



Securities Industry Dispute Resolution Center

Company No: 909583-H

The background of the cover features a complex, abstract graphic design. It consists of several overlapping, curved lines in shades of blue, green, red, and grey. These lines create a sense of movement and depth, resembling a stylized landscape or a series of data paths. The lines are layered, with some appearing in front of others, creating a three-dimensional effect. The overall aesthetic is modern and professional.

ANNUAL
REPORT
2012

ANNUAL REPORT 2012

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SECURITIES INDUSTRY DISPUTE RESOLUTION CENTER

(Company No. 909583-H)
(Incorporated in Malaysia)

NOTICE IS HEREBY GIVEN THAT the THIRD ANNUAL GENERAL MEETING of the company will be held at Conference Hall 2, Securities Commission, No. 3 Persiaran Bukit Kiara, Bukit Kiara, 50490 Kuala Lumpur on Monday, 8th April 2013 at 2.30 p.m.

A G E N D A

- (1) To receive the Audited Accounts for the Financial Year ended 31 December 2012 and the Reports of the Directors And the Auditors thereon.

Refer to Note A

ORDINARY BUSINESS

- (2) To re-elect Dato' Ranita Binti Mohd Hussein retiring pursuant to Article 62 of the Company's Articles of Association.
- (3) To re-elect Tan Sri Dato' Sri Hamad Kama Piah Bin Che Othman retiring pursuant to Article 62 of the Company's Articles of Association.
- (4) To re-appoint Dato' Kok Wee Kiat retiring in accordance with Section 129(6) of the Companies Act, 1965.
- (5) To re-appoint Messrs Ernst & Young as Auditors of the Company and to authorise the Directors to fix their remuneration.

Ordinary Resolution 1

Ordinary Resolution 2

Ordinary Resolution 3

Ordinary Resolution 4

SPECIAL BUSINESS

- (6) To transact any other business of which due notice shall have been given in accordance with the Companies Act, 1965.

BY ORDER OF THE BOARD



HO YUE CHAN
Secretary
(BC/H/90)

Kuala Lumpur

Dated: 15th March 2013

Note A

This Agenda item is meant for discussion only as Section 169(1) of the Companies Act, 1965 does not require a formal approval of members and hence is not put forward for voting.

About the Securities Industry Dispute Resolution Center

The Securities Industry Dispute Resolution Center or “SIDREC” is a body corporate established under the Capital Markets and Services Act (Dispute Resolution) Regulation 2010 to act as a dispute resolution body in relation to any claims made by eligible claimants against any person licensed to carry out the activities of dealing in securities, dealing in derivatives and fund management under the Capital Markets and Services Act 2007 (CMSA), who are registered as SIDREC’s members.

In essence, SIDREC helps to mediate and adjudicate claims or disputes in any dealing or transaction involving capital market products or services between investors and SIDREC’s members, who include stockbroking companies, investment banks, futures broking companies, fund management companies and unit trust management companies, among others.

Functions of SIDREC:

- To provide an alternative dispute resolution avenue for investors in relation to claims involving capital markets services and products against capital market intermediaries.
- To promote, encourage and facilitate the satisfactory resolution, mediation or withdrawal of such complaints, disputes and claims.
- To collaborate with the regulators of the capital markets on all matters relating to or affecting the resolution of complaints, disputes and claims.

CHAIRMAN'S STATEMENT

I am pleased to present my address in this annual report for 2012, which marks SIDREC's second year of operations.

This year, SIDREC continued with its efforts to raise public awareness of its dispute resolution services. We participated in roadshows, distributed leaflets and placed newspaper advertisements and short messages in Central Depository System (CDS) statements to widen our reach to investors and potential investors who would be likely to use SIDREC's services.

The increased awareness of SIDREC appears to have resulted in an increase this year of nearly six times the number of cases and queries received in 2011, i.e. from 21 to 114. In dealing with these cases, we made several observations.

Firstly, eligible cases could be resolved before reaching the stage of adjudication. This year, although there were no cases that were adjudicated, three were resolved at the early review stage, during the information-gathering process.

Secondly, we note that 72% of the queries are what we classify as "miscellaneous", a result of misunderstanding or unfamiliarity with the procedures, or an effort to obtain clarification or more information on a capital market product or service. Although these do not fall squarely within the ambit of our dispute-resolution services, we welcome them as presenting an opportunity for us to educate the public on SIDREC's services, while assisting the public to the extent of our expertise, or directing them to the correct authority or avenue to deal with their cases.

Thirdly, we observed that in many cases investors approached us directly with their complaint before first referring to the member company about it. SIDREC's Terms of Reference clearly stipulate that we will not register a dispute unless the complainant has first submitted his claim to the Member and allowed it an opportunity to resolve the matter. In all these cases, we have consistently advised the complainants to refer their claims to the Member company with a view to resolving their disputes before resorting to SIDREC. Although SIDREC was established as a

mediation service to assist the retail investor, it views its role as being part and parcel of the smooth functioning of the industry procedures as a whole. As such, it is essential for disputes between investors and Members to run through Members' internal processes in order that an amicable solution is reached as far as possible. An amicable resolution of any dispute between our Member and its client is the ideal outcome encouraged by SIDREC, and this is reflected in our policies and processes.

Currently, SIDREC has two competent mediators to handle cases that come before us. One is an in-house mediator, knowledgeable of the industry, and the other is an experienced mediator/adjudicator who has been appointed to our Panel of Mediators/Adjudicators. With the continuing increase in the number of cases appearing in our register, we may appoint more experienced mediators/adjudicators to our Panel, as the need arises.

This year, we were able to communicate with many of our Members in trying to determine the most suitable membership fee structure for SIDREC commencing 2013. The Securities Commission has been financing SIDREC's operations since our incorporation in late 2010 to date. As can be seen from our financial statements, our expenditure for this year has been rather modest. Similarly, our budgeted expenditure for 2013 provides for only nominal increases for promotional costs and staff recruitment, and we took great pains to closely match our budget with the expected income from the fee structure originally proposed.

Since then, we have noted that the Securities Commission has taken on board the industry's concern that it is currently facing challenging times, and any alleviation of regulatory costs would help to reduce the financial burden on Members. In light of the fact that we are now working with the SC to address these concerns, our collection of membership fees is currently suspended.

At the international level, we see developments that confirm the Securities Commission's foresight in establishing an affordable dispute resolution service for the capital market here in Malaysia. As mentioned last year, SIDREC's CEO represents Malaysia in an ASEAN working group that is studying ways to implement a cross-border dispute resolution mechanism in the region, and the group has made further progress towards meeting this objective this year. Elsewhere in the wider Asian region, Hong Kong launched its Financial Dispute Resolution

Centre Limited in June, offering mediation and arbitration services to clients of financial institutions and capital market service providers.

I would like to take this opportunity to thank our Members who have given us feedback on our processes, as well as for helping to promote our services through the distribution of our leaflets, referrals as well as hosting our booth and enabling us to speak to their clients during the Bursa Market Chat events. Our thanks also go to Bursa Malaysia Securities Berhad and the Financial Mediation Bureau for their assistance in raising awareness of SIDREC and referring complaints on capital market related matters to us. Last but not least, I would like to thank the Securities Commission for their continued support of SIDREC.

On behalf of the Board, I would like to record our sincere appreciation to the staff of SIDREC for their hard work in pioneering SIDREC's operations through 2012.

DATO' RANITA MOHD HUSSEIN

Chairman

BOARD OF DIRECTORS

(As at 31 December 2012)

Independent Directors

Chairman

Y.Bhg. Dato' Ranita binti Mohd Hussein

Dato' Ranita is the Chairman of SIDREC. She is a legal consultant and is also a member of the Advisory Council of Jurists of the Asia Pacific Forum for National Human Rights Institutions.

Prior to her present appointments, Dato' Ranita has served as a member of the Permanent Court of Arbitration, the Hague, a Commissioner in the Human Rights Commission Malaysia (Suhakam), a partner of Skrine & Co in Kuala Lumpur and Brunei offices, a Judicial Commissioner in the High Court, Malaysia and an Adviser (now redesignated as Assistant Governor) to the Central Bank of Malaysia.

Where the capital markets are concerned, Dato' Ranita served as a member of the Governing Committee of the Kuala Lumpur Stock Exchange from 1997 to 2000 and as a director on the board of the Kuala Lumpur Options and Financial Futures Exchange from 1999 to 2000.

Dato' Ranita began her career in the Judicial and Legal Services, where, from 1969 to 1991, she served in various positions ranging from magistrate and Senior Federal Counsel at the Economic Planning Unit (EPU) and Foreign Investment Committee to Head of Advisory & International Division, Attorney General's Chambers and Chief Parliamentary Draftsman later during her tenure.

Dato' Ranita holds a LLB (Hons) from the University of Singapore.

Other Independent Directors

Y.Bhg. Dato' Kok Wee Kiat

Dato' Kok Wee Kiat currently sits on the Boards of Aluminum Company of Malaysia Berhad, Bata Malaysia Sdn Bhd and The Bank of Nova Scotia Bhd.

Dato' Kok was formerly the Deputy Minister of Trade & Industry and Member of Parliament for Selandar from 1986-1990. He has also served as Co-Patron of Malaysian Canadian Business Council (1989-2010), Vice President of Malaysian Chinese Association (1985-1990), as well as President of Rotary Club of Petaling Jaya (1985).

Dato' Kok has been actively involved in various corporate responsibility activities. He has been the Honorary President of the Business Council for Sustainable Development Malaysia (now renamed Business Council for Sustainability & Responsibility Malaysia) since 1998 and Chairman of the Environmental Quality Council, Malaysia from 2000 until 2009. He sat on the Advisory Board to the Greening of Industry Network (GIN) from 2002 until 2005. Dato' Kok has also been selected to sit on the panel of judges for both the ACCA Sustainability Reporting Awards, as well as StarBiz-ICR Corporate Responsibility Reporting Awards. Dato Kok has been a member of the Organizing Committee of the Prime Minister's Hibiscus Award since its inauguration in 1996, sitting as its Chairman from 1998 to 2012.

Dato' Kok is qualified as an advocate and solicitor, holding a LLB (Hons) (Sing). He was one of the founding partners of Messrs Mah-Kok & Din, and was the sole proprietor of Messrs Kok & Associates from 1990 to 2000.

Y.Bhg. Dato' Halipah binti Esa

Dato' Halipah currently serves as Independent Non-Executive Director of several public-listed companies, including MISC Berhad, Malaysia Marine and Heavy Engineering Holdings Berhad and KLCC Property Holdings Berhad. She also serves on the Boards of Malaysia Deposit Insurance Corporation, Cagamas SME Bhd and Northport Bhd.

She was Chairman of Pengurusan Aset Air Bhd and had also served on the Boards of Petronas, FELDA, Employees Provident Fund, Pensions Trust Fund, Inland Revenue Board, Putrajaya Corporation, UDA Holdings Bhd and Malaysia –Thailand Joint Development Authority.

She started her career with the Administrative and Diplomatic Services in 1973 in the Economic Planning Unit (EPU) of the Prime Minister's Department. During her tenure in EPU, she held various senior positions including Director of Energy, Senior Director of Macroeconomics and Deputy Director General Macro Planning Division, rising to the position of Director General of EPU, the post she held when she retired from the Government in 2006. She had also served the Ministry of Finance as the Deputy Secretary General.

Dato' Halipah had also been a consultant to the World Bank and United Nations Development Programme (UNDP) in advising the Royal Kingdom of Saudi Arabia on economic planning and had also provided technical advice to planning agencies in Vietnam, Cambodia, Indonesia and several African countries..

Dato' Halipah holds a BA Hons (Econ), as well as a Master of Economics from the University of Malaya.

Y.Bhg. Dato' Ambiga Sreenevasan

Dato' Ambiga has been in legal practice for 31 years. She is a founding partner of Sreenevasan, Advocates & Solicitors.

Dato' Ambiga was the President of the Malaysian Bar from March 2007 to March 2009. She was also a panelist of the Kuala Lumpur Regional Centre for Arbitration under the Malaysian Network Information Centre Domain Name Dispute Resolution Policy ("MYDRP") from 2006 – 2009. She was the Vice President of the Malaysian Intellectual Property Association in 2002.

Dato' Ambiga is a Mediator on the Panel of the Bar Council, Malaysian Mediation Centre and has sat as an arbitrator. She is a member of the Malaysian Intellectual Property Association (MIPA), as well as the Asian Patent Attorneys Association (APAA).

She is currently the Co-Chairperson of Bersih 2.0, a civil society movement for free and fair elections. She is also a member of the executive committee of the Human Rights Organisation (HAKAM).

Dato' Ambiga holds a LLB (Hons) from the University of Exeter, England.

She is a recipient of the United States Secretary of State's International Women of Courage Award for the year 2009. On 21st July 2011, she was awarded an Honorary Doctorate of Laws (LLD) from the University of Exeter for her work in advancing human rights. On 23rd September 2011, she was conferred the "Chevalier" of the French Order of the "Légion d'Honneur" for her work in human rights.

Directors Representing Members

Tan Sri Dato' Sri Hamad Kama Piah bin Che Othman

Tan Sri Dato' Sri Hamad Kama Piah Che Othman currently holds the position of President and Group Chief Executive of Permodalan Nasional Berhad (PNB).

Tan Sri Dato' Sri Hamad holds a Honorary Doctorate in Business Administration from Universiti Tenaga Nasional, Malaysia, Masters of Philosophy from the University of Swansea, United Kingdom, and a Diploma in Statistics from Universiti Teknologi MARA, Malaysia.

He is a Senior Fellow of the Financial Services Institute of Australasia (FINSIA). He is also a Certified Financial Planner (CFP) with the Financial Planning Association of Malaysia and Registered Financial Planner (RFP) with the Malaysian Financial Planning Council. He is also a holder of the Capital Markets Services Representative License.

His working career spans over 30 years in the field of investment and unit trust management. He is currently the President and Group Chief Executive Officer of Permodalan Nasional Berhad (PNB). Prior to taking the helm at PNB in 1998, he undertook various responsibilities in various facets of investment management and corporate finance in PNB including as portfolio manager and head of corporate restructuring.

Besides sitting on the Board of PNB, Tan Sri Dato' Sri Hamad is also a director of Amanah Saham Nasional Berhad, Pelaburan Hartanah Nasional Berhad, Amanah Mutual Berhad, Sime Darby Berhad, Chemical Company of Malaysia Berhad, and several other companies.

Y.Bhg. Dato' Saiful Bahri bin Zainuddin

Dato' Saiful Bahri is currently the Managing Director of Affin Investment Bank Berhad – Stockbroking Division. Dato' Saiful Bahri holds a Bachelor of Science Degree in Economics & Finance from Western Michigan University, USA in 1985. He also attended the Global Leadership Development Programme at Stanford University, USA.

Dato' Saiful Bahri is a Board Member of Bursa Malaysia Berhad and also sits as a committee member of Board Risk Committee Meeting, Board Nomination and Remuneration Committee Meeting and Board Market Participation Committee Meeting of Bursa Malaysia Berhad. Dato' Saiful Bahri is a member of the SC's Securities Law Consultative Committee as well as the

Financial Adviser to the State Government of Negeri Sembilan and member of Negeri Sembilan State Government Think Tank. Dato' Saiful Bahri also sits as the Board of Trustee for Bumiputera Dealer Representatives Education Fund (BDREF) and Bumiputera Training Fund (BTF).

Dato' Saiful Bahri was previously holding the position of Executive Director at Affin Holdings Berhad. He previously held positions which include the Executive Director, Dealing of Rashid Hussain Securities and CEO/Executive Director, Dealing of Fima Securities Sdn Bhd.

Dato' Saiful Bahri was also with Heavy Industries Corporation of Malaysia (HICOM) attached to the Corporate Planning Division. Dato' Saiful Bahri was a former member of the Securities Market Consultative Panel of Bursa Malaysia Berhad. He was also a committee member of Masjid Wilayah Persekutuan.

Mr Raymond Tang Chee Kin

Mr. Raymond Tang is the Regional Chief Investment Officer of CIMB-Principal Asset Management Berhad. He has been with CIMB-Principal since 1 October 2004. He has over 20 years of experience in the asset management business, managing both institutional and unit trust funds.

Prior to joining CIMB-Principal, Mr. Raymond Tang was the Chief Investment Officer / Executive Director of CMS Dresdner Asset Management from 1996 to 2004 and was jointly responsible in making regional asset allocation decisions within the Asia-Pacific ex-Japan. He began his career as an investment officer in RHB Asset Management in 1987 for 4 years, before moving on to CIMB Securities as an investment executive for 1 year. In 1992, he joined SBB Asset Management as a fund manager until 1996.

Currently, Mr Raymond Tang is the Chairman of Malaysian Association of Asset Managers (MAAM) and Chairman of FTSE Bursa Malaysia Index Advisory Committee. He is also an invitee in the Executive Committee of Malaysia International Islamic Financial Centre (MIFC).

Mr Raymond Tang is a Fellow of the Chartered Institute of Management Accountants of England and he holds a Capital Markets Services Representative's License for fund management under CMSA.

MANAGEMENT AND MEDIATORS

Chief Executive Officer

Khairul Ridzwan Abdul Kuddus

En Khairul, the CEO, is responsible for the overall management of SIDREC, being in charge of the Center's administration, finances, operations and strategic direction.

He is seconded to SIDREC from Securities Commission, Malaysia, where he has been employed since 1995. Among the senior positions he has held at the SC are the Head of the Complaints Unit, Commission Secretary and Special Assistant to the Chairman, Head of Primary Market Regulation and Deputy General Manager and Head of Prospectus Department, Issues and Investment (now known as Corporate Finance and Investments). En Khairul brings to SIDREC depth and breadth of knowledge of capital market regulation gained from his years at the nation's primary regulator of the capital markets.

En Khairul obtained his LLB (Hons) degree from Brunel University, Uxbridge, UK. He also holds the Certificate of Legal Practice.

Mediator (Full-time staff)

Hong Siew Lai

Ms Hong examines, mediates and adjudicates claims brought by investors against member companies.

Prior to joining SIDREC in 2011, Ms Hong was a registered Compliance Officer for both equities and derivatives, attached with a Malaysian investment bank as Assistant Vice President, Corporate Affairs, Legal & Compliance Department since 2004. At the investment bank, Ms Hong reviewed and proposed appropriate actions to ensure the company's compliance with various regulations and guidelines. She also advised the company on legal matters and monitored the conduct of litigation by panel firms.

From 1998 to 2004, Ms Hong practiced as an advocate and solicitor, where her scope of work included conveyancing, civil litigation and corporate/commercial matters.

Ms Hong's legal experience and expertise on capital market products, services and regulations places her in good stead to provide sound advice to both clients and members in the mediation process.

Ms Hong graduated with a LL.B (Hons) from the University of East London, UK and holds the Certificate in Legal Practice. She was admitted as an advocate and solicitor of the High Court of Malaya in 1998.

Panel Mediator

Daphne R. N. Sebastian

Ms Sebastian examines, mediates and adjudicates claims brought by investors against member companies, and is on SIDREC's panel of mediators.

Ms Sebastian served in the Judicial and Legal Service of Malaysia from 1976 to 1994. During her 18 years of service, her posts included Magistrate, Senior Assistant Registrar, Senior Federal Counsel in the Civil Division and Advisory Division of the Attorney General's Chambers and Deputy Director of the Legal Aid Bureau. Her final posting was as Sessions Court Judge in Raub and Kuantan.

From 1997 to 2009, she was involved in various lecturing, tutoring and training assignments at the University of Malaya, during which she also wrote for several publications and training modules.

From 2002 to 2005, she served as one of the Presidents of the Tribunal for Consumer Claims Malaysia, an alternative dispute resolution centre that caters for consumer products and services.

Ms Sebastian's extensive legal experience, particularly her years as adjudicator on the bench and as a President for the Consumer Claims Tribunal, ensures that SIDREC's decisions are fair, well-considered and legally sound.

Ms Sebastian holds a LL.B (Hons) and LL.M from the University of Malaya. She was admitted as an advocate and solicitor of the High Court of Malaya in 1986.

OVERVIEW OF SIDREC'S ACTIVITIES

This year SIDREC focused on increasing awareness of its role and functions amongst the investing public. From the substantial increase in the number of enquiries and cases received this year as compared to 2011, it would appear that our various promotional activities, supported by the cooperative efforts of our members as well as the Securities Commission, Bursa Malaysia Securities Berhad (Bursa Securities) and the Financial Mediation Bureau (FMB), have met with some success.

Promotional activities

Our promotional activities this year were a combination of efforts that targeted investors and users of capital market products and services, as well as awareness campaigns for the general public and potential investors. Our aim was to inform the investing public of the existence and role of SIDREC and heighten their awareness of their right to avail themselves of the mediation processes of SIDREC in the event of a dispute with their capital market service provider.

From the beginning of our operations in 2011, SIDREC's Members assisted in informing their clients of our services by displaying and distributing pamphlets on SIDREC at their premises. The initial allocation to members was 1,000 pieces per headquarters and 500 per branch, with members requesting for additional copies when supplies were depleted. This distribution continued this year, and we thank members for their assistance.

The procedure for informing clients about SIDREC continues at the conclusion of the Member's internal complaints-handling procedure, where Members are to state the final outcome / resolution on the matter and inform the complainant of the option to approach SIDREC for mediation should they be dissatisfied with the outcome. This is in conformity with the requirement under SIDREC's Terms of Reference (TOR).

A new initiative this year was aimed at individual investors who trade in equities and derivatives. A common and mandatory aspect of the trading process is the subscription to Central Depository Service (CDS). With the consent and assistance of Bursa Depository Sdn Bhd (Bursa Depository), short messages on SIDREC were included in the footnotes of the periodic statements issued to all CDS account-holders in March, April, June and July.

Another new effort this year was SIDREC's personal engagement with clients of investment banks and stockbroking companies through the Market Chat roadshows organized by Bursa Securities. SIDREC managed to participate in 4 of these events, which were jointly organized by Bursa Securities and stockbroking companies / investment banks, that were held in Johor Bahru, Ipoh, Butterworth and Georgetown. At these events, SIDREC personnel made a brief presentation on SIDREC services and manned a booth where we were able to interact with persons likely to use SIDREC's services. In this regard, we'd like to thank Bursa Depository, Bursa Securities, Affin Investment Bank Berhad and Jupiter Securities Sdn Bhd for their kind assistance in these promotions.

The promotional activities for targeted audiences were supplemented by efforts that covered the wider investing public. SIDREC continued to participate with the Securities Commission in investor awareness events throughout 2012, such as by setting up investor booths at various investor events held around the country, as well as Klinik SihatLabur, a series of investor "clinics" where the Securities Commission and SIDREC dispensed advice to members of the public who had queries or complaints on matters relating to the capital market.

In addition, SIDREC took steps to extend its reach to the mass audience by publicizing its functions and services via large circulation publications. It published 5 monthly advertisements on its services in StarBiz (the business section of the Star newspaper). SIDREC was also featured twice in Harian Metro this year, through an interview segment with the CEO and an informative "question and answer" feature.

The heightened awareness of SIDREC has been reflected in the significant increase of enquires and claims that have come to the dispute resolution body, which is discussed in more detail in the section below.

Complaints received

In 2012, SIDREC received a total of 114 queries and claims, which was nearly six times that received in 2011. The breakdown of the cases according to the type of capital market product/service, with the comparative data for 2011, is set out in the table below:

TYPE	NO. OF CASES 2012	NO. OF CASES 2011
Dealing in securities (shares)	22	10
Dealing in derivatives	1	1
Dealing in securities (unit trusts)	9	4
Miscellaneous (e.g. complaints involving private companies, public listed companies, share registrars, entities not licensed with the Securities Commission, and/or business arrangements not related to regulated activities.)	82	6
TOTAL	114	21

From the above, it is noted that there was a twofold increase in cases involving shares and unit trusts, respectively. These indicate that there is a growing awareness among the investing public of the services that SIDREC offers in terms of mediation and adjudication of matters involving capital market products and services. The largest increase, however, is the number of “Miscellaneous” queries which number more than 13 times the figure received in 2011. Although these cases did not fall directly within the ambit of SIDREC’s dispute-resolution mechanism, they were related to matters involving investment and the capital market. This is the indication of general awareness among the public of SIDREC’s presence in the capital market as an avenue for possible redress. Our staff assisted these callers as best they could, and directed them to the relevant authorities where possible.

The breakdown of cases according to eligible claims and cases falling out of SIDREC's TOR is set out below, together with comparative data for 2011:

BLOCK	DESCRIPTION	NO. OF CASES 2012	NO. OF CASES 2011
Eligible claims			
A	Decision given by SIDREC following adjudication	0	3
Eligible claims resolved after mediation or review:			
B	• Eligible claim dismissed after review as it is unsustainable against the Member	1	0
C	• Eligible claim withdrawn by the Complainant	2	0
D	Cases for which eligibility is being determined	2*	0
Ineligible claims			
E	Ineligible as the claim had not yet been referred to the Member for resolution (Claim made prematurely to SIDREC)	17	6
F	Ineligible as the dispute had already been brought to court	4	3
G	Ineligible as the claim was related to capital market products/services offered by commercial banks (who were not Members of SIDREC). Referred to FMB	4	0
H	Ineligible as the dispute fell within the scope of the Compensation Fund or Fidelity Fund managed by Bursa Securities	2	0
I	Other ineligible claims, being matters beyond SIDREC's jurisdiction	82	9
		114	21

Note:

* As at 26 February 2013, 1 case under Block D was determined to be eligible and is undergoing review / mediation. The other was amicably settled between the claimant and the Member.

In 2012, there were no cases that proceeded to stage of "adjudication", where SIDREC enters a decision on the matter in dispute. However, it is noted that there have been 3 cases where the matter had been resolved at the stage of examination. In one case, the claim by the investor was dismissed as unsustainable when it was found that the Member was within its rights under

law to pursue a certain course of action. In 2 other cases, the claimants withdrew their complaints after SIDREC investigated the claim and explained to the client the proper procedures and rules applicable, under which the Member had acted properly and correctly. These issues arose due to the complainants' lack of knowledge of the capital markets products and services offered by the Members.

Although we have considered many claims as ineligible, we must also highlight that a significant number of these are relevant complaints which do not fall under SIDREC's jurisdiction due to failing one criterion in our eligibility test.

For example, 17 complaints were brought against our Members but were deemed ineligible as they had immediately come to SIDREC before the claim was lodged or fully resolved with the Member. SIDREC's policy is that any dispute must, first and foremost, be brought to the attention of the Member itself to provide it the opportunity to resolve the complaint directly with its client. Only when the investor finds the resolution to be unsatisfactory may he approach SIDREC. In all the 17 cases, we had referred the client back to the Member for resolution via its internal procedures. Where such clients do not come back to us to file a claim, we enquire on the status after a few months. We found that for those cases that did not result in an eligible claim eventually being filed with SIDREC, the claimants had either resolved the cases with the respective Member or did not respond to our communications.

During the year, 4 disputes were referred to FMB. The subject matter of these disputes were capital markets products and services. However, as these were provided by commercial banks, who are not members of SIDREC, we had no jurisdiction over them. Nonetheless, they were members of FMB, which provides alternative dispute resolution services for the banking and insurance sector. Similarly, 2 cases fell within the ambit of Bursa Securities' compensation fund, as the allegation was one of defalcation of the Member's agents, and was similarly excluded from SIDREC's jurisdiction under our TOR.

The majority of the queries were regarding miscellaneous items, involving public listed companies, scam investments and even general enquiries on capital market related matters which did not involve complaints and dispute. In such cases we would assist the enquirer as much as possible to the extent of our abilities and expertise. If matters involved possible breaches of laws, we would forward the complaint or direct the complainant to the relevant enforcement authority, such as the SC, Bank Negara and the police.

The breakdown of cases in Block A to H in the above table (i.e. all categories except "Other ineligible claims") is set out below (together with breakdown of the cases received in year 2011 for comparison):

DESCRIPTION	NO. OF CASES IN 2012	NO. OF CASES IN 2011
<u>Member's Practice/Policies</u>		
• Error in share allocation process	0	
• Sell limit imposed on online trading portal/internet trading	1	
• Calculation of interest	0	
• Policy On Survivorship Clause	1	
• Redemption of Funds Upon Maturity	1	
• Over allocation of Trading Limit	1	
Sub-total	4	3
<u>Market Conduct</u>		
• Unauthorized transactions/fraud/forgery	9	
• Execution errors	1	
• Defalcation/Misappropriation	2	
• Inappropriate advice or recommendation / Misrepresentation	5	
Sub-total	17	6
<u>Service Standards</u>		
• Delay/Weaknesses/Failure in processes involving online trading portal/internet trading	5	
• Other Delay/Weaknesses/Failure in processes	6	
Sub-total	11	3
TOTAL	32	12

Although the 32 cases above include those that were forwarded to FMB and Bursa Securities, as well as those that were submitted prematurely to SIDREC, they are all complaints related to capital market services and products. As such, their analysis is useful in detecting areas of concern among the investing public.

Based on the complaints/queries received, we noted that there is a substantial increase from the previous year in the number of complaints against market conduct and service standard of the Members. From these statistics, it can be surmised that the bulk of grouses concern alleged failures of professional conduct on the part Members' representatives or agents. It is not surprising that the greatest possibility of disputes occurs where transactions are between individual persons, where dealings are largely done verbally with poor written communications. Accordingly, it is in such cases that dispute resolution becomes challenging, as the mediator cannot rely on hard written evidence and has to deal with the assertion of one person against the other.

A significant increase was also seen in complaints regarding service standards. We have noted that, with the increased usage of online portals for securities transactions where the client keys in trades himself, many investors do not fully appreciate the level of market awareness and research needed to buy and sell securities without the assistance of a remisier. As such, errors and misunderstandings do occur, especially among novice traders.

Staff matters

This year, we kept our staff strength lean in an effort to balance our payroll costs with the number of cases and promotional activities undertaken. Our mediators, Ms Hong Siew Lai and Ms Daphne Sebastian are supported by an existing support staff member an Accounts Administrative Assistant Manager, who joined us in 2012. To prepare for more casework activity, which we've already seen in the weeks post 2012 year-end to date, as well as promotional activity, we may need to increase the number of staff slightly in 2013. Nonetheless, our objective is to keep the organization trim and have staff members multi-task wherever possible.

The Management of SIDREC wishes to express its appreciation to the Board of Directors for their guidance and advice. I would also like to thank our mediators and staff for their commitment and dedication to SIDREC this year. We also look forward to working with our Members, regulators and counterparts to address the needs of claimants in the Malaysian capital market.

KHAIRUL RIDZWAN ABDUL KUDDUS

Chief Executive Officer

LIST OF MEMBERS (as at 31 January 2013)

Name of company	Type of Capital Markets Services Licence			
	Fund management	Dealing in securities (unit trust)	Dealing in securities	Dealing in derivatives
1 A.A. Anthony Securities Sdn Bhd			✓	
2 A.D. Financial Sdn Bhd		✓		
3 Aberdeen Asset Management Sdn Bhd	✓			
4 Aberdeen Islamic Asset Management Sdn Bhd	✓	✓		
5 Affin Fund Management Berhad	✓	✓		
6 Affin Investment Bank Berhad			✓	
7 *AIA Pension and Asset Management Sdn Bhd	✓			
8 AIMS Asset Management Sdn Bhd	✓			
9 Alliance Investment Bank Berhad			✓	
10 Alliance Investment Management Berhad	✓	✓		
11 Amanah Mutuall Berhad		✓		
12 Amanah Saham Kedah Berhad	✓	✓		
13 Amanah Saham Nasional Berhad		✓		
14 Amanah Saham Sarawak Berhad		✓		
15 Amanahraya Investment Management Sdn Bhd	✓	✓		
16 Amara Investment Management Sdn Bhd	✓			
17 AmInvestment Bank Berhad	✓		✓	
18 AmInvestment Management Sdn Bhd	✓			
19 AmInvestment Services Berhad		✓		
20 AmIslamic Funds Management Sdn Bhd	✓			
21 AmFutures Sdn Bhd				✓
22 Amundi Islamic Malaysia Sdn Bhd	✓			
23 Amundi Malaysia Sdn Bhd	✓			
24 Apex Investment Services Berhad	✓	✓		
25 Areca Capital Sdn Bhd	✓	✓		
26 Asian Islamic Investment Management Sdn Bhd	✓			
27 ASM Investment Services Berhad	✓	✓		
28 Assar Asset Management Sdn Bhd	✓			
29 BIMB Investment Management Berhad	✓	✓		
30 BIMB Securities Sdn Bhd			✓	
31 BNP Paribas Investment Partners Malaysia Sdn Bhd	✓			
32 BNP Paribas Investment Partners Najmah Malaysia Sdn Bhd	✓			
33 Capital Dynamics Asset Management Sdn Bhd	✓			
34 CIMB Futures Sdn Bhd				✓
35 CIMB Investment Bank Berhad			✓	
36 CIMB Wealth Advisors Berhad		✓		
37 CIMB-Principal Asset Management Berhad	✓	✓		
38 CIMB-Principal Islamic Asset Management Berhad	✓			
39 Citigroup Global Markets Malaysia Sdn Bhd			✓	
40 CLSA Securities Malaysia Sdn Bhd			✓	
41 Corston-Smith Asset Management Sdn Bhd	✓			
42 Credit Suisse Securities (Malaysia) Sdn Bhd			✓	
43 CTLA Financial Planners Sdn Bhd		✓		
44 Eastspring Al-Wara' Investments Berhad	✓			
45 Eastspring Investments Berhad	✓	✓		

Name of company	Type of Capital Markets Services Licence			
	Fund management	Dealing in securities (unit trust)	Dealing in securities	Dealing in derivatives
46 Equiniti Services Sdn Bhd			✓	
47 *ESB Artha Global Wealth Management Sdn Bhd	✓			
48 FA Securities Sdn Bhd			✓	
49 Fedrums Sdn Bhd				✓
50 FIN Freedom Sdn Bhd		✓		
51 Fortress Capital Asset Management (M) Sdn Bhd	✓			
52 Franklin Templeton Asset Management (Malaysia) Sdn Bhd	✓			
53 Franklin Templeton GSC Asset Management Sdn Bhd	✓			
54 Golden Touch Asset Management Sdn Bhd	✓			
55 Goldman Sachs (Malaysia) Sdn Bhd	✓			
56 GV Wealth Planners Sdn Bhd		✓		
57 Hadrons Capital Sdn Bhd	✓			
58 HDM Futures Sdn Bhd				✓
59 Hong Leong Asset Management Bhd	✓	✓		
60 Hong Leong Fund Management Sdn Bhd	✓			
61 Hong Leong Investment Bank Berhad			✓	✓
62 Hwang Investment Management Berhad	✓	✓		
63 HwangDBS Investment Bank Berhad			✓	
64 IF Derivatives Sdn Bhd				✓
65 iFAST Capital Sdn Bhd		✓		
66 ING Funds Berhad	✓	✓		
67 Inter-Pacific Asset Management Sdn Bhd	✓	✓		
68 Inter-Pacific Securities Sdn Bhd			✓	✓
69 i-VCAP Management Sdn Bhd	✓			
70 JF Apex Securities Berhad			✓	✓
71 JPMorgan Securities (Malaysia) Sdn Bhd			✓	✓
72 Jupiter Securities Sdn Bhd			✓	
73 KAF Fund Management Sdn Bhd	✓	✓		
74 KAF-Seagroatt & Campbell Securities Sdn Bhd			✓	
75 Kenanga Deutsche Futures Sdn Bhd				✓
76 Kenanga Investment Bank Berhad			✓	
77 Kenanga Investors Berhad	✓	✓		
78 Kenanga Islamic Investors Berhad	✓			
79 KFH Asset Management Sdn Bhd	✓	✓		
80 Kumpulan Sentiasa Cemerlang Sdn Bhd	✓	✓		
81 Legacy Advisory Sdn Bhd		✓		
82 Libra Invest Berhad	✓	✓		
83 LT International Futures (M) Sdn Bhd				✓
84 M & A Securities Sdn Bhd			✓	
85 MAAKL Mutual Berhad	✓	✓		
86 Macquarie Capital Securities (Malaysia) Sdn Bhd			✓	
87 Malacca Securities Sdn Bhd			✓	
88 Malaysian Issuing House Sdn Bhd			✓	
89 Manulife Asset Management Services Berhad	✓	✓		
90 Maybank Asset Management Sdn Bhd	✓	✓		
91 Maybank Investment Bank Berhad			✓	✓
92 Mercury Asset Management Sdn Bhd	✓			
93 Mercury Securities Sdn Bhd			✓	
94 Meridian Asset Management Sdn Bhd	✓			
95 MIDF Amanah Asset Management Berhad	✓	✓		

Name of company	Type of Capital Markets Services Licence			
	Fund management	Dealing in securities (unit trust)	Dealing in securities	Dealing in derivatives
96	MIDF Amanah Investment Bank Berhad		✓	
97	Muamalat Invest Sdn Bhd	✓		
98	Navis Management Sdn Bhd	✓		
99	Nomura Asset Management Malaysia Sdn Bhd	✓		
100	Nomura Islamic Asset Management Sdn Bhd	✓		
101	Nomura Securities Malaysia Sdn Bhd		✓	
102	Okachi (M) Sdn Bhd			✓
103	Opus Asset Management Sdn Bhd	✓		
104	Oriental Pacific Futures Sdn Bhd			✓
105	OSK Investment Bank Berhad		✓	✓
106	OSK-UOB Islamic Fund Management Berhad	✓	✓	
107	OSK-UOB Investment Management Berhad	✓	✓	
108	Pacific Mutual Fund Berhad	✓	✓	
109	PCB Asset Management Sdn Bhd	✓		
110	Pelaburan Johor Berhad	✓	✓	
111	Pengurusan Kumipa Berhad	✓	✓	
112	Perkasa Normandy Managers Sdn Bhd	✓		
113	Permodalan BSN Berhad	✓	✓	
114	Permodalan Nasional Berhad	✓		
115	Pheim Asset Management Sdn Bhd	✓		
116	Pheim Unit Trusts Berhad		✓	
117	Phillip Capital Management Sdn Bhd	✓		
118	Phillip Futures Sdn Bhd			✓
119	Philip Mutual Berhad		✓	
120	PineBridge Investments Malaysia Sdn Bhd	✓		
121	PM Securities Sdn Bhd		✓	
122	PTB Unit Trust Berhad	✓	✓	
123	Public Investment Bank Berhad		✓	
124	Public Mutual Berhad	✓	✓	
125	Reliance Asset Management (Malaysia) Sdn Bhd	✓		
126	RHB Investment Bank Berhad		✓	✓
127	RHB Investment Management Sdn Bhd	✓	✓	
128	RHB Islamic Asset Management Sdn Bhd	✓		
129	Saham Sabah Berhad		✓	
130	Saturna Sdn Bhd	✓		
131	SDB Asset Management Sdn Bhd	✓		
132	Singular Asset Management Sdn Bhd	✓		
133	SJ Securities Sdn Bhd		✓	
134	SP Investment Management Sdn Bhd	✓		
135	Standard Financial Planner Sdn Bhd		✓	
136	TA Futures Sdn Bhd			✓
137	TA Investment Management Berhad	✓	✓	
138	TA Securities Holdings Berhad		✓	
139	UBS Securities Malaysia Sdn Bhd		✓	
140	UOB-OSK Asset Management Sdn Bhd	✓		
141	UOB Kay Hian Futures (M) Sdn Bhd			✓
142	UOB Kay Hian Securities (M) Sdn Bhd		✓	
143	VCB Capital Sdn Bhd	✓		
144	Whitman Independent Advisors Sdn Bhd		✓	

Note:

* In the process of formalizing its membership





SECURITIES INDUSTRY DISPUTE RESOLUTION CENTER

(909583-H)

(Incorporated in Malaysia)

**Directors' Report and Audited Financial Statements
31 December 2012**

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**Securities Industry Dispute Resolution Center
(Incorporated in Malaysia)**

Directors

The Directors of the Company in office since the date of the last report and at the date of this report are:

Dato' Ranita binti Mohd Hussein
Tan Sri Dato' Sri Hamad Kama Piah bin Che Othman
Dato' Saiful Bahri bin Zainuddin
Dato' Kok Wee Kiat
Dato' Ambiga a/p Sreenevasan
Dato' Halipah binti Esa
Tang Chee Kin

Directors' benefits

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Center was a party, whereby the Directors might acquire benefits by means of the acquisition of shares in or debentures of the Center or any other body corporate.

Since the end of the previous financial period, no Director has received or become entitled to receive a benefit by reason of a contract made by the Center or a related corporation with any Director or with a firm of which he is a member, or with a company in which he has a substantial financial interest.

Directors' interests

According to the register of Directors' shareholdings, none of the Directors in office at the end of the financial year had any interest in shares in the Center or its related corporations during the financial year.

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**Securities Industry Dispute Resolution Center
(Incorporated in Malaysia)**

Other statutory information

- (a) Before the statement of comprehensive income and statement of financial position of the Center were made out, the Directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no known bad debts and that no provision for doubtful debts was necessary; and
 - (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the directors are not aware of any circumstances which would render:
 - (i) it necessary to write off any bad debts or to make any provision for doubtful debts in respect of the financial statements of the Center; and
 - (ii) the values attributed to current assets in the financial statements of the Center misleading.
- (c) At the date of this report, the Directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Center misleading or inappropriate.
- (d) At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the financial statements of the Center which would render any amount stated in the financial statements misleading.
- (e) At the date of this report, there does not exist:
 - (i) any charge on the assets of the Center which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability in respect of the Center which has arisen since the end of the financial year.

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**Securities Industry Dispute Resolution Center
(Incorporated in Malaysia)**

Other statutory information (cont'd.)

- (f) In the opinion of the Directors:
- (i) no contingent liability or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Center to meet its obligations when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the Center for the financial year in which this report is made.

Auditors

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 26 February 2013.



Dato' Ranita binti Mohd Hussein



Dato' Kok Wee Kiat

Kuala Lumpur, Malaysia

909583-H

**Securities Industry Dispute Resolution Center
(Incorporated in Malaysia)**

**Statement by directors
Pursuant to Section 169 (15) of the Companies Act, 1965**

We, Dato' Ranita binti Mohd Hussein and Dato' Kok Wee Kiat, being two of the directors of Securities Industry Dispute Resolution Center, do hereby state that, in our opinion, the accompanying financial statements set out on pages 9 to 27 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 December 2012 and of its financial performance and the cash flows of the Company for the year then ended on that date in accordance with Malaysian Financial Reporting Standards and the Companies Act, 1965. The financial statements also comply with the International Financial Reporting Standards as issued by the International Accounting Standards Board.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 26 February 2013.



Dato' Ranita binti Mohd Hussein
Director



Dato' Kok Wee Kiat
Director

Kuala Lumpur, Malaysia.

**Statutory declaration
Pursuant to Section 169 (16) of the Companies Act, 1965**

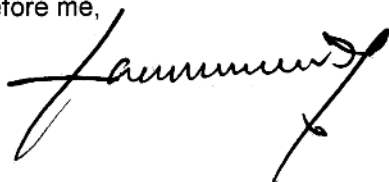
I, Khairul Ridzwan bin Abdul Kuddus, being the officer primarily responsible for the financial management of Securities Industry Dispute Resolution Center, do solemnly and sincerely declare that the accompanying financial statements set out on pages 9 to 27 are in my opinion correct, and I make this 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 abovenamed Khairul Ridzwan bin Abdul Kuddus
at Kuala Lumpur in the Federal Territory
on 26 February 2013



Khairul Ridzwan bin Abdul Kuddus

Before me,



2-LG-17, KOMPLEKS NIAGA UTAMA,
TINGKAT TERBAWAH,
JALAN BANGSAR UTAMA 1,
BANGSAR UTAMA,
59000 KUALA LUMPUR.

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**Independent auditors' report to the members of
Securities Industry Dispute Resolution Center
(Incorporated in Malaysia)**

Report on the financial statements

We have audited the financial statements of Securities Industry Dispute Resolution Center, which comprise statements of financial position as at 31 December 2012 of the Center, and statements of comprehensive income, statements of changes in equity and statements of cash flows of the Center for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 9 to 27.

Directors' responsibility for the financial statements

The directors of the Center 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.

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**Independent auditors' report to the members of
Securities Industry Dispute Resolution Center (cont'd.)
(Incorporated in Malaysia)**

Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Center as at 31 December 2012 and of their financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Report on other legal and regulatory requirements

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

Other matters

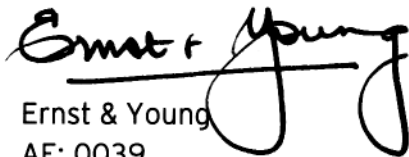
1. As stated in Note 3.2 to the financial statements, Securities Industry Dispute Resolution Center adopted Malaysian Financial Reporting Standards on 1 January 2012 with a transition date of 1 January 2011. These standards were applied retrospectively by the directors to the comparative information in these financial statements, including the statements of financial position as at 31 December 2011 and 1 January 2011, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 31 December 2011 and related disclosures. We were not engaged to report on the comparative information and it is unaudited. Our responsibilities as part of our audit of the financial statements of the Center for the year ended 31 December 2012 have, in these circumstances, included obtaining sufficient appropriate audit evidence that the opening balances as at 1 January 2012 do not contain misstatements that materially affect the financial position as of 31 December 2012 and financial performance and cash flows for the year then ended.

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**Independent auditors' report to the members of
Securities Industry Dispute Resolution Center (cont'd.)
(Incorporated in Malaysia)**

Other matters (cont'd.)

2. This report is made solely to the members of the Center, 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.



Ernst & Young
AF: 0039
Chartered Accountants



Mohd Sukarno bin Tun Sardon
No. 1697/03/13(J)
Chartered Accountant

Kuala Lumpur, Malaysia
26 February 2013

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**Securities Industry Dispute Resolution Center
(Incorporated in Malaysia)**

**Statement of comprehensive income
For the financial year ended 31 December 2012**

	Note	2012 RM	2011 RM
Income			
Other income	4	<u>1,013,150</u>	<u>848,896</u>
Expenditure			
Staff costs	5	(231,598)	(145,359)
Auditors' remuneration		(8,000)	(8,000)
Tax agent fees		(11,000)	-
Office rental		(247,104)	(247,104)
Professional fees		(41,194)	(42,985)
Depreciation	8	(184,831)	(182,424)
Amortisation of intangible assets	9	(3,067)	(3,067)
Director's meeting allowances		(102,000)	(76,000)
Other expenses	6	<u>(184,356)</u>	<u>(143,957)</u>
		<u>(1,013,150)</u>	<u>(848,896)</u>
Profit before taxation		<u>-</u>	<u>-</u>
Taxation	7	-	-
Net profit for the year, representing total comprehensive income for the year		<u>-</u>	<u>-</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

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**Securities Industry Dispute Resolution Center
(Incorporated in Malaysia)**

Statement of financial position as at 31 December 2012

	Note	31.12.2012 RM	31.12.2011 RM	01.01.2011 RM
Non-current assets				
Property and equipment	8	388,507	573,338	483,652
Intangible assets	9	2,810	5,877	8,944
		<u>391,317</u>	<u>579,215</u>	<u>492,596</u>
Current assets				
Other receivables	10	78,937	104,782	92,658
Cash at bank	11	1,183,334	1,922,011	999,985
		<u>1,262,271</u>	<u>2,026,793</u>	<u>1,092,643</u>
Current liabilities				
Other payables	12	35,881	12,994	769,706
Net current assets		<u>1,226,390</u>	<u>2,013,799</u>	<u>322,937</u>
		<u>1,617,707</u>	<u>2,593,014</u>	<u>815,533</u>
Represented by:				
Contribution from members	13	-	-	-
Non-current liability				
Deferred income	14	1,617,707	2,593,014	815,533

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

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**Securities Industry Dispute Resolution Center
(Incorporated in Malaysia)**

**Statement of cash flows
For the financial year ended 31 December 2012**

	2012	2011
	RM	RM
Cash flows from operating activities		
Profit before taxation	-	-
Adjustments for:		
Depreciation	184,831	182,424
Amortization of intangible assets	3,067	3,067
Amortisation of grant received	(975,307)	(848,896)
Operating loss before working capital changes	(787,409)	(663,405)
Decrease/(Increase) in other receivables	25,845	(12,124)
Increase/(Decrease) in other payables	22,887	(756,712)
Increase in intercompany balances	-	-
Net cash used in from operating activities	<u>(738,677)</u>	<u>(1,432,241)</u>
Cash flows from investing activities		
Purchase of property and equipment	-	(272,110)
Purchase of intangible assets	-	-
Net cash used in investing activities	<u>-</u>	<u>(272,110)</u>
Cash flows from financing activities		
Proceeds from government grant, representing net cash generated from financing activity	<u>-</u>	<u>2,626,377</u>
Net increase in cash and cash equivalents	(738,677)	922,026
Cash and cash equivalents at beginning of the year	1,922,011	999,985
Cash and cash equivalents at end of year	<u>1,183,334</u>	<u>1,922,011</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

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**Securities Industry Dispute Resolution Center
(Incorporated in Malaysia)**

Notes to the financial statements - 31 December 2012

1. Corporate information

The principal activities of the Center are to act as an alternative dispute resolution body for investors in relation to claims involving capital market services and products that an investor may have against capital market intermediaries and to resolve such claims in a fair, reasonable, timely, efficient and accessible manner. In this regard, the Center promotes, encourages and facilitates the satisfactory resolution, mediation or withdrawal of such complaints, disputes and claims. There have been no significant changes in the nature of the principal activities during the financial year.

The Center was incorporated on 28 July 2010 and is a company limited by guarantee, incorporated and domiciled in Malaysia. The registered office of the Company is located at 20th Floor, Ambank Group Building, No 55, Jalan Raja Chulan, 50200 Kuala Lumpur.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the directors on 26 February 2013.

2. Summary of significant accounting policies

2.1 Basis of preparation

The financial statements of the Center have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRS") and the Companies Act, 1965 in Malaysia. At the beginning of the current financial year, the Company adopted new MFRS which are mandatory for financial periods beginning on or after 1 January 2012 for non-transitioning entities as described fully in Note 2.2.

The financial statements comply with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board.

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

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

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**Securities Industry Dispute Resolution Center
(Incorporated in Malaysia)**

2. Summary of significant accounting policies (cont'd.)

2.2 First time adoption of Malaysian Financial Reporting Standards ("MFRS")

The financial statements of the Center for the year ended 31 December 2012 have been prepared in accordance with MFRS, International Financial Reporting Standards ("IFRS") and the Companies Act, 1965. In the previous financial year, the financial statements of the Company were prepared in accordance with Financial Reporting Standard in Malaysia ("FRS").

These financial statements are the Center's first MFRS annual financial statements for the year ending 31 December 2012. MFRS 1 First-Time Adoption of Malaysian Financial Reporting Standards ("MFRS 1") has been applied.

The transition from FRS to MFRS has not had a material impact on the Center's statement of financial position, statement of comprehensive income and statement of cash flows. Accordingly, notes related to the statement of financial position as at the date of transition are not presented.

2.3 Standards issued but not yet effective

The Center has not adopted the following standards and interpretations that have been issued but not yet effective:

Description	Effective for annual periods beginning on or after
• Amendments to MFRS 1: <i>Government Loans</i>	1 January 2013
• Amendments to MFRS 7: <i>Disclosures - Offsetting Financial Assets and Financial Liabilities</i>	1 January 2013
• MFRS 10 <i>Consolidated Financial Statements</i>	1 January 2013
• MFRS 11 <i>Joint Arrangements</i>	1 January 2013
• MFRS 12 <i>Disclosure of Interests in Other Entities</i>	1 January 2013
• MFRS 13 <i>Fair Value Measurement</i>	1 January 2013
• MFRS 127 <i>Separate Financial Statements</i>	1 January 2013
• MFRS 128 <i>Investment in Associates and Joint Ventures</i>	1 January 2013
• <i>Annual Improvements 2009-2011 Cycle</i>	1 January 2013
• IC Interpretation 20 <i>Stripping Costs in the Production Phase of a Surface Mine</i>	1 January 2013
• Amendments to MFRS 132: <i>Offsetting Financial Assets and Financial Liabilities</i>	1 January 2014
• MFRS 9 <i>Financial Instruments</i>	1 January 2015

The directors expect that the adoption of the standards and interpretations above will have no material impact on the financial statements in the period of initial application.

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**Securities Industry Dispute Resolution Center
(Incorporated in Malaysia)**

2. Summary of significant accounting policies (cont'd.)

2.4 Property and equipment, and depreciation

All items of property and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount only when it is probable that future economic benefits associated with the item will flow to the Center and the cost of the item can be reliably measured.

Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses, in accordance with Note 2.5.

Depreciation of the property and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life, at the following annual rates:

Computer equipments	3 years
Renovations	5 years
Furniture and fittings	10 years

The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. The difference between the net disposal proceeds, if any and the net carrying amount is recognised in profit or loss.

2.5 Intangible assets

Intangible assets with finite useful lives are amortised over the estimated useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in profit or loss.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

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**Securities Industry Dispute Resolution Center
(Incorporated in Malaysia)**

2. Summary of significant accounting policies (cont'd.)

2.6 Grants and deferred income

Grant is recognised initially at their fair value in the statement of financial position as deferred income where there is reasonable assurance that the grant will be received and all attaching conditions will be complied with. Grants that compensate the Center for expenses incurred are recognised as income over the periods necessary to match the grant on a systematic basis to the costs that it is intended to compensate. Grant that compensate the Center for the cost of an asset are recognised as income on a systematic basis over the useful life of the asset.

2.7 Impairment of non-financial assets

The Center assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Center makes an estimate of the asset's recoverable amount.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash-generating units ("CGU")).

In assessing value in use, the estimated future cash flows expected to be generated by the asset 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. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss in the period in which it arises. An assessment is made at each reporting date as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its recoverable amount. That increase cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised previously. Such reversal is recognised in profit or loss.

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**Securities Industry Dispute Resolution Center
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2. Summary of significant accounting policies (cont'd.)

2.8 Income tax

(a) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the reporting date.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(b) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all temporary differences, except:

- where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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**Securities Industry Dispute Resolution Center
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2. Summary of significant accounting policies (cont'd.)

2.8 Income tax (cont'd.)

(b) Deferred tax (cont'd.)

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- in respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

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2. Summary of significant accounting policies (cont'd.)

2.9 Financial assets

Financial assets are recognised in the balance sheet when, and only when, the Center becomes a party to the contractual provisions of the financial instrument.

When financial assets are recognised initially, they are measured at fair value, plus directly attributable transaction costs. The Center determines the classification of its financial assets at initial recognition.

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

(i) Receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as receivables.

Subsequent to initial recognition, receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the loans and receivables are derecognised or impaired, and through the amortisation process.

Receivables are classified as current assets, except for those having maturity dates later than 12 months after the reporting date which are classified as non-current.

2.10 Equity instruments

Contribution from members are classified as equity.

2.11 Impairment of financial assets

(i) Receivables

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Center consider factors such as the probability of insolvency or significant financial difficulties of the debtor and default or significant delay in payments.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

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**Securities Industry Dispute Resolution Center
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2. Summary of significant accounting policies (cont'd.)

2.11 Impairment of financial assets (cont'd.)

(i) Receivables (cont'd.)

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets.

If in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

2.12 Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

Financial liabilities, within the scope of MFRS 139, are recognised in the statement of financial position when, and only when, the Center become a party to the contractual provisions of the financial instrument. Financial liabilities of the Center are mainly classified as other financial liabilities and consists of other payables.

Other payables are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished. When an existing financial liability is replaced by another liability from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2.13 Cash and cash equivalents

For the purposes of the statement of cash flow, cash and cash equivalents include cash at bank which has an insignificant risk of changes in value.

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**Securities Industry Dispute Resolution Center
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3. Significant accounting estimates and judgements

In the process of preparing these financial statements:

(i) Critical judgements made in applying accounting policies

There are no critical judgements made by management in the process of applying the Center's accounting policies that have a significant effect on the amounts recognised in the financial statements.

(ii) Key sources of estimation and uncertainty

There are no key assumptions concerning the future and other key sources of estimation and uncertainty at the statement of financial position date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

4. Other income

	2012	2011
	RM	RM
Amortisation of government grant	975,307	848,896
Fixed deposit interest income	37,843	-
	<u>1,013,150</u>	<u>848,896</u>

5. Staff costs

	2012	2011
	RM	RM
Wages and salaries	198,519	125,168
Statutory contribution to Employees Provident Fund and social security	30,102	19,110
Other allowances	2,977	1,081
	<u>231,598</u>	<u>145,359</u>

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**Securities Industry Dispute Resolution Center
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6. Other expenses

	2012	2011
	RM	RM
Travelling expenses	397	32,542
Communication & utilities	104,463	49,700
Stationeries, printings and sundry expenses	7,475	39,120
Staff training, parking and amenities	17,307	11,269
Online journals and equipment rental	4,599	6,083
Promotional expenses	38,808	1,104
Others	11,307	4,139
	<u>184,356</u>	<u>143,957</u>

7. Taxation

There is no tax charge for the current financial period as the Center has no chargeable income. The Center has applied for tax exemption status from the Inland Revenue Board of Malaysia in accordance to section 127 of the Income Tax, 1967.

On 16 January 2012, the Center has been granted a tax exemption status from Ministry of Finance ("MOF") applicable from the year assesment 2012 up to year assesment 2016.

On 4 July 2012, the tax exemption status has been revised by the MOF applicable from the year assesment 2010 up to year assesment 2014.

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**Securities Industry Dispute Resolution Center
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8. Property and equipment

	Computer equipment RM	Renovation RM	Furniture and fittings RM	Total RM
At 31 December 2012				
Cost				
At 1 January 2012	300,752	378,075	89,652	768,479
Additions	-	-	-	-
At 31 December 2012	<u>300,752</u>	<u>378,075</u>	<u>89,652</u>	<u>768,479</u>
Accumulated depreciation				
At 1 January 2012	106,136	80,571	8,434	195,141
Depreciation charge for the year	100,251	75,615	8,965	184,831
At 31 December 2012	<u>206,387</u>	<u>156,186</u>	<u>17,399</u>	<u>379,972</u>
Net carrying amount				
At 31 December 2012	<u>94,365</u>	<u>221,889</u>	<u>72,253</u>	<u>388,507</u>

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**Securities Industry Dispute Resolution Center
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8. Property and equipment (cont'd.)

	Computer equipment RM	Renovation RM	Furniture and fittings RM	Total RM
At 31 December 2011				
Cost				
At 1 January 2011	130,447	365,922	-	496,369
Additions	170,305	12,153	89,652	272,110
At 31 December 2011	<u>300,752</u>	<u>378,075</u>	<u>89,652</u>	<u>768,479</u>
Accumulated depreciation				
At 1 January 2011	6,619	6,098	-	12,717
Depreciation charge for the year	99,517	74,473	8,434	182,424
At 31 December 2011	<u>106,136</u>	<u>80,571</u>	<u>8,434</u>	<u>195,141</u>
Net carrying amount				
At 31 December 2011	<u>194,616</u>	<u>297,504</u>	<u>81,218</u>	<u>573,338</u>

9. Intangible assets

	Website development RM
At 31 December 2012	
Cost	
At 1 January 2012	9,200
Additions	-
At 31 December 2012	<u>9,200</u>

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**Securities Industry Dispute Resolution Center
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9. Intangible assets (cont'd.)

	Website development RM
Amortisation	
At 1 January 2012	3,323
Amortisation charge for the year	<u>3,067</u>
At 31 December 2012	<u>6,390</u>
Net carrying amount	
At 31 December 2012	<u>2,810</u>
At 31 December 2011	
Cost	
At 1 January 2011	9,200
Additions	<u>-</u>
At 31 December 2011	<u>9,200</u>
Amortization	
At 1 January 2011	256
Amortization charge for the year	<u>3,067</u>
At 31 December 2011	<u>3,323</u>
Net carrying amount	
At 31 December 2011	<u>5,877</u>

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**Securities Industry Dispute Resolution Center
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10. Other receivables

	2012	2011
	RM	RM
Amount due from Securities Commission	-	12,306
Deposits	72,276	92,276
Prepayments	150	200
Interest receivable	6,511	-
	<u>78,937</u>	<u>104,782</u>

Amount due from Securities Commission ("SC") relates to retention fee of renovation cost payable to Center by SC. The amount is unsecured, interest free and repayable on demand.

Other receivables are interest free and are normally settled on an average term of 30 days.

11. Cash at bank

	2012	2011
	RM	RM
Cash and bank balance	183,334	1,922,011
Fixed deposit with a licensed bank	1,000,000	-
	<u>1,183,334</u>	<u>1,922,011</u>

The weighted average effective interest rates of deposits at the reporting date is 3.17%. The average maturities of deposits as at the end of the financial year were 89 days.

12. Other payables

	2012	2011
	RM	RM
Provisions	8,000	8,000
Other payables	5,500	2,500
Accruals	22,381	2,494
	<u>35,881</u>	<u>12,994</u>

Other payables are interest free and are normally settled on an average term of 30 days.

13. Contribution from members

Every member of the Center undertakes to contribute, not exceeding RM1,000, to the assets of the Center in the event of the Center being wound up.

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**Securities Industry Dispute Resolution Center
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14. Deferred income

	2012	2011
	RM	RM
At 1 January	2,593,014	815,533
Received during the year	-	2,626,377
Amortised to income statement	<u>(975,307)</u>	<u>(848,896)</u>
At 31 December	<u>1,617,707</u>	<u>2,593,014</u>

During the year, the Center did not receive any government grant from the Securities Commission Malaysia ("SC"), a statutory body established under Securities Commission Act 1993, for working capital purposes.

15. Financial risk management objectives and policies

The Center's financial risk management policy seeks to ensure that adequate financial resources are available for the achievement of the Center's objectives and principle activities whilst managing its liquidity risk and credit risk. The definition of the risks are as follows:

(a) Liquidity risk

Liquidity risk is the risk that funds will not be available to meet liabilities as and when they fall due. The Center actively manages these risks by maintaining good governance over the cash management of the government grant and contribution from third parties, and operates within clearly defined guidelines that are approved by the Board of Directors.

The table below summarises the maturity profile of the Center's liabilities at the reporting date based on contractual undiscounted repayment obligations.

	Within 1 year	
	2012	2011
	RM	RM
Other payables	<u>35,881</u>	<u>12,994</u>

(b) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Center's exposure to credit risk arises from other receivables.

At the reporting date, the Center's maximum exposure to credit risk is represented by the carrying amount of the other receivables.

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**Securities Industry Dispute Resolution Center
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15. Fair values

The fair values of all financial assets and liabilities approximate the carrying amounts due to their relative short term maturities.

16. Capital management

The Company manages its capital by following the Center's policies and guidelines and also seeks approval from the Board of Directors with regard to all capital management matters. Presently, the Center's activities are entirely funded via government grant.



FORM OF PROXY

(Before completing the form, please refer to notes overleaf)

SECURITIES INDUSTRY DISPUTE RESOLUTION CENTER

(Company No. 909583-H)
(Incorporated in Malaysia)

We Company No.:
(FULL NAME IN BLOCK CAPITALS)

of
(FULL ADDRESS)

being a member of SECURITIES INDUSTRY DISPUTE RESOLUTION CENTER (“**SIDREC**”
or “**Company**”), hereby appoint

.....NRIC No.....
(FULL NAME IN BLOCK CAPITALS)

of
(FULL ADDRESS)

or failing him/her, NRIC No.....
(FULL NAME IN BLOCK CAPITALS)

of
(FULL ADDRESS)

as our proxy to vote for us and on our behalf at the Annual General Meeting of the Company to
be held at Conference Hall 2, Securities Commission, No. 3 Persiaran Bukit Kiara, Bukit Kiara,
50490 Kuala Lumpur on Monday, 8th April 2013 at 2.30 p.m., and at every adjournment thereof.

In case of a vote taken by a show of hands, our proxy is not entitled to vote on our behalf.

Our proxy/proxies is/are to vote as indicated below:

RESOLUTION	FOR	AGAINST
ORDINARY RESOLUTION 1 RE-ELECTION OF DATO’ - RANITA BINTI MOHD HUSSEIN AS DIRECTOR		

ORDINARY RESOLUTION 2	RE-ELECTION OF TAN SRI - DATO' SRI HAMAD KAMA PIAH BIN CHE OTHMAN AS DIRECTOR		
ORDINARY RESOLUTION 3	RE-APPOINTMENT OF - DATO' KOK WEE KIAT AS DIRECTOR		
ORDINARY RESOLUTION 4	RE-APPOINTMENT OF - ERNST & YOUNG AS AUDITORS		

(Please indicate with a “✓” in the space provided above how you wish your votes to be cast. If no specific direction as to voting is given, the proxy will vote or abstain at his/her discretion.)

Dated this day of 2013

.....
Signature/Common Seal

Notes:

A member entitled to attend and vote at this meeting is entitled to appoint a proxy or proxies (but not more than two) to attend and vote instead of him. Any proxy appointed by a Member shall be the Corporate Representative of another Member. The instrument appointing a proxy must be deposited at the Registered Office of the Company at Messrs Shook Lin and Bok, 20th Floor, Bangunan AmBank Group, 55, Jalan Raja Chulan 50200 Kuala Lumpur, Malaysia, not less than 48 hours before the time set for holding the meeting or at any adjournment thereof. (The last day and time for lodgment of the proxy form is Saturday, 6 April 2013 at 2.30pm.)

- **SECURITIES INDUSTRY DISPUTE RESOLUTION CENTER (SIDREC)**

Unit A-9-1, Level 9, Tower A, Menara UOA Bangsar, No. 5, Jalan Bangsar Utama 1, 59000 Kuala Lumpur

- **Tel** (60)-3-2282 2280 **Fax** (60)-3-2282 3855 **Email** info@sidrec.com.my

- **Opening Hours**

9.00 am to 5.00 pm

(Lunch break : 1.00 - 2.00pm Monday to Thursday, 12.30 - 2.30pm Friday)