



## VISION

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To be the preferred one stop independent dispute resolution avenue for disputes involving monetary claims relating to capital market products and services.

## MISSION

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To provide the investing public and our Members, with a quality, specialised capital market dispute resolution service, through a trusted independent and impartial platform that contributes to enhancing investor confidence in participating in the capital market.

# TABLE OF CONTENTS

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<b>PART ONE</b>	Chairman's Statement	<b>06</b>
	Chief Executive Officer's Report	<b>10</b>
	About SIDREC	<b>16</b>
	Implementing SIDREC's Strategic 5-Year Plan	<b>18</b>
	Board of Directors & Management	<b>20</b>
	Panel of Mediators & Adjudicators	<b>30</b>
	Leveraging on The Dispute Resolution Process	<b>36</b>
	Dispute Resolution Report and Statistics	<b>40</b>
	List of Members (As At 28 January 2015 )	<b>46</b>
<b>PART TWO</b>	Directors' Report and Audited Financial Statements	<b>56</b>
	Notice of the 5th Annual General Meeting	<b>85</b>
	Form of Proxy	<b>87</b>

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# PART ONE

## CHAIRMAN'S STATEMENT

DATO' RANITA  
MOHD HUSSEIN



2014 marks our 4th year in operation and I am once again pleased to introduce our annual report and share with you, SIDREC's progress and milestones.

We have continued to see incremental growth in the level of awareness of SIDREC and in the number of enquiries and claims received. The Center recorded a 60% increase in the total number of enquiries and claims over the year, a testament to SIDREC's efforts and the collaborative support provided by our stakeholders.

The presence of an alternate dispute resolution (ADR) body, as observed in financial markets around the world, has brought about a positive impact. It enhances the market's integrity and investor confidence, particularly for the small retail investor. Our vision remains therefore, to provide the investing public and our Members with a preferred one stop, impartial and independent platform to help resolve their disputes. To this end, we continue to press forward in building a credible and reputable ADR avenue thereby contributing to a stable and sustainable market eco-system.

## STRATEGIC IMPLEMENTATION OF SIDREC'S VISION AND MISSION

In my report last year, I shared with you our 5 year plan that put us on track to achieving the objectives set out in our vision and mission statement.

We have over the last year, put in the work to review and develop initiatives to meet these objectives and have made good progress in the implementation of our 5 year plan. In our effort to build awareness we have participated in investor workshops, conventions and major roadshows with the industry and regulators. These include 16 investor workshops in partnership with participating brokers and investment banks, and 6 CPE (Continuing Professional Education) programmes for dealers' representatives. The workshops allowed us to make first contact with both investors and industry representatives across the nation. General surveys at these initiatives however, underscore the need to focus our efforts on outreach not only to the investing community but to our Members as well - there has been a general lack of awareness and understanding of SIDREC's services even among the Members' representatives. SIDREC will as such be taking the outreach

efforts to a higher level, leveraging not just on our ground efforts such as workshops but also by working with strategic media channels to reach the public at large.

As part of our efforts to build capacity I am also pleased to report we have increased our panel of mediators and adjudicators from two to seven. The new panel members bring with them their experience and expertise in dispute resolution and the capital market and will significantly expand SIDREC's capacity.

SIDREC has also continued to engage with all stakeholders - including the Securities Commission Malaysia (SC), industry associations and other regulators such as Bank Negara Malaysia (BNM) and our peers both on the domestic and international arena. And in this regard we have had valuable input in our continued efforts to enhance our processes and our Terms of Reference (TOR).

The management have through the course of the year, engaged with Members both directly and through industry associations, and indeed through the dispute resolution process. We will build on this engagement to stay relevant and focused on being a positive impact for the industry as a whole.

## NEW DIRECTOR ON BOARD FUNDING FOR SIDREC

We welcome Dato' Karam Chand Vohrah who joined SIDREC's Board of Directors in May. A retired Court of Appeal Judge, Dato' Vohrah is a highly respected arbitrator both in the domestic and international arena. He is a Member of the Kuala Lumpur Regional Centre for Arbitration (KLRC), Member of the Singapore International Arbitration Centre (SIAC), Fellow of the Singapore Institute of Arbitration (SIArb), Member of the Permanent Court of Arbitration in the Hague, Netherlands and Associate Member of the Advisory Board of the Institute for Transnational Arbitration, a division of the Centre for American and International Law. He is also a consultant with Messrs Lee Hishammuddin Allen & Gledhill. The experience and insight he brings is timely and valued, as we embark on this next phase of our growth.

SC has agreed to fund SIDREC operationally till 2016, after which a new funding structure will be implemented. SIDREC will be consulting with Members on this in 2015.

In closing, on behalf of the Board, I would like to record my sincere appreciation to the SC for their continued support and guidance.

We look forward to 2015, with renewed strength and focus and are indeed thankful for the progress we have made thus far. As always none of this is possible without the commitment and hard work put in by my fellow members of the Board and the management and staff of SIDREC. I take this opportunity to thank them for their continued effort towards achieving SIDREC's vision.

**DATO' RANITA MOHD HUSSEIN**  
CHAIRMAN

# CHIEF EXECUTIVE OFFICER'S REPORT

SUJATHA  
SEKHAR NAIK



2014 has been a productive year, with our footprint in the market and the ADR industry, as an avenue to help resolve disputes, becoming firmer and more identifiable - a positive indication of our growing relevance in the market. I am pleased to report on what we have achieved over the last year

and share some of the plans we have set in place going forward.

We have taken the opportunity this year to start the building blocks of the key components of SIDREC's 5 year strategy, shared with you last year:

**Ensuring  
sustainable  
infrastructure  
& operations**

**Building  
awareness &  
understanding**

**Remain relevant  
with market  
development/  
best practices**

**Building  
capacity &  
expertise**

**Contributing  
to best  
practices**



This involved a review of our policies and processes, the planning of the type and scope of initiatives and the resources required to speak to and implement each component.

This year, we have focused time and resources to build the capacity of our services, forged stronger partnerships with our stakeholders and significantly increased our awareness and outreach programmes within our budgetary constraints. All this was driven with the objective of increasing awareness and understanding of SIDREC and our services as well as making our services accessible to the investing community, Members and their representatives.

On the human capital front, as indicated by the Chairman, we have augmented our panel of Mediators and Adjudicators with the addition of 5 senior professionals, who come with an invaluable mix of experience in both capital market and dispute resolution work. We extend a warm welcome to our new panel members and thank the current members for their service over the course of the year. The fact that we have attracted such experienced senior professionals to join our panel, is indicative of the increasing importance of alternative dispute resolution as a needed avenue of recourse and acknowledgement of SIDREC's specialised services for the capital market. We are also thankful to the Securities Commission for seconding

a senior manager to join SIDREC's team over the last year. This raised our capacity without straining the budget and we were indeed grateful for the SC's support on this front.

On the operations front, in meeting the changing face of dispute handling mechanisms, and addressing the challenges of geographical distances between parties, we are shaping our processes to be more adaptive and in step with technological trends. This includes enhancing the timeliness in case management and types of communication channels that we use in interacting with our Members and the investing public. This will enable us to keep in step with market developments and address cross border disputes that may arise under the umbrella of the ASEAN Capital Market Forum's initiatives.

Work has begun on a more interactive and informative website which will integrate a secure e-complaints system. Together with this, the Centre is also moving from our manual excel based database to a secure and effective database management system that will cater to both data and knowledge management, facilitating a more efficient and effective management of cases, extraction and analysis of information. The system will be able to cater to the needs of a growing and more complex workload and scope.

I think it is important to highlight that the protection SIDREC provides to the investor as part of the overall investor protection framework for the capital market, is in the free, impartial and independent, expert avenue provided to help resolve disputes. The mediator and adjudicator plays a levelling role in the dispute resolution process, in terms of ensuring the relevant information is brought to the table and the investor is not intimidated or undermined due to a lack of knowledge or investing sophistication. SIDREC will not advocate for any one party but rather seeks to encourage the best outcome for both parties involved in the dispute and if a mediated settlement cannot be achieved, adjudicate and come to a finding. The finding is based on the adjudicator's evaluation of all the facts and circumstances of the case, any relevant laws, rules and best industry practice, as well as the evidence provided by the parties. That said, the overarching principle guiding the dispute resolution process, is the question 'what is fair and reasonable in the context of the case'. So, any advocacy role on our part would be for this principle within the context of the laws, industry best practice and the facts at hand.

In this context, it is interesting to note that SIDREC has only had to provide the adjudication route 12 times over the last 3 years. Of these, 2 full awards were granted, another 6 were partial awards and 4 were dismissed. Overall, from the total 45 cases decided or resolved by SIDREC over the years, 71%, i.e. the majority of cases were resolved or settled during case management without having to proceed to mediation and adjudication process. All

these are reflective of SIDREC's mediative approach being part of our DNA in managing the claims we receive. Members also may not realise that SIDREC filters a lot of the unsustainable claims without the need to contact Members, through our review and discussion of the complaint with the claimants. The benefit here is also that claimant is better informed on the workings of the capital market and their own rights and accountability as investors. In some cases the claimants have been able to go back to the Member with greater clarity and understanding, enabling a more constructive conversation with the Member.

A detailed report together with the relevant breakdown on cases handled during the year is set forth in the Dispute Resolution Reports and Statistics of this annual review. The section will also provide some insight on emerging trends and issues.

## FUNDING

With the SC's kind continuation of funding SIDREC's operations up to 2016, we have the opportunity to consult with the SC to develop feasible options for our funding structure. Any option proposed will take into account the concerns raised by Members, on the need for an equitable apportionment of funding contribution from Members across the different market sectors. We aim to start engagement with Members on new proposed options by the 2nd quarter of 2015.



## REVISING SIDREC'S TERMS OF REFERENCE (TOR)

We are finalising the first phase of the revision of our TOR which will include an enhanced process and more detail on the dispute resolution approach and process and the obligations of SIDREC as well as our Members and claimants. The revised TOR will be issued within the first half of the coming financial year.

## CONNECTING WITH OUR STAKEHOLDERS

We have continued throughout the year to work with all our stakeholders on investor awareness programmes. We were pleased to be a part of the SC's launch of its InvestSmart campaign and the InvestSmart Fest week in Kuala Lumpur. Our collaboration with Bursa Malaysia and participating brokers through the investor workshops and CPE programmes organised, has been of particular value in helping extend our reach across the country as well as building a better understanding of our services with both investors and Members. The opportunity to leverage on the various public outreach initiatives by SC and Bursa Malaysia is deeply appreciated. These were strategic partnerships that allowed for the pooling of resources and the ability to achieve a wider reach in a shorter span of time.

SIDREC also engaged at a broader level with Federation of Investment Managers Malaysia (FIMM), Private

Pension Administrators (PPA), Minority Shareholders Watchdog Group (MSWG) and Cybersecurity Malaysia to collaborate where possible in efforts to educate the market and the public on SIDREC's services.

An important part of our efforts with stakeholders is our engagement with the SC, Bank Negara Malaysia (BNM) and the Financial Mediation Bureau (FMB) to minimise any unnecessary costs to the market related to the ADR service provided by SIDREC and FMB, and ensure the effective and efficient handling of disputes that overlap our respective jurisdictions. In this regard, based on the constructive discussions through this working group have contributed positively. As will be noted feedback from the investment banks have been taken into account, in BNM's concept paper for the new Financial Ombudsman structure for the financial market. Investment Banks will no longer be expected to contribute to the Financial Ombudsman, in recognition of their scope of activity and the fact that any disputes are likely to fall within SIDREC's purview.

Our continued participation as a member of the International Network of Financial Services Ombudsman Schemes has meant that we are able to reach out to fellow members who include established ADR bodies in the international arena and tap on their experience and hindsight as well as be part of a network of standard setters for specialised ADR for the financial and capital markets.

The cross fertilisation and access to the reservoir of experience and high level expertise from this group is indeed timely in our efforts to ensure the quality and effectiveness of our services and processes stand the scrutiny of international benchmarking.

## WHERE DO WE GO FROM HERE

Much more needs to be done to raise awareness and carefully planned initiatives are underway to achieve this. 2015 will see a lot of the hard work put into the review and enhancement of our operations and services and capacity building as well as awareness initiatives, coming to fruition. We hope in the coming 3 years to significantly increase the level of awareness and understanding of SIDREC and take up of our services, specifically the mediation component. In meeting the challenges ahead, both in terms of our operations and developmental work, we will keep nimble and instep with the changing needs of the market without compromising on the quality and effectiveness of our services.

**SUJATHA SEKHAR NAIK**  
CHIEF EXECUTIVE OFFICER

## THANK YOU

I would like to thank the SC for their continued support of SIDREC. The SC's support has allowed us to build a strong foundation for the work ahead.

I thank our Members, and their industry associations, for the support and feedback provided. A special thanks to Bursa Malaysia and Members with whom we have collaborated on awareness initiatives through the course of the year.

As always, I would like to thank the Chairman and the Board of Directors for their continued guidance and support. Their strong commitment to SIDREC has made the journey for me personally, such a purposeful and positive one.

Finally, I would like to record my sincere appreciation to the staff of SIDREC for their continued hard work and passion in helping take SIDREC forward.

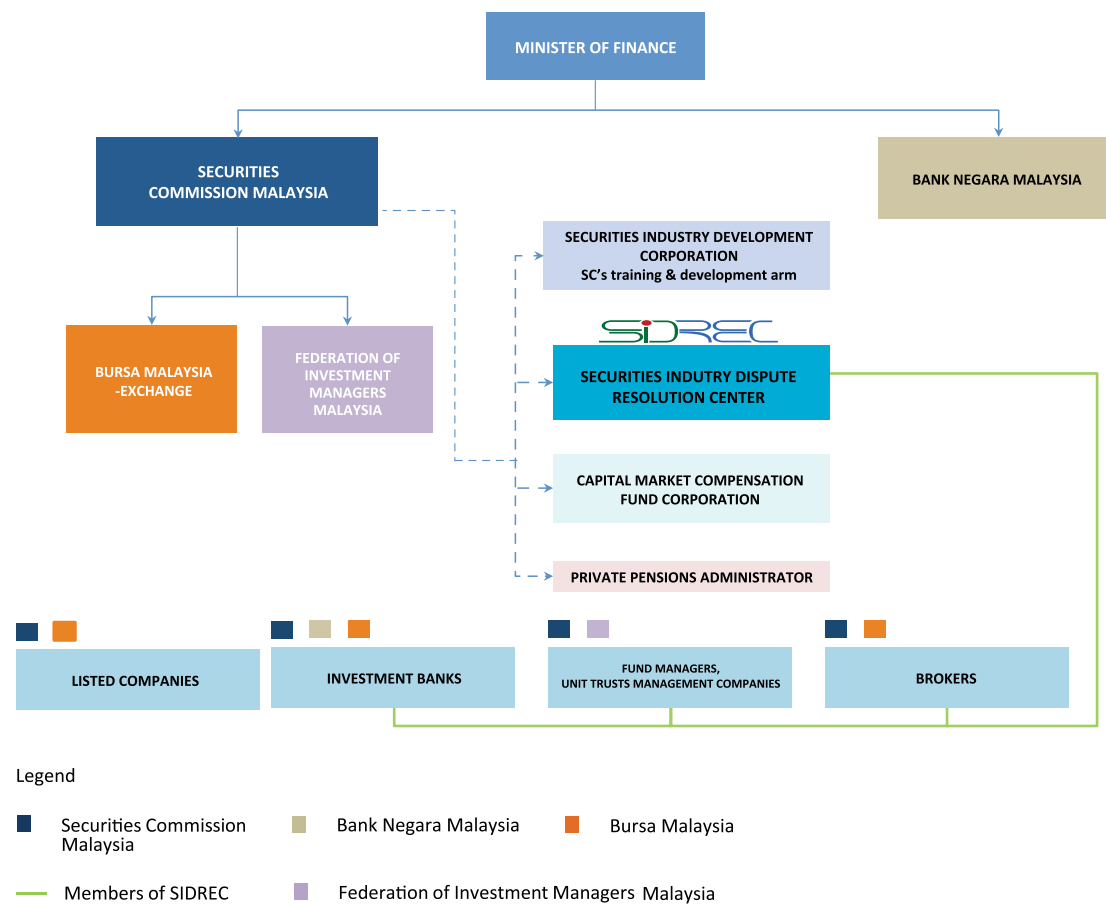
# ABOUT SIDREC

The Securities Industry Dispute Resolution Center (SIDREC) is a body corporate approved by the SC, under the Capital Markets and Services (Dispute Resolution) Regulations 2010 (Regulation) 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 (Members).

SIDREC began operations in 2011 and is mandated by the Regulation to help resolve 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, derivatives broking companies, fund management companies and unit trust management companies, among others.

## SIDREC IN THE CAPITAL MARKET INSTITUTIONAL FRAMEWORK



## MALAYSIAN CAPITAL MARKET

Equity market capitalisation on Bursa Malaysia stood at RM1.65 trillion<sup>1</sup> as at 31 December 2014. The NAV of unit trust funds, at RM343.0 billion, represented 20.8% of total market capitalisation. The NAV of wholesale funds experienced strong growth from RM59.5 billion in 2013 to RM73.3 billion<sup>2</sup> in 2014.

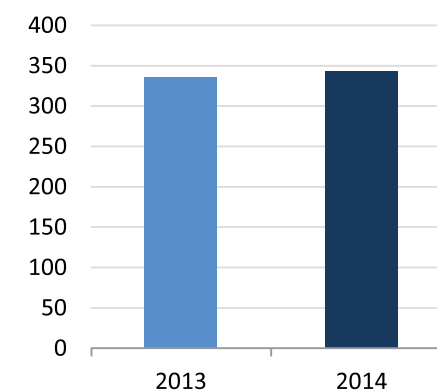
It is within this environment that the intermediaries of the capital market, who form SIDREC's Members, operate. SIDREC's Member's comprise 151 of the 231 entities licensed by the SC, servicing this market as brokers and fund managers and unit trust management companies, corporate unit trust advisers and issuing houses, in activities which include dealing in securities, dealing in derivatives and fund management. Through their respective distribution chains which include not just licensed

representatives but persons/entities, who are directly registered for capital market activities with the SC, and a total of 50,432<sup>3</sup> persons or entities registered as Unit Trust Consultants or Institutional Unit Trust Advisors with the Federation of Investment Managers Malaysia (FIMM), they collectively have a significant reach to the investing public.

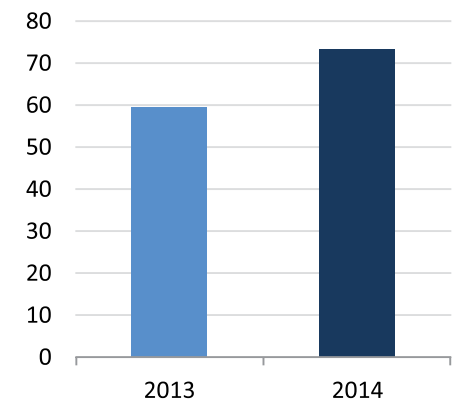
SIDREC forms an important part of the Securities Commission Malaysia's investor empowerment effort, by providing an avenue of dispute resolution which is free for aggrieved investors. Such redress mechanisms instil confidence in the capital market by assuring retail investors that any monetary dispute with intermediaries will be dealt with efficiently at minimal cost, thereby promoting more informed participation in the capital market.

<sup>1</sup> Source: [www.aseanexchanges.org/MediaCentre/360](http://www.aseanexchanges.org/MediaCentre/360)  
<sup>2</sup> Source: [www.sc.com.my](http://www.sc.com.my)  
<sup>3</sup> Source: FIMM

NAV of unit trust funds RM bil



NAV of wholesale funds RM bil







## IMPLEMENTING SIDREC'S STRATEGIC 5-YEAR PLAN

Our progress in each of these key areas:

### SUSTAINABLE INFRASTRUCTURE

- Commenced work for enhancement and development of website and secure data management system

### BUILDING AWARENESS

- 2 exhibitions, 15 investor roadshows nationwide, 6 workshop/seminars for brokers, 1 industry convention
- Distribution of collateral through stakeholders
- Development of print & digital collateral in 4 languages
- Media initiatives - radio & print advertorials

### KEEPING ABREAST OF MARKET DEVELOPMENTS

- Member of International Network of Financial Services Ombudsman Schemes
- Participation in international and regional arbitration and capital market conferences
- Review of SIDREC's TOR
- Participation in domestic conventions, forums and working groups

### BUILDING CAPACITY

- Increase in SIDREC's panel of Mediators and Adjudicators
- Upskilling of Mediators and Adjudicators

### CONTRIBUTING TO BEST PRACTICES

- Engagement with Stakeholders (e.g. Regulator, SROs and industry groups)
- CPE workshops conducted with Bursa Malaysia



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**BOARD OF  
DIRECTORS  
& MANAGEMENT**



## BOARD OF DIRECTORS



01

02

03

04

05

06

07

01 / **DATO' RANITA MOHD HUSSEIN / CHAIRMAN**

02 / **TAN SRI DATO' SRI HAMAD KAMA PIAH BIN CHE OTHMAN**

03 / **DATO' KOK WEE KIAT**

04 / **DATO' HALIPAH ESA**

05 / **DATO' SAIFUL BAHRI BIN ZAINUDDIN**

06 / **RAYMOND TANG CHEE KIN**

07 / **DATO' K C VOHRAH**

## CHAIRMAN AND INDEPENDENT DIRECTOR

DATO' RANITA  
MOHD HUSSEIN



Dato' Ranita Mohd Hussein has been the Chairman of SIDREC since its inception in 2010. She is a legal consultant and served as a member of the Advisory Council of Jurists of the Asia Pacific Forum for National Human Rights Institutions. She also served as a member of the Permanent Court of Arbitration, The Hague.

Dato' Ranita's other previous posts include that of a Commissioner in the Human Rights Commission Malaysia (Suhakam), a partner of Skrine & Co, a Judicial Commissioner in the High Court, Malaysia and an Adviser (now re-designated as Assistant Governor) to the Central Bank of Malaysia.

She 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 later during her tenure, Chief Parliamentary Draftsman.

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

## INDEPENDENT DIRECTOR

DATO' KOK WEE KIAT



Dato' Kok Wee Kiat is a founding director of SIDREC. He currently also sits on the Boards of Aluminum Company of Malaysia Berhad, Bata Malaysia Sdn Bhd, The Bank of Nova Scotia Bhd (retired April, 2014) and AWLU Malaysia Foundation (AWLU: Asia Women Leadership University).

Dato' Kok was the Deputy Minister of Trade & Industry and Member of Parliament for Selandar (1986-1990). He 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).

His active involvement in the area of corporate responsibility is clearly reflected in his previous positions. Dato' Kok has been the Honorary President of the Business Council for Sustainable Development Malaysia

(now renamed Business Council for Sustainability & Responsibility Malaysia) since 1998. He was Chairman of the Environmental Quality Council, Malaysia (2000 to 2009). He sat on the Advisory Board to the Greening of Industry Network (2002-2005). He also has been a judge for the ACCA Sustainability Reporting Awards, and StarBiz ICR Corporate Responsibility Reporting Awards. Dato' Kok has been a member of the Organising Committee of the Prime Minister's Hibiscus Awards since its inauguration in 1996, sitting as its Chairman from 1998 to 2012 and continues to be the Advisor to the Committee.

Dato' Kok was an advocate and solicitor, holding an LLB (Hons)(Sing). He was a founding partner of Mah & Kok (later renamed Mah-Kok & Din). He ceased legal practice in January, 2001.

## INDEPENDENT DIRECTOR

DATO' HALIPAH ESA



Dato' Halipah Esa is a founding director of SIDREC. She currently serves as Independent Non-Executive Director of several public-listed companies, including MISC Berhad, Malaysia Marine and Heavy Engineering Holdings Berhad, KLCC Property Holdings Berhad, NCB Holdings Berhad and SP Setia Berhad. She also serves on the Boards of Malaysia Deposit Insurance Corporation, Cagamas Bhd and Northport Bhd. She was Chairman of Pengurusan Aset Air Bhd and has 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.

Having started her career with the Administrative and Diplomatic Services in 1973 in the Economic Planning

Unit (EPU) of the Prime Minister's Department, she held various senior positions, rising to the position of Director General of EPU, before she retired from government service in 2006. She has also served as Deputy Secretary General at the Ministry of Finance.

She has previously been a consultant to the World Bank and United Nations Development Programme (UNDP), advising the Royal Kingdom of Saudi Arabia on economic planning and providing 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.

## INDEPENDENT DIRECTOR

### DATO' K C VOHRAH



Dato' K C Vohrah is active in both domestic and international arbitration. He is a Member of Kuala Lumpur Regional Centre for Arbitration (KLRC), Member of the Singapore International Arbitration Centre (SIAC), Fellow of the Singapore Institute of Arbitration (SIArb), Member of the Permanent Court of Arbitration in the Hague, Netherlands and Associate Member of the Advisory Board of the Institute for Transnational Arbitration, a division of the Centre for American and International Law.

He is also Adjunct Professor, College of Law, Government and International Studies of University Utara Malaysia, Adjunct Professor, Faculty of Law and Government, HELP University College, Kuala Lumpur and was formerly External Examiner, Faculty of Law, University of Malaya, Malaysia.

His present status is that of Consultant with Messrs Lee Hishammuddin Allen & Gledhill. Before that he was

Judge of Court of Appeal, Malaysia and also served previously in the Judicial and Legal Service of Malaya and became Head of the Advisory Division, Attorney General's Chambers. He has participated in many negotiations as legal adviser relating to international loan agreements (including those of the World Bank and the Asian Development Bank) and Swiss and Japanese bond issues, and also various conferences in relation to the Tin and the Rubber Buffer Stock Agreements. He was involved in the Law of the Sea Conferences in New York and Geneva.

Dato' K C Vohrah served as a Commissioner of the Human Rights Commission of Malaysia from July 2002 up to April 2008 and was Chairman of the Corporate Law Reform Committee, Malaysia.

He was a Trustee of the Tun Suffian Foundation Incorporated and is presently the Chairman of Loke Yew Scholarship Trust Fund.

## INDUSTRY DIRECTOR

### TAN SRI DATO' SRI HAMAD KAMA PIAH BIN CHE OTHMAN



Tan Sri Dato' Sri Hamad Kama Piah Che Othman is a founding Director of SIDREC. He is the President and Group Chief Executive of Permodalan Nasional Berhad (PNB). He has been at the helm of PNB for the last 17 years since 1998. His working career spans over 35 years where he undertook various responsibilities in various facets of investment management and corporate finance in PNB, including as portfolio manager and head of corporate restructuring.

A Senior Fellow of the Financial Services Institute of Australasia (FINSIA), Tan Sri Dato' Sri Hamad 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 also holds the Capital Markets Services Representative's License.

A statistics graduate from Universiti Teknologi MARA, Tan Sri Dato' Sri Hamad also holds a Masters of Philosophy degree from the University of Swansea, United Kingdom. He was also awarded an Honorary Doctorate in Economics and Muamalat Administration from Universiti Sains Islam Malaysia, as well as an Honorary Doctorate in Business Administration from Universiti Tenaga Nasional, Malaysia.

Other than being a member of the Board of Directors of PNB, Tan Sri Dato' Sri Hamad is also the Deputy Chairman of Sime Darby Berhad as well as a director on several other companies such as Amanah Saham Nasional Berhad, PNB (UK) Limited and PNB Asset Management (Japan) Co. Ltd. He is also the Chairman of Universiti Malaysia Kelantan.

## INDUSTRY DIRECTOR

### DATO' SAIFUL BAHRI BIN ZAINUDDIN



Dato' Saiful Bahri is a founding Director of SIDREC. He is currently the Managing Director of Business Development, Affin Hwang Investment Bank Berhad. 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 of Bursa Malaysia Berhad. He has also been appointed as the Board member of Bursa Malaysia Securities Sdn Bhd as well as Board member of Bursa Malaysia Securities Clearing Sdn Bhd. Dato' Saiful Bahri has served as 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. His previously held positions include 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. In addition he was also a former member of the Securities Market Consultative Panel of Bursa Malaysia Berhad.



## INDUSTRY DIRECTOR

RAYMOND TANG CHEE KIN



Raymond Tang Chee Kin is a founding director of SIDREC. He is currently the Chief Investment Officer, ASEAN Region, of CIMB-Principal Asset Management Berhad. He has been with CIMB-Principal since 1st October 2004. He has over 25 years of experience in the asset management business, managing both institutional and unit trust funds. Prior to joining CIMB-Principal, he was the Chief Investment Officer/Executive Director of CMS Dresdner Asset Management from 1996 to 2004. Currently, Raymond 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).

Raymond is also 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 the Capital Markets and Services Act 2007 (CMSA).

## MANAGEMENT

SUJATHA SEKHAR NAIK  
(CHIEF EXECUTIVE OFFICER)



Sujatha Sekhar Naik was seconded to SIDREC by the SC to take on her appointment as Chief Executive Officer in March 2013.

A former Deputy General Manager and the Head of Investor Affairs and Complaints of the SC, Sujatha was responsible for the development and implementation of SC's investor education strategy and the management of complaints relating to market misconduct. Her work in the SC included advisory and reform work in both the General Counsel's Office and the Corporate Finance and Investments Business Groups.

Sujatha has represented the SC as a presenter and panelist at international and domestic forums on investor education and other capital market issues as

well as represented the SC on a number of inter-agency committees in Malaysia. Sujatha is a member of the Advisory Board of the International Forum of Investor Education (IFIE).

Prior to joining the SC in 2001, Sujatha gained experience both in practice and as an in-house legal counsel. She obtained her LLB (Hons), from the University of London and was called to the Bar of England and Wales in 1989 and re-qualified with the Law Society of England and Wales as a Solicitor in 1990. Sujatha was called to the Malaysian Bar in 1998. Sujatha is an accredited Mediator on the panel of the Bar Council Malaysian Mediation Centre (a member of Asian Mediation Association).

## PANEL OF MEDIATORS & ADJUDICATORS



### HONG SIEW LAI

Hong Siew Lai joined SIDREC in 2011 as a full time mediator/adjudicator and has oversight over the case management of claims filed with SIDREC.

With 7 years of experience in the capital market, prior to joining SIDREC, Siew Lai was an Assistant Vice President, Corporate Affairs, Legal & Compliance and registered Compliance Officer at an investment bank in Malaysia. From 1998 to 2004, Siew Lai practiced as an advocate and solicitor, where her scope of work included civil litigation, corporate/commercial and conveyancing matters.

Siew Lai's legal and capital market experience places her in good stead in mediating and adjudicating matters relating to capital market issues and to provide sound guidance to both clients and Members through the dispute resolution process.

Siew Lai is an accredited Mediator on the panel of the Bar Council Malaysian Mediation Centre (a member of Asian Mediation Association) and a Member of the Chartered Institute of Arbitrators, UK. Having graduated with a LL.B (Hons) from the University of East London, Siew Lai was admitted as an advocate and solicitor of the High Court of Malaya in 1998.

### DAPHNE R N SEBASTIAN

Daphne R N Sebastian has been a member of SIDREC's Panel of Mediators & Adjudicators since 2012. Daphne served in the Judicial and Legal Service of Malaysia from the years, 1976 to 1994. During these 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, Daphne was a lecturer 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, a dispute resolution centre for consumer products and services.

Daphne'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.

Daphne 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.

## ANGELINA KWAN

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Angelina Kwan is currently the Head of Global Equities Compliance for CLSA, a global investment bank. Angelina has over 27 years of experience in Asia and the United States, in business development, restructuring, regulatory/compliance, as well as investor and stakeholder relations. Most recently, she founded and was the Chief Executive Officer of Stratford Finance Limited, a Compliance and Corporate Governance Consulting Firm advising financial services companies. 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 the REORIENT Group (SEHK376).

Angelina 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 Women's Commission and the Financial Reporting Council Process Review Panel, a Director and Chairman of the Audit Committee of the Securities Industry Development Corporation 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.

## NAHENDRAN NAVARATNAM

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Nahendran Navaratnam is the principal partner at Navaratnam Chambers and has experience handling trial and appellate work in large corporate, commercial and administrative law disputes for private and public listed companies, major international and Malaysian financial institutions, multinational corporations and professional practices. He also acts in professional liability, tax, and securities cases and in commercial arbitration disputes.

Nahendran is a Chartered Arbitrator and a Fellow of the Chartered Institute of Arbitrators, a member of the Inter-Pacific

Bar Association and Commonwealth Lawyers Association and the Australasian Forum for International Arbitration. He is also a member of the Arbitration Committee of the International Chamber of Commerce and a Fellow of the Malaysian Institute of Arbitrators. He is also a trained mediator and adjudicator.

Nahendran is a graduate of Monash University Australia and holds a Bachelor of Science (Materials Science) and Bachelor of Laws. He was called to the Malaysian Bar in 1988.

## LIM CHEE WEE

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Lim Chee Wee has been a partner of SKRINE since 2001 and is the immediate past president of the Malaysian Bar. He is a Member of the Chartered Institute of Arbitrators and formerly served on the Committee for PAM, revising the PAM forms 1998 edition.

He has a broad commercial practice having experience in a wide variety of commercial and corporate disputes and litigation including international arbitrations in Asia and Europe. He primarily acts as Counsel having appeared at all tiers of the Malaysian Courts and his portfolio of litigation work has a particular focus towards corporate litigation.

Chee Wee also has an established public and administrative law practice having regularly advised and acted as Counsel for the Malaysian stock exchange in matters involving its rules and regulations and on the exercise of its enforcement powers.

Chee Wee graduated from the University of New South Wales with a LLB degree and B. Comm. (Accounting) degree. He was called to the Malaysian Bar as an Advocate & Solicitor in 1993 and started practising in SKRINE thereon.

## LYNETTE YEOW

Lynette Yeow first joined Kadir Andri & Partners (KAAP) as a partner from 2011 – 2012, and after a sabbatical, she re-joined KAAP in January 2014. Lynette has been in active practice in Malaysian law firms since 1995, a career that spans 18 years, including as a partner at Zaid Ibrahim & Co. Lynette is well known for her expertise in corporate and commercial advisory work, with a focus on mergers and acquisitions, corporate finance and securities regulation. She also has experience in funds establishment (including REITs and private equity funds).

Lynette has worked on a number of firsts and landmark transactions, and continues to be involved in large and complex M&A deals as well as innovative structures for the Malaysian capital market.

Lynette graduated from the University of Cambridge with a BA (Hons) in 1992 and called to the Malaysian Bar in December 1994. She was also conferred an MA by the University of Cambridge. Lynette is an accredited Mediator on the panel of the Bar Council Malaysian Mediation Centre (a member of Asian Mediation Association).

## SHANTI ABRAHAM MATHEW

Shanti Abraham Mathew is a Partner of Puthuchery and has vast experience in corporate and dispute resolution matters.

She has handled trial and appellate work in major corporate, commercial and banking law disputes for private and public listed companies as well as handled a full range of corporate finance matters ranging from listing, restructurings and takeovers as well as resolving issues between investors and securities trading companies, including claims on the compensation fund. She also has a significant corporate and dispute resolution practice in healthcare related matters (including risk management and medico-legal disputes).

Shanti is a Mediator with the Malaysian Mediation Centre and an Associate Mediator with the Singapore Mediation Centre. She has been a trainer with Singapore Mediation Centre for its certificate programme for mediators since 2013. She is also a Healthcare Mediator on the specialist panel of mediators with the Singapore Mediation Centre (in a joint venture with the Ministry of Health, Singapore).

Shanti graduated with an LLB (Hons) from the National University of Singapore in 1994 and completed the Program on Negotiation at Harvard Negotiation Institute (Harvard Law School) 2014. She also holds a Diploma in International Arbitration and is a Fellow of the Chartered Institute of Arbitrators (FCIArb). She has been called to both the Singapore (1995) and Malaysian Bar (1999).





## LEVERAGING ON THE DISPUTE RESOLUTION PROCESS



### DISPUTE RESOLUTION PROCESS

SIDREC provides an alternative and affordable route to assist in the resolution of disputes between investors and SIDREC's Members who are licensed by the SC as Capital Market Service Providers (CMSL holders) for regulated activities e.g. dealing in securities, dealing in derivatives and fund management. This ensures that the capital market landscape provides an effective and independent redress mechanism for the retail investor who otherwise may not have the financial means or adequate understanding to pursue a claim through the legal system.

The platform is built around an impartial and informal framework with specialised capital market expertise for both Members and investors to seek resolution of their disputes through our mediation and adjudication services. All SIDREC's services are free for investors making it widely accessible to the investing community.

A claimant may start the process by lodging a formal complaint (relating to a capital market service or product) with the relevant CMSL holder. SIDREC encourages Members to try and resolve complaints through their respective internal complaints process as far as possible. If the claimant has received no response or is not satisfied with the final response he receives, the claimant is able to approach SIDREC for help to resolve the dispute.

The claimant can contact SIDREC by email, phone or fax. Claim forms can also be posted or handed in person at our centre that operates during normal business hours from Monday to Friday. The majority of first contact from claimants are via telephone or email.

### CASE MANAGEMENT

SIDREC will undertake an investigation of the case and a pre-assessment is conducted to ascertain if the case is eligible and with merit. Each individual complaint is looked at impartially and all sides of an issue considered before we determine how to help. The review will also include referring to the applicable laws, rules and best industry practice and seeking further information from the claimant or Member concerned. Where the case does not fall under SIDREC's purview, we will refer the claimant, where possible to the appropriate authority or entity who may be able to assist them.

Certain claims are deemed to be outside SIDREC's scope and as such become excluded claims. For example, where it is under investigation by the SC or an enforcement authority, or, it is the subject of court proceedings (unless the court proceeding is stayed to allow for referral to SIDREC), the case would be an excluded claim. It should be noted here however, that the lodging of a police report or a complaint with a regulator or enforcement agency would not in of itself make the case ineligible. The enforcement authority concerned would need to write to SIDREC for this exclusion to apply.

If the claim is eligible, one or both parties may, where necessary, be contacted by the case manager for a meeting to provide further clarification on the dispute, after which a mediation session will be arranged.

### THE MEDIATION PROCESS

Mediation is conducted in a confidential and informal setting. The mediator's role is to act as an expert impartial third party

who will facilitate discussion and help the parties to the dispute to find common ground towards resolution of their issues. Parties should come with an open mind with the view to finding a mutually agreeable outcome. This is when mediation works at its best.

It is also important that the representative of the Member attending the mediation, has the mandate and authority to agree to a settlement.

The mediator may during the course of mediation seek further information from the parties where it would help the parties better understand the other's perspective and generate possible solutions to their issues.

Where mediation is successful, the parties will enter into a settlement agreement reflecting their agreement.

Where despite the mediator's best efforts, the parties are unable to arrive at a mutually agreed resolution, mediation comes to an end and the matter will proceed to adjudication.

### ADJUDICATION

This final component of the dispute resolution process only becomes necessary when mediation fails. During the adjudication hearing, the adjudicator will hear both parties and review all information and evidence afresh.

The parties will be given an opportunity to present their case, this includes tendering any evidence or calling any witnesses to support their case. The parties may be requested to provide further information or documents by the adjudicator.

The adjudicator then makes a decision based, among others, on the evidence furnished, the conduct of the parties, the applicable laws, regulations, rules and best industry practice, guided by what is fair and reasonable. The decision may include a full or partial award, or the claim may be dismissed.

In the event that the claimant is not agreeable to SIDREC's decision, he may reject SIDREC's decision. In such a case, the relevant Member is absolved from complying with the decision, and the claimant is free to pursue his right elsewhere. Where however, the claimant accepts SIDREC's decision, the Member must comply with the decision within the stipulated timeframe.

### SIDREC'S VALUE PROPOSITION

The value add brought to both Members and investors through SIDREC's dispute resolution service is very clear:

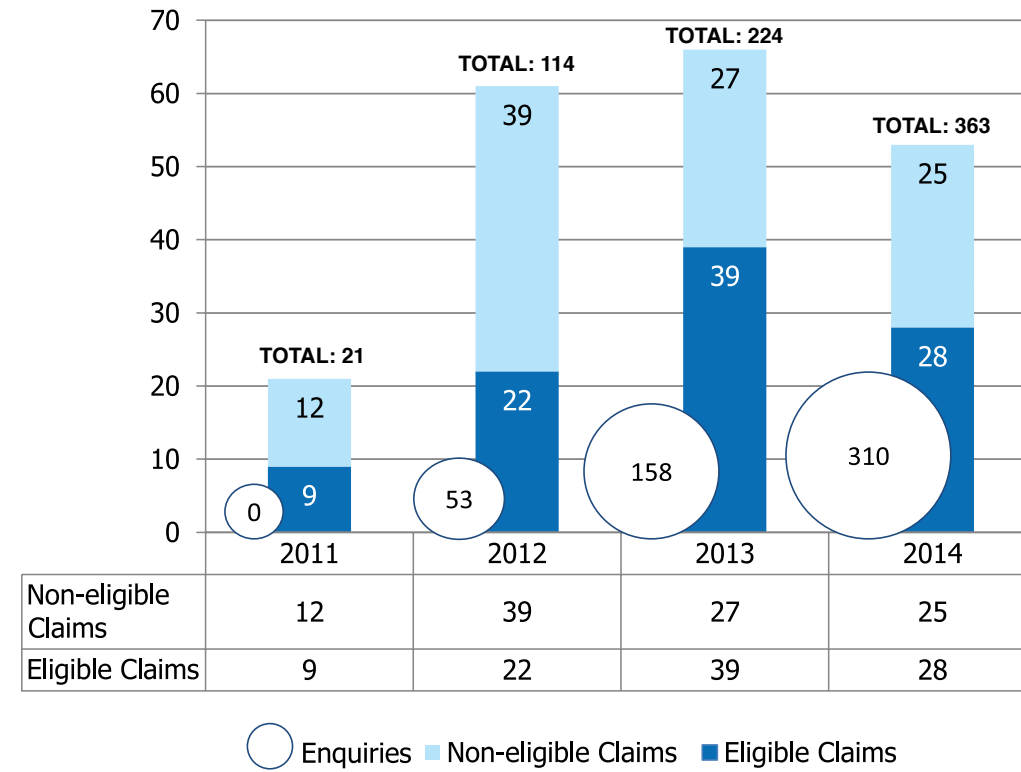
- Confidentiality of proceedings provide an ability to address the issues constructively without distraction.
- Serves as an "independent and impartial voice of reason" – with no attachment to outcome
- Serves as an independent filter of complaints – often resolving issues before it even reaches the Member
- Promotes good communication and conduct on the part of all parties
- Independent and impartial mediator/ adjudicator with industry knowledge and access to specialist expertise as required
- Contributes to reputation management and client retention, preserving harmony and building relationships
- Serves as a good risk management tool for Members – ability to identify issues that otherwise may slip through the cracks
- Reduces legal costs of the Members and investors
- Investors become better informed acquiring an enhanced understanding and knowledge of the market and their own responsibilities
- Members are also better informed of investors practical concerns and challenges

# DISPUTE RESOLUTION REPORT AND STATISTICS



## 1. ANALYSIS OF ENQUIRIES AND CLAIMS 2011 – 2014

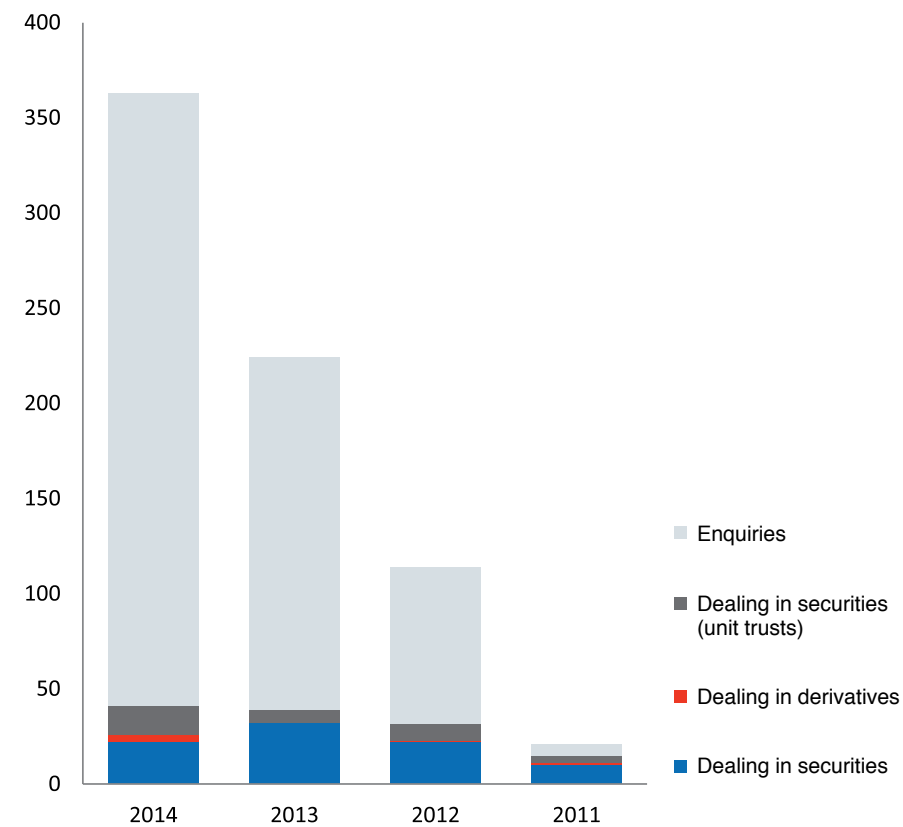
The breakdown of the eligible and non-eligible claims including total enquiries for 2014, with comparative data from 2011 to 2013:





## 2. ENQUIRIES AND CLAIMS RECEIVED - 2011 TO 2014, ACCORDING TO TYPE OF REGULATED ACTIVITIES

The breakdown of the cases in 2014 based on the type of regulated activity, with comparative data from 2011 to 2013:



Type of Claims	2014	2013	2012	2011
Dealing in securities	22	32	22	10
Dealing in derivatives	4	0	1	1
Dealing in securities (unit trusts)	15	7	9	4
Enquiries*	322	185	82	6
<b>TOTAL</b>	<b>363</b>	<b>224</b>	<b>114</b>	<b>21</b>

\* These include enquiries and complaints related to the capital market but not under SIDREC's purview.

## 3. NATURE OF CLAIMS RECEIVED

Description	No. of Cases 2014	No. of Cases 2013	No. of Cases 2012
<b>Member's Practice/Policies ("MPP")</b>			
Redemption and reinvestment	0	1	0
Online trading portal - sell limit imposed	0	0	1
Rights to information - deceased client's portfolio	0	1	0
Overcharged brokerage - online trade	1	1	
Overcharged facility fees - margin financing	2	0	0
Error in allocation of trading limit	0	0	1
Auto intraday contra of trades	0	1	0
Policy on survivorship clause	0	0	1
Redemption of funds upon maturity	0	0	1
Execution of buy order - clearance of cheque	1	0	0
Premature force-selling in relation to margin call	1	0	0
Inadvertent disclosure of client's account information	1	0	0
Penalty for early redemption of unit trust	1	0	0
<b>Sub-Total</b>	<b>7</b>	<b>4</b>	<b>4</b>
<b>Market Conduct ("MC")</b>			
Unauthorised transactions	3	4	7
Execution errors	0	0	1
Fraud/ Defalcation / Forgery / Misappropriation	3	13	4
Misselling/Inappropriate Advice / Misrepresentation	7	1	5
Sale of unit trust by unlicensed person	1	0	0
Non-compliance with trading instructions	0	1	0
Failure to provide promised cut-loss service	0	1	0
Unauthorised sale of shares - compromised email account	1	0	0
Failure to cancel sell order	2	0	0
Failure to pay investor proceeds of IPO share sale	1	0	0
Mis-management of discretionary account	3	0	0
<b>Sub-Total</b>	<b>21</b>	<b>20</b>	<b>17</b>
<b>Service Standards ("SS")</b>			
Delay/Weaknesses/Failure in processes involving online trading portal/internet trading	5	4	5
Other Delay/Weaknesses/Failure in processes	8	11	6
<b>Sub-Total</b>	<b>13</b>	<b>15</b>	<b>11</b>
<b>GRAND TOTAL</b>	<b>41</b>	<b>39</b>	<b>32</b>

#### 4. STATISTICS OF CLAIMS DECIDED OR RESOLVED BY SIDREC

Breakdown of claims decided or resolved:

Year	Adjudicated			Successfully Mediated	Claims resolved without proceeding to Mediation & Adjudication		Total Claims Resolved
	Full Award Against Member	Partial Award against Member	Dismissed Claim		Claim withdrawn by Claimant	Dismissed at the stage of initial assessment	
2014	0	1 <sup>^</sup>	2	1	13 <sup>*</sup>	2	19
2013	2	2	2	0	13	1	20
2012	0	0	0	0	2	1	3
2011	0	3 <sup>#</sup>	0	0	0	0	3
Total	2	6	4	1	28	4	45

Note:

<sup>^</sup> In 2014, partial award - rejected by the Claimant.

<sup>#</sup> In 2011, 3 Claimants given a partial Award - 2 rejected the Award.

<sup>\*</sup> In two cases, claimants failed to submit the relevant documents requested by SIDREC despite numerous reminders – both cases were closed by SIDREC

Since inception until 31 December 2014, SIDREC has received 201 claims and 521 enquiries. Out of the 12 decisions issued:

- 16.67% (2/12 decisions) – full award against Member
- 50% (6/12 decisions) – partial award against Member
- 33.33% (4/12 decisions) – claim dismissed

Out of the total number of claims resolved, 71.11% (32/45) of claims were resolved through case management without having to proceed to mediation and adjudication. This demonstrates how mediation in an informal manner begins as soon as SIDREC receives a case.

#### 5. UPDATE OF CASES UNDER JUDICIAL REVIEW

Our decisions in two related claims which were challenged last year by way of an application for judicial review by one of our Members are still pending. The matters are currently at the Court of Appeal in relation to SC's intervention application, pending the Member's appeal. Our legal counsel's advice remains, in that, our case is strong and should withstand challenge. We continue to be of the view that any outcome will be a positive one, that all can learn from.

#### 6. OBSERVATIONS:

Number of claims and enquiries received in 2014

In year 2014, SIDREC's promotion efforts have resulted in an increase in the number of claims and enquiries received, from 224 in year 2013 to 363 in year 2014.

Complaints in relation to dealing in securities have dropped from 32 claims in year 2013 to 22 claims in 2014, whereas complaints in relation to dealing in securities (unit trust) have increased from 7 claims in year 2013 to 15 claims in 2014, and complaints in relation to trading in derivatives have increased from no claim in year 2013 to 4 claims in 2014.

A comparison between 2013 and 2014 shows an increase in the number of complaints relating to issues of misselling, inappropriate advice or misrepresentation from 1 to 7, and a decrease in number of complaints relating to fraud or defalcation from 13 cases in 2013 to 3 cases in 2014.

A recurring concern in a number of the claims relates to the conduct of the representatives or agents of either brokers or unit trust management companies (UTMC). The issues arising from these claims relate to fraud, unauthorised transactions or misselling. Whilst it is by no means a general reflection, the misconduct of a few is a concern and challenge for both Members and investors and does raise a need for the market as a whole to be alert for the need to ensure robust controls and oversight over their representatives and agents. Conversely, investors on their part need to be more vigilant and responsible in the conduct and oversight of their investment portfolio and their dealings with representatives or agents.

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# LIST OF MEMBERS

## LIST OF MEMBERS

(AS AT 28TH JANUARY 2015)

No.	Name of Company	Type of Capital Markets Services License			
		Fund Management	Dealing in Securities (Unit Trust)	Dealing in Securities	Dealing in Derivatives
1	A.D. Financial Sdn Bhd		√		
2	Aberdeen Asset Management Sdn Bhd	√			
3	Aberdeen Islamic Asset Management Sdn Bhd	√	√		
4	Affin Hwang Asset Management Berhad (formerly known as Hwang Investment Management Berhad)	√	√		
5	Affin Hwang Futures Sdn Bhd (formerly known as HDM Futures Sdn Bhd)				√
6	Affin Hwang Investment Bank Berhad (formerly known as HwangDBS Investment Bank Berhad)			√	
7	* AIA Pension And Asset Management Sdn Bhd	√			
8	AIMS Asset Management Sdn Bhd	√			
9	Alliance Investment Bank Berhad			√	
10	Amanah Mutual Berhad		√		
11	Amanah Saham Kedah Berhad	√	√		
12	Amanah Saham Nasional Berhad		√		
13	Amanah Saham Sarawak Berhad		√		
14	Amanahraya Investment Management Sdn Bhd	√	√		
15	* Amanahraya-REIT Managers Sdn Bhd	√			
16	* Am Ara REIT Managers Sd Bhd	√			
17	Amara Investment Management Sdn Bhd	√			
18	AmlInvestment Bank Berhad	√		√	
19	AmlInvestment Services Berhad	√	√		
20	AmlIslamic Funds Management Sdn Bhd	√			
21	AmFutures Sdn Bhd				√
22	Amundi Islamic Malaysia Sdn Bhd	√			

Note:

\* In the process of formalising its membership

No.	Name of Company	Type of Capital Markets Services License			
		Fund Management	Dealing in Securities (Unit Trust)	Dealing in Securities	Dealing in Derivatives
23	Amundi Malaysia Sdn Bhd	√			
24	Apex Investment Services Berhad	√	√		
25	Areca Capital Sdn Bhd	√	√		
26	Asian Islamic Investment Management Sdn Bhd	√			
27	Assar Asset Management Sdn Bhd	√			
28	Atrium REIT Managers Sdn Bhd	√			
29	Axis REIT Managers Berhad	√			
30	BIMB Investment Management Berhad	√	√		
31	BIMB Securities Sdn Bhd			√	
32	Blueprint Planning Sdn Bhd		√		
33	BNP Paribas Investment Partners Malaysia Sdn Bhd	√			
34	BNP Paribas Investment Partners Najmah Malaysia Sdn Bhd	√			
35	Capital Dynamics Asset Management Sdn Bhd	√			
36	CapitaMalls Malaysia REIT Management Sdn Bhd	√			
37	CIMB Futures Sdn Bhd				√
38	CIMB Investment Bank Berhad			√	
39	CIMB-Principal Asset Management Berhad	√	√		
40	CIMB-Principal Islamic Asset Management Sdn Bhd	√			
41	Citigroup Global Markets Malaysia Sdn Bhd			√	
42	CLSA Securities Malaysia Sdn Bhd			√	
43	Corston-Smith Asset Management Sdn Bhd	√			
44	Credit Suisse Securities (Malaysia) Sdn Bhd			√	√
45	Damansara REIT Managers Sdn Bhd	√			
46	Eastspring AI-Wara' Investments Berhad	√			

Note:

\* In the process of formalising its membership

No.	Name of Company	Type of Capital Markets Services License			
		Fund Management	Dealing in Securities (Unit Trust)	Dealing in Securities	Dealing in Derivatives
47	Eastspring Investments Berhad	√	√		
48	FA Advisory Sdn Bhd		√		
49	FA Securities Sdn Bhd			√	
50	Fedrums Sdn Bhd				√
51	FIN Freedom Sdn Bhd		√		
52	Fortress Capital Asset Management (M) Sdn Bhd	√			
53	Franklin Templeton Asset Management (Malaysia) Sdn Bhd	√			
54	Franklin Templeton GSC Asset Management Sdn Bhd	√	√		
55	* GLM REIT Management Sdn Bhd	√			
56	Golden Touch Asset Management Sdn Bhd	√			
57	Goldman Sachs (Malaysia) Sdn Bhd	√			
58	Guidance Investments Sdn Bhd	√			
59	Harveston Wealth Management Sdn Bhd		√		
60	* Hektar Asset Management Sdn Bhd	√			
61	Hong Leong Asset Management Bhd	√	√		
62	Hong Leong Fund Management Sdn Bhd	√			
63	Hong Leong Investment Bank Berhad			√	√
64	IF Derivatives Sdn Bhd				√
65	iFAST Capital Sdn Bhd		√		
66	IGB REIT Management Sdn Bhd	√			
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			√	

Note:

\* In the process of formalising its membership

No.	Name of Company	Type of Capital Markets Services License			
		Fund Management	Dealing in Securities (Unit Trust)	Dealing in Securities	Dealing in Derivatives
73	KAF Fund Management Sdn Bhd	√	√		
74	KAF Investment Funds Berhad	√	√		
75	KAF-Seagroatt & Campbell Securities Sdn Bhd			√	
76	Kenanga Deutsche Futures Sdn Bhd				√
77	Kenanga Investment Bank Berhad			√	
78	Kenanga Investors Berhad	√	√		
79	Kenanga Islamic Investors Berhad	√			
80	KFH Asset Management Sdn Bhd	√			
81	* KLCC REIT Management Sdn Bhd	√			
82	Kumpulan Sentiasa Cemerlang Sdn Bhd	√	√		
83	Legacy Advisory Sdn Bhd		√		
84	Libra Invest Berhad	√	√		
85	LT International Futures (M) Sdn Bhd				√
86	M & A Securities Sdn Bhd			√	
87	Macquarie Capital Securities (Malaysia) Sdn Bhd			√	
88	Malacca Securities Sdn Bhd			√	
89	Malaysian Issuing House Sdn Bhd			√	
90	Manulife Asset Management Services Berhad	√	√		
91	Maybank Asset Management Sdn Bhd	√	√		
92	Maybank Investment Bank Berhad			√	√
93	Maybank Islamic Asset Management Sdn Bhd	√			
94	Mercury Asset Management Sdn Bhd	√			
95	Mercury Securities Sdn Bhd			√	
96	Meridian Asset Management Sdn Bhd	√			
97	MIDF Amanah Asset Management Berhad	√	√		
98	MIDF Amanah Investment Bank Berhad			√	
99	Muamalat Invest Sdn Bhd	√			
100	Navis Management Sdn Bhd	√			

Note:

\* In the process of formalising its membership

No.	Name of Company	Type of Capital Markets Services License			
		Fund Management	Dealing in Securities (Unit Trust)	Dealing in Securities	Dealing in Derivatives
101	Nomura Asset Management Malaysia Sdn Bhd	√			
102	Nomura Islamic Asset Management Sdn Bhd	√			
103	Nomura Securities Malaysia Sdn Bhd			√	
104	Okachi (M) Sdn Bhd				√
105	Opus Asset Management Sdn Bhd	√			
106	Oriental Pacific Futures Sdn Bhd				√
107	Pacific Mutual Fund Bhd	√	√		
108	Pavilion REIT Management Sdn Bhd	√			
109	PCB Asset Management Sdn Bhd	√			
110	Pelaburan Hartanah Nasional Berhad	√			
111	Pelaburan Johor Berhad	√	√		
112	Pengurusan Kumipa Berhad	√	√		
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	Phillip Mutual Berhad		√		
120	PineBridge Investments Malaysia Sdn Bhd	√			
121	Pintar Projek Sdn Bhd	√			
122	PM Securities Sdn Bhd			√	
123	PMB Investment Berhad	√	√		
124	PTB Unit Trust Berhad	√	√		
125	Public Investment Bank Berhad			√	
126	Public Mutual Berhad	√	√		

Note:

\* In the process of formalising its membership

No.	Name of Company	Type of Capital Markets Services License			
		Fund Management	Dealing in Securities (Unit Trust)	Dealing in Securities	Dealing in Derivatives
127	Quill Capita Management Sdn Bhd	√			
128	RHB Investment Bank Berhad			√	√
129	RHB Asset Management Sdn Bhd	√	√		
130	RHB Islamic International Asset Management Berhad	√	√		
131	Saham Sabah Berhad		√		
132	Saturna Sdn Bhd	√			
133	SDB Asset Management Sdn Bhd	√			
134	Singular Asset Management Sdn Bhd	√			
135	SJ Securities Sdn Bhd			√	
136	SP Investment Management Sdn Bhd	√			
137	Standard Financial Adviser Sdn Bhd		√		
138	Sunway REIT Management Sdn Bhd	√			
139	TA Futures Sdn Bhd				√
140	TA Investment Management Berhad	√	√		
141	TA Securities Holdings Berhad			√	
142	Threadneedle Asset Management Malaysia Sdn Bhd	√			
143	* Tricor Investor & Issuing House Services Sdn Bhd (formerly known as Equiniti Services Sdn Bhd)			√	
144	UOA Asset Management Sdn Bhd	√			
145	UBS Securities Malaysia Sdn Bhd			√	
146	UOB Asset Management (Malaysia) Berhad	√	√		
147	UOB Kay Hian Securities (M) Sdn Bhd			√	√
148	VCAP Asset Managers Sdn Bhd	√			
149	VCB Capital Sdn Bhd	√			
150	* VKA Wealth Planners Sdn Bhd		√		
151	Whitman Independent Advisors Sdn Bhd		√		

Note:

\* In the process of formalising its membership

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## PART TWO



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**DIRECTORS'  
REPORT &  
AUDITED  
FINANCIAL  
STATEMENTS**

**SECURITIES INDUSTRY DISPUTE RESOLUTION CENTER**  
(Incorporated in Malaysia)

<u>CONTENTS</u>	<u>PAGE</u>
DIRECTORS' REPORT	1 - 4
STATEMENT BY DIRECTORS	5
STATUTORY DECLARATION	5
INDEPENDENT AUDITORS' REPORT	6 - 7
STATEMENT OF FINANCIAL POSITION	8
STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME	9
STATEMENT OF CASH FLOWS	10
NOTES TO THE FINANCIAL STATEMENTS	11 - 25

**SECURITIES INDUSTRY DISPUTE RESOLUTION CENTER**

(Incorporated in Malaysia)

**DIRECTORS' REPORT**

The Directors hereby present their report together with the audited financial statements of Securities Industry Dispute Resolution Center ("the Center") for the financial year ended 31 December 2014.

**PRINCIPAL ACTIVITIES**

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 these activities during the financial year.

**RESULTS**

	<b>RM</b>
Surplus for the financial year	<u>          -</u>

**DIVIDEND**

In accordance with the Memorandum of Association, no dividends are payable to the members of the Center.

**RESERVES AND PROVISIONS**

There were no material transfers to or from reserves or provisions during the financial year other than those disclosed in the financial statements.

**DIRECTORS**

The Directors who held office since the date of the last 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' Halipah binti Esa  
Tang Chee Kin  
Dato' Karam Chand Vohrah

(Appointed on 30 April 2014)

**DIRECTORS' INTERESTS**

None of the Directors holding office at the end of the financial year held any interest in ordinary shares in the Center or ordinary shares of its related corporations during the financial year.

**DIRECTORS' BENEFITS**

Since the end of the previous financial year, none of the Directors have received or become entitled to receive any benefit by reason of a contract made by the Center 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, to which the Center is a party, which had the object of enabling the Directors to acquire benefits by means of the acquisition of shares in or debentures of the Center or any other body corporate.

**OTHER STATUTORY INFORMATION REGARDING THE CENTER****(I) AS AT THE END OF THE FINANCIAL YEAR**

- (a) Before the statement of profit or loss and other 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 have satisfied themselves that there are no known bad debts to be written off and that no provision for doubtful debts is required; and
  - (ii) to ensure that any current assets other than debts, which were unlikely to realise their book values in the ordinary course of business had been written down to their estimated realisable values.
- (b) In the opinion of the Directors, the results of operations of the Center during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

**(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT**

- (c) The Directors are not aware of any circumstances:
  - (i) which would necessitate the writing off of bad debts or the making of provision for doubtful debts in the financial statements of the Center;
  - (ii) which would render the values attributed to current assets in the financial statements of the Center misleading; and
  - (iii) which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Center misleading or inappropriate.

**OTHER STATUTORY INFORMATION REGARDING THE CENTER (continued)****(II) FROM THE END OF THE FINANCIAL YEAR TO THE DATE OF THIS REPORT (continued)**

- (d) In the opinion of the Directors:
- (i) there has not arisen any item, transaction or event of a material and unusual nature which is likely to affect substantially the results of operations of the Center for the financial year in which this report is made; and
  - (ii) no contingent or other liability has become enforceable, or is likely to become enforceable, within the period of twelve (12) months after the end of the financial year, which will or may affect the ability of the Center to meet its obligations as and when they fall due.

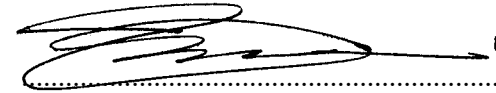
**(III) AS AT THE DATE OF THIS REPORT**

- (e) There are no charges on the assets of the Center which have arisen since the end of the financial year to secure the liabilities of any other person.
- (f) There are no contingent liabilities of the Center which have arisen since the end of the financial year.
- (g) The Directors are not aware of any circumstances not otherwise dealt with in the report or financial statements which would render any amount stated in the financial statements of the Center misleading.

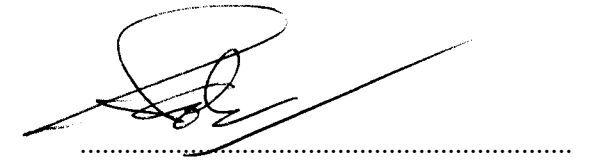
**AUDITORS**

The auditors, BDO, have expressed their willingness to continue in office.

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



.....  
Dato' Ranita binti Mohd Hussein  
Director



.....  
Dato' Kok Wee Kiat  
Director

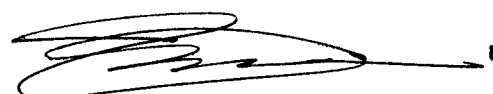
Kuala Lumpur, Malaysia  
29 January 2015

**SECURITIES INDUSTRY DISPUTE RESOLUTION CENTER**  
(Incorporated in Malaysia)

**STATEMENT BY DIRECTORS**

In the opinion of the Directors, the financial statements set out on pages 8 to 25 have been drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards, and the provisions of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Center as at 31 December 2014 and of the financial performance and cash flows of the Center for the financial year then ended.

On behalf of the Board,



Dato' Ranita binti Mohd Hussein  
Director



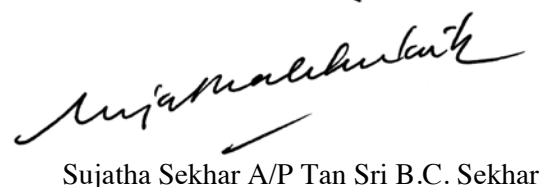
Dato' Kok Wee Kiat  
Director

Kuala Lumpur, Malaysia  
29 January 2015

**STATUTORY DECLARATION**

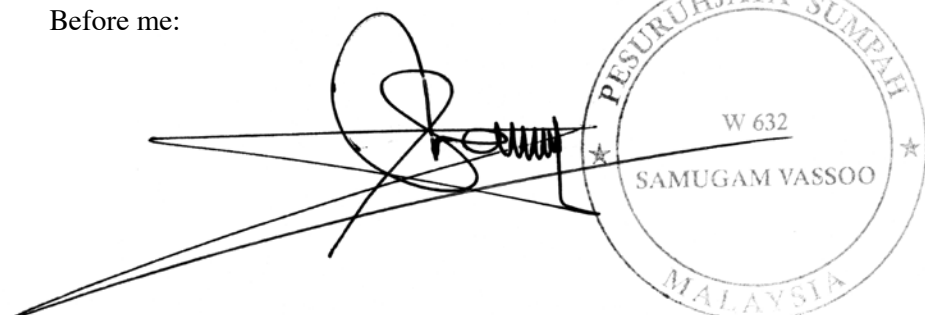
I, Sujatha Sekhar A/P Tan Sri B.C. Sekhar, being the officer primarily responsible for the financial management of Securities Industry Dispute Resolution Center, do solemnly and sincerely declare that the financial statements set out on pages 8 to 25 are, to the best of my knowledge and belief, correct 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 abovenamed at )  
Kuala Lumpur this )  
29 January 2015 )



Sujatha Sekhar A/P Tan Sri B.C. Sekhar

Before me:



The official stamp is circular with the text: PESURUHJAYA SUMPAH, W 632, SAMUGAM VASSOO, MALAYSIA.

No. 10-2, Jalan Bangsar Utama 1,  
Bangsar Utama,  
59000 Kuala Lumpur



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12th Floor Menara Uni.Asia  
1008 Jalan Sultan Ismail  
50250 Kuala Lumpur  
Malaysia

**INDEPENDENT AUDITORS' REPORT TO THE MEMBER 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 statement of financial position as at 31 December 2014 of the Center, and statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Center for the financial year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 8 to 25.

The financial statements of the Center for the year ended 31 December 2013 were audited by another firm of Chartered Accountants whose report dated 14 February 2014 expressed an unqualified opinion on those statements.

**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 judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of the financial statements that 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.



**INDEPENDENT AUDITORS' REPORT TO THE MEMBER OF  
SECURITIES INDUSTRY DISPUTE RESOLUTION CENTER (continued)**

(Incorporated in Malaysia)

**Auditors' Responsibility (continued)**

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 Center as of 31 December 2014 and of its financial performance and cash flows for the financial 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 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 Center have been properly kept in accordance with the provisions of the Act.

**Other Matters**

This report is made solely to the member 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.

**BDO**  
AF : 0206  
Chartered Accountants

Kuala Lumpur  
29 January 2015

**Rejeesh A/L Balasubramaniam**  
2895/08/16 (J)  
Chartered Accountant

**SECURITIES INDUSTRY DISPUTE RESOLUTION CENTER**  
(Incorporated in Malaysia)

**STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2014**

	Note	2014 RM	2013 RM
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property and equipment	7	138,197	213,946
<b>Current assets</b>			
Receivables	8	84,515	85,906
Cash and bank balances	9	491,724	610,517
		<u>576,239</u>	<u>696,423</u>
<b>LIABILITIES</b>			
<b>Current liability</b>			
Payables	10	127,195	22,517
<b>Net current assets</b>		<u>449,044</u>	<u>673,906</u>
		<u>587,241</u>	<u>887,852</u>
<b>Represented by:</b>			
Contribution from members	11	-	-
<b>Non-current liability</b>			
Deferred income	12	587,241	887,852

*The accompanying notes form an integral part of the financial statements.*

**SECURITIES INDUSTRY DISPUTE RESOLUTION CENTER**  
(Incorporated in Malaysia)

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

	Note	2014 RM	2013 RM
<b>Income</b>			
Other income	13	1,491,994	1,247,231
<b>Expenditure</b>			
Staff costs	14	(469,809)	(336,276)
Auditors' remuneration		(8,000)	(10,000)
Tax agent fees		(6,500)	(7,000)
Office rental		(283,573)	(249,910)
Professional fees		(107,000)	(37,682)
Depreciation of property and equipment	7	(88,060)	(179,057)
Amortisation of intangible assets		-	(2,810)
Director's meeting allowances		(95,000)	(100,000)
Capacity building		(33,807)	-
Other expenses	15	(400,245)	(324,496)
		<u>(1,491,994)</u>	<u>(1,247,231)</u>
<b>Surplus before taxation</b>		-	-
Taxation	16	-	-
Net surplus for the financial year, representing total comprehensive income		<u>-</u>	<u>-</u>

The accompanying notes form an integral part of the financial statements.

**SECURITIES INDUSTRY DISPUTE RESOLUTION CENTER**  
(Incorporated in Malaysia)

**STATEMENT OF CASH FLOWS**  
**FOR THE FINANCIAL YEAR ENDED 31 DECEMBER 2014**

	Note	2014 RM	2013 RM
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Surplus before taxation		-	-
Adjustments for:			
Depreciation of property and equipment	7	88,060	179,057
Amortisation of intangible assets		-	2,810
Amortisation of grant received	12	(1,474,756)	(1,229,855)
Operating loss before working capital changes		(1,386,696)	(1,047,988)
Decrease/(Increase) in receivables		1,391	(6,969)
Increase/(Decrease) in payables		104,678	(13,364)
Net cash used in operating activities		(1,280,627)	(1,068,321)
<b>CASH FLOWS FROM INVESTING ACTIVITY</b>			
Purchase of property and equipment	7	(12,311)	(4,496)
Net cash used in investing activities		(12,311)	(4,496)
<b>CASH FLOWS FROM FINANCING ACTIVITY</b>			
Proceeds from government grant, representing net cash generated from financing activity	12	1,174,145	500,000
Net decrease in cash and cash equivalents		(118,793)	(572,817)
Cash and cash equivalents at beginning of financial year		610,517	1,183,334
Cash and cash equivalents at end of financial year	9	491,724	610,517

The accompanying notes form an integral part of the financial statements.



**SECURITIES INDUSTRY DISPUTE RESOLUTION CENTER**  
(Incorporated in Malaysia)

**NOTES TO THE FINANCIAL STATEMENTS**  
**31 DECEMBER 2014**

**1. CORPORATE INFORMATION**

Securities Industry Dispute Resolution Center ('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 Center is located at 20<sup>th</sup> Floor, Ambank Group Building, No. 55, Jalan Raja Chulan, 50200 Kuala Lumpur.

The principal place of business of the Center is located at Unit A-9-1, Level 9, Tower A, Menara UOA Bangsar, No. 5, Jalan Bangsar Utama 1, 59000 Kuala Lumpur.

The financial statements were authorised for issuance in accordance with a resolution by the Board of Directors on 29 January 2015.

**2. PRINCIPAL ACTIVITIES**

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 these activities during the financial year.

**3. BASIS OF PREPARATION**

The financial statements of the Center have been prepared in accordance with Malaysian Financial Reporting Standards ('MFRSs'), International Financial Reporting Standards ('IFRSs') and the provisions of the Companies Act, 1965 in Malaysia.

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

**4. SIGNIFICANT ACCOUNTING POLICIES**

**4.1 Basis of accounting**

The financial statements of the Center have been prepared under the historical cost convention except as otherwise stated in the financial statements and on the basis of accounting principles applicable to a going concern.

The preparation of financial statements in conformity with MFRSs and IFRSs requires the Directors to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses and disclosure of contingent assets and contingent liabilities. In addition, the Directors are also required to exercise their judgement in the process of applying the accounting policies. The areas involving such judgements, estimates and assumptions are disclosed in Note 6 to the financial statements. Although these estimates and assumptions are based on the Directors' best knowledge of events and actions, actual results could differ from those estimates.

**4. SIGNIFICANT ACCOUNTING POLICIES (continued)**

**4.2 Property and equipment and depreciation**

All items of property and equipment are initially measured cost. Cost includes expenditure that is directly attributable to the acquisition of the asset.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when the cost is incurred and it is probable that the future economic benefits associated with the asset would flow to the Center and the cost of the asset could be measured reliably. The carrying amount of parts that are replaced is derecognised. The costs of the day-to-day servicing of property and equipment are recognised in profit or loss as incurred. Cost also comprises the initial estimate of dismantling and removing the asset and restoring the site on which it is located for which the Center is obligated to incur when the asset is acquired, if applicable.

Each part of an item of property and equipment with a cost that is significant in relation to the total cost of the asset and which has different useful life, is depreciated separately.

After initial recognition, property and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated to write off the cost of the assets to their residual values on a straight line basis over their estimated useful lives. The principal depreciation period is as follows:

Computer equipment	3 years
Renovation	5 years
Furniture and fittings	10 years
Office equipment	5 years

At the end of each reporting period, the carrying amount of an item of property and equipment is assessed for impairment when events or changes in circumstances indicate that its carrying amount may not be recoverable. A write down is made if the carrying amount exceeds the recoverable amount (See Note 4.4 to the financial statements on impairment of non-financial assets).

The residual values, useful lives and depreciation method are reviewed at the end of each reporting period 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 and equipment. If expectations differ from previous estimates, the changes are accounted for as a change in an accounting estimate.

The carrying amount of an item of property and equipment is derecognised on 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 carrying amount is included in profit or loss.

**4. SIGNIFICANT ACCOUNTING POLICIES (continued)****4.3 Government grants**

Government grants are 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 recognized as income on a systematic basis over the useful life of the asset.

**4.4 Impairment of non-financial assets**

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

The recoverable amount of an asset is estimated for an individual asset. Where it is not possible to estimate the recoverable amount of the individual asset, the impairment test is carried out on the cash generating unit ('CGU') to which the asset belongs.

The recoverable amount of an asset or CGU is the higher of its fair value less cost to sell and its value in use.

In estimating the value in use, the estimated future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the future cash flow estimates have not been adjusted. An impairment loss is recognised in profit or loss when the carrying amount of the asset or the CGU exceeds the recoverable amount of the asset or the CGU. The total impairment loss is allocated to the assets of the CGU on a pro-rata basis of the carrying amount of each asset in the CGU. The impairment loss is recognised in profit or loss immediately.

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. Such reversals are recognised as income immediately in profit or loss.

**4. SIGNIFICANT ACCOUNTING POLICIES (continued)****4.5 Financial instruments**

A financial instrument is any contract that gives rise to a financial asset of one enterprise and a financial liability or equity instrument of another enterprise.

A financial asset is any asset that is cash, an equity instrument of another enterprise, a contractual right to receive cash or another financial asset from another enterprise, or a contractual right to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially favourable to the Center.

A financial liability is any liability that is a contractual obligation to deliver cash or another financial asset to another enterprise, or a contractual obligation to exchange financial assets or financial liabilities with another enterprise under conditions that are potentially unfavourable to the Center.

Financial instruments are recognised on the statement of financial position when the Center has become a party to the contractual provisions of the instrument. At initial recognition, a financial instrument is recognised at 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 issuance of the financial instrument.

An embedded derivative is separated from the host contract and accounted for as a derivative if, and only if the economic characteristics and risks of the embedded derivative is not closely related to the economic characteristics and risks of the host contract, a separate instrument with the same terms as the embedded derivative meets the definition of a derivative, and the hybrid instrument is not measured at fair value through profit or loss.

**(a) Financial assets**

After initial recognition, financial assets are classified as financial assets at fair value through profit or loss, loans and receivables, held-to-maturity investments, or available for sale financial assets for the purpose of subsequent measurement.

The Center's financial assets include cash and deposits with a licensed bank and loan and receivables. The financial assets of the Center are classified into the following category:

**Loans and receivables**

Financial assets classified as loans and receivables comprise non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

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

#### 4. SIGNIFICANT ACCOUNTING POLICIES (continued)

##### 4.5 Financial instruments (continued)

###### (a) Financial assets (continued)

Cash and bank balances include cash equivalents, deposits and other short term, highly liquid investments with original maturities of three (3) months or less, which are readily convertible to cash and are subject to insignificant risk of changes in value.

A financial asset is derecognised when the contractual right to receive cash flows from the financial asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of consideration received (including any new asset obtained less any new liability assumed) and any cumulative gain or loss that had been recognised directly in other comprehensive income shall be recognised in profit or loss.

A regular way purchase or sale is a purchase or sale of a financial asset under a contract whose terms require delivery of the asset within the time frame established generally by regulation or market place convention.

A regular way purchase or sale of financial assets shall be recognised and derecognised, as applicable, using trade date accounting.

###### (b) Financial liabilities

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. A financial liability is classified into the following category after initial recognition for the purpose of subsequent measurement:

###### Other financial liabilities

Financial liabilities classified as other financial liabilities comprise non-derivative financial liabilities that are neither held for trading nor initially designated as at fair value through profit or loss.

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

A financial liability is derecognised when, and only when, it is extinguished, i.e. when the obligation specified in the contract is discharged or cancelled or expires. An exchange between an existing borrower and lender of debt instruments with substantially different terms are accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability.

Any difference between the carrying amount of a 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.

###### (c) Equity

Contribution from members is classified as equity.

#### 4. SIGNIFICANT ACCOUNTING POLICIES (continued)

##### 4.6 Impairment of financial assets

The Center assesses whether there is any objective evidence that a financial asset is impaired at the end of each reporting period.

###### *Receivables*

The Center collectively considers factors such as the probability of bankruptcy or significant financial difficulties of the receivable, and default or significant delay in payments by the receivable, to determine whether there is objective evidence that an impairment loss on receivables has occurred. Other objective evidence of impairment include historical collection rates determined on an individual basis and observable changes in national or local economic conditions that are directly correlated with the historical default rates of receivables.

If any such objective evidence exists, the amount of impairment loss is measured as the difference between the financial 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.

The carrying amount of receivables is reduced through the use of an allowance account.

If in a subsequent period, the amount of the impairment loss decreases and it objectively relates 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 impairment reversed is recognised in profit or loss.

##### 4.7 Income taxes

Income taxes include all domestic taxes on taxable profit.

Taxes in the statement of profit or loss and other comprehensive income comprise current tax and deferred tax.

###### (a) Current tax

Current tax expenses are determined according to the tax law of the jurisdiction in which the Center operates and include all taxes based upon the taxable profit.

###### (b) Deferred tax

Deferred tax is recognised in full using the liability method on temporary differences arising between the carrying amount of an asset or liability in the statement of financial position and its tax base.

Deferred tax is recognised for all temporary differences, unless the deferred tax arises from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of transaction, affects neither accounting profit nor taxable profit.

#### 4. SIGNIFICANT ACCOUNTING POLICIES (continued)

##### 4.7 Income taxes (continued)

###### (b) Deferred tax (continued)

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits would be available against which the deductible temporary differences, accrued expenses or unabsorbed capital allowance can be utilised. The carrying amount of a deferred tax asset is reviewed at the end of each reporting period. If it is no longer probable that sufficient taxable profits would be available to allow the benefit of part or all of that deferred tax asset to be utilised, the carrying amount of the deferred tax asset will be reduced accordingly. When it becomes probable that sufficient taxable profits will be available, such reductions will be reversed to the extent of the taxable profits.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same taxation authority.

Deferred tax would be recognised as income or expense and included in the profit or loss for the period unless the tax relates to items that are credited or charged, in the same or a different period, directly to equity, in which case the deferred tax will be charged or credited directly to equity.

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 the announcement of tax rates and tax laws by the Government in the annual budgets which have the substantive effect of actual enactment by the end of the reporting period.

##### 4.8 Provisions

Provisions are recognised when there is a present obligation, legal or constructive, as a result of a past event, and when it is probable that an outflow of resources embodying economic benefits would be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

If the effect of the time value of money is material, the amount of a provision would be discounted to its present value at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits would be required to settle the obligation, the provision would be reversed.

Provisions are not recognised for future operating losses. If the Center has a contract that is onerous, the present obligation under the contract shall be recognised and measured as a provision.

#### 4. SIGNIFICANT ACCOUNTING POLICIES (continued)

##### 4.9 Contingent liabilities and contingent assets

A contingent liability is a possible obligation that arises from past events whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Center or a present obligation that is not recognised because it is not probable that an outflow of resources would be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Center does not recognise this contingent liability but discloses its existence in the financial statements.

A contingent asset is a possible asset that arises from past events whose existence would be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Center. The Center does not recognise a contingent asset but discloses its existence where the inflows of economic benefits are probable, but not virtually certain.

#### 5. ADOPTION OF NEW MFRSs AND AMENDMENT TO MFRSs

##### 5.1 New MFRSs adopted during the current financial year

The Center adopted the following Standards of the MFRS Framework that were issued by the Malaysian Accounting Standards Board ('MASB') during the financial year.

Title	Effective Date
Amendments to MFRS 10 <i>Consolidated Financial Statements: Investment Entities</i>	1 January 2014
Amendments to MFRS 12 <i>Disclosure of Interest in Other Entities: Investment Entities</i>	1 January 2014
Amendments to MFRS 127 <i>Separate Financial Statements (2011): Investment Entities</i>	1 January 2014
Amendments to MFRS 132 <i>Offsetting Financial Assets and Financial Liabilities</i>	1 January 2014
Amendments to MFRS 136 <i>Recoverable Amount Disclosures for Non-Financial Assets</i>	1 January 2014
Amendments to MFRS 139 <i>Novation of Derivatives and Continuation of Hedge Accounting</i>	1 January 2014
IC Interpretation 21 <i>Levies</i>	1 January 2014

There is no material impact upon adoption of the above new MFRSs, Amendments to MFRSs and IC Interpretation during the current financial year.



## 5. ADOPTION OF NEW MFRSs AND AMENDMENT TO MFRSs (continued)

### 5.2 New MFRSs that have been issued, but only effective for annual periods beginning on or after 1 January 2014

The following are Standards of the MFRS Framework that have been issued by the Malaysian Accounting Standards Board ('MASB') but have not been early adopted by the Center.

Title	Effective date
Amendments to MFRS 119 <i>Defined Benefit Plans: Employee Contributions</i>	1 July 2014
Amendments to MFRSs <i>Annual Improvements 2010 – 2012 Cycle</i>	1 July 2014
Amendments to MFRSs <i>Annual Improvements 2011 – 2013 Cycle</i>	1 July 2014
MFRS 14 <i>Regulatory Deferral Accounts</i>	1 January 2016
Amendments to MFRS 10 and MFRS 128 <i>Sale or Contribution of Assets between an Investor and its Associates or Joint Venture</i>	1 January 2016
Amendments to MFRS 116 and MFRS 138 <i>Clarification of Acceptable Methods of Depreciation and Amortisation</i>	1 January 2016
Amendments to MFRS 11 <i>Accounting for Acquisitions of Interests in Joint Operations</i>	1 January 2016
Amendments to MFRS 116 and MFRS 141 <i>Agriculture: Bearer Plants</i>	1 January 2016
Amendments to MFRS 127 <i>Equity Method in Separate Financial Statements</i>	1 January 2016
Amendments to MFRSs <i>Annual Improvements to 2012-2014 Cycle</i>	1 January 2016
MFRS 15 <i>Revenue from Contracts with Customers</i>	1 January 2017
MFRS 9 <i>Financial Instruments (IFRS as issued by IASB in July 2014)</i>	1 January 2018

The Center is in the process of assessing the impact of implementing these Standards since the effects would only be observable for the future financial years.

## 6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS

### 6.1 Changes in estimates

Estimates are continually evaluated by the Center and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The Directors are of the opinion that there are no changes in estimates during the financial year.

### 6.2 Critical judgements made in accounting policies

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

## 6. SIGNIFICANT ACCOUNTING ESTIMATES AND JUDGEMENTS (continued)

### 6.3 Key sources of estimation 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 amount of assets and liabilities within the next financial year.

## 7. PROPERTY AND EQUIPMENT

2014	Balance as at 1.1.2014 RM	Additions RM	Depreciation charge for the financial year RM	Balance as at 31.12.2014 RM
<b>Carrying amount</b>				
Computer equipment	3,533	11,912	5,020	10,425
Renovation	146,274	-	75,615	70,659
Furniture and fittings	64,139	-	7,345	56,794
Office equipment	-	399	80	319
	<u>213,946</u>	<u>12,311</u>	<u>88,060</u>	<u>138,197</u>
			[----- At 31.12.2014 -----]	
		<b>Cost RM</b>	<b>Accumulated depreciation RM</b>	<b>Carrying Amount RM</b>
Computer equipment		316,264	305,839	10,425
Renovation		378,075	307,416	70,659
Furniture and fittings		90,548	33,754	56,794
Office equipment		399	80	319
		<u>785,286</u>	<u>647,089</u>	<u>138,197</u>

2013	Balance as at 1.1.2013 RM	Additions RM	Depreciation charge for the financial year RM	Balance as at 31.12.2013 RM
<b>Carrying amount</b>				
Computer equipment	94,365	3,600	94,432	3,533
Renovation	221,889	-	75,615	146,274
Furniture and fittings	72,253	896	9,010	64,139
	<u>388,507</u>	<u>4,496</u>	<u>179,057</u>	<u>213,946</u>

**7. PROPERTY AND EQUIPMENT (continued)**

	[----- At 31.12.2013 -----]		
	Cost RM	Accumulated depreciation RM	Carrying amount RM
Computer equipment	304,352	300,819	3,533
Renovation	378,075	231,801	146,274
Furniture and fittings	90,548	26,409	64,139
	<u>772,975</u>	<u>559,029</u>	<u>213,946</u>

**8. RECEIVABLES**

	2014 RM	2013 RM
Amount owing by Securities Commission	-	6,549
Deposits	79,757	79,107
Prepayments	3,657	250
Interest receivable	<u>1,101</u>	<u>-</u>
	<u>84,515</u>	<u>85,906</u>

(a) Amount owing by Securities Commission ("SC") represented cost sharing on SIDREC's Capital Market Mediation/Adjudication workshop receivable by the Center from SC. The amount owing was unsecured, interest free and payable on demand in cash and cash equivalents.

(b) Receivables are denominated in Ringgit Malaysia.

**9. CASH AND BANK BALANCES**

	2014 RM	2013 RM
Cash and bank balances	91,724	610,517
Deposits with a licensed bank	<u>400,000</u>	<u>-</u>
	<u>491,724</u>	<u>610,517</u>

Cash and bank balances are denominated in Ringgit Malaysia.

**10. PAYABLES**

	2014 RM	2013 RM
Payables	113,195	7,000
Accruals	<u>14,000</u>	<u>15,517</u>
	<u>127,195</u>	<u>22,517</u>

Payables are denominated in Ringgit Malaysia.

**11. 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.

**12. DEFERRED INCOME**

	2014 RM	2013 RM
At 1 January	887,852	1,617,707
Received during the financial year	1,174,145	500,000
Amortised to profit or loss	<u>(1,474,756)</u>	<u>(1,229,855)</u>
At 31 December	<u>587,241</u>	<u>887,852</u>

During the financial year, the Center received government grant from the Securities Commission Malaysia ("SC"), a statutory body established under Securities Commission Act 1993, for working capital purposes amounting to RM 1,174,145 (2013: RM 500,000).

**13. OTHER INCOME**

	2014 RM	2013 RM
Amortisation of government grant	1,474,756	1,229,855
Interest income from deposits with a licensed bank	<u>17,238</u>	<u>17,376</u>
	<u>1,491,994</u>	<u>1,247,231</u>

**14. STAFF COSTS**

	<b>2014 RM</b>	<b>2013 RM</b>
Salaries and bonuses	403,040	287,108
Statutory contribution to Employees Provident Fund and social security	61,290	43,147
Other allowances	5,479	6,021
	<u>469,809</u>	<u>336,276</u>

**15. OTHER EXPENSES**

	<b>2014 RM</b>	<b>2013 RM</b>
Communication and utilities	111,085	108,571
Stationeries, printing and sundry expenses	35,132	19,995
Staff welfare, training and amenities	45,521	15,173
Online journals and equipment rental	1,269	5,254
Advertising and promotion	78,779	53,464
Educational and outreach programmes	44,236	40,185
Maintenance	41,005	67,441
Others	43,218	14,413
	<u>400,245</u>	<u>324,496</u>

**16. TAXATION**

On 16 October 2014, the Ministry of Finance (“MOF”) has granted the Center an extension to the tax exemption status which is applicable from the year of assessment 2015 up to year of assessment 2019.

**17. 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.

The Center is exposed mainly to credit risk and liquidity risk. Information on the management of the related exposures are detailed below.

**(a) Credit risk**

Cash deposits and receivables could give rise to credit risk, which requires the loss to be recognised if a counterparty fails to perform as contracted. The primary exposure of the Center to credit risk arises from receivables. The exposure to credit risk is monitored by management on an ongoing basis.

The Center considers the risk of material loss arising in the event of non-performance by a financial counterparty to be unlikely, except when management deems recoverability of specific debtors as doubtful.

Exposure to credit risk

At the end of the reporting period, the maximum exposure of the Center to credit risk is represented by the carrying amount of each class of financial assets recognised in the statement of financial position.

Financial assets that are neither past due nor impaired

Information regarding receivables that are neither past due nor impaired is disclosed in Note 8 to the financial statements. Deposits with a licensed bank that are neither past due nor impaired are placed with a reputable financial institution.

Financial assets that are either past due or impaired

Information regarding financial assets that are either past due or impaired is disclosed in Note 8 to the financial statements.

**(b) Liquidity and cash flow risk**

Liquidity risk is the risk of funds will not be available to meet liabilities as and when they fall due. The Center actively manages this risk 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 end of the reporting period based on contractual undiscounted repayment obligations.

	<b>Within 1 year</b>	
	<b>2014 RM</b>	<b>2013 RM</b>
Payables	<u>127,195</u>	<u>22,517</u>

**18. FAIR VALUES**

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

**19. COMMITMENTS**Center as lessee

The Center had entered into a non-cancellable lease agreement for its office premise, resulting in future rental commitments which can, subject to certain terms in the agreement, be revised annually based on prevailing market rates.

The total future minimum lease payments under non-cancellable operating lease are as follows:

	<b>2014 RM</b>	<b>2013 RM</b>
Not later than one year	269,069	246,646
Later than one year but not later than five years	<u>515,715</u>	<u>-</u>
	<u><u>784,784</u></u>	<u><u>246,646</u></u>

**20. CAPITAL MANAGEMENT**

The Center 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.

**SECURITIES INDUSTRY DISPUTE RESOLUTION CENTER**

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

NOTICE IS HEREBY GIVEN THAT the FIFTH 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 Thursday, 26 March 2015 at 2.30 p.m.

**AGENDA**

- (1) To receive the Audited Accounts for the Financial Year ended 31 December 2014 and the Reports of the Directors and the Auditors thereon. **Refer to Note A**

**ORDINARY BUSINESS**

- (2) 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. **Ordinary Resolution 1**
- (3) To re-elect Mr. Tang Chee Kin retiring pursuant to Article 62 of the Company's Articles of Association. **Ordinary Resolution 2**
- (4) To re-appoint Dato' Kok Wee Kiat retiring in accordance with Section 129(6) of the Companies Act, 1965. **Ordinary Resolution 3**
- (5) To re-appoint Dato' Karam Chand Vohrah retiring in accordance with Section 129(6) of the Companies Act, 1965. **Ordinary Resolution 4**
- (6) To re-appoint Messrs BDO Chartered Accountants as Auditors of the Company and to authorise the Directors to fix their remuneration. **Ordinary Resolution 5**

**SPECIAL BUSINESS**

- (7) 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: 2 March 2015

**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.*

*Registration of Members will commence from 1.30p.m. on 26 March 2015. Members are kindly reminded to register early to enable the Meeting to start on time.*



**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 Thursday, 26 March 2015 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 TAN SRI - DATO' SRI HAMAD KAMA PIAH BIN CHE OTHMAN AS DIRECTOR		

<b>ORDINARY RESOLUTION 2</b>	RE-ELECTION OF TANG - CHEE KIN AS DIRECTOR		
<b>ORDINARY RESOLUTION 3</b>	RE-APPOINTMENT OF - DATO' KOK WEE KIAT AS DIRECTOR		
<b>ORDINARY RESOLUTION 4</b>	RE-APPOINTMENT OF - DATO' KARAM CHAND VOHRAH AS DIRECTOR		
<b>ORDINARY RESOLUTION 5</b>	RE-APPOINTMENT OF - BDO CHARTERED ACCOUNTANTS 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 ..... 2015

.....  
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 Tuesday, 24 March 2015 at 2.30pm.)*