



KLSE ANNUAL REPORT 2000 – ENHANCING INFORMED INVESTING

In enhancing informed investing, KLSE continues to seek and find ideas and take initiatives to provide information through the innovative use of technology for investors to make well-informed investment decisions.



IT • Information • Internet •
Interactive • Informed Investing •
Investor • Indices



Ideas • Initiative • Image •
Indicators • Investment • Integrated • Inculcate •
Industry • Innovation • Independent • Improve

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Kuala Lumpur Stock Exchange (KLSE) (30632-P)

- **Committee Members** – Dato' Mohammed Azlan Hashim (*Executive Chairman*)
Datuk Mohaiyani Shamsudin (*Deputy Chairman*)
Chan Guan Seng
Dato' Ranita Mohd Hussein
Tan Kim Leong
Abdul Kadir Hj Md Kassim
Abdul Wahab Nan Abidin
Abang Zainal Abidin Abang Ahmad
Johari Hassan
- **President** – Dato' Mohd Salleh Abdul Majid
- **Deputy Presidents** – Md Nor Ahmad
Ungku A Razak Ungku A Rahman
- **Company Secretary** – Izlan Izhah
- **Auditors** – Arthur Andersen & Co
- **Tax Consultants** – Arthur Andersen HRM (Tax Services) Sdn Bhd
- **Bankers** – Bumiputra-Commerce Bank Berhad
Hongkong Bank Malaysia Berhad
Malayan Banking Berhad
Southern Bank Berhad
- **Registered Office** – Kuala Lumpur Stock Exchange
14th Floor, Exchange Square, Bukit Kewangan
50200 Kuala Lumpur
Tel: 03-206 7099 Fax: 03-206 3684

The Kuala Lumpur Options & Financial Futures Exchange Bhd (KLOFFE) (261937-H)

- **Board of Directors** – Ramli Ibrahim (*Executive Chairman/ Acting Chief Operating Officer*)
Dato' Mohammed Azlan Hashim
Dato' Mohd Salleh Abdul Majid
Dato' Hwang Sing Lue
Dato' Ranita Mohd Hussein
Iskander Ismail
Omar Malek Ali Merican
K Sree Kumar
Md Nor Ahmad (*Alternate director to Dato' Mohammed Azlan Hashim and Dato' Mohd Salleh Abdul Majid*)
- **General Manager** – S Loganathan
- **Company Secretaries** – Izlan Izhah
Linda Song
- **Auditors** – Arthur Andersen & Co
- **Tax Consultants** – Arthur Andersen HRM (Tax Services) Sdn Bhd
- **Bankers** – Bumiputra-Commerce Bank Berhad
Malayan Banking Berhad
RHB Bank Berhad
Hong Leong Bank Berhad
- **Registered Office** – The Kuala Lumpur Options & Financial Futures Exchange Berhad
10th Floor, Exchange Square, Bukit Kewangan
50200 Kuala Lumpur
Tel: 03-230 8199 Fax: 03-230 2376

Labuan International Financial Exchange (LFX) (LL02032)

- **Board of Directors** – Dato' Mohammed Azlan Hashim
Abdul Kadir Hj Md Kassim
- **Exchange Committee** – Tan Sri Wan Azmi Wan Hamzah
Abdul Jabbar Abd Majid
Prof Madya Dr Mohd Daud Bakar
Dr Ghazali Atan
Abdul Kadir Hj Md Kassim
Dr Mohamed Arif Nun
Md Nor Ahmad
Mohd Nasir Ali
Izzuddin Tajudin
Chin Chee Kee
Larry Gan
Ridzuan Salleh
- **Assistant General Manager** – Megat Joha Megat A Rahman
- **Company Secretaries** – Nosli Wazid Kasmani
Izlan Izhah
- **Auditors** – Arthur Andersen & Co
- **Bankers** – Malayan Banking Berhad, Labuan
Maybank International (L) Ltd
- **Registered Office** – Labuan International Financial Exchange Inc.
Level 13(E), Main Office Tower
Financial Park Complex, Jalan Merdeka
87000 Labuan
Tel: 087-45 1688 Fax: 087-45 3688

Securities Clearing Automated Network Services Sdn Bhd (SCANS) (109716-D)

- **Board of Directors** – Dato' Mohammed Azlan Hashim (*Executive Chairman*)
Datuk Mohaiyani Shamsudin
Chan Guan Seng
Dato' Ranita Mohd Hussein
Tan Kim Leong
Abdul Kadir Hj Md Kassim
Dato' Hj Megat Najmuddin Khas
Dato' Sri Dr Hj Megat Khas
Abdul Wahab Nan Abidin
Abang Zainal Abidin Abang Ahmad
Johari Hassan
Dato' Mohd Salleh Abdul Majid
Md Nor Ahmad (*Alternate director to Dato' Mohd Salleh Abdul Majid*)
- **General Manager** – Ungku A Razak Ungku A Rahman
- **Company Secretaries** – Izlan Izhah
Azman Shah Md Yaman
- **Auditors** – Arthur Andersen & Co
- **Tax Consultants** – Arthur Andersen HRM (Tax Services) Sdn Bhd
- **Bankers** – Malayan Banking Berhad
Multi-Purpose Bank Berhad
Southern Bank Berhad
Standard Chartered Bank (M) Berhad
- **Registered Office** – Securities Clearing Automated Network Services Sdn Bhd
8th Floor, Exchange Square, Bukit Kewangan
50200 Kuala Lumpur
Tel: 03-206 8099 Fax: 03-206 3714

Malaysian Central Depository Sdn Bhd (MCD) (165570-W)

- **Board of Directors** – Dato' Mohammed Azlan Hashim (*Executive Chairman*)
Chan Guan Seng
Tan Kim Leong
Datuk Amirsham A Aziz
Dato' Seri Syed Zainol Anwar Jamalullail
ibni Almarhum DYMM Tuanku Syed Putra Jamalullail
- **General Manager** – Ungku A Razak Ungku A Rahman
- **Company Secretaries** – Izlan Izhah
Ahmad Aznan Nawawi
- **Auditors** – Arthur Andersen & Co
- **Tax Consultants** – Arthur Andersen HRM (Tax Services) Sdn Bhd
- **Bankers** – Bumiputra-Commerce Bank Berhad
Malayan Banking Berhad
Multi-Purpose Bank Berhad
- **Registered Office** – Malaysian Central Depository Sdn Bhd
6th Floor, Exchange Square, Bukit Kewangan
50200 Kuala Lumpur
Tel: 03-206 2099 Fax: 03-206 3719

KLSE-Bernama Real-Time Information Services Sdn Bhd (KULBER) (152961-H)

- **Board of Directors** – Dato' Mohammed Azlan Hashim (*Chairman*)
Datuk Abdul Kadir Jasin (*wef 24.10.2000*)
Datuk Teh Ghee Kok
Dato' Mohd Salleh Abdul Majid
Syed Jamil Syed Jaafar
Md Nor Ahmad
Leong Koon Choy (*wef 24.10.2000*)
- **Company Secretaries** – Izlan Izhah
Abdul Raihan Mohd Yusof
- **Auditors** – Arthur Andersen & Co
- **Tax Consultants** – Arthur Andersen HRM (Tax Services) Sdn Bhd
- **Bankers** – Malayan Banking Berhad
- **Registered Office** – KLSE-Bernama Real-Time Information Services Sdn Bhd
8th Floor, Exchange Square, Bukit Kewangan
50200 Kuala Lumpur
Tel: 03-206 7099 Fax: 03-206 3684

Highlights

CORPORATE

► Information

Malaysian Share Registration Services Sdn Bhd (MSRS) (378993-D)

- | | |
|---|--|
| <ul style="list-style-type: none"> • Board of Directors – Dato' Mohammed Azlan Hashim (<i>Chairman</i>)
Tan Sri Zulkifli Mahmood
Mohamad Shuib Abdul Ghani
Dato' Haji Megat Najmuddin Khas
Dato' Sri Dr Hj Megat Khas
Ungku A Razak Ungku A Rahman
Shahnaz Rahdhiah Zulkifli (<i>Alternate director to Tan Sri Zulkifli Mahmood</i>)
Haji Mustapha Hashim (<i>Alternate director to Mohamad Shuib Abdul Ghani</i>) • General Manager – Abdul Nasir Ahmad Daud | <ul style="list-style-type: none"> • Company Secretaries – Izlan Izhah
Abdul Raihan Mohd Yusof • Auditors – Arthur Andersen & Co • Tax Consultants – Arthur Andersen HRM (Tax Services) Sdn Bhd • Bankers – Malayan Banking Berhad • Registered Office – Malaysian Share Registration Services Sdn Bhd
8th Floor, Exchange Square, Bukit Kewangan
50200 Kuala Lumpur
Tel: 03-206 8099 Fax: 03-206 3736 |
|---|--|

KLSE Realty Sdn Bhd (147792-H)

- | | |
|--|--|
| <ul style="list-style-type: none"> • Board of Directors – Dato' Mohammed Azlan Hashim (<i>Chairman</i>)
Tan Kim Leong
Abang Zainal Abidin Abang Ahmad
Md Nor Ahmad • General Manager – Abdul Razak Mohd Amin • Company Secretaries – Izlan Izhah
Abdul Raihan Mohd Yusof | <ul style="list-style-type: none"> • Auditors – Arthur Andersen & Co • Tax Consultants – Arthur Andersen HRM (Tax Services) Sdn Bhd • Bankers – Bumiputra-Commerce Bank Berhad
Malayan Banking Berhad • Registered Office – KLSE Realty Sdn Bhd
14th Floor, Exchange Square, Bukit Kewangan
50200 Kuala Lumpur
Tel: 03-206 7099 Fax: 03-206 3684 |
|--|--|

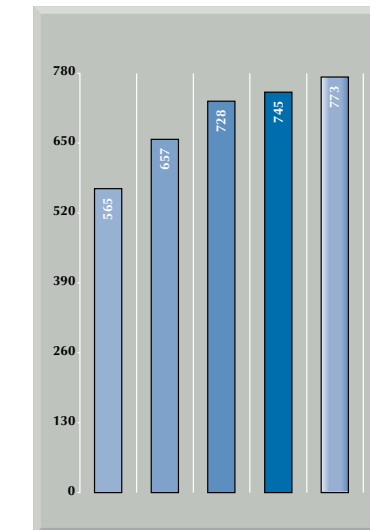
Yayasan BSKL (464552-M)

- | | |
|---|---|
| <ul style="list-style-type: none"> • Board of Governors – Dato' Mohammed Azlan Hashim (<i>Chairman</i>)
Chan Guan Seng
Abdul Kadir Hj Md Kassim
Datuk Abdul Karim Haron
Dato' N Sadasivan a/l NN Pillay
Dato' Che Mohd Annuar Che Mohd Senawi | <ul style="list-style-type: none"> • Company Secretaries – Izlan Izhah
Abdul Raihan Mohd Yusof • Auditors – Arthur Andersen & Co • Bankers – Malayan Banking Berhad • Registered Office – Yayasan BSKL
14th Floor, Exchange Square, Bukit Kewangan
50200 Kuala Lumpur
Tel: 03-206 7099 Fax: 03-206 3684 |
|---|---|

Research Institute of Investment Analysts Malaysia (RIIAM) (139281-V)

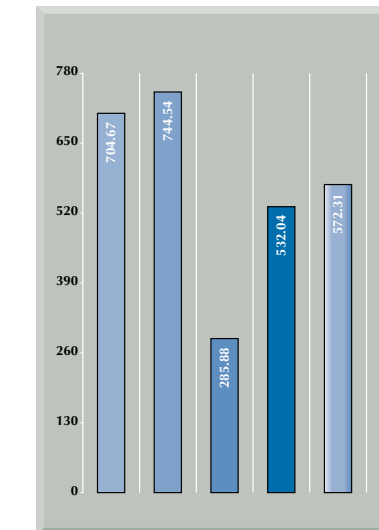
- | | |
|---|---|
| <ul style="list-style-type: none"> • Board of Governors – Dato' Mohammed Azlan Hashim (<i>Chairman</i>)
Datuk Mohaiyani Shamsudin
Chan Guan Seng
Dato' Ranita Mohd Hussein
Tan Kim Leong
Tan Sri Dato' Dr Syed Jalaluddin Syed Salim
Dato' Mohd Salleh Abdul Majid
Tan Sri Dato' Dr Abdullah Sanusi Hj Ahmad • Director – Abdullah Naib | <ul style="list-style-type: none"> • Company Secretaries – Izlan Izhah
Abdul Raihan Mohd Yusof • Auditors – Arthur Andersen & Co • Tax Consultants – Arthur Andersen HRM (Tax Services) Sdn Bhd • Bankers – Bumiputra-Commerce Bank Berhad • Registered Office – Research Institute of Investment Analysts Malaysia
6th Floor, Exchange Square, Bukit Kewangan
50200 Kuala Lumpur
Tel: 03-206 7099 Fax: 03-206 3701 |
|---|---|

Number of Listed Companies



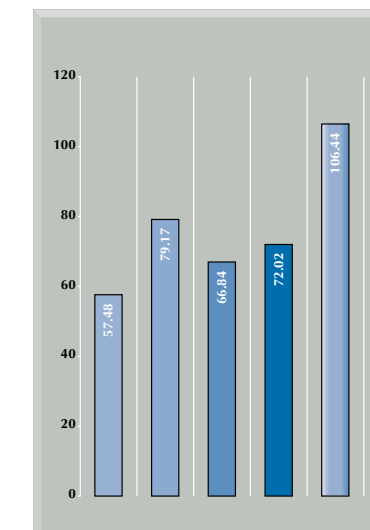
30/6/1996
30/6/1997
30/6/1998
30/6/1999
30/6/2000

Market Capitalisation (RM Billion)



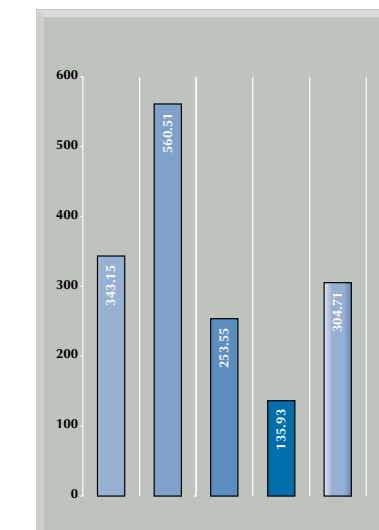
30/6/1996
30/6/1997
30/6/1998
30/6/1999
30/6/2000

Volume (Billion Units)



1/7/1995 to 30/6/1996
1/7/1996 to 30/6/1997
1/7/1997 to 30/6/1998
1/7/1998 to 30/6/1999
1/7/1999 to 30/6/2000

Value (RM Billion)



1/7/1995 to 30/6/1996
1/7/1996 to 30/6/1997
1/7/1997 to 30/6/1998
1/7/1998 to 30/6/1999
1/7/1999 to 30/6/2000



EXECUTIVE CHAIRMAN'S Statement

Dato' Mohammed Azlan Hashim
Executive Chairman

**Seek and you will find,
persevere and
you will succeed.**

In securities investment, this phrase contains within it the importance of timely, accurate and easily available information. For investors seeking beneficial investments, perseverance by diligently searching for information will yield the success of finding such investments.

For stockbroking companies seeking higher growth, perseverance in managing an increasingly competitive market place and leaner cost structures may mean making new and bold business considerations and decisions.

For public listed companies seeking greater investibility and expanded capital generation capabilities, perseverance in improving corporate governance practices will lead to better investor relations, better values and returns for investors and shareholders alike.

To seek, to find, to persevere and to succeed underscore too, the main effort of the Kuala Lumpur Stock Exchange (KLSE) for the year under review.

On the part of the KLSE, seeking to find a balance between market requirements and industry regulation, has long been part of the effort to see the continued growth and expansion of the securities industry.

However, the main effort by KLSE for the year was for investors – to encourage investors to seek information and find out more about their investments. If investors have forgotten how and where to find information, the KLSE has reminded them through events, programmes, training and seminars. If investors had difficulty to seek and find information – the KLSE has provided the resources and facilities, whether through electronic search at www.klse.com.my or conventional research through Balai Maklumat BSKL, to promote informed investing. It is indeed KLSE's belief that industries of the future are set to be the industries of the mind. Investors too, must capitalise on the value of information and knowledge.

If, we believe that what drives investment in the stockmarket is information, then distinguish between the information passed by word of mouth, and information made through corporate disclosure in a timely and accurate manner. Whilst speculation do have its place in securities investment, accord it the proper place – and then move along to discover that informed investing is not merely to acquire facts and figures, but to obtain information and knowledge to guide investment.

It is against such a backdrop of enhancing efforts towards informed investing, that the market came to a full cycle during the financial period ended 30 June 2000 with the KLSE Composite Index (KLSE CI) closing at 833.37, 22.27 points or 2.75% higher than the close of 811.10 on 30 June 1999.

With stronger economic fundamentals, the KLSE CI scaled new heights reaching a 31-month high of 1,013.27 points on 18 February 2000. Average daily volume in February 2000 reached 1.04 billion units valued at RM3.27 billion compared to 183 million units valued at RM472 million in September 1999.

EXECUTIVE CHAIRMAN'S

► S t a t e m e n t

Buoyed by greater investor confidence, total market capitalisation at 30 June 2000 increased by 7.52% to RM572 billion from RM532 billion a year ago. Total volume from 1 July 1999 to 30 June 2000 increased to 106 billion units compared to 72 billion units in the previous year, while total transacted value increased to RM305 billion from RM136 billion a year ago.

Sharing this confidence were 28 newly listed companies compared to 17 in the previous financial year, bringing the total number of companies listed to 773 as at 30 June 2000. Of the 28 new companies, 13 were listed on the Main Board and 15 on the Second Board, with a combined nominal capital of RM3.25 billion.

As testimony to the capital generating capability of the KLSE, funds raised from public issues, rights issues, special issues and private placements amounted to RM8.15 billion while funds raised from debt securities and derivatives totalled RM1.16 billion and RM16.6 million respectively.

And investors were not only spoiled for choice in contemplating the local stockmarket, investors were also spoiled for means of obtaining information to invest.

Thus, the answer to the question of whether there are interesting investments at the KLSE is this: it is not that there are uninteresting or interesting investments at the KLSE – there are only uninterested or interested investors.

I. ENHANCING INFORMED INVESTING

In enhancing informed investing electronically, investors are familiar with on-line company announcements and latest financial results provided via KLSE LINK at www.klse.com.my. To extend physical accessibility, the information resources and facilities of the Public Information Centre in Kuala Lumpur were extended and enhanced through the expanded network of Balai Maklumat BSKL. The whole range of services offered include a library with comprehensive securities industry information, training facilities for seminars and courses and a gallery with interactive terminals displaying information on the KLSE Group and the securities industry in Malaysia.

The facilities and services offered, whether in Johor Bahru, Penang or Kuching, continued to receive strong support from the investing public.

The planned establishment of Balai Maklumat BSKL in Kuantan, Malacca, Ipoh and Alor Setar will expand further the Balai Maklumat BSKL network.

To ensure on-going focus on investor education, informed investing activities were carried out under the Investor 2000 programmes at Balai Maklumat BSKL in Johor Bahru, Penang and Kuching.



During The Investor 2000, regular exhibitions by public listed companies based in the region were held alongside educational briefings on KLSE's facilities such as the KLSE LINK and MCD Call Direct.

KLSE-on-Disc

The KLSE-on-Disc, a CD-ROM version of KLSE publications including the Annual Companies Handbook, has been improved to ensure easy search and retrieval of information. As a quick source of reference, KLSE-on-Disc continued to be in demand by industry participants.

Investor Education Calendar

To better promote investor education, the Investor Education Calendar is published quarterly to give an overview of the investor education programmes of the KLSE Group. The Investor Education Calendar is posted on the KLSE web-site www.klse.com.my to enable on-line registration of participants.

The Exchange also continued to participate actively in investor education efforts of other industry participants and regulators through educational roadshows to reach urban and rural investors nationwide.

Research Institute of Investment Analysts Malaysia

In promoting informed investing, KLSE's training arm, Research Institute of Investment Analysts Malaysia (RIIAM), continues to enhance its activities in investor education.

A landmark in RIIAM's Diploma In Investment Analysis programme is the collaboration with Universiti Putra Malaysia (UPM) for UPM to conduct the programme for its own students. The first group of 38 selected students from the Faculty of Economics and Finance who have enrolled in the programme in March 2000, are required to undertake extra courses taught by UPM academic staff to qualify for the Diploma.

EXECUTIVE CHAIRMAN'S

► *S t a t e m e n t*

RIIAM has successfully intensified its activities in 1999/2000 with over 200 training sessions covering in-house and public programmes organised, averaging 17 programmes per month. Almost 9,000 participants have attended RIIAM programmes during this period, with over 6,000 participants from the securities industry and related institutions.

KLSE-RIIAM Information System

The KLSE-RIIAM Information System (KLSE-RIS) web-site – www.klse-ris.com.my – continued to be popular, with the web-site recording over 72 million hits for the year to June 2000, averaging over 45,000 users from 97 countries during that period.

Thus, where there is the will to obtain full information, KLSE continued to be at the forefront of providing the facilities and capabilities to all investors and users.

Electronic Client Ordering System

Empowered with information, investors are supported in the practice of informed investing by stockbroking companies which continue to strengthen their professional role as intermediaries and service providers between investors and the stockmarket. With greater use of technology, stockbroking companies have extended their range of services to clients via the Electronic Client Ordering System (ECOS). The ECOS, via terminals maintained at client's premises, provides services such as electronic order routing and trade confirmation to clients. As at 30 June 2000, the Exchange has approved 40 stockbroking companies to implement ECOS, of which 12 companies allow their clients access via the Internet.

II. MONITORING STOCKBROKING COMPANIES

In monitoring stockbroking companies, the challenge for the period under review was for stockbroking companies to examine themselves, to review their role, to seek and find an expanded role in an increasingly liberalised and competitive marketplace.

Reduction of Transaction Costs

Taking into account the progressive capital market liberalisation and global competitiveness for investment funds, stockbroking companies are reducing transaction costs under a two stage process. Aligning the cost of securities transactions with competitive international jurisdictions will not only promote efficiency but also benefit the domestic securities industry and all investors at the KLSE.

With the reduction of transaction costs, part of the measures to enhance the overall competitiveness of the Malaysian securities market has been achieved. This complements the earlier measures implemented which include:

- Strengthening the financial position of stockbroking companies
- Greater compliance with prudential standards
- Improve vigilance in risk management

Universal Brokers

As part of the industry strengthening process, there has been encouragement and support for the development of universal brokers – bigger, financially stronger, more professional stockbroking companies. The effort by stockbroking companies to merge is to seek opportunities and find

synergies as part of a strategic group increasingly equipped to manage the challenges of the marketplace. Stockbroking companies that have made progress deserve commendations for their vision to act promptly in beginning the process for greater growth.

KLSE's Efforts

The KLSE too shall continue to seek and identify ways to ensure greater efficiency in the process of monitoring and supervising stockbroking companies' compliance.

For a start, electronic transmission of periodic reports from stockbroking companies to the Exchange covering operations, financial and compliance information has begun since June 2000. This electronic system facilitates easy retrieval of information, enhances productivity via less keying-in time, minimises errors in the compilation process and reduces the need for storage space.

To continue KLSE's efforts to ensure transparency in securities trading and protection for investors, inspections of stockbroking companies continued in the areas of:

- conduct of business by stockbroking companies
- maintenance of client's trust accounts
- transactions entered into by employees and directors of the stockbroking companies
- conduct of dealers' representatives
- compliance with various accounting standards

Violations of KLSE Rules detected are presented to the Disciplinary Sub-Committee of KLSE for appropriate action against the stockbroking company.



Status of Investigation Cases as at 30 June 2000

Category	Cases Brought Forward From Financial Year 1999	Cases Initiated During Financial Year 2000	Total Cases	Cases Completed	Cases Outstanding
Buying-in/potential short-selling	34	155	189	114	75
Alleged defaulter	94	133	227	157	70
Potential misuse of clients' account	75	37	112	52	60
Other complaints of improper conduct against dealers' representatives	37	34	71	31	40
Complaints of improper conduct against stockbroking companies	45	79	124	38	86
Potential false trading/market rigging/market manipulation/insider trading	16	32	48	10	38
General complaints	3	2	5	3	2
Total	304	472	776	405	371

Disciplinary Actions on Dealers' Representatives and Stockbroking Companies during financial year ended 30 June 2000*

Disciplinary Action	Dealers' Representatives
Struck Off	9
Fined	19
Reprimanded	—
Total	28

* No disciplinary actions were recorded on Stockbroking Companies during financial year ended 30 June 2000.

Just as external dealings of stockbroking companies are monitored by KLSE, similarly the scope and extent of corporate governance and prudential practices adopted by stockbroking companies, were given greater focus for the period under review. These include the:

- Adequacy of various policies and procedures
- Conduct of Board of Directors
- Conduct of management
- Extent of segregation of functions, duties and responsibilities
- Control environment and the adequacy of risk management

Testimony to the commitment and efforts of the stockbroking industry to improve, the number of stockbroking companies under trading restrictions reduced from 11 to 8 during the financial year. These 3 stockbroking companies were able to demonstrate to the Exchange and the Securities Commission that they had regularised their financial positions and fully complied with the Exchange's minimum financial requirements.



III. GOVERNING PUBLIC LISTED COMPANIES

The belief in constantly seeking ways to improve was also apparent in other industry participants. Greater corporate governance of public listed companies was adopted not only as a measure for control and accountability but expanded as an approach for listed companies to continue to seek and find greater investibility and capital generation capability.

In contributing to the on-going efforts to promote the strength and resilience of public listed companies, the KLSE focused on enhancement of a legal and regulatory framework that promotes the emergence of credible and effective corporate governance practices for the benefit of the market and the economy. KLSE continued to seek and find ways to strike an

optimum balance between promotion of business efficacy and entrepreneurship with the need for regulation of the conduct of public listed companies.

Code of Corporate Governance

As part of this commitment towards corporate governance, KLSE has incorporated certain provisions in its proposed revamped Listing Requirements which give backing to the Malaysian Code of Corporate Governance (the Code). This in turn empowers greater voluntary compliance with the Code bringing about greater efficacy and accelerating the adoption of enhanced governance practices amongst public listed companies. The Exchange has also incorporated recommendations of the Report on Corporate Governance into the proposed revamped Listing Requirements including:

- Mandating disclosure on the application of the principles and compliance with best practices of the Code;
- Requiring directors to make statements on the state of internal controls;
- Enhancing the role of the audit committee;
- Clarifying and enhancing the definition of independent director.

Following from the KLSE's participation in the Finance Committee on Corporate Governance, KLSE is now part of the Implementation Project Team to drive and oversee its implementation.

Mandatory Accreditation Programme for Directors

KLSE has been actively involved in various education programmes to enhance awareness and understanding of corporate governance. KLSE, together with the Securities Commission and industry participants conduct seminars for directors of public listed companies on a wide range of topics to provide them with knowledge which would assist them in discharging of their duties as directors. Education is key to good governance practices, thus, a significant contribution will be the KLSE conducting the Directors' Mandatory Accreditation Programme (MAP) in 2001 via its training arm, RIIAM.

Following the MAP in the first year, the Continuing Education Programme will be conducted by RIIAM and other recognised professional associations and entities.

EXECUTIVE CHAIRMAN'S
► *S t a t e m e n t*

The programme sessions will be interactive in nature to encourage directors to share their concerns and experiences with each other. The sessions will also consist of panel discussions where directors will be given an opportunity to clarify issues. The contents of the programme were formulated after due consideration of the views of industry participants and cover a broad spectrum of topics relevant to directors; including their duties and obligations under the law, the Listing Requirements and the Code. The speakers involved in the MAP consist of industry experts. The knowledge and expertise that they will bring to the sessions should prove beneficial and educational for the directors.

The MAP is ready for implementation and will commence after the Revamped Listing Requirements come into effect.

Taskforce on Internal Controls

Yet another significant development in seeking to enhance the level of corporate governance is the establishment of the Taskforce on Internal Controls.

In giving effect to the recommendation on internal controls in the Report on Corporate Governance, the Revamped Listing Requirements will require directors of public listed companies to report on the state of internal controls. A Taskforce on Internal Controls was established by KLSE in May 2000, comprising experienced professionals from industry organisations and listed companies to issue a guidance to assist directors in complying with this proposed requirement.

Reinforcing recent developments in expanding corporate governance of public listed companies, vigilant monitoring and supervision of the conduct of public listed companies were continued with strict and objective enforcement action taken in respect of breaches of the Listing Requirements.

Quarterly Reporting

In fulfilling the objective of encouraging investors to seek and find information in a timely and convenient manner, on-line Quarterly Reporting was introduced during the financial year; effective from the quarter ended 31 July 1999.

Reporting Status on the Submission of Quarterly Reporting of Financial Statements

Quarter Ending	No. of Quarterly Reports Due	No. of Quarterly Reports Submitted	Compliance Rate
31 July 1999	93	91	98%
31 August 1999	39	39	100%
30 September 1999	622	618	99%
31 October 1999	93	92	99%
30 November 1999	39	39	100%
31 December 1999	628	620	99%
31 January 2000	94	93	99%
29 February 2000	38	38	100%
31 March 2000	635	630	99%
30 April 2000	98	96	98%
31 May 2000	39	37	95%
30 June 2000	649	643	99%

Actions taken for Failures to Comply with the Listing Requirements from July 1999 to June 2000

Type of Cases	No. of Cases				Total
	Caution & Impress	Private Reprimand	Public Reprimand	Public Reprimand & Fine	
Failure to comply with the Policy on Response to Unusual Market Activity/Failure to promptly provide information or documents to the Exchange <i>Sections 99, 338 of MBLR</i> <i>Clause 1.18 of SBLR</i>	5	1	—	—	6
Failure to comply with the Corporate Disclosure Policy and Immediate Announcements <i>Sections 22-41, 335-341(excl. 338) of MBLR</i> <i>Clauses 1.18, 3.4,3.11-3.16 of SBLR</i>	14	26	16	17	73
Failure to comply with Part 4 of the MBLR/Part 5 of the SBLR on Acquisitions and Realisations	—	13	3	16	32
Failure to comply with Accounting Standards <i>Section 65 of MBLR</i> <i>Clause 3.27 of SBLR</i>	4	—	—	—	4
Failure to release Half Yearly Results on time <i>Section 56 of MBLR</i> <i>Clause 3.20 of SBLR</i>	—	—	—	2	2
Failure to release Preliminary Financial Statements on time <i>Section 57 of MBLR</i> <i>Clause 3.21 of SBLR</i>	—	—	—	1	1
Failure to furnish Annual Report on time <i>Section 60(a) of MBLR</i> <i>Clause 3.22(a) of SBLR</i>	—	—	—	6	6
Total	23	40	19	42	124

Status of Investigation Cases on Public Listed Companies as at 30 June 2000

Category	Cases Brought Forward From Financial Year 1999	Cases Initiated During Financial Year 2000	Total Cases	Cases Completed	Cases Outstanding
Failure to comply with the Policy on Response to Unusual Market Activity/Failure to promptly provide information or documents to the Exchange <i>Sections 99, 338 of MBLR</i> <i>Clause 1.18 of SBLR</i>	—	6	6	6	—
Failure to comply with the Corporate Disclosure Policy and Immediate Announcements <i>Sections 22-41, 335-341(excl. 338) of MBLR</i> <i>Clauses 1.18, 3.4,3.11-3.16 of SBLR</i>	6	122	128	75	53
Failure to comply with Part 4 of the MBLR/Part 5 of the SBLR on Acquisitions and Realisations	20	51	71	33	38
Failure to comply with Accounting Standards <i>Section 65 of MBLR</i> <i>Clause 3.27 of SBLR</i>	—	3	3	2	1
Failure to release Quarterly Reports on time <i>Section 56A of MBLR</i> <i>Clause 3.20A of SBLR</i>	2	12	14	7	7
Failure to release Preliminary Financial Statement on time <i>Section 57 of MBLR</i> <i>Clause 3.21 of SBLR</i>	2	—	2	1	1
Failure to furnish Annual Report on time <i>Section 60(a) of MBLR</i> <i>Clause 3.22(a) of SBLR</i>	5	2	7	3	4
Failure to furnish Annual Audited Accounts on time <i>Section 60(b) of MBLR</i> <i>Clause 3.22(b) of SBLR</i>	—	2	2	—	2
Total	35	198	233	127	106

Since its introduction, this requirement has received positive reactions from market participants. Quarterly reporting heralds a new era of disclosure, transparency and accountability for the market. Investor confidence is enhanced with full, accurate and timely dissemination of financial information to the market – a significant achievement as the market moves towards the disclosure-based regime.

Practice Note

To ensure the investing public have timely, adequate and accurate information to make informed decisions, Practice Note 1/2000 – Disclosure in relation to Internet-related Businesses or E-commerce Activities was issued effective 1 April 2000.

This Practice Note promotes greater disclosure in announcements made by public listed companies in respect of Internet-related businesses or e-commerce activities. The objective is to facilitate sustained investment interest for progressive growth and expansion of such new economy businesses.

IV. EXCHANGE DEVELOPMENT

Complementing the efforts of stockbroking companies and public listed companies in seeking to find better levels of optimum operational efficiency, KLSE also sought to identify areas of improvement as part of the Exchange's present and future development.

Y2K Compliance

Commencing full operations in the new Millennium on Monday, 3 January 2000, the KLSE experienced a problem-free rollover to the Year 2000. The KLSE's entire operations, including its trading, clearing and settlement, depository, surveillance, stock information and public listed companies information dissemination systems functioned normally. All stockbroking companies and Authorised Direct Members (ADMs) - comprising custodian banks and institutional funds, also commenced operations as usual in the new year, having declared their systems to be free of Y2K related problems.

Full credit for this smooth transition is due to the Y2K Team and all supporting personnel who worked singlemindedly towards the objective. The entire organisation and indeed the industry is grateful for their efforts.

KLSE LINK

KLSE LINK Phase II was implemented in October 1999. The objective of KLSE LINK Phase II is to streamline and computerize the business processes within the Listing Operations Division and other related departments.

The business areas covered under this implementation are:

- a. Initial listing applications, including initial public offerings/admissions, new listings, warrants, loan stocks, bonds and preference shares.
- b. Additional listing applications for bonus/rights/restricted/special issues, offers for sale, issues pursuant to acquisitions, private placements and ESOS applications.
- c. Exercise and conversion process including exercise of ESOS, warrants, conversion of loan stock/bonds/preference shares.
- d. Monitoring of paid-up capital, number of shares exercised, etc.including suspension/re-quotation process and monitoring of companies under the watch list.



The benefits of KLSE Link Phase II include:

- Reduction of paper movement and cost
- Improvement of staff efficiency by streamlining some of the business processes
- Centralisation of databases and easy access to information
- Better information management and control

KLSE Web-Site Access Upgrade

The KLSE Web-Site – www.klse.com.my – has been increasing in popularity. Utilization of the KLSE's Internet line averages about 70% and recorded a peak of 98%. To improve the accessibility and service delivery of the KLSE Web-Site and to cater for increased number of users, the KLSE Web-Site Access Upgrade has provided a 200% increase of its capacity.

Stockbroking companies, public listed companies, market participants, KLSE Group users and the general public now enjoy:

- improved response time for information access and downloading, and
- improved transaction turnaround time for public listed companies in their submission of announcements to KLSE.

The KLSE will continue to review the network utilisation and upgrade capacity when required.

Risk Management

For the period under review, a risk management project was initiated to formulate a group-wide Risk Management Policy and Framework. This project entails a more comprehensive approach to risk management to improve operations, manage change and create strategic advantage, as well as mitigate and prevent potential financial loss.

V. DEVELOPING THE INDUSTRY

In developing the industry and expanding opportunities for industry participants and investors, the KLSE continues to focus on key initiatives for the period under review.

Consolidation of Market Institutions

In the effort to continue the consolidation of exchanges as a cost-effective way of achieving optimum utilisation of resources and economies of scale, a Memorandum of Understanding (MOU) between KLSE and Commodity And Monetary Exchange of Malaysia (COMMEX) was signed on 24 March 2000. The MOU reflects the mutual understanding of the KLSE and COMMEX to come together via The Kuala Lumpur Options & Financial Futures Exchange (KLOFFE) to form a single derivatives exchange for Malaysia. The KLSE had earlier completed the acquisition of KLOFFE in December 1998.

EXECUTIVE CHAIRMAN'S

► S t a t e m e n t

Following the consolidation of these exchanges will be the opportunity to bring together the clearing houses – the Securities Clearing Automated Network Services (SCANS) and Malaysian Derivatives Clearing House (MDCH) to offer more comprehensive clearing and settlement services for the securities industry.

Under the auspices of the National Bond Market Committee led by the Ministry of Finance, the KLSE is tasked with the development of the trading infrastructure to facilitate exchange traded Malaysian bonds. This effort is in line with the Government's objective of broadening and deepening the capital market and the financial system.

The various efforts to consolidate stockbroking companies, merge exchanges, streamline clearing houses, facilitate exchange traded bonds are all part of strengthening and improving the securities industry.

With these initiatives in place, the Malaysian securities industry can look forward to eventually having investors contact a single dealer or broker; who will be able to trade a range of cash and derivatives, equity and non-equity products, via a consolidated exchange structure, which in turn would be cleared and settled through an amalgamated clearing house.

The Labuan International Financial Exchange

The Labuan International Financial Exchange (LFX), an offshore exchange wholly-owned by the KLSE, was established to complement the various offshore financial services currently available in Labuan. LFX received its approval to operate as an international financial exchange in Labuan from the Minister of Finance on 8 September 1999.

LFX is a full-fledged exchange with listing and trading facilities and is the only international exchange in an International Offshore Financial Centre (IOFC) in Asia. Apart from the benefits of being located within an IOFC, LFX shares a common time zone with other financial centres in the region including Tokyo and Hong Kong.

The rules and business procedures of LFX are in place and LFX is now ready to accept licensing applications for listing sponsors and applications for the listing of financial instruments and securities.

Capitalising on information technology and the infrastructure available in Labuan, virtually all processes are handled electronically via the Internet through LFX's Internet portal at www.lfx.com.my. LFX is expected to be launched by end November 2000.

Shorter Settlement Cycle

In respect of trading infrastructure, the KLSE will be converting to the T+3 settlement system by December 2000.

For industry participants, the shorter settlement period increases efficiency and cost effectiveness whilst maintaining minimum settlement risks in line with international practice.



For local retail and institutional investors, the shorter settlement period reduces risk and market exposure where the seller will receive payment earlier whilst the buyer will receive their shares correspondingly.

The T+3 settlement framework was developed after extensive consultation with industry participants including stockbroking companies, custodian banks and the Securities Commission. With the introduction of T+3, the KLSE will not only enhance discipline in the market, but would be amongst the leading exchanges internationally.

Technology Sector/Technology Index

The Exchange launched a Technology Sector and a corresponding Technology Index. Commencing with 7 companies for the Main Board Technology Sector and 8 companies for the Second Board Technology Sector, the companies were selected based on their:

- Ability to develop technology, to significantly innovate and apply technology towards business growth and success
- Capability and achievement in technological innovation
- Being users as well as developers and innovators of technology

The technology sector and index should assist investors to identify technologically innovative companies which are listed, whilst encouraging other technologically innovative companies to seek a listing on the KLSE.

Stock Short Names

The new Stock Short Names, (SSN) introduced on 4 September 2000, represents a more user friendly format which facilitates faster identification of public listed companies.

SSN is derived from an abbreviation of the registered name of the public listed companies. SSN is displayed on KLSE's real-time information system and uniquely identifies stock counters providing investors with quick and easy reference to a particular stock. The new SSN benefits stockbroking companies in facilitating stock trading.

VI. ENHANCING INTERNATIONAL RELATIONS

In contributing to the development of the securities industry at the international level and projecting Malaysia in the proper perspective, the KLSE continues to participate actively in international events including:

- **Asian Securities Analysts Federation (ASAF) Annual Conference (jointly with RIIAM as the member of ASAF) (10 – 12 October 1999)**

KLSE and RIIAM hosted the ASAF Conference 1999 from 10 – 12 October 1999 in Kuala Lumpur. The conference was the first gathering organised with the benefit of learning from the challenges of the regional economic and financial crisis, and preparing for future challenges in the new Millennium. Malaysia was elected to the Executive Committee of ASAF serving as Deputy Chairman for the year 2000/2001.

- **International Federation of Stock Exchanges (FIBV) 39th Annual General Assembly in Bangkok, Thailand (17 – 19 October 1999)**

KLSE participated in the 39th FIBV General Assembly and Annual Meeting from 17 – 19 October in Bangkok, hosted by the Stock Exchange of Thailand. Over 200 executives from member stock exchanges worldwide were present. Malaysia was elected to the Governing Board of FIBV for the year 2000/2001.

- **International Securities Services Association (ISSA) Membership (December 1999)**

KLSE was admitted as a member of the International Securities Services Association (ISSA) in December 1999. Currently, ISSA has around 90 member institutions and 2,000 subscribers to its publications all over the world.

- **3rd FIBV Global Emerging Markets Conference and Exhibition in Istanbul, Turkey (5 – 7 April 2000)**

The KLSE participated in the 3rd FIBV Global Emerging Markets Conference and Exhibition from 5 – 7 April 2000 in Istanbul, Turkey. The conference, hosted by the Istanbul Stock Exchange, served as a platform for stock exchanges in emerging markets to promote their markets to investors and analysts. It facilitated the exchange of ideas and discussion among exchanges of emerging markets. The KLSE also participated in the "Spotlight" programme to explain the latest economic scenario in the country whilst promoting the Exchange as an attractive investment destination.

- **East Asian and Oceanian Stock Exchanges Federation (EAOSEF) 19th General Assembly in Wellington, New Zealand (27 – 29 April 2000)**

The KLSE attended the 19th EAOSEF General Assembly from 27 – 29 April in Wellington, hosted by the New Zealand Stock Exchange. The event saw the admission of 2 new member exchanges, Shanghai Stock Exchange and Shenzhen Stock Exchange, into the Federation, bringing the total number of members to 15.

- **FIBV Working Committee Meetings (October 1999/June 2000) and EAOSEF Working Committee Meetings (November 1999)**

The KLSE also participated at the working level of FIBV and EAOSEF. The working committee meetings allowed members to discuss matters of common interest and problems encountered on all aspects of exchange operations. The KLSE also gained valuable insight of the business and regulatory functions and trends experienced by other exchanges.

VII. APPRECIATION

In closing, it is appropriate to reflect that this renaissance of sorts – to seek, to find, to persevere and to succeed – is evident in so many ways in the first year of this Millennium – the traditional period for reflection. However, as a continuing process for all industry participants and regulators – the beginning of this Millennium is at early days yet. Greater effort, consistency and diligent application should continue to be sought in accomplishing the many tasks ahead.

As an organisation that needs to be relevant for the current time and for the times to come, the KLSE will continue to be guided by its Committee Members. To KLSE Committee Members, thank you for the continuing dedication and contribution to the organisation.

To the Board of Directors of The Kuala Lumpur Options & Financial Futures Exchange (KLOFFE), Securities Clearing Automated Network Services Sdn Bhd (SCANS), Malaysian Central Depository Sdn Bhd, (MCD), KLSE-Bernamea Real-Time Information Services Sdn Bhd (KULBER), Malaysian Share Registration Services Sdn Bhd (MSRS), the Board of Directors and Committee Members of Labuan International Financial Exchange Inc. (LFX), the Board of Governors of Yayasan Bursa Saham Kuala Lumpur, the Research Institute of Investment Analysts Malaysia (RIIAM), and members of the various advisory committees and sub-committees – the appreciation is one for building a unified and strong team working together as one.

On behalf of the KLSE Committee and Group, our sincere appreciation to the Honourable Prime Minister for his strong support towards the continued development of the capital market and the national economy. The government's commitment for long term development of the Malaysian securities industry was indeed given proper focus in the National Budget for the Year 2001, emphasising continued efforts towards enhancing investor interest and building investor confidence and improving industry competitiveness.

Our sincere acknowledgement for the guidance and co-operation of the Ministry of Finance, Bank Negara Malaysia, the Securities Commission, the Registrar of Companies, and related regulatory authorities.

Finally, a special note of appreciation to the KLSE Group staff for the hard work and contribution in ensuring the KLSE Group will continue to be an efficient and leading organisation.

DATO' MOHAMMED AZLAN HASHIM

Executive Chairman

Market

Report 1 July 1999 to 30 June 2000

KLSE Indices	No. of component stocks as at 30.6.2000	Points as at 30.6.1998	Points as at 30.6.1999	Points as at 30.6.2000	30.6.1999 vs 30.6.1998		30.6.2000 vs 30.6.1999	
					Points Change	% Change	Points Change	% Change
EMAS	481	115.36	207.56	207.15	92.20	79.92	-0.41	-0.20
Composite	100	455.64	811.10	833.37	355.46	78.01	22.27	2.75
Industrial	30	915.83	1,380.58	1,444.10	464.75	50.75	63.52	4.60
Consumer Products	57	121.18	169.52	163.32	48.34	39.89	-6.20	-3.66
Industrial Products	102	56.96	86.44	87.19	29.48	51.76	0.75	0.87
Construction	33	93.27	237.39	226.75	144.12	154.52	-10.64	-4.48
Trading/Services	87	71.07	128.84	127.14	57.77	81.29	-1.70	-1.32
Finance	62	2,419.22	6,328.23	6,718.52	3,909.01	161.58	390.29	6.17
Property	73	580.35	1,064.73	970.02	484.38	83.46	-94.71	-8.90
Plantations	37	1,604.78	1,766.92	1,826.47	162.14	10.10	59.55	3.37
Mining	7	153.35	264.46	217.13	111.11	72.46	-47.33	-17.90
Syariah*	296	—	125.65	132.76	—	—	7.11	5.66
Second Board	283	97.99	179.77	215.19	81.78	83.46	35.42	19.70
Technology*	15	—	—	129.35	—	—	—	—

Note:- *Launching dates – Syariah Index on 17 April 1999 and Technology Index on 15 May 2000.



During the financial period ended 30 June 2000, the market went through a full cycle that saw the KLSE Composite Index (KLSE CI) closing at 833.37, which was 22.27 points or 2.75% higher than the close of 811.10 on 30 June 1999. The local bourse caught up with the global euphoria over “new economy” stocks late in 1999 through mid-February 2000. Fuelled by liquidity, the KLSE CI made an impressive gain, reaching a 31-month high of 1,013.27 on 18 February 2000. Commensurately, the volume of shares traded on the KLSE was on a strong uptrend as well. Average daily volume in February 2000 ballooned to 1.04 billion units valued at RM3.27 billion compared to 183 million units valued at RM472 million in September 1999, which was the lowest monthly average daily volume transacted for the period under review.

Total market capitalisation at 30 June 2000 increased by 7.52 per cent to RM572 billion from RM532 billion a year ago. Total volume from 1 July 1999 to 30 June 2000 increased to 106 billion units compared to 72 billion units in the previous year while total transacted value increased to RM305 billion from RM136 billion a year ago.



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Ideas • Initiative • Image •
Indicators • Investment • Integrated • Inculcate •
Industry • Innovation • Independent • Improve

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The month of July commenced on a positive note, continuing the rally that began in April 1999 on the back of improved economic indicators and an upgrading of Malaysia's debt rating by international agencies. The KLSE CI crossed the 850 psychological level, to a high of 851.67 on 9 July 1999, a level last seen on 12 September 1997 at 852.08. Daily volume recorded a new high of 1.6 billion units on 12 July 1999. From mid-July, however, selling surfaced and pushed prices lower. Selling by foreign funds became more prominent as they locked in profits following the rise in the KLSE CI. Foreign funds which had invested in Malaysian equity for at least a year by 1 September 1999, could then be repatriated out of Malaysia without having to pay any levy. Falling prices also resulted in greater margin calls and forced selling by stockbrokers and financial institutions. Market sentiment was also dampened by external factors. The political tension between China and Taiwan heightened while confidence in the regional recovery was dented by the sharp rise of the Yen against the US Dollar. Investors were concerned that the strengthening Yen would stifle Japanese exports, thus rendering the nascent Japanese economic recovery unsustainable. Investors continued to be concerned about a possible hike in US interest rates especially those holding blue-chips with exposure to foreign loans, as it meant that companies with US Dollar borrowings would see their earnings trimmed due to higher interest costs. By the end of July, the KLSE CI had lost 83 points from its high of 851.67 on 9 July to close at 768.69 points on 30 July. Average daily volume transacted in July 1999 was 1.02 billion units valued at RM2.21 billion while market capitalisation was recorded at RM516 billion.

In early August 1999, caution over the banking merger exercise, compounded by continued programmed selling by foreign investors and margin calls on retail players, affected the market. Finance stocks had attracted market interest since late July on news of Bank Negara Malaysia's decision to reduce the number of domestic commercial banks, finance companies and merchant banks to six large financial groups. Subsequently, concern had arisen over the competitiveness of the banking sector following the mergers, the implementation process, and the pricing of the target banks. Consequently, the KLSE CI moved lower by another 100 points to close at 668.21 on 9 August 1999.

Thereafter, confidence returned amidst several positive developments. The intervention rate was cut by another 50-basis points to 5.5%. The Government's decision to grant tax credit for losses incurred by financial institutions involved in mergers, to reduce the cost of merging was also a welcome move. Talk of Malaysia being reinstated into the Morgan Stanley Capital International (MSCI) indices, followed by MSCI's official announcement that Malaysia would be reinstated in February 2000, saw the KLSE CI gaining 84.38 points in two days to close at 772.88 on 13 August. Similarly the Finance Index gained 825.44 points to 5,977.29 within these two days. The market's uptrend was checked when investors took to the sidelines, uncertain of the outcome of 1 September 1999, when the one year moratorium on fund repatriation was to be lifted. The appreciation of the Yen against the



US Dollar as well as nagging fears of higher U.S. interest rates also compounded concerns. The KLSE CI closed at 767.06 on 30 August 1999, almost unchanged from its end-July level, but showing a 192% increase from its close on 1 September 1998, when selective capital controls were first imposed. Average daily volume transacted was reduced to 427 million units with a value of RM964 million while market capitalisation remained almost unchanged at RM514 billion.

The announcement by Bank Negara Malaysia on 21 September 1999 that the two-tier levy system for the repatriation of investment portfolio profit was to be replaced with a flat 10% levy temporarily boosted the market. Volume transacted for that day increased to 278 million units (RM676 million), and the KLSE CI gained 29.27 points or 4.12% to 739.30. At the close of trading on 30 September 1999, the KLSE CI stood at 675.45. Average daily volume transacted for the month fell to 183 million units with a value of RM472 million, and market capitalisation decreased to RM458 billion.

Concerns over Budget 2000 and the general election governed market performance in October 1999. During this period, Malaysia's sovereign credit rating was upgraded by foreign rating agencies. Although the KLSE CI crossed the 750-level on 28 October 1999 at 750.20 points, it closed the month at 742.87 on 29 October. Average daily volume transacted in October 1999 increased to 238 million units with a value of RM569 million, and market capitalisation improved to RM500 billion.

Trading was thin in November 1999, even with further upgrading of Malaysia by foreign rating agencies, Duff & Phelps Credit Rating and Standard & Poor's. MSCI also announced the postponement of Malaysia's re-inclusion into its indices to 31 May 2000 from February 2000. The KLSE CI closed the month of November at 734.66 while average daily volume transacted was 187 million with a value of RM501 million. Market capitalisation was recorded at RM499 billion.

Following the general election at the end of November 1999, investors continued to remain cautious in early December while awaiting post-election developments. However, once these concerns were addressed, investors' interest returned, spurred by buying of technology-related stocks on the heels of record gains in NASDAQ and in technology stocks in the region. The market also rallied on window-dressing activities as the year came to a close, brushing aside concerns of Y2K and possible consequences. Trading was brisk with average daily volume increasing to 223 million units valued at RM622 million and market capitalisation reaching RM553 billion at the end of December 1999, its highest monthly close for 1999. The KLSE CI ended the year 1999 at 812.33, almost unchanged from its close six months ago at 811.10 on 30 June 1999.

The year 2000 took off on a strong note with buying interest on index-linked stocks as well as technology-related stocks following the smooth transition into year 2000. As trading activity and investor sentiment improved, interest spilled-over to stocks that were components of MSCI Standard Index for Malaysia on prospects of Malaysia being reinstated into the MSCI indices on 31 May. Banking stocks also attracted investors' interest ahead of the 31 January 2000 deadline for merger tie-up under the banking consolidation exercise. By mid-January, the KLSE CI had

MARKET REPORT

▶ 1 July 1999 to 30 June 2000

crossed the 950-point level, and ended the month with a gain of 109.77 points, or 13.51% at 922.10 compared to 812.33 on 30 December 1999. Market capitalisation at end-January 2000 improved to RM632 billion from RM553 billion end-December 1999. Average daily volume in January 2000 rose threefold to 704 million units valued at RM1.9 billion compared to 223 million units valued at RM622 million in December 1999.

This bullish stance continued into February 2000, underpinned by further improvement in economic data and corporate earnings. December 1999 trade surplus of RM8.6 billion was the 26th consecutive monthly surplus, and reaffirmed Malaysia's economic recovery. Steady gains on the back of heavy volume in blue-chips and technology-related stocks, amidst intermittent profit-taking, led the KLSE CI to its highest level so far in 2000 at 1,013.27 on 18 February. This was a gain of 200.94 points, or 24.74% from the close of 1999. On 25 February, the KLSE and Singapore Exchange Ltd. reached a comprehensive solution to the Central Limit Order Book (CLOB) issue. The final week of February saw some consolidation taking place, led by technology-related stocks after the sharp gains. Selling pressure was aggravated by stockbroking companies tightening credit limits as a precautionary measure. Nevertheless, the market closed in February 2000 at 982.24, higher by 60.14 points or 6.52% compared to the January close. Similarly, market capitalisation rose to RM699 billion. Average daily volume surged further to 1.04 billion valued at RM3.3 billion.

The correction in the KLSE CI continued into mid-March, aggravated by the volatility in the NASDAQ Composite Index (NASDAQ) and Dow Jones Industrial Average (DJIA). Forced-selling and margin calls by stockbrokers added to the downward pressure of the local bourse. Market sentiment in the U.S. wavered on concerns that prices of "New Economy" stocks may have outpaced their outlook for profit growth, and on fears of interest rate hikes by the Federal Open Market Committee (FOMC). Regional factors were also cause for concern, such as the weakening Japanese economy and political tension in Taiwan. Subsequently, positive sentiment on talk of MSCI increasing its weighting on Malaysia upon reinstatement at end-May helped push prices higher. On 24 March 2000, KLSE signed a Memorandum of Understanding with the Commodity and Monetary Exchange of Malaysia (COMDEX) in a move to enhance the consolidation of exchanges, which in turn will lead to optimum utilisation of resources. The KLSE CI closed at 974.38 at end-March, slightly lower compared to 982.24 at end-February. While volume shrank by half to 499 million units valued at RM1.74 billion compared to the previous month, market capitalisation increased to RM707 billion.

The market continued to move lower in April affected by the U.S. market which went through severe corrections as prices of technology stocks that had risen at unprecedented rates during the last quarter of 1999 succumbed to selling pressure. This influenced not only the KLSE, but also regional bourses. Local sentiment was also affected by domestic issues such as those surrounding the restructuring of local telecommunication companies, the merger



programme for the stockbroking industry as well as the liberalisation of brokerage fees. In view of external and local uncertainty, caution set in and trading turned thin as investors stayed on the sidelines. The KLSE CI fell below the 900-level to close the month of April 2000 at 898.35, a drop of 76.03 points, or 7.80%. Market capitalisation fell to RM641 billion, while average daily volume declined to 345 million units with a value of RM1.24 billion.

May 2000 witnessed an improved market. The accumulation of MSCI-related counters ahead of Malaysia's reinstatement into the MSCI at end May helped the KLSE CI breach the 900-level once again. Positive news also came in the form of March trade figures which recorded a 29th consecutive month of surplus, a 7.8 per cent year-on-year rise to RM6.9 billion. MSCI's reaffirmation of Malaysia's reinclusion into its Emerging Markets Free and All Country Free Indices at 100 per cent of market capitalisation buoyed the KLSE CI above the 950-level on 19 May. Sentiment, nevertheless continued to hinge on the uncertain direction of the U.S. market and economy, and fears of higher U.S. interest rates. Consequently, the KLSE CI closed at 911.51 at end May, gaining only 13.16 points, or 1.46%. However, market capitalisation continued to decline to RM636 billion. Average daily volume also shrank to 203 million units worth RM911 million. On 15 May 2000, KLSE established a technology sector for the Main Board and Second Board. At the same time, a Technology Index was launched.

Prices of stocks on the KLSE continued to be weighed down in June 2000. There was some downgrading of the local bourse as its value was perceived by certain foreign broking houses to be high relative to other regional markets. At the same time, some foreign investors were rebalancing their portfolio to other markets, whilst others were reallocating their assets by switching out of equity markets into fixed income securities on expectations of higher short-term U.S. and global interest rates. More caution surfaced ahead of the release of CLOB shares beginning 3 July. The KLSE CI closed at 833.37 points, 78.14 points or 8.57% lower than at end May, amidst thin volume traded throughout the month. Average daily volume was only 163 million units valued at RM636 million, while market capitalisation moved lower to RM572 billion.

During the period under review, 28 new companies were listed compared to 17 in the previous period, bringing the total number of companies listed to 773. Of the 28 new companies, 13 were listed on the Main Board and 15 on the Second Board, with a combined nominal capital of RM3.25 billion.

Funds raised from public issues, rights issues, special issues and private placements amounted to RM8.15 billion. Funds raised from debt securities and derivatives totalled RM1.16 billion and RM16.6 million respectively.



Review

The year 1999 has been an eventful one for the country with one of the highlights being the economy's strong rebound from the sharp recession in 1998. Real Gross Domestic Product (GDP) grew a healthy 5.8 per cent for the whole of 1999 with momentum picking up strongly in the third and fourth quarters. In the last two quarters of 1999, the economy expanded by 8.6 per cent and 11.0 per cent respectively compared to the corresponding quarters a year ago. During the year, Malaysia also achieved its largest ever trade surplus of RM72.3 billion (US\$19.0 billion), resulting in a hefty current account surplus of RM47.9 billion (US\$12.6 billion). Such positive economic developments contributed to the rise in the country's net international reserves, which rose to RM117.2 billion (US\$30.9 billion) as at end December 1999. The international reserves were sufficient to finance 5.9 months of retained imports.

Investor confidence, which had weakened during the 1997/1998 East Asian financial crisis, returned noticeably to the region in 1999. Malaysia's improved economic performance contributed immeasurably to the process. Even as early as February 1999, the gradual return of investor confidence enabled the Government to relax selective capital controls imposed on 1 September 1998 and allow foreign investors to repatriate principal capital and profits. Effective 15 February 1999, the one-year holding period for portfolio capital was replaced with a two-tier levy system based on when the funds were brought into Malaysia and the duration of the investment. Subsequently, on 21 September 1999, the two-tier levy was replaced by a flat levy of 10 per cent irrespective of when the profits were repatriated. Although there were predictions about large outflow of funds from 1 September 1999, the end of the 12-month holding period, these did not materialise. Between 1 September and end 1999, net outflow of portfolio funds remained manageable at some RM8 billion (US\$2 billion), indicating that foreign investor confidence had been retained.

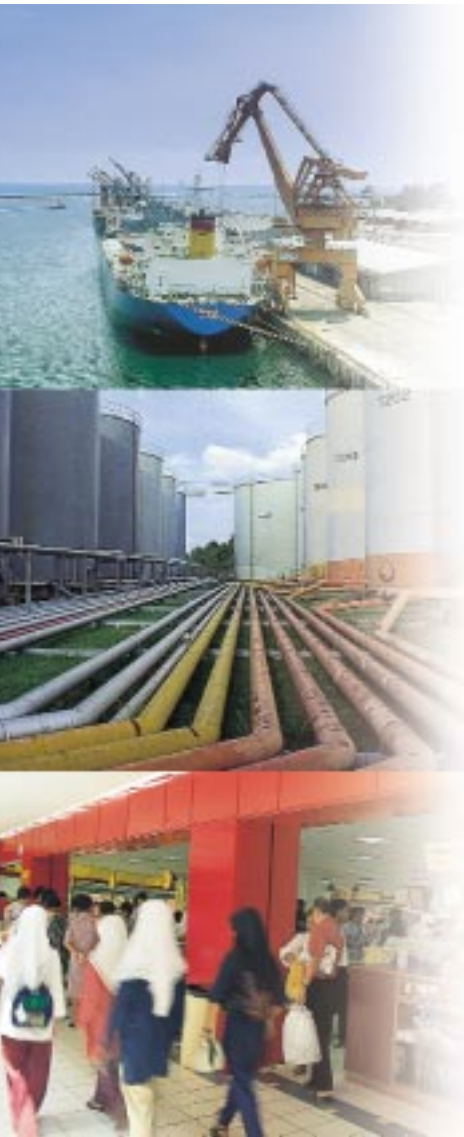
Undoubtedly, the factor behind Malaysia's successful comeback story was the manufacturing sector, which has been the backbone of the economy for the past decade. In 1999, value-added of the manufacturing sector surged 13.5 per cent with manufactured exports accounting for 84.6 per cent of the country's gross exports, valued at RM271.7 billion (US\$71.5 billion). While the recovery in the manufacturing sector was initially export-led, the year ended with output of both export and domestic oriented industries growing

at 12.9 per cent and 13.1 per cent respectively. In fact, the broad-based recovery of the manufacturing sector was reflected in the overall economy with most major sectors recording improved performances in 1999 compared to 1998. The services sector, which is the largest sector in the economy with a share to GDP of 54.3 per cent in 1999, grew 3.1 per cent during the year after contracting 0.8 per cent in 1998.

Along with selective capital controls, the Ringgit-US Dollar peg was credited as one of the important factors behind Malaysia's impressive economic recovery. Initial criticism and scepticism about these measures could be partly attributed to the fact that such measures represented a radical departure from the standard measures advocated during the earlier phases of the regional financial crisis. Since then, the Government's handling of the measures and management of the economy received positive feedback from international observers as well as renowned economists. Economic fundamentals of the country have improved significantly, but bearing in mind the volatility in currency markets and accompanying costs, the Government has maintained the currency peg at RM3.80 to US\$1.00. Both the stability afforded by the currency peg and competitiveness of the Ringgit have boosted Malaysian exports including those from the electronics sector.

While the external sector played a major role in the country's economic recovery in 1999, the Government's fiscal stimulus package also contributed materially to the recovery process. Government allocations for socio-economic projects and selected infrastructure projects were increased with disbursement of funds made speedier. The Government also took care to select projects with greater spill-over effects on the local economy and minimal import content. In real terms, expenditure for public consumption jumped 20.1 per cent while that for public investment increased 10.1 per cent in 1999.

Overall, the year 1999 ended on a decidedly upbeat note. The local economic landscape was much changed by end-1999 with a wide range of positive economic indicators reflecting the broad-based recovery in contrast to the tentative signs of recovery in the early part of the year.



Outlook 2000/2001

Release of first quarter real GDP figures has reinforced expectations that the official real GDP growth target of 5.8 per cent for 2000 can be achieved and possibly surpassed. Comparing the first quarter of 2000 to the corresponding quarter in 1999, real GDP growth was 11.9 per cent as the manufacturing sector grew 27.3 per cent. Led by the country's recovery, the services sector expanded at a healthy rate of 6.3 per cent in the first quarter of 2000 since picking up momentum in the second half of 1999. Most of the major sectors in the economy continued to improve in the first quarter.

Domestic demand is expected to drive economic growth in 2000. With interest rates expected to remain low in the coming months, private consumption, which is a key component of aggregate domestic demand, should remain healthy. In fact, in the first quarter of 2000, aggregate domestic demand grew 12.8 per cent, fuelled by total consumption expenditure which rose 12.2 per cent. The latter was supported by private consumption expenditure, which recorded a robust growth of 14.4 per cent. The continued strengthening of private consumption has been reflected in improving consumer sentiment surveys, higher passenger car sales, and approvals as well as disbursements of consumer loans.

Foundations for the recovery will be further strengthened in 2000/2001. The rapid economic recovery has enabled the restructuring of the banking and corporate sectors to proceed smoothly, aided by special purpose vehicles such as Pengurusan Danaharta Nasional Berhad, Danamodal Nasional Berhad and Corporate Debt Restructuring Committee. In the aftermath of the regional financial crisis, revitalised local entities will be in a better position to compete effectively in a business world that is becoming increasingly borderless.

The on-going trends of globalisation and liberalisation should lead to economies becoming more closely inter-linked in the future. As such, the global economic environment will play a role in the continued well-being of the Malaysian economy in 2000/2001. It is heartening to note that the International Monetary Fund (IMF) has projected that world output would expand by 4.7 per cent in 2000 and 4.2 per cent in 2001, substantially higher than the growth rates of 2.6 per cent in 1998 and 3.4 per cent in 1999. While the IMF has injected a note of caution in the form of growth imbalances in some economies including the U.S. economy, it has stated that the risks to the projections for 2000 would appear to be more on the upside. Hence, the coming months are likely to see the momentum of Malaysia's recovery being maintained.

Tribute

▶ To KLSE's Listed Companies

It is a fundamental truth that listed companies are the lifeblood of any stock exchange. The ranking of a stock exchange is usually determined by the market capitalisation of all the companies listed on the exchange, and it is this market capitalisation which has made the Kuala Lumpur Stock Exchange (KLSE) the second largest bourse in the ASEAN region.

From July 1999 to September 2000, we have seen 43 companies listed on the KLSE. Of this, 15 were listed on the Main Board and 28 on the Second Board. The KLSE is very fortunate in that it has both quality and diversity in the companies listed on the Exchange.

In terms of breadth and choice, KLSE is probably unparalleled in the ASEAN region. It has more listed companies, 788 as at 30 September 2000, than any other regional exchange. The 13 Main Board sectors and 5 Second Board sectors, mirror the diversity and scope of the Malaysian economy – from primary industries such as mining and plantations, to finance and construction to technology.

A quick snapshot of the listed companies indicate that we have companies which:

- build the essential infrastructure for the nation;
- manage one of the largest and most modern airports in the world;
- operate one of the largest cruise liners in the world;
- operate some of the finest hotels in the world;
- put Malaysian home grown apparel brands on the world map;
- have received international recognition for excellent services in the banking sector;
- have been voted as best service provider for certain sectors in the air-travel industry;
- provide assistance and expertise in infrastructure developments in other developing countries;
- organise international sporting activities.

These are only some of the examples of the fine performance of the KLSE listed companies. For instance, there is no easy way to measure the combined charitable contributions these companies have made to the people and the nation.

KLSE Corporate Awards 2000

To honour public listed companies with excellent and exemplary corporate conduct, the Exchange developed the KLSE Corporate Awards. These Awards seek to acknowledge more than close compliance to the KLSE Listing Requirements by taking into account the ability of public listed

TRIBUTE

► *T o K L S E ' s L i s t e d C o m p a n i e s*

Companies Listed from 1 July 1999 – 30 September 2000

 Permaju Industries Berhad	 LTKM Berhad
 Apex Healthcare Berhad	 Unimech Group Berhad
 Glomac Berhad	 Megan Media Holdings Berhad
 NV Multi Corporation Berhad	 Hunza Properties Berhad
 UCHI Technologies Berhad	 Tong Herr Resources Holdings Berhad
 PAOS Holdings Berhad	 Mesiniaga Berhad
 Golsta Synergy Berhad	 Foremost Holdings Berhad
 Petra Perdana Berhad	 APM Automotive Holdings Berhad
 Tomisho Holdings Berhad	 GPA Holdings Berhad
 Ta Ann Holdings Berhad	 Oriental Food Industries Holdings Berhad
 JPK Holdings Berhad	 QL Resources Berhad
 Warisan TC Holdings Berhad	 Eurospan Holdings Berhad
 Uda Holdings Berhad	 Jin Lin Wood Industries Berhad
 Analabs Resources Berhad	 Minply Holdings (M) Berhad
 Tat Sang Holdings Berhad	 Poh Huat Resources Holdings Berhad
 White Horse Berhad	 Unico-Desa Plantations Berhad
 Magni-Tech Industries Berhad	 Jotech Holdings Berhad
 Spritzer Berhad	 Nikko Electronics Bhd
 TA Win Holdings Berhad	 Malaysia Airports Holdings Berhad
 P.I.E Industrial Berhad	 Pharmaniaga Berhad
 Lii Hen Industries Berhad	 Supermax Corporation Berhad
	 Harrisons Holdings (M) Berhad



companies to successfully practise high standards of corporate conduct as a mechanism of self-regulation. The KLSE Corporate Awards also seek to recognise public listed companies which establish and practise a greater degree of accountability and responsibility to shareholders and investors.

The inaugural KLSE Corporate Awards 2000 Presentation Ceremony, which was held on 12 October 2000, brought together over 500 public listed companies, and over 650 prominent representatives of these companies as well as representatives from various industry groups and KLSE Group committee members, directors and management.

The KLSE Corporate Awards 2000 aimed to recognise and reward the top achievers practising excellent corporate conduct from the 757 companies listed as at 31 December 1999 on the ten (10) Main Board sectors and four (4) Second Board sectors of the KLSE for the basis period from 1 January 1999 to 31 December 1999.

Two (2) categories of awards were presented for the KLSE Corporate Awards 2000:



- KLSE Corporate Excellence Awards to honour the top two (2) companies from the Main Board and the top two (2) companies from the Second Board.
- KLSE Corporate Sectoral Awards to honour the top company from each of the ten (10) Main Board sectors and the four (4) Second Board sectors as at 31 December 1999.





Recipients of the KLSE Corporate Awards 2000

KLSE Corporate Excellence Awards 2000

Main Board

 PUBLIC BANK	 Puncak Niaga Holdings Berhad
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Second Board

 DIALOG GROUP BERHAD	 COMPUTER SYSTEMS ADVISERS (M) BERHAD
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KLSE Corporate Sectoral Awards 2000

Main Board

Consumer Products	 Perusahaan Otomobil Nasional Berhad
Industrial Products	 PETRONAS GAS
Finance and Closed-End Fund	 PUBLIC BANK
Infrastructure Project Companies	 Puncak Niaga Holdings Berhad
Plantation	 KUMPULAN GUTHRIE BERHAD
Property and Trusts	 ISLAND & PENINSULAR BERHAD
Trading/Services	 TELEKOM MALAYSIA

Second Board

Industrial Products	 AIC CORPORATION BERHAD
Trading/Services	 DIALOG GROUP BERHAD

No awards were presented for the following sectors:
Main Board • Construction • Hotels • Mining
Second Board • Construction • Consumer Products

Public listed companies selected for the KLSE Corporate Awards were evaluated through the elimination, demerit and merit criteria as well as significant aspects of corporate governance and corporate disclosure. The adjudication process for the KLSE Corporate Awards 2000 encompassed the following key stages:

- A public opinion poll involving a wide range of local and foreign securities industry professionals and investors
- A continuous elimination process
- Detailed adjudication

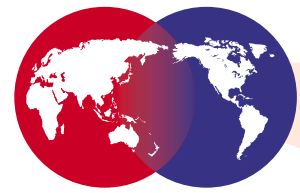
The adjudication of the KLSE Corporate Awards involved a high degree of objectivity and transparency. The candidates short-listed from the public opinion poll were determined by market participants. The poll itself was conducted by an independent market research company. While the detailed screening of the qualifying companies was largely conducted by the KLSE, the criteria for adjudication as well as each stage of the adjudication process and the results obtained, were subject to the review and approval of the Adjudication Panel for the KLSE Corporate Awards 2000.

The Adjudication Panel comprised an independent team of distinguished and experienced market participants and representatives from relevant industry associations and groups to ensure an objective and transparent adjudication process. The main objectives of the Adjudication Panel were:

- To develop the criteria for the adjudication of the Awards
- To review the outcome of the public opinion poll on short-listed companies
- To review the results of the detailed adjudication of the public listed companies
- To approve the Award recipients

Members of the Adjudication Panel included the Association of Merchant Banks in Malaysia, Malaysian Institute of Corporate Governance, Malaysian Accounting Standards Board, Malaysian Association of Certified Public Accountants, Federation of Malaysian Unit Trust Managers, Malaysian Association of the Institute of Chartered Secretaries and Administrators, Permodalan Nasional Bhd and Bar Council Malaysia.

Public listed companies which qualified after the detailed adjudication process, continued to be evaluated on additional criteria up to the point of the Awards presentation ceremony.



LFX
LABUAN INTERNATIONAL FINANCIAL EXCHANGE®

www.lfx.com.my



LABUAN INTERNATIONAL FINANCIAL EXCHANGE – EXPANDING GLOBAL REACH

Introduction

Labuan was designated as an International Offshore Financial Centre (IOFC) in 1990. As part of its development, an offshore financial exchange was conceptualised. KLSE was approached by the Labuan Offshore Financial Services Authority (LOFSA) to take the lead in setting up the offshore financial exchange. Accordingly, Labuan International Financial Exchange Inc. was incorporated under the Offshore Companies Act 1990 (OCA) with an authorised and paid-up capital of USD5,000,000 and USD100,000 respectively. Thereafter, the Minister of Finance gave his approval for the company to establish an international financial exchange in Labuan.

Establishment

Labuan International Financial Exchange (LFX), an offshore financial exchange based in Labuan, is wholly owned by KLSE. LFX seeks to meet the requirements of international clientele and will be one of the vehicles to promote Labuan as an offshore financial centre.

LFX's goal is primarily to facilitate the listing and on a secondary basis, the trading of financial instruments. To attain this goal, LFX will strive:

- i. To be recognised as investor-friendly
- ii. To be customer focused and market driven
- iii. To utilise international networking systems

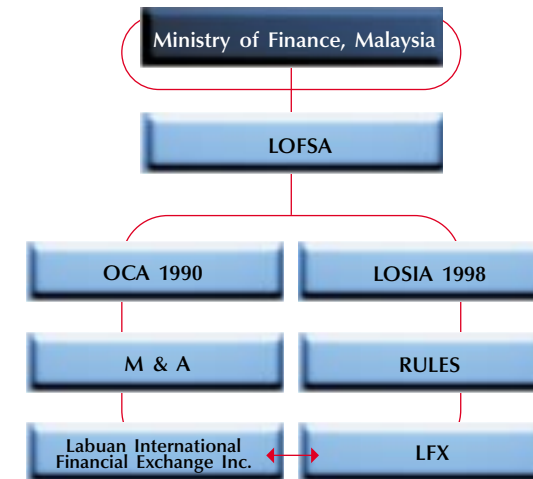
Labuan shares virtually the same time zone as other major Asian financial centres such as Hong Kong, Kuala Lumpur, Seoul, Singapore, Taipei and Tokyo. Being the only offshore financial centre in Asia, the geographical location of Labuan augurs well as a central location for all major cities in the region. In addition, as it is based in an offshore jurisdiction, participants will also benefit from various tax incentives and exemptions such as no capital gains tax, no contract note duties and minimal corporate tax i.e. RM20,000 or 3% of taxable income, whichever is lower.

LFX will also complement the various financial services and activities offered and available in Labuan IOFC. It will be a full-fledged exchange with listing and trading facilities. However, listing of financial instruments will be the initial focus.

LFX does not require participants to have a physical presence in Labuan as it promotes extensive usage of multimedia and Internet facilities allowing accessibility through international network communications systems. There will also be no restriction on foreign investors holding securities listed on LFX as it is envisaged that the issuers will be from various countries.

Regulatory Structure

LFX is governed by the Labuan Offshore Securities Industry Act (LOSIA) 1998. The Rules of LFX are such that it allows a variety of financial instruments which can be listed, catering to the needs of the regional and international participants. It is flexible and financial instruments that can be listed on LFX include equities, investment funds, debt instruments and insurance related instruments. These instruments can be based on either conventional or Islamic principles and will initially be denominated in US Dollars.



The fact that Malaysia is well developed in the study and research of Islamic financial services and products and has a well-established Syariah Committee system, provides for a good basis for development of Islamic funds. This would give LFX an edge over other offshore stock exchanges as Islamic instruments listed are currently not distinguished from non-Islamic instruments.

LFX would also be seeking recognition from international organisations and endorsements of international bodies such as the International Federation of Stock Exchanges (FIBV), East Asian and Oceanian Stock Exchanges Federation (EAOSEF), US Securities and Exchange Commission (SEC) and UK Financial Services Authority (FSA).

E-COMMERCE – THE NEW WAY OF DOING BUSINESS

E-commerce encompasses business strategies and processes, products and services, as well as the technology used in commerce. With the advancement of technology in shaping the new economy, markets are becoming more globalised, more sophisticated and more competitive.

Within the securities industry, e-commerce has spawned a new trading revolution by creating a new marketplace between businesses and other businesses (ie issuers, intermediaries and regulators), and between businesses and investors. This phenomena is enhanced by the development of a knowledge-based, market-driven, workforce who have a strong understanding of the business value chain they are in.

The development of electronic and Internet trading has given rise to issues, threats and opportunities. Issues are seen here as the intrinsic loopholes and uncertainties created by the adoption of electronic and Internet trading practises in the existing Malaysian capital market. Threats can be seen as the encroachment of the Malaysian capital market by internal as well as external parties, such as Electronic Communications Networks (ECNs) and new global exchanges, formed through alliances and mergers. These potential threats can be seen as challenging the status and position of the KLSE as the primary

market for the trading of Malaysian securities. In terms of opportunities, these can be seen as the increased ability to tap into global markets and achieve efficiency and effectiveness through automation, improved business processes, better access to information with lower costs of transactions.

Only when market participants realise the benefits to be derived from e-commerce, rather than focussing on the threats and issues, will they see the potential of totally embracing e-commerce.

In recognising this, the KLSE formed the Electronic Commerce Working Group (ECWG) which serves to coordinate e-commerce initiatives within the KLSE Group as well as within the industry. The ECWG is working together with the Securities Commission's Working Group on Electronic Commerce (WGEC), to steer the implementation of e-commerce initiatives within the industry. The WGEC is responsible to oversee e-commerce initiatives within the securities industry at a higher level.



KLSE LISTING GROUP – STRENGTHENING CORPORATE GOVERNANCE

The Listing Group is a vital part of the Exchange as it governs all public listed companies listed on the Official List. The Group, as a whole, oversees the administration, compliance and enforcement of the Exchange's Listing Requirements.

The evolution of the Group to its current form and composition took place over the years 1998 to 1999. The creation of the Listing Group was intended to expand the Exchange's capabilities vis-a-vis listing matters with a view to further securing market integrity and investor protection. The expansion of Listing Group ensures that it is well-equipped with all necessary expertise to deal effectively and efficiently with all functions pertaining to listing.

At the present time, the Group is made up of three complementary but distinct divisions as follows:-

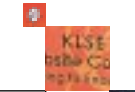
- Listing Operations;
- Financial Review & Surveillance; and
- Listing Advisory.

Listing Operations primarily oversees the day-to-day administration and compliance with the Exchange's listing requirements, whether relating to applications for listing, continuing obligations or the application of listing requirements, and the daily trading of securities. Listing Operations is also the Exchange's primary liaison with public listed companies.

Financial Review & Surveillance (FRS) was established to strengthen the financial/accounting and surveillance capabilities of the enlarged Listing Group pursuant to the Exchange's commitment to enhance corporate disclosure and transparency standards. These added capabilities are intended to strengthen the Exchange's regulatory framework which is essential for ensuring market integrity and hence, the protection of investors.

Listing Advisory drives all policy and law reform and review pertaining to listing matters. In addition, Listing Advisory also provides legal expertise to the Listing Group in respect of all listing matters, whether in relation to the various

applications tendered by public listed companies, the applicability of listing requirements, or enforcement. Listing Advisory was established upon recognition that a specialised legal division was necessary to enhance the efficient and effective administration of listing matters, and to ensure the dynamic development of listing functions.



INVESTOR EDUCATION – ENCOURAGING INFORMED INVESTING

Investor education is important in complementing the enhanced level of disclosure and transparency that has been instilled in the securities market in recent times. In underlining its commitment towards informed investing, KLSE continues to strengthen its virtual and physical infrastructure to disseminate knowledge in the securities industry.

A notable endeavour is the setting up of regional Balai Maklumat BSKL (Information Centres) in Penang, Johor Bahru and Kuching, with the objective of reaching the general public to inform them about the availability of information on the securities industry. As an extension of the services provided by the KLSE Public Information Centre in Kuala Lumpur, all the other Balai Maklumat offer among others, a library with a comprehensive collection of securities industry information, a publications sales outlet, a training centre for seminars and courses and a mini gallery with interactive terminals providing information on the KLSE and the stock market. The Balai also provides general reference and advisory services on matters relating to the KLSE Group of Companies and the securities industry in Malaysia.

The facilities and services include information on listed companies, the Malaysian economy, market and sectoral analysis, trading information as well as capital market related materials.

In order to widen accessibility to investors, the KLSE plans to expand the network of Balai Maklumat BSKL to other towns and regions in Peninsular Malaysia i.e. Ipoh and Alor Setar, for the northern region, Melaka for the central region and Kuantan for the east coast.

Several programmes such as the Investor 2000 featuring talks from market experts are also organised at all the Balai Maklumat BSKL. Regular exhibitions by public listed companies based in the region allow these companies to showcase their products and services and enable investors to get a first hand look at these companies' operations. Demonstrations of KLSE's own products namely KLSE LINK and MCD Call-Direct are also conducted. These programmes provide the opportunity for listed companies to expand the base of their retail investors. The overwhelming success of such activities as seen in



Kuching in the second half of the financial year under review, provides an impetus for both the stockbroking firms as well as the public listed companies to collaborate with the Balai Maklumat BSKL, towards achieving a common goal of educating investors.

KLSE works hand in hand with RIIAM to conduct Saturday programmes to cater to all levels of the public, such as career talks for students, stock market camps for school children and seminars in the national language for special interest groups.

The Public Information Centre in Kuala Lumpur and the regional Balai Maklumat BSKL continued to receive strong support, with an average of 1,200 people per month in each centre. The year saw a total of over 48,000 visitors for all centres.

Besides establishing the information centres, KLSE has also undertaken other initiatives to make information more readily accessible to the public. The KLSE-on-Disc, which is a CD-ROM compendium of selected KLSE publications particularly the Annual Companies Handbook, has been improved to facilitate easy search and retrieval. Sales of KLSE-on-Disc have doubled, with research houses and fund managers as the main subscribers. With the popularity of Internet-based technology and services, the KLSE has taken steps to make the KLSE-on-Disc available on the Web. Users will easily be able to request and customise information according to their needs on a subscription or pay-per-view basis, or download the information when required.

With the aspiration to make KLSE a knowledge-based organisation with knowledge workers, an internal project to integrate all information databases to enhance the current Intranet services has been initiated. Termed KPIC Knowledge Xchange (KKX), this database packages internal and external information in a highly specialised manner, to serve the varied needs of KLSE Group staff.

Other investor education efforts are reflected in KLSE's participation in roadshows and exhibitions organised by regulatory and industry bodies which include:

- Ekspo Nasional Usahawan Pemuda Bumiputera, 28 – 30 January 2000
- Minggu Saham Amanah Malaysia, 21 – 23 April 2000
- Malaysian Capital Market Summit, 12 – 13 June 2000
- Securities Commission Roadshow in Pekan, 24 June 2000
- Ekspo Permodalan Nasional Berhad in Jengka, Pahang, 10 – 13 August 2000
- Securities Commission Roadshow in Kuala Selangor, 26 August 2000
- Federation of Malaysian Unit Trust Managers Exhibition in Penang, 6 – 8 October 2000
- Securities Commission Roadshow in Kangar, Perlis, 28 October 2000

In addition, KLSE also participated in several briefings organised by the National Economic Action Committee (NEAC) for university lecturers and students throughout the country.

From 12 – 16 September 2000, KLSE organised the inaugural KLSE Investors' Week 2000 with the objective of promoting informed investing based on fundamentals and research. Over 30 organisations, comprising public listed companies, investment advisers, information vendors, industry associations, regulators and exchanges, participated in the Investors' Week programme.



Committee

Members

1 DATO' MOHAMMED AZLAN HASHIM

Executive Chairman

- Bachelor of Economics (Accounting), Monash University, Australia;
- Member of Malaysian Institute of Accountants;
- Member of Institute of Chartered Accountants, Australia;
- Government appointed Committee Member: 18.12.1996 – 31.12.1997;
- Government appointed Executive Chairman: 1.1.1998 – present.

2 DATUK MOHAIYANI SHAMSUDIN

Deputy Chairman

- Master of Business Administration (Finance), Cornell University, New York;
- Bachelor of Arts (Economics), Knox College, Illinois;
- Elected to the Committee: 28.11.1998 – 31.12.2000;
- Elected as Deputy Chairman: 1.1.2000 – present.

3 CHAN GUAN SENG

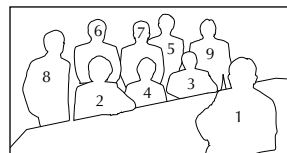
- Bachelor of Commerce (Hons.), University of Melbourne, Australia;
- Member of Australian Society of Certified Practising Accountants;
- Member of Institute of Chartered Accountants, Australia;
- Elected to the Committee: 13.12.1986 – 18.12.1988;
6.12.1989 – 18.12.1994;
- Elected to the Committee and as Deputy Chairman: 5.12.1996 – 31.12.1999;
- Elected to the Committee: 1.1.2000 – present.

4 DATO' RANITA MOHD HUSEIN

- Bachelor of Laws (Hons.), University of Singapore;
- Advocate & Solicitor, Malaysia and Brunei;
- Member, Panel of Arbitrators, The Kuala Lumpur Options and Financial Futures Exchange Bhd;
- Government appointed Committee Member: 18.12.1996 – present.

5 TAN KIM LEONG, JP

- Member of Malaysian Institute of Accountants;
- Fellow of Institute of Chartered Accountants, Australia;
- Member of Malaysian Association of Certified Public Accountants;
- Fellow of Malaysian Association of the Institute of Chartered Secretaries & Administrators;
- Government appointed Committee Member: 18.12.1996 – present.



6 ABDUL KADIR HAJI MD KASSIM

- Bachelor of Laws (Hons.), University of Singapore;
- Advocate & Solicitor, Malaysia;
- Government appointed Committee Member: 1.3.1998 – present.

7 ABDUL WAHAB NAN ABIDIN

- Bachelor of Arts (Hons.), University Malaya;
- Elected to the Committee: 1.1.2000 – present.

8 ABANG ZAINAL ABIDIN ABANG AHMAD

- Master of Business Administration, University of Leuven, Belgium;
- Elected to the Committee: 19.12.1987 – 2.7.1990;
1.2.2000 – present.

9 JOHARI HASSAN

- Bachelor of Business Studies (Finance), New Hampshire College, NH, USA;
- Elected to the Committee: 1.2.2000 – present.



Management

Team

Left to right:

Dato' Mohd Salleh Abdul Majid
President

Md Nor Ahmad
Deputy President I

Ungku A Razak Ungku A Rahman
Deputy President II



Left to right:

Devanesan Evanson
Senior Vice President, Compliance & Inspection,
Market Supervision Group

Wong Kay Yong
Senior Vice President, Surveillance & Investigation,
Market Supervision Group

Chuah Mei Lin
Senior Vice President,
Legal Advisory & Membership Services,
Market Supervision Group

Left to right:

Abdul Hamid Sh Mohamed
Senior Vice President, Policy & Development

Qua Gek Kim
Senior Vice President, Public Information

Zulkifli Harun
Senior Vice President,
Information Services/Information Technology



Left to right:

Izlan Izhab
Executive Vice President,
Corporate & Legal Affairs

Ku Abdul Rahman Ku Sulaiman
Senior Vice President,
Market Infrastructure

Management

Left to right:

Latifah Hj Mohd Yusof
Senior Vice President, Listing Operations, Listing Group

Tan Chun Weng
Senior Vice President, Financial Review & Surveillance,
Listing Group

Selvarany Rasiah
Legal Advisor, Listing Group



Left to right:

Abdul Razak Mohd Amin
Senior Vice President, Group Human Resource

Lew Lup Seong
Senior Vice President, Finance & Administration

Yew Kim Keong
Senior Vice President, Facilities Management





Top to bottom:

Ch'ng Boon Huat
Vice President,
Financial Review & Surveillance,
Listing Group

Alice Thomas
Vice President, Group Communications



Top to bottom:

Tai Yoke Peng
Vice President, Organisation & Methods,
Market Infrastructure

Johan Abdullah
Vice President, Listing Operations, Listing Group



Low Pheng
Vice President, Group Internal Audit



Top to bottom:

Chee Yaw Soon
Senior Manager, Trading Services, Listing Group

Abdul Raihan Mohd Yusof
Senior Manager, Secretarial Affairs,
Corporate & Legal Affairs



Top to bottom:

Mohamad Azam Ali
Senior Manager, Public Affairs,
Executive Chairman's Office

Winnie Choong
Senior Manager, Public Information



Top to bottom:

Shukoriah Mohd Noor
Senior Manager, Public Information

Lee Choy
Senior Manager, Administration

Management



IT • Information • Internet •
Interactive • Informed Investing •
Investor • Indices



Ideas • Initiative • Image •
Indicators • Investment • Integrated • Inculcate •
Industry • Innovation • Independent • Improve









www.klse.com.my

KLSE

Group



Kuala Lumpur
Stock Exchange (KLSE)

-  The Kuala Lumpur Options & Financial Futures Exchange Bhd (KLOFFE)
-  Labuan International Financial Exchange (LFX)
-  Securities Clearing Automated Network Services Sdn Bhd (SCANS)
-  Malaysian Central Depository Sdn Bhd (MCD)
-  KLSE-Bernama Real-Time Information Services Sdn Bhd (KULBER)
-  Malaysian Share Registration Services Sdn Bhd (MSRS)
-  YAYASAN BSKL
-  Research Institute of Investment Analysts Malaysia (RIIAM)

Group

Board Members



Left to right:

Dato' Mohammed Azlan Hashim
(KLSE, KLOFFE, LFX, SCANS, MCD, KULBER, MSRS, KLSE Realty, RIIAM)

Datuk Mohaiyani Shamsudin
(KLSE, SCANS, RIIAM)



Left:

Chan Guan Seng
(KLSE, SCANS, MCD, RIIAM)



Clockwise:

Abdul Wahab Nan Abidin
(KLSE, SCANS)

Abang Zainal Abidin Abang Ahmad
(KLSE, SCANS, KLSE Realty)

Johari Hassan
(KLSE, SCANS)

Dato' Hj Megat Najmuddin Khas
Dato' Sri Dr Hj Megat Khas
(SCANS, MSRS)

Dato' Mohd Salleh Abdul Majid
(KLOFFE, SCANS, KULBER, RIIAM)



Datuk Teh Ghee Kok
(KULBER)



Md Nor Ahmad
(KULBER, KLSE Realty)



Tan Sri Zulkifli Mahmood
(MSRS)



Datuk Amirsham A Aziz
(MCD)



Dato' Hwang Sing Lue
(KLOFFE)



Dato' Seri Syed Zainol Anwar Jamalullail ibni Almarhum DYMM Tuanku Syed Putra Jamalullail
(MCD)



Ramli Ibrahim
(KLOFFE)



K Sree Kumar
(KLOFFE)



Omar Malek Ali Merican
(KLOFFE)



Iskander Ismail
(KLOFFE)



Mohamad Shuib Abdul Ghani
(MSRS)



Ungku A Razak Ungku A Rahman
(MSRS)



Tan Sri Dato' Dr Syed Jalaluddin Syed Salim
(RIIAM)



Tan Sri Dato' Dr Abdullah Sanusi Hj Ahmad
(RIIAM)





The Kuala Lumpur Options & Financial Futures Exchange Bhd (KLOFFE)



Left to right:

S Loganathan
General Manager



Mohd Shah Shariff
Senior Manager, Information Technology



Janita Cheah
Senior Manager, Business Development

Linda Song
Company Secretary/Manager, Legal

The 1999/2000 financial year proved to be another eventful year for KLOFFE with the arrival of the new millennium offering even greater challenges ahead.

The comprehensive preparations for the Y2K solution paid off as the entire derivatives industry – that is KLOFFE, the Commodity and Monetary Exchange of Malaysia (COMMEX) and the Malaysian Derivatives Clearing House Bhd (MDCH) and their respective membership – had a smooth rollover on 1 January 2000.

Another significant development for KLOFFE was the approval-in-principle granted by the Securities Commission (SC) on 22 March 2000 for the launch of stock index options. The KLOFFE management has since been working closely with the other relevant parties to prepare for the launch of the Exchange's second product – the KLSE Composite Index options contract – before the end of the calendar year.

An Industry Options Rollout Committee comprising senior representatives from KLOFFE, Malaysia Futures Brokers Association, MDCH and KLSE, together with the SC as observers, was set up to oversee the smooth implementation of index options trading. A comprehensive marketing and educational programme has been drawn up and is being implemented to ensure the smooth and timely launch of the index options contract.



In line with the objective of ensuring optimal usage of resources and to house all operations of the KLSE group under one roof, KLOFFE's IT infrastructure was migrated to KLSE's premises in August 2000. In addition, KLOFFE's offices, previously located in Wisma Chase Perdana in Damansara Heights, Kuala Lumpur shifted to Exchange Square, Bukit Kewangan, Kuala Lumpur at the same time. Following this, the operations of KLOFFE are now all at Exchange Square together with the other members of the KLSE Group of Companies.

Market turnover was lower at KLOFFE during the period under review, with a total of 384,282 contracts traded for the July 1999 to June 2000 period as against 587,593 contracts in the previous period. In terms of the open interest position, it stood at 3,173 contracts as at 30 June 2000 as compared with 3,939 previously.

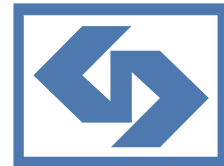
Retail investors continued to form the main segment of the futures market (accounting for 49% of the trading volume for the six months to July 2000) followed by KLOFFE's local members (28%) and foreign institutions (17%). Contributions from the domestic institutions continued to be minimal.

Meanwhile, on the international front, KLOFFE continues to be a member of the International Options Market Association (IOMA), the International Finance and Commodities Institute (IFCI) and a signatory to the Windsor Agreement. As a signatory to the said Agreement, KLOFFE is in a position to apply to be a recognised futures exchange pursuant to the rules of other foreign futures exchanges. KLOFFE has over the years received approval to have its products traded in Australia and Taiwan. This is an indication of its commitment to be a part of the international derivatives industry.

In the product and development area, apart from the stock index options launch by the end of the year, KLOFFE also intends to introduce derivatives products based on Islamic investment principles. The development of these products are presently in the planning stages.

Turning to the future, KLOFFE's greatest immediate challenge is its impending merger with COMMEX aimed at bringing about a single derivatives exchange in the country. Ensuring a smooth implementation of the merger and the subsequent efforts to develop into a premier derivatives exchange in the region would be the main focus in the months ahead.

With the derivatives business expected to play a more significant role in the development of the Malaysian capital market in the years ahead, KLOFFE's future looks brighter.



Securities Clearing Automated Network Services Sdn Bhd (SCANS)



Left to right:

Ungku A Razak Ungku A Rahman
General Manager

Azman Shah Md Yaman
Company Secretary/Legal Advisor,
Corporate Affairs, Legal & Compliance

Fathi Ridzuan Ahmad Fauzi
Assistant General Manager,
Finance & Administration

Lim Lean Beng
Senior Manager, Clearing



For the financial year ended June 2000, SCANS has achieved a net profit before tax and before extraordinary items of RM61 million.

During the year under review, 106 billion securities valued at RM305 billion were cleared and settled by SCANS. The corresponding figures for the previous year were 72 billion securities valued at RM136 billion. This represents an increase of 47% in volume and an increase of 124% in value.

SCANS has undertaken a number of activities/projects for the financial year under review to further enhance and strengthen the infrastructure services of the local market and these activities/projects have been on-going progressively.

OVERALL REVIEW OF THE OPERATIONS OF SCANS AS MALAYSIA'S NATIONAL CLEARING HOUSE

The concept paper for the overall review has been completed and adopted by the Board. Currently, it is being implemented in phases to realise SCANS vision to strengthen, deepen and broaden its position as the Recognised Clearing House.

INSTITUTIONAL SETTLEMENT SERVICE (ISS)

The response for the ISS offered by SCANS to the Clearing Members, aimed at achieving an enhanced Delivery versus Payment (DVP) environment, has been encouraging. For the year under review, approximately 92,000 ISS instructions have been recorded.



Malaysian Central Depository Sdn Bhd (MCD)

For the financial year ended June 2000, MCD saw the increase of securities immobilised into the Central Depository System (CDS) from 157.6 billion to 179.7 billion. The number of companies prescribed into the CDS increased from 746 to 784.

In the year under review, the CDS settled a total number of 102.9 billion securities traded on the Exchange and facilitated 792,094 ordinary transfers involving 60.5 billion securities.

The number of CDS accounts opened during this period was 429,400 averaging 35,783 per month, bringing the total number of accounts in the CDS to 2.7 million as at 30 June 2000.

The number of Authorised Depository Agents (ADAs) and Authorised Direct Members (ADMs) were reduced from 66 to 65 and 48 to 43 respectively in the year under review as a result of mergers, acquisitions or cessation of ADAs and ADMs.



Left to right:

Ungku A Razak Ungku A Rahman
General Manager

Ahmad Aznan Haji Nawawi
Company Secretary/Legal Advisor,
Corporate Affairs, Legal & Compliance

Chua Kong Khai
Vice President, Depository

Nadzirah Abdul Rashid
Manager, Finance & Administration

Ang Ting Kang
Vice President, Information Technology





MCD currently services a total of 65 share registrars representing 774 public listed companies. For the year under review, a total of 12,887 Record of Depositors (RODs) detailing investor holdings in the CDS were produced upon issuers' requests.

MCD has also finalised its Master Development Plan (MDP) and action plans are underway for a more competitive and efficient Central Securities Depository.

In September 1999, MCD successfully enhanced its CDS2, which has now been renamed CDS2+. This has resulted in the enhancement of its system processing capability, particularly its end-of-day processing.

During this period, MCD signed a service level agreement with Malaysian Issuing House Sdn Bhd (MIH) to facilitate the Electronic Share Application (ESA) facility. With the ESA in place, investors may now apply for shares in an Initial Public Offer (IPO) via the automatic teller machines (ATMs) of participating financial institutions.

In its effort to provide a more user-friendly service, MCD launched its interactive voice response system called MCD Call-Direct on 22 October 1999. This service is available in four major languages i.e. Bahasa Malaysia, English, Mandarin and Tamil. This facility enables CDS account holders to obtain information on the balances of their CDS account(s) via the telephone as well as by obtaining a fax copy of the balances.



KLSE-Bernama Real-Time Information Services Sdn Bhd (KULBER)

For the financial year ended June 2000, KULBER has achieved a net profit before tax and before extraordinary items of RM0.83 million, as compared to a profit of RM3.28 million achieved during the previous financial year showing a decrease in profits of RM2.45 million or 74.7%.

Information is crucial in promoting informed investing. KULBER which has a local and international subscriber base, is continuously exploring new avenues to improve its services by taking advantage of the latest technological innovations in its mission to be a disseminator of information which is:

- Accessible
- Accurate
- Timely
- Secure
- Affordable

Ultimately, it is KULBER's goal to be an "information exchange" where it aims to become a one-stop information agency to serve the varied information needs of the investing community.



Malaysian Share Registration Services Sdn Bhd (MSRS)

For the financial year ended June 2000, MSRS recorded a maiden net profit of RM857,206 as compared to a net loss of RM447,200, for the financial year ended June 1999.

As at 30 June 2000, MSRS is the largest share registrar in Malaysia, providing services to 133 companies listed on the KLSE and 6 non-listed companies. The total number of shareholders is 1,400,737, with a total paid-up capital of RM31,299,393,231.

In order to utilise the latest technology available for the benefit of its clients and the investing public, plans are underway for MSRS to provide an efficient dissemination of shareholders' information via the Internet.

These plans are in line with MSRS' aspiration to be the leading share registrar in Malaysia.



**Abdul Nasir
Ahmad Daud**
General Manager



Establishment of Yayasan BSKL

Yayasan BSKL was incorporated pursuant to Section 24(1) of the Companies Act 1965, as a company limited by guarantee on 24 June 1998.

Objectives of Yayasan BSKL

KLSE established Yayasan BSKL to provide financial assistance and support for charitable and educational activities, projects or programmes with the objective of improving the standard of living, skills and professionalism of Malaysians.

Contributions

Details on contributions to various causes as at 30 September 2000 are as follows:

No	Categories	Amount (RM)	Percentage (%)
1	Children's Homes	317,000	28.21
2	Senior Citizens	66,000	5.88
3	Educational Support	84,970	7.56
4	Special Care	529,646	47.14
5	Community Projects	125,965	11.21
Total		1,123,581	100

Activities

Among the activities undertaken by Yayasan BSKL are the Study Loan Scheme for tertiary level students, Blood Donation Campaigns, Sukaneka YBSKL, a visit to the paediatric ward of Hospital Kuala Lumpur, visits to orphanages and old folks homes, hosting visits from orphanages and an English Camp.



Research Institute of Investment Analysts Malaysia (RIIAM)

For the year under review, RIIAM has continued to support the development of the Malaysian securities industry by organising seminars, workshops and courses for professionals in the industry, market participants and the investing public. In addition, RIIAM has also organised customised in-house programmes for the staff of the KLSE Group of Companies.



Abdullah Naib
Director

Over 200 training sessions, covering both in-house and public programmes have been held for various target audiences in the industry. In a month, RIIAM conducts an average of 17 programmes. Almost 9,000 participants attended RIIAM's programmes in 1999, out of which over 6,000 were participants from the securities and related institutions.

RIIAM has also continued to work with the relevant professional organisations, such as the Malaysian Accounting Standards Board (MASB), the Malaysian Association of Certified Public Accountants (MACPA) and the Institute of Internal Auditors Malaysia (IIAM). More such linkages were initiated with local universities, such as Universiti Putra Malaysia (UPM) and Universiti Sains Malaysia (USM) in organising customised programmes for their faculty and students.

The RIIAM Diploma in Investment Analysis programme has come into its seventh year in 2000 with classes conducted in Kuala Lumpur, Penang and Kuching. RIIAM is also making a conscious move to increase the number of local lecturers so that it is less dependent on lecturers from Royal Melbourne Institute of Technology (RMIT). This also ensures local content without losing quality.

Calendar

o f E v e n t s

A high point in the Diploma programme was reached when UPM agreed to collaborate with RIIAM to conduct the programme for its students. The first group of 38 selected students from the Faculty of Economics and Finance, UPM are enrolled in the programme. To graduate with a Diploma in Investment Analysis from RIIAM, students are required to undertake extra courses taught by UPM academic staff.

The KLSE-RIS web-site www.klse-ris.com.my has gained tremendous popularity in 2000. The system recorded a monthly average of more than 8 million hits and at the end of June 2000, has more than 45,000 users from 97 countries.

On the international front, RIIAM successfully hosted the Asian Securities Analysts Federation (ASAF) Conference in October 1999 which was well attended by international and local participants.

In the year ahead, RIIAM plans to develop a comprehensive investor education programme with the intention of improving public awareness on the importance of investment and financial planning, without losing sight of the professional development of practitioners of the securities industry.



Institutional Settlement Service

KLSE launched the Institutional Settlement Service (ISS) on 15 July 1999 to facilitate the settlement of trades of institutional investors directly with the clearing house, SCANS.



15 July 1999



KLSE Listing Information Network (KLSE LINK)

On 8 October 1999, the KLSE LINK was launched. KLSE LINK is an Internet-based facility which enhances corporate disclosure for the benefit of investors.

8 October 1999

MCD Call-Direct

MCD Call-Direct was launched on 22 October 1999 to assist CDS account holders to obtain their CDS account balances via the telephone as well as the fax machine.



22 October 1999



23rd KLSE Annual General Meeting

The KLSE's 23rd Annual General Meeting was held on 20 November 1999 at Exchange Square in Bukit Kewangan.

20 November 1999

Y2K Rollover Successful

KLSE resumed full operations on the first trading day for the year 2000 after successfully confirming that all its six (6) mission critical systems were free of Y2K problems.



3 January 2000



KLSE Group Staff Annual Dinner

A total of 1,700 KLSE Group staff and their spouses attended the KLSE Group Staff Annual Dinner which was held at the Sunway Lagoon Resort Hotel. It was indeed a memorable night for the staff who were entertained by professional artistes.

20 January 2000

KLSE and SGX agree on a Comprehensive CLOB Solution

KLSE and the Singapore Exchange Limited (SGX) agreed to a comprehensive solution to the CLOB issue with two (2) agreements signed on 25 February 2000. The agreements facilitating the implementation of two schemes, were in line with the KLSE's duty to maintain an orderly and fair market for securities trading in Malaysia.



25 February 2000



Familiarisation visits to Public Listed Companies

The KLSE Group visited Matsushita Electric Co (M) Berhad on 3 March 2000. Subsequently, similar visits were organised to Malaysia Airports Holdings Berhad (7 April 2000), Kelang Container Terminal Berhad (11 May 2000), Habib Corporation Berhad (6 July 2000) and Padini Holdings Berhad (14 September 2000).

3 March 2000



CALENDAR

► o f E v e n t s

24 March 2000



KLSE-COMMEX Sign MoU to Enhance Consolidation

KLSE and Commodity and Monetary Exchange of Malaysia (COMMEX) signed a memorandum of understanding to enhance the consolidation of the exchanges. The consolidation aims to make the Malaysian market more attractive to all investors, bringing benefits to all market participants, including the exchanges and investors.

KLSE Training Institute signs MoU with UPM

The Research Institute of Investment Analysts Malaysia (RIIAM), KLSE's training institute, signed a memorandum of understanding with Universiti Putra Malaysia (UPM) to allow UPM's Department of Accounting & Finance to conduct RIIAM's Diploma in Investment Analysis.

23 June 2000



KLSE Issues Practice Note 1/2000

Effective 1 April 2000, all public listed companies are required to comply to Practice Note 1/2000 which specifies the requirements for greater disclosure in announcements with respect to Internet-related businesses or E-Commerce activities.



1 April 2000



6 August 2000

11th Annual KLSE-FPLC Golf Tournament & Lunch

The 11th Annual KLSE-FPLC Golf Tournament & Lunch, held on 6 August 2000 at the Kuala Lumpur Golf & Country Club saw KLSE emerge as this year's winner.

11 May 2000



Establishment of Taskforce on Internal Controls

KLSE announced the establishment of a Taskforce on Internal Controls which would be responsible for the formulation and issuance of the guidance to assist public listed companies to report the state of their internal controls in their annual reports. The establishment of the Taskforce was one of the many measures implemented by KLSE to enhance corporate disclosure and corporate governance by public listed companies.

Reduced Transaction Costs Benefit Industry and Investors

In line with the government and industry regulators' commitment to liberalise the capital market, KLSE implemented new brokerage rates effective 1 September 2000. The new rates aim to improve liquidity and efficient price discovery of the stockmarket, hence making KLSE and Malaysia a more attractive investment destination for all investors.

1 September 2000



KLSE Launches Technology Sector and Technology Index

KLSE launched the technology sector and corresponding index on 15 May 2000 to assist investors in tracking technology stock investments. At the launch, the KLSE technology sector comprised 15 public listed companies – 7 Main Board companies and 8 Second Board companies.



15 May 2000



4 September 2000

New Stock Short Names

A new stock short name system was implemented on 4 September 2000 to allow easier and faster identification of public listed companies' stock counters through the KLSE's real-time market information system.



16 May 2000



Visits by Dignitaries

The Deputy Finance Minister I – YB Dato' Chan Kong Choy visited the Exchange on 16 May 2000. Subsequently, the KLSE hosted a visit from YB Dato' Dr Shafie Mohd Salleh on 28 June 2000. Both visits, which included a briefing on current and future developments of the KLSE, also served as a platform for the exchange of ideas between the officials from the Ministry of Finance and KLSE.



12 September 2000



KLSE Investors' Week 2000

The inaugural KLSE Investors' Week was held from 12 to 16 September 2000 at the Exchange's premises in Bukit Kewangan. With the objective of promoting informed investing based on fundamentals and research, Investors' Week 2000 lined up a wide range of activities including exhibitions, public listed companies' presentations and briefings on the stockmarket and the securities industry. More than 16,000 investors took the opportunity to participate in this event.



KLSE Annual Dialogue Sessions

KLSE held its annual dialogue sessions with industry partners beginning 1 June 2000. Up to September 2000, a total of 17 sessions have been held.

The dialogues are for the purpose of discussing issues of mutual interest relating to all parties concerned.



1 June 2000

12 June 2000



Malaysian Capital Market Summit 2000

KLSE co-organised the Malaysian Capital Market Summit 2000 with the Asian Strategy & Leadership Institute (ASLI) from 12-13 June 2000. The two (2) day summit, officiated by the Hon. Deputy Prime Minister, YAB Dato' Seri Abdullah Ahmad Badawi, covered the forces of growth for the capital market, the impact of E-commerce and the valuation of new economy companies, amongst many other topics of current interest and relevance.

19 September 2000



KLSE Hosts Annual Rat Race 2000

KLSE hosted the Annual Rat Race 2000 co-organised by The Sun and The Edge on 19 September 2000. The first of its kind in Malaysia, the Race saw a total of 32 companies fielding 195 competitors. A total of RM354,000.00 was collected and subsequently donated to the Malaysian Paediatric Foundation.

KLSE Corporate Awards 2000 Presentation Ceremony

KLSE presented the inaugural KLSE Corporate Awards on 12 October 2000 at a ceremony held in conjunction with KLSE's Annual Cocktail for public listed companies. A total of 13 awards were presented to deserving public listed companies.

12 October 2000





Financial Statements

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Report of The Committee

The Committee hereby submit their report together with the audited accounts of the Exchange and of the Group for the financial year ended 30 June 2000.

Principal Activities

The principal activities of the Exchange are to provide, regulate and maintain facilities for conducting the business of a stock exchange in Malaysia.

The principal activities of the subsidiaries are described in Note 11 to the accounts.

There were no significant changes in these activities during the financial year, except for the addition of the offshore financial exchange activities as disclosed in the significant events note below.

Results

	Group	Exchange
	RM	RM
Net surplus for the year	139,427,324	205,370,062

Reserves and Provisions

There were no material transfers to or from reserves or provisions during the financial year other than as disclosed in the consolidated statement of changes in equity and the transfers made to the Compensation Fund of Malaysian Central Depository Sdn Bhd as disclosed in Notes 21 and 26 to the accounts respectively.

Membership Fees

As at 30 June 2000:

- (i) membership fees received from past and present members at RM10,000 each amounted to RM2,960,000 (1999: RM2,950,000); and
- (ii) a total contribution of RM94,000,000 (1999: RM91,000,000) was received from members as follows:

No of Members				Total Contributions		
Brought forward	Addition	Carried forward	Contribution per Member RM'000	Brought forward RM'000	Additions RM'000	Carried forward RM'000
5	—	5	5,000	25,000	—	25,000
51	—	51	1,000	51,000	—	51,000
5	1	6	3,000	15,000	3,000	18,000
61	1	62		91,000	3,000	94,000

REPORT

► o f T h e C o m m i t t e e

Bad and Doubtful Debts

Before the income statements and balance sheets were made out, the Committee took reasonable steps to ascertain that action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts.

At the date of this report, the Committee is not aware of any circumstances which would render the amounts written off as bad debts or provided for as doubtful debts in the accounts of the Exchange and of the Group inadequate to any substantial extent.

Current Assets

Before the income statements and balance sheets were made out, the Committee took reasonable steps to ensure that any current assets which were unlikely to be realised in the ordinary course of business including their values as shown in the accounting records of the Exchange and of the Group have been written down to an amount which they might be expected so to realise.

At the date of this report, the Committee is not aware of any circumstances which would render the values attributed to the current assets in the accounts of the Exchange and of the Group misleading.

Valuation Methods

At the date of this report, the Committee is not aware of any circumstances which have arisen which render adherence to the existing methods of valuation of assets or liabilities of the Exchange and of the Group misleading or inappropriate.

Contingent and Other Liabilities

At the date of this report, there does not exist:

- (a) any charge on the assets of the Exchange or of the Group which has arisen since the end of the financial year which secures the liabilities of any other person; or
- (b) any contingent liability of the Exchange or of the Group which has arisen since the end of the financial year.

No contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which, in the opinion of the Committee, will or may substantially affect the ability of the Exchange or of the Group to meet their obligations when they fall due.

Change of Circumstances

At the date of this report, the Committee is not aware of any circumstances not otherwise dealt with in this report or the accounts of the Exchange or of the Group which would render any amount stated in the accounts misleading.

Items of an Unusual Nature

The results of the operations of the Exchange and of the Group during the financial year were not, in the opinion of the Committee, substantially affected by any item, transaction or event of a material and unusual nature.

There has not arisen in the interval between the end of the financial year and the date of this report any item, transaction or event of a material and unusual nature likely, in the opinion of the Committee, to affect substantially the results of the operations of the Exchange or of the Group for the financial year in which this report is made.

Significant Events

The significant events during the financial year are disclosed in Note 27 to the accounts.

Committee Members

The Committee Members who served since the date of the last report are:

Dato' Mohammed Azlan bin Hashim

Datuk Mohaiyani binti Shamsudin

Chan Guan Seng

Dato' Ranita binti Mohd. Hussein

Tan Kim Leong

Abdul Kadir bin Haji Md Kassim

Abdul Wahab bin Nan Abidin (*elected on 20 November 1999 and effective 1 January 2000*)

Johari bin Hassan (*appointed on 1 February 2000*)

Abang Zainal Abidin bin Abang Ahmad (*appointed on 1 February 2000*)

Dato' Hwang Sing Lue (*retired on 31 December 1999*)

Koh Kee Tee (*retired on 31 December 1999*)

Ng Wu Hong (*retired on 31 December 1999*)

Dato' Mohammed Azlan bin Hashim, Dato' Ranita binti Mohd Hussein, Tan Kim Leong and Abdul Kadir bin Haji Md Kassim were appointed by the Minister of Finance pursuant to Section 8(3) of the Securities Industry Act, 1983 and are not subject to retirement by rotation.

In accordance with Article 10.3(1) of the Exchange's Articles of Association, one of the current Elected Committee Members is required to retire at the 24th Annual General Meeting. Pursuant to Article 10.3(2), the one so retiring is Datuk Mohaiyani binti Shamsudin. Pursuant to Article 10.3(3), Datuk Mohaiyani binti Shamsudin is eligible for re-election.

Pursuant to Article 10.4(4) of the Exchange's Articles of Association, Abang Zainal Abidin bin Abang Ahmad and Johari bin Hassan were appointed as Committee Members. In accordance with the said Article 10.4(4), Abang Zainal Abidin bin Abang Ahmad and Johari bin Hassan are required to retire at the 24th Annual General Meeting.

Committee Members' Benefits

During and at the end of the financial year, no arrangements subsisted to which the Exchange or its subsidiaries is a party with the object of enabling Committee Members of the Exchange to acquire benefits by means of the acquisition of shares in or debentures of any other body corporate.

Since the end of the previous financial year, no Committee Member of the Exchange has received or become entitled to receive a benefit (other than the fixed salary of a full-time employee of the Exchange, reimbursement of expenditure incurred in attending Committee Meetings in the form of meeting allowances and any other benefits in kind as disclosed in the accounts) by reason of a contract made by the Exchange or a related corporation with the Committee Member or with a firm of which the Committee Member is a member, or with a company in which the Committee Member has a substantial financial interest.

Committee Members' Interests

The Exchange is a company limited by guarantee and thus has no shares in which the Committee Members could have an interest. Similarly, the Exchange has not issued any debentures.

None of the Committee Members in office at the end of the financial year had any interest in shares in its related corporations during the financial year.

Number of Employees and Registered Office

The number of employees in the Group was 1,212 as at 30 June 2000 and 1,224 as at 30 June 1999. The registered office of the Exchange is located at 14th Floor, Exchange Square, Bukit Kewangan, 50200 Kuala Lumpur.

Auditors

Arthur Andersen & Co retire and have indicated their willingness to accept re-appointment.

Signed on behalf of the Committee
in accordance with a resolution
of the Committee Members

DATO' MOHAMMED AZLAN BIN HASHIM

DATUK MOHAIYANI BINTI SHAMSUDIN

Kuala Lumpur
Dated: 6 September 2000

Statement ▶ by The Committee

We, DATO' MOHAMMED AZLAN BIN HASHIM and DATUK MOHAIYANI BINTI SHAMSUDIN, being two of the Committee Members of KUALA LUMPUR STOCK EXCHANGE, do hereby state that, in the opinion of the Committee, the accompanying balance sheets of the Exchange and of the Group as at 30 June 2000 and the statements of changes in equity, income and cash flow statements of the Exchange and of the Group for the year then ended, together with the notes thereto, give a true and fair view of the state of affairs of the Exchange and of the Group as at 30 June 2000 and of the results of the Exchange and of the Group and cash flows of the Exchange and of the Group for the year then ended, and have been properly drawn up in accordance with applicable approved accounting standards in Malaysia.

Signed on behalf of the Committee
in accordance with a resolution
of the Committee Members

DATO' MOHAMMED AZLAN BIN HASHIM

DATUK MOHAIYANI BINTI SHAMSUDIN

Kuala Lumpur
Dated: 6 September 2000

Statutory ▶ Declaration

I, DATO' MOHD SALLEH BIN ABDUL MAJID, the officer primarily responsible for the financial management of KUALA LUMPUR STOCK EXCHANGE, do solemnly and sincerely declare that the accompanying balance sheets of the Exchange and of the Group as at 30 June 2000 and the statements of changes in equity, income and cash flow statements of the Exchange and of the Group for the year then ended, together with the notes thereto 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 DATO' MOHD SALLEH)
BIN ABDUL MAJID at Kuala Lumpur in)
Wilayah Persekutuan on 6 September 2000) **DATO' MOHD SALLEH BIN ABDUL MAJID**

Before me:

Commissioner for Oaths

Auditors' Report

To the Members of KUALA LUMPUR STOCK EXCHANGE

We have audited the accounts of KUALA LUMPUR STOCK EXCHANGE (the Exchange) and the consolidated accounts of KUALA LUMPUR STOCK EXCHANGE AND ITS SUBSIDIARIES (the Group) as at 30 June 2000. These accounts are the responsibility of the Committee Members. Our responsibility is to express an opinion on these accounts based on our audit.

We conducted our audit in accordance with approved Standards on Auditing in Malaysia. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the accounts are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the accounts. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall accounts presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion,

- (a) the accounts give a true and fair view of the state of affairs of the Exchange and of the Group as at 30 June 2000 and of the results and cash flows of the Exchange and of the Group for the year then ended, and have been properly drawn up in accordance with the provisions of the Companies Act, 1965 and applicable approved accounting standards in Malaysia; and
- (b) the accounting and other records and the registers required by the Act to be kept by the Exchange and its subsidiaries have been properly kept in accordance with the provisions of the Act.

We are satisfied that the accounts of the subsidiaries that have been consolidated with the Exchange's accounts are in form and content appropriate and proper for the purposes of the preparation of the consolidated accounts and we have received satisfactory information and explanations required by us for these purposes.

The audit reports on the accounts of the subsidiaries were not subject to any qualification or any adverse comment made under subsection (3) of Section 174 of the Act.

ARTHUR ANDERSEN & CO

No AF 0103
Public Accountants

WONG KANG HWEE

No 1116/01/02(J)
Partner of the Firm

Dated: 6 September 2000

Consolidated Balance Sheet 30 June 2000

	Note	2000 RM	1999 RM
CURRENT ASSETS			
Cash and bank balances		5,849,900	3,205,102
Short term deposits	3	1,021,571,308	649,477,970
Debtors	4	56,271,817	128,159,446
Stocks	5	—	248,018
Investments	6	—	156,379,302
Due from associated company		544,182	801,865
		1,084,237,207	938,271,703
CURRENT LIABILITIES			
Bank overdrafts	8	—	21,176,649
Short term borrowings	9	—	3,600,000
Trade creditors		2,429,524	5,077,758
Taxation		66,842,762	—
Sundry creditors		59,030,543	70,988,253
		128,302,829	100,842,660
NET CURRENT ASSETS			
		955,934,378	837,429,043
ASSOCIATED COMPANY	12	5,179,745	5,680,328
OTHER INVESTMENTS	13	57,583,840	172,372
FIXED ASSETS	14	406,516,450	443,674,737
STAFF LOANS RECEIVABLE	15	26,231,414	15,015,081
INTANGIBLE ASSETS	16	21,150	912,991
RETIREMENT BENEFITS		(13,026,191)	(8,221,757)
DEFERRED TAXATION	17	(3,652,200)	(6,743,000)
LONG TERM LIABILITY	18	(49,412,937)	(49,951,498)
MINORITY INTERESTS		(46,516,847)	(41,545,107)
		1,338,858,802	1,196,423,190
Represented by:			
MEMBERSHIP FEES	19	96,960,000	93,950,000
ACCUMULATED FUNDS		1,189,150,514	1,062,795,750
CAPITAL RESERVE	20	2,750,000	—
FOREIGN CURRENCY RESERVE		(1,712)	—
		1,288,858,802	1,156,745,750
COMPENSATION FUND	21	50,000,000	39,677,440
		1,338,858,802	1,196,423,190

The accompanying notes are an integral part of this balance sheet.

Consolidated Statement

of Changes in Equity for the year ended 30 June 2000

	Membership fees RM	Capital reserve* RM	Foreign currency reserve RM	Accumulated funds RM	Total RM
At 1 July 1998	82,920,000	—	—	1,085,891,383	1,168,811,383
Contributions during the year	11,030,000	—	—	—	11,030,000
Net surplus for the year	—	—	—	189,050,807	189,050,807
Transfer to Compensation Fund	—	—	—	(212,146,440)	(212,146,440)
At 30 June 1999	93,950,000	—	—	1,062,795,750	1,156,745,750
Contributions during the year	3,010,000	—	—	—	3,010,000
Currency translation differences	—	—	(1,712)	—	(1,712)
Transfer to capital reserve	—	2,750,000	—	(2,750,000)	—
Net surplus for the year	—	—	—	139,427,324	139,427,324
Transfer to Compensation Fund	—	—	—	(10,322,560)	(10,322,560)
At 30 June 2000	96,960,000	2,750,000	(1,712)	1,189,150,514	1,288,858,802

* Non-distributable in the form of dividends.

The accompanying notes are an integral part of this statement.

Consolidated Income

Statement for the year ended 30 June 2000

	Note	2000 RM	1999 RM
Revenue	22	422,377,861	320,934,245
Other operating income		57,098,198	79,493,095
		479,476,059	400,427,340
Staff cost		(77,139,092)	(70,292,958)
Depreciation		(52,711,103)	(69,046,109)
Operating expenses		(73,089,072)	(74,789,615)
Surplus from operations		276,536,792	186,298,658
Finance cost		(2,190,319)	(2,653,586)
Share of losses of associated company		(500,583)	(142,817)
Surplus before taxation	23	273,845,890	183,502,255
Taxation	25	(126,215,825)	9,060,533
Net surplus from ordinary activities		147,630,065	192,562,788
Minority interests		(8,202,741)	(3,511,981)
Net surplus for the year		139,427,324	189,050,807

The accompanying notes are an integral part of this statement.

Consolidated Cash Flow

Statement for the year ended 30 June 2000

	2000 RM	1999 RM
CASH FLOW FROM OPERATING ACTIVITIES		
Surplus before taxation	273,845,890	183,502,255
Adjustment for:		
Transfer to KLSE Compensation Fund	—	(206,000,000)
Share of loss of associated company	500,583	142,817
Depreciation	52,711,103	69,046,109
Fixed assets written off	22,096	278,574
Amortisation of intangible assets	860,106	937,954
Bad and doubtful debts	1,269,520	8,845,119
Preliminary and pre-operating expenses written off	34,569	—
Net gain on sale of fixed assets	(154,525)	(68,974)
Stocks written off	468,054	—
Goodwill on consolidation written off	—	1,326,098
Net gain on disposal of a subsidiary	—	(1,031,936)
Write back of provision for diminution in value of investment securities	(9,563,345)	(66,353,309)
Recreational club membership benefits	129,112	411,715
Provision for retirement benefits	7,163,192	3,681,705
Gain on disposal of investments	(34,656,427)	(3,352,226)
Interest income	(32,583,703)	(67,711,689)
Interest expense	477,972	809,793
Gross dividend income	(2,368,447)	(3,526,849)
Operating surplus/(deficit) before working capital changes	258,155,750	(79,062,844)
Decrease/(increase) in debtors	55,570,412	(68,568,222)
(Increase)/decrease in stocks	(220,036)	42,544
Decrease in creditors	(16,892,764)	(2,101,310)
Increase/(decrease) in amount due from associated company	257,683	(228,159)
Cash generated from/(used in) operations	296,871,045	(149,917,991)
Interest paid	(407,620)	(809,793)
Taxes paid	(45,083,437)	(135,757,038)
Net cash generated from/(used in) operating activities	251,379,988	(286,484,822)

	2000 RM	1999 RM
CASH FLOW FROM INVESTING ACTIVITIES		
Dividends received	2,368,447	3,526,849
Purchase of a subsidiary	—	(31,853,074)
Disposal of a subsidiary	—	(1,993,890)
Increase in intangible assets	(2,834)	(1,724,977)
Purchase of unquoted bonds	(47,977,235)	—
Purchase of club memberships	—	(86,520)
(Increase)/decrease in loans granted to staff	(11,216,333)	886,849
Interest received	30,250,974	67,711,689
Purchase of fixed assets	(15,711,310)	(52,944,886)
Proceeds from sale of fixed assets	290,920	1,216,505
Net sale of investment securities	191,035,729	12,531,771
Net cash generated from/(used in) investing activities	149,038,358	(2,729,684)
CASH FLOW FROM FINANCING ACTIVITIES		
Redemption of preference shares from minority interest of a subsidiary	(3,375,000)	—
Decrease in long term liability	(538,561)	(134,638)
Increase in membership fees	3,010,000	11,030,000
Net cash (used in)/generated from financing activities	(903,561)	10,895,362
Net increase/(decrease) in cash and cash equivalents	399,514,785	(278,319,144)
Cash and cash equivalents at beginning of year	627,906,423	906,225,567
Cash and cash equivalents at end of year	1,027,421,208	627,906,423
CASH AND CASH EQUIVALENTS COMPRISE:		
Cash and bank balances	5,849,900	3,205,102
Short term deposits	1,021,571,308	649,477,970
Bank overdraft	—	(21,176,649)
Short term borrowings	—	(3,600,000)
	1,027,421,208	627,906,423

The accompanying notes are an integral part of this statement.

Balance

S h e e t 30 June 2000

	Note	2000 RM	1999 RM
CURRENT ASSETS			
Cash and bank balances		2,439,350	666,542
Short term deposits	3	448,509,998	162,774,887
Debtors	4	23,198,264	39,353,052
Stocks	5	—	248,018
Investments	6	—	156,310,622
Due from subsidiaries	7	136,228,373	5,923,266
		610,375,985	365,276,387
CURRENT LIABILITIES			
Taxation		47,096,989	—
Due to subsidiaries	10	1,322,153	13,570,261
Sundry creditors		44,446,640	32,662,248
		92,865,782	46,232,509
NET CURRENT ASSETS		517,510,203	319,043,878
SUBSIDIARIES	11	37,866,092	61,060,731
OTHER INVESTMENTS	13	29,466,208	—
FIXED ASSETS	14	380,199,417	383,374,481
STAFF LOANS RECEIVABLE	15	24,656,592	14,055,638
RETIREMENT BENEFITS		(8,646,279)	(4,323,996)
DEFERRED TAXATION	17	(3,601,000)	(3,601,000)
LONG TERM LIABILITY	18	(49,412,937)	(49,951,498)
		928,038,296	719,658,234
Represented by:			
MEMBERSHIP FEES	19	96,960,000	93,950,000
ACCUMULATED FUNDS		831,078,296	625,708,234
		928,038,296	719,658,234

The accompanying notes are an integral part of this balance sheet.

Statement of Changes

i n E q u i t y for the year ended 30 June 2000

	Membership fees RM	Accumulated funds RM	Total RM
At 1 July 1998	82,920,000	654,399,355	737,319,355
Contributions during the year	11,030,000	—	11,030,000
Net surplus for the year	—	177,308,879	177,308,879
Transfer to Compensation Fund	—	(206,000,000)	(206,000,000)
At 30 June 1999	93,950,000	625,708,234	719,658,234
Contributions during the year	3,010,000	—	3,010,000
Net surplus for the year	—	205,370,062	205,370,062
At 30 June 2000	96,960,000	831,078,296	928,038,296

The accompanying notes are an integral part of this statement.

Income

Statement for the year ended 30 June 2000

	Note	2000 RM	1999 RM
Revenue	22	433,854,416	250,416,283
Other operating income		47,431,276	73,773,603
		481,285,692	324,189,886
Staff cost		(54,877,945)	(39,324,539)
Depreciation		(41,793,432)	(38,218,190)
Operating expenses		(41,632,085)	(37,493,693)
Surplus from operations		342,982,230	209,153,464
Finance cost		(42,053)	(33,285)
Surplus before taxation and exceptional item	23	342,940,177	209,120,179
Exceptional item	24	(33,411,115)	—
Surplus before taxation		309,529,062	209,120,179
Taxation	25	(104,159,000)	(31,811,300)
Net surplus for the year		205,370,062	177,308,879

The accompanying notes are an integral part of this statement.

Cash Flow

Statement for the year ended 30 June 2000

	2000 RM	1999 RM
CASH FLOW FROM OPERATING ACTIVITIES		
Surplus before taxation	309,529,062	209,120,179
Adjustment for:		
Transfer to KLSE Compensation Fund	—	(206,000,000)
Depreciation	41,793,432	38,218,190
Provision for retirement benefits	6,018,821	2,093,107
Bad and doubtful debts	131,994	4,487,162
Stocks written off	468,054	—
Provision for/(write back of) diminution in value of investments	23,847,770	(66,040,419)
Net gain on sales of fixed assets	(150,356)	(74,708)
Gain on disposal of investments	(34,495,735)	(2,685,558)
Interest income	(11,568,560)	(24,901,817)
Gross dividend income	(148,804,861)	(149,497,682)
Operating surplus/(deficit) before working capital changes	186,769,621	(195,281,546)
Decrease/(increase) in debtors	1,481,664	(5,134,820)
(Increase)/decrease in stocks	(220,036)	42,544
Increase/(decrease) in creditors	10,087,854	(6,852,769)
(Increase)/decrease in amount due from subsidiaries	(142,553,215)	10,044,407
Cash generated from/(used in) operations	55,565,888	(197,182,184)
Taxes paid	(39,681,585)	(49,924,026)
Net cash generated from/(used in) operating activities	15,884,303	(247,106,210)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of a subsidiary	—	(44,624,229)
Disposal of investments	200,369,702	11,314,345
Purchase of unquoted bonds	(29,466,208)	—
Net increase in investments in subsidiaries	(10,216,476)	—
Increase in loans granted to staff	(10,600,954)	(5,027,991)
Interest received	8,729,264	23,640,815
Dividends received	148,804,861	149,497,682
Purchase of fixed assets	(38,992,060)	(28,493,940)
Proceeds from sale of fixed assets	524,048	586,144
Net cash generated from investing activities	269,152,177	106,892,826

CASH FLOW

▶ Statement

	2000 RM	1999 RM
CASH FLOW FROM FINANCING ACTIVITIES		
Decrease in long term liability	(538,561)	(134,638)
Increase in membership fees	3,010,000	11,030,000
Net cash generated from financing activities	2,471,439	10,895,362
Net increase/(decrease) in cash and cash equivalents	287,507,919	(129,318,022)
Cash and cash equivalents at beginning of year	163,441,429	292,759,451
Cash and cash equivalents at end of year	450,949,348	163,441,429
Cash and cash equivalents comprise:		
Cash and bank balances	2,439,350	666,542
Short term deposits	448,509,998	162,774,887
	450,949,348	163,441,429

The accompanying notes are an integral part of this statement.

Notes

to The Accounts 30 June 2000

1. Principal Activities

The principal activities of the Exchange are to provide, regulate and maintain facilities for conducting the business of a stock exchange in Malaysia.

The principal activities of the subsidiaries are described in Note 11 to the accounts.

There were no significant changes in these activities during the financial year, except for the addition of the offshore financial exchange activities as disclosed in Note 27(c) to the accounts.

2. Significant Accounting Policies

(a) Basis of Accounting

The accounts are prepared under the historical cost convention and comply with applicable approved accounting standards in Malaysia.

(b) Basis of Consolidation

The consolidated accounts include the accounts of the Exchange and all its subsidiaries made up to the end of the financial year.

The results of subsidiaries are included in the consolidated income statement from the effective dates of their acquisition. Related company transactions are eliminated on consolidation and the consolidated accounts reflect external transactions only.

At the date of acquisition, the fair values of the subsidiary companies' net assets are determined and these values are incorporated in the consolidated accounts. The difference between the cost of investments and the net assets of the subsidiary companies at the date of acquisition represents goodwill or reserve arising on consolidation. Goodwill net of reserve, arising on consolidation is written off to the income statement.

(c) Associated Companies

The Group treats as associated companies those companies in which a long term equity interest of between 20 and 50 percent is held and where it exercises significant influence through management participation.

The Group's share of post acquisition profits less losses of associated companies is included in the consolidated income statement and the Group's interest in associated companies is stated at cost plus the Group's share of post-acquisition retained profits and reserves.

(d) Currency Conversion and Translation

Transactions in foreign currencies during the year are converted into Ringgit Malaysia at rates of exchange approximating those ruling at the transaction dates. Foreign currency monetary assets and liabilities at the balance sheet date are translated into Ringgit Malaysia at rates of exchange approximating those ruling at that date. All exchange gains or losses are dealt with in the income statement.

The exchange rate ruling for USD denominated balances at both balance sheet dates is RM3.80 : USD1.00.

NOTES

▶ t o T h e A c c o u n t s

2. Significant Accounting Policies (cont'd.)

(e) Fixed Assets and Depreciation

Fixed assets are stated at cost less accumulated depreciation. Depreciation on fixed assets is provided on a straight line basis calculated to write off the cost of each asset over its estimated useful life as follows:

Leasehold land – long term	99 years
Freehold and leasehold building and office lots	2%
Renovations	20%
Office equipment, electrical installation, furniture and fittings	10% – 20%
Computers and office automation	20% – 33.33%
Motor vehicles	20%

The leasehold building and office lots have a term of 99 years.

With effect from the current financial year, a subsidiary changed its annual depreciation rate for furniture and fittings from 10% to 20% so as to better reflect their estimated useful lives. The effects on the Group accounts of this change in accounting estimate is an increase in depreciation charge for the Group by RM322,232 and a decrease in the Group's current year surplus by the equivalent amount.

(f) Subscriptions

The rates for monthly subscription fees are as follows:

	RM
Voting members	1,000
Dealing members (Executive Directors)	300
Non-dealing members (Corporate/Person)	300
Non-dealing members (Non-Executive Directors)	100
Dealers' representatives	250
Trainee dealers' representatives	50

(g) Provision for Retirement Benefits

Exchange

Non-executive staff:

Retirement benefits of the Exchange for non-executive staff are paid to the Employees Provident Fund and have been charged against income for the year.

Executive staff:

With effect from 1 July 1987, retirement benefits of the Exchange for executive staff are paid to an approved scheme at a rate as determined by the Exchange with the advice of an actuary and such payments have been charged against income for the year. In accordance with the rules of the Retirement Benefit Scheme, the cost of retirement benefits under this scheme is determined based on triennial actuarial valuation using the "Attained Age" actuarial valuation method.

Subsidiaries – Securities Clearing Automated Network Services Sdn Bhd
– Malaysian Central Depository Sdn Bhd

Retirement benefits of the above subsidiaries for executive and non-unionised staff are paid to an approved scheme at a rate determined by the subsidiaries with the advice of an actuary and such payments have been charged against income for the year. In accordance with the rules of the Retirement Benefit Scheme, the cost of retirement benefits under this scheme is determined based on financial actuarial valuation using the "Attained Age" actuarial valuation method.

2. Significant Accounting Policies (cont'd.)

(h) Investments

- (i) Investments in subsidiaries are stated at cost less provision for any permanent diminution in value.
- (ii) Other investments comprise unquoted bonds that are acquired and held for yield or capital growth and are usually held to maturity. Unquoted bonds are stated at cost adjusted for amortisation of premium or net of accretion of discount. Provision is made for permanent diminution in value where considered appropriate.

(i) Deferred Taxation

Deferred taxation is provided under the liability method in respect of all material timing differences except where it is reasonably expected that the tax effects of such deferrals will continue in the foreseeable future.

(j) Intangible Assets

Intangible assets comprise:

- (i) Central Depository System (CDS) development cost expenditure for the development and implementation of the CDS. The CDS development cost is being amortised over a period of 7 years.
- (ii) Preliminary and pre-operating expenses of dormant subsidiaries which are written off upon the commencement of operations of these subsidiaries.
- (iii) Purchased goodwill which is amortised over a twelve month period commencing January 1999. Purchased goodwill relates to excess of purchased consideration over the value of physical assets purchased, arising from the acquisition of the business of operating and maintaining the KLOFFE Automated Trading System.

(k) Cash and Cash Equivalents

Cash and cash equivalents include cash on hand and in banks, short term deposits, net of outstanding short term borrowings.

3. Short Term Deposits

	Group		Exchange	
	2000 RM	1999 RM	2000 RM	1999 RM
Deposits with:				
Licensed banks	871,691,263	472,635,465	365,650,000	106,667,390
Licensed finance companies	85,654,047	147,112,187	36,660,000	40,247,179
Discount houses	47,699,998	29,730,318	46,199,998	15,860,318
Merchant banks	13,200,000	—	—	—
	1,018,245,308	649,477,970	448,509,998	162,774,887
Repo with discount	3,326,000	—	—	—
	1,021,571,308	649,477,970	448,509,998	162,774,887

NOTES

▶ *t o T h e A c c o u n t s*

3. Short Term Deposits (cont'd.)

Included in short term deposits are:

	Group		Exchange	
	2000 RM	1999 RM	2000 RM	1999 RM
Deposits pledged with licensed banks for banking facilities granted	151,210,000	220,716,000	1,210,000	716,000

Short term deposits of the Group and Exchange amounting to Nil (1999: RM20,312,887) are managed by fund managers on behalf of the Exchange.

4. Debtors

	Group		Exchange	
	2000 RM	1999 RM	2000 RM	1999 RM
Trade debtors	48,152,627	92,256,054	17,865,299	17,394,391
Sundry debtors	27,850,069	55,085,954	9,697,852	26,680,566
	76,002,696	147,342,008	27,563,151	44,074,957
Provision for doubtful debts	(19,730,879)	(19,182,562)	(4,364,887)	(4,721,905)
	56,271,817	128,159,446	23,198,264	39,353,052

Included in trade debtors of the Group is an amount of RM9,818,607 (1999: RM41,399,220) owing by Member companies of the Exchange to a subsidiary under a credit facility scheme.

5. Stocks

	Group		Exchange	
	2000 RM	1999 RM	2000 RM	1999 RM
Handbooks, listing manuals and other souvenir items	468,054	248,018	468,054	248,018
Less: Amount written off during the year	(468,054)	—	(468,054)	—
	—	248,018	—	248,018

6. Investments

	Group		Exchange	
	2000 RM	1999 RM	2000 RM	1999 RM
At cost:				
Quoted shares:				
– in Malaysia	—	133,141,057	—	133,105,127
– outside Malaysia	—	32,750	—	—
Quoted loan stocks in Malaysia	—	482,444	—	482,444
Unit trusts	—	32,286,396	—	32,286,396
	—	165,942,647	—	165,873,967
Less: Provision for diminution in value	—	(9,563,345)	—	(9,563,345)
	—	156,379,302	—	156,310,622
Market value	—	156,517,141	—	156,310,622

All quoted shares, loan stocks and unit trusts held by the Exchange and Group were disposed during the year.

Investments of the Group and Exchange with a carrying value amounting to RM119,406,173 were managed by fund managers on behalf of the Group and the Exchange in the previous financial year.

7. Due from Subsidiaries

Exchange

Included in amounts due from subsidiaries is an amount of RM129,608,795 (1999: Nil) relating to royalty receivable on clearing fees from a subsidiary which was received subsequent to the year end.

The amounts due from subsidiaries are unsecured, interest free and have no fixed terms of repayment except for amounts due from two subsidiaries amounting to RM5,910,254 which bear interest of between 8.80% to 9.25% per annum (1999: 9.25% to 10.05% per annum).

8. Bank Overdrafts

The bank overdrafts in the previous financial year bore interest of between 7.25% to 11.90%.

Bank overdraft of a subsidiary amounting to RM452,097 in the previous financial year was unsecured. The remaining bank overdraft of the Group of RM20,724,552 in the previous financial year was secured against fixed deposits.

NOTES

► t o T h e A c c o u n t s

9. Short Term Borrowings

The short term borrowings of the Group in the previous financial year bore interest of between 5.65% to 11.85% per annum, of which RM2,000,000 was secured by a negative pledge over the assets of a subsidiary.

10. Due to Subsidiaries

Exchange

The amounts due to subsidiaries are unsecured, interest free and have no fixed terms of repayment.

11. Subsidiaries

	Note	Exchange	
		2000 RM	1999 RM
Unquoted shares, at cost	(i)	71,277,207	43,436,502
Amount due from a subsidiary	(ii)	—	17,624,229
		71,277,207	61,060,731
Provision for diminution in value		(33,411,115)	—
		37,866,092	61,060,731

(i) Details of the subsidiaries are as follows:

Name of Company	Effective Interest		Principal Activities
	2000 %	1999 %	
Incorporated in Malaysia:			
(a) Securities Clearing Automated Network Services Sdn Bhd ("SCANS")	100	100	Providing facilities for clearing contracts between members of the Exchange.
(b) KLSE-Bername Real-Time Information Services Sdn Bhd ("KULBER")	55	55	Compiling, providing and disseminating real-time share price and other relevant financial economic information.
(c) Malaysian Central Depository Sdn Bhd	55	55	Operating and maintaining a central depository system, providing custodian and registration facilities in respect of shares, stocks and other securities.
(d) Malaysian Share Registration Services Sdn Bhd ("MSRS")	51	51	Providing share registration services.

11. Subsidiaries (cont'd.)

Name of Company	Effective Interest		Principal Activities
	2000 %	1999 %	
(e) KLSE Realty Sdn Bhd	100	100	Providing building management and security services.
(f) Malaysian Central Depository Nominees Sdn Bhd	55	55	Acting as nominees for Malaysian Central Depository Sdn Bhd and to receive securities and property on deposit or for safe-custody or management.
(g) KLOFFE Capital Sdn Bhd	100	100	Investment holding and the promotion of derivative instruments and exchanges.
(h) The Kuala Lumpur Options & Financial Futures Exchange Bhd ("KLOFFE")	100	100	To establish, maintain, conduct, operate and promote a market for the trading of futures and options contracts and facilities for the registration of dealings and settlement of trades in such contracts.
(i) KLOFFE Information Systems Sdn Bhd	100	100	Dormant – intended principal activities are to provide information technology and management services.
(j) Labuan International Financial Exchange Inc.*	100	—	To provide, regulate and maintain facilities for conducting the business of an offshore stock exchange in Labuan.

* Incorporated in the Federal Territory of Labuan, Malaysia.

(ii) The amount due from a subsidiary in the previous year represents an unsecured advance to KLOFFE for working capital purposes. During the current financial year, the Exchange capitalised these advances as additional capital in KLOFFE Capital Sdn Bhd and KLOFFE as explained in Note 24 to the accounts.

12. Associated Company

	Group	
	2000 RM	1999 RM
Unquoted shares, at cost	4,000,000	4,000,000
Share of post acquisition profit	1,179,745	1,680,328
	5,179,745	5,680,328

NOTES

▶ *t o T h e A c c o u n t s*

12. Associated Company (cont'd.)

The analysis of the associated company is as follows:

	2000 RM	1999 RM
Group's share of net tangible assets	5,179,745	5,680,328

The associated company which is incorporated in Malaysia, is as follows:

Name of Company	Effective Interest		Principal Activities
	2000 %	1999 %	
Malaysian Derivatives Clearing House Bhd	50	50	Providing clearing facilities for futures and options contracts.

13. Other Investments

	Group		Exchange	
	2000 RM	1999 RM	2000 RM	1999 RM
Unquoted, at cost:				
Private debt securities	59,821,000	—	32,000,000	—
Amortisation of premiums less accretion of discounts	(2,546,255)	—	(2,533,792)	—
	57,274,745	—	29,466,208	—
Recreational club memberships, at cost	172,372	497,567	—	—
Add: Acquired during the year	265,835	86,520	—	—
Less: Transferred to directors	(129,112)	(411,715)	—	—
	309,095	172,372	—	—
	57,583,840	172,372	29,466,208	—

The club memberships are for the use of directors of a subsidiary.

14. Fixed Assets

Group	Land and buildings Note 14(a) RM	Office equipment, electrical installation, furniture and fittings RM	Computers and office automation RM	Motor vehicles RM	Total RM
Cost					
At 1 July 1999	378,224,262	60,254,064	290,149,396	10,042,605	738,670,327
Additions	3,444,558	5,340,383	5,247,392	1,678,977	15,711,310
Disposals	—	(27,539)	—	(457,840)	(485,379)
Written off	—	(37,953)	—	(42,645)	(80,598)
At 30 June 2000	381,668,820	65,528,955	295,396,788	11,221,097	753,815,660
Accumulated Depreciation					
At 1 July 1999	16,164,577	28,515,405	244,930,256	5,385,352	294,995,590
Additions	7,738,719	13,405,347	29,426,948	2,140,089	52,711,103
Disposals	—	(13,451)	—	(335,530)	(348,981)
Written off	—	(15,857)	—	(42,645)	(58,502)
At 30 June 2000	23,903,296	41,891,444	274,357,204	7,147,266	347,299,210
Net Book Value					
At 30 June 2000	357,765,524	23,637,511	21,039,584	4,073,831	406,516,450
At 30 June 1999	362,059,685	31,738,659	45,219,140	4,657,253	443,674,737
Depreciation charge for 1999	7,701,736	11,466,884	47,647,631	2,229,858	69,046,109

NOTES

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14. Fixed Assets (cont'd.)

Exchange	Land and buildings Note 14(a) RM	Office equipment, furniture and fittings and fittings RM	Computers and office automation RM	Motor vehicles RM	Total RM
Cost					
At 1 July 1999	361,051,871	44,967,988	120,976,355	7,186,731	534,182,945
Additions	3,413,107	5,097,411	4,962,130	1,678,977	15,151,625
Disposals	—	(1,969)	—	(226,251)	(228,220)
Transfers from a subsidiary	72,814	7,753,790	105,745,072	—	113,571,676
Transfers to a subsidiary	—	(394,160)	(144,002)	(255,799)	(793,961)
At 30 June 2000	364,537,792	57,423,060	231,539,555	8,383,658	661,884,065
Accumulated Depreciation					
At 1 July 1999	13,905,219	20,849,763	112,324,066	3,729,416	150,808,464
Additions	6,623,251	12,135,737	21,418,730	1,615,714	41,793,432
Disposals	—	(817)	—	(135,812)	(136,629)
Transfers from subsidiary	47,051	3,728,776	85,955,413	—	89,731,240
Transfers to subsidiary	—	(221,410)	(128,818)	(161,631)	(511,859)
At 30 June 2000	20,575,521	36,492,049	219,569,391	5,047,687	281,684,648
Net Book Value					
At 30 June 2000	343,962,271	20,931,011	11,970,164	3,335,971	380,199,417
At 30 June 1999	347,146,652	24,118,225	8,652,289	3,457,315	383,374,481
Depreciation charge for 1999	6,542,856	9,187,574	21,085,419	1,402,341	38,218,190

14. (a) Land and Buildings

Group	Leasehold land RM	Leasehold building and office lots RM	Freehold building and office lots RM	Renovations RM	Total RM
Cost					
At 1 July 1999	60,817,500	281,018,612	31,904,477	4,483,673	378,224,262
Additions	—	3,413,107	—	31,451	3,444,558
At 30 June 2000	60,817,500	284,431,719	31,904,477	4,515,124	381,668,820
Accumulated Depreciation					
At 1 July 1999	3,231,363	9,974,380	1,768,489	1,190,345	16,164,577
Charge for the year	538,561	5,711,204	638,089	850,865	7,738,719
At 30 June 2000	3,769,924	15,685,584	2,406,578	2,041,210	23,903,296
Net Book Value					
At 30 June 2000	57,047,576	268,746,135	29,497,899	2,473,914	357,765,524
At 30 June 1999	57,586,137	271,044,232	30,135,988	3,293,328	362,059,685
Depreciation charge for 1999	538,223	5,631,148	638,089	894,276	7,701,736
Exchange					
Cost					
At 1 July 1999	60,817,500	280,372,771	19,861,600	—	361,051,871
Additions	—	3,413,107	—	—	3,413,107
Transfer from subsidiary	—	72,814	—	—	72,814
At 30 June 2000	60,817,500	283,858,692	19,861,600	—	364,537,792
Accumulated Depreciation					
At 1 July 1999	3,231,363	9,879,392	794,464	—	13,905,219
Charge for the year	538,561	5,687,458	397,232	—	6,623,251
Transfer from subsidiary	—	47,051	—	—	47,051
At 30 June 2000	3,769,924	15,613,901	1,191,696	—	20,575,521

NOTES

▶ *t o T h e A c c o u n t s*

14. (a) Land and Buildings (cont'd.)

Exchange	Leasehold land RM	Leasehold building and office lots RM	Freehold building and office lots RM	Renovations RM	Total RM
Net Book Value					
At 30 June 2000	57,047,576	268,244,791	18,669,904	—	343,962,271
At 30 June 1999	57,586,137	270,493,379	19,067,136	—	347,146,652
Depreciation charge for 1999	538,223	5,607,401	397,232	—	6,542,856

Office lots represent office and car park space in multistorey buildings.

Included in the fixed assets of the Group and the Exchange are the following cost of fully depreciated assets which are still in use:

	Group		Exchange	
	2000 RM	1999 RM	2000 RM	1999 RM
Leasehold buildings, office lots and renovations	246,341	154,439	—	—
Office equipment, furniture and fittings	14,352,357	6,478,674	11,975,252	4,595,470
Computer equipment	201,755,284	138,204,825	186,299,872	57,061,814
Motor vehicles	1,421,905	1,249,569	1,113,700	1,113,700

15. Staff Loans Receivable

	Group		Exchange	
	2000 RM	1999 RM	2000 RM	1999 RM
Housing loans	26,204,764	13,753,693	24,936,759	13,196,532
Vehicle loans	2,900,039	2,891,235	2,176,527	1,840,694
Computer loans	655	2,804	—	—
Portion repayable within twelve months included in sundry debtors	(2,874,044)	(1,632,651)	(2,456,694)	(981,588)
	26,231,414	15,015,081	24,656,592	14,055,638

The staff housing and vehicle loans are secured against the properties and vehicles of the borrowers respectively.

16. Intangible Assets

Group	2000 RM	1999 RM
CDS Development cost	—	982,130
Less: Amortisation	—	(982,130)
	—	—
Preliminary expenses	4,990	65,682
Pre-operating expenses	16,160	385,433
Purchased goodwill	—	1,720,212
	21,150	2,171,327
Less: Accumulated amortisation	—	(1,258,336)
	21,150	912,991
	21,150	912,991

Included in pre-operating expenses are audit fees for the year of RM800 (1999: RM800).

NOTES

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17. Deferred Taxation

	Group		Exchange	
	2000 RM	1999 RM	2000 RM	1999 RM
(a) At beginning of year	6,743,000	6,868,650	3,601,000	3,601,000
Net transfer to income statement	(3,090,800)	—	—	—
Subsidiary disposed	—	(125,650)	—	—
At end of year	3,652,200	6,743,000	3,601,000	3,601,000
(b) Timing differences between depreciation and corresponding capital allowances	13,613,333	28,086,617	13,430,473	16,645,319
Timing differences on provisions	(570,473)	(4,004,617)	(570,473)	(3,785,319)
Net amount of all timing differences	13,042,860	24,082,000	12,860,000	12,860,000

18. Long Term Liability

Group and Exchange	2000 RM	1999 RM
Long term liability	49,951,498	50,490,059
Less: Portion repayable within twelve months included in sundry creditors	(538,561)	(538,561)
	49,412,937	49,951,498

Long term liability relates to the amount payable to the Government of Malaysia for the purchase of leasehold land. The amount is payable in 99 annual instalments of RM538,561 each.

19. Membership Fees

As at 30 June 2000

(i) membership fees received from past and present members at RM10,000 each amounted to RM2,960,000 (1999: RM2,950,000); and

(ii) a total contribution of RM94,000,000 (1999: RM91,000,000) was received from members as follows:

	No of Members			Contribution per Member RM'000	Total Contributions		
	Brought forward	Additions	Carried forward		Brought forward RM'000	Additions RM'000	Carried forward RM'000
2000							
	5	—	5	5,000	25,000	—	25,000
	51	—	51	1,000	51,000	—	51,000
	5	1	6	3,000	15,000	3,000	18,000
	61	1	62		91,000	3,000	94,000
1999							
	3	2	5	5,000	15,000	10,000	25,000
	50	1	51	1,000	50,000	1,000	51,000
	5	—	5	3,000	15,000	—	15,000
	58	3	61		80,000	11,000	91,000

20. Capital Reserve

The capital reserve relates to the Group's portion of capitalised retained profits arising from the redemption of 5,000,000 5% redeemable cumulative preference shares of RM1 each by a subsidiary as disclosed in Note 27(d) to the accounts.

21. Compensation Fund

	Group	
	2000 RM	1999 RM
At beginning of year	39,677,440	33,531,000
Transfer from Income Statement	10,322,560	6,146,440
At end of year	50,000,000	39,677,440

NOTES

► *t o T h e A c c o u n t s*

21. Compensation Fund (cont'd.)

In 1997, pursuant to the provisions of Section 5(1)(b)(vii) of the Securities Industry (Central Depositories) Act, 1991, Malaysian Central Depository Sdn Bhd ("MCD"), a subsidiary, established a scheme of compensation for the purpose of settling claims by depositors against MCD, its authorised depository agents and Malaysian Central Depository Nominees Sdn Bhd. The scheme comprises the Compensation Fund and insurance policies.

22. Revenue

	Group	
	2000 RM	1999 RM
Clearing fee	244,863,597	130,229,130
SCORE fee	56,905,533	26,523,193
Interest income	28,040,523	59,679,881
Members' subscription	23,730,025	22,320,795
Other income derived from operations of the Group	68,838,183	82,181,246
	422,377,861	320,934,245

	Exchange	
	2000 RM	1999 RM
Dividend income from subsidiaries	148,804,861	145,970,833
Royalty income from a subsidiary*	129,608,795	—
SCORE fee	56,905,533	26,523,193
Cost recoveries	26,110,495	—
Members' subscriptions	22,757,525	21,890,225
Interest income	10,845,785	24,901,817
Other income derived from operations of the Exchange	38,821,422	31,130,215
	433,854,416	250,416,283

* Royalty income from a subsidiary represents royalty receivable from SCANS, a wholly owned subsidiary. The royalty came into effect on 1 July 1999.

23. Surplus Before Taxation

	Group		Exchange	
	2000 RM	1999 RM	2000 RM	1999 RM
This is arrived at after charging/(crediting):				
Auditors' remuneration	157,400	150,600	45,000	40,000
Amortisation of intangible assets	860,106	937,954	—	—
Preliminary and pre-operating expenses written off	34,569	—	—	—
Depreciation	52,711,103	69,046,109	41,793,432	38,218,190
Bad and doubtful debts (net of writeback)	1,269,520	8,845,119	131,994	4,487,162
Stocks written off	468,054	—	468,054	—
Fixed assets written off	22,096	278,574	—	—
Interest expense				
– subsidiary	—	—	—	10,049
– others	477,972	809,793	—	—
Office rental				
– subsidiary	—	—	44,014	26,544
– others	1,114,144	2,280,992	59,664	315,929
Remuneration of				
– Committee Members Fees	232,000	306,000	—	—
– Other emoluments	506,000	520,200	—	—
– Other directors of subsidiaries*:				
– Fees	334,200	236,200	—	—
– Other emoluments	562,400	81,790	—	—
Rental of equipment	193,178	366,698	—	—
Recreational club memberships benefit to directors**	129,112	411,715	—	—
Retirement benefits	7,163,192	3,681,705	6,018,821	2,093,107
Gross dividend income from				
– subsidiaries	—	—	(148,804,861)	(145,970,833)
– investments quoted in Malaysia	(2,368,447)	(3,526,849)	(2,368,447)	(3,526,849)
Equipment rental income	(16,715,490)	(18,396,511)	(15,926,945)	(4,324,435)
Building rental				
– subsidiaries	—	—	(5,055,890)	(10,869,696)
– others	(90,965)	(897,679)	(23,977)	(614,991)
Net gain on sale of fixed assets	(154,525)	(68,974)	(150,356)	(74,708)
Gain on disposal of a subsidiary***	—	(1,031,936)	—	—
Net (gain)/loss on disposal of investments	(34,656,427)	(3,352,226)	(34,495,735)	1,322,096
Writeback of provision for diminution in value of investments	(9,563,345)	(66,575,536)	(9,563,345)	(66,040,419)
Interest income from				
– subsidiary	—	—	(419,312)	(557,991)
– others	(32,583,703)	(67,711,689)	(11,149,248)	(24,343,826)

NOTES

▶ *t o T h e A c c o u n t s*

23. Surplus Before Taxation (cont'd.)

* The estimated monetary value of other benefits not included in the above received by a director of a subsidiary was RM27,550 (1999: Nil).

** This represents cost of recreational club memberships transferred to directors of a subsidiary.

*** This represents the gain arising from the disposal of KLSE Chilong Systems Sdn Bhd in the previous financial year.

24. Exceptional Item

The exceptional item in the current financial year relates to provision for diminution in value of investment in KLOFFE Capital Sdn Bhd amounting to RM33,411,115 (1999: Nil) to reflect the net tangible assets value of KLOFFE Capital Sdn Bhd and its subsidiaries as at 30 June 2000.

25. Taxation

	Group		Exchange	
	2000 RM	1999 RM	2000 RM	1999 RM
Current year charge	130,716,461	474,167	104,159,000	41,346,000
Overprovision in prior years	(1,409,836)	(9,534,700)	—	(9,534,700)
Transfer from deferred taxation	(3,090,800)	—	—	—
	126,215,825	(9,060,533)	104,159,000	31,811,300

The effective tax rate of the Group and Exchange is higher than the statutory tax rate mainly due to certain expenses being disallowed for tax purposes and the non-availability of Group relief for tax losses by some companies within the Group.

The tax charge in the previous financial year was in relation to dividend income. There was no tax charge on other sources of income as the amount payable was waived in accordance with the Income Tax (Amendment) Act, 1999.

26. Transfer to Compensation Funds

	Group		Exchange	
	2000 RM	1999 RM	2000 RM	1999 RM
MCD Compensation Fund (Note 21)	10,322,560	6,146,440	—	—
KLSE Compensation Fund	—	206,000,000	—	206,000,000
	10,322,560	212,146,440	—	206,000,000

The transfer to KLSE Compensation Fund in the previous year was made pursuant to Section 62 (d) of the Securities Industry Act, 1983 (Amended 1997).

27. Significant Events

During the financial year,

- The Exchange subscribed for all 20,000,000 new ordinary shares of RM1 each in KLOFFE Capital Sdn Bhd (KLOFFE Capital), a wholly owned subsidiary. KLOFFE Capital in turn also subscribed for all 20,000,000 new ordinary shares of RM1 each in The Kuala Lumpur Options and Financial Futures Exchange Bhd (a wholly owned subsidiary). Both transactions were satisfied by way of capitalisation of inter company balances.
- The Exchange acquired from SCANS, pursuant to the Group rationalisation exercise to streamline the Group's activities and structure, the following:
 - 1,020,000 ordinary shares of RM1 each representing 51% equity interest in MSRS for a cash consideration of RM1,020,000; and
 - 137,501 ordinary shares of RM1 each representing 55% equity interest in KULBER for a cash consideration of RM8,190,207 which is adjusted based on the attributable Net Tangible Assets on the completion date.
- The Exchange subscribed for 100,000 ordinary shares of USD1 each at par representing 100% interest in Labuan International Financial Exchange Inc. a company incorporated in the Federal Territory of Labuan, Malaysia, for a cash consideration of RM380,500.
- A subsidiary, Malaysian Central Depository Sdn Bhd, redeemed 5,000,000 5% redeemable cumulative preference shares of RM1 each at a premium of RM0.50 per share. The redemption was made out of the capitalisation of retained profits to capital redemption reserve. The premium of RM2,500,000 paid on the redemption was provided out of profits otherwise available for dividends.

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▶ *t o T h e A c c o u n t s*

27. Significant Events (cont'd.)

- (e) A subsidiary, KLSE Realty Sdn Bhd, increased its issued and paid-up share capital from RM2 to RM1,000,000 through the allotment of 999,998 new ordinary shares of RM1 each. The shares were fully subscribed by the Exchange, thus retaining the Exchange's 100% equity interest in KLSE Realty Sdn Bhd.
- (f) The Exchange signed a Memorandum of Understanding with Commodity and Monetary Exchange of Malaysia ("COMMEX") with the objective of consolidating The Kuala Lumpur Options and Financial Futures Exchange Bhd with COMMEX.

28. KLSE Compensation Fund

The accounts of the KLSE Compensation Fund for the year ended 30 June 2000 are as attached and have been accounted for separately from all other properties of Kuala Lumpur Stock Exchange as required by Section 61 of the Securities Industry Act, 1983 (Amended 1997).

29. Capital Commitments

	Group		Exchange	
	2000 RM	1999 RM	2000 RM	1999 RM
Authorised and contracted for				
– Office equipment, furniture and fittings	100,186	6,951,944	100,186	6,943,544
– Computer and office automation	740,388	16,113,371	740,388	16,113,371
– Building and renovation	94,514	12,738,065	—	12,738,065
	935,088	35,803,380	840,574	35,794,980
Approved but not contracted for				
– Office equipment, furniture and fittings	185,290	3,126,868	68,990	3,126,868
– Computer and office automation	40,104,586	3,257,289	39,912,156	3,257,289
– Motor vehicle	800,000	899,500	600,000	899,500
– Building and renovation	440,000	859,800	—	859,800
– Others	—	480,000	—	480,000
	41,529,876	8,623,457	40,581,146	8,623,457

30. Incorporation

The Exchange was incorporated under the Companies Act, 1965 on 14 December 1976 as a company limited by guarantee and does not have a share capital. Membership fees and accumulated funds of the Exchange are not distributable to the members of the Exchange.

31. Comparative Figures

Certain comparative figures have been reclassified to conform with current year presentation.

32. Currency

All amounts are stated in Ringgit Malaysia.

Audit Sub-Committee

Objectives

- Assist the KLSE Committee in discharging its responsibilities relating to accounting practices of KLSE and its Group of Companies.
- Ensure the adequacy, efficiency and effectiveness of the Group's administrative, operating and accounting controls and procedures.
- Oversee and evaluate the quality of the audits conducted both by the Group's internal and external auditors.

Members

- Tan Kim Leong (*Chairman*)
- Datuk Mohaiyani Shamsudin
- Abdul Jabbar Abdul Majid
- Abdul Samad Alias
- Philip TN Koh

Budget and Investment Sub-Committee

Objectives

- Ensure that the KLSE and its Group of Companies have a proper budgetary system in place that will help to plan, co-ordinate, evaluate and control financial activities effectively.
- Ensure that proper allocations are made to enable effective and efficient:-
 - operations of the KLSE and its Group of Companies;
 - implementation of the development plans of the KLSE and its Group Companies; and
 - utilisation of financial resources.
- Review and monitor the financial position of the KLSE and its Group of Companies.
- Ensure that the cash of the KLSE and its Group of Companies is preserved and secured.
- Ensure that the funds are properly invested and maintained with the view to maximise return/yields on investment.
- Appoint appropriate advisors in managing its surplus funds.
- Formulate policies and guidelines for the investment of the KLSE and its Group of Companies' surplus funds.
- Review the investment policy of the KLSE and its Group of Companies to ensure that optimal yield is achieved with minimum risk exposure to the funds.

Members

- Dato' Mohammed Azlan Hashim (*Chairman*)
- Chan Guan Seng
- Harry K Menon
- YM Raja Ahmad Raja Jallaludin
- Johari Hassan

Disputes and Disciplinary Sub-Committee

Objectives

- Consider matters relating to disputes among Member Companies.
- Consider disciplinary actions against Members, Member Companies and Dealers' Representatives of the Exchange.

Members

- Dato' Ranita Mohd Hussein (*Chairperson*)
- Tan Kim Leong
- Abdul Kadir Hj Md Kassim
- Abdul Wahab Nan Abidin
- YM Raja Datuk Arshad Raja Tun Uda
- Nik Saghir Mohd Noor

Rules and Development Sub-Committee

Objectives

- Review changes, revisions or additions to the KLSE Rules and Regulations to determine if they are consistent with the mission and objectives of the KLSE.
- Review the role and direction of the KLSE and its Group of Companies in line with its mission and vision.

Members

- Dato' Mohammed Azlan Hashim (*Chairman*)
- Datuk Mohaiyani Shamsudin
- Chan Guan Seng
- Abdul Kadir Hj Md Kassim
- Dato' Megat Najmuddin Megat Khas
- Dato' Ahmad Johan Mohammad Raslan
- Ching Yew Chye
- Abang Zainal Abidin Abang Ahmad
- Dato' Hwang Sing Lue

Listing Sub-Committee

Objectives

- Assist the KLSE Committee in discharging all matters relating to listing and post-listing functions of the KLSE in a speedy and efficient manner.

Members

- Dato' Mohammed Azlan Hashim (*Chairman*)
- Datuk Mohaiyani Shamsudin
- Chan Guan Seng
- Abdul Kadir Hj Md Kassim
- Iskander Ismail
- Dato' Megat Najmuddin Megat Khas
- Abdul Jabbar Abdul Majid

Index Sub-Committee

Objectives

- Responsible for the construction and establishment of new indices as directed by the KLSE Committee or whenever necessary.
- Assist in other related securities areas, if possible, as determined by the KLSE Committee.

Members

- Dato' Mohammed Azlan Hashim (*Chairman*)
- Dr Aziz Abu Hassan
- Dr Kok Kim Lian
- Dr John Lee Hin Hock
- Dato' Azim Mohd Zabidi
- Jamiah Abdul Hamid
- Yoon Mun Thim
- Anwar Aji
- S Loganathan

Membership Sub-Committee

Objectives

- To consider and recommend to the KLSE Committee applications for Membership of the Exchange pursuant to the Exchange's Articles of Association and Rules, after having duly interviewed the individual applicant, proposed Dealing Members and Non-Dealing Members, as the case may be.

Members

- Datuk Mohaiyani Shamsudin (*Chairperson*)
- Abdul Kadir Hj Md Kassim
- Dato' Ranita Mohd Hussein
- Abdul Wahab Nan Abidin
- Johari Hassan

Monthly

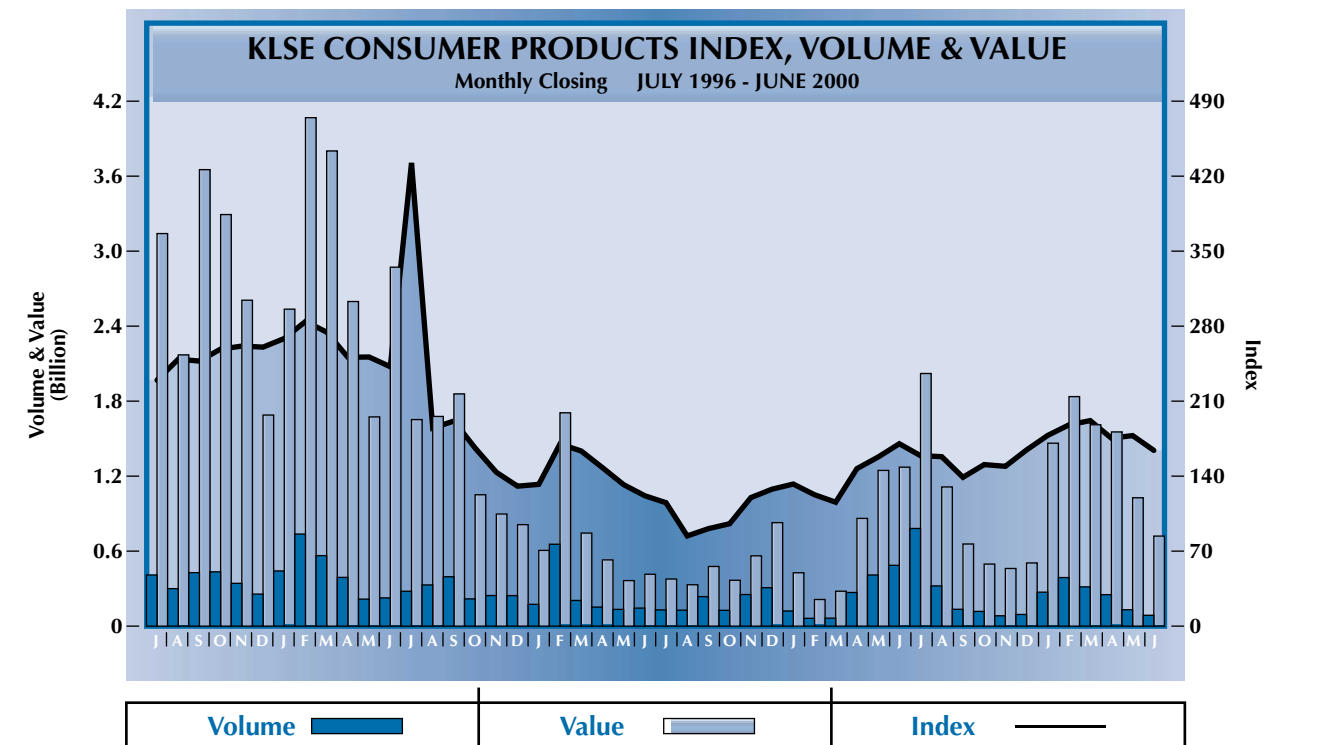
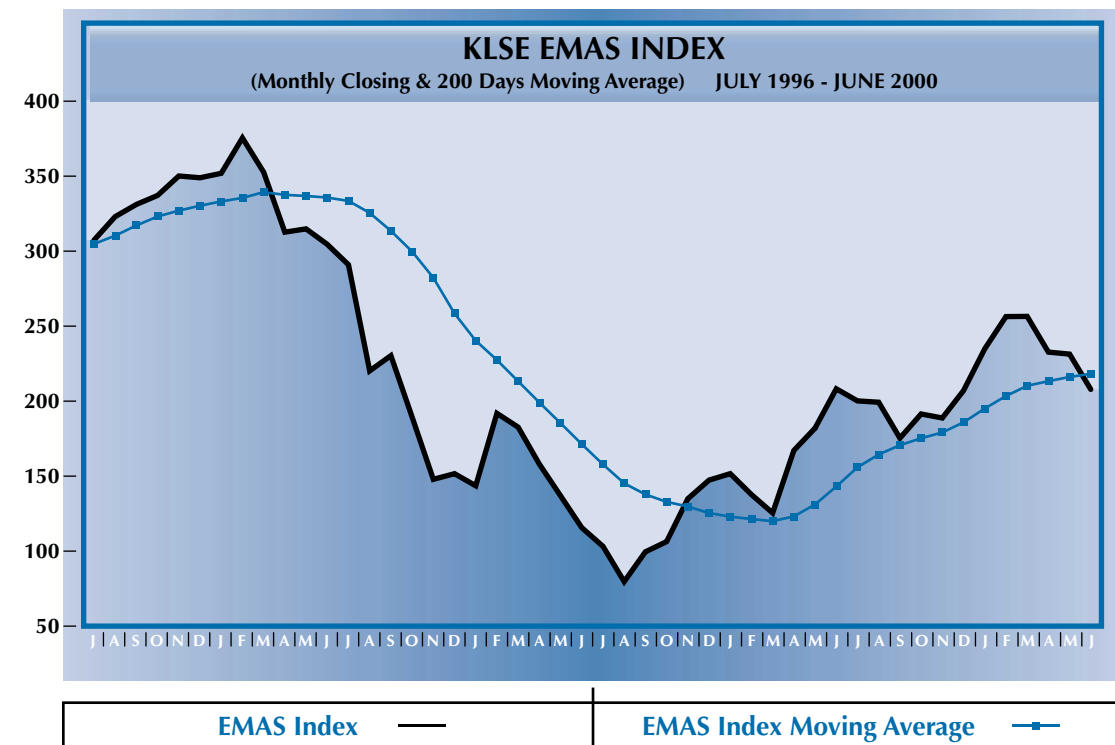
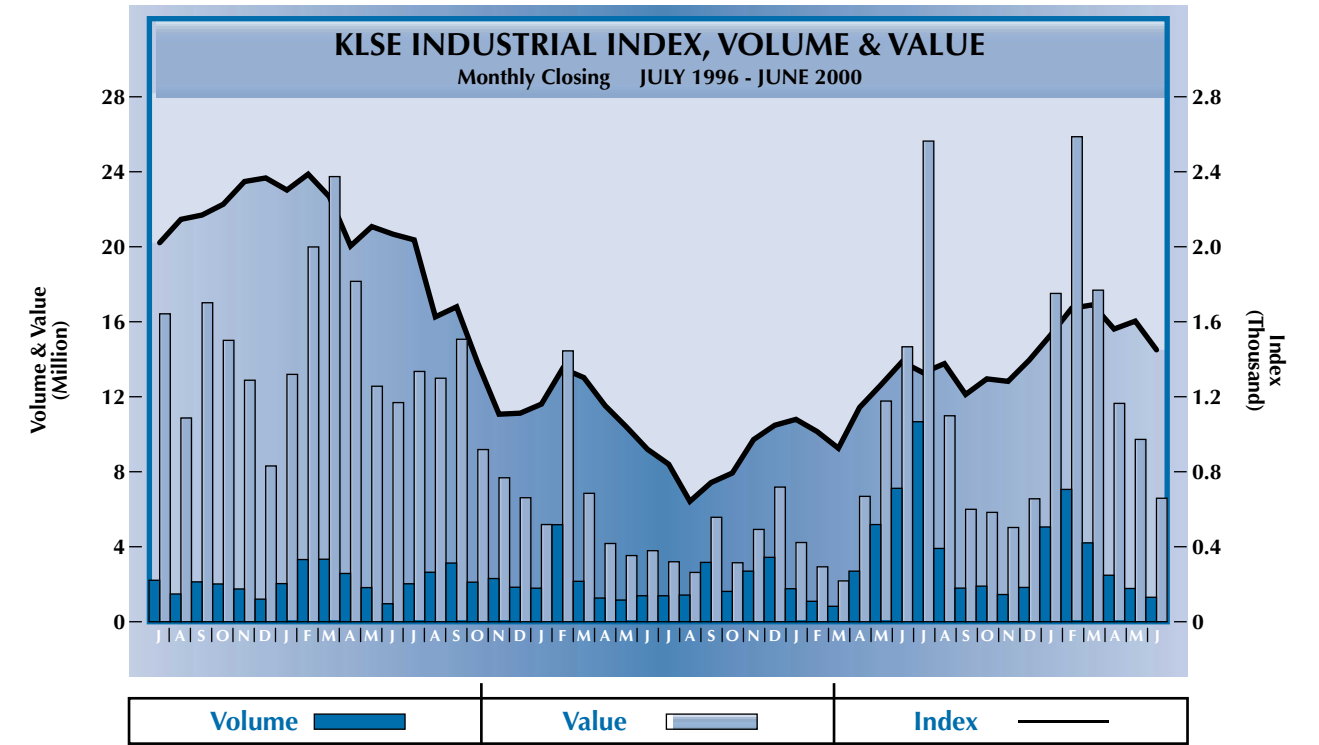
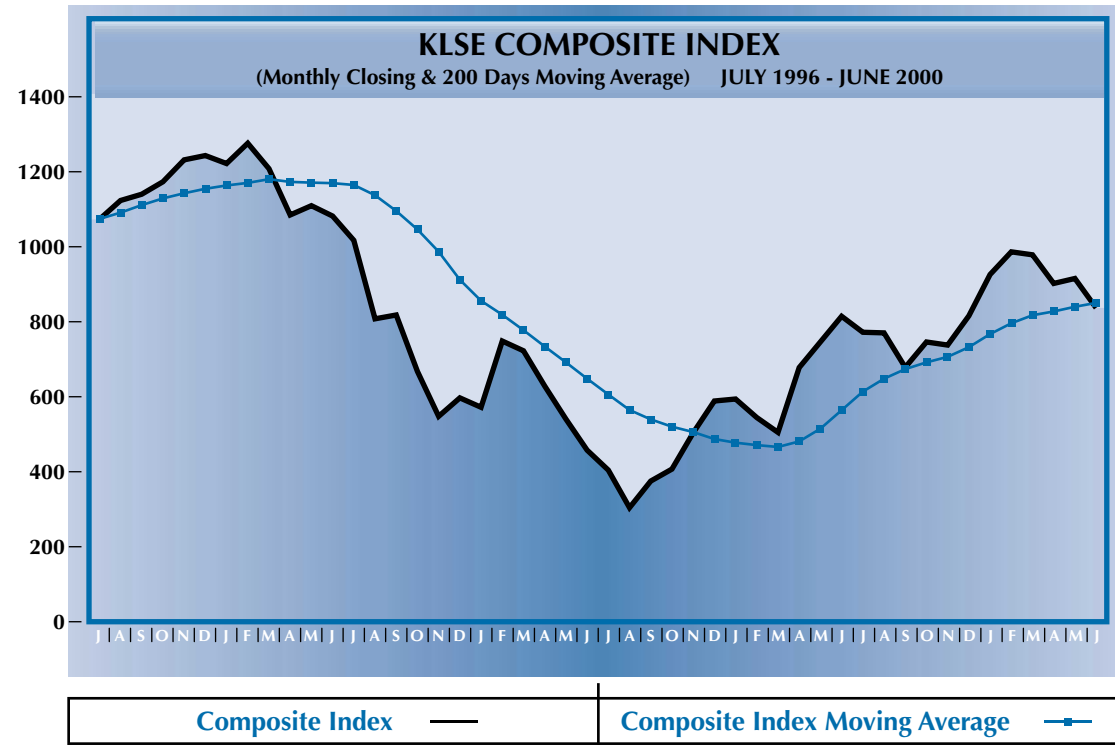
High, Low and Closing Indices*

		Composite			EMAS			Property			Plantations		
		High	Low	Closing	High	Low	Closing	High	Low	Closing	High	Low	Closing
1999	July	851.67	768.69	768.69	225.20	199.53	199.53	1,385.32	1,083.01	1,100.39	1,798.06	1,597.86	1,597.86
	August	775.18	668.21	767.06	200.15	168.73	198.64	1,110.62	877.00	1,101.13	1,631.37	1,429.13	1,631.37
	September	755.06	675.45	675.45	194.86	174.81	174.81	1,073.82	950.21	950.21	1,607.37	1,475.63	1,475.63
	October	750.20	680.07	742.87	194.36	175.87	190.84	1,082.53	960.22	1,006.08	1,567.71	1,481.16	1,559.76
	November	745.91	715.54	734.66	191.10	182.57	188.19	989.58	936.54	962.20	1,606.04	1,530.72	1,606.04
	December	812.33	724.63	812.33	206.39	184.97	206.39	1,026.68	947.04	1,026.68	1,686.71	1,589.27	1,677.09
2000	January	954.50	815.80	922.10	242.57	209.13	234.10	1,201.55	1,038.98	1,096.00	1,792.98	1,648.14	1,717.59
	February	1,013.27	942.85	982.24	266.14	240.72	255.51	1,378.20	1,145.04	1,270.98	1,968.63	1,768.12	1,891.72
	March	988.37	920.49	974.38	259.09	240.14	255.63	1,287.23	1,164.93	1,274.90	1,940.30	1,825.87	1,935.42
	April	965.41	874.97	898.35	253.25	226.77	231.93	1,270.12	1,108.11	1,129.92	1,967.31	1,865.30	1,951.09
	May	950.62	884.57	911.51	243.18	224.74	230.59	1,173.40	1,095.47	1,113.10	1,987.21	1,907.43	1,918.00
	June	904.53	803.87	833.37	227.94	200.54	207.15	1,092.45	933.24	970.02	1,912.56	1,753.84	1,826.47
		Industrial			Consumer Products			Mining			Syariah		
		High	Low	Closing	High	Low	Closing	High	Low	Closing	High	Low	Closing
1999	July	1,476.02	1,322.40	1,322.40	176.85	158.43	158.43	300.93	238.89	238.89	132.10	118.86	118.86
	August	1,375.26	1,145.87	1,370.65	158.16	139.95	157.52	236.07	187.45	231.02	119.12	106.64	118.46
	September	1,344.54	1,207.07	1,207.07	155.73	138.15	138.34	227.42	196.11	198.74	116.27	105.67	105.67
	October	1,308.17	1,223.35	1,289.84	150.30	140.55	150.16	225.09	201.00	222.40	114.94	106.26	113.65
	November	1,296.85	1,257.89	1,276.60	150.80	146.56	148.54	226.73	204.78	221.35	114.85	109.81	113.15
	December	1,392.16	1,258.86	1,389.44	163.77	147.02	163.77	238.53	215.10	235.14	127.74	112.11	127.74
2000	January	1,571.43	1,384.72	1,521.88	178.32	165.24	177.30	254.77	231.26	235.85	145.12	129.03	140.9
	February	1,718.18	1,544.52	1,664.78	192.87	179.66	187.08	295.54	248.22	266.12	162.66	144.92	155.96
	March	1,687.18	1,556.78	1,683.24	191.51	180.48	191.02	329.01	249.23	329.01	159.80	148.46	159.02
	April	1,640.26	1,487.47	1,554.62	191.03	173.50	174.68	323.05	263.55	264.65	157.29	140.20	143.44
	May	1,641.48	1,539.99	1,596.58	182.85	174.21	177.11	277.63	258.60	268.26	152.77	142.36	145.52
	June	1,584.00	1,415.11	1,444.10	175.06	158.03	163.32	256.62	199.98	217.13	144.36	128.29	132.76
		Industrial Products			Construction			Second Board			Technology#		
		High	Low	Closing	High	Low	Closing	High	Low	Closing	High	Low	Closing
1999	July	97.93	83.96	83.96	278.06	242.74	244.16	202.78	167.62	167.62	166.05	139.33	147.13
	August	84.60	72.04	84.14	251.65	202.01	249.06	165.09	142.52	164.42	150.24	127.78	129.35
	September	82.73	76.96	76.96	241.66	202.52	202.52	162.75	153.60	153.60			
	October	82.27	77.41	78.60	235.41	201.51	232.21	169.98	153.58	157.30			
	November	79.58	75.98	77.76	234.40	215.73	226.68	157.79	150.89	154.34			
	December	87.48	76.93	87.48	237.09	222.00	234.63	180.57	151.29	180.57			
2000	January	97.31	88.30	95.31	291.76	241.25	275.75	217.02	193.75	207.09			
	February	118.97	99.98	112.00	317.78	282.60	312.16	307.56	216.59	272.25			
	March	113.99	104.36	113.43	317.80	285.18	312.79	300.03	245.19	298.50			
	April	109.94	95.33	98.21	309.02	272.81	279.06	298.19	242.17	253.49			
	May	104.45	94.21	95.87	291.11	262.38	273.44	274.51	241.59	245.06			
	June	95.31	83.02	87.19	267.25	213.74	226.75	239.62	206.36	215.19			
		Trading/Services			Finance			Technology#					
		High	Low	Closing	High	Low	Closing	High	Low	Closing	High	Low	Closing
1999	July	135.88	121.01	121.01	6,888.40	6,081.56	6,172.17						
	August	122.85	104.95	121.90	5,997.09	4,864.83	5,890.31						
	September	119.66	106.53	106.53	5,861.50	5,209.09	5,209.09						
	October	118.77	106.89	117.12	6,030.51	5,257.59	5,928.79						
	November	116.08	111.74	114.05	5,974.95	5,655.72	5,924.31						
	December	127.77	110.58	127.77	6,446.80	5,838.38	6,446.80						
2000	January	153.10	127.83	145.09	8,037.50	6,632.31	7,808.98						
	February	160.67	148.76	154.97	8,797.85	8,010.67	8,344.93						
	March	156.18	144.97	153.80	8,460.88	7,729.41	8,178.61						
	April	152.92	135.44	139.63	8,145.32	7,433.82	7,558.70						
	May	150.18	137.87	142.01	7,788.73	7,179.97	7,397.55						
	June	140.70	123.27	127.14	7,290.42	6,525.39	6,718.52						

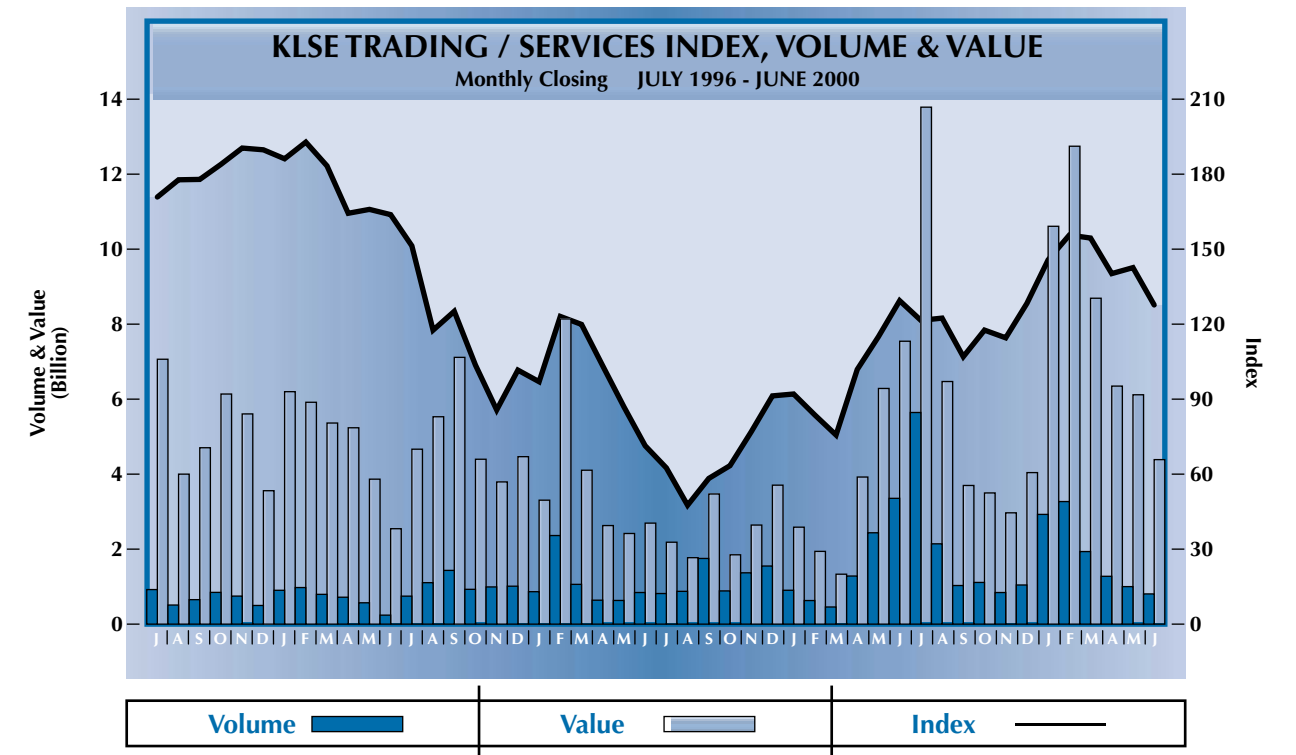
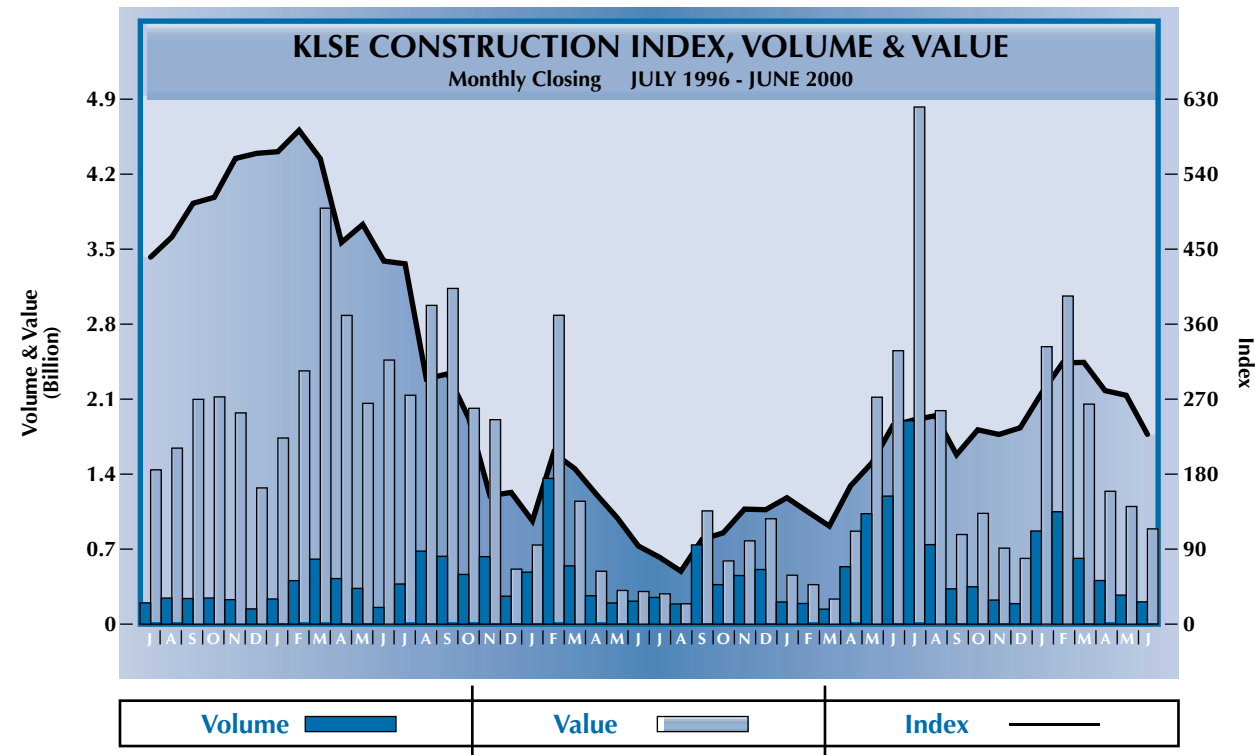
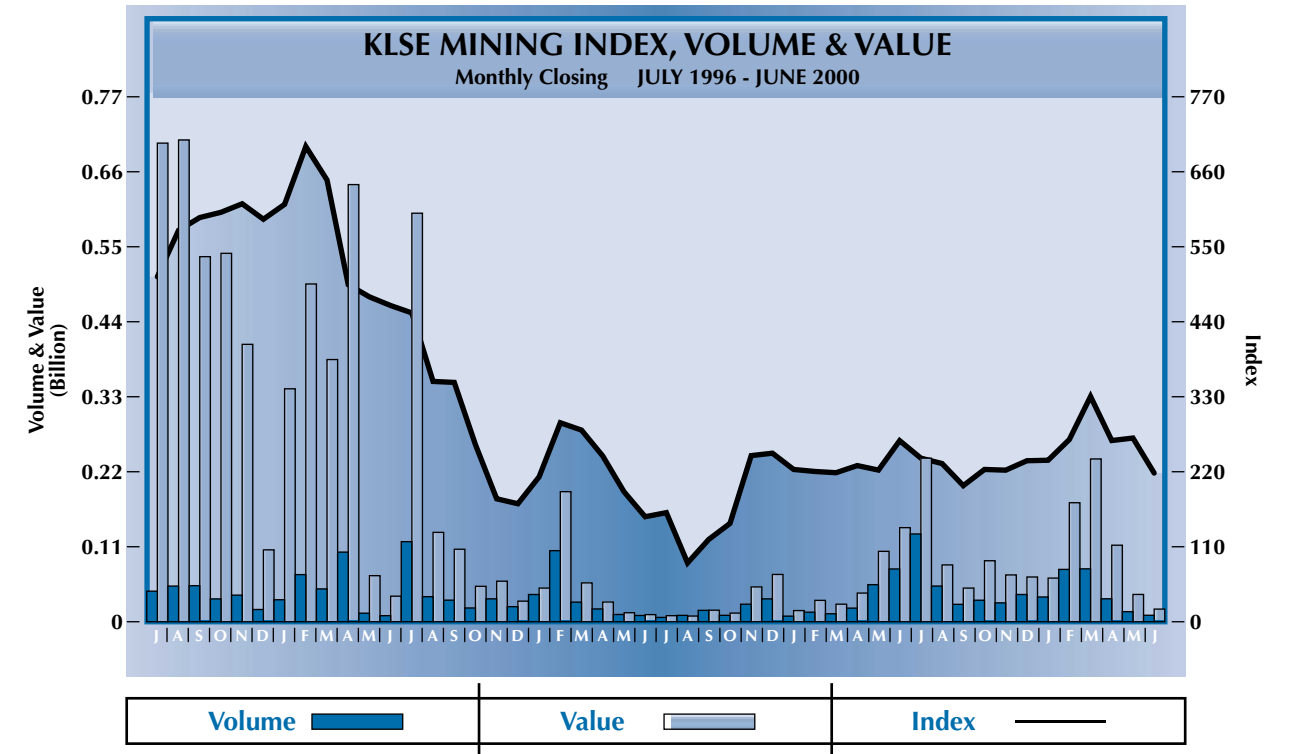
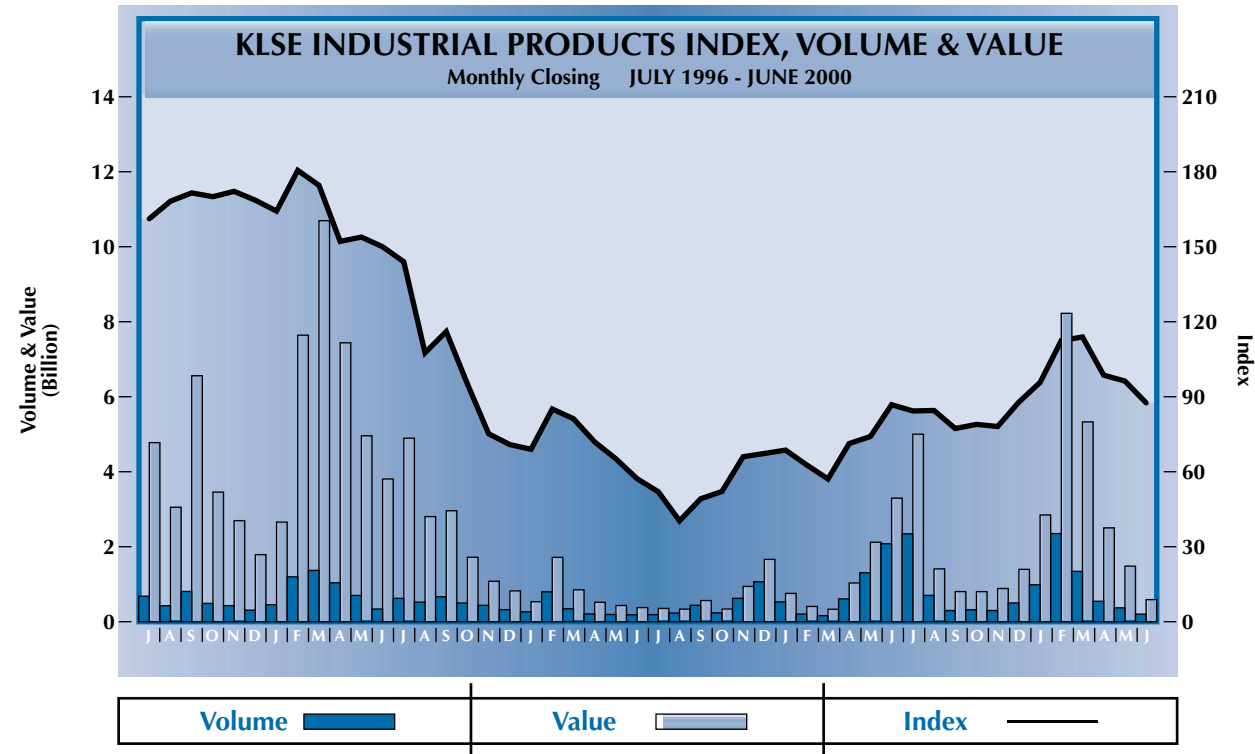
Note: *based on closing indices.
launched on 15/5/2000.

Indices:

Volume and Value

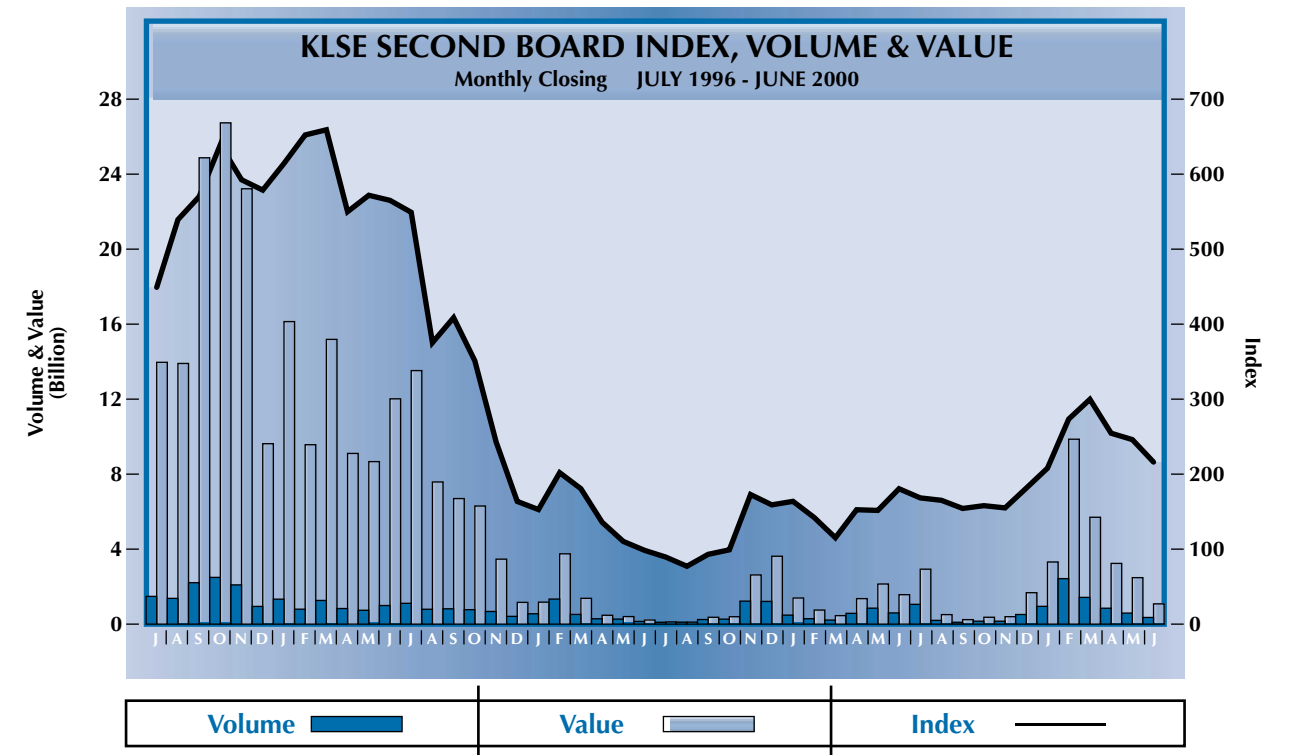
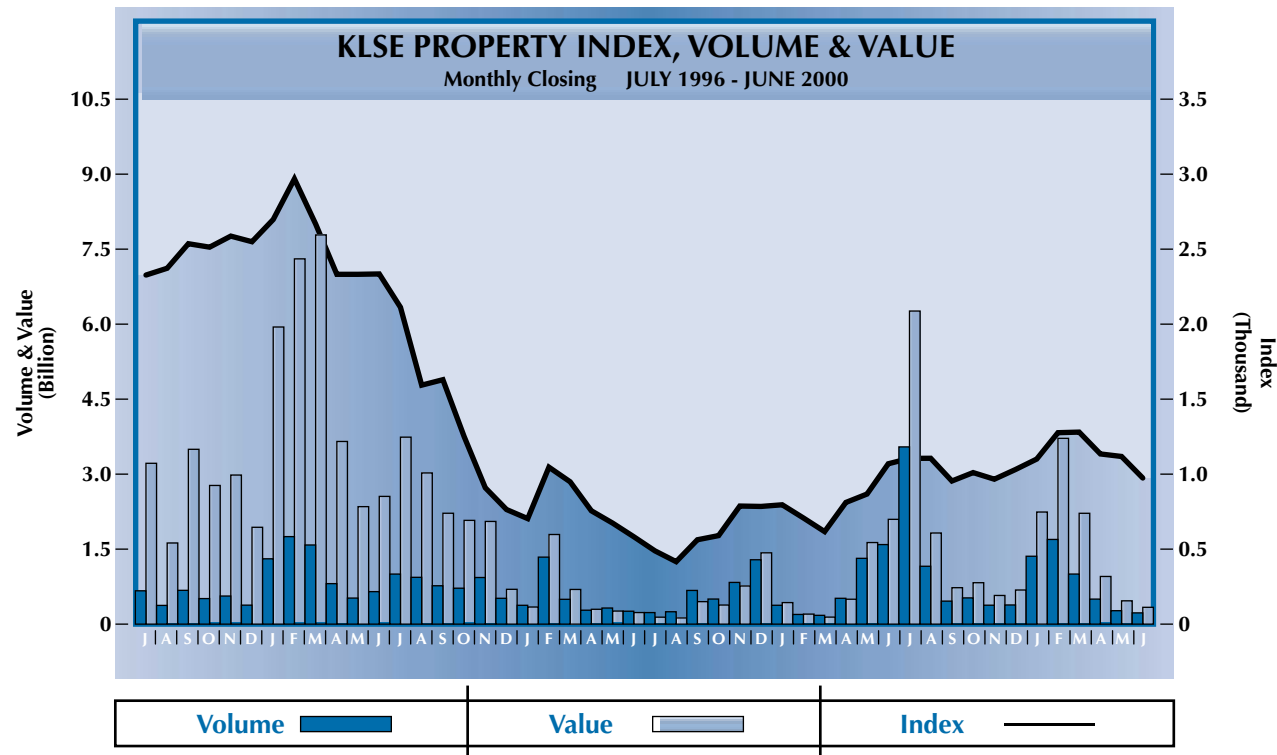
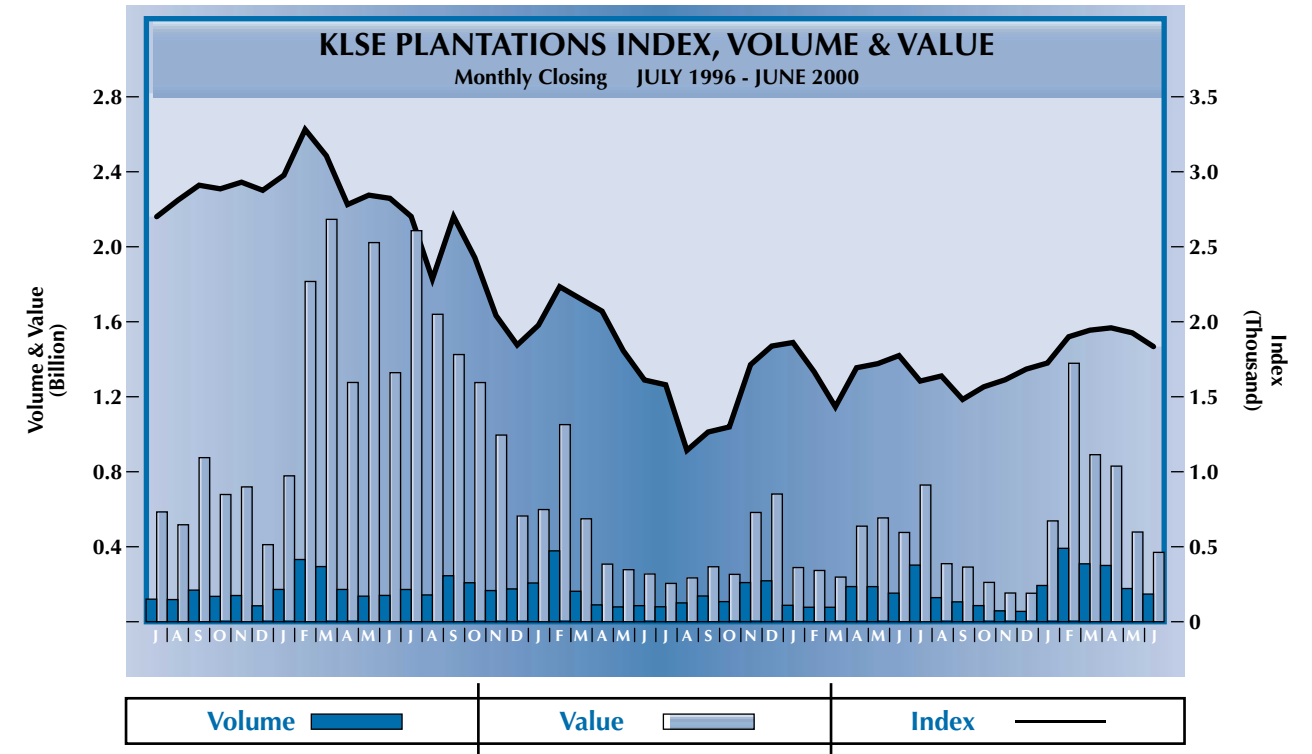
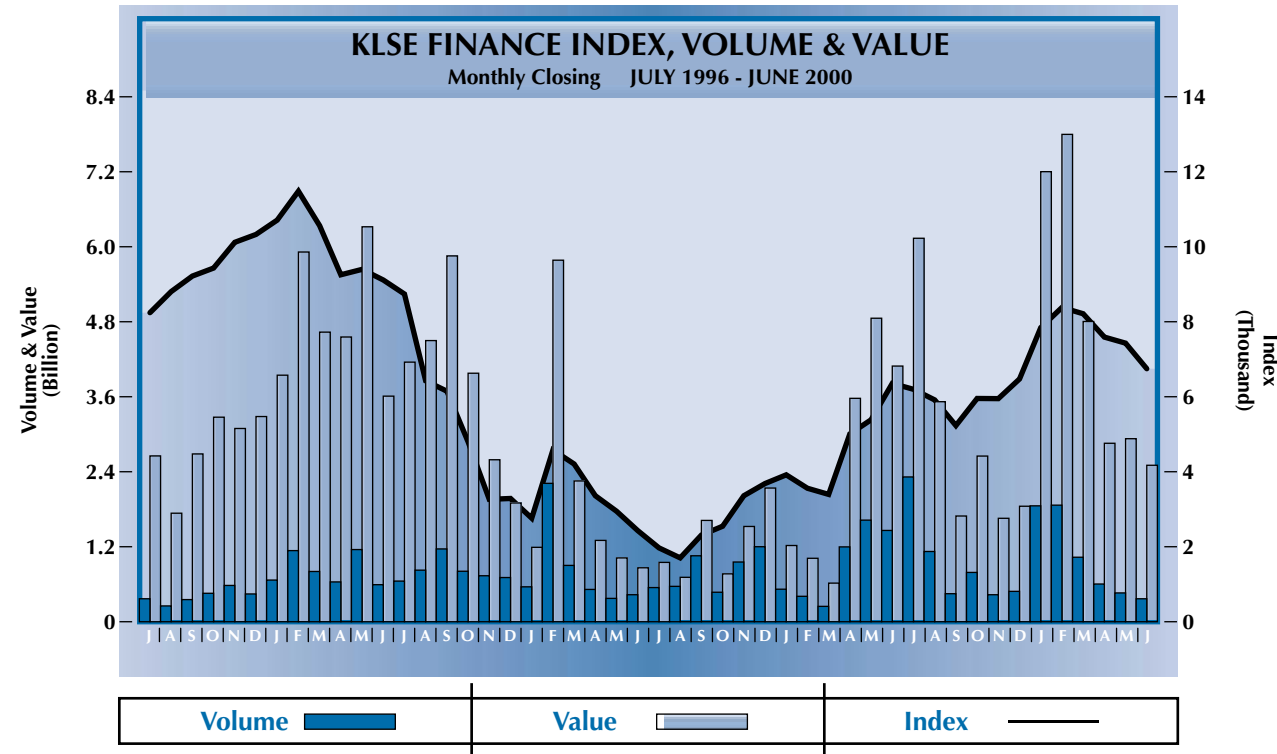


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INDICES:

▶ *V o l u m e a n d V a l u e*

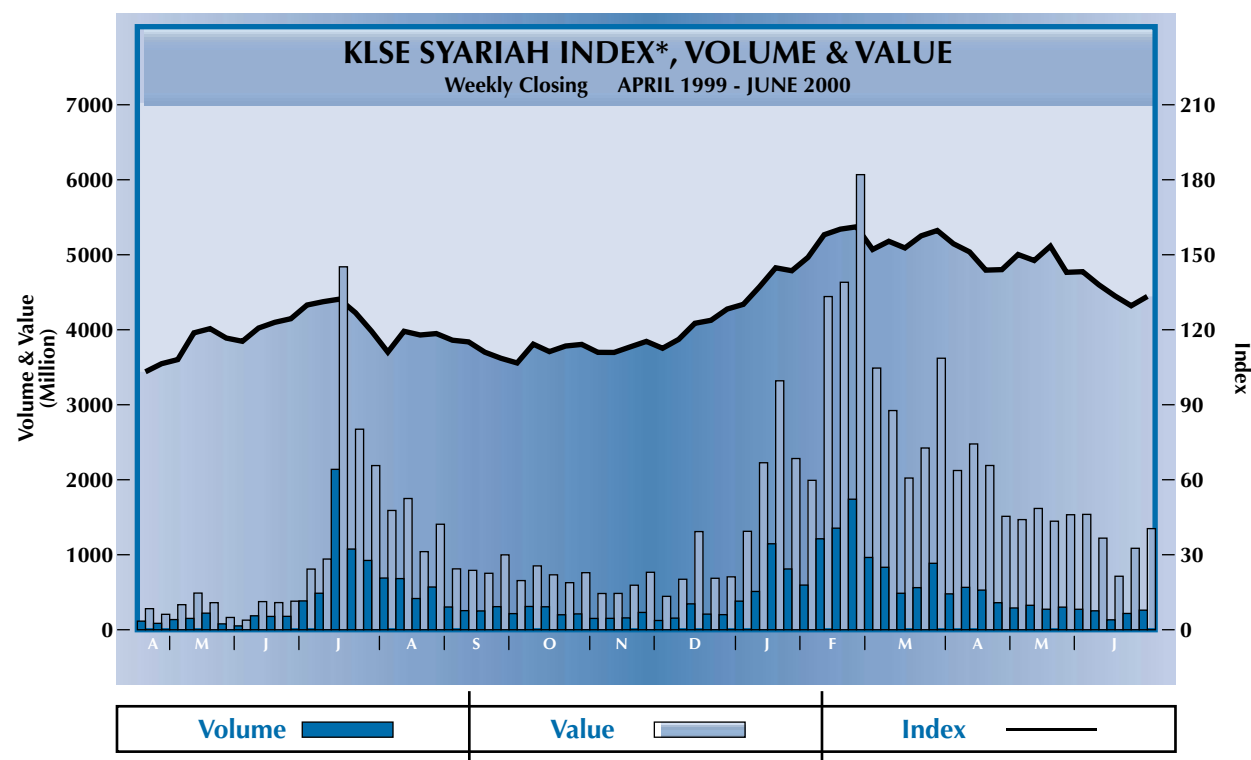


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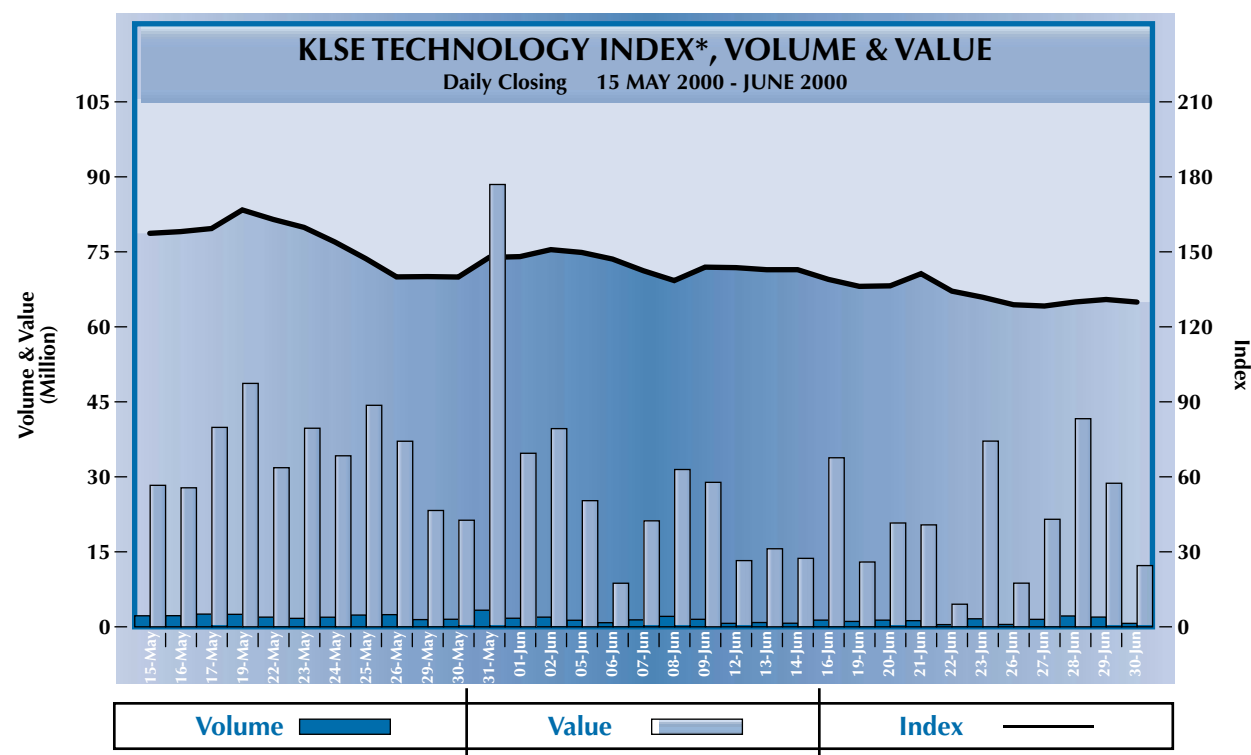
▶ Volume and Value

New

Listing S 1 July 1999 – 30 June 2000



* Officially launched on 17.4.1999



* Officially launched on 15.5.2000

No	Name of New Listing	Board	Sector	Listing Date	Paid-up Capital When first listed (RM)
1	White Horse Bhd	Main Board	Industrial Products	4 Oct 1999	160,000,000
2	Harrisons Holdings (M) Bhd	Main Board	Trading/Services	25 Oct 1999	60,000,000
3	Minply Holdings (M) Bhd	Second Board	Industrial Products	29 Oct 1999	40,000,000
4	Tong Herr Resources Bhd	Main Board	Industrial Products	3 Nov 1999	80,000,000
5	Permaju Industries Bhd	Second Board	Industrial Products	9 Nov 1999	45,000,000
6	Pharmaniaga Bhd	Second Board	Trading/Services	12 Nov 1999	49,999,999
7	Mesiniaga Bhd	Main Board	Trading/Services	17 Nov 1999	60,000,000
8	Uda Holdings Bhd	Main Board	Properties	18 Nov 1999	352,942,002
9	Ta Ann Holdings Bhd	Main Board	Industrial Products	23 Nov 1999	100,000,000
10	Malaysia Airports Holdings Bhd	Main Board	Trading/Services	30 Nov 1999	1,100,000,000
11	APM Automotive Holdings Bhd	Main Board	Industrial Products	15 Dec 1999	201,600,000
12	Warisan TC Holdings Bhd	Main Board	Trading/Services	15 Dec 1999	67,200,000
13	Nikko Electronics Bhd	Main Board	Consumer Products	12 Jan 2000	99,000,000
14	Tomisho Holdings Berhad	Second Board	Consumer Products	8 Mar 2000	40,150,003
15	Hunza Properties Bhd	Main Board	Properties	23 Mar 2000	60,000,000
16	Jin Lin Wood Industries Bhd	Second Board	Industrial Products	27 Mar 2000	40,000,000
17	LTKM Bhd	Second Board	Consumer Products	28 Mar 2000	40,000,000
18	Poh Huat Resources Holdings Bhd	Second Board	Consumer Products	29 Mar 2000	46,000,000
19	QL Resources Bhd	Second Board	Consumer Products	30 Mar 2000	40,000,000
20	Magni-Tech Industries Bhd	Second Board	Industrial Products	18 Apr 2000	40,250,000
21	Analabs Resources Bhd	Second Board	Trading/Services	24 Apr 2000	40,000,000
22	Lii Hen Industries Bhd	Second Board	Consumer Products	25 Apr 2000	40,000,000
23	Unico-Desa Plantations Bhd	Main Board	Plantations	25 May 2000	138,000,000
24	JPK Holdings Bhd	Second Board	Industrial Products	26 May 2000	40,000,000
25	Glomac Bhd	Main Board	Properties	13 Jun 2000	150,000,000
26	Tat Sang Holdings Bhd	Second Board	Consumer Products	19 Jun 2000	40,000,000
27	Apex Healthcare Bhd	Second Board	Consumer Products	26 Jun 2000	43,400,000
28	Unimech Group Bhd	Second Board	Trading/Services	27 Jun 2000	41,000,000

	As at 30.6.2000	As at 30.6.1999
No. of listed companies	773	745
Total market capitalisation (RM billion)	572.31	532.04
	1.7.1999 to 30.6.2000	1.7.1998 to 30.6.1999
Total volume (billion units)	106.44	72.02
Total value (RM billion)	304.71	135.93

NEW LISTINGS FROM 1 JULY – 30 SEPTEMBER 2000

No	Name of New Listing	Board	Sector	Listing Date	Paid-up Capital When first listed (RM)
1	P.I.E. Industrial Bhd	Second Board	Industrial Products	7 Jul 2000	60,000,000
2	Eurospan Holdings Bhd	Second Board	Consumer Products	10 Jul 2000	40,000,000
3	Uchi Technologies Bhd	Second Board	Industrial Products	19 Jul 2000	40,000,000
4	Foremost Holdings Bhd	Second Board	Consumer Products	1 Aug 2000	43,850,000
5	GPA Holdings Bhd	Second Board	Industrial Products	3 Aug 2000	40,000,000
6	Supermax Corporation Bhd	Second Board	Industrial Products	7 Aug 2000	40,000,000
7	Megan Media Holdings Bhd	Second Board	Industrial Products	8 Aug 2000	54,667,000
8	Paos Holdings Bhd	Main Board	Industrial Products	8 Aug 2000	60,000,000
9	Jotech Holdings Bhd	Second Board	Industrial Products	9 Aug 2000	40,000,000
10	Oriental Food Industries Holdings Bhd	Second Board	Consumer Products	10 Aug 2000	40,000,000
11	Ta Win Holdings Bhd	Second Board	Industrial Products	15 Aug 2000	40,000,000
12	Petra Perdana Bhd	Second Board	Trading/Services	16 Aug 2000	40,000,000
13	Golsta Synergy Bhd	Second Board	Trading/Services	21 Aug 2000	42,000,000
14	NV Multi Corporation Bhd	Main Board	Trading/Services	23 Aug 2000	70,000,000
15	Spritzer Bhd	Second Board	Consumer Products	1 Sep 2000	49,000,000

	As at 30.9.2000
No. of listed companies	788
Total market capitalisation (RM billion)	488.82

Membership Report

During the year under review (1 July 1999 to 30 June 2000):-

(1) Admission of One New Voting Member (Member Company):

No	New Voting Member	Business Address	Registered Address	Date of Recognition
1	Borneo Securities Sdn Bhd	12G, Jalan Kampung Datu 96000 Sibul Sarawak Tel No: 084-319998 Fax No: 084-313193	Suite 3.18, The Ampwalk 218 Jalan Ampang 50450 Kuala Lumpur Tel No: 03-21669028 Fax No: 03-21669023	07.06.2000

(2) Cessation of Two Voting Members (Member Companies):

No	Voting Member	Date of Cessation
1	Utama Securities Sdn Bhd	25.09.1999
2	Premier Capital Securities Sdn Bhd	19.06.2000

(3) Four Corporations were admitted as Non-Dealing Members of the Exchange (Corporate Shareholder), in respect of the following Member Companies:

No	New Non-Dealing Member (Corporate Shareholder)	Name of Member Company	Date Joined
1	Paribas	Mohaiyani Securities Sdn Bhd	25.09.1999
2	Securities Investment Pte Ltd	PJB-OUB Securities Sdn Bhd	25.01.2000
3	Khazanah Nasional Berhad	BBMB Securities Sdn Bhd	08.05.2000
4	Borneo Securities Holdings Sdn Bhd	Borneo Securities Sdn Bhd	07.06.2000

(4) Four Corporations resigned as Non-Dealing Members of the Exchange (Corporate Shareholder), in respect of the following Member Companies:

No	Non-Dealing Member (Corporate Shareholder)	Name of Member Company	Date Resigned
1	Asia Equity (Malaysia) Holdings Ltd	Mohaiyani Securities Sdn Bhd	25.09.1999
2	Utama Capital Sdn Bhd	Utama Securities Sdn Bhd	25.09.1999
3	BBMB Securities (Holdings) Sdn Bhd	BBMB Securities Sdn Bhd	08.05.2000
4	Premier Capital Holdings Sdn Bhd	Premier Capital Securities Sdn Bhd	19.06.2000

(5) Demise of Non-Dealing Member (Non-Executive Director):

No	Name	Member Company	Date of Demise
1	Dato' Abdul Aziz Haji Othman	BBMB Securities Sdn Bhd	02.04.2000

(6) Fourteen individuals were admitted as Dealing Members, viz:

No	Name	Member Company	Date of Admission
1	Ahmad Sabri bin Harun	Botly Securities Sdn Bhd	06.08.1999
2	Alan Chin Kok Keng	Mohaiyani Securities Sdn Bhd	25.09.1999
3	Abd Rahman bin Abu Samah	Kestrel Securities Sdn Bhd	01.10.1999
4	David Chua Ming Huat	HLG Securities Sdn Bhd	15.11.1999
5	Amin Rafie bin Othman	Smith Zain Securities Sdn Bhd	24.12.1999
6	Rosli bin Abdol Wahab	Eng Securities Sdn Bhd	31.12.1999
7	Freddie Chew Sun Ghee	InnoSabah Securities Bhd	31.12.1999
8	Thevanaigam Sukumari Chitty	TA Securities Bhd	11.01.2000
9	Attan Akmar bin Masbah	TA Securities Bhd	11.01.2000
10	Mohamad bin Ab Aziz	Kota Bharu Securities Sdn Bhd	01.03.2000
11	Yusli bin Mohamed Yusoff	CIMB Securities Sdn Bhd	13.04.2000
12	Fauzi bin Hj Omar	Leong & Company Sdn Bhd	01.04.2000
13	Ramli bin Mahmudin	Pan Malaysia Equities Sdn Bhd	01.06.2000
14	Tan Mee Mee	Borneo Securities Sdn Bhd	07.06.2000

(7) Thirty-three individuals resigned/ceased as Dealing Members, viz:

No	Name	Member Company	Date of Resignation
1	Thomas Chong Sem Shoong	MBf Northern Securities Sdn Bhd	30.07.1999
2	Wong Tee Eng @ Wong Tee Hing	Arab-Malaysian Securities Sdn Bhd	25.08.1999
3	Gan Soo Jin	CIMB Securities Sdn Bhd	16.09.1999
4	Kanajan a/l Samypullay	CIMB Securities Sdn Bhd	16.09.1999
5	Chin Kok Keng	Mohaiyani Securities Sdn Bhd	25.09.1999
6	Abrizah bte Dato Abdullah	Utama Securities Sdn Bhd	25.09.1999
7	A Bakar bin Buyong	BBMB Securities Sdn Bhd	30.09.1999
8	Mohd Shukri bin Husin	CIMB Securities Sdn Bhd	01.10.1999
9	Soh Kim Eng	South Johor Securities Sdn Bhd	02.11.1999
10	Mun Kong Hoe	Smith Zain Securities Sdn Bhd	12.11.1999
11	Najmiyah bte Abd Hasan	UT Securities Sdn Bhd	12.11.1999
12	Wong Kum Piew	UPEN Securities Sdn Bhd	13.11.1999
13	Rashid bin Ismail	MIDF Sisma Securities Sdn Bhd	13.11.1999
14	Latiff bin Datuk Tamby Chik	OCBC Securities (Melaka) Sdn Bhd	15.11.1999
15	Wan Malek Shahril bin Wan Omar	JB Securities Sdn Bhd	08.12.1999
16	Mohd Fuad Foo bin Abdullah	Eng Securities Sdn Bhd	21.12.1999
17	Lee Eng Hua	Kota Bharu Securities Sdn Bhd	22.11.1999
18	Lim Teong Khoon	A. A. Anthony & Co Sdn Bhd	02.12.1999
19	Ban Chee Kheong	Amsteel Securities (M) Sdn Bhd	24.12.1999
20	Benny Ng Wu Hong	Sarawak Securities Sdn Bhd	31.12.1999
21	Yee Yoke Leong	Jupiter Securities Sdn Bhd	02.01.2000
22	Tan Poh Chye	Hwang-DBS Securities Bhd	12.01.2000
23	Abdul Ghani bin Ahmad	Mohaiyani Securities Sdn Bhd	21.01.2000
24	Mohd Zahir bin Ahmad	InnoSabah Securities Bhd	07.04.2000
25	Abdul Rauf bin Ramli	SJ Securities Sdn Bhd	20.04.2000
26	Yoichiro Sano	OCBC Securities (Melaka) Sdn Bhd	28.04.2000
27	Datuk Tiah Thee Kian	TA Securities Bhd	17.05.2000
28	Elias bin Abdullah Ng	Pan Malaysia Equities Sdn Bhd	01.06.2000
29	Saiful Bahri bin Zainuddin	Rashid Hussain Securities Sdn Bhd	12.06.2000
30	Wong Kim Lin @ Wong Kim Ling	Premier Capital Securities Sdn Bhd	15.06.2000
31	Fung Yan Khai	Premier Capital Securities Sdn Bhd	19.06.2000
32	Mohd Yusof bin Mohd Rashidi	Halim Securities Sdn Bhd	24.06.2000
33	Lau Yew Kong	SBB Securities Sdn Bhd	01.07.2000

MEMBERSHIP

▶ R e p o r t

(8) Twenty-eight individuals were admitted as Non-Dealing Members of the Exchange (Non-Executive Directors), viz:

No	Name	Member Company	Date of Appointment
1	Tahavarajah a/l Chinniah	SimeSecurities Sdn Bhd	05.07.1999
2	Tan Sri Dato Hj Anuar bin Hj Zainal Abidin	Kuala Lumpur City Securities Sdn Bhd	02.08.1999
3	Heinz Ewald Johann Poehlsen	K & N Kenanga Bhd	17.08.1999
4	Mohamed bin Abid	TA Securities Bhd	01.09.1999
5	Christian Georges Henri Gautier De Charnace	Mohaiyani Securities Sdn Bhd	25.09.1999
6	Tan Sri Dato Dr Teh Hong Piow	PB Securities Sdn Bhd	10.12.1999
7	Lee Kong Lam	PB Securities Sdn Bhd	10.12.1999
8	Ismail bin Ibrahim	PB Securities Sdn Bhd	10.12.1999
9	Zulkifli bin Mohd Ali	PB Securities Sdn Bhd	10.12.1999
10	Abu Hassan bin Kendut	Fima Securities Sdn Bhd	03.01.2000
11	Edwin Madarang Yang	JB Securities Sdn Bhd	24.01.2000
12	Lim Tiang Siew	CIMB Securities Sdn Bhd	25.01.2000
13	Mohd Shukri bin Hussin	CIMB Securities Sdn Bhd	25.01.2000
14	Lim Peng Cheong	Malacca Securities Sdn Bhd	25.01.2000
15	Ruslan bin Hassan	Rashid Hussain Securities Sdn Bhd	28.01.2000
16	Oh Chong Peng	Rashid Hussain Securities Sdn Bhd	08.03.2000
17	Kau Jee Chu	PJB-OUB Securities Sdn Bhd	05.04.2000
18	Lee Swi Heng	InnoSabah Securities Bhd	12.05.2000
19	Tan Sri Dato' Seri Megat Junid bin Megat Ayob	Borneo Securities Sdn Bhd	07.06.2000
20	Engak @ Richard Wil Anak Uban	Borneo Securities Sdn Bhd	07.06.2000
21	Henry Anak Lian	Borneo Securities Sdn Bhd	07.06.2000
22	Joseph Salang Anak Gandum	Borneo Securities Sdn Bhd	07.06.2000
23	Clement Jamal Anak Eddy	Borneo Securities Sdn Bhd	07.06.2000
24	Mohd Redza Shah bin Abdul Wahid	BBMB Securities Sdn Bhd	26.05.2000
25	Anwar bin Haji @ Aji	BBMB Securities Sdn Bhd	26.05.2000
26	Lee Swee Kiat	Affin-UOB Securities Sdn Bhd	26.05.2000
27	Mohammad bin Alwi	PJB-OUB Securities Sdn Bhd	17.06.2000
28	Dato' Mohd Hilmei bin Mohd Taib	Mayban Securities Sdn Bhd	21.06.2000

(9) Twenty-three individuals resigned as Non-Dealing Members of the Exchange (Non-Executive Directors), viz:

No	Name	Member Company	Date of Resignation
1	Dato' Ahmad Fuad bin Ali	JB Securities Sdn Bhd	06.07.1999
2	Seow Lun Hoo	HLG Securities Sdn Bhd	30.08.1999
3	Yong Ming Sang	Pan Malaysia Equities Sdn Bhd	15.09.1999
4	Tunku Dato' Abd Malek bin Tunku Kassim	CIMB Securities Sdn Bhd	16.09.1999
5	Richard Braden Bradley	Mohaiyani Securities Sdn Bhd	25.09.1999
6	Nik Hashim bin Nik Yusoff	Utama Securities Sdn Bhd	25.09.1999
7	Datuk Haji Abdul Aziz bin Haji Hussain	Utama Securities Sdn Bhd	25.09.1999
8	Abdul Rashid bin Mohd Azis	Utama Securities Sdn Bhd	25.09.1999
9	Vaseehar Hassan bin Abdul Razack	Utama Securities Sdn Bhd	25.09.1999
10	Haji Iskandar bin Haji Razali	Utama Securities Sdn Bhd	25.09.1999
11	Ng Hee Chang	Utama Securities Sdn Bhd	25.09.1999
12	Raja Badrol bin Raja Ahmad	MBf Northern Securities Sdn Bhd	01.10.1999
13	Dato Rastam bin Abdul Hadi	PM Securities Sdn Bhd	08.10.1999
14	Kon Shyun	Halim Securities Sdn Bhd	27.10.1999
15	Datuk Ismail bin Ahmad	Mayban Securities Sdn Bhd	21.12.1999
16	Patricia Teoh Kim Seing	PB Securities Sdn Bhd	26.01.2000
17	Ong Tiang Lock	Straits Securities Sdn Bhd	03.02.2000
18	Raja Halinuddin bin Raja Halid	PTB Securities Sdn Bhd	05.02.2000
19	Kua Hwee Sim	PJB-OUB Securities Sdn Bhd	11.02.2000
20	Mohd Ali bin Mohd Dewal	Sarawak Securities Sdn Bhd	24.02.2000
21	Fong Kin Voon	InnoSabah Securities Bhd	24.04.2000
22	Dato' Mohd Salleh bin Hj Harun	Mayban Securities Sdn Bhd	16.05.2000
23	Raja Nazhatul Shima bte Sultan Idris Shah	Premier Capital Securities Sdn Bhd	19.06.2000

(10) Changes of Member Companies' Names:

No	Member Company	New Name	Effective Date
1	Kimara Equities Sdn Bhd	Pan Malaysia Equities Sdn Bhd	10.12.1999
2	Pengkalen Securities Sdn Bhd	PM Securities Sdn Bhd	02.02.2000
3	PJB Pacific Securities Sdn Bhd	PJB-OUB Securities Sdn Bhd	13.03.2000
4	InnoSabah Securities Sdn Bhd	InnoSabah Securities Bhd	26.04.2000

(11) Changes of Member Companies' Business Addresses:

No	Member Company	Business Address	Effective Date
1	Fima Securities Sdn Bhd	No 45-14, Plaza Level & Level 1 Plaza Damansara Jalan Medan Setia Satu Damansara Heights 50490 Kuala Lumpur	09.08.1999
2	K & N Kenanga Bhd	801, 8th Floor Kenanga International Jalan Sultan Ismail 50250 Kuala Lumpur	01.02.2000

(12) New Branch Office:

No	Member Company	Business Address	Effective Date
1	Sarawak Securities Sdn Bhd (Miri Branch)	Lot 2465, Jalan Boulevard Utama Boulevard Commercial Centre 98000 Miri Sarawak Tel No: 085-435577 Fax No: 085-435511	27.09.1999
2	OSK Securities Bhd (Ipoh Branch)	21 - 25 Jalan Seenivasagam Greentown 30450 Ipoh Perak Darul Ridzuan Tel No: 05-2415100 Fax No: 05-2553903	19.06.2000

Voting Members

Federal Territory of Kuala Lumpur

ARAB-MALAYSIAN SECURITIES SDN BHD

15th Floor
Bangunan Arab-Malaysian
55 Jalan Raja Chulan
50200 Kuala Lumpur
Tel : 03-2382788/99
Fax : 03-2383162/2303175

Dealing Members:
Haji Ismail bin Abdullah
Mustafa bin Hj Mohd Nor
Chang Tuck Chee @
Philip Chang
Ahmad bin Bachok

Non-Dealing Members:
Arab-Malaysian Securities
Holdings Sdn Bhd
Dato' Hj Azlan bin Hashim
Azlan bin Mohd Zainol
Cheah Tek Kuang
Lee Siang Korn @ Lee Siang Chin

AFFIN-UOB SECURITIES SDN BHD

Level 3, Menara Keck Seng
203 Jalan Bukit Bintang
55100 Kuala Lumpur
Tel : 03-2438668
Fax : 03-2433663

Dealing Member:
To' Puan Siti Norizam
bte Mohd Yusoff

Non-Dealing Members:
Affin-UOB Holdings Sdn Bhd
Yu Choong Cheong
Gen (B) Dato' Ismail bin Hassan
Lee Swee Kiat
Francis Yeo Teng Yang

BBMB SECURITIES SDN BHD

Level 2, 3, 4 & 17
Menara Olympia
Letter Box No 2
No 8 Jalan Raja Chulan
50200 Kuala Lumpur
Tel : 03-2019900
Fax : 03-2041582

Dealing Member:
Hassan bin Jaafar

Non-Dealing Members:
Khazanah Nasional Bhd
Dato' Halim @ Ahmad
bin Muhamat
Nik Hassan bin Nik Mohd Amin
Mohd Redza Shah bin
Abdul Wahid
Anwar bin Haji @ Aji

BIMB SECURITIES SDN BHD

1st & 2nd Floor, Podium Block
Bangunan AMDB
No 1, Jalan Lumut
50400 Kuala Lumpur
Tel : 03-4433533
Fax : 03-4413433/4412622

Dealing Member:
Dato' Dr Abdul Halim
bin Haji Ismail

Non-Dealing Members:
BIMB Securities (Holdings)
Sdn Bhd
Yayasan Pembangunan Ekonomi
Islam Malaysia
Dato' Ahmad Tajudin bin
Abdul Rahman
Dato' Hj Mohamed bin Shafie
Mustafa bin Hamat

CIMB SECURITIES SDN BHD

9th Floor, Commerce Square
Jalan Semantan
Damansara Heights
50490 Kuala Lumpur
Tel : 03-2532288
Fax : 03-2535533

Dealing Member:
Yusli bin Mohamed Yusoff

Non-Dealing Members:
CIMB Holdings Sdn Bhd
Mohamed Nazir bin Abd Razak
Robert Chiem Dau Meng
Lim Tiang Siew
Mohd Shukri bin Hussin

FIMA SECURITIES SDN BHD

No 45-14 Plaza Level & Level 1
Plaza Damansara
Jalan Medan Setia Satu
Damansara Heights
50490 Kuala Lumpur
Tel : 03-2549966
Fax : 03-2548595

Dealing Member:
Mohd Yusof bin Pandak Yatim

Non-Dealing Members:
Capitalcorp Holdings Sdn Bhd
Ahmad Riza bin Basir
Tan Sri Dato' Hj Basir bin Ismail
Dato' Hj Mohd Noor bin Ismail
Abu Hassan bin Kendut

HLG SECURITIES SDN BHD

21st Floor, Wisma HLA
Jalan Raja Chulan
50200 Kuala Lumpur
Tel : 03-2022778, 2452998
Fax : 03-2022390

Dealing Members:
Omar bin Zolkifli
Lee Wai Kok
David Chua Ming Huat

Non-Dealing Member:
HLG Capital Bhd

INTER-PACIFIC SECURITIES SDN BHD

Level 7, Menara Shahzan Insas
30 Jalan Sultan Ismail
50250 Kuala Lumpur
Tel : 03-2441888
Fax : 03-2441686

Dealing Members:
Pang Poh Ping
Abdul Majid bin
Hj Mohd Harun

Non-Dealing Members:
Inter-Pacific Capital Sdn Bhd
Chan Kien Sing
Robert Yong Kuen Loke
Tan Sri Datuk Abdul Rahim bin
Hj Din
Datuk Hj Mohd Fatmi bin
Hj Che Salleh

JUPITER SECURITIES SDN BHD

7th, 8th & 9th Floor
Menara Olympia
8 Jalan Raja Chulan
50200 Kuala Lumpur
Tel : 03-2041888
Fax : 03-2042288

Dealing Members:
Mohd Saleh bin Md Yusof
Lo Kok Kee

Non-Dealing Members:
Olympia Industries Bhd
Koperasi Polis Di Raja Malaysia
Looi Kheng Hwa
Ishak bin Hassan
Zahar bin Hj Ariffin
Yap Wee Keat
Tun Dato' Seri Abdul Hamid
bin Omar

K & N KENANGA BHD

801, 8th Floor
Kenanga International
Jalan Sultan Ismail
50250 Kuala Lumpur
Tel : 03-21649080/21624190
Fax : 03-21614990/21635927

Dealing Members:
Tengku Dato' Paduka Noor
Zakiah bte Tengku Ismail
Haji Abdul Aziz bin Hashim
Dato' Ramli bin Ismail

Non-Dealing Members:
K & N Kenanga Holdings Bhd
Heinz Ewald Johann Poehlsen

KAF-SEAGROATT & CAMPBELL SECURITIES SDN BHD

30th Floor, The Weld Tower
76, Jalan Raja Chulan
50200 Kuala Lumpur
Tel : 03-2081600
Fax : 03-2323464

Dealing Member:
Ahmad bin Kadis

Non-Dealing Members:
KAF-Seagroatt & Campbell
Holdings Bhd
Datuk Khatijah bte Ahmad
Faisal bin Zulkifli

KUALA LUMPUR CITY SECURITIES SDN BHD

3.07, Level 3
Bangunan Angkasa Raya
Jalan Ampang
50450 Kuala Lumpur
Tel : 03-2449322
Fax : 03-2448099

Dealing Member:
Mohd Nasir bin Ali

Non-Dealing Members:
Assedina Sdn Bhd
Khadijah bte Abdul Khalid
Lutfiah bte Ismail
Tan Sri Dato' Hj Anuar bin
Hj Zainal Abidin

LEONG & CO SDN BHD

Level 18, Wisma Cyclecarri
288 Jalan Raja Laut
50350 Kuala Lumpur
Tel : 03-2928888
Fax : 03-2949088

Dealing Members:
Leong Kun Kay
Anne Leong Sau Leng
Christine Leong Yuen Leng
Peter Leong Tuck Leng
Maggie Yu Kwei Sim
Fauzi bin Hj Omar

Non-Dealing Members:
Ceria Alam Sdn Bhd
Edaran Otomobil Nasional Bhd

KLSE MEMBERS

▶ a s a t 3 0 J u n e 2 0 0 0

<p>MAYBAN SECURITIES SDN BHD</p> <p>30th Floor, Menara Maybank 100 Jalan Tun Perak 50050 Kuala Lumpur Tel : 03-2323822/33 Fax : 03-2323807</p>	<p>Dealing Member: Abdul Wahab bin Nan Abidin</p>	<p>Non-Dealing Members: Mayban Securities (Holdings) Sdn Bhd Dato' Mohamed Basir bin Ahmad Mohammad bin Abdullah Hj Mohd Hashir bin Hj Abdullah Dato' Ahmad Badri bin Mohd Basir Dato' Mohammed bin Hj Che Hussein Dato' Mohd Hilmey bin Mohd Taib</p>	<p>PM SECURITIES SDN BHD</p> <p>1st Floor, Menara Pengkalen No 2, Jalan Changkat Ceylon 50200 Kuala Lumpur Tel : 03-2448055 Fax : 03-2448082</p>	<p>Dealing Members: Noorjehan Rahima bte Abdul Hamid Jumat Leong Kok Wah Loo Kok Yuen</p>	<p>Non-Dealing Members: Pan Malaysia Capital Bhd Khet Kok Yin Datin Munirah bte Abdullah Ng Dato' Abdul Raman bin Suliman Zainal Rashid bin Zainal Abidin</p>
<p>MGI SECURITIES SDN BHD</p> <p>1st & 2nd Floor Wisma MGIC 38 Jalan Dang Wangi 50100 Kuala Lumpur Tel : 03-2911889 Fax : 03-2930628</p>	<p>Dealing Member: No appointment as at 30.6.2000</p>	<p>Non-Dealing Members: Malaysian General Investment Corporation Bhd Dato' Hj Md Sharif bin Hj Shamsuddin Dato' Mohd Ghazali bin Mohd Khalid</p>	<p>RASHID HUSSAIN SECURITIES SDN BHD</p> <p>Level 9, Tower One RHB Centre Jalan Tun Razak 50400 Kuala Lumpur Tel : 03-9852233 Fax : 03-9855522</p>	<p>Dealing Members: Tan Sri Dato' Abdul Rashid bin Haji Mohamed Hussain Tajul Ariffin bin Mohd Tahir Richard Anthony Magides</p>	<p>Non-Dealing Members: RHB Capital Berhad Oh Chong Peng Ruslan bin Hassan</p>
<p>MIDF SISMA SECURITIES SDN BHD</p> <p>17th & 18th Floor, Empire Tower 182, Jalan Tun Razak 50400 Kuala Lumpur Tel : 03-21668888 Fax : 03-21669999</p>	<p>Dealing Member: Datin Mariam Prudence bte Yusof</p>	<p>Non-Dealing Members: MIDF Sisma Holdings Sdn Bhd Dato' Dr Abdullah bin Mohd Tahir Dato' Hj Darwis bin Mohd Daek Dato' Mohd Ghaus bin Badioze Zaman Allen N Lopez Dato' Syed Ibrahim bin Syed Mohamed</p>	<p>SIMESECURITIES SDN BHD</p> <p>21st Floor, Bangunan Sime Bank 4, Jalan Sultan Sulaiman 50000 Kuala Lumpur Tel : 03-22749288/778 Fax : 03-22749907</p>	<p>Dealing Member: No appointment as at 30.6.2000</p>	<p>Non-Dealing Members: SimeSecurities Holdings Sdn Bhd Dr Shafiq Sit bin Abdullah Nik Din bin Nik Sulaiman Tunku Tan Sri Dato' Seri Ahmad bin Tunku Yahya Thavarajah a/l Chinniah</p>
<p>OSK SECURITIES BHD</p> <p>10th Floor, Plaza OSK Jalan Ampang 50450 Kuala Lumpur Tel : 03-21624388 Fax : 03-21618254</p> <p>Ipoh Branch 21-25 Jalan Seenivasagam Greentown 30450 Ipoh Perak Darul Ridzuan Tel : 05-2415100 Fax : 05-2553903</p>	<p>Dealing Members: Dato' Nik Mohamed bin Nik Yahya Chin Cheng Mei Wong Chong Kim Ong Leong Huat @ Wong Joo Hwa Nik Halim @ Nik Ghazi bin Haji Nik Daud</p>	<p>Non-Dealing Member: OSK Holdings Bhd</p>	<p>TA SECURITIES BHD</p> <p>Menara TA One 22, Jalan P Ramlee 50250 Kuala Lumpur Tel : 03-2321277 Fax : 03-2322369</p>	<p>Dealing Members: Dato' Mahmud bin Haji Ali Datin Tan Kuay Fong Teh Ghee Kok Ignatius Luke Jr Tan Keng Hee Thevanaigam Sukumari Chitty Attan Akmar bin Masbah</p>	<p>Non-Dealing Members: TA Enterprise Bhd Mohamed bin Abid</p>
<p>PB SECURITIES SDN BHD</p> <p>27th Floor, Bangunan Public Bank No 6 Jalan Sultan Sulaiman 50000 Kuala Lumpur Tel : 03-2013011 Fax : 03-2012533</p>	<p>Dealing Member: Yong Yoong Fa</p>	<p>Non-Dealing Members: Public Consolidated Holdings Sdn Bhd Dato' Tay Ah Lek Tan Sri Dato' Dr Teh Hong Piow Lee Kong Lam Ismail bin Ibrahim Zulkifli bin Mohd Ali</p>	<p>Member Company</p> <p>JF APEX SECURITIES BHD</p> <p>3rd Floor, Wisma Apex 145A-C, Jalan Bukit 43007 Kajang Selangor Darul Ehsan Tel : 03-87361118 Fax : 03-87374532</p>	<p>Dealing Members: Chan Guan Seng Ng Seng Leong Kharul Hurri bin Khalid Abbas</p>	<p>Non-Dealing Members: Apex Equity Holdings Bhd Jardine Fleming (M) Services Sdn Bhd Christopher Mark Quinton Rampton</p>
			<p>Member Company</p> <p>AMSTEEL SECURITIES (M) SDN BHD</p> <p>1st, 2nd, 3rd & 4th Floor Wisma Amsteel Securities No 1, Lintang Pekan Baru Off Jalan Meru 41050 Klang Selangor Darul Ehsan Tel : 03-3439999 Fax : 03-3433872</p>	<p>Dealing Members: Ee Beng Guan Dato' Hj Abdul Rahim bin Mohd Ibrahim</p>	<p>Non-Dealing Members: Datavest Sdn Bhd Dato' Hj Kamaruddin @ Abas bin Nordin</p>
				<p>Selangor Darul Ehsan – Kajang</p>	
				<p>Selangor Darul Ehsan – Klang</p>	

Member Company	Selangor Darul Ehsan – Petaling Jaya		
HALIM SECURITIES SDN BHD (Cessation of dealing activities by the Securities Commission on 8 June 1998)	68, Jalan Selangor (52/4) P O Box 561 46770 Petaling Jaya Selangor Darul Ehsan Tel : 03-7555777 Fax : 03-7554612	Dealing Members: Tengku Abdul Halim Alhaj Ibni Almarhum Sultan Ibrahim Hassim bin Haji Baba Chua Hock Seng Loo Khee Kwong	Non-Dealing Members: Uniphoenix Corporation Bhd Dato' Nik Mohd Sidek @ Nik Ibrahim bin Nik Abu Bakar Datuk Kamaruddin bin Taib Ho Chun Fuat Lew Kwong Ann
MOHAIYANI SECURITIES SDN BHD	1st, 2nd & 3rd Floor Plaza Damansara Utama No 2 Jalan SS21/60 Damansara Utama 47400 Petaling Jaya Selangor Darul Ehsan Tel : 03-7197345 Fax : 03-7181357	Dealing Members: Datuk Mohaiyani bte Shamsudin Abdul Hamid bin Abdul Samad Nik Aminaldin bin Nik Jaafar Chin Kok Keng	Non-Dealing Members: Paribas Christian Georges Henri Gautier De Charnace
SJ SECURITIES SDN BHD	Level 3, Holiday Villa No 9, Jalan SS12/1 47500 Subang Jaya Selangor Darul Ehsan Tel : 03-7340202 Fax : 03-7348342	Dealing Members: Ahmad Azman bin Abdul Manaf Lim Poh Ho	Non-Dealing Members: Carta Bintang Sdn Bhd Dato' Ahmad Sebi bin Bakar Tan Sri Dato' Tan Kok Ping

Member Company	Selangor Darul Ehsan – Shah Alam		
OMEGA SECURITIES SDN BHD (Dealer's licence revoked by the Securities Commission on 5 June 1998)	15th Floor Plaza Perangasng Persiaran Perbandaran 40990 Shah Alam Selangor Darul Ehsan Tel : 03-5594900 Fax : 03-5599682	Dealing Members: Abdullah bin Ayub Tiah Thee Peng Yeo Lee Hoe	Non-Dealing Member: Omega Holdings Bhd

Member Company	Johor Darul Takzim – Johor Bahru		
ENG SECURITIES SDN BHD	95, Jalan Tun Abdul Razak 80000 Johor Bahru Johor Darul Takzim Tel : 07-2231211/8212 Fax : 07-2246266	Dealing Members: Lim Khuan Eng Rosli bin Abdol Wahab	Non-Dealing Members: Inter-Pacific Capital Sdn Bhd Datuk Hj Mohd Fatmi bin Hj Che Salleh Azlan Meah bin Hj Ahmad Meah Chan Kien Sing Robert Yong Kuen Loke
JB SECURITIES SDN BHD	Suite 8.2 Level 8 Menara Sarawak Enterprise No 5 Jalan Bukit Meldrum 80300 Johor Bahru Johor Darul Takzim Tel : 07-3332000 Fax : 07-3348259	Dealing Members: Yap Kai Keng Idris bin Osman	Non-Dealing Members: Dynamic Pearl Sdn Bhd Edwin Madarang Yang

PENINSULA SECURITIES SDN BHD	Level 2, Menara Pelangi Jalan Kuning, Taman Pelangi 80400 Johor Bahru Johor Darul Takzim Tel : 07-3333600 Fax : 07-3343770	Dealing Members: Er Chin Her @ Er Ee Tuan Haji Rahmat bin Awi	Non-Dealing Members: Pan Pacific Asia Bhd Dr Philip Ling Lee Kang
PJB-OUB SECURITIES SDN BHD	Podium 2A & 3, Menara Ansar 65 Jalan Trus 80000 Johor Bahru Johor Darul Takzim Tel : 07-2222692/2768787 Fax : 07-2765201/2224088	Dealing Member: Johari bin Hassan	Non-Dealing Members: Johor Capital Holdings Sdn Bhd Securities Investment Pte Ltd Jamaludin bin Ali Mohamed Azahari bin Mohamed Kamil Hj Ahamad bin Mohamad Kau Jee Chu Mohammad bin Alwi

Member Company	Johor Darul Takzim – Muar		
KESTREL SECURITIES SDN BHD	57, 59 & 61 Jalan Ali 84000 Muar Johor Darul Takzim Tel : 06-9532222/9531222 Fax : 06-9516660	Dealing Members: Leow Wong Kong @ Leow Woon Kuang Abd Rahman bin Abu Samah	Non-Dealing Members: Tongkah Holdings Bhd Abdul Rahman bin Dato' Mohd Hashim Affendi bin Zahari Mohd Alkaf bin Mohd Kahar Mokhzani bin Mahathir Yeow Kheng Chew

Member Company	Johor Darul Takzim – Batu Pahat		
SOUTH JOHOR SECURITIES SDN BHD	3rd Floor, Penggaram Complex 1 Jalan Abdul Rahman 83000 Batu Pahat Johor Darul Takzim Tel : 07-4342282 Fax : 07-4327982	Dealing Members: Koh Kee Tee Ng Say Keow Chan Chau Yang Husni bin Hussain	Non-Dealing Members: South Johor Equities Sdn Bhd Roslan bin Yahya

Member Company	Kedah Darul Aman		
ALOR SETAR SECURITIES SDN BHD	Lot T-30, 2nd Floor Wisma PKNK Jalan Sultan Badlishah 05000 Alor Setar Kedah Darul Aman Tel : 04-7317088/8270 Fax : 04-7318428	Dealing Members: Mansor bin Hussin Dato' Dr Hj Sallehuddin bin Kassim	Non-Dealing Members: Kelanamas Capital Bhd Kelanamas Industries Sdn Bhd Ruzmi bin Ag Ya

Member Company	Perlis Indera Kayangan	
UPEN SECURITIES SDN BHD	2nd Floor, Podium Block Bangunan KWSP 01000 Kangar Perlis Tel : 04-9765200 Fax : 04-9760411	<p>Dealing Member: Abang Zainal Abidin bin Abang Ahmad</p> <p>Non-Dealing Members: Amal Bakti Sdn Bhd Tan Sri Dr Abdul Hamid bin Pawanteh</p>

Member Company	Kelantan Darul Naim	
KOTA BHARU SECURITIES SDN BHD	298 Jalan Tok Hakim 15000 Kota Bharu Kelantan Darul Naim Tel : 09-7432288 Fax : 09-7485366	<p>Dealing Member: Mohamad bin Ab Aziz</p> <p>Non-Dealing Members: Pakatan Canggih Sdn Bhd Hamzah bin Harun Mohd Faiz bin Abdullah Chan Gak Keong Wong Hong Meng Hj Mahfudz bin Muhammad</p>

Member Company	Melaka	
MALACCA SECURITIES SDN BHD	No 1,3 & 5, Jalan PPM 9 Plaza Pandan Malim (Business Park), Balai Panjang 75250 Melaka Tel : 06-3371533 Fax : 06-3371550/3371577	<p>Dealing Members: Sim Swee Tin Sim Cheng Khuan Zainuddin bin Haji Din</p> <p>Non-Dealing Members: T.M. Lim Sdn Bhd Lim Peng Cheong</p>
OCBC SECURITIES (MELAKA) SDN BHD	579, 580-581 A&B Taman Melaka Raya 75000 Melaka Tel : 06-2825211 Fax : 06-2844861	<p>Dealing Members: Jimmy Tan Soon Sum Loh Teck Yen Chow Yook Hey @ Chow Yoke Pui</p> <p>Non-Dealing Members: TCL Premier Holdings Bhd Leong Mun Wai</p>
STRAITS SECURITIES SDN BHD	Lot 9 & 10, 1st Floor Bangunan Tabung Haji Jalan Banda Kaba 75740 Melaka Tel : 06-2833622 Fax : 06-2849886	<p>Dealing Members: Goh Choon Hock Ahmad Ezzanee Azizan bin Mohd Ali Azizan</p> <p>Non-Dealing Members: Straits Asset Holdings Sdn Bhd Rosely bin Ahmad Seah Fook Chin Goh Geok Khim</p>

Member Company	Negeri Sembilan Darul Khusus	
MALPAC SECURITIES SDN BHD	Tingkat 1, 2 & 3 Nos 19 – 21, Jalan Kong Sang 70000 Seremban Negeri Sembilan Darul Khusus Tel : 06-7623131 Fax : 06-7620537	<p>Dealing Members: Chew Loy Chee Gan Teck Chong @ Gan Kwan Chong Tan Chon Sing @ Tan Kim Tieng Ang Poo Guan</p> <p>Non-Dealing Member: Malpac Holdings Bhd</p>

Member Company	Pahang Darul Makmur	
PAN MALAYSIA EQUITIES SDN BHD	9th & 10th Floor Bangunan Yayasan Negeri Sembilan, Jalan Yam Tuan 70000 Seremban Negeri Sembilan Darul Khusus Tel : 06-7633888/7638999 Fax : 06-7633889	<p>Dealing Member: Ramli bin Mahmudin</p> <p>Non-Dealing Members: Pan Malaysia Capital Bhd Datuk Mohd Yasin bin Jaafar Khet Kok Yin</p>

Member Company	Pahang Darul Makmur	
WK SECURITIES SDN BHD	A-397, A-399 & A-401 Taman Sri Kuantan III Jalan Beserah 25300 Kuantan Pahang Darul Makmur Tel : 09-5660800 Fax : 09-5660801	<p>Dealing Member: Zainal bin Ahmad</p> <p>Non-Dealing Member: Omega Holdings Bhd</p>

Member Company	Penang	
A A ANTHONY & CO SDN BHD	No 41-1-1 & 41-2-1 Jalan Cantonment 10250 Pulau Pinang Tel : 04-2299318 Fax : 04-2268788	<p>Dealing Members: Lim Tiong Chin Haji Abdul Rahman bin Haji Ahmad</p> <p>Non-Dealing Members: Dato' Lim Pee Hung Lim Pee Kee Lim Pee Tong</p>
HWANG-DBS SECURITIES BHD	Level 2, 3, 4, 7 & 8 Wisma Sri Pinang 60 Green Hall 10200 Pulau Pinang Tel : 04-2636996 Fax : 04-2639597	<p>Dealing Members: Dato' Hwang Sing Lue Tunku Nadzaruddin ibni Tuanku Ja'afar Hwang Lip Teik</p> <p>Non-Dealing Members: Hwang-DBS (Malaysia) Berhad Tunku Tan Sri Imran ibni Tuanku Ja'afar</p>
	Shah Alam Branch: 16th, 18th-20th Floor Plaza Masalam 2 Jalan Tengku Ampuan Zabedah E9/E Section 9 40100 Shah Alam Tel : 03-55133288 Fax : 03-55138288	

Member Company	Penang	
KE-ZAN SECURITIES SDN BHD	Wisma Ke-Zan 64 Bishop Street 10200 Penang Tel : 04-2634222 Fax : 04-2622299/2618011	<p>Dealing Members: Md Yusoff bin Dato' Md Ali Mohd Idris bin Ahmad Jais</p> <p>Non-Dealing Members: Ke-Zan Holdings Sdn Bhd Mirzan bin Mahathir Ronald Anthony Ooi Thean Yat</p>

Member Company	Penang	
SMITH ZAIN SECURITIES SDN BHD	7th & 8th Floor, Menara PSCI 39 Jalan Sultan Ahmad Shah 10050 Penang Tel : 04-2283355 Fax : 04-2005834	<p>Dealing Members: Tan Chong Pen Tan Giap How Amin Rafie bin Othman</p> <p>Non-Dealing Members: Smith Zain (Malaysia) Sdn Bhd Dato' Kamarudin bin Abu</p>

KLSE MEMBERS

▶ a s a t 3 0 J u n e 2 0 0 0

SOON THEAM SECURITIES SDN BHD
No 111 Jalan Macalister
10400 Penang
Tel : 04-2281868
Fax : 04-2263912

Dealing Members:
Yeo Khee Nam
Yeo Khee Bee
Ahmad bin Md Mydin
Yeo Khee Aik

Non-Dealing Members:
Yeo Eng Chew, Cornelius
Yeo Eng Hai
Yeo Eng Ho

THONG & KAY HIAN SECURITIES SDN BHD
Wisma Sri Pinang
Level 5 & 6
60 Green Hall
10200 Penang
Tel : 04-2635481
Fax : 04-2635741/2622852

Dealing Members:
Thong Wai Loen
Thong Yue Leong
Thong Miew Peng

Non-Dealing Members:
Kay Hian (M) Holdings Sdn Bhd
Tang Wee Loke
Wee Ee Chao
Estate of Dato' Hj Ali bin Esa

UT SECURITIES SDN BHD
6th, 10th & 12th Floor
Bangunan Mayban Trust
3 Penang Street
10200 Penang
Tel : 04-2626644/6660
Fax : 04-2617312

Dealing Members:
Frederick Ng Kweng Chan
Lee Seong Chong

Non-Dealing Members:
Rentak Wira Sdn Bhd
Goh Choon Lye
Ling Hee Keat
Dato' Kamaruddin bin Jaafar

Member Company

Butterworth

MERCURY SECURITIES SDN BHD
Ground, 1st, 2nd & 3rd Floor
Wisma UMNO
Lorong Bagan Luar Dua
12000 Butterworth
Seberang Perai
Tel : 04-3322123
Fax : 04-3231813/3312195

Dealing Members:
Chew Sing Guan
Mat Zuki bin Mahmud

Non-Dealing Member:
Hj Shuaib bin Lazim

Member Company

Perak Darul Ridzuan – Ipoh

BOTLY SECURITIES SDN BHD
1st Floor, Plaza Teh Teng Seng
227, Jalan Kampar
30250 Ipoh
Perak Darul Ridzuan
Tel : 05-2531313
Fax : 05-2536785/2557950

Dealing Members:
Ee Beng Wat
Too Hai Ong
Ahmad Sabri bin Harun

Non-Dealing Members:
TA Enterprise Bhd
Hj Mahfudz bin Mohamad
Datin Tan Kuay Fong
Datuk Tiah Thee Kian

KIN KHOON & CO SDN BHD
A23 – A29, Wisma Kota Emas
Jalan Dato' Tahwil Azar
30300 Ipoh
Perak Darul Ridzuan
Tel : 05-2543311
Fax : 05-2545567/2556570

Dealing Member:
Abdul Molok bin Abu Bakar

Non-Dealing Members:
Asian Pac Holdings Bhd
Dato' Hamzah bin Zainuddin
Phillip Gong Chiok Sin

MBf NORTHERN SECURITIES SDN BHD
No 71, Jalan Lim Bo Seng
30300 Ipoh
Perak Darul Ridzuan
Tel : 05-2548999/2552887
Fax : 05-2412716

Dealing Member:
No appointment as at
30.6.2000

Non-Dealing Members:
MBf Capital Bhd
Dato' Loy Teik Ngan

M & A SECURITIES SDN BHD
M & A Building
52A, Jalan Sultan Idris Shah
30000 Ipoh
Perak Darul Ridzuan
Tel : 05-2419800
Fax : 05-2551015

Dealing Members:
Choo Sen Yoong
Thong Kok Yoon

Non-Dealing Member:
Insas Bhd

PHILEO ALLIED SECURITIES SDN BHD
63 Persiaran Greenhill
30450 Ipoh
Perak Darul Ridzuan
Tel : 05-2558233/2423888
Fax : 05-2534333

Dealing Members:
Ahmad bin Abdullah
Din bin Mohd Hassan

Non-Dealing Member:
Phileo Allied Berhad

SBB SECURITIES SDN BHD
51-53 Persiaran Greenhill
30450 Ipoh
Perak Darul Ridzuan
Tel : 05-2530888
Fax : 05-2537666

Dealing Members:
Raja Puan Sri Dato' Noora
Ashikin bte Raja Abdullah
Lee Seang Seng

Non-Dealing Members:
SBB Capital Markets Sdn Bhd
Ramuda Sdn Bhd
Nordin bin Yahaya
Dato' Tan Teong Hean

Member Company

Perak Darul Ridzuan – Taiping

TAIPING SECURITIES SDN BHD
21, Jalan Stesen
34000 Taiping
Perak Darul Ridzuan
Tel : 05-8060888
Fax : 05-8060088

Dealing Members:
Muhammad Nadzri bin
Hamzah
Ahmad bin Haji Ibnihajar
Harris bin Haji Ismail

Non-Dealing Members:
Durapark Corporation Sdn Bhd
Datuk Hj Ishak bin Ismail

Member Company

Terengganu Darul Iman

FA SECURITIES SDN BHD
3rd Floor Wisma UMNO
Jalan Masjid Abidin
20100 Kuala Terengganu
Terengganu Darul Iman
Tel : 09-6238128
Fax : 09-6238129

Dealing Member:
Isa bin Mustapha

Non-Dealing Members:
FA Peninsular Bhd
Perbadanan Menteri
Besar Terengganu
Dato' Muhammad Fasri bin
Samsudin
Hj Mohd Ariff bin Taib

PTB SECURITIES SDN BHD
Tingkat 1, 2 & 3
No 61 Jalan Sultan Ismail
Peti Surat 151
Pejabat Pos Besar
20700 Kuala Trengganu
Terengganu Darul Iman
Tel : 09-6235546
Fax : 09-6235532

Dealing Member:
Ismail bin Nik Man

Non-Dealing Members:
PTB Securities Holdings Sdn Bhd
Abdul Aziz bin Mohmoud Salim
Mat Zaid bin Ibrahim
Dato' Mazlan @ Mohd Nanri
bin Hashim

KLSE MEMBERS

▶ a s a t 3 0 J u n e 2 0 0 0

Member Company	Sarawak		
SARAWAK SECURITIES SDN BHD	Wisma Mahmud Jalan Sungai Sarawak 93100 Kuching Sarawak Tel : 082-338000 Fax : 082-338222	Dealing Members: Dato' Haji Onn bin Mahmud Shahnaz bte Abdul Majid	Non-Dealing Members: CMS Capital Sdn Bhd Hijjas bin Kasturi Mahmud Abu Bekir bin Taib Sulaiman Abd Rahman bin Taib
	Miri Branch: Lot 2465, Jalan Boulevard Utama Boulevard Commercial Centre 98000 Miri Sarawak Tel : 085-435577 Fax : 085-435511		
BORNEO SECURITIES SDN BHD	12G, Jalan Kampung Datu 96000 Sibul Sarawak Tel : 084-319998 Fax : 084-313193	Dealing Member: Tan Mee Mee	Non-Dealing Members: Borneo Securities Holdings Sdn Bhd Tan Sri Dato' Seri Megat Junid bin Megat Ayob Engak @ Richard Wil Anak Uban Henry Lian Aran Clement Jamal Anak Eddy Joseph Salang Anak Gandum

Member Company	Sabah		
INNOSABAH SECURITIES BHD	11 Equity House, Block K Sadong Jaya, Karamunsing 88100 Kota Kinabalu Sabah Tel : 088-234090 Fax : 088-234100	Dealing Members: Faidzan bin Hassan Kong Kok Keong Freddie Chew Sun Ghee	Non-Dealing Members: Kretam Holdings Bhd Seah Sen Leang Lee Swi Heng

Member Company	Federal Territory of Labuan		
LABUAN SECURITIES SDN BHD (Dealer's Licence suspended by the Securities Commission on 12 May 1998)	Level 2, Wisma Oceanic Jalan OKK Awang Besar 87007 Wilayah Persekutuan Labuan Tel : 087-410621 Fax : 087-410620	Dealing Members: Dr Abdul Hadi bin Derani YB Abdol Mulok bin Awang Damit Abdul Hakim Mordani bin Abdul Hadi	Non-Dealing Member: Estate of Rashidi bin Baba

Number of Member Companies (Voting Members) : 64
 Number of Dealing Members : 141
 Number of Non-Dealing Members : 217

Notice

of Annual General Meeting

NOTICE IS HEREBY GIVEN THAT the Twenty Fourth Annual General Meeting of the Exchange will be held at the **KLSE Theatre, Lower Ground Floor, Exchange Square, Bukit Kewangan, 50200 Kuala Lumpur** on **Saturday, 25 November 2000** at **11:30 a.m.** to transact the following business:

- To confirm the Minutes of the Twenty Third Annual General Meeting held on 20 November 1999 at 11:30 a.m.
- To receive and adopt the report of the Committee, the Income and Expenditure Accounts for the year ended 30 June 2000 and the Balance Sheet as at 30 June 2000 with Auditors' Report thereon in respect of the Kuala Lumpur Stock Exchange and the Kuala Lumpur Stock Exchange Compensation Fund.
- To elect three (3) Committee Members.
- To elect a Deputy Chairman.
- To elect Auditors and to authorise the Committee to fix their remuneration.
- To transact any other business which may be properly transacted at an Annual General Meeting.

BY ORDER OF THE COMMITTEE

IZLAN BIN IZHAB
 (LS No: 01843)
 Company Secretary

Kuala Lumpur
 3 November 2000

NOTE:

**A. APPOINTMENT OF PROXY
RE: ARTICLES OF ASSOCIATION OF THE EXCHANGE**

- ARTICLE 24.7**
 - in the case of a Voting Member, only one of its executive directors shall be entitled to attend and vote on its behalf at the general meeting and in the event such executive director is unable to attend the general meeting, the Voting Member shall, subject to Article 26.4(1), be entitled to appoint a proxy to attend and vote on behalf of the Voting Member;
 - in the case of Non-Voting Members who are entitled to attend and vote and where the circumstances referred to in Article 4.2(2) apply, such Members are entitled to appoint proxies to attend and vote on their behalf, respectively.
- ARTICLE 26.4(1)**
A Member shall not be entitled to appoint a natural person who is not a Member as its proxy.
- ARTICLE 4.2**
 - Every Non-Voting Member shall have the right to receive any notice of and to attend and to speak at all general meetings of the Exchange.
 - In addition to the rights conferred under Article 4.2(1), a Non-Voting Member shall also have the right to vote upon any resolution which varies or affects his rights or privileges as a Non-Voting Member under the Memorandum of Association or these Articles.

Form

of Proxy/Certificate of Representation

We _____
of _____
being a Member of Kuala Lumpur Stock Exchange hereby appoint _____
of _____
as our proxy/representative to vote for us and on our behalf at the **Twenty Fourth Annual General Meeting** of the Exchange to be held on **Saturday, 25 November 2000** at **11:30 a.m.** and at any adjournment thereof.

Made this _____ day of _____ 2000.

Signature of Director/Attorney authorised to act on
behalf of the Member

Common Seal of the Member affixed in the presence
of the persons authorised by the Board of Directors

EXPLANATORY NOTES

A. APPOINTMENT OF PROXY

RE: ARTICLES OF ASSOCIATION OF THE EXCHANGE

(1) ARTICLE 24.7

- (a) in the case of a Voting Member, only one of its executive directors shall be entitled to attend and vote on its behalf at the general meeting and in the event such executive director is unable to attend the general meeting, the Voting Member shall, subject to Article 26.4(1), be entitled to appoint a proxy to attend and vote on behalf of the Voting Member;
- (b) in the case of Non-Voting Members who are entitled to attend and vote and where the circumstances referred to in Article 4.2(2) apply, such Members are entitled to appoint proxies to attend and vote on their behalf, respectively.

(2) ARTICLE 26.4(1)

A Member shall not be entitled to appoint a natural person who is not a Member as its proxy.

(3) ARTICLE 4.2

- (1) Every Non-Voting Member shall have the right to receive any notice of and to attend and to speak at all general meetings of the Exchange.
- (2) In addition to the rights conferred under Article 4.2(1), a Non-Voting Member shall also have the right to vote upon any resolution which varies or affects his rights or privileges as a Non-Voting Member under the Memorandum of Association or these Articles.

B. INSTRUMENT APPOINTING PROXY/REPRESENTATIVE TO BE DEPOSITED

The instrument appointing a proxy/representative shall be deposited at the registered office of the Exchange not less than twenty four (24) hours before the time for holding the meeting or adjourned meeting at which the person named in the instrument proposes to vote.

To confirm receipt of the above by the Exchange, kindly contact: Izlan Izhab – Tel: 03-2063498 or Marhani Hamzah – Tel: 03-2317327