



BURSA MALAYSIA BERHAD

(Company No.: 30632 P)

Minutes of the 32nd Annual General Meeting ("AGM") of Bursa Malaysia Berhad ("Bursa" or "the Company") held at the Ballroom 1, 1st Floor, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, Bukit Kiara, 60000 Kuala Lumpur on Thursday, 2 April 2009 at 10.00 a.m.

PRESENT

As per Attendance List on Annexure 1.

IN ATTENDANCE

As per Attendance List on Annexure 2.

CHAIRPERSON OF THE MEETING

Tun Mohamed Dzaidin bin Haji Abdullah (Chairman)

QUORUM

There being a quorum, the Meeting was duly convened.

NOTICE OF MEETING

The notice convening the Meeting was tabled and taken as read.

(It was duly proposed by Puan Ong Li Lee and seconded by Encik Chiew Sing Cheong.)

PRELIMINARY

As at 26 March 2009, being the cut off date for determining who shall be entitled to attend the Company's 32nd AGM, the Company had 29,811 depositors, and the total issued and paid-up capital stood at RM262,958,675 comprising 525,917,350 ordinary shares of RM0.50 each. There were approximately 370 members attending the present meeting, in person or by proxy at the commencement of the Meeting.

The Chairman also introduced the members of the Board to the Meeting.

1. AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2008 AND THE REPORTS OF THE DIRECTORS AND AUDITORS

The Chairman tabled the Audited Financial Statements for the year ended 31 December 2008 and the Reports of the Directors and Auditors.

Dato' Yusli bin Mohamed Yusof, the Chief Executive Officer ("CEO") of Bursa made a brief presentation on Bursa's financial performance for the financial year ended 31 December 2008. Encik Abdul Rauf bin Rashid, the partner-in-charge of Messrs. Ernst & Young presented the Report of the Auditors to the shareholders of the Company in respect of the Audited Financial Statements for the year ended 31 December 2008 as set out on page 91 of the Annual Report ("AR") 2008 which was clean and unqualified.

The CEO of Bursa informed the Meeting that Bursa had responded to the issues raised in the letter dated 27 March 2009 from the Minority Shareholder Watchdog Group ("MSWG") for the 32nd AGM. A copy of the said MSWG's letter together with Bursa's written reply dated 1 April 2009 was attached herewith as Annexure 3. For the benefit of the shareholders, the CEO gave a summary of the reply in response to the issues raised, apart from those which had been explained in the earlier presentation. He further informed that the said reply to MSWG would be posted on MSWG's website.

The Meeting deliberated at length on this item. In summary, amongst the issues raised and discussed were as follows:

- (i) Encik Chiew Sing Cheong enquired on (a) the progress of strategic partnership with Chicago Mercantile Exchange ("CME"), (b) tie-up with the ASEAN exchanges, (c) prospect of foreign listing in Malaysia, (d) how many shares of public listed companies ("PLCs") were actually traded out of 1,400 PLCs, and (e) the review of RM40 brokerage fee. The CEO responded that:
 - (a) discussion with CME had been ongoing and he was not at liberty to comment. However, announcement would be made on a timely basis for any significant development.
 - (b) Bursa and ASEAN Exchanges had signed the Memorandum of Understanding for ASEAN Exchanges Linkage in Bangkok on 23 February 2009 to promote intra-ASEAN trading.
 - (c) Bursa in its efforts to promote Bursa as listing destination, had a number of meetings with several companies from China and hoped to see some results this year.
 - (d) he viewed liquidity of shares with a lot of concern, as it is pertinent to have stocks that are attractive to investors with high governance and strong business models.
 - (e) Bursa had engaged with the regulator and the market participants to discuss on the brokerage fee of RM40 but there was no agreement by the relevant

parties to reduce the said brokerage fee. Whilst it was intended to promote online trading, he recognised that not everyone trades online. The CEO took note of the comment as the discussion on this matter would be ongoing.

(ii) The CEO of MSWG, Puan Rita Benoy Bushon commended on the Chairman Statement and the Corporate Governance Statement in the Annual Report 2008 as the statements were very transparent and informative. She also stated that she was pleased with the disclosure of the remuneration of directors and the CEO of Bursa. In addition, she made the following comments during the Meeting:

(a) For those companies that are going for privatisation voluntarily, the level of acceptance by shareholders should be announced on Bursa's website on a daily basis in the spirit of transparency and to benefit all shareholders.

The Chief Regulatory Officer ("CRO"), Puan Selvarany Rasiah took note of her comment as a good suggestion which would be brought up for deliberation.

(b) While Bursa is in its quest to attract more foreign companies to be listed in Malaysia, they should take into consideration quality over quantity of PLCs and investor protection.

The CRO commented that there is no lowering of standards of listing rules for foreign companies to be listed in Malaysia. Once listed, the foreign companies will be subjected to the same standard of continuing listing obligations as domestic companies.

(iii) Encik Frederick Chew enquired on (a) dual listing of companies in view of the growing trend to buy foreign stock, (b) shortening of trading hours, and (c) the amount of bonus paid to employees or contractual bonus if any. The CEO responded that:

(a) in order to achieve dual listing, Bursa would have to engage with investment banks and also companies listed in other markets.

(b) different stakeholders have different views and there was no consensus generally because investors prefer to maintain existing trading hours whilst brokers prefer shorter trading hours.

(c) the average bonus payout per employee is 2 months. Bonus is contractual for non-executives but this represented only a small portion of the total bonus paid.

(iv) Encik Gurbinder Singh indicated that the share price of Bursa has dropped 67% from RM15 to RM5 per share whilst the Kuala Lumpur Composite Index ("KLCI") dropped 40% from 1,445 in 2007 to 876 in 2008. In this respect, Bursa should

compare its performance with that of its KLCI and this should be included as part of market highlights on page 8 of the Annual Report 2008.

- (a) The CEO took note of the suggestion and further commented that Bursa's share price tend to mirror the market performance of stock exchanges which are relatively more volatile, as reflected in the movement of the KLCI. For 2008, Bursa's share price declined 64%, in tandem with the 62% to 74% fall in the share prices of its peers (Singapore Exchange: 62%, Hong Kong Stock Exchange: 66%, London Stock Exchange: 74%).
 - (b) In response to Encik Gurbinder Singh's enquiry on how the Multicurrency Securities Framework (with reference to page 43 of the Annual Report 2008) benefits investors, the CEO explained that this framework is aimed at investors who wish to trade in foreign currencies and to make Bursa more attractive to foreign investors.
- (v) Encik Gurbinder Singh also enquired on (a) the performance of the 23 newly listed companies in 2008 in their respective share prices (with reference to page 8 of the Annual Report 2008), (b) actions taken by Bursa on listed companies involved in market manipulation, and (c) actions taken by Bursa to monitor financially distressed companies. The CRO responded that:
- (a) out of 23 newly listed companies in 2008, 21 were via Initial Public Offerings ("IPOs"). Out of the 21 IPOs and based on closing prices as at 31 December 2008, only 3 were above IPO price, 1 was at the IPO price and 17 were below the IPO price. However, one should look at long-term performance of the stock.
 - (b) Bursa performs real time surveillance of trading activities. When trading concerns are noted, Bursa would institute soft enforcement action. Under the soft enforcement action, Bursa would engage and highlight irregular trading activities to the relevant broking houses and furnish them with trade details and patterns for their due diligence review and appropriate action.

In 2008, there are 73 instances of soft enforcement action being taken, where 71 ceased unusual trading activities. Hence, the soft enforcement action taken by Bursa resulted in a 97% success rate in curbing such activities. Prior to 2008, Bursa would forward cases of potential market manipulation to the Securities Commission ("SC") in order for SC to take action. In 2008, a policy change was made resulting in Bursa taking enforcement action under its Business Rules for market offences. Penalties would be imposed depending on the severity of the offence. Information on the actions taken by Bursa is made available on Bursa's website.

- (c) Bursa has a framework in place to address regulation of financially distressed companies. Bursa also has preemptive mechanism to vigilantly monitor the financial positions of companies even before they trigger PN17 criteria. Bursa will communicate with these companies on further actions to be taken.
- (vi) Encik Kong Sin Hoo sought the Board's view on (a) the reduction in revenue due to the drop in listing of new companies (page 8 of the Annual Report 2008), (b) the increase in operating expenses despite a huge drop in operating revenue (page 6 of the Annual Report 2008), and (c) % shareholdings by local and foreign investors (page 8 of the Annual Report 2008). The CEO responded that:
- (a) many large entities are already listed on Bursa Malaysia Securities Berhad ("Bursa Malaysia Securities"). Bursa has ongoing talks with companies which have potential listing capabilities. However, the outlook for IPO currently is challenging. Last year, the SC approved 20 companies to be listed but most companies are adopting a wait-and-see attitude in view of the current market condition.
 - (b) the increase in operating expenses was substantially due to staff costs of about 600 staff and expenses relating to investment in technology. Any reduction in operating expenses may not be in line with the reduction in operating revenue as the operating expenses are almost fixed for operating leverage.
 - (c) foreign ownership of companies listed on Bursa Malaysia Securities has dropped below 20% from the peak of close to 30% in 2007. Similarly, foreign ownership of Bursa had also declined significantly to 18% from a high of 44% in 2007.

In response to Encik Kong's remarks, Dato' Sri Abdul Wahid bin Omar clarified that Malayan Banking Berhad's foreign shareholding was currently at its lowest level of 10%, compared with the peak of 24%. The figures are in line with Bank Negara data which showed an outflow of some RM90 billion in the past 6 months, mostly from the equity market.

- (vii) In response to Encik Riza Wong's enquiry as to why the dividend payment was so high for the financial year ("FY") 2006 based on its profit for the year, the CEO explained that it was because a special dividend was paid for the FY 2006. With regard to any plans for investments in view of huge increase in cash and bank balances, the CEO responded that out of RM1.1 billion in the cash and bank balances, RM800 million relate to security deposits and cash margins. Therefore, the cash available for use is only about RM300 million. Hence at this point, Bursa needs to conserve cash.
- (viii) In response to Encik Yap Kim Tong's enquiry as to the reason for the write off of computers and office automation during the FY 2008, the CEO responded that Bursa invested in a new computer system to increase overall efficiency. This system was

purchased from New York Exchange (NYX). It has better functions and is expected to be more reliable in the long run.

On the point made by Encik Yap Kim Tong that Bursa should monitor privatisation of companies, the CEO explained that companies are free to make decisions to de-list their companies and Bursa cannot stop them. Shareholders should also take note that the decision to privatise lies in the hands of the major shareholders of these companies.

- (ix) The Chief Financial Officer, Puan Nadzirah binti Abdul Rashid gave her explanation to the issues raised by one shareholder on the Balance Sheets as follows:
- (a) Goodwill of RM45 million arose from acquisition of various subsidiaries in earlier years.
 - (b) Retirement benefit of RM23 million was applicable to staff who joined earlier. Such entitlement is no longer applicable to new entrants.
 - (c) Staff loans of RM21 million carry an interest of 4% per annum and are also secured against properties together with insurance coverage.
 - (d) Deferred income of RM12 million was related to grants for bond trading and derivatives clearing system.
 - (e) Deferred tax liabilities of RM16 million were due to timing differences arising from accounting and tax treatment of income and expenses.
 - (f) The advances from subsidiaries are interest free.
- (x) In response to Encik Ng Ai Peng's enquiry on the increase in wages and salaries from RM46 million in 2007 to RM52 million in 2008 (Note 5: Staff costs on page 108 of the Annual Report 2008) despite reduction in bonus for 2008, the CEO explained that the increase was due to salary increment as well as new staff recruits in 2008.

Encik Ng Ai Peng highlighted that any fines for breach of the listing rules should be imposed on the directors of the companies and not on the companies themselves which belong to the shareholders. The CEO explained that Bursa is moving towards that direction as evidenced by the fact that the fines imposed on companies totaling RM5,000 are very much lower than those imposed on individual directors totaling RM1,278,400 as set out on page 50 of the Annual Report 2008. The CEO clarified that the utilisation of fines collected is regulated, used specifically for education and training of market participants and investors as well as legal expenses relating to enforcement actions as set out on page 51 of the Annual Report 2008.

- (xi) Encik Ng Seet Kow highlighted that he was not able to monitor the trading of odd lots and only remisiers are allowed to do so. The Chief Information Officer, Encik Lim Jit Jee explained that the odd lot is visible online. The Chief Market Operations Officer, Encik Devanesan Evanson indicated that the shareholder could seek assistance after the Meeting.

- (xii) One shareholder, Encik Lee enquired on why the remuneration for Encik Izham bin Yusoff as a non-executive director was so high at RM468,000 (page 110 of the Annual Report 2008). The CEO explained that Encik Izham's remuneration comprised allowances paid to him for acting as Chairman of an ad-hoc Board committee which was established to oversee the management of Bursa Trade Securities ("BTS") project. BTS was implemented on 1 December 2008.
- (xiii) Some shareholders also made comments as follows:
 - (a) proxy forms to be made available through the internet so that shareholders can reply through e-mail;
 - (b) the board size of Bursa, and increase the number of female to sit on the Board of Directors of Bursa;
 - (c) write-ups by analyst should be reviewed as certain information is inaccurate and this will mislead investors.
- (xiv) The Company Secretary, Puan Yong Hazadurah Md. Hashim further responded to the following shareholders' comments:
 - (a) the Notice of 32nd AGM dated 11 March 2009 issued by order of the Board was set out in the Financial Highlights booklet and that it contained the name of the Company Secretaries. The text appearing on pages 157 and 158 of the Annual Report 2008 were provided for the shareholders' information and reference only.
 - (b) dividend payment by way of cheque is sent out to shareholders through ordinary post. With the shareholders' approval for the amended Articles of Association of Bursa at the 31st AGM, the shareholders could now opt for direct crediting of dividend by completing the GIRO Service Application Form which was sent to shareholders together with the Annual Report 2008.

At the end of the question and answer session, the Chairman put the motion to vote.

(Resolution 1 was duly proposed by Encik Ng Seet Kow and seconded by Encik Chiew Sing Cheong.)

The Meeting after due deliberation, resolved that the Audited Financial Statements for the year ended 31 December 2008 and the Reports of the Directors and Auditors thereon, be received and adopted. (Resolution 1)

2. RE-ELECTION OF DIRECTORS RETIRING BY ROTATION IN ACCORDANCE WITH ARTICLE 69 OF THE COMPANY'S ARTICLES OF ASSOCIATION

The Chairman informed the Meeting that four (4) Directors shall retire by rotation in accordance with Article 69 of the Company's Articles of Association, and being eligible,

offered themselves for re-election under Resolutions 2, 3, 4 and 5 respectively. The retiring Directors were:

- (i) Dato' Dr. Thillainathan a/l Ramasamy (Resolution 2)
- (ii) Encik Cheah Tek Kuang (Resolution 3)
- (iii) Datin Paduka Siti Sa'diah binti Sheikh Bakir (Resolution 4)
- (iv) Encik Izham bin Yusoff (Resolution 5)

By virtue of Article 73 of the Company's Articles of Association which provided that "at any general meeting at which more than one (1) Director is to be elected, each candidate shall be the subject of a separate motion and vote unless a motion for the appointment of two (2) or more persons as the Directors by a single resolution shall first been agreed to by the meeting without any vote being given against it", Encik Seng Eng Soon proposed to the Meeting for Resolutions 2, 3, 4 and 5 to be put to vote as one motion and it was seconded by Encik Chiew Sing Cheong. The Meeting unanimously agreed to the proposal of voting as one motion for the appointment of four (4) Directors.

(Resolutions 2, 3, 4 and 5 were duly proposed by Encik Seng Eng Soon and seconded by Encik Chiew Sing Cheong.)

The Meeting resolved that the following Directors who retired pursuant to Article 69 of the Company's Articles of Association, be re-elected to serve the Board:

- (i) Dato' Dr. Thillainathan a/l Ramasamy (Resolution 2)
- (ii) Encik Cheah Tek Kuang (Resolution 3)
- (iii) Datin Paduka Siti Sa'diah binti Sheikh Bakir (Resolution 4)
- (iv) Encik Izham bin Yusoff (Resolution 5)

3. RE-ELECTION OF DIRECTORS RETIRING IN ACCORDANCE WITH ARTICLE 76 OF THE COMPANY'S ARTICLES OF ASSOCIATION

The Chairman informed the Meeting that two (2) Directors shall retire in accordance with Article 76 of the Company's Articles of Association, and being eligible, offered themselves for re-election under Resolutions 6 and 7 respectively. The retiring Directors were:

- (i) Dato' Saiful Bahri bin Zainuddin (Resolution 6)
- (ii) Encik Ong Leong Huat @ Wong Joo Hwa (Resolution 7)

(Resolution 6 was duly proposed by Encik Seng Eng Soon and seconded by Encik Chiew Sing Cheong.)

The Meeting resolved that Dato' Saiful Bahri bin Zainuddin who retired pursuant to Article 76 of the Company's Articles of Association, be re-elected to serve the Board. (Resolution 6)

(Resolution 7 was duly proposed by Encik Seng Eng Soon and seconded by Encik Tan Yeow Kuan.)

The Meeting resolved that Encik Ong Leong Huat @ Wong Joo Hwa who retired pursuant to Article 76 of the Company's Articles of Association, be re-elected to serve the Board. *(Resolution 7)*

4. PAYMENT OF FINAL DIVIDEND OF 7.8 SEN PER SHARE LESS 25% INCOME TAX IN RESPECT OF THE FINANCIAL YEAR ENDED 31 DECEMBER 2008

(Resolution 8 was duly proposed by Encik Seng Eng Soon and seconded by Encik Tan Yeow Kuan.)

The Meeting resolved that the payment of final dividend of 7.8 sen per share less 25% income tax in respect of the financial year ended 31 December 2008 be approved. *(Resolution 8)*

5. DIRECTORS' FEES

(Resolution 9 was duly proposed by Encik Seng Eng Soon and seconded by Encik Tan Yeow Kuan.)

The Meeting resolved that the payment of Director's fees amounting to RM60,000 per annum for the Non-Executive Chairman and RM40,000 per annum for each of the Non-Executive Directors in respect of the financial year ended 31 December 2008 be approved. *(Resolution 9)*

6. APPOINTMENT OF AUDITORS

(Resolution 10 was duly proposed by Encik Tan Yeow Kuan and seconded by Encik Chiew Sing Cheong.)

The Meeting resolved that Messrs. Ernst & Young be appointed as Auditors of the Company and to hold office until the conclusion of the next annual general meeting, and the Board of Directors be authorised to determine their remuneration. *(Resolution 10)*

7. AUTHORITY FOR DIRECTORS TO ISSUE SHARES

The Chairman informed that this resolution under special business was approved by the shareholders at the 31st AGM of the Company held on 3 April 2008 and the mandate shall expire at the conclusion of this Meeting. The renewal of the mandate was sought although the Board did not exercise the authority to issue shares under Section 132D of the Companies Act 1965 to date.

(Resolution 11 was duly proposed by Cik Karen Ong Su-Wern and seconded by Encik Yap Kim Tong.)

The Meeting resolved to pass the following the Ordinary Resolution pursuant to Section 132D of the Companies Act 1965:

"**THAT** pursuant to Section 132D of the Companies Act 1965, the Articles of Association of the Company and subject to the approvals of the relevant governmental and/or regulatory authorities, the Directors be and are hereby empowered to issue shares of the Company, from time to time, upon such terms and conditions, for such purposes and to such person or persons whomsoever as the Directors may, in their absolute discretion, deem fit, provided that the aggregate number of shares issued pursuant to this resolution does not exceed 10% of the total issued share capital of the Company for the time being in any one financial year and that such authority shall continue in force until the conclusion of the next annual general meeting of the Company." *(Resolution 11)*

8. PROPOSED AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES PURSUANT TO SECTION 67A OF THE COMPANIES ACT 1965

(Resolution 12 was duly proposed by Encik Seng Eng Soon and seconded by Encik Tan Yeow Kuan.)

The Meeting resolved that the proposed authority for the Company to purchase its own ordinary shares of up to 10% of the issued and paid-up share capital of the Company ("Proposed Share Buy-Back Authority") contained in the Circular to Shareholders marked as "Appendix I" which have been circulated to the members of the Company be approved with the following Ordinary Resolution duly passed:

"**THAT** subject to Section 67A of the Companies Act 1965 ("the Act") and Part IIIA of the Companies Regulations 1966, provisions of the Company's Memorandum and Articles of Association, the Listing Requirements of Bursa Malaysia Securities Berhad ("Bursa Malaysia Securities") and any other applicable laws, rules, regulations and guidelines for the time being in force, the Directors of the Company be and are hereby authorised to

make purchase(s) of ordinary shares of RM0.50 each in the Company's issued and paid-up share capital on Bursa Malaysia Securities subject to the following:

- (1) the maximum number of shares which may be purchased and/or held by the Company shall be equivalent to 10% of the issued and paid-up share capital of the Company ("Shares") for the time being;
- (2) the maximum fund to be allocated by the Company for the purpose of purchasing the Shares shall not exceed the aggregate of the retained profits and share premium account of the Company. As of 31 December 2008, the audited retained profits and share premium account of the Company were RM302,615,000 and RM70,736,000 respectively;
- (3) the authority conferred by this resolution will commence immediately upon passing of this ordinary resolution and, unless renewed by an ordinary resolution passed by the shareholders of the Company in general meeting, will expire:
 - (a) at the conclusion of the next Annual General Meeting ("AGM") of the Company, unless earlier revoked or varied by ordinary resolution of the shareholders of the Company in a general meeting; or
 - (b) upon the expiration of the period within which the next AGM after that date is required by the law to be held,

whichever occurs first, but not so as to prejudice the completion of purchase(s) by the Company before the aforesaid expiry date and in any event, in accordance with the provisions of the Listing Requirements of Bursa Malaysia Securities or any other relevant authority; and

- (4) upon completion of the purchase(s) of the Shares by the Company, the Directors of the Company be and are hereby authorised to deal with the Shares in the following manner:
 - (a) cancel the Shares so purchased; or
 - (b) retain the Shares so purchased as treasury shares; or
 - (c) retain part of the Shares so purchased as treasury shares and cancel the remainder; or
 - (d) distribute the treasury shares as share dividends to shareholders and/or resell on Bursa Malaysia Securities and/or cancel all or part of them; or

in any other manner as prescribed by the Act, rules, regulations and guidelines pursuant to the Act and the requirements of Bursa Malaysia Securities and any other relevant authority for the time being in force;

AND THAT the Directors of the Company be and are hereby authorised to take all steps as are necessary or expedient to implement or to effect the purchase(s) of the Shares with full power to assent to any condition, modification, variation and/or amendment as may be imposed by the relevant authorities and to take all such steps as they may deem necessary or expedient in order to implement, finalise and give full effect in relation thereto." *(Resolution 12)*

9. RE-APPOINTMENT OF DIRECTOR OVER 70 YEARS OF AGE

Tun Chairman informed the Meeting that Resolution 13 involved his re-appointment as Director over the age of 70 pursuant to Section 129(6) of the Companies Act 1965. Hence he handed the Chairmanship of the Meeting to Dato' Yusli.

(Resolution 13 was duly proposed by Encik Mohd Nazri Hasan and seconded by Encik Seng Eng Soon.)

The Meeting resolved to pass the following Special Resolution in accordance with Section 129(6) of the Companies Act 1965:

"THAT Tun Mohamed Dzaiddin bin Haji Abdullah, a Public Interest Director who retires pursuant to Section 129(2) of the Companies Act 1965 be and is hereby re-appointed as Director of the Company to hold office until the conclusion of the next annual general meeting of the Company." *(Resolution 13)*

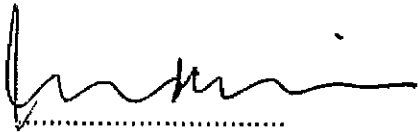
Dato' Yusli congratulated Tun Chairman on his re-appointment as Director and handed over the Chairmanship back to Tun Chairman. Tun Chairman thanked the shareholders and proxies in attendance for having confidence in him in supporting his re-appointment.

10. CLOSE OF MEETING

The Chairman sought confirmation from the Company Secretary whether the Company had received other business for transaction of which due notice had been given in accordance with the Companies Act 1965 and the Company's Articles of Association. The Company Secretary confirmed that the Company had not received any notice for transaction of any other business at this Meeting.

There being no other business to be transacted, the Meeting ended at 12.55 p.m. with a vote of thanks to the Chair.

Confirmed as correct

A handwritten signature in black ink, consisting of several loops and a long horizontal stroke at the end.

.....
Chairman

Date: 2 April 2009

