

**BURSA MALAYSIA BERHAD**  
(Company No.: 30632 P)

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Minutes of the 33<sup>rd</sup> Annual General Meeting ("AGM") of Bursa Malaysia Berhad ("Bursa Malaysia" or "the Company") held at the Ballroom 1, 1<sup>st</sup> Floor, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, Bukit Kiara, 60000 Kuala Lumpur on Monday, 29 March 2010 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 Fariza Zakaria and seconded by Puan Jasmin Mohd Khalid.)*

**PRELIMINARY**

As at 22 March 2010, being the cut off date for determining who shall be entitled to attend the Company's 33<sup>rd</sup> AGM, the Company had 28,151 depositors, and the total issued and paid-up capital stood at RM265,699,650 comprising 531,399,300 ordinary shares of RM0.50 each. There were approximately 412 members attending the present meeting, in person or by proxy at the commencement of the Meeting.

**1. AUDITED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 DECEMBER 2009 AND THE REPORTS OF THE DIRECTORS AND AUDITORS**

1.1 The Chairman tabled the Audited Financial Statements for the year ended 31 December 2009 and the Reports of the Directors and Auditors.

1.2 Dato' Yusli bin Mohamed Yusof, the Chief Executive Officer ("CEO") of Bursa Malaysia made a brief presentation on Bursa Group's financial performance for the financial year ended 31 December 2009. Encik Abdul Rauf bin Rashid, the partner-in-charge of Messrs. Ernst & Young presented the unqualified Report of the Auditors to the shareholders of the Company in respect of the Audited Financial Statements for the year ended 31 December 2009 as set out on page 88 of the Annual Report ("AR") 2009.

The CEO of Bursa Malaysia informed the Meeting that Bursa Malaysia had responded to the issues raised in the letter dated 18 March 2010 from the Minority Shareholder Watchdog Group ("MSWG") for the 33<sup>rd</sup> AGM. A copy of the said MSWG's letter together with Bursa Malaysia's written reply dated 25 March 2010 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:

1.3 The Meeting deliberated at length on this item. In summary, the issues raised by the shareholders/proxies were responded by the Management as follows:

- (1) With regard to grant income under Cash Flow Statements on Page 94 of the AR 2009, it was contributed by Capital Market Development Fund to support some of the projects for capital market development. Grant income is recognized in the income statement via the matching concept.
- (2) With regard to net gain on disposal of investments under Cash Flow Statements on Page 94 of the AR 2009, surplus funds are invested in fixed deposits, government bonds and private debt securities. The gain on disposal of investments refers to the gain recorded on disposal of the bonds.
- (3) With regard to the basis of accounting, accounting principles and measurement set out on Page 96 of the AR 2009, Puan Nadzirah, the Chief Financial Officer ("CFO") of Bursa Malaysia stated that the financial statements are prepared in compliance with applicable financial reporting standards which takes effect in 2009, which include MASB approved accounting standards and FRS. Financial assets are recorded at lower of historical cost and market value.
- (4) With regard to amortization of computer software as set out in Note 6: Depreciation and amortization on Page 109 of the AR 2009, depreciation of investment in IT system will commence once the IT system is launched. The cost of system hardware and software is depreciated over useful lives of these assets of between 5 to 10 years, as set out in Note 2(c) on Page 106 of the AR 2009.
- (5) With regard to unquoted bonds as set out in Note 16: Other investments on Page 121 of the AR 2009, the accumulated impairment losses amounted to

RM4.7 million, of which RM4 million was due to impairment loss on a bond which was downgraded to BBB whilst RM0.7 million was due to the application of the lower of cost and market value principle. The CFO highlighted that Bursa Malaysia has in place investment policies and guidelines which require Bursa Malaysia to invest in bonds rated AA and above.

- (6) With regard to the rationale for invoking the option to disregard the Section 108 balance as set out in Note 27: Retained earnings on Page 130 of the AR 2009, the CFO explained that Bursa Malaysia had maximised the utilization of its Section 108 credit balance. The remaining RM70,000 was disregarded as it is insufficient for the franking of dividends.
- (7) The CEO responded to a shareholder's enquiry that Bursa Malaysia does not have any foreign policy for shareholders and is open to all investors. Nevertheless, foreign shareholding in Bursa Malaysia has declined to 16% compared to last year.
- (8) Several shareholders suggested that Bursa Malaysia website should be upgraded to include stock trade information of other exchanges and stock analysis in view of globalization. It should also provide real time information or update market share information every minute, as updated information every 15 minutes thereafter is not useful.

The CEO responded that Bursa Malaysia has always considered improvement in IT and its website. Bursa Malaysia will work on to improve its website in line with the above suggestion. Bursa Malaysia has an internal policy to charge real time information, therefore only market information given after 15 minutes on its website is free. For those who trade online, they are able to get online stock information from their brokers.

The strategic partnership with CME Group will soon facilitate trading of Bursa Malaysia's derivatives products on Globex trading platform, the world's leading technology platform. This will be accessible by greater pool of investors. For equities, we are looking at upgrading the current system developed by NYX. Bursa Malaysia is not holding back investment in technology, and will ensure that we are comparable with that of other exchanges.

- (9) Several shareholders proposed consolidation of monthly statement for summary of shareholdings and dividends, and consolidation of Central Depository System ("CDS") accounts for trading including trading foreign stocks.

The CEO indicated that there is no global CDS account as yet. However, he took note of the suggestion on the consolidated statement for summary of shareholdings and dividends, which can be brought to discussion with brokers.

- (10) A couple of shareholders proposed consolidation of broking firms and number of remisiers to eliminate payment of double commission for trading overseas.

The CEO expressed that he would like to see more remisiers, in line with the increasing population. This will also create more competition for increasing retail

participation although there are different channels through online trading, fund managers or investment banks. He added that the double payment could well be fees levied by the other exchange.

- (11) eDividend crediting should provide friendly description with relevant stock code for easy reference, although dividend voucher is issued.

The CEO took note of the suggestion which may be explored with Bank Negara Malaysia.

- (12) In response to a shareholder's enquiry on (i) whether there is any listing in foreign currency, (ii) the comparative performance of the derivatives market with reference to Pages 146 and 147 of the AR 2009 and impact of economic slowdown on Bursa Malaysia's plan moving forward, the CEO informed that the exchange traded fund ("ETF") will be listed in foreign currency. Foreign investors seem to take a wait and see attitude, and their investment in Bursa Malaysia has decreased substantially from about 30% previously. The performance of derivatives market has declined partly due to lower participation by foreign investors in equities market. He hoped to see improvement in derivatives business and increase in volume for FKL1 in the coming years, particularly with CME Group.

- (13) With regard to introduction of short selling to increase trading activity, the CEO responded that regulated short selling has been reintroduced 2 years ago. A list of about 150 stocks can be short sold. Bursa Malaysia has also introduced Securities Borrowing and Lending negotiated transaction framework (SBLNT) to promote regulated short selling within the market place.

- (14) With regard to the quality of companies on Initial Public Offering (IPO), particularly the Chinese companies, the CEO indicated that he believed the investment banks and brokers are working hard to bring in good quality companies for listing on Bursa Malaysia Securities Berhad ("Bursa Securities"). Hopefully, in the long run, investors will see the value of these companies. However, investors are encouraged to study the fundamental of such companies to form their own opinion on their investment decision.

- (15) Font size of page number in the AR 2009 should be bigger for easy reference. The Management took note of it.

- (16) With regard to the use of fines collected, fines income is kept separately under Note 4: Other income on Page 108 of the Annual Report 2009 and is used for training purpose, not for business operations or charity.

- (17) In response to a shareholder's enquiry whether fines are imposed on company or individual directors, Puan Selvarany, the Chief Regulatory Officer ("CRO") of Bursa Malaysia explained that more often than not, public reprimand is issued to company for breach or non-compliance and fines are imposed on its directors. The directors are expected to pay the fines out of their own pocket, not contribution from public listed companies ("PLCs").

- (18) With regard to possible conflict of interest as Directors of Bursa Malaysia in regulating the PLCs on which they hold directorship, the CRO clarified that the Board of Directors of Bursa Malaysia comprises Public Interest Directors and Independent Non-Executive Directors. Bursa Malaysia and its subsidiaries regulate the PLCs through its governance structure, where the Regulatory Committees i.e. Listing Committee, Market Participants Committee, Compensation Committee and Appeals Committee deliberate and determine on enforcement of the Listing Requirements, alleged breaches of business rules including appropriate sanction for the breaches and other regulatory matters. This enables Bursa Securities to discharge its statutory obligations with much objectivity and independence in decision making, In the event of any conflict of interest between commercial interest and public interest, public interest will prevail.
- (19) With regard to enquiry on why no Unusual Market Activity (UMA) query from Bursa Securities on the recent Measat case which share price doubled, the CEO responded that the Surveillance team of Bursa Malaysia is monitoring the trading activities based on certain internal criteria. Even if there is no public query, companies may be engaged privately and be required to disclose to the market in the event of any material development.
- (20) With regard to enquiry on the investors' digest which publication had ceased some years ago, the shareholder indicated that the information provided in the investor digest is pertinent and useful for investors. He urged Bursa Malaysia to make arrangement for such publication to resume. The CEO took note of the comment.
- (21) In response to a shareholder's enquiry on Bursa's role in protecting the interest of the minority shareholders, the CEO indicated that Bursa does monitor the PLCs on their corporate announcement and development, having regard to the need for protection of investors. In addition, Securities Commission is the regulating body for monitoring Bursa's compliance.
- (22) With regard to MSWG's query on carbon footprint, the CEO of MSWG, Puan Rita Benoy Bushon begged to differ on Bursa Malaysia's response that it is not really in the business which has adverse externalities to the environment. She reckoned that Bursa Malaysia should calculate its carbon footprint to ensure positive score.

The CEO reiterated Bursa Malaysia's concern on its corporate social responsibility and that Bursa Malaysia would take initiatives on the management of carbon footprint in 2010.

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

*(Resolution 1 was duly proposed by Encik Sang Eng Soon and seconded by Encik Tan Swee Yong.)*

The Meeting after due deliberation, resolved that the Audited Financial Statements for the year ended 31 December 2009 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' Sri Abdul Wahid bin Omar (Resolution 2)
- (ii) Dato' Yusli bin Mohamed Yusoff (Resolution 3)
- (iii) Dato' Saiful Bahri bin Zainuddin (Resolution 4)
- (iv) Encik Ong Leong Huat @ Wong Joo Hwa (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 Sang Eng Soon proposed to the Meeting for Resolutions 2, 3, 4 and 5 to be put to vote as one motion, but it was objected by a shareholder, Encik Ng Seet Kow.

In view of the said objection, the Meeting proceeded to vote for the re-election of each Director in a separate motion.

- 2.1 *(Resolution 2 was duly proposed by Encik Ng Seet Kow and seconded by Puan Rita Benoy Bushon.)*

The Meeting resolved that Dato' Sri Abdul Wahid bin Omar who retired by rotation in accordance with Article 69 of the Company's Articles of Association, be re-elected as Director of Bursa.

- 2.2 *(Resolution 3 was duly proposed by Encik Ng Seet Kow and seconded by Encik Mohd Nazri Hasan.)*

The Meeting resolved that Dato' Yusli bin Mohamed Yusoff who retired by rotation in accordance with Article 69 of the Company's Articles of Association, be re-elected as Director of Bursa. (Resolution 3)

- 2.3 *(Resolution 4 was duly proposed by Encik Ng Seet Kow and seconded by Encik Sang Eng Soon.)*

The Meeting resolved that Dato' Saiful Bahri bin Zainuddin who retired by rotation in accordance with Article 69 of the Company's Articles of Association, be re-elected as Director of Bursa. (Resolution 4)

- 2.4 *(Resolution 5 was duly proposed by Encik Ng Seet Kow and seconded by Encik Abdul Rahim Biduri.)*

The Meeting resolved that Encik Ong Leong Huat @ Wong Joo Hwa who retired by rotation in accordance with Article 69 of the Company's Articles of Association, be re-elected as Director of Bursa. *(Resolution 5)*

3. **PAYMENT OF FINAL DIVIDEND OF 9 SEN PER SHARE UNDER SINGLE-TIER SYSTEM IN RESPECT OF THE FINANCIAL YEAR ENDED 31 DECEMBER 2009**

*(Resolution 6 was duly proposed by Encik Lew Lup Seong and seconded by Encik Sang Eng Soon.)*

The Meeting resolved that the payment of final dividend of 9 sen per share under single-tier system in respect of the financial year ended 31 December 2009 be approved. *(Resolution 6)*

4. **DIRECTORS' FEES**

*(Resolution 7 was duly proposed by Encik Lew Lup Seong and seconded by Encik Mohd Nazri Hasan.)*

The Meeting resolved that the payment of Director's fees amounting to RM90,000 per annum for the Non-Executive Chairman and RM60,000 per annum for each of the Non-Executive Directors in respect of the financial year ended 31 December 2009 be approved. *(Resolution 7)*

5. **APPOINTMENT OF AUDITORS**

*(Resolution 8 was duly proposed by Encik Ng Seet Kow and seconded by Encik Samuel Lim.)*

The Meeting resolved that Messrs. Ernst & Young be appointed as Auditors of the Company for the financial year ending 31 December 2010 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 8)*

6. **AUTHORITY FOR DIRECTORS TO ISSUE SHARES PURSUANT TO SECTION 132D OF THE COMPANIES ACT 1965**

The Chairman informed that the Company had not issued any new shares pursuant to Section 132D of the Companies Act 1965 under the general mandate which was approved at the 32<sup>nd</sup> AGM of the Company held on 2 April 2009 and which would lapse at the conclusion of this 33<sup>rd</sup> AGM. The renewal of the general mandate was sought based on the reason given in Explanatory Note 7 of the Notice of 33<sup>rd</sup> AGM.

*(Resolution 9 was duly proposed by Encik Lew Lup Seong and seconded by Encik Lim Yew Looi.)*

The Meeting resolved to pass the following Ordinary Resolution for renewal of authority 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 9)*

**7. PROPOSED RENEWAL OF SHARE BUY-BACK AUTHORITY FOR THE COMPANY TO PURCHASE ITS OWN SHARES PURSUANT TO SECTION 67A OF THE COMPANIES ACT 1965**

The Chairman informed that the Company had not purchased any of its shares pursuant to the Share Buy-Back Authority conferred at the 32<sup>nd</sup> AGM held on 2 April 2009 and which would expire at the conclusion of this 33<sup>rd</sup> AGM. Copies of the Statement to Shareholders marked as "Appendix A" on the Proposed Renewal of Share Buy-Back Authority had been circulated to the members of the Company.

*(Resolution 10 was duly proposed by Encik Samuel Lim and seconded by Encik Lew Lup Seong.)*

The Meeting resolved to pass the following Ordinary Resolution on the Proposed Renewal of Share Buy-Back Authority:

**"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 Main Market Listing Requirements (MMLR) 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 2009, the audited retained profits and share premium account of the Company were RM432,524,000 and RM78,813,000 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 MMLR 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 10)

**8. RE-APPOINTMENT OF DIRECTOR OVER 70 YEARS OF AGE PURSUANT TO SECTION 129(6) OF THE COMPANIES ACT 1965**

Tun Chairman informed the Meeting that Resolution 11 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 11 was duly proposed by Encik Sang Eng Soon and seconded by Encik Ng Seet Kow.)*

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

**"THAT Tun Mohamed Dzaidin bin Haji Abdullah, a Public Interest Director who retires pursuant to Section 129(2) of the Companies Act 1965 be and is hereby reappointed as Director of the Company to hold office until the conclusion of the next annual general meeting of the Company." (Resolution 11)**

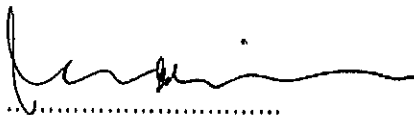
Dato' Yusli congratulated Tun Chairman on his reappointment as Director and handed over the Chairmanship back to Tun Chairman. Tun Chairman thanked the shareholders and proxies in attendance for supporting his reappointment.

**9. 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 12.00 noon with a vote of thanks to the Chair.

**Confirmed as correct**



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**Chairman**

Date: 29 March 2010