIDC produced a KPBK sermon incorporating religious elements.

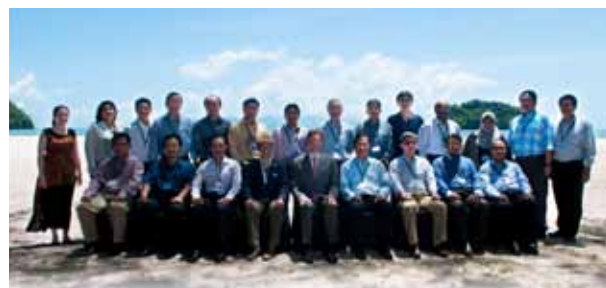


April 2013

Captain Cash Mohd Nasrul Shah Samsudin teaching children aged 10 to 12 the “Kids & Cash Cheer” at SK Sri Jerai. The Kids & Cash programme is designed to inculcate a positive money management culture among youngsters.

April 2013

Students of Malay College Kuala Kangsar listening to Captain Cash Zafreeq Zulkafly as he explained how to set financial goals. Through Teens & Cash, students learn about basic money management, banking and wise investing.



May 2013

Advanced Business Management Programme 2013 participants posing for a group photo to round up the 3-day residential programme held at Tanjung Rhu Resort, Langkawi. Themed “Boosting Senior Management Skills in a Changing World”, the programme was jointly presented by SIDC and the Institute of Management Development (IMD), Lausanne.

June 2013

Participants being assessed by SIDC for the Peneraju Profesional Akauntan programme organised by Yayasan Peneraju Pendidikan Bumiputera (YPPB), an agency under the Prime Minister’s Department.



June 2013

Sarimah Ramthandin, Director of Training and Investor Education, conducting the APEC capacity building workshop in Taipei. The workshop discussed developmental gaps identified by the participating ASEAN economies in supporting domestic market reforms that lead to greater cross-border access and robust policies for market stability and investor protection.

August 2013

Encik Zainal Izlan, Executive Director, Islamic Capital Market, Securities Commission Malaysia, welcoming the 2013 Islamic Markets Programme participants. The programme brought together regulators, industry experts and leading industry players in the region to contribute insights and facilitate discussion on the thriving Islamic capital market.



November 2013

Chief Executive Officer Azman Hisham Che Doi thanking guests for attending SIDC’s Industry Corporate Gathering 2013. The gathering was organised in recognition of clients’ support as well as to strengthen working relationships and networking among industry players.

November 2013

Sivalingam Navaratnam, Head of Consultancy and International Programmes, presenting at the Emerging Markets Programme (EMP). This year, the EMP discussed how emerging markets could play a bigger role in driving sustainable growth and contributing to international efforts in regulatory reform to strengthen the global financial system.



November 2013

Institutional Investor Series 2013 in progress. The programme grouped together product specialists from Malaysia’s six licensed institutional fund managers, who shared insights on the fundamental changes in the financial landscape and explored new strategies, capabilities and opportunities.

December 2013

SIDC speaker Mohd Farith Mohd Jamal conducting a GRP1000 Preparatory Programme. Through this programme, graduates were introduced to the necessary skills to be a licensed representative in the capital market.



SIDC Training Programmes

in 2013



Programme	Target Audience	Number of Participants
SC Licensing Examination Preparatory Courses (modules 6, 7, 9, 10, 12, 14, 16 and 19)	<ul style="list-style-type: none">Candidates preparing for modules offered in the SC Licensing ExaminationsNew entrants to the capital market industryEmployees of stockbroking and investment firms	822
Industry Transformation Initiative courses (various modules)	<ul style="list-style-type: none">Capital Markets Services Representative's Licence (CMSRL) holdersPublic	11,625*
Shariah Advisor Programme (i-Advisor)	<ul style="list-style-type: none">Shariah advisorsAcademicsPractitioners in Islamic Finance	171
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	105
Malaysian Code on Corporate Governance 2012	<ul style="list-style-type: none">DirectorsSenior managementCMSRL holdersInvestment managersCompliance and risk managersGeneral public	20
Anti Money Laundering Act and Terrorism Financing Act (AMLATFA) 2001	<ul style="list-style-type: none">All licensed and unlicensed employees of Participating Organizations (POs)	112
An Insight into Business Trust Guidelines	<ul style="list-style-type: none">Corporate playersIndustry professionals	45

*This figure includes the multiple counting of participants who attended more than one course.

Programme	Target Audience	Number of Participants
International Institutional Investor Series (IIIS) 2013	<ul style="list-style-type: none">Heads of investmentChief Investment OfficersSenior executivesHeads of treasuryHeads of strategy and asset allocationDirectors of large institutional investment firmsProduct development managers	147
Familiarisation Programme for Registered Representatives	<ul style="list-style-type: none">Two new categories of Registered Representatives (RRs), i.e. Trading Representatives (TRs) and Introducing Representatives (IRs)	248
Private Retirement Scheme (PRS) Train-the-Trainer Workshop	<ul style="list-style-type: none">Trainers from approved PRS providers	24
14th Emerging Markets Programme "Driving Sustainable Growth and Global Regulatory Reform: Role of Emerging Markets"	<ul style="list-style-type: none">Local and international regulators	44
8th Islamic Markets Programme "Widening Market Connectivity in Islamic Finance"	<ul style="list-style-type: none">Local and international regulatorsConventional bankersCMSRL holdersCEOs and senior personnel of companiesStaff of government agenciesShariah lecturers or graduates	53
Advanced Business Management Programme	<ul style="list-style-type: none">CEOs and senior personnel of companiesRegulators	18
Customised programmes for corporate clients	<ul style="list-style-type: none">Participants who are required to meet specific learning objectives and/or in-house training requirements specified by the client	506
	Total	13,940

Rooted in Professionalism

Building on powerful values that reflect our integrity, we are committed to securing the trust of our clients, partners, and stakeholders.



Board of Directors



Datuk (Dr) Ranjit Ajit Singh
Chairman
Securities Commission Malaysia

Datuk Ranjit is trained as a financial economist and accountant. He holds a Bachelor of Economics (Honours) degree and a Master of Economics degree in Finance from Monash University Melbourne. He was conferred the degree of Doctor of Laws *honoris causa* by Monash University Melbourne. He is a fellow of CPA Australia. He has had prior working experience in Australia and Malaysia in academia, consulting and accounting.

Datuk Ranjit Ajit Singh is the Executive Chairman of the Securities Commission Malaysia (SC). He was previously Managing Director of the SC and has over 20 years' experience in the field of finance and securities regulation.

Datuk Ranjit has played a key role in international securities regulatory policy work. He is the Vice Chairman of the Board of the International Organization of Securities Commissions (IOSCO), the global body of securities regulators and the Chairman of IOSCO's Growth and Emerging Markets Committee (GEM).

Datuk Ranjit currently chairs the Securities Industry Development Corporation (SIDC), the Malaysian Venture Capital Development Council and the Capital Market Development Fund (CMDf). Datuk Ranjit is also the Vice-Chairman of the Asian Institute of Finance (AIF) and a member of the Board of the Labuan Financial Services Authority and the Financial Reporting Foundation. He is also a board member of the Malaysian Institute of Integrity (IIM).

Dato Dr. Nik Ramlah Mahmood was appointed Deputy Chief Executive of the Securities Commission Malaysia (SC) on 1 April 2012. She joined the SC in 1993 as Manager of Law Reform Department and was a Director of the Policy and Development Division later in 1997. She was made Managing Director and Executive Director of the SC's Enforcement Division in 2008. Dato Dr. Nik Ramlah has served the SC for 20 years and has worked in areas ranging from legal and regulatory reform, product and market development, Islamic capital market, investor education and enforcement.

Dato Dr. Nik Ramlah was awarded The Award of Excellence for Outstanding Leadership in Islamic Capital Market Regulation at the London Sukuk Summit 2013.

Dato Dr. Nik Ramlah sits on the board of the Securities Industry Development Corporation (SIDC) and the Capital Market Development Fund (CMDf). She is also a member of the Professional Development Panel of the International Centre for Education in Islamic Finance (INCEIF), the global university of Islamic finance and is an EXCO member of the Asian Institute of Finance (AIF).

Dato Dr. Nik Ramlah holds a First Class Honours in Law from University Malaya and a LLM and PhD from the University of London. For her PhD, she was the recipient of a scholarship from the Association of Commonwealth Universities. Prior to joining the SC in 1993, Dato Dr. Nik Ramlah was an Associate Professor in the Faculty of Law, University Malaya.



Dato Dr. Nik Ramlah Mahmood
Deputy Chief Executive
Securities Commission Malaysia



Dato' Tajuddin Atan
Chief Executive Officer
Bursa Malaysia Berhad

Dato' Tajuddin Atan was appointed as the Chief Executive Officer of Bursa Malaysia Berhad on 1 April 2011.

Dato' Tajuddin commenced his career with Bank Bumiputra Malaysia Berhad (BBMB) in 1983 where he held a number of 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 entity 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 property development and construction, shipping and electronics, notably as the Managing Director of Chase Perdana Berhad from July 2001 until September 2004.

Dato' Tajuddin was the Chief Executive of Bank Simpanan Nasional from October 2004 until November 2007 where

he successfully led its transformation into a sustainable, profitable and efficiently governed community bank. Thereafter, he joined Bank Pembangunan Malaysia Berhad 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.

As the Chief Executive Officer and Executive Director of Bursa Malaysia Berhad, Dato' Tajuddin is entrusted to develop the exchange into an attractive and competitive marketplace in the region. He is a director of all subsidiary companies within Bursa Malaysia Group, where he serves as Chairman of the Board of Directors of Bursa Malaysia Derivatives and its subsidiary Bursa Malaysia Derivatives Clearing, as well as Chairman of the Board of Governors of Bursa Malaysia Foundation and Chairman of the Exchange Committee of Labuan International Financial Exchange. He also sits on the Boards of the Capital Market Development Fund (CMDf) and Securities Industry Development Corporation (SIDC). He is a member of the Executive Committee of Malaysia International Islamic Financial Centre and the Financial Reporting Foundation. Dato' Tajuddin also currently serves as an Adjunct Professor at the Faculty of Economics and Management of Universiti Putra Malaysia.



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 and FEC Cables (M) Sdn Bhd. He is also a Director of Management and Science University (MSU), 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
Chief Executive Officer, Malaysia
Aberdeen Islamic Asset Management

Gerald Ambrose is the Chief Executive Officer of Aberdeen Islamic Asset Management Sdn Bhd, the group's Islamic fund management hub. 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, Mr Ambrose was an institutional sales director covering ASEAN equities at Kim Eng Securities in Singapore, HSBC James Capel in London and BNP Paribas Securities London, the latter sending him to set up the institutional broking operations of its associate, Mohaiyani Securities Sdn Bhd, in 1990. Prior to that, Mr Ambrose served as a submarine officer in the Royal Navy from 1980 to 1987.

Mr Ambrose graduated with an MA (Honours) degree in Land Economy from Pembroke College, Cambridge University. He converted to Islam in 1993.



Angelina Kwan, CPA
Chief Executive Officer and Founder of
Stratford Finance Limited

Angelina Kwan is the Chief Executive Officer and Founder of Stratford Finance Limited, a Compliance and Corporate Governance Consulting Firm dedicated to providing and facilitating innovative, value-added, practical solutions to mitigate risks and safeguard the integrity of the organisation. Ms Kwan has over 25 years of experience in Asia and the United States, in business development, restructuring, regulatory/compliance, as well as investor and stakeholder relations. She started her career at KPMG and has held senior management, committee and/or board positions with the Securities and Futures Commission of Hong Kong, Cantor Fitzgerald/BGC Partners, Kleinwort Benson, HG Asia Limited, Sony Pictures and most recently the REORIENT Group (SEHK376).

Ms Kwan is currently an Independent Non-executive Director and Chairman of the Audit Committee of Aviva Life Insurance Hong Kong, a Hong Kong government appointed member of the Financial Reporting Council Process Review Panel, a Director and Chairman of the Audit Committee of the Securities

Industry Development Corporation (SIDC) of Malaysia, the Vice-Chairman and Director of The Women's Foundation, an Honorary Adjunct Professor of Finance for the Hong Kong Polytechnic University, and serves on a number of other Boards and committees. She lectures frequently for various international government and regulatory organisations as well as course providers.

She is a Certified Public Accountant in the United States and Hong Kong and a graduate of the University of Southern California. Her MBA is from Pepperdine University and LLB with Hong Kong University and Manchester Metropolitan University.



Chay Wai Leong
Group Managing Director
K & N Kenanga Holdings Berhad

Chay Wai Leong was appointed as Group Managing Director of K & N Kenanga Holdings Berhad ("Kenanga Holdings") on 17 May 2011. He is also the Managing Director of Kenanga Investment Bank Berhad (KIBB).

Currently, he also serves as a Director of the Securities Industry Development Corporation (SIDC), a company sponsored by the Securities Commission Malaysia and Bursa Malaysia Berhad, which is involved in the development of capital markets. In March 2013, Mr Chay was appointed as an Independent Non-Executive Director of Bursa Malaysia Berhad.

Since his appointment as the Group Managing Director of Kenanga Holdings in May 2011, Kenanga Group has successfully clinched the "2012 Morningstar Awards" for Best Malaysia Equity Fund and Lipper Malaysia Fund Awards for 2012 to 2014 via its asset management subsidiary, Kenanga Investors Berhad as well as the "Top Overall Futures Broker" and "Top Equity Futures Brokers" for 11 consecutive years via its futures broking house, Kenanga Deutsche Futures Sdn Bhd.

In addition, KIBB has also been awarded with the "Most Innovative Product, Malaysia" by Asia Asset Management Journal in 2013 for its Wealth Management, a newly established business segment.

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

His previous employment includes Standard Bank, one of South Africa's largest financial groups, Jardine Fleming Securities in Hong Kong and JP Morgan. During his tenure at JP Morgan, the firm won the Euromoney award for Best Foreign Securities Firm in Malaysia consecutively from 1997 to 2000. Mr Chay started his career in 1987 with Bankers Trust in Singapore. He holds a Bachelor of Business Administration from the National University of Singapore.

Senior Management



Azman Hisham Che Doi
Chief Executive Officer

Azman Hisham Che Doi is the Chief Executive Officer of SIDC. He completed his Master's degree in Financial Management from the University of Hull, UK in 1995. Azman earned his Bachelor's degree in Business Administration (Finance) from University Utara Malaysia and also holds a Diploma in Public Administration from University Teknologi Mara. 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 Securities Commission Malaysia (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. Azman's 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 is a member of the FAA Qualification Structure Steering Committee and also sits on the following Universiti Utara Malaysia and Institut Integriti Malaysia committees: Jawatankuasa Penasihat Pengajian Program Diploma Eksekutif Dalam Pengurusan Kewangan dan Perbankan Islam, Universiti Utara Malaysia; Jawatankuasa Kursus Integriti Korporat Bagi Ahli Lembaga Pengarah GLC (Persekutuan dan Negeri) dan SEDC, Institut Integriti Malaysia.

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 16 years of experience in the capital market industry. Sarimah 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 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 SIDC. She is instrumental in the conceptualisation, development and implementation of various IE projects including strategic partnerships, publications and financial literacy programmes. In 2011, Sarimah expanded her role to include strategy development, design and implementation of innovative learning modules, and interventions for the capital market industry. Sarimah is a regular speaker on topics ranging from good money management habits to smart investing in the local broadcast media.



Sarimah Ramthandin
Director, Training and
Investor Education Division



Salleh Hassan
Director, Examinations
& CPE and Corporate
Governance

Salleh Hassan oversees the overall management of the development and operations of the Securities Commission Malaysia's (SC) Licensing Examinations and the Continuing Professional Education (CPE) Programme. He is also the resident subject matter expert for corporate governance where he leads in developing curriculum and courses related to corporate governance. He was recently engaged as a Corporate Governance Specialist (Consultant) by the Asian Development Bank (ADB) in "Promoting an Interlinked ASEAN Capital Market", a project that aims to promote and to heighten the standards of corporate governance of listed companies across the ASEAN region. He has been instrumental in the annual Malaysian Corporate Governance Index initiative undertaken by the Minority Shareholder Watchdog Group (MSWG) where he continues to serve as an Associate. He also serves in the Technical Working Committee of the Corporate Integrity Roundtable under the auspices of the Malaysian Institute of Integrity. Salleh was an Associate Professor of Accounting between 2001 and 2010 and the Deputy Director of the Nottingham University Business School (NUBS) from 2005 to 2009. He is now an adjunct faculty member with NUBS. His consulting and research interests are in financial reporting, accounting policy choice and corporate governance/sustainability issues. He has

published research papers in internationally refereed journals including the *Journal of Business Communication*, *Accounting and Business Review*, *Asian Review of Accounting*, *Asia Pacific Journal of Accounting* and *Accounting Research Journal*. He also advises corporations in their effort to cultivate the corporate governance culture and to develop meaningful governance and/or sustainability reporting, through consulting engagements, seminars, workshops and conferences.



Sivalingam Navaratnam
General Manager and
Head of Consultancy and
International Programmes

Sivalingam Navaratnam is the Head of Consultancy and International Programmes, responsible for developing partnerships for new international business opportunities and training programmes relating to human capital competency development. He works closely with international regulators and funding agencies in developing training initiatives for the ASEAN and APEC markets. Sivalingam joined the Securities Commission Malaysia (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), Industry Transformation Initiative (ITI) and the SC's flagship programmes, namely the Emerging Markets Programme (EMP) and Islamic Markets Programme (IMP). Prior to joining the SC, Sivalingam was a senior lecturer of finance at 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 design, development and delivery of training models, evaluation and programme quality control. Sivalingam completed the examinations of the Chartered Institute of Management Accountants (CIMA), UK and holds a Master in Business Administration from the University of Strathclyde, UK. He is also a Certified Training Professional.

Shirley Chew is the General Manager of Examinations and Continuing Professional Education (CPE), responsible for the overall management of the development and operations of the Securities Commission Malaysia's (SC) Licensing Examinations and the CPE programme. Shirley joined SIDC when it established the one-stop examination centre for the capital market back in 1998. With her vast experience in examinations operation and development, she was instrumental in the setting up of the structure for the operations of the Examinations as well as the design and implementation of the SC Licensing Examinations Computer-Based Examination (CBE) System. In 2009, Shirley was entrusted to manage and oversee the CPE Department. The initial stage of CPE saw her pioneering and establishing the department's standard operating procedures and working with various parties on CPE initiatives. Shirley is an Associate Member of the Malaysian Institute of Chartered Secretaries and Administrators.



Shirley Chew
General Manager,
Examinations & CPE



Zanaria Marjumin
General Manager, Design
and Development &
Marketing

Zanaria Marjumin is the General Manager of Design and Development & Marketing. She joined SIDC in November 2013 and is instrumental in providing tactical and technical leadership in the development of programmes for the industry, and formulating programme development strategies. She is also entrusted to oversee the Marketing Department. Zanaria started her career in 1992 as Internal Auditor for the Employees Provident Fund (EPF). In 1998, she joined the EPF Institute as a training coordinator and was involved in several innovative learning projects including implementation of e-Learning in the EPF. Her areas of expertise include learning technology, instructional design, learning (content) management systems, e-learning standards and courseware development. Her last position before leaving EPF was the Head of Services, KL Main Office. Zanaria holds a Master in Multimedia (e-Learning Technologies) from Multimedia University and a Master in Corporate Communication from Universiti Putra Malaysia. She earned her Post Graduate Diploma in Teaching English as a Second Language from Universiti Teknologi Mara and holds a degree in Business Administration from International Islamic University, Malaysia.

The SIDC Family: Striding Confidently towards the Future

With the dedicated commitment and diverse talents of our staff, SIDC is making positive advancements towards a dynamic future.



CSR in Action:

SIDC Lands on Pantai Kerachut to Support Turtle Conservation



For the second year running, SIDC participated in turtle conservation as part of its CSR commitment towards nature and environmental wellbeing. A total of 40 SIDC staff visited Penang's Pantai Kerachut Turtle Conservation Centre (PKTCC) in December 2013 to support efforts in protecting the island's endangered marine life, particularly its turtles.



Located west of the island, PKTCC houses a turtle hatchery, rehabilitation facility and awareness centre. In the early days of the centre's establishment in 1990, turtle landings in Penang had dwindled to the point where they were almost unheard of. Today not only are turtles returning to Pantai Kerachut, but dolphins too - thanks to PKTCC's environmental education efforts directed at locals, especially the fishermen. That being said, generating awareness is an ongoing effort and even now the public has to be constantly reminded why turtle eggs should not be eaten.

SIDC's CSR initiative kicked off with a talk where staff learned that although turtles have existed for over 100 million years, only one out of every 1,000 eggs hatched can survive. The fact that turtles only reach maturity in 20-30 years further threatens the existence of the three major turtle species that land in Penang: Penyu Agar (Green Turtle), Penyu Karah (Hawksbill Turtle) and Penyu Lipas (Olive Ridley Turtle).

At the end of the informative session, SIDC CEO Azman Hisham Che Doi presented PKTCC with a cheque for RM2,000 to support the centre's conservation efforts. Following the talk, SIDC staff were brought to the beach to experience first-hand the conservation and incubation methods used to increase the rate of successful hatches.



“SIDC staff were brought to the beach to experience first-hand the conservation and incubation methods used to increase the rate of successful hatches.”



An adult turtle lays eggs six to eight times in its lifetime, approximately 800-1,000 eggs in total. Maintaining optimal sand temperatures is imperative for the fertilisation of eggs, which hatch after 48-55 days of incubation. Hence, SIDC staff took part in planting ambong-ambong trees on the beach to keep the sand cool. They were also briefed on the methods engaged to ward off natural predators at the hatchery such as foxes, civet cats, dogs, mice, monitor lizards and eagles.

Ironically, the most rewarding part of the CSR experience was the back-breaking work of manually digging into the incubation pits to retrieve turtle hatchlings. The initial excitement of seeing two baby turtles crawl out of the pit soon turned into grave realisation that they were the only hatches out of the scores of excavated dud and damaged eggs. From this activity, everyone truly understood what an uphill task turtle conservation work is and why they are such rare and precious creatures.

SIDC's day at Pantai Kerachut ended on a high note with the release of 100 baby turtles into the sea at dusk. As the hatchlings scampered towards the water amid the din of excited cheers, staff reflected on the baby turtles' treacherous and long journey towards freedom and survival. With only one out of 1,000 baby turtles successfully reaching adulthood, only time will tell if any of them will be coming back to nest at Pantai Kerachut decades later.



Financial Statements



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Directors’ Report

for the year ended 31 December 2013

The Directors have pleasure in submitting their report and the audited financial statements of the Company for the financial year ended 31 December 2013.

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 capital market talent.

Results

	RM
Net income for the year	<u>1,703,910</u>

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:

Datuk Ranjit Ajit Singh
Dato’ Tajuddin Atan
Dato Dr. Nik Ramlah Nik Mahmood
Tan Sri Dato’ Dr Wan Mohd Zahid Mohd Noordin
Gerald Michael Ambrose
Angelina Agnes Kwan
Chay Wai Leong

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 financial statements 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 2013 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 2013

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:



Datuk Ranjit Ajit Singh



Dato’ Tajuddin Atan

Kuala Lumpur

Date: 28 February 2014

Statement of Financial Position

as at 31 December 2013

	Note	2013 RM	2012 RM
Asset			
Plant and equipment	3	491,579	729,000
Total non-current asset		491,579	729,000
Trade and other receivables	4	3,212,837	1,808,573
Cash and cash equivalents	5	29,692,464	37,461,428
Total current assets		32,905,301	39,270,001
Total assets		33,396,880	39,999,001
Equity			
Accumulated surplus		11,573,881	9,869,971
Total equity		11,573,881	9,869,971
Liability			
Long-term prepaid expenses	6	19,734,297	29,600,813
Total non-current liability		19,734,297	29,600,813
Trade and other payables	7	2,088,702	528,217
Total current liability		2,088,702	528,217
Total equity and liability		33,396,880	39,999,001

The notes on pages 63 to 77 are an integral part of these financial statements.

Statement of Profit or Loss

and other comprehensive income
for the year ended 31 December 2013

	Note	2013 RM	2012 RM
Income			
Training industry		4,652,476	4,220,068
Examination fees		742,748	1,143,229
Sale of publications		180,540	261,754
Rental income		421,690	416,410
Consultant services		138,109	572,049
Finance income	8	1,182,788	1,384,073
Other income		85,801	17,921
		<u>7,404,152</u>	<u>8,015,504</u>
Amortisation of long-term prepaid expenses		<u>11,366,516</u>	<u>9,383,368</u>
		<u>18,770,668</u>	<u>17,398,872</u>
Less: Expenditure			
Event expenses		8,575,818	7,694,584
Staff costs	9	7,090,363	6,225,149
Administration expenses		<u>1,400,577</u>	<u>1,272,838</u>
		<u>17,066,758</u>	<u>15,192,571</u>
Income before tax	10	1,703,910	2,206,301
Income tax expense	11	<u>-</u>	<u>-</u>
Net income/Total comprehensive income for the year		<u>1,703,910</u>	<u>2,206,301</u>

The notes on pages 63 to 77 are an integral part of these financial statements.

Statement of Changes in Equity

for the year ended 31 December 2013

	Accumulated surplus RM
At 1 January 2012	7,663,670
Net income/Total comprehensive income for the year	<u>2,206,301</u>
At 31 December 2012/1 January 2013	9,869,971
Net income/Total comprehensive income for the year	<u>1,703,910</u>
At 31 December 2013	<u>11,573,881</u>

The notes on pages 63 to 77 are an integral part of these financial statements.

Statement of Cash Flows

for the year ended 31 December 2013

	Note	2013 RM	2012 RM
Cash flows from operating activities			
Income before tax		1,703,910	2,206,301
Adjustments for:			
Amortisation of long-term prepaid expenses		(11,366,516)	(9,383,368)
Depreciation of plant and machinery	3	293,284	324,485
Finance income	8	(1,182,788)	(1,384,073)
Impairment loss on financial assets		5,839	-
Operating loss before changes in working capital		(10,546,271)	(8,236,655)
Changes in working capital:			
Trade and other receivables		(1,509,629)	(271,546)
Trade and other payables		1,560,485	18,331
Net cash used in operating activities		(10,495,415)	(8,489,870)
Cash flows from investing activities			
Interest received		1,282,314	1,065,436
Acquisition of property, plant and equipment		(55,863)	(397,159)
Net cash from investing activities		1,226,451	668,277
Cash flows from financing activity			
Grants received		1,500,000	6,960,000
Net cash from financing activity		1,500,000	6,960,000
Net decrease in cash and cash equivalents		(7,768,964)	(861,593)
Cash and cash equivalents at 1 January		37,461,428	38,323,021
Cash and cash equivalents at 31 December		29,692,464	37,461,428

The notes on pages 63 to 77 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 capital market talent.

The financial statements were authorised for issue by the Board of Directors on 28 February 2014.

Notes to the Financial Statements

1. Basis of Preparation

(a) Statement of compliance

The financial statements of the Company have been prepared in accordance with Malaysian Financial Reporting Standards (“MFRSs”), International Financial Reporting Standards and the Companies Act, 1965 in Malaysia.

The following are accounting standards, amendments and interpretations that have been issued by the Malaysian Accounting Standards Board (“MASB”) but have not been adopted by the Company:

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2014

- Amendments to MFRS 10, *Consolidated Financial Statements: Investment Entities*
- Amendments to MFRS 12, *Disclosure of Interests in Other Entities: Investment Entities*
- Amendments to MFRS 127, *Separate Financial Statements (2011): Investment Entities*
- Amendments to MFRS 132, *Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities*
- Amendments to MFRS 136, *Impairment of Assets - Recoverable Amount Disclosures for Non-Financial Assets*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 January 2014

- Amendments to MFRS 139, *Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting*
- IC Interpretation 21, *Levies*

MFRSs, Interpretations and amendments effective for annual periods beginning on or after 1 July 2014

- Amendments to MFRS 1, *First-time Adoption of Malaysian Financial Reporting Standards (Annual Improvements 2011-2013 Cycle)*
- Amendments to MFRS 2, *Share-based Payment (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 3, *Business Combinations (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)*
- Amendments to MFRS 8, *Operating Segments (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 13, *Fair Value Measurement (Annual Improvements 2010-2012 Cycle and 2011-2013 Cycle)*
- Amendments to MFRS 116, *Property, Plant and Equipment (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 119, *Employee Benefits - Defined Benefit Plans: Employee Contributions*
- Amendments to MFRS 124, *Related Party Disclosures (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 138, *Intangible Assets (Annual Improvements 2010-2012 Cycle)*
- Amendments to MFRS 140, *Investment Property (Annual Improvements 2011-2013 Cycle)*

MFRSs, Interpretations and amendments effective for a date yet to be confirmed

- MFRS 9, *Financial Instruments (2009)*
- MFRS 9, *Financial Instruments (2010)*
- MFRS 9, *Financial Instruments - Hedge Accounting and Amendments to MFRS 9, MFRS 7 and MFRS 139*

The Company plans to apply the above mentioned standards, amendments and interpretations that are applicable and effective from the annual period beginning 1 January 2014 and 1 January 2015 respectively.

The initial application of abovementioned standards, amendments and interpretations are not expected to have any material financial impacts on the financial statements 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 MFRSs requires the management to make judgments, 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 judgments 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, 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(d)).

Notes to the Financial Statements

2. Significant Accounting Policies (cont'd)

(a) Financial instruments (cont'd)

ii. Financial instrument categories and subsequent measurement (cont'd)

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 or 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.

(b) Plant and equipment

i. Recognition and measurement

Items of plant and equipment are measured at cost less any 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. Purchased software that is integral to the functionality of the related equipment is capitalised as part of that equipment.

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

The gain or loss on disposal of an item of plant and equipment is determined by comparing the proceeds from disposal with the carrying amount of plant and equipment and is recognised net within “other income” and “other expenses” respectively in profit or loss.

ii. Subsequent costs

The cost of replacing a component of an item of 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 component is derecognised to profit or loss. The costs of the day-to-day servicing of plant and equipment are recognised in profit or loss as incurred.

iii. Depreciation

Depreciation is based on the cost of an asset less its residual value. Significant components of individual assets are assessed, and if a component has a useful life that is different from the remainder of that asset, then that component is depreciated separately.

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

The estimated useful lives for the current and comparative year 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 at the end of the reporting period and adjusted as appropriate.

(c) Cash and cash equivalents

Cash and cash equivalents consist of cash on hand, balances and deposits with banks and highly liquid investments which have an insignificant risk of changes in fair value with original maturities of 3 months or less, and are used by the Company in the management of their short term commitments.

(d) 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.

If, in a subsequent period, the fair value of the financial asset increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in profit or loss, the impairment loss is reversed, to the extent that the asset’s carrying amount does not exceed what the carrying amount would have been had the impairment not been recognised at the date the impairment is reversed. The amount of the reversal is recognised in profit or loss.

Notes to the Financial Statements

2. Significant Accounting Policies (cont'd)

(d) Impairment (cont'd)

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 cash-generating units. The recoverable amount of an asset or cash-generating unit is the greater of its value in use and its fair value less costs of disposal. 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 financial year in which the reversals are recognised.

(e) 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.

A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii. State plans

The Company's contributions to the 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.

(f) 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.

3. Plant and Equipment

	Office equipment RM	Computer equipment RM	Communication equipment RM	Furniture & Fitting RM	Renovation RM	Total RM
Cost						
At 1 January 2012	182,867	814,630	66,912	267,530	319,442	1,651,381
Additions	34,010	363,149	-	-	-	397,159
At 31 December 2012/ 1 January 2013	216,877	1,177,779	66,912	267,530	319,442	2,048,540
Additions	6,000	39,295	3,594	1,624	5,350	55,863
At 31 December 2013	222,877	1,217,074	70,506	269,154	324,792	2,104,403
Depreciation						
At 1 January 2012	125,343	630,910	40,948	124,759	73,095	995,055
Depreciation for the year	34,926	190,725	13,384	53,506	31,944	324,485
At 31 December 2012/ 1 January 2013	160,269	821,635	54,332	178,265	105,039	1,319,540
Depreciation for the year	21,675	178,383	7,703	53,533	31,989	293,284
At 31 December 2013	181,944	1,000,018	62,035	231,798	137,028	1,612,824
Carrying amounts						
At 31 December 2012/ 1 January 2013	56,608	356,144	12,580	89,265	214,403	729,000
At 31 December 2013	40,933	217,056	8,471	37,356	187,764	491,579

Notes to the Financial Statements

4. Trade and Other Receivables

	2013 RM	2012 RM
Amount due from the SC	137,174	207,483
Trade receivables	2,390,219	806,165
Other receivables	730,102	833,744
	<u>3,257,495</u>	<u>1,847,392</u>
Less: Allowance for impairment loss	(44,658)	(38,819)
	<u>3,212,837</u>	<u>1,808,573</u>

Included in other receivables are interests due from fixed deposits placement of RM717,805 (2012: RM817,331).

5. Cash and Cash Equivalents

	2013 RM	2012 RM
Cash and bank balances	1,132,464	1,401,428
Deposits placed with licensed banks	15,560,000	25,560,000
Deposits placed with a scheduled institution	13,000,000	10,500,000
	<u>29,692,464</u>	<u>37,461,428</u>

The deposits placed with licensed banks and a scheduled institution earned income at rates ranging from 3.35% to 3.56% (2012: 3.30% to 3.56%) per annum.

The cash and cash equivalents are placed with licensed banks which are under common control by the Government of Malaysia (a party that has direct or indirect significant influence on SIDC).

6. Long-term Prepaid Expenses

	2013 RM	2012 RM
Non-current		
Long-term prepaid expenses	<u>19,734,297</u>	<u>29,600,813</u>
Grant from Capital Market Development Fund ("CMDF")	64,750,000	64,750,000
Grant from the SC	<u>24,400,000</u>	<u>22,900,000</u>
	89,150,000	87,650,000
Less: Amortisation of long-term prepaid expenses		
Grant from CMDF	(45,810,861)	(37,842,878)
Grant from the SC	<u>(23,604,842)</u>	<u>(20,206,309)</u>
	19,734,297	29,600,813

At the end of the reporting period

The Company received a grant during the current financial year as follows:

i. Grant from the SC

The SC agreed to provide assistance to the Company in the amount of RM1.5 million (2012: RM2.5 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). Any unutilised balance of the grant will be carried forward and utilised against the future approved programmes by the SC.

ii. Grant from the CMDF

The CMDF agreed to provide RM64.75 million in the first five years beginning year 2007 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.

Per approval by the CMDF Board, SIDC will be utilising the remaining balance of CMDF funding as at 31 December 2012 by continuing to implement the above activities in 2013 and onward until the funds are exhausted. For the GDP programme which was completed in 2013, SIDC will refund the funding balance as requested by the CMDF Board.

7. Trade and Other Payables

	2013 RM	2012 RM
Trade		
Trade payable	1,465,811	326,349
Non-trade		
Other payables	160,580	79,963
Accrued expenses	420,785	39,995
Amount due to the SC	29,922	70,306
Institute of Corporate Responsibility Malaysia ("ICRM") fund	<u>11,604</u>	<u>11,604</u>
	<u>2,088,702</u>	<u>528,217</u>

Notes to the Financial Statements

8. Finance Income

	2013 RM	2012 RM
Interest income of financial assets that are not at fair value through profit or loss	1,182,788	1,384,073

9. Staff Costs

	2013 RM	2012 RM
Employees Provident Fund	852,214	752,406
Remuneration, bonus, staff medical, staff training and overtime	6,238,149	5,472,743
	7,090,363	6,225,149

The number of employees of the Company at the end of the year was 55 (2012: 54).

10. Income before Tax

	2013 RM	2012 RM
Income before tax is arrived at after charging:		
Auditor's remuneration	30,000	15,500
Depreciation on plant and equipment	293,284	324,485
Management fees	266,400	266,400
Impairment loss on receivables	5,839	-
Rental expenses	462,823	439,568
and after crediting:		
Amortisation of long-term prepaid expenses	11,366,516	9,383,368
Rental income	421,690	416,410

11. Income Tax Expense

The Company was granted approval from the Minister of Finance ("MOF") to be exempted from taxation for statutory income except for dividend income with effect from Year Assessment (YA) 2013 until 2017. A similar tax exemption was approved by the MOF in prior YA 2008 until 2012.

12. 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.

Related parties also include key management personnel defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Company either directly or indirectly. The key management personnel include all the Directors of the Company, and certain members of senior management of the Company.

Related party transactions have been entered into in the normal course of business under normal trade terms. Significant related party transactions other than key management personnel compensation are shown below.

	Transactions value for the year ended 31 December		Net/Gross balance outstanding at 31 December	
	2013 RM	2012 RM	2013 RM	2012 RM
Related companies				
SC				
- Management fees	(266,400)	(266,400)	(22,200)	(22,200)
- Grant	1,500,000	2,400,000	125,000	200,000
- Training Industry*	2,083,807	1,673,326	1,371,872	140,405
CMDF				
- Grant	-	4,560,000	-	-
Permodalan Nasional Berhad				
- Training Industry*	2,830	55,550	350	-
Bursa Malaysia Berhad				
- Training Industry*	103,120	4,590	60,940	-
Bursa Malaysia Derivatives Berhad				
- Training Industry*	-	15,110	-	15,110
Aberdeen Asset Management Sdn Bhd				
- Training Industry*	3,104	-	3,104	-
Kenanga Investment Bank Berhad				
- Training Industry*	188,788	81,090	72,348	11,380
Sime Darby Property Berhad				
- Training Industry*	-	51,000	-	-
Universiti Teknologi Mara				
- Training Industry*	-	825	-	-

* No allowance for impairment losses are provided in respect of these balances outstanding at the financial year end. All the amounts outstanding are unsecured, interest-free and expected to be settled in cash within the next 12 months.

Notes to the Financial Statements

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
2013		
Financial assets		
Trade and other receivables	3,212,837	3,212,837
Cash and cash equivalents	29,692,464	29,692,464
	<u>32,905,301</u>	<u>32,905,301</u>
Financial liabilities		
Trade and other payables	<u>(2,088,702)</u>	<u>(2,088,702)</u>
2012		
Financial assets		
Trade and other receivables	1,808,573	1,808,573
Cash and cash equivalents	37,461,428	37,461,428
	<u>39,270,001</u>	<u>39,270,001</u>
Financial liabilities		
Trade and other payables	<u>(528,217)</u>	<u>(528,217)</u>

13.2 Gains arising from financial instruments

	2013 RM	2012 RM
Gains on loan and receivables	<u>1,182,788</u>	<u>1,384,073</u>

13.3 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

13.4 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.

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

	Gross RM	Individual impairment RM	Net RM
2013			
Not past due	2,444,328	-	2,444,328
Past due 1 - 30 days	272,750	-	272,750
Past due 31 - 60 days	154,040	-	154,040
Past due more than 60 days	386,377	(44,658)	341,719
	<u>3,257,495</u>	<u>(44,658)</u>	<u>3,212,837</u>
2012			
Not past due	1,489,315	-	1,489,315
Past due 1 - 30 days	81,200	-	81,200
Past due 31 - 60 days	73,960	-	73,960
Past due more than 60 days	202,917	(38,819)	164,098
	<u>1,847,392</u>	<u>(38,819)</u>	<u>1,808,573</u>

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

	2013 RM	2012 RM
At 1 January	38,819	38,819
Impairment loss recognised	5,839	-
At 31 December	<u>44,658</u>	<u>38,819</u>

Notes to the Financial Statements

13. Financial Instruments (cont'd)

13.4 Credit risk (cont'd)

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.

13.5 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.

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
2013			
Financial liabilities			
Trade and other payables	2,088,702	2,088,702	2,088,702
2012			
Financial liabilities			
Trade and other payables	528,217	528,217	528,217

13.6 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.

13.6.1 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:

	2013 RM	2012 RM
Fixed rate instruments		
Financial assets	28,560,000	36,060,000

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. Therefore, a change in interest rates at the end of the reporting period would not affect profit or loss.

13.7 Fair value information

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 55 to 73 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Company as of 31 December 2013 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:



Datuk Ranjit Ajit Singh



Dato' Tajuddin Atan

Kuala Lumpur

Date: 28 February 2014

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 55 to 73 are, to the best of my knowledge and belief, correct and I make this solemn declaration conscientiously believing the same to be true, and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the above-named in Kuala Lumpur on 28 February 2014.



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 Securities Industry Development Corporation, which comprise the statement of financial position as at 31 December 2013, and the statements of profit or loss and other 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 55 to 73.

Directors' Responsibility for the Financial Statements

The Directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The Directors are also responsible for such internal control as the Directors determine is 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 about 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 financial statements that give 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 give a true and fair view of the financial position of the Company as at 31 December 2013 and of its financial performance and cash flows for the year then ended in accordance with Malaysia Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

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



Peter Ho Kok Wai
Approval Number: 1745/12/15(J)
Chartered Accountant

Petaling Jaya, Malaysia

Date: 28 February 2014

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