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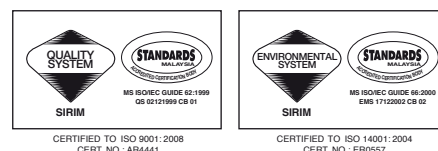
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Bursa Malaysia Berhad 30632-P

**YOUR
PREFERRED
PARTNER**

Annual Report **2009**



annual report 2009



VISION

To be the preferred partner in Asia for fund raising, trading and investment.

MISSION

As the preferred partner, Bursa Malaysia offers a fair and orderly market that is easily accessible with diverse and innovative products and services.



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YOUR PREFERRED INVESTMENT DESTINATION

We have close to 1,000 companies across a diverse business spectrum listed on our Exchange. Over 80% of our companies are Shari'ah compliant, which translates into approximately 60% in terms of market capitalisation. We are a leader of Islamic Capital Market products and services, as well as home to the world's most successful crude palm oil futures contract. World class infrastructure makes us easily accessible, and Bursa Malaysia today serves investors from over 60 nations, offering attractive dividend yields in the Asia Pacific region.

OUR STRATEGY

We are focused on securing our niche in commodities and Islamic markets, while continuing to grow our core businesses. We remain committed to maintaining a sustainable performance and creation of long term shareholder value.

A MARKET OF INTEGRITY

As a responsible market operator, Bursa Malaysia places great importance in ensuring a fair and orderly market. Our progressive regulatory approach ensures we maintain high standards of conduct and operations, as we continuously develop market products and capabilities.

Bursa Malaysia At A Glance

OUR BUSINESS

Bursa Malaysia Berhad is an exchange holding company that operates and regulates a fully-integrated exchange. Established in 1973 and listed in 2005, we offer a comprehensive range of exchange-related facilities, including trading, clearing, settlement and depository services.

We have a range of progressive products and services which covers equities, derivatives, offshore listings and services, bonds and Islamic offerings.

DIVERSIFIED OFFERINGS

MARKETS			
SECURITIES	DERIVATIVES	ISLAMIC OFFERINGS	OTHERS
<p>Two Markets:</p> <ul style="list-style-type: none"> Main Market: 844 companies ACE Market: 116 companies <p>Market Capitalisation as at 31 December 2009: RM999 billion</p> <p>Products:</p> <ul style="list-style-type: none"> Shares REITs ETFs TSR/Warrants Loans Bonds 	<p>Ten Derivatives Products:</p> <ul style="list-style-type: none"> Commodity futures Equity futures Equity options Financial futures 	<ul style="list-style-type: none"> Sukuk Shari'ah compliant equities i-REITs i-ETFs Bursa Suq Al-Sila' 	<p>Bond Market</p> <p>Electronic trading platform for:</p> <ul style="list-style-type: none"> Government Bonds Corporate Bonds <p>Offshore Market</p> <ul style="list-style-type: none"> Non-Ringgit securities Sukuk listing
TRADING	CLEARING	SETTLEMENT	DEPOSITORY

INTEGRATED PRODUCTS AND SERVICES





ACCESSIBLE

We make it easy for you

FINANCIAL HIGHLIGHTS

	31 DEC 2005 ¹	31 DEC 2006	31 DEC 2007	31 DEC 2008	31 DEC 2009
KEY RESULTS (RM MILLION)					
Operating Revenue ²	197.0	269.0	453.2	302.3	297.6
Operating Expenses	144.1	148.4	172.3	185.4	182.6
Operating EBITDA	66.2	136.6	294.9	137.4	153.9
Profit Attributable To Equity Holders Of The Company	77.0	108.1	240.6	104.4	177.6 ⁴
BALANCE SHEET AND OTHER KEY DATA (RM MILLION)					
Total Assets	1,197.4	1,407.4	1,447.0	1,729.9	1,786.6
Total Liabilities	293.0	598.0	666.8	997.6	938.0
Shareholders' Equity	883.1	809.4	780.2	732.3	848.6
Capital Expenditure	24.6	10.5	39.9	34.0	22.1
Cash From Operating Activities ³	37.1	122.1	234.3	92.9	118.9
FINANCIAL RATIOS (%)					
Operating Revenue Growth ²	(12.3)	36.5	68.5	(33.3)	(1.5)
Stable And Derivatives Revenue To Operating Expenses	67.1	73.3	80.4	79.2	77.8
Operating EBITDA Margin	33.6	50.8	65.1	45.5	51.7
Net Profit Margin	31.4	35.8	48.9	31.5	44.1 ⁴
Return On Equity	6.6	12.8	30.3	13.8	22.6 ⁴
SHARE INFORMATION					
Basic Earnings Per Share (sen)	15.9	20.9	46.1	19.9	33.7
Net Dividends Per Share (sen)	14.4	39.4	62.3	18.1	17.8
Net Assets Per Share (RM)	1.72	1.56	1.49	1.39	1.59
Share Price – High (RM)	4.90	8.35	16.90	16.30	8.59
Share Price – Low (RM)	3.40	3.66	8.00	4.68	4.36
Share Price As At 31 December (RM)	3.66	8.05	14.30	5.15	7.99
Price-Earnings Ratio	23	39	31	26	24
Company Market Capitalisation (RM billion)	1.9	4.2	7.5	2.7	4.2

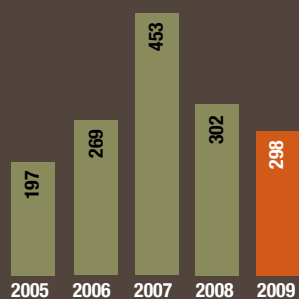
1 Comparative figures and ratios for 2005 have been reclassified for better presentation and restated to take into account the effects of FRS 2 in respect of share options following the adoption of FRS 2 on 1 January 2006.

2 The interest earned from participants' contributions and collaterals, conference fees and exhibition related income and SBL income have been reclassified from other income to operating revenue.

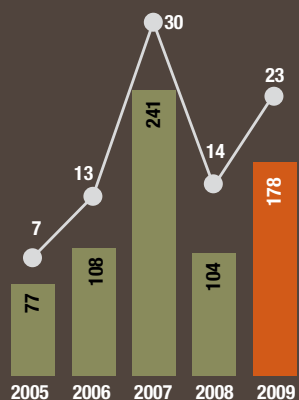
3 Comparative figures have been restated to exclude participants' contributions and collaterals.

4 The results and ratios for 2009 which excludes the gain on part disposal of a subsidiary are as follows:

- (i) Profit attributable to equity holders of the Company: RM101.6 million
- (ii) Net profit margin: 31.1%
- (iii) ROE: 13.6%

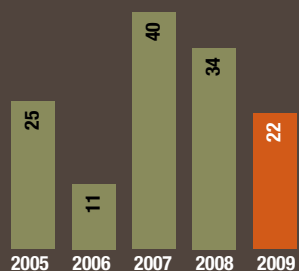


Operating Revenue
(RM million)

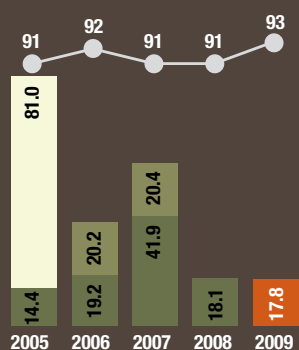


Profit Attributable To Equity Holders Of The Company & Return On Equity

■ Profit Attributable to Equity Holders of the Company (RM million)
● ROE (%)

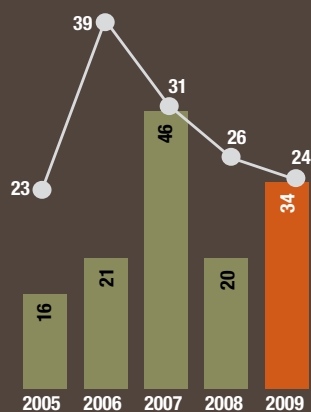


Capital Expenditure
(RM million)



Net Dividends & Capital Repayment

■ Ordinary Dividend (sen)
■ Special Dividend (sen)
■ Capital Repayment (sen)
● Dividend Payout Ratio (%)



Earnings Per Share & Price-Earnings Ratio

■ Earnings Per Share (sen)
● Price-Earnings Ratio

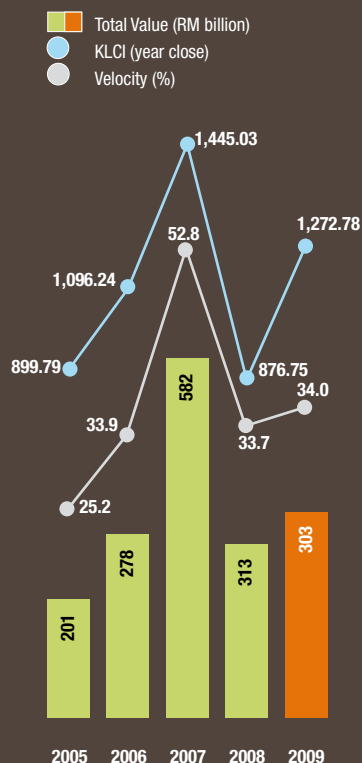
MARKET HIGHLIGHTS

	31 DEC 2005	31 DEC 2006	31 DEC 2007	31 DEC 2008	31 DEC 2009
SECURITIES MARKET					
KLCI/FBM KLCI	899.79	1,096.24	1,445.03	876.75	1,272.78
Market Capitalisation (RM billion)	695	849	1,106	664	999
Velocity (%)	25.2	33.9	52.8	33.7	34.0
Daily Average Trading Volume – OMT & DBT (million shares)	481	876	1,548	631	1,000
Daily Average Trading Volume – OMT (million shares)	414	803	1,457	576	945
Daily Average Trading Value – OMT & DBT (RM million)	814	1,129	2,346	1,278	1,221
Daily Average Trading Value – OMT (RM million)	718	1,019	2,179	1,181	1,129
Total Trading Volume – OMT & DBT (billion shares)	119	215	384	154	248
Total Trading Value – OMT & DBT (RM billion)	201	278	582	313	303
Total Funds Raised (RM billion)	8.9	4.6	10.6	6.1	27.8
New Listings – IPOs (including REITs)	79	40	26	23	14
New Listings – Structured Warrants	2	21	154	81	124
No. of ISS Instructions Cleared and Settled ('000)	276	290	444	389	326
No. of PLCs	1,021	1,027	987	977	960
No. of Listed REITs	6	10	13	13	12
No. of Listed Structured Warrants	12	33	120	48	137
No. of Rights & Bonus Issues (Yearly)	150	70	137	132	52
No. of New CDS Accounts Opened (Yearly)	144,026	133,833	190,864	157,687	161,100
No. of CDS Accounts (million)	3.5	3.6	3.8	3.9	4.0
No. of Trading Days	247	246	248	245	248
No. of Participating Organisations of Bursa Malaysia Securities	37	34	34	34	34
DERIVATIVES MARKET					
Open Positions ('000)	85	159	125	156	123
No. of Contracts Traded:					
• Crude Palm Oil Futures (million)	1.2	2.2	2.8	3.0	4.0
• KLCI Futures (million)	1.1	1.6	3.2	2.9	2.0
• 3-Month KLIBOR Futures	162,592	272,502	239,314	195,193	126,690
Daily Average No. of Contracts Traded	9,958	16,915	25,010	24,878	24,749
Total Contracts Traded (million)	2.5	4.2	6.2	6.1	6.1
No. of Trading Participants of Bursa Malaysia Derivatives	15	15	17	20	19
ISLAMIC MARKET					
No. of Sukuk Listings on Bursa Malaysia Securities*	–	–	–	–	12
% of Shari'ah Compliant – PLCs	84	86	86	87	88
% of Shari'ah Compliant – Market Capitalisation	63	65	64	64	64

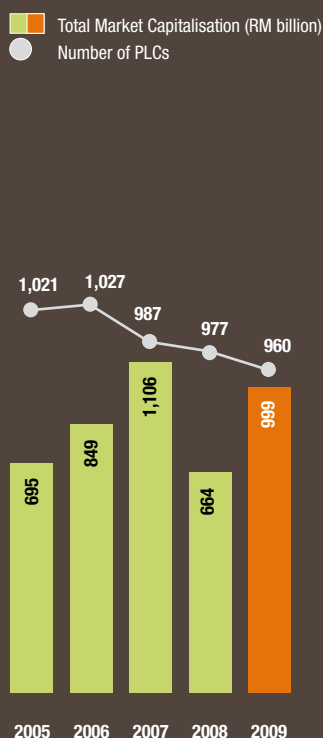
* Sukuk listing was introduced in December 2008.

SECURITIES MARKET

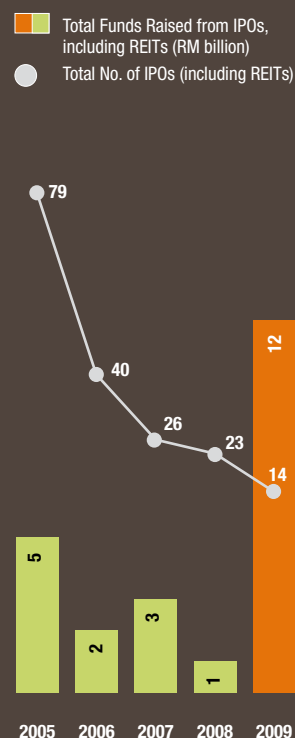
Trading Value, KLCI & Velocity



Market Capitalisation and Number of PLCs



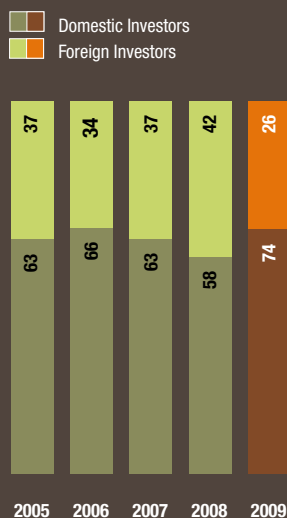
Number of IPOs and Funds Raised from IPOs



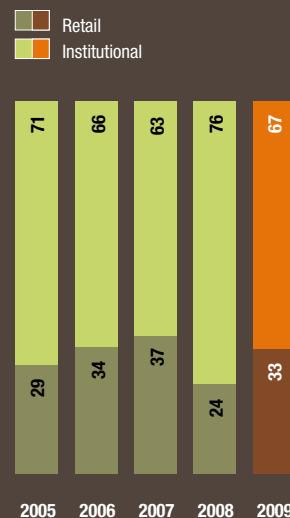
Share Ownership
Local vs Foreign (%)



Market Demography by Trading Value
Domestic vs Foreign (%)



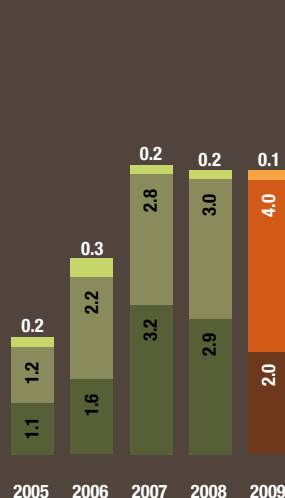
Market Demography by Trading Value
Retail vs Institutional (%)



DERIVATIVES MARKET

Total Contracts Traded (million)

FKLI
FCPO
Others



Open Position ('000)

FKLI
FCPO
Others
Total



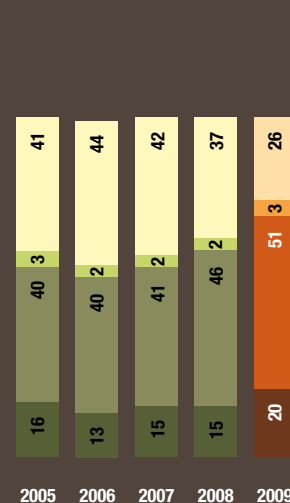
FCPO Contracts Trading Demography (%)

Local
Domestic Retail
Domestic Institutions
Foreign Institutions



FKLI Contracts Trading Demography (%)

Local
Domestic Retail
Domestic Institutions
Foreign Institutions



Note:

Local – Licensed trader who has the right to trade only for himself, futures contract listed on BMD.

2009 INITIATIVES SNAPSHOT

A Year of Change, Development and Achievement

IMPROVING ACCESSIBILITY

- Launch of Direct Market Access for the securities market
- Introduction of SBL-Negotiated Trade
- Introduction of Market Making for Structured Warrants and Exchange Traded Funds

ENHANCING EFFICIENCY

- New fund raising framework and board structure
- Restructuring of minimum tick size
- Shortening of trading halt

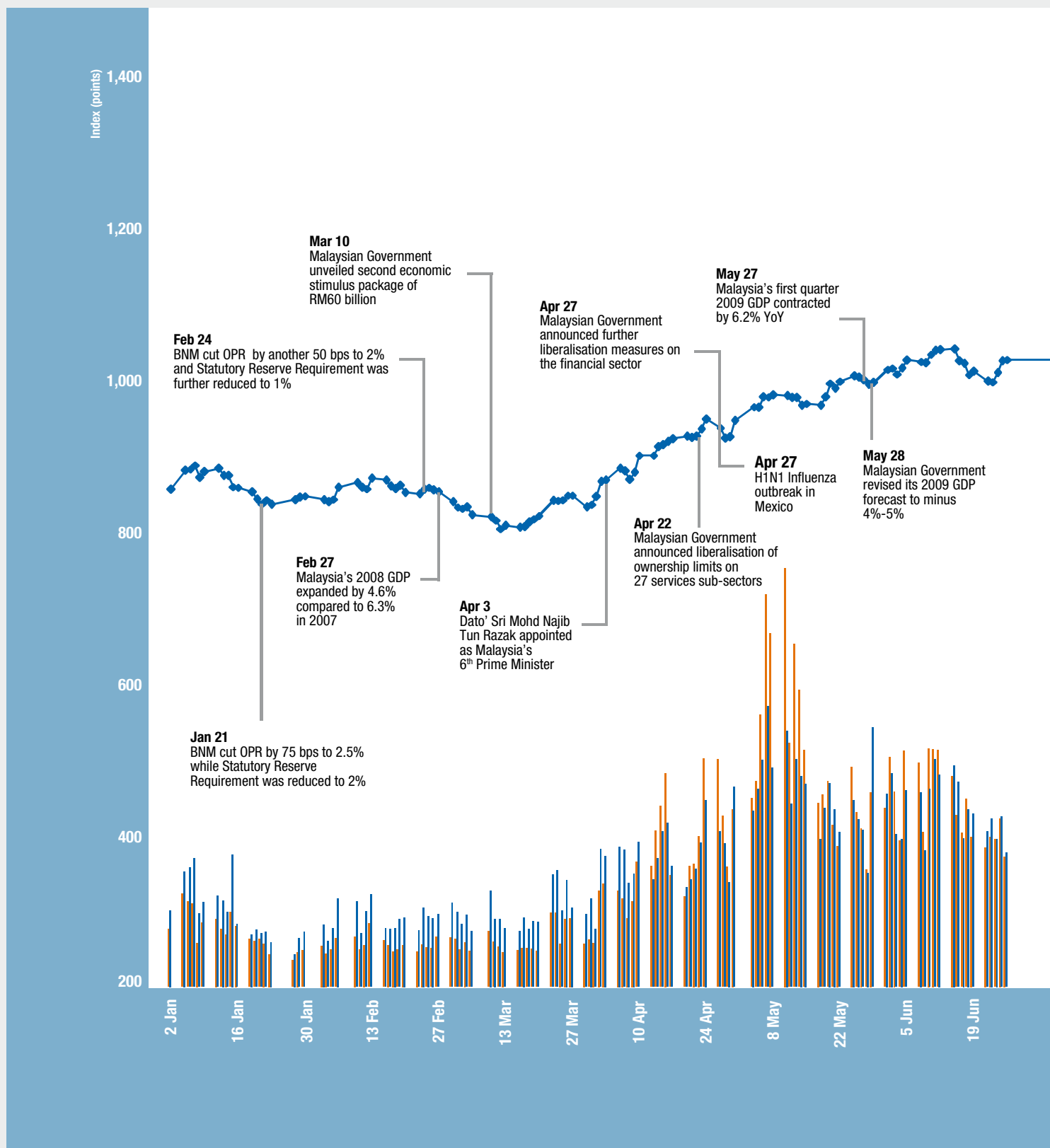
DEVELOPING NEW PRODUCTS AND SERVICES

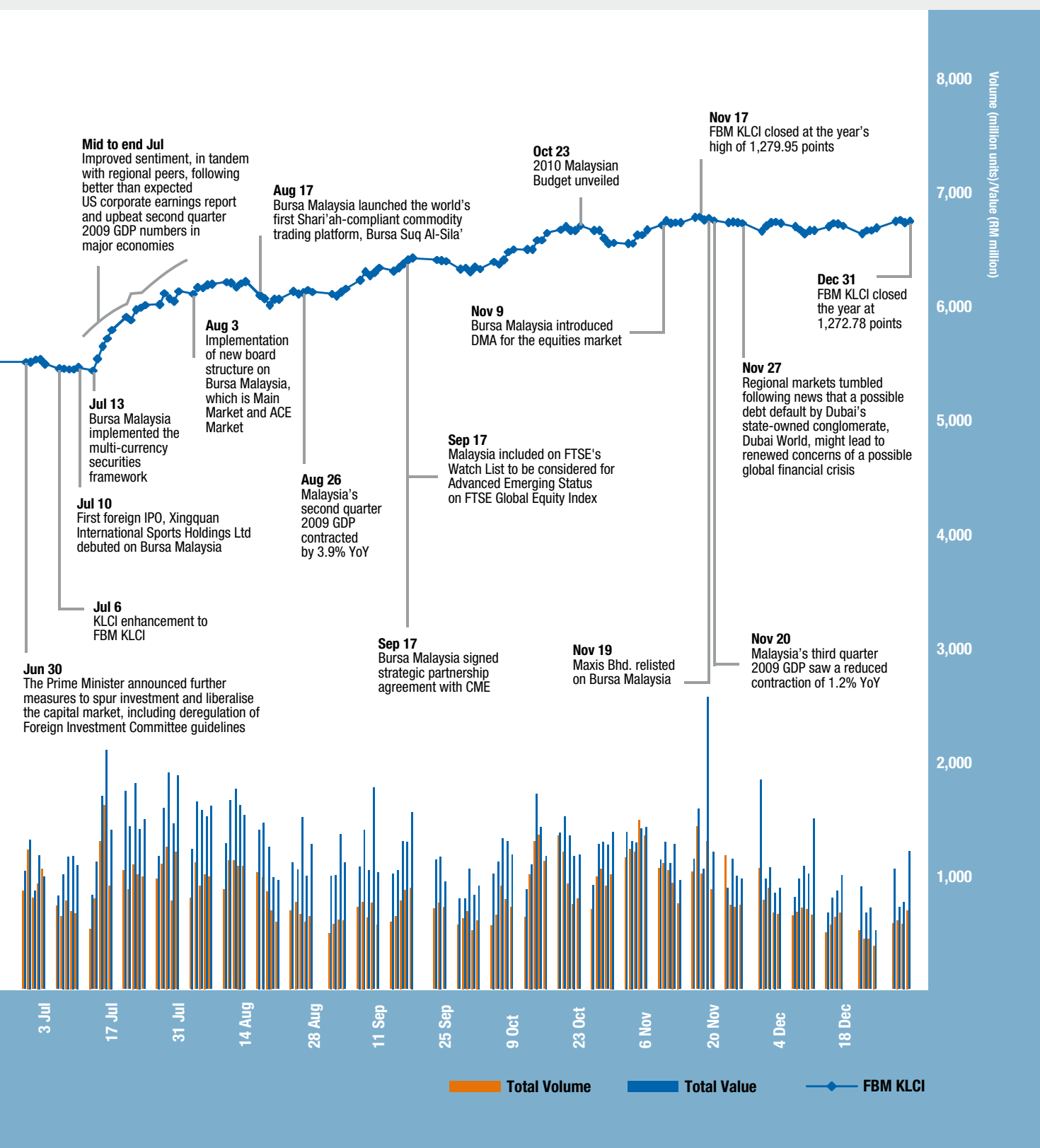
- Launch of FTSE Bursa Malaysia Palm Oil Plantation Index Series
- Listing of foreign IPOs
- Listing of sukuk and bonds

INTERNATIONALISING MARKETS

- KLCI enhancement to FBM KLCI
- Strategic partnership with CME
- Launch of Bursa Suq-Al Sila'

MARKET PERFORMANCE









INNOVATIVE

We embrace new solutions

CHAIRMAN'S MESSAGE

Dear Shareholders,

It would be easy to dwell only on the challenges we faced at Bursa Malaysia last year. Certainly, there were many. At the beginning of the year, the uncertainties of a global economic recession clouded most people's view of the future. Challenges are not new to us and our response was to take charge of our future rather than wait for the world to come to us.

We held firm to the pursuit of our long term strategic initiatives with an even stronger push for all round improvement in the delivery of quality products and services.

We started 2009 on the back of challenging circumstances but signs of global economic recovery saw improved market sentiment. Market activity returned to help drive our income, and our internal efforts began to show demonstrable results. By year end, we had achieved a net profit of RM178 million, which included a RM76 million gain on the disposal of a 25% interest in our subsidiary,

Bursa Malaysia Derivatives Berhad. We paid an interim gross dividend of 5.1 sen and tax-exempt dividend of 5 sen per share. Based on our full year results, we are now proposing an additional tax-exempt dividend of 9 sen per share, which will bring the net payout for 2009 to 17.8 sen per share.



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TUN MOHAMED DZAIDDIN BIN HAJI ABDULLAH
Chairman

CHAIRMAN'S MESSAGE

During the year, Bursa Malaysia announced various progressive measures designed to improve accessibility and efficiency in our markets. Amongst these was the May 2009 introduction of three new indices in the palm oil plantation sector, for Malaysia and Asia. That was followed by the launch of our new benchmark index for the securities market, the FTSE Bursa Malaysia KLCI in July. These indices adopt globally accepted FTSE index methodology and enhance the relevance of our markets internationally.

Another major development occurred in August with the merger of our Main and Second Boards to form the Main Market, and the introduction of the new ACE Market to replace MESDAQ Market. These changes increase Bursa Malaysia's attractiveness as an efficient and cost effective capital raising venue, and keep us competitive internationally.

A particular highlight of the year occurred in September 2009, when we announced our strategic partnership with CME. This arrangement was two years in the making and places our derivatives market firmly within the orbit of the world's largest and most sophisticated derivatives exchange. It adds greater visibility to our derivatives offerings and will help build the capability and capacity of our derivatives market. Much is expected of this relationship in the years ahead.

We have to ensure a transparent and accessible market, but this must be balanced with the need for orderly conduct and high standards of integrity. To achieve this, as a regulator, we must be more than an

enforcer of rules. There is a high emphasis on corporate governance and improving the quality of disclosure amongst listed companies. At the same time, we promote the adoption of best practices in the business conduct of market participants. A responsible, holistic approach is essential to maintain a fair and orderly market, with a focus on investor protection.

Later in the year, Bursa Malaysia received two awards for quality and innovation. In November, our Direct Market Access for derivatives was named the 'Best Innovation by an Exchange' by the Futures & Options World in its 2009 awards. In the category of Customer Service, South and Southeast Asia and Australasia, DMA was recognised for its excellence in products and services.

Again in November, Bursa Suq Al-Sila', the world's first Shari'ah compliant commodity trading platform, was awarded the 'Most Outstanding Islamic Finance Product' by the Kuala Lumpur Islamic Finance Forum in its Islamic Finance Awards 2009. The platform's viability was quickly demonstrated with cross-border trades being performed by several Islamic financial institutions.

One of our other objectives in Bursa Malaysia is improving the global perception of our markets. It is especially pleasing, therefore, to report that our efforts continue to attract international recognition. In September 2009, FTSE announced that it had added Malaysia to the country Watch List for its FTSE Global Equity Index Series: Advanced Emerging. This is the first signal to the international investment community that FTSE is considering elevating the status

of Malaysia from a Secondary Emerging market to an Advanced Emerging market. Over the next year, FTSE will review our markets against its quality criteria, but it is already a sign that our efforts to build an efficient, liberal and liquid market are being taken seriously.

Another of our roles is to set standards as a model listed company, so that others may use us as a benchmark. It is gratifying for our efforts to be recognised at the inaugural MSWG Malaysian Corporate Governance Index 2009, held in December. Bursa Malaysia was accorded the Overall Excellence Award, the top recognition for exemplary standards of corporate governance practices. We also received a special award for the best score in the Governance and Transparency Index. These awards are a recognition to all those involved in developing Bursa Malaysia into an exciting and vibrant market.

The challenge before us now is to capitalise on all our achievements in the past year and continue exercising the disciplines which have sustained us thus far. We have a team of people at Bursa Malaysia who are unwavering in their application and dedication. They are the force which binds together all our various strategies and initiatives, and it is through them that we achieve our goals. Their performance over the last year has enabled us to continue delivering value to our customers, our stakeholders and, most important, to our shareholders. I am confident we can expect the same commendable performance from them in the year ahead.

WE HAVE A TEAM OF PEOPLE AT BURSA MALAYSIA WHO ARE UNWAVERING IN THEIR APPLICATION AND DEDICATION. THEY ARE THE FORCE WHICH BINDS TOGETHER ALL OUR VARIOUS STRATEGIES AND INITIATIVES, AND IT IS THROUGH THEM THAT WE ACHIEVE OUR GOALS.

... our efforts are attracting international recognition. In September 2009, FTSE announced that it had added Malaysia to the country Watch List for its FTSE Global Equity Index Series: Advanced Emerging.

... Bursa Malaysia was accorded the Overall Excellence Award at the inaugural MSWG Malaysian Corporate Governance Index 2009.

... our Direct Market Access for derivatives was named the 'Best Innovation by an Exchange' by the Futures & Options World in its 2009 awards.

... Bursa Suq Al-Sila', the world's first Shari'ah compliant commodity trading platform, was awarded the 'Most Outstanding Islamic Finance Product' by the Kuala Lumpur Islamic Finance Forum in its Islamic Finance Awards 2009.

BOARD OF DIRECTORS' PROFILE

From left to right

**TUN MOHAMED DZAIDDIN BIN
HAJI ABDULLAH**

DATO' ABDUL LATIF BIN ABDULLAH

**DATUK HAJI FAISYAL BIN
DATUK YUSOF HAMDAIN DIEGO**

DATO' TAJUDDIN BIN ATAN

DATIN PADUKA SITI SA'DIAH BINTI SHEIKH BAKIR



TUN MOHAMED DZAIDDIN BIN HAJI ABDULLAH

Chairman, Non-Executive Director and Public Interest Director, appointed by the Minister of Finance pursuant to Section 10 of the Capital Markets and Services Act 2007 (CMSA)

Date of Appointment: 1 March 2004

Tun Mohamed Dzaiddin bin Haji Abdullah, a Malaysian aged 72, is a former Chief Justice of Malaysia. He is a Barrister of the Middle Temple, England, an advocate and solicitor of the High Court of Malaya and a Fellow of the Singapore Institute of Arbitrators. He is a former Vice President of the Malaysian Bar and President of ASEAN Law Association. Tun Dzaiddin had a distinguished career in the Malaysian Judiciary, serving as a Judge in the High Court, the Supreme Court and the Federal Court between 1982 and 2000, when he was elevated to become the 9th Chief Justice of Malaysia. He retired in March 2003. He is a former Chairman of the Royal Commission to Enhance the Operation and Management of the Royal Malaysia Police.

Currently, he is a legal consultant at Skrine, Chairman of Deutsche Bank (Malaysia) Berhad and Chairman of the Tun Mohamed Suffian Foundation.



DATO' ABDUL LATIF BIN ABDULLAH

Non-Executive Director and Public Interest Director, appointed by the Minister of Finance pursuant to Section 10 of the CMSA

Date of Appointment: 1 April 2004

Dato' Abdul Latif bin Abdullah, a Malaysian aged 59, graduated with a Bachelor of Arts (Hons) in International Relations from the University of Malaya in 1975, a Master of Science (Marine Law & Policy) from the University of Wales, Institute of Science & Technology, United Kingdom in 1981. He attended the Senior Management Development Programme at Harvard Business School in 1992 and is a Member of the Chartered Institute of Logistics & Transport (UK).

Dato' Abdul Latif's career began with the Ministry of Foreign Affairs in 1975. He later joined Malaysian International Shipping Corporation Berhad and, from 1982 to 1992, he was with Perbadanan Nasional Shipping Line Berhad (PNSL) where he held a number of senior positions within the PNSL Group. In 1990 he became a founder Director of Mitsui OSK Lines (M) Sdn Bhd and remains as the Chairman since his retirement in 2005. He is a former Chairman of the International Shipowners' Association of Malaysia and Vice-Chairman of the Malaysian Shipowners' Association. He was previously the Chairman of Penang Port Sdn Bhd from January 2004 to December 2009, as well as Executive Chairman of Realmild (M) Sdn Bhd, Radicare (M) Sdn Bhd and Labuan Shipyard & Engineering Sdn Bhd from March 2006 to December 2009.

Dato' Abdul Latif is currently the Chairman of Efficient E-Solutions Berhad, Chairman of Ancom Logistics Berhad (formerly known as Tamco Corporate Holdings Berhad), Deputy Chairman of Ekowood International Berhad, and Chairman of Amanah Raya Asian Finance Islamic Marine Fund.



**DATUK HAJI FAISYAL BIN
DATUK YUSOF HAMDAIN DIEGO**

Non-Executive Director and Public Interest Director, appointed by the Minister of Finance pursuant to Section 10 of the CMSA
Date of Appointment: 9 June 2004

Datuk Haji Faisyal bin Datuk Yusof Hamdain Diego, a Malaysian aged 47, graduated with a Bachelor of Economics from York University, Toronto in 1987.

Datuk Haji Faisyal was the Treasurer of the Dewan Perniagaan Melayu Malaysia (Sabah) from July 1997 to March 2007. He is currently the Deputy Chairman of KUB Malaysia Berhad, the Executive Chairman of Arus Sutera Sdn Bhd and a Director of Perkasa Trading Sdn Bhd.



DATO' TAJUDDIN BIN ATAN

Non-Executive Director and Public Interest Director, appointed by the Minister of Finance pursuant to Section 10 of the CMSA
Date of Appointment: 14 July 2008

Dato' Tajuddin bin Atan, a Malaysian aged 50, graduated with a Bachelor of Science (Agribusiness) from Universiti Putra Malaysia in 1983 and a Master of Business Administration from the University of Ohio in 1998.

He joined Bank Bumiputra Malaysia Berhad, in 1983, where he held a number of senior positions and his last designation was Treasurer/Senior Vice President, Treasury Division of Bumiputra Commerce Bank Berhad. Between July 2001 and September 2004 he was the Managing Director of Chase Perdana Berhad, thereafter joined Bank Simpanan Nasional as CEO from October 2004 to November 2007. Dato' Tajuddin was the President/Group Managing Director of Bank Pembangunan Malaysia Berhad from December 2007 to April 2009. He has been the Managing Director of RHB Bank Berhad (RHB) and Group Managing Director of RHB Capital Berhad (RHBC) since May 2009 and July 2009 respectively.

Dato' Tajuddin currently sits on the Board of Directors of RHBC, RHB and several private limited companies within RHBC Group. He also holds directorships in Malaysian Electronic Payment System (1997) Sdn Bhd and Financial Park (Labuan) Sdn Bhd. He is also an independent non-executive director of Amanah Ikhtiar Malaysia, a non-executive member of SME Corp Malaysia, as well as a Council Member of the Association of Banks in Malaysia and the Institut Bank-Bank Malaysia.



**DATIN PADUKA SITI SA'DIAH BINTI
SHEIKH BAKIR**

Independent Non-Executive Director
Date of Appointment: 10 April 2004

Datin Paduka Siti Sa'diah binti Sheikh Bakir, a Malaysian aged 57, graduated with a Bachelor of Economics from the University of Malaya in 1974 and holds a Master of Business Administration from Henley Management College of London.

Her career with Johor Corporation (JCorp) commenced in 1974 and she has been directly involved in JCorp's Healthcare Division since 1978. Datin Paduka was appointed as the Chief Executive of Kumpulan Perubatan (Johor) Sdn Bhd (KPJSB) in 1989 and as the Managing Director of KPJ Healthcare Berhad since 1993.

Datin Paduka currently serves as the Chairman of various companies and hospitals in the KPJ Group. She is also a Director of Kulim (Malaysia) Berhad, KFC Holdings (Malaysia) Berhad, QSR Brands Bhd, Puteri Hotels Sdn Bhd as well as Waqaf An-Nur Corporation Berhad, a non-governmental organisation dedicated to the provision of healthcare services to the less fortunate.

Committed to promoting excellence in healthcare, Datin Paduka is the President of the Malaysian Society for Quality in Health since its inception in 1997 until today. Datin Paduka is a Board member of the Malaysia External Trade Development Corporation (MATRADE) since 1999, a member of the Malaysia Productivity Council Consultative Panel on Healthcare since 2001, and a member of the National Patient Safety Council, Ministry of Health since 2003. In 2009, Datin Paduka was appointed as a member of the Malaysian Healthcare Travel Council, Ministry of Health.

BOARD OF DIRECTORS' PROFILE

DATO' DR. THILLAINATHAN A/L RAMASAMY

Independent Non-Executive Director

Date of Appointment: 10 April 2004

Dato' Dr. Thillainathan a/l Ramasamy, a Malaysian aged 65, graduated with a Bachelor of Arts in Economics from the University of Malaya in 1968 and obtained a Master and Doctorate of Economics from the London School of Economics in 1970 and 1976 respectively.

Dato' Dr. Thillainathan was an Associate Professor of University Malaya from 1977 to 1979 and subsequently worked in the banking industry for ten years. He has served on the National Economic Panel, the Anti-Recession Task Force, the Task Force on Capital Market Development, the Investment Panel of Employees Provident Fund, the National Economic Consultative Council and Majlis Perundingan Ekonomi Negara Kedua. Dato' Dr. Thillainathan is also a former President of the Malaysian Economic Association. He was the COO of Genting Berhad from November 2002 to September 2006, its Executive Director from January 2003 to July 2007, and he remains a non-executive Director. He is currently a member of the Tax Review Panel of the Ministry of Finance as well as a member of the government-appointed Economic Council and its Working Group. He is also a Director of Petronas Dagangan Berhad.

DATO' SRI ABDUL WAHID BIN OMAR

Independent Non-Executive Director

Date of Appointment: 10 April 2004

Dato' Sri Abdul Wahid bin Omar, a Malaysian aged 46, is a Fellow of the ACCA (UK) and a member of the MIA.

Since May 2008, Dato' Sri Abdul Wahid has been President and CEO of Malayan Banking Berhad (Maybank), and he sits on the Board of Directors of Maybank, Mayban Fortis Holdings Berhad, Maybank Investment Bank Berhad and Pt. Bank Internasional Indonesia. Prior to joining Maybank, he was the Group CEO of Telekom Malaysia Berhad from July 2004. He was formerly Managing Director/CEO of UEM Group Berhad as well as Executive Vice Chairman of PLUS Expressways Berhad.

Dato' Sri Abdul Wahid is currently the Chairman of The Association of Banks in Malaysia and Malaysian Electronic Payment System (1997) Sdn Bhd (MEPS), as well as Director of Cagamas Holdings Berhad and Perbadanan Usahawan Nasional Berhad. He is also an Investment Panel member of Lembaga Tabung Haji and Kumpulan Wang Persaraan.

From left to right

DATO' DR. THILLAINATHAN A/L RAMASAMY

DATO' SRI ABDUL WAHID BIN OMAR

IZHAM BIN YUSOFF

DATO' WONG PUAN WAH @ WONG SULONG

CHEAH TEK KUANG



IZHAM BIN YUSOFF**Independent Non-Executive Director****Date of Appointment: 10 April 2004**

Izham bin Yusoff, a Malaysian aged 42, graduated with a Bachelor of Accounting in 1990 and a Master of Business Administration (Accounting & International Business) in 1991, both from the University of Miami, USA.

Izham began his career with Citibank NA in Miami as Assistant Business Planning & Analysis Manager in 1992 before joining Procter & Gamble in Singapore as Financial Analysis Manager, Corporate from 1992 to 1995. He then joined Citibank Berhad in Malaysia as Financial Controller from 1995 to 1996. He was the Corporate Strategy Manager with Maxis Berhad from 1996 to 1997, Special Assistant to the Managing Director of EON Berhad from 1998 to 2002 and Managing Director of Amanah Raya Berhad from 2002 to 2004. He was the CEO of KUB Malaysia Berhad from 2004 to 2007. He was also the COO of Ninebio Sdn Bhd and its Executive Director from August 2007 to January 2010 and he remains a non-executive Director. He is currently the Managing Director of Percetakan Nasional Malaysia Berhad, and Independent Non-Executive Director of Satang Holdings Berhad, Axis Incorporation Berhad and AKN Technology Bhd.

**DATO' WONG PUAN WAH @ WONG SULONG****Independent Non-Executive Director****Date of Appointment: 1 December 2006**

Dato' Wong Puan Wah @ Wong Sulong, a Malaysian aged 62, graduated with a Bachelor of Science (Hons) in Economics from the University of London in 1972.

Dato' Wong has been a journalist for over 40 years, having served in the New Straits Times, the Australian Broadcasting Corporation, the Financial Times of London and The Star. Apart from Malaysia, he worked in Hong Kong and Sydney, Australia. He retired from The Star in December 2006, having served as its Group Chief Editor for three years. Before that, he was The Star's Deputy Group Chief Editor cum Business Editor. He was largely instrumental in the launch of BizWeek, Star Motoring and Star Golf magazines. He is currently a director of Multi-Purpose Holdings Berhad and Assunta Hospital.

**CHEAH TEK KUANG****Independent Non-Executive Director****Date of Appointment: 10 April 2004**

Cheah Tek Kuang, a Malaysian aged 62, graduated with a Bachelor of Economics degree from the University of Malaya in 1970. He is a Fellow of the Institute of Bankers Malaysia.

Cheah began his career with the Malaysian Industrial Development Authority in 1970 and has more than 25 years of experience in the securities and derivatives markets. He has been with AmMerchant Bank Berhad since 1978 and was appointed its CEO and Managing Director in 1994, before becoming its Group Managing Director in 2002. He has been the Group Managing Director of AMMB Holdings Berhad (AMMB) since January 2005 and currently sits on the Boards of Directors of AMMB and its group of companies, which include AmInvestment Bank Berhad, AmInvestment Group Berhad, AmBank (M) Bhd, AmIslamic Bank Bhd, AmLife Insurance Bhd and AMG Insurance Berhad. Cheah is also a Director of Cagamas Berhad, and serves as the Alternate Chairman of the Malaysian Investment Banking Association and a Council Member of the Association of Banks in Malaysia.



BOARD OF DIRECTORS' PROFILE

DATO' SAIFUL BAHRI BIN ZAINUDDIN

Independent Non-Executive Director

Date of Appointment: 27 June 2008

Dato' Saiful Bahri bin Zainuddin, a Malaysian aged 48, graduated with a Bachelor of Science degree in Economics & Finance from Western Michigan University, USA in 1985. He attended the Global Leadership Development Programme at Stanford University, USA.

Dato' Saiful Bahri is currently the Executive Director of Affin Holdings Berhad as well as the Managing Director of Affin Investment Bank Berhad-Stockbroking Division. He is the present Chairman of the ASCM, the Financial Adviser to the State Government of Negeri Sembilan, a member of the SC's Securities Law Consultative Committee and the Negeri Sembilan State Government Think Tank, as well as a committee member of Masjid Wilayah Persekutuan.

Dato' Saiful Bahri previously held positions, which include the Executive Director and Executive Director Dealing of Rashid Hussain Securities, CEO/Executive Director Dealing of Fima Securities Sdn Bhd. He was also attached to Corporate Planning Division of Heavy Industries Corp. of Malaysia (HICOM) and a member of the Securities Market Consultative Panel of Bursa Malaysia.

ONG LEONG HUAT @ WONG JOO HWA

Independent Non-Executive Director

Date of Appointment: 27 June 2008

Ong Leong Huat @ Wong Joo Hwa, a Malaysian aged 65, holds a Capital Markets Services Representative's Licence for dealing in securities.

Ong was a Director of MESDAQ from July 1999 to March 2002, a member of the Capital Market Advisory Council appointed by the SC in 2004 to advise on issues relating to the implementation of the Capital Market Master Plan. He was also a member of the Securities Market Consultative Panel of Bursa Malaysia. For over 17 years since 1969, he was attached to a leading financial institution where he last held the position of a Senior General Manager. He was the Managing Director/CEO of the then OSK Securities Berhad from July 1985 to January 2007, and was since appointed Group Managing Director/CEO of OSK Investment Bank Berhad, a position he still holds. He also sits on the Board of Directors of OSK Investment Bank Berhad, OSK Holdings Berhad, OSK Ventures International Berhad, OSK Holdings Hong Kong Limited and DMG & Partners Securities Pte. Ltd.

DATO' YUSLI BIN MOHAMED YUSOFF

Non-Independent Executive Director

Date of Appointment: 10 April 2004

Dato' Yusli bin Mohamed Yusoff, a Malaysian aged 51, graduated with a Bachelor of Economics from the University of Essex (United Kingdom) in 1981. He is a member of the Institute of Chartered Accountants, England & Wales, the MIA, the Malaysian Institute of Certified Public Accountants as well as an Honorary Member of the Institute of Internal Auditors Malaysia.

Dato' Yusli began his career with Peat Marwick Mitchell & Co in London and has since held various key positions in a number of public listed and private companies in Malaysia, providing him with experience in property and infrastructure development, telecommunications, engineering and merchant banking. His career in stockbroking commenced in 2000, when he was appointed the CEO of CIMB Securities Sdn Bhd. He also served as the Chairman of the ASCM from 2003 to 2004.

Presently, Dato' Yusli is the CEO and Executive Director of Bursa Malaysia and a Director of its group of companies. He also sits on the Capital Market Development Fund Board and is an executive committee member of the Financial Reporting Foundation of Malaysia and Malaysian Accounting Standards Board.

Note:

Save as disclosed, the above Directors have no family relationship with any Director and/or major shareholder of Bursa Malaysia, have no conflict of interest with Bursa Malaysia and have not been convicted of any offence within the past ten years.

From left to right

DATO' SAIFUL BAHRI BIN ZAINUDDIN

ONG LEONG HUAT @ WONG JOO HWA

DATO' YUSLI BIN MOHAMED YUSOFF



LEADERSHIP TEAM'S PROFILE



From left to right

DATO' YUSLI BIN MOHAMED YUSOFF

OMAR BIN MALEK ALI MERICAN



DEVANESAN EVANSON

DATO' YUSLI BIN MOHAMED YUSOFF

Chief Executive Officer

A full profile appears on page 24 of the Annual Report.

OMAR BIN MALEK ALI MERICAN

Chief Operating Officer

Omar Merican, aged 50, a Malaysian, graduated with an Economics degree from the University of Birmingham, England and a Masters in Science from the Sloan School of Management, Massachusetts Institute of Technology (MIT). Omar was founder and CEO of Merican and Partners Asset Management Sdn Bhd, a fund management company, from 1997 to 2004. Prior to this, Omar worked in financial services institutions including Solomon Brothers, James Capel and O'Connor Associates. Omar has been the COO of Bursa Malaysia since 16 September 2005.

DEVANESAN EVANSON

Chief Market Operations Officer

Devanesan Evanson, aged 54, a Malaysian, is a Fellow of the ACCA and a member of the MIA. He also graduated with a Bachelor of Laws degree from the University of London in 1989. He is a Governor and past president of the Institute of Internal Auditors Malaysia and Vice President of the Malaysian Advisory Committee of ACCA. He has more than 15 years of experience in the field of external and internal audit and has held various key positions within the Bursa Malaysia group including Senior Vice President (SVP), Compliance and Inspection, SVP, Legal Advisory (Market Supervision), Head of Group Internal Audit and Risk Management and Deputy CRO from September 2005 to July 2006. He was the CRO from August 2006 to December 2007 prior to his appointment as CMOO effective 1 January 2008.

LEADERSHIP TEAM'S PROFILE

From left to right

NADZIRAH BINTI ABDUL RASHID

SELVARANY RASIAH

From left to right

LIM JIT JEE

SITI AISHAH MD LASSIM

CHONG KIM SENG



NADZIRAH ABDUL RASHID

Chief Financial Officer

Nadzirah Abdul Rashid, aged 46, a Malaysian, graduated with a Bachelor of Arts in Accountancy from the University of South Australia. She is a member of the MIA and CPA Australia. She has more than 20 years of experience in the banking and finance sector, particularly in the areas of auditing, finance and administration. Nadzirah joined the Bursa Malaysia group in April 1999 as a Senior Manager, Finance & Administration in Bursa Malaysia Depository and has held various key positions within the Group including Vice President, Finance & Administration in Bursa Malaysia Securities Clearing, Head, Financial Accounting and Financial Controller in Bursa Malaysia prior to her appointment as CFO effective 1 September 2006.

SELVARANY RASIAH

Chief Regulatory Officer

Selvarany Rasiah, aged 44, a Malaysian, graduated with a Bachelor of Laws degree from the University of Malaya and has been admitted as an Advocate and Solicitor of the High Court of Malaya. She practised law for several years before joining Bursa Malaysia in 1992. Selvarany has held various positions within the Group dealing with legal and regulatory matters, including Assistant General Manager, Corporate Affairs, Legal and Compliance, Bursa Malaysia Depository, SVP/Legal Adviser, Listing and Head Regulatory, Issues and Legal Advisory. She has dealt with a wide range of work relating to the capital markets and served on various task forces on capital market initiatives. She has also been significantly involved in the development of the corporate governance framework and best practices in Malaysia and is a member of the Organisation for Economic Co-operation and Development (OECD) Asian Roundtable on Corporate Governance. She was the Chief Legal Officer from July 2004 until her appointment as CRO effective 1 January 2008.

LIM JIT JEE

Chief Information Officer

Lim Jit Jee, aged 52, a Malaysian, graduated with a Bachelor of Science, Computer Science from Sonoma State University, California. He joined Bursa Malaysia in June 2008 as Head, Exchanges Operations of Market Operations before he was appointed as CIO, heading Technology & Systems Group on 15 September 2008. Lim brings with him over 20 years experience in the securities industry, having held many roles ranging from developing businesses, securities operations, managing critical projects, advisory and consultancy. Prior to joining Bursa Malaysia, Lim had been with the ASCM since 2004, his last position there being Executive Director.



SITI AISHAH MD LASSIM

Chief Human Resource Officer

Siti Aishah Md Lassim, aged 43, a Malaysian, graduated with Bachelor of Science and Master of Science degrees in Industrial Engineering from Texas A&M University, USA. She joined Bursa Malaysia as CHRO on 3 November 2008 and brings with her more than 18 years of experience in diverse fields which include management consulting, technology and human resources. Her many roles in human resources include performance management, rewards, talent management and organisational development. Her experience was gained in both multinational and public listed companies, in fields as diverse as oil and gas, investment and commercial banking. Prior to joining Bursa Malaysia, Siti Aishah was with the Maybank Group since 2002, her last position there being Executive Vice President, Head of Corporate Human Resources.

CHONG KIM SENG

Chief Executive Officer, Bursa Malaysia Derivatives Berhad

Chong Kim Seng, aged 51, a Singaporean, graduated with a Bachelor of Science degree from the National University of Singapore in 1983. In December 2009, he was appointed CEO of Bursa Malaysia Derivatives Berhad, a subsidiary of Bursa Malaysia Berhad in which CME has a 25% equity interest. He is a specialist in the trading and management of commodities and has worked extensively in the Asia Pacific region, the Middle East, Europe and Africa and in a variety of areas.

Chong was previously Global Head of Derivatives in Bursa Malaysia Berhad. He has also served as Managing Director of the Joint Asian Derivatives Exchange and as General Manager of the Singapore Commodity Exchange, and has held trading positions with affiliates of Cargill Incorporated, USA in Singapore, London and Geneva.

PROGRESSIVE

We embrace change





CALENDAR OF EVENTS

2009



JAN
9

VISIT BY PRIME MINISTER OF THE SYRIAN ARAB REPUBLIC

Bursa Malaysia hosted a visit by H.E. Eng. Mohammad Naji Otri, Prime Minister of the Syrian Arab Republic. He was accompanied by his Ministers of Economy and Trade, Transport, and Housing and Construction, together with other senior officials.

FEB
23

ELECTRONIC TRADING LINK

Five ASEAN Exchanges, Bursa Malaysia Berhad, Indonesia Stock Exchange, Philippine Stock Exchange, Inc., Singapore Exchange Limited and the Stock Exchange of Thailand, signed a Memorandum of Understanding to form an ASEAN electronic trading link to enhance the competitiveness of their respective capital markets.



MAR
10

20TH ANNUAL PALM OIL AND LAURIC OILS CONFERENCE (POC 2009)

Themed “20 Years, The Journey Continues”, Bursa Malaysia again held this flagship conference, featuring leading industry speakers from around the world, including a special address from YB Dato’ Peter Chin Fah Kui, Minister of Plantation Industries and Commodities.

POC 2009 attracted more than 1,400 local and international participants from various industry organisations.



JUN
8

LAUNCH OF SECURITIES COMMISSION – BURSA MALAYSIA CORPORATE GOVERNANCE WEEK 2009

The inaugural Corporate Governance Week 2009 was a collaborative effort by SC and Bursa Malaysia to increase the understanding of directors of listed companies on CG best practices, as well as to provide a platform for the exchange of views among practitioners. The occasion was used to launch Bursa Malaysia’s CG manual entitled “Corporate Governance Guide: Towards Boardroom Excellence”.



30 JUN

INVEST MALAYSIA 2009

The 5th edition of Invest Malaysia, organised in collaboration with CIMB Investment Bank and the CMDP, attracted 600 foreign and local fund managers, institutional investors and analysts from 185 foreign and local organisations.

For the first time, the conference included a session by the Chief Ministers of Johor, Penang and Sabah, who showcased the attractiveness of their respective states as key investment destinations.

This annual gathering was officiated by YAB Dato' Sri Najib Tun Razak, the Prime Minister of Malaysia.

6 JUL

FTSE BURSA MALAYSIA KLCI

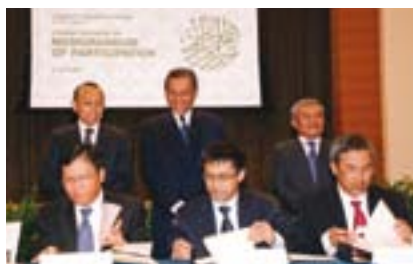
The benchmark index, KLCI was renamed FBM KLCI. This revamped index adopted the FTSE's global index methodology which is free-float adjusted, liquidity-screened and calculated on a 15 second basis.



9 JUL

VISIT BY THE RIGHT HONOURABLE LORD MAYOR OF LONDON

Bursa Malaysia hosted a visit by The Right Honourable Lord Mayor of London, Alderman Ian Luder and his delegation.



28

COMMODITY MURABAHAH AGREEMENT WITH INDUSTRY PLAYERS

Bursa Malaysia and 26 palm oil commodity suppliers, financial institutions and trading participants signed a Memorandum of Participation to collaborate in the Shari'ah commodity trading platform, Bursa Suq Al-Sila', aimed at facilitating liquidity management and financing of Islamic financial and investment instruments.

The Bursa Suq Al-Sila' platform, was an initiative by MIFC.

3 AUG

REDUCTION OF TICK SIZE

The tick size was reduced in line with the current practice by global developed markets and, more importantly, to create market depth, enable price discovery and boost liquidity in the equities market.

3

NEW ONE HOUR TRADING HALT

The trading halt of stocks for the purpose of disseminating material announcements by listed companies was shortened to one hour from one trading session previously.

3

IMPLEMENTATION OF MAIN AND ACE MARKETS

The new board structure comprising the Main and ACE Markets was officially implemented, following the announcement on the fund raising reforms on 8 May 2009.

In one of the most comprehensive reforms to the country's capital market, SC and Bursa Malaysia implemented a new framework for listings and equity fund raisings. The Main and Second Boards were merged to form the Main Market, while the MESDAQ Market was revamped into an alternative market known as ACE Market.

4

SECURITIES BORROWING & LENDING MODEL ENHANCED

SC and Bursa Malaysia announced the introduction of SBLNT, an enhanced model that offers an option to borrow and lend on an OTC basis.

CALENDAR OF EVENTS

2009



11 AUG

10TH ANNIVERSARY OF THE EDGE-BURSA MALAYSIA KUALA LUMPUR RAT RACE

This year's Rat Race collected a record RM1.75 million. The proceeds were channeled towards 20 charitable organisations in the country.

Modelled after the Carey Wall Street Rat Race in New York, the Edge-Bursa Malaysia Kuala Lumpur Rat Race provided the platform for executives and corporations from Corporate Malaysia to fulfill their corporate social responsibilities.



17

WORLD'S FIRST SHARI'AH-BASED COMMODITY TRADING PLATFORM

The electronic commodity trading platform called Bursa Suq Al-Sila' was launched by YB Dato' Seri Ahmad Husni Hanadzlah, Minister of Finance II.

Bursa Suq Al-Sila', the world's first end-to-end Shari'ah compliant commodity trading platform is able to facilitate commodity-based Islamic financing and investment transactions under the Shari'ah principles Murabahah, Tawarruq and Musawwamah.



15 SEPT

INCLUSION OF HOCHIMINH STOCK EXCHANGE IN ESTABLISHING CROSS-BORDER TRADING

Five ASEAN Exchanges including Bursa Malaysia entered into an Accession Agreement with Hochiminh Stock Exchange in a regional pact which will explore cross-border trading amongst the ASEAN capital markets via an electronic gateway.

17

STRATEGIC PARTNERSHIP AGREEMENT

Bursa Malaysia and CME signed a strategic partnership agreement, a landmark initiative that will elevate the development of the Malaysian derivatives market.



5 OCT

ENHANCEMENT ON BURSA TRADE SECURITIES' TRADING PHASES

BTS, the trading platform for the securities market, underwent some enhancements on its trading phases for the morning session, from 8:30am to 12:30pm. Two features, Pre-Closing and Trading-At-Last, were removed from the morning session, resulting in additional 15 minutes of continuous trading. These two features will be retained for the afternoon trading session.



20

YAYASAN BURSA MALAYSIA SCHOLARSHIP

Bursa Malaysia awarded academic scholarships to four deserving undergraduates amounting to RM174,000 through its Yayasan Bursa Malaysia Scholarship programme.

3 NOV

MOST OUTSTANDING ISLAMIC FINANCE PRODUCT

Bursa Suq Al-Sila' was awarded the Most Outstanding Islamic Finance Product by KLIFF Islamic Finance Awards 2009. Within two months of its launch, the platform received international recognition with cross-border trades being performed by Islamic financial institutions across several markets, including the UK and the Gulf Cooperation Council countries.

3

FOW'S BEST INNOVATION BY AN EXCHANGE AWARD

Bursa Malaysia's DMA for derivatives was named the Best Innovation by an Exchange by FOW Award 2009, under the category of Customer Service, South and Southeast Asia and Australasia.

9

DMA FOR EQUITIES MARKET

Bursa Malaysia introduced DMA for equities market, aimed at enhancing trading efficiency and accessibility for market participants.



10 DEC

MALAYSIA DAY 2009

Bursa Malaysia and SIAS organised a retail investment seminar themed Malaysia Day 2009, aimed at generating Singaporean investor interest to Malaysian listed securities.



11

INAUGURAL MALAYSIAN CORPORATE GOVERNANCE INDEX AWARD 2009

Bursa Malaysia was accorded the Overall Excellence Award, the top recognition for exemplary standards of corporate practices at the inaugural MSWG Corporate Governance Index Award 2009. The Exchange, which shared the top spot with Public Bank Berhad, also received the award for Best Governance and Transparency Index.

CHIEF EXECUTIVE OFFICER'S MESSAGE

Challenge and opportunity were both features of 2009. Economic conditions presented challenges to everyone, including Bursa Malaysia. Our response was to pay special attention to sustaining and improving the attractiveness and competitiveness of our market, with liquidity and efficiency being the primary focus.

Internally, we took a hard look at our costs and made some significant changes and improvements. We re-set our priorities and adopted innovative cost management measures without compromising quality. In fact, what differentiates Bursa Malaysia is the quality and integrity of our markets. This is demonstrated in our products and services, our people, the consistency with which we manage our markets and the business partners we work with.

Early in 2009, the Government announced a series of economic stimulus initiatives. As the year progressed, signs of recovery began to appear in our markets, and the rate of decline in the global economy also started to taper off. There was a rebound in international financial markets, and this signalled a return of positive sentiment domestically, which gradually gathered momentum. From a low of 838.39 points on 12 March 2009, the benchmark FBM KLCI ended the year at 1,272.78 points. However, trading volume in the securities market was affected largely by economic conditions, while the derivatives market sustained its levels of activity. Throughout the year, market integrity remained intact.

While addressing these challenges, we also took the opportunity to secure some notable advances for Bursa Malaysia and increase our attractiveness to both issuers and investors. We embarked on significant market and regulatory reforms to facilitate capital raising by issuers; we merged our Main and Second Boards to form a single Main Market, while our MESDAQ Market was revamped to become the new ACE Market. In promoting global relevance, we enhanced our benchmark index, to adopt FTSE's global index methodology and renamed it FBM KLCI. We also added to our investor services by introducing DMA for equities and market making for SWs and ETFs.

As part of our drive to establish ourselves as a leader in Islamic Markets, we introduced our Shari'ah compliant commodity trading platform, Bursa Suq Al-Sila', in August 2009. The first cross border trade between GCC and Bursa Malaysia was executed within two months of launch, and the platform is now in regular use.



DATO' YUSLI BIN MOHAMED YUSOFF
Chief Executive Officer

CHIEF EXECUTIVE OFFICER'S MESSAGE

Our derivatives market took a significant step towards global recognition when we announced the formation of a strategic partnership with CME, the world's leading derivatives exchange. Enlisting CME as our derivatives partner allows us to gain global access and profile for our derivatives products. The partnership allows us to leverage on the strengths of a market leader and will help us grow our derivatives market further.

These strategic and structural moves in 2009 exemplify our dedication to quality and demonstrate our commitment to keep our markets in line with evolving world standards. In a competitive world, we are always alert for ways to enhance our services.

Indeed, our efforts were validated when, in November, our DMA system for derivatives achieved international recognition with the 'Best Innovation by An Exchange' Award 2009 from the FOW. Our sponsored access DMA for derivatives was recognised for excellence in product and services innovation, under the category of Customer Service, South and Southeast Asia and Australasia.

Shortly thereafter, our Bursa Suq Al-Sila' platform received the award for the 'Most Outstanding Islamic Finance Product' by the KLIFF at its Islamic Finance Awards 2009.

Our own CG standards were recognised at an award ceremony in December which accompanied the launch of the MSWG Malaysian CG Index 2009. Bursa Malaysia received the Overall Excellence Award. This top recognition for exemplary standards of corporate governance practices was shared with Public Bank. We also received a special award for the best score in the Governance and Transparency Index.

OUR MARKETS IN 2009

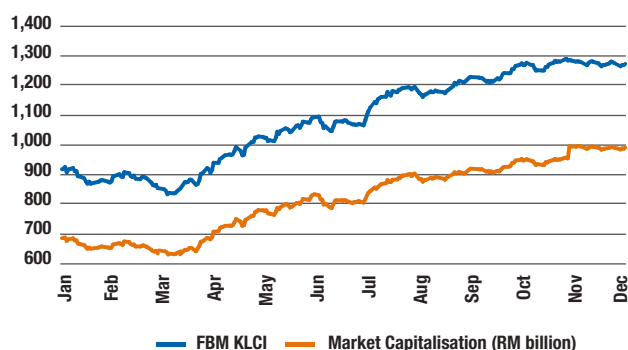
1. SECURITIES

The early months of 2009 saw a continuation of the weak sentiment which characterised 2008. From an opening of 878.30 points at the beginning of 2009, the KLCI dipped in March to the 2009 low but rebounded quickly. By early April, the index had returned to opening levels and continued to progress. On 4 May 2009 the psychological 1,000 point level was regained, and the market held above that point for the remainder of the year. The high point was achieved on 17 November 2009, when the benchmark index reached 1,279.95 points, and we ended the year at 1,272.78 points, some 45% above where we began.

Index Movement

FTSE Bursa Malaysia Index Series (as at 31 December)	2008	2009	Movement
FTSE BURSA MALAYSIA KLCI (<i>known as KLCI before 6 July 2009</i>)	876.75	1,272.78	45%
FTSE BURSA MALAYSIA TOP 100	5,613.94	8,308.89	48%
FTSE BURSA MALAYSIA EMAS	5,726.46	8,507.61	49%
FTSE BURSA MALAYSIA ACE (<i>known as FTSE BURSA MALAYSIA MESDAQ before 3 August 2009</i>)	3,333.59	4,299.58	29%
FTSE BURSA MALAYSIA PALM OIL PLANTATION (<i>*launched on 18 May 2009</i>)		11,615.60	*22%
FTSE BURSA MALAYSIA ASIAN PALM OIL PLANTATION (USD) (<i>*launched on 18 May 2009</i>)		16,931.27	*48%
FTSE BURSA MALAYSIA ASIAN PALM OIL PLANTATION (MYR) (<i>*launched on 18 May 2009</i>)		20,141.01	*42%
FTSE BURSA MALAYSIA HIJRAH SHARIAH	6,640.04	9,312.02	40%
FTSE BURSA MALAYSIA EMAS SHARIAH	5,951.20	8,509.52	43%

Market capitalisation recovered in line with overall performance, ended the year at RM999 billion, just above 50% of the closing of 2008. Daily average trading volumes were better than those of 2008 and total trading value for the year was RM303 billion. Velocity was the same as in the previous year, at 34%, but there remains a sense of caution amongst investors as they wait for clearer signs of global recovery.



Nonetheless, a total of 14 IPOs took place in 2009, raising some RM12 billion. We welcomed our first foreign listings as well as Maxis Berhad, the biggest listing in South East Asia, emphasising the fact that we remain an attractive destination for fund raising by issuers. Total funds raised during the year, including the secondary market, amounted to RM28 billion.

Retail participants returned to the securities market in 2009 but, overall, institutional investors still contributed 67% of total value. Foreign investors took a more cautious approach and comprised only 26% of the market, down from 42% in 2008.

Securities Market Performance

	2008	2009	Movement
Daily Average Trading Value (OMT & DBT) (RM billion)	1.28	1.22	(4.7%)
Total Trading Value (OMT & DBT) (RM billion)	313	303	(3.2%)
Market Capitalisation (RM billion)	664	999	50.5%
Total funds raised (RM billion)	6.09	27.75	355.7%
– IPOs	1.30	12.04	826.2%
– Other corporate actions	4.79	15.71	228.0%
Velocity (%)	33.7	34.0	0.9%

2. DERIVATIVES

While activity levels in our securities markets were lower, this was not the case with derivatives. There was a recovery in many commodity prices during 2009, and the sector gained ground as an attractive alternative to securities. The equity derivatives segment weakened, but the commodities derivatives segment recorded a new volume high.

The total number of contracts traded increased by 0.3% over 2008, to reach 6.14 million contracts for the year.

The FCPO contract performed exceptionally well, with 2009 volumes reaching 4 million contracts, representing a 34% increase over the previous record of 3 million contracts in 2008. The daily average number of contracts rose some 32% over 2008, to 16,165 contracts. Activity levels in FCPO peaked in April when it registered a record month high of 442,220 contracts traded. Overall, the FCPO contracts accounted for some 65% of all trades, up from 49% in 2008.

Local traders who are licensed to trade for their own account took a greater share of both the main contracts but domestic institutions were more cautious than in previous years.

Trading in the FKLI, the futures contract on our benchmark securities index, was not well supported, reflecting lower investor interest and foreign support for the contract. The daily average number of contracts declined 32% to 8,056 contracts.

Derivatives Market Performance

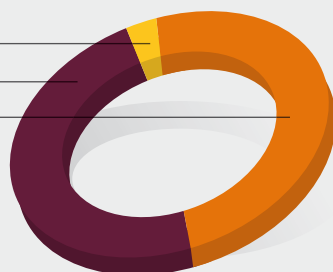
	2008	2009	Movement
Total contracts traded (million)	6.12	6.14	0.3%
Open positions	155,560	123,141	(20.8%)
Daily Average No. of Contracts			
– FCPO	12,210	16,165	32.4%
– FKLI	11,873	8,056	(31.6%)
– 3-month KLIBOR Futures	793	511	(35.1%)
Daily Average No. of All Contracts	24,878 <i>(based on 246 trading days)</i>	24,749 <i>(based on 248 trading days)</i>	(0.5%)

CHIEF EXECUTIVE OFFICER'S MESSAGE

Daily Average Derivatives Contracts Traded

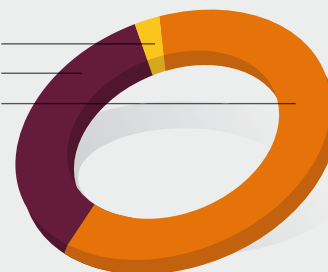
2008

FKB3	793 (3%)
FKLI	11,873 (47%)
FCPO	12,210 (49%)



2009

FKB3	511 (2%)
FKLI	8,056 (33%)
FCPO	16,165 (65%)



3. BONDS AND THE LFX

To promote the debt securities markets and enhance the breadth and depth of investment options in the Malaysian capital markets, the Exchange is now offering a platform for the listing of Islamic bonds, or sukuk, and debt securities.

In August 2009, Bursa Malaysia welcomed maiden listings from Petronas and Cagamas MBS, when both companies listed their sukuk and conventional bonds on both Bursa Malaysia and LFX. Soon after, we welcomed GE Capital, a Forbes 500 company, as the first US corporate sukuk issuer to be listed on Bursa Malaysia.

Approximately of USD5 billion was raised on the LFX during the year. Including new listings, the market capitalisation of LFX stands at USD18 billion, with a total of 28 listed instruments.

LFX	2008	2009	Movement
Market Capitalisation (USD billion)	15.6	18.1	16%
No. of Listed Instruments (as at 31 December)	30	28	(7%)

FINANCIAL REVIEW

We saw a net profit of RM178 million for the year, 70% above that made in 2008. The gain on disposal of 25% equity interest in Bursa Malaysia Derivatives to CME made up RM76 million of the profits, while the remaining RM102 million was generated against a backdrop of trading volumes which were fairly similar to 2008. The 2% reduction in normal net profit of RM102 million compared to net profit of RM104 million in 2008 was made possible by rigorous cost management whilst maintaining our commitment to our strategic focus.

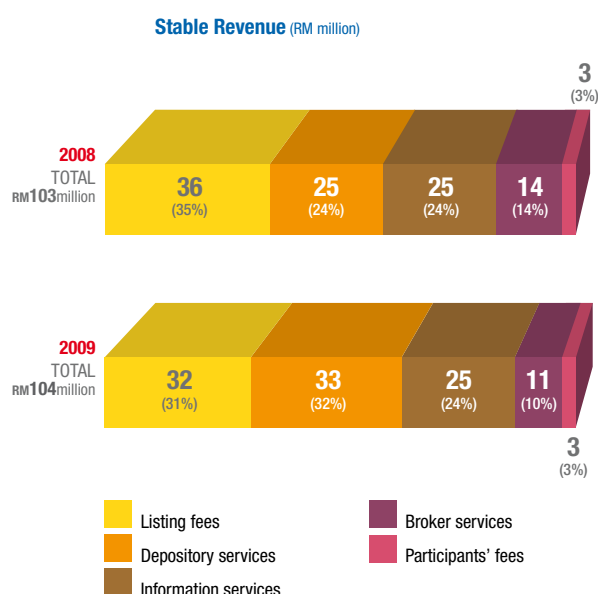
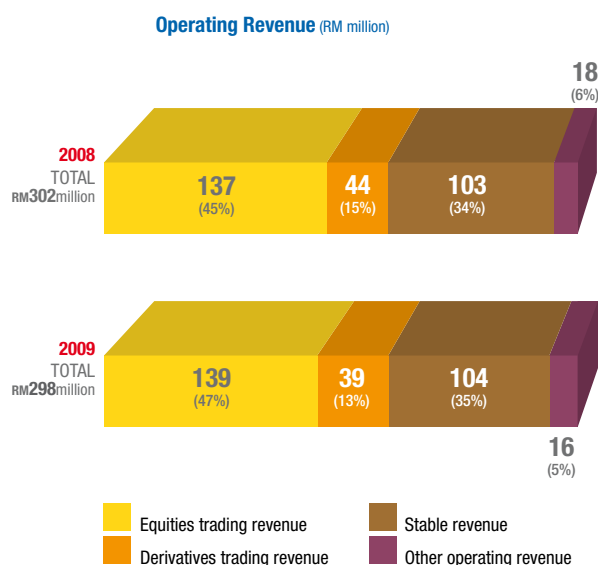
1. OPERATING REVENUE

RM298 million; -2%

Trading revenue for both the securities and derivatives markets are primarily volume driven.

Trading revenue from the securities market increased marginally by 2% to RM139 million in 2009 despite a 5% decline in daily average trading value for OMT and DBT to RM1,221 million (2008: RM1,278 million). The increase in securities trading revenue was attributed to a marginal improvement in the effective clearing fee rate.

The derivatives market trading revenue recorded a decline of 12% to RM39 million, compared with RM44 million in 2008. 2 million FKLI contracts were traded in 2009 compared to 3 million contracts in 2008. However the number of FCPO contracts traded dropped to 4 million in 2009 compared to 3 million in 2008. The reduction in revenue due to the drop in the number of FKLI contracts more than offset the increase in revenue due to the increase in the number of FCPO contracts as FKLI contracts trade at a higher trade fee compared to FCPO contracts.



Derivatives Contracts	Trading Revenue (RM million)		Number of Contracts (million)	
	2008	2009	2008	2009
FKLI	25	17	2.92	2.00
FCPO	13	17	3.00	4.00
Others	6	5	0.20	0.14
Total	44	39	6.12	6.14

The marginal increase in stable revenue to RM104 million in 2009 was primarily due to higher CDS fees (of which RM5 million was attributed to prior periods) and an increase in the number of public issues. This was partially offset by lower annual listing fees as a result of lower market capitalisation at the end of 2008 and a reduction in the number of listed companies from 977 at the end of 2008 compared to 960 at the end of 2009. Income from broker services also declined following the phasing out of older network equipment.

2. OTHER INCOME

RM29 million; -2%

Other income decreased by 2% due to lower investment income as a result of a lower level of funds available for investment and lower returns on investment.

3. GAIN ON PART DISPOSAL OF A SUBSIDIARY

RM76 million

The strategic partnership with CME includes its acquisition of 25% interest in Bursa Malaysia Derivatives. The equity deal was concluded on 30 November 2009, resulting in a gain of RM76 million to the Group.

4. OPERATING EXPENSES

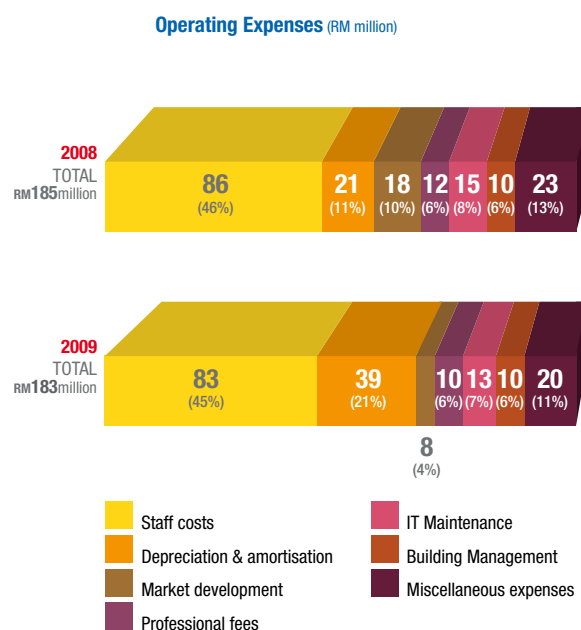
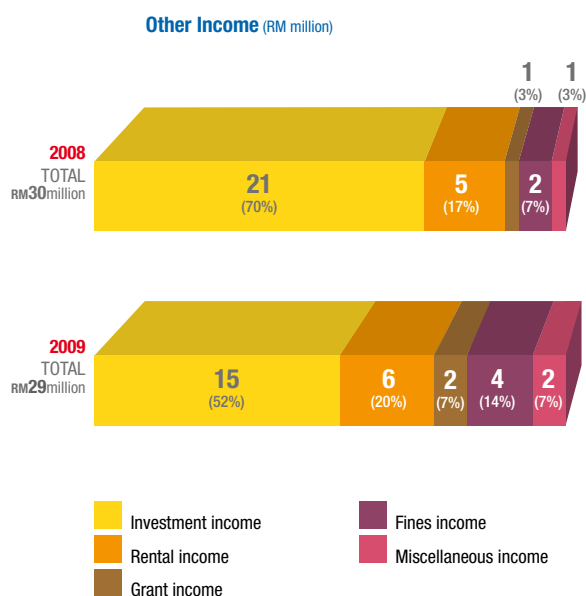
Operating expenses (excluding depreciation and amortisation): RM144 million; -13%

Depreciation and amortisation: RM39 million; +90%

During the year, we saw a 13% reduction in operating expenses before depreciation and amortisation. The reduction is due to a very focused approach to development and stringent cost measures.

The increase in depreciation and amortisation was primarily due to the launch of Bursa Trade Securities at the end of 2008 and other IT infrastructure which went live in 2009.

CHIEF EXECUTIVE OFFICER'S MESSAGE



5. CAPITAL EXPENDITURE

RM22 million; -35%

Capital expenditure of RM22 million was incurred in 2009 compared with RM34 million in 2008. The reduction was a result of a more targeted approach in managing capital expenditure. Key investments in 2009 were for the Bursa Suq al-Sila' platform, the market making and multi-currency infrastructure, and the DMA infrastructure for the securities market. We also enhanced the existing DMA infrastructure for the derivatives market and the derivatives clearing system.

6. CASH FLOWS

Net cash inflow RM54 million

RM million	2008	2009
Cash generated from operating activities	93	119
Cash generated from investing activities	28	5
Cash used in financing activities	(146)	(70)
Net cash (outflow)/inflow	(25)	54

Although 2009 operating profits (excluding the gain on disposal) was broadly the same as 2008, cash generated from operating activities was higher as a result of lower tax payments. Cash generated from investing activities was lower due to lower net investment proceeds. Cash used in financing activities were lower as a result of lower dividends paid during the year.

7. REWARDING SHAREHOLDERS

Net dividend 17.8 sen per share

We continue to deliver tangible value to our shareholders by once again giving back more than 90% of our profits to our shareholders. We paid an interim gross dividend of 5.1 sen per share and a tax-exempt dividend of 5 sen per share. A final tax-exempt dividend of 9 sen per share has been proposed for 2009, bringing the net payout for the year to 17.8 sen per share.

OUR STRATEGIC INITIATIVES

Our focus remains on growing our core businesses in the securities and derivatives markets, and building key differentiation through our strengths in the Islamic capital market and commodities.

Our target to grow velocity in the securities market to 60% remains intact, but the downturn means that the timeline will need to be reviewed. In the derivatives market, we are aiming to double the volume of contracts over the next three years. Bursa Malaysia will leverage on the strategic benefits of the country's natural resources, including oil and gas and palm oil, to enhance its presence in commodity-based capital market offerings.

We are already a global leader in Islamic finance and investment, and we will build further on this strength through innovation. The long term objective is to elevate our Islamic offerings to mainstream status. To support this and other initiatives, we will continue to invest in technology and human capital to ensure that we remain relevant and competitive.

Focus areas for future growth will remain on improving accessibility and efficiency, diversifying our products and services, strengthening liquidity, elevating our profile and internationalising our marketplace.

Let me now take you through the key developments in our markets in 2009.

PROGRESS AND PLANS (SECURITIES)

1. IMPROVING ACCESSIBILITY

a. Direct Market Access Equities

Progressive exchanges are always looking at how they can enhance accessibility and, in November 2009, Bursa Malaysia launched the second phase of DMA for the securities market, following on from the implementation of DMA for the derivatives market the year before.

DMA is designed to enhance trading efficiency and accessibility, and allow market participants to enjoy greater control over their orders via the DMA infrastructure. Bursa Malaysia's DMA offers sponsored access, which is a centralised gateway hosted by the Exchange. This enables our brokers to connect their institutional clients directly to Bursa Malaysia.

To remain competitive in the global investment arena, we must continue to invest in the technologies that enable us to meet the requirement for growth and align us with international best trading practices.

Similar to our experience with DMA derivatives, we are confident that DMA equities will attract a new segment of trading participation given its increased accessibility and faster response time. In the case of derivatives, 26.4% of all trades in 2009 were conducted via DMA, compared with 7.6% in 2008.

b. Securities Borrowing and Lending Negotiated Transaction

Also in August, a new refinement, SBLNT was implemented. This is an enhanced SBL model that offers participants an option to borrow and lend on an OTC basis.

Under the SBLNT framework, any eligible person as approved by the clearing house may borrow and lend securities. Both lender and borrower now have the flexibility to enter into SBL agreements, thus allowing them to directly negotiate and agree on transaction terms. These SBL transactions must, however, be reported via on-shore borrowing and lending representatives and facilitated through our clearing house.

This new model makes the Malaysian SBL market more attractive for participants who favour the OTC model and helps to increase liquidity in the SBL market.

c. Market Making for Structured Warrants and Exchange Traded Funds

Bursa Malaysia's market making framework for SWs and ETFs was made effective in May 2009 – another move to improve capital market efficiency and liquidity. The formalised framework replaced previous voluntary practices, and provides for the participation of foreign-based market makers in addition to local market makers. Market makers buy or sell securities at publicly quoted prices on a continuous basis in exchange for profit derived from the bid-ask price spread.

At the end of 2009, a total of four market makers registered with Bursa Malaysia Securities for SWs and another four market makers for the two ETFs. By combining market making with a re-engineering of Bursa Malaysia's internal processes, the time-to-market for listing of SWs has been reduced from ten market days to as little as one market day. Since the introduction of the market making framework, we saw a higher number of SWs listed.

d. Other initiatives

Government investment agencies have been urged to sell down their holdings in major PLCs as well as their investments in non-core businesses. We are pleased to note that there has been a number of sell-downs by these agencies in the later part of 2009.

Other liquidity enhancing initiatives include our on-going efforts to facilitate better information flows from PLCs to investors via CBRS. This scheme helps PLCs communicate with stakeholders as part of their investor relations programmes through research coverage which is freely accessible to all investors at no cost.

CHIEF EXECUTIVE OFFICER'S MESSAGE

2. ENHANCING EFFICIENCY

Efficient markets also need up-to-date products and services to be attractive to investors.

a. New Fund Raising Framework and Board Structure

On 3 August 2009, investors and issuers were introduced to a new fund raising framework for the Malaysian capital market. The Main and Second Boards were merged to form the Main Market, while the MESDAQ Market was revamped into an alternative market known as ACE Market. This move promotes equity fund raising in an efficient and cost effective manner, and brings the bourse in line with international markets, positioning Bursa Malaysia as a conducive capital raising destination.

As a result of the new framework:

- The Main Market is now a board for the listing of established corporations in terms of track record or size
- The ACE Market, which stands for Access, Certainty and Efficiency, is now an alternative market that acts as a fund raising platform for corporations from all business and economic sectors. The roles and responsibilities of sponsors are expanded to include the assessment of quality and suitability of corporations seeking listing

With the new framework, rules and processes for equity fund raising have been streamlined in order to provide greater certainty, shorter time-to-market and lower regulatory costs.

As a regulator, Bursa Malaysia will now undertake a more active frontline role for approving equity based corporate transactions. The SC retains its approval function for Main Market and backdoor listings.

b. Restructuring of Minimum Tick Size

A revised minimum tick structure came into effect in August 2009, aimed at creating market depth, enabling better price discovery and boosting liquidity.

The smaller tick size enables investors and traders to take advantage of even the smallest price movement, thus encouraging activity. The electronic infrastructure of DMA adds additional value as this system operates very efficiently with smaller tick sizes.

New Tick Sizes for Securities

Securities Price	Old Tick Size	New Tick Size
Below RM1.00	0.5 sen	0.5 sen
RM1.00 to RM2.99	1 sen	1 sen
RM3.00 to RM4.99	2 sen	
RM5.00 to RM9.99	5 sen	
RM10.00 to RM24.99	10 sen	2 sen
RM25.00 to RM99.98	25 sen	
RM100.00 and above	50 sen	10 sen

New Tick Sizes for Exchange Traded Funds

Exchange Traded Funds Price	Old Tick Size	New Tick Size
ABFMY (any price)	0.1 sen	0.1 sen
Equity-based ETF		
– Below RM1.00	1 sen	0.1 sen
– RM1.00 to RM2.995	1 sen	0.5 sen
– RM3.00 and above	1 sen	1 sen

c. Change in Trading Halt

The trading halt for securities to facilitate disseminating material announcements by PLCs was shortened to one hour from one trading session in August. The shorter trading halt benefits PLCs and investors, as there will only be a minimal disruption to the trading of their securities. Bursa Malaysia retains its discretion to extend the trading halt for complex announcements.

3. DEVELOPING PRODUCTS AND SERVICES

Domestic and foreign investors, as well as issuers, need markets which are transparent, diverse and efficient that provide certainty to participants. Two important developments occurred on this front in 2009.

a. FTSE Bursa Malaysia Palm Oil Plantation Index Series

Bursa Malaysia and FTSE launched the FTSE Bursa Malaysia Palm Oil Plantation Series to cement Bursa Malaysia's position as a key centre for commodity trading.

The indices launched in May 2009 are as follows:

1. FTSE Bursa Malaysia Palm Oil Plantation Index in RM
2. FTSE Bursa Malaysia Asian Palm Oil Plantation Index in RM
3. FTSE Bursa Malaysia Asian Palm Oil Plantation Index in USD

Both Asian palm oil plantation indices are based on the FTSE Asia Pacific universe ex Japan, Australia and New Zealand, while the Malaysian palm oil plantation index is based on the FBM EMAS universe. These three indices allow investors to track the performance of listed companies which derive substantial revenues from palm oil related activities. All constituents in the indices must derive at least 25% of their revenue from palm oil related activities, as well as meet various other eligibility criteria.

b. Developing New Issues

A key goal for Bursa Malaysia is to be an efficient capital raising venue, and 2009 was a landmark year. We saw our first foreign IPOs and, in November 2009, we were home to the largest listing in South East Asia for the year when Maxis Berhad floated its shares on our market and raised some RM11 billion.

With increasing competition amongst exchanges for fund raising, deregulation is viewed favourably by the investment community and issuers. It establishes a more conducive regulatory environment for companies and facilitates robust investment activity and a more vibrant capital market.

To boost direct foreign investments in our capital markets, the government liberalised the FIC guidelines in June 2009.

Now, companies seeking a primary listing on Bursa Malaysia will only need to comply with a lower Bumiputra equity condition on a best effort basis. Post listing fund raising exercises will no longer be subject to any equity condition.

During the year, we also introduced the capability for issuers to list in foreign currencies. Our offshore awareness activities took us to China, Vietnam and India. Together with the SC and investment banks, we met potential issuers to encourage them to consider Bursa Malaysia as a potential fund raising platform. We also generated interest from local companies in raising capital on the Exchange. If the overall climate for securities investing continues to improve, we should be able to look to a better year ahead for IPOs.

CHIEF EXECUTIVE OFFICER'S MESSAGE

4. INTERNATIONALISING OUR MARKETS

Meeting the needs of international investors means we have to respond to their requirements for a world class investment market place.

a. FTSE Bursa Malaysia KLCI

In July 2009, our benchmark index, the KLCI, was raised to a new level with the adoption of the FTSE international index methodology. The enhanced KLCI, now known as the FBM KLCI, is based on globally accepted standards of tradability and investability of the constituents, as well as transparency of the methodology. These criteria ensure that the index remains representative in measuring the pulse of the Malaysian market while maintaining links to global standards.

The FBM KLCI comprises Bursa Malaysia's 30 largest eligible Main Market companies which pass the free float and liquidity screening criteria. It is managed according to transparent, publicly available rules and is overseen by a committee of market practitioners who review the index every June and December.

The application of global quality standards, elevates the profile of the constituents. This opens opportunities for companies from beyond Malaysia and the region.

Foreign and local investors have more investment opportunities with ETF, futures, options, structured warrants and mutual funds using the globally recognised FBM KLCI as the underlying index.

b. Multi-currency Securities Framework

Bursa Malaysia's multi-currency platform to list, trade, clear and settle securities in currencies other than Ringgit came into effect in July 2009. Non-Ringgit securities can be in the form of new listings, existing listings or securities arising from cross-listings. Multi-currency securities provide investors wider options for diversification and hedging, and this platform positions Bursa Malaysia more competitively in respect of attracting domestic and foreign issuers.

c. The ASEAN Link

The ASEAN Economic Community Blueprint calls for the integration of the capital markets in ASEAN. This initiative, called ASEAN Link, is under development and explores cross border trading of ASEAN securities. The purpose is to boost investor interest and gain greater prominence for the region.

The ASEAN Link aims to open up ASEAN market not only to the ASEAN countries but to the world at large, thus increasing the visibility of ASEAN as an asset class.

PROGRESS AND PLANS (DERIVATIVES)

In 2009, we took a major step forward in our ongoing efforts to develop the Malaysian derivatives market, enhance its profile and strengthen its liquidity. On 17 September 2009, Bursa Malaysia entered into a strategic partnership with CME, the world's largest and most diverse derivatives marketplace. The strategic collaboration with CME is expected to contribute positively towards the overall development of the Malaysian derivatives industry, expanding both capacity and capability. It is also expected to help realise our strategic goal of globalising our derivatives offerings, while internationalising Bursa Malaysia as a whole.

The agreement involves three aspects:

- equity participation
- licensing of our FCPO settlement price
- the provision of CME Globex trading platform (CME Globex®) services.

In terms of equity participation, CME acquired a 25% equity interest in Bursa Malaysia Derivatives Berhad, a subsidiary of Bursa Malaysia. This is designed to strengthen the overall partnership beyond a vendor-based relationship. As a means to strengthen Malaysia's position as the global price benchmark for crude palm oil, Bursa Malaysia Derivatives Berhad has licensed the CME the right to use our settlement prices for the Ringgit denominated FCPO.

The collaboration will see the listing of all existing and future Bursa Malaysia derivatives products on the CME Globex®. This will allow our derivatives products to gain international visibility and provide global access to investors.

Bursa Malaysia Derivatives will continue to operate and regulate the derivatives market, and have control over trading hours, product and specifications, spread definitions and pricing, within the parameters supported by CME Globex®.

PROGRESS & PLANS (ISLAMIC MARKETS)

Malaysia has long been a leader in global Islamic financial markets, and interest in this sector is rapidly increasing. In fact, close to 90% of companies listed on Bursa Malaysia are Shari'ah compliant. We are already investing in the human capital and infrastructure required to further support our development of this niche.

Our mission is to promote and develop Bursa Malaysia as an international Islamic fund raising centre as well as a global Islamic investment destination. This is also part of our commitment to support MIFC's agenda which is to promote and develop Malaysia as an Islamic finance and investment hub.

A key area for development is the sukuk market which continues to see growth. In 2009, some 60% of sukuk globally originated from Malaysia. Bursa Malaysia leads the way as a sukuk listing venue in terms of value for 2009. There were 12 sukuk listed, totalling approximately RM60 billion (USD17.6 billion) during the year. Petronas and Cagamas MBS led the way with the listing of their sukuk on Bursa Malaysia, while GE Capital became the first foreign issuer to list their sukuk on the Exchange.

In August 2009, Bursa Malaysia launched Bursa Suq Al-Sila', the world's first end-to-end Shari'ah compliant commodity trading platform to facilitate Islamic financing. This includes interbank placements, customer deposits and financing, and sukuk issues, amongst others. The platform applies concepts such as Murabahah, Tawarruq and Musawamah. Participants in the Bursa Suq Al-Sila' are Islamic banks on the buy side and commodity suppliers on the sell side. The commodity being offered at present is crude palm oil, and research and development initiatives are being undertaken to admit other commodities for trade.

Bursa Suq Al-Sila' was awarded the 'Most Outstanding Islamic Finance Product' by KLIFF Islamic Finance Awards in 2009. Within two months of its launch, the platform saw its first cross-border trades being performed by Islamic financial institutions across several markets, including the UK and the GCC countries. We have been promoting Bursa Suq Al-Sila' along with other Islamic product offerings through the MIFC-led roadshows in Qatar, Bahrain and Korea.

We continue to focus on widening the array of Islamic products and we do this by interactively engaging market intermediaries, investor groups and issuers.

MARKET AWARENESS AND EDUCATION

Ongoing education is critical to build an informed investment community. During the year, we continued our efforts to educate investors and at the same time, promote awareness of the full scope of products and services available in the capital markets.

1. RETAIL INVESTOR ENGAGEMENTS

We have an ongoing programme of engagements in collaboration with market participants, designed to help develop both domestic and regional retail participation in our markets.

Particular focus is placed on education. Interaction with young Malaysians is an integral part of the strategy to build the retail base amongst the next generation of investors. We also recognised the important role of the media as a conduit for education. We use this channel to reach out to the widest possible audience. A particular aim going forward will be raising the awareness of the benefits of online trading.

In October 2009, Bursa Malaysia's annual Market Chat programme went on the road. These roadshows are conducted in conjunction with nine of our brokers. This year, we covered 56 destinations nationwide, with a third of our attention focused on East Malaysia. During the year, we concentrated on raising the profile of ETFs and online trading, as well as encouraging investors to consider derivatives as an attractive addition to their investment options.

In December 2009, Bursa Malaysia and SIAS jointly organised a seminar entitled Malaysia Day 2009 in Singapore to raise awareness of Malaysian companies and generate interest in Malaysian stocks. This marks the fourth year of Bursa Malaysia's involvement and the event succeeded in profiling nine selected Malaysian PLCs.

We also participated in several retail investor conferences throughout the year such as Minggu Saham Amanah Malaysia 2009, ATIC 2009 and Invest Fair 2009.

We are cognisant that we need the young generation investor base. There is clearly much work to be done to overcome a perception of speculation and an attitude that investing is, somehow, for an exclusive club of active investors. Obvious challenges exist in terms of awareness and education for this important investor segment, and we will be addressing these issues in the coming months.

CHIEF EXECUTIVE OFFICER'S MESSAGE

2. INSTITUTIONAL INVESTOR ENGAGEMENTS

Institutions make up the bulk of investors in our securities market and are important participants in the derivatives arena.

a. Securities

Our annual Invest Malaysia conference has become a permanent date in the calendars of many institutional investors from home and abroad. As a follow-through to IM09, Invest Malaysia roadshows were held in the US and UK in November 2009 in collaboration with the government and the regulators. Our goal was to maintain existing business and grow new institutional business by elevating our profile with key international stakeholders. We also pursued a strategy of focused engagements with key foreign funds which rated Malaysia as underweight, and we met with institutional investors across Asia and Europe.

b. Derivatives

The primary objective for engagements with the institutional segment was to further internationalise our market. We promoted awareness of our upgraded infrastructure, with special attention paid to the ease of access created through our own DMA.

To this end, Bursa Malaysia participated in conferences, expos and seminars in Singapore, Istanbul, London, Mumbai and Chicago, in addition to its own events.

3. BURSA MALAYSIA'S CONFERENCES

a. 20th Annual Palm and Lauric Oils Conference and Exhibition

POC2009 was held in March 2009 and attracted a large international and domestic audience despite the global economic turmoil in the first quarter of the year. This initiative supports the national agenda for the palm oil industry as a whole, and our key strategic objective to internationalise our market and promote our FCP0 contract.

b. China International Oils & Oilseeds Conference

CIOC is an annual event jointly organised by Bursa Malaysia and Dalian Commodity Exchange. This year's conference was held in November and has earned a reputation among industry professionals as a platform for the sharing of insights into the latest developments and dynamics of the global oils and oilseeds market. The popularity of CIOC is reflected in the fact that the number of delegates and sponsorships has increased from year to year.

c. Invest Malaysia 2009

The fifth Invest Malaysia conference was held in June and continues to attract institutional investors. There was an increase in international participation, with the attendance of several top tier funds. At the event, the PM made key announcement including the FIC deregulation.

d. Industry Dialogues

As part of its broader role, Bursa Malaysia initiates and supports others who organise dialogues and seminars, which promote investor education and address other key issues such as CG and capital market development.

OUR REGULATORY ROLE

Regulation remains an integral part of Bursa Malaysia. In order to maintain the integrity of Bursa Malaysia as a frontline regulator and manage both perceived and real conflicts of interest, the regulation function is structured to be independent of the business units. We strongly advocate a balanced approach to regulation by having a robust and effective market regulatory framework that supports innovative market development.

The core regulatory objectives which guide us are maintaining a fair and orderly market with focus on investor protection and preserving market integrity. To achieve these objectives, we pay special attention to enhancing CG practices, improving standards of disclosure, promoting high standards of business conduct amongst participants, increasing the effectiveness of enforcement and elevating the level of education and awareness in the industry.

The launch of Bursa Malaysia's CG Guide in June 2009 is reflective of our continuous commitment to further enhance CG practices by PLCs. We reinforced our commitment to promoting better CG by collaborating with various industry organisations to educate market participants on good CG practices through a series of forums, roundtable discussions and talks.

To maintain a fair and orderly market, we remain vigilant in our monitoring of the market, the PLCs and the activities of Participants. During the year, we heightened our supervision and monitoring, and undertook direct engagement with the PLCs and Participants, where necessary.

A more detailed commentary on our regulatory function appears on pages 50 to 52 of this annual report.

TECHNOLOGY & SYSTEMS

If regulation is a cornerstone to orderly and efficient markets, so too is our infrastructure.

In line with our strategy to maintain the integrity of the market place, we continue to invest in technology to ensure that access, capacity and performance are in line with international standards and practices. As technology constantly evolves, it is critical that our systems and network infrastructure are constantly upgraded.

Our computer data centre was upgraded during the year to maximise operational efficiency. We rolled out a new integrated monitoring system which delivers proactive monitoring of our entire systems network. In addition, a number of process improvements were implemented, leading to better performance.

Access is key in moving our markets to the next level, and we must implement standards which are accepted globally. To this end, we have introduced FIX as our standard messaging protocol. FIX is effectively a common language used between exchanges and participants and between exchanges themselves.

During the year, we offered the capability for market participants to co-locate their systems at Bursa Malaysia's data centre and back-up services for disaster recovery, thus enhancing their efficiency in terms of cost and performance.

One of the key initiatives for the future will be enhancing the derivatives access and infrastructure to facilitate trading on the CME Globex® hosted platform.

TODAY AND TOMORROW

Many of our initiatives have multiple purposes, with responsibility as a primary driver and the sustainability of our business as a key objective. We have a responsibility, for instance, to develop our human capital. This helps us raise overall performance levels and keeps us competitive, while also providing personal improvement opportunities for our staff. A further benefit is that it contributes to the long term sustainability of our business.

Regulation is another of our key responsibilities if we are to be regarded as a transparent and attractive market. It helps protect our existing markets while, at the same time, delivering comfort to prospective investors and issuers. In turn, this encourages them to become potential participants in our markets. Educating the younger generation about the workings of our markets and products is a social contribution to which we are strongly committed. Having a community of informed investors brings reliability to our markets, while introducing the younger generation into this community helps sustain our future.

Our marketing efforts are designed not just to win the support of investors and issuers for tomorrow, but for the long term. We, too, need to stay abreast of changing investor needs to ensure that we remain relevant and attractive to the investment industry.

In the end, the overriding responsibility is to conduct our business in a manner which engenders its long term sustainability. This is how we ensure our ability to continue serving the needs of our shareholders and our other key stakeholders, and it will always be reflected in our actions going forward.

When we consider what lies ahead in the immediate future, it remains to be seen whether 2010 will see the return of a more positive economic and investment climate. Our markets have recovered from the depths of early 2009, as has the Company's operating performance. However, this is unlike previous economic downturns, and sustainable recovery depends on many factors that are not within our control. Our own efforts are strengthened by remaining aligned to the attributes of quality and discipline which are the cornerstone of our markets. This was how our team took on the challenges of 2009 and we emerged stronger. I am confident that we have in place the essential building blocks for success, and optimistic that we are poised to capitalise on the achievements of this last year.

IN APPRECIATION

There are many contributors to our achievement in 2009, and I thank you all.

First must be our people. They are our strength at Bursa Malaysia and will continue to be so. It is exciting to be part of such a team.

Those who invest in our markets as principals, those who participate in our markets as issuers, those who act as intermediaries, and those who work with us as partners have all helped us thrive. Their inputs and responses to our products and services helped us craft the innovations which are needed to stay competitive and relevant in a global environment.

Our national policy makers and our regulator delivered invaluable support in ensuring Bursa Malaysia is a conducive venue for investment and capital raising. Nearer to home, our Board of Directors provided the counsel and encouragement which helped the team at Bursa Malaysia convert the challenges into opportunities and emerge with the confidence that we can successfully shape our future.

Finally, my thanks must also be extended to our shareholders. Your belief in us is reflected in the fact that, once again, Bursa Malaysia's shares outperformed our own benchmark index, the FBM KLCI, during 2009. Such rewarding signals strengthen our resolve to continue delivering the returns which have won your belief in us thus far.





RESPONSIBLE

We deliver with integrity

REGULATION

The primary objectives for our regulatory activities are to maintain a fair and orderly market, with a focus on investor protection and preserving market integrity. We take a balanced approach to fulfilling these responsibilities.

ENHANCING CG STANDARDS

Enhancement of CG standards is a key priority for Bursa Malaysia. To achieve this, we have formulated medium and long term CG policies to continuously enhance the standard of CG by Malaysian PLCs and elevate the CG rating of Malaysia internationally.

One of the measures undertaken to enhance standards of CG was the issuance of the Corporate Governance Guide-Towards Boardroom Excellence (CG Guide). The CG Guide is aimed at helping company directors discharge their duties and responsibilities properly. Subsequent to the launch of the CG Guide, we collaborated with various training providers for familiarisation sessions on the CG Guide.

We also worked closely with industry associations that are instrumental in fostering best practices towards improving CG and integrity in the Malaysian PLCs. One prominent event that arose from our collaboration with industry was the inaugural Securities Commission Bursa Malaysia Corporate Governance Week held from 8 to 11 June 2009. In addition to this, Bursa Malaysia held various talks on CG for directors to enhance both awareness and understanding of good CG practices.

We continue to undertake robust engagement with listed issuers on CG issues at both plenary level as well as through direct engagement with company directors to further emphasise the importance of good CG practices.

Whilst we stepped up our efforts on engagement and education, there was no let up in terms of enforcement. Where non-compliance of the LR was detected, we took strict enforcement action.

IMPROVING STANDARDS OF DISCLOSURE

The quality of disclosure is an important feature for investors, and we are vigilant in monitoring compliance with the disclosure requirements. This is done, among others, through vetting of announcements and circulars issued by PLCs. In 2009, we issued a total of 406 announcement queries requiring PLCs to make additional disclosures or provide clarification in respect of their corporate announcements. A total of 157 media queries were also issued, requiring PLCs to clarify, deny or confirm rumours or reports about material information not previously disclosed.

As part of our continuous efforts to improve disclosure standards, disclosure requirements were enhanced in conjunction with the launch of the LR for the Main Market and ACE Market. The new Rules and Requirements include strengthening the disclosure in listing applications, announcements and circulars especially in relation to new issues of securities, and other situations such as related party transactions.

We are committed to ensuring that disclosure standards in our markets are elevated and that the underlying objectives are understood and embraced by PLCs and advisers. In this regard, we actively engage PLCs and advisers which do not adhere to good corporate disclosure practices.

PROMOTING HIGH STANDARDS OF BUSINESS CONDUCT AND SELF-REGULATION AMONG PARTICIPANTS

We carefully monitor the business conduct and level of compliance of participants in our markets through on-site and off-site monitoring. A systematic approach to these supervisory activities ensures they are reviewed regularly, they are effective, focused on the right areas and meet our overall regulatory objectives.

In response to the recent difficult economic environment, we undertook regular stress testing and impact analysis to ensure the financial position of participants remained sound, and potential deficiencies were discovered and acted upon promptly. A new process was established for alerts on matters of regulatory concern. Where necessary, market participants were engaged to discuss ways to resolve any regulatory issues and concerns. Reminders were issued to participants periodically to procure compliance with the Rules and surveys were conducted to assess the prudential standards and risk management practices applied by participants to mitigate business risks. ARMADA, our centralised financial reporting system for non-Investment Banks, was also enhanced to give us more accurate measurement and more efficient monitoring of the financial position of participants.

These measures were very effective in safeguarding the market and investors from any defaults that might have arisen due to the volatile market conditions. As at 31 December 2009, the industry average for Investment Banks' RWCR was above the minimum requirement of 8%. The industry average for Non-Investment Banks' CAR was 10.35 times against the minimum requirement which must exceed 1.2 times. Finally, the industry average Adjusted Net Capital for derivatives brokers was RM11 million, which is above the minimum requirement.

SURVEILLANCE OF MARKET AND PLCs

To keep pace with a fast-changing global market environment, we employ innovative methods for both our real-time surveillance system, and the detection of market irregularities, with an increasing emphasis on automation.

In market surveillance efforts, we use several different sources including online alerts from the surveillance system, observations made by our analysts, complaints and market intelligence. Various analytical techniques help us determine whether market abuses have occurred, such as manipulation or insider trading.

To maintain the orderliness in the market, we issue Unusual Market Activity Queries and Market Alerts. Where necessary, we also issue Surveillance Queries to Participants and engage with them. If it appears there has been a breach of the Business Rules or LR, we conduct our own investigation and, if warranted, cases are forwarded to the SC for their attention. Where it appears from our investigation that a breach of the Rules has occurred, we take enforcement action. Where it appears that a breach of law may have taken place, we refer such matters to the SC. We maintain a close liaison with the SC to ensure there is effective regulation in relation to market offences.

In the area of corporate surveillance, we have in place a framework which aids us in detecting breaches of LR. We also monitor the financial health of PLCs by analysing their financial performance, and will engage with them where their financial position gives rise to concern.

ENHANCING THE EFFECTIVENESS OF ENFORCEMENT

Bursa Malaysia refers potential and significant contraventions of the CMSA to the SC.

Enforcement of our Rules is carried out in a fair, consistent and timely manner. During the year, we strengthened our guidelines and further improved our processes.

Sanctions were imposed against PLCs and their directors for various breaches of the LR, as shown in the table below. The total number of sanctions was 308 in 2009 and included reprimands and fines amounting to RM3.8 million.

Sanctions Imposed

	PLCs	Directors	Total
Public Reprimand and Fine	–	191	191
Public Reprimand	65	37	102
Private Reprimand	11	4	15
Total	76	232	308
Total Fines Imposed (RM'000)	–	3,760	3,760

As for violations against the Business Rules, enforcement actions were instituted against participants, their dealer representatives and agents. The total number of sanctions was 133 in 2009 and included reprimand and fines amounting to RM1,512,700.

Types of Actions Taken

	Participating Organisations	Authorised Depository Agents	Derivatives Trading Participants	Registered Persons	Total
Reprimand and/or Fine and/or Suspension [& additional condition(s)]	–	–	–	3	3
Fine & Deferred Suspension	–	–	–	4	4
Fine & Public Reprimand	1	–	–	–	1
Fine/Deferred Fine with enforceable conditions	24	41	–	–	65
Private reprimand/Private reprimand & directive to rectify & fine for failing to rectify	17	8	5	3	33
Caution	20	5	1	1	27
Total Sanctions	62	54	6	11	133
Total Fines Imposed (RM'000)	1,385	–	–	128	1,513

more than one sanction may have been imposed on a director, PLC or other market participants and the total number of sanctions reported is greater than the number of persons or entities against whom we took action.

REGULATION

Through these disciplinary enforcement actions, we hope to deter future breaches, educate market participants, promote a culture of compliance and enhance CG practices. All fines collected are segregated and used to educate market participants and defray legal or court expenses related to enforcement actions.

Utilisation of Fines Income and Transfer Fees

	RM'000
Balance as at 1 January 2009	5,395
Fines collected during 2009:	
• Fines income received	3,845
• Transfer fee (transfer of Dealer Representatives between POs)	512
	4,357
Fines utilised:	
• Education and training of market participants and investors	842
• Legal expenses relating to enforcement actions	454
	1,296
Net Fines/Transfer Fees Income for the period	3,061
Balance as at 31 December 2009	8,456

ELEVATING THE LEVEL OF EDUCATION AND AWARENESS IN THE INDUSTRY

As part of our efforts to continually raise standards of performance and conduct in the industry, we are committed to elevating the level of education and awareness. During 2009, we held a range of briefings and engagements with market participants on various technical matters. We also collaborated with industry associations and conducted a series of evening talks for PLCs on technical matters relevant to their activities. Similar talks and engagements on technical aspects of the Rules were also held for participants.

When we have concerns about compliance matters, we will actively engage with senior management and directors of PLCs and participants. As part of this process, we provide the details of our observations and the issues we consider require further action.

We have also enhanced the regulatory section in Bursa Malaysia website to promote greater transparency and awareness to public and market participants on regulatory functions, philosophies, services and actions taken by Bursa Malaysia.

ENHANCING THE EFFICIENCY OF CAPITAL RAISING

Unification of the Main and Second Board under the Main Market and the revamp of the MESDAQ Market into the ACE Market were joint initiatives of Bursa Malaysia and the SC, designed to enhance our competitiveness as a destination for listing and investment.

In line with this initiative, the SC issued revised Equity Guidelines, and the roles of both SC and Bursa Malaysia were streamlined. Our focus on enhancing the efficiency of capital raising goes beyond the regulatory framework. Internally, we reviewed our processes and procedures in respect of listing to ensure we are operating at optimum efficiency and effectiveness. The result is a shorter time-to-market for both IPOs and secondary issuance of securities. We have also revamped the listing process for SWs reducing the time-to-market for listing of SWs from T+10 to T+1 which took effect on 8 May 2009. The enhanced listing process coupled with general improvement in investor sentiment has led to an increase in the issuance of SWs. New listings of SWs has more than doubled with 88 new listings for the period from July to December 2009 as compared to 36 for the period from January to June 2009.

RULE CHANGES

A balanced regulatory response to developments in the market, which fosters capital market growth and innovation, is essential if our Rules are to generate investor confidence and promote market integrity. Apart from the changes required for the new Main Market and ACE Market, we amended our Rules during the year to cater for the introduction of the following:

- multi-currency framework for the listing and quotation of securities;
- market making framework;
- reduction of minimum tick size for trading in the equities market;
- the introduction of the SBLNT model; and
- the introduction of DMA for trading on the equities market.

In tandem with the changing and developing capital market backdrop, we will continue to review our Rules and the regulatory framework to ensure they are practical, effective and help promote the attractiveness of our markets.

HUMAN CAPITAL AND REMUNERATION

People are our asset. Their skills, talents, vision, ideas and motivation drive us to where we are, and where we aspire to be. It is our people who are the engines of our achievements and make us effective. Nurturing their talents is essential to our sustained success.

STRENGTH THROUGH DIVERSITY

The ability to attract, retain and develop a diverse employee population is a key driver of Bursa Malaysia's business performance. Our employees come from many different backgrounds, and contribute a wealth of experience. They help us understand the varied needs of our stakeholders and they foster new ideas, creativity and innovation. At the end of 2009, we employed some 626 people with a mix that broadly reflects Malaysia's population composition and gender diversity.

INVESTING IN DEVELOPMENT

We are in a knowledge based industry, and it is essential that we invest in our human capital and promote continuous learning. To ensure that learning and skills enhancement programmes are aligned to our corporate objectives, we established a Learning and Development framework in May 2009. This framework will be a reference point for future learning and development plans for all categories of employees.

In July 2009, we introduced our web based e-learning portal, which provides employees with a structured training syllabus on the fundamentals of the capital markets. It makes learning easy and accessible and allows employees to take charge of their own professional development.

Over the course of the year, we allocated a total of RM3.5 million for training, and have achieved an average of five learning days per employee. Our programmes cover a wide range, from leadership skills for senior management to functional and capital markets related programmes for all employees.

TALENT MANAGEMENT

We intensified our efforts during the year to attract the best people to the organisation by broadening our recruitment channels to ensure a steady and robust supply. We also reviewed our talent pool development programme in response to market changes and the expectations of the next generation of employees.

The Employee Referral Scheme was introduced in February 2009, whereby employees are now given incentives for referring candidates who are subsequently recruited and confirmed to fill vacancies in the Group. The response has been positive and several vacancies have already been filled this way.

The Apprentice Programme, which is also known as the Internship programme, remains the cornerstone of our university relations initiative. It is a very effective method of delivering capital market education. This year, we hosted 22 interns from top foreign universities and local institutions. The programme was well received, with students' feedback indicating that the programme was comprehensive and provided both knowledge of the capital market industry and experience of the actual working environment.

SUCCESSION MANAGEMENT

We believe that internal talent should be considered first for any higher-level vacancies wherever feasible. To help develop a talent pipeline, a succession management framework was developed in 2009 aimed at identifying and grooming potential leaders for critical positions. The objective is to create an ample supply of future talent and help promote organisational sustainability. The immediate focus is developing succession plans for the leadership positions within Bursa Malaysia.

ENGAGING PEOPLE

Committed and highly engaged employees with a deep sense of ownership deliver great advantage to any organisation. At Bursa Malaysia, we constantly measure employee engagement through an online survey. This year's survey was conducted in October by an independent party and assessed the impact of earlier initiatives. The results showed an improvement in the number of favorable responses from 67% in 2008 to 71% in 2009.

HUMAN CAPITAL AND REMUNERATION

CARING FOR OUR PEOPLE

Management and employee sessions are an important part of building trust through transparency and knowledge sharing. To foster closer relationship amongst employees, we organised our inaugural GHR Open Day on 31 July 2009, with a second event held on 23 December 2009, due to popular demand. The events provided a platform for employees to clarify human resources issues and policies, and provide constructive feedback to management on working conditions in Bursa Malaysia.

We maintained our tradition for open communication through various platforms such as the monthly “Tea with the CEO” and the quarterly “Breakfast with the CEO”. During these sessions, employees can mingle and discuss relevant issues directly with the CEO, senior management and their colleagues. These sessions help improve the working environment and enhance internal relationship.

Healthy employees are also productive employees. We pay attention to employee health concerns by organising health talks on a regular basis to raise awareness among employees of the benefits of leading healthy lifestyles. New exercise equipment was also recently installed in the gymnasium for the benefit of our employees, as part of our commitment to employee health and well being.

REWARDS AND PERFORMANCE MANAGEMENT

Bursa Malaysia's performance based reward system is designed to drive productivity improvements and contribute to the achievement of our corporate goals, while recognising individual excellence. It is linked to the CBS and the performance management system, and is administered equitably.

Our pay philosophy is positioned at the market 50th percentile for total pay consisting of guaranteed pay (salary, fixed bonus for non executives and fixed allowances) and variable bonus for average performers. Outstanding employees are distinguished, and positioned at the market 75th percentile.

The performance management system and our pay structure are reviewed at appropriate intervals to ensure they remain relevant and competitive to the market.

Bursa @ Work – Core Values: *“We are One organisation; we work as a team towards common goals.”*

B-uilding Relationships

- We believe in building mutually beneficial relationships with all our stakeholders.
- We foster strong internal relationships to realise corporate goals and objectives.
- We are committed to a sense of urgency in our service levels.

U-nited to Achieve

- We share information and ideas to achieve our goals.
- We believe in mutual trust and respect in one another.
- We are strengthened by our diversity.

R-esponsibility

- Honesty and integrity guide us in all we do.
- Trustworthy and genuine in all our dealings.
- We maintain fair, transparent and orderly markets and encourage prudent risk management.
- We are accountable for our own actions.
- We believe in being a socially responsible organisation.

S-implicity

- We aim for simplicity in our processes and structures.
- We believe in making decisions quickly and rapidly transforming ideas into results that excel.
- We encourage innovation and creativity so that we are able to conduct our business with efficiency and quality.

A-gility

- We accept and respond to change.
- We are enterprising and proactive in identifying new products, services and business practices.
- We are results oriented with the drive and passion to succeed.
- We are committed to self-improvement and personal excellence.

INVESTOR RELATIONS

Bursa Malaysia values the relationship of trust it enjoys with the investment community, which is underpinned by our commitment to provide information to our shareholders in a manner which reflects the highest standards of integrity and fair disclosure.

EQUAL ACCESS TO INFORMATION

Through roadshows, one-on-one and group meetings, financial briefings, announcements and website postings, as well as the Annual General Meeting, we ensure all investors and shareholders are fully informed with the latest business developments of Bursa Malaysia. Providing all relevant parties with equal access to business updates, strategy for long term growth and financial condition is a particular focus. While institutional shareholders and analysts may have more opportunity for regular contact with the Company, we take special care to ensure that all material and price-sensitive information is disseminated at the same time to the widest possible audience through a variety of channels.

ENGAGING VIA INVESTORS MEETINGS

This year we continued with our programme of active contact with shareholders, potential investors and analysts. Bursa Malaysia's research house coverage saw an increase from 17 to 19 houses, and we participated in a series of roadshows in Kuala Lumpur, Singapore, Hong Kong, Japan, Europe and the US. During these events and other one-on-one meetings, Bursa Malaysia, represented by the CEO or CFO, together with the Investor Relations team, met with more than 160 investors.

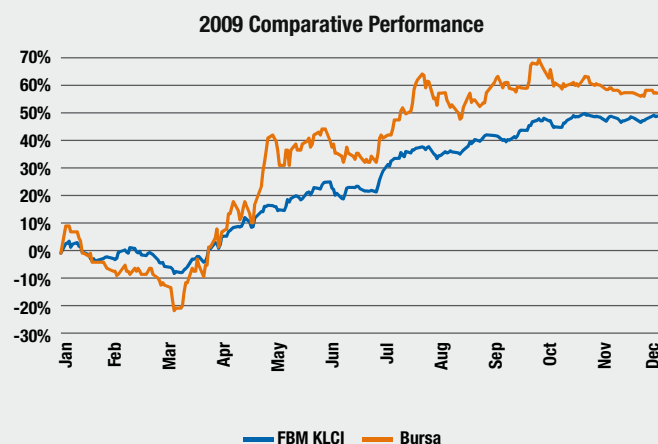
ENGAGING VIA THE INTERNET

Bursa Malaysia is committed to providing complete, transparent, accurate and timely information so that shareholders and investors can make informed investment decisions. To this end, we have made progressive efforts to efficiently engage investors via the internet. Several enhancements were made to the IR portal to ensure that investors can easily access to all relevant information at their own convenience. The Company's IR portal is regarded as an important communication

medium with links to relevant corporate information including the Annual Report, Quarterly Interim Reports, announcements and presentation to shareholders and analysts. Alongside the email facility, a Question and Answer library is available through the IR portal to help respond to queries and concerns regarding the Company. Today, the IR portal has become an interactive and popular communications channel.

BURSA MALAYSIA SHARE PERFORMANCE

Bursa Malaysia's share price as at 31 December 2009 closed higher at RM7.99, climbing 55% compared with the closing price of RM5.15 as at 31 December 2008. Over the year, Bursa Malaysia's share price touched its 52-week high of RM8.59 on 20 October, a significant rise from its 52-week low of RM4.36 recorded on 12 March. Total shareholders' return for the year was 58.6%.



INVESTOR RELATIONS

DIVIDEND POLICY

Bursa Malaysia remains committed to giving good investment returns to its shareholders. Our policy is to pay out not less than 75% of PAT subject to certain considerations such as the level of available cash and cash equivalents, return on equity and retained earnings, and projected level of capital expenditure and other investment plans.

Historically, Bursa Malaysia has a dividend payout ratio of 90% and above.

Financial Year	Historical Dividend Payment (sen/gross)		% of Dividend Payout (exclude special dividend)
2009	• Interim Dividend		93%
	– Franked dividend	5.1	
	– Tax-exempt dividend	5.0	
	• Final Tax-exempt Dividend	9.0	
2008	• Interim Dividend	16.5	91%
	• Final Dividend	7.8	
2007	• Interim Dividend	32.0	91%
	• Final Dividend	25.0	
	• Special Dividend	28.0	
2006	• Interim Dividend	12.5	92%
	• Final Dividend	14.0	
	• Special Dividend	28.0	
2005	• Interim Dividend	10.0	91%
	• Final Dividend	10.0	
	• Capital Repayment	81.0	

FOREIGN SHAREHOLDING AND MARKET CAPITALISATION

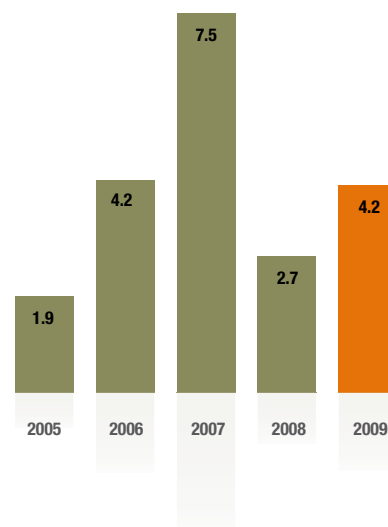
The number of shareholders in Bursa Malaysia was 26,809 at the end of 2009. Foreign shareholding as at 31 December 2009 stood at 17.6%, while market capitalisation grew from RM2.7 billion in 2008 to RM4.2 billion during the year.

Our public shareholding of 55.5% provides a fair free float for Bursa Malaysia's shares and an appropriate level of liquidity.

Note:

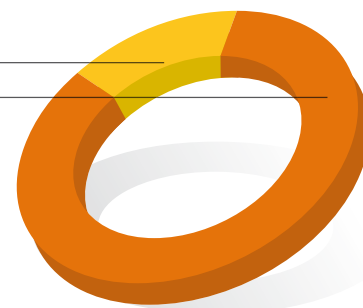
Under Section 25 of the Capital Markets and Services Act 2007, no person can acquire 5% or more of the issued and paid-up share capital of the Company without first gaining approval from the Ministry of Finance.

Market Capitalisation (RM billion)



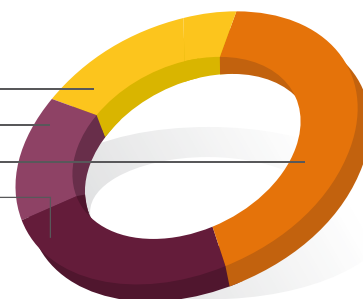
Shareholding by Size (%)

Foreign Shareholding	17.6
Local Shareholding	82.4



Shareholding Structure (%)

Institutions	15.7
Individual	20.6
Government Agencies	35.2
Nominees	28.5



CORPORATE SOCIAL RESPONSIBILITY

As a responsible corporate citizen, Bursa Malaysia believes in sustainability to ensure that the market continues to attract the attention and participation of investors, issuers and intermediaries. We recognise that our continued ability to perform rests on mutually beneficial relationships with the community, the market place, our employees and the environment.

CONTRIBUTING TO THE COMMUNITY

Bursa Malaysia channels its community endeavours through our foundation, Yayasan Bursa Malaysia. This foundation focuses on initiatives that support education and enriching the lives of the underprivileged. Yayasan Bursa Malaysia centres all its projects on the young as part of its commitment to offer opportunities to better this segment of our community.

Our commitment to youth development is designed to increase awareness of the stock market, create a larger base of young well-informed investors and develop talents for the industry in the future. We support local undergraduates in relevant studies through study scholarships. This programme, which has now entered its fourth year, has awarded close to RM750,000 to deserving scholars since its inception.

Skills development programmes for local undergraduates, specifically relating to the capital markets and promoting financial literacy, have been given greater emphasis. We supported projects with several local universities, including CFA Malaysia's Investment Research Challenge. Bursa Malaysia's Knowledge Centre, which is open to all, also offers access to a wide range of information resources on the capital markets and related topics.

Underserved underprivileged communities continue to receive our support. Fund raising avenues such as 'The Edge-Bursa Malaysia Rat Race' which raised RM1.75 million provides us with a platform to ensure a wider reach within the communities. We also work with likeminded organisations on community reach such as the 'NSTP CEO & Celebrity Charity Tennis.'

THE MARKET PLACE

An informed investment community and a market of integrity are the cornerstone of an appealing market place. To that end, we are focused on working with the industry to ensure that knowledge, information and timely disclosures are available to aid investors in their investment decisions. Our LR place priority on ensuring that disclosures are made in a timely manner to all market participants, and investors are constantly urged to make informed decisions when investing. We also have an ongoing programme to educate market participants about the latest development in products and practices.

CG is a critical aspect of an attractive market, and we place great emphasis on the the standards of CG that apply to all our listed companies. We hold dialogues, forums and seminars to ensure company directors can discharge their roles and responsibilities effectively. We introduced a guide on CG to help company directors raise the standards of CG practices within their organisations.

OUR EMPLOYEES AND THE WORK PLACE

We strive for a balanced work life as well as inculcate a learning culture among our employees. We invest heavily in the welfare and capability development of our staff. We have established a Learning and Development framework which acts as a reference point for future training initiatives, and we have provided a portal for e-learning for staff members. These help employees become proactive in developing their own potential, and sit alongside the Apprentice Programme, which introduces undergraduates to the working of our markets and the skill sets required.

In addition to educating our employees, we encourage awareness of health issues by arranging for talks on health topics. We also provide a comprehensive range of facilities to ensure employees have access to exercise and a healthy lifestyle.

CONTRIBUTING TO THE ENVIRONMENT

The relationship between Bursa Malaysia and the environment may not seem obvious, but we are aware that we do have an environmental impact. We consume energy and resources, so we closely monitor consumption. In 2009, we managed to cut electricity usage by 20% for the year, compared with 2008. This equates to saving 120 tonnes of CO2 emissions. In March 2009, we participated in Earth Hour and, for an hour on 28 March, the lights and air-conditioning at our offices were switched off in a symbolic effort to bring attention to the issue of global warming.

As an organisation which consumes large amounts of paper, we also took a proactive approach to the "greening" of the environment. In collaboration with our employees and other bodies Bursa Malaysia supported the planting of over 300 trees at the aptly named *Rimba Bursa Malaysia*, located at Kepong Metropolitan Park, in May 2009.

CHAMPIONING CSR AND SUSTAINABILITY

Bursa Malaysia is committed to driving a CSR and sustainability agenda for itself and amongst PLCs. We participate in events and forums locally and internationally which encourage awareness of CSR and the need for corporate entities to conduct their activities in a sustainable manner. Our own efforts were recognised with the renewal of the SIRIM certifications for ISO 9001: 2008 and ISO 14001: 2004.

CORPORATE GOVERNANCE STATEMENT

The purpose of this statement is to provide investors with an insight into the CG practices of the Company under the leadership of the Board. This statement serves as a testament of the Board's conviction that CG is the "way of life" for Bursa Malaysia. It demonstrates the Board's continuous effort to strive for the highest standard of practice throughout the organisation, and also provides compliance with paragraph 15.25 of the MMLR.

THE BOARD OF DIRECTORS

1. Principal Responsibilities of the Board

The Board has six specific responsibilities, as described below, which have been discharged in the best interests of the Company, with a proper balance between the Company's regulatory and commercial objectives:

a. Reviewing and adopting a strategic plan for the Company

The Board plays an active role in the strategy development and planning process whereby at the end of each year, the management presents to the Board the proposed strategy for the ensuing year for its approval. The process also includes the Board's review and approval of the annual business plan and budget as well as the corporate KPIs and the corresponding targets which are used by the Board for tracking the Company's performance against the targets it has set.

At an offsite meeting in October 2008, the NEDs with relevant industry experience reviewed and challenged the management, gave their input in determining the strategy for the next three years 2009-2011. In doing so, the Board considered and rationalised the priorities and initiatives towards developing differentiated value proposition for Bursa Malaysia to enhance its competitiveness and to achieve its regulatory goals. This would serve as guidance in formulating and mapping the strategies into the 2009 Business and Regulatory Plans which were subsequently approved in November 2008. A mid-year review of the 2009 Plans was conducted by the Board in July 2009, where the management presented the status of strategy implementation together with key initiatives undertaken in the first half of the year as indicated in the strategy dashboard and the CBS. The management also reported on the year-to-date financial performance for comparison against budget.

The Board also continuously focused its deliberation on leveraging strategic partnerships and improving market infrastructure in 2009. A similar process was adopted in October 2009 for the development of the 2010 Business and Regulatory Plans, where the Board reviewed the sustainability of the strategic plan 2009-2011 and discussed substantively on potential development area towards achieving its strategic objectives in a fast changing market environment.

b. Overseeing the conduct of the Company's business to evaluate whether the business is being properly managed

The Governance Model for the Group which is supported by the ALD were reviewed and amended accordingly to reflect the flow of authority and function of the CEO and management in accordance with the approved financial limits. The ALD sets out clearly the relevant matters which are reserved for the Board's approval, as well as those matters which the Board may delegate to the Board Committees¹, the CEO and management to ensure an optimum structure and efficient decision-making in the organisation.

Upon the Board's approval to dissolve Investment Advisory Committee and Rules and Development Committee in February 2009, the responsibilities within the said Board Committees' purview were delegated with more empowerment to the CEO to manage the business in accordance with the approved policies and guidelines which remain within the Board's oversight.

In June 2009, the Governance Model was amended to include a new subsidiary which provides, operates and maintains a Sha'riah compliant commodity trading platform. Also, four subsidiaries which were dissolved on 6 July 2009 were removed from the Governance Model.

The Board also considered and approved certain key matters in accordance with the ALD which include the annual business plan and budget, dividend policy, business continuity framework, new issues of securities, strategic collaboration with CME which involved business restructuring, acquisitions and disposals of companies within the Group, as well as disposals of significant fixed assets.

¹ The Board Committees comprise four Governance Committees and four Regulatory Committees as set out in the Governance Model of Bursa Malaysia on page 74 of the Annual Report. The TOR and composition of each Board Committee is available at www.bursamalaysia.com.

Board Committees are entrusted with specific responsibilities to oversee the affairs of the Company, with authority to act on behalf of the Board in accordance with their respective TOR. At each Board meeting, the minutes of the Board Committee meetings are presented to the Board for information. The Chairman of the relevant Board Committee will also report to the Board on the key issues deliberated by the Board Committee at its meeting.

The CEO is responsible for the day-to-day management of the business and operations of the Group for its regulatory and commercial functions. He is supported by the LT, as set out on pages 25 to 27 of the Annual Report. The CEO provides the Board with a monthly status report which includes a detailed summary of the Group's operating drivers and financial performance for the period as well as updates on key strategic initiatives and significant operational issues.

As a measure to ensure the independence of the regulatory function, the CRO provides the Board with a separate status report on a regular basis, to inform the Board on actions taken by the Regulation Group and provide updates on regulatory initiatives. In March 2009, the Board also reviewed the Annual Regulatory Report 2008 before the report was submitted to the SC. The Regulation Group also kept the Board updated on the steps taken in response to the issues raised by the SC in the Regulatory Assessment Report of previous year.

In addition, the Board reviewed the findings of the 2008 Customer Satisfaction Survey conducted by an external research firm, Synovate. The survey showed the level of satisfaction among Bursa Malaysia's external stakeholders compared to that of previous year, as well as the relevant business units or functional groups' contribution to the quality of business process, overall image and value.

c. Identifying principal risks and ensuring the implementation of appropriate systems to manage these risks

Through the RMC, the Board oversees the ERM framework of the Group. The RMC advises the AC and the Board on areas of high risk faced by the Group and the adequacy of compliance and control throughout the organisation. The RMC reviews the risk management policies formulated by the management and makes relevant recommendations to the Board for approval. Further details on the RMC and the Company's ERM framework are set out on pages 67 to 68 of the Annual Report.

d. Succession planning including appointing, training, fixing of compensation and, where appropriate, replacing senior management

The Board has entrusted the NRC with the responsibility to recommend candidates for appointment to the Board, Board Committees and key management positions, to determine compensation packages for these appointments, and to formulate the nomination, selection, compensation and succession policies for the Company. The Board is satisfied that the NRC, in its current form, has discharged its functions effectively and efficiently and accordingly, there is no necessity for the establishment of separate Nomination and Remuneration committees.

The NRC reviews the progress of succession planning to ensure there is a pipeline of potential leaders in Bursa Malaysia that provides continuity in the strategic and tactical functioning of organisation. Profiling activities are conducted to identify talents for further development.

The NRC undertakes yearly evaluation of the performance of key management personnel (except for the Head of Group IA who reports directly to the AC) whose remuneration is directly linked to performance. For this purpose, the 2008 CBS and KPIs results of the CEO, the COO and CRO were reviewed by NRC in February 2009. The AC assessed the performance of Head of Group IA, and further recommended the Head of GIA's 2008 Balanced Scorecard and KPIs results to the NRC for determination of his performance rewards, i.e. bonus, salary increment and ESOS allocation. The CEO's compensation package is reviewed by the NRC and recommended to the Board for decision.

The OC which comprises the same members as the NRC, approves the number of ESOS options for vesting in the final year of ESOS to the employees based on their respective performance evaluation rating, and also recommends to the Board for approval the proposed vesting for CEO.

The NRC reviewed the succession management framework together with CEO succession planning process in January 2009 and the same was approved by the Board in March 2009. The Learning and Development framework has been put in place to minimise the performance gap and prepare readiness for succession. The NRC also deliberated on the initiatives for Human Resource Strategic Plan 2009-2011 which was subsequently approved by the Board in July 2009.

e. Developing and implementing an investor relations programme or shareholder communications policy for the Company

The Company's IR activities are carried out in accordance with the IR Policy which is available on Bursa Malaysia's website, and are reported on pages 55 to 56 of the Annual Report.

CORPORATE GOVERNANCE STATEMENT

f. Reviewing the adequacy and integrity of the Company's internal control systems and management information systems, including systems for compliance with applicable laws, regulations, rules, directives and guidelines

The Board is ultimately responsible for the adequacy and integrity of the Company's internal control system. The details on the Company's internal control system and the review of its effectiveness are set out in the Internal Control Statement and Risk Management Statement on pages 65 to 66 and pages 67 to 68 of the Annual Report respectively.

2. Constituting an Effective Board

a. Board Balance and Independence

The Board of Bursa Malaysia comprises 13 Directors. Four directors are PIDs, eight are Independent NEDs and there is one Executive Director, who is also the CEO. The four PIDs are appointed by the MOF in line with the requirements under the CMSA for the Company to act in the public interest, having particular regard to the need for the protection of investors in performing its duties as an exchange holding company. In addition, the PIDs and Independent NEDs are all independent of management and free from any business or other relationship which could materially interfere with the exercise of their independent judgement. Directors contributed greatly to the Company through their business acumen, a wide range of functional knowledge and skills from their long-standing experience. They are drawn from differing backgrounds such as accountancy, law, regulation, business, finance, stock broking and risk management. The profile of each Director is set out in the Board of Directors' Profile on pages 20 to 24 of the Annual Report.

The Board is satisfied with its existing number and composition. In this regard, the Board is of the view that the current size of the Board is appropriate given the unique composition of the Board comprising PIDs as well as the governance and regulatory functions of an exchange holding company. It is also of the view that it has the right mix of skills, experience and strength in qualities which are relevant and enable the Board to carry out its responsibilities in an effective and competent manner.

In Bursa Malaysia, the Chairman, who is a PID, leads the Board to ensure its effectiveness while the CEO is responsible for the competent and efficient management of the business and operations of the Company. The distinct and separate roles of the Chairman and CEO with a clear division of responsibilities, ensures a balance of power and authority, such that no one individual has unfettered powers of decision-making.

As at 31 December 2009, the Company has more than 50% public shareholding. None of the Directors are nominees of the Company's substantial shareholders, and the Company does not have any "significant shareholders" as defined under the CG Code². In view of the composition of the Board and the calibre, expertise and experience of the Directors, the interests of investors including the Company's minority shareholders and the public are adequately protected and advanced.

The Board did not view the need to appoint a Senior Independent NED as it is able to act independently and objectively due to its unique composition and the fact that the Chairman, who is a PID, demonstrates sufficient objectivity in leading the Board. In addition, it was recognised that the Board dynamics are healthy as the Directors are engaged in open discussions that bring about effective and constructive challenge to the Board's decision-making process. The existing structure is considered adequate to enable any concern on the Company to be conveyed or channelled to the Board for its deliberation. In this respect, shareholders or general investors who do not wish to go through the normal channels of contact with the Company (i.e. the Chairman, CEO or the CCCB³), may direct their concerns to the Independent NEDs of the Company at INED@bursamalaysia.com.

3. Board Structures and Procedures

a. Board and Board Committee Meetings

The Directors' attendance for the 11 Board meetings held in 2009 was as follows:

Name of Directors	Attendance
Tun Mohamed Dzaiddin bin Haji Abdullah (Chairman)	11/11
Dato' Abdul Latif bin Abdullah	9/11
Datuk Haji Faisyal bin Datuk Yusof Hamdain Diego	10/11
Dato' Tajuddin bin Atan	11/11
Datin Paduka Siti Sa'diah binti Sheikh Bakir ⁴	6/11
Dato' Dr. Thillainathan a/l Ramasamy	11/11
Dato' Sri Abdul Wahid bin Omar	8/11
Izham bin Yusoff	10/11
Dato' Wong Puan Wah @ Wong Sulong	10/11
Cheah Tek Kuang	9/11
Dato' Saiful Bahri bin Zainuddin	10/11
Ong Leong Huat @ Wong Joo Hwa	9/11
Dato' Yusli bin Mohamed Yusoff (CEO)	11/11

² Under the CG Code, a "significant shareholder" is defined as a shareholder with the ability to exercise a majority of votes for the election of directors. CMDP and MOF Inc, being the largest shareholders in Bursa Malaysia as at 31 December 2009 have equal shareholdings in the Company. Details of their shareholdings are set out in Statistics of Shareholdings as at 25 January 2010 on page 159 of the Annual Report.

³ Contact details are set out in the Corporate Information on page 77 of the Annual Report.

⁴ Absence partly due to long medical leave after major surgery.

In 2009, there were two NEDs meetings led by the Chairman of the Board, to discuss corporate and organisational issues with a view to enhancing the overall effectiveness of the Board. The issues raised during the NEDs meetings were communicated to the CEO for his necessary action and management's continuous improvement.

The Board annual meeting calendar is prepared and circulated to Directors before the beginning of each year. The calendar provides the scheduled dates for meetings of the Board, Board Committees and shareholders, major conferences hosted by the Company as well as the closed period for dealings in securities by Directors and principal officers. The agenda of each Board meeting is finalised by the Chairman. Meeting papers are prepared by management in accordance with an existing agreed format which provides relevant facts and analysis. The agenda and papers for meetings are furnished to Directors and Board Committee members in advance to enable them to prepare for the meetings. At Board meetings, the management presents the papers, and consultants may be invited to provide further insight. The Chairman encourages constructive, healthy debate, and Directors are given the chance to freely express their views. Any Director/Board Committee member who has a direct or deemed interest in the subject matter to be deliberated shall abstain from deliberation and voting on the same during the meeting.

The Company Secretary ensures there is a quorum for all meetings and that such meetings are convened in accordance with the relevant TORs. The minutes prepared by the Company Secretary memorialise the proceedings of all meetings including pertinent issues, the substance of inquiry and response, members' suggestions and the decisions made. This reflects the fulfillment of the Board's fiduciary duties and the significant oversight role performed by the respective Board Committees.

b. Supply of and Access to Information

The Directors have individual and independent access to the advice and dedicated support services of the Company Secretary in ensuring effective functioning of the Board. The Directors may seek advice from the LT or management on issues under their respective purview. The Directors may also interact directly with, or request further explanation, information or update on any aspect of the Company's operations or business concerns from the LT. In addition, the Board may further seek independent professional advice at the Company's expense on specific issues to enable the Board to discharge its duties in relation to the matters being deliberated. Individual Directors may also obtain independent professional or other advice in furtherance of their duties, subject to approval by the Chairman or the Board, depending on the quantum of the fees involved.

c. Board Effectiveness Evaluation

The Board has entrusted the NRC with the responsibility for carrying out the annual BEE. As external consultant was engaged to carry out the BEE in 2008, the NRC follows up on the action plans which are implemented in accordance with the timeline for Board Performance Improvement Programme. In 2009, the Company Secretary assisted the Board in coordinating the BEE exercise internally via questionnaires, which comprise Board and Board Committee effectiveness assessment, Directors and Board Committee members self and peer assessment.

The Board assessed its effectiveness in the areas of composition, administration, accountability and responsibility, conduct, the performance of Chairman and CEO. The Board through the Board Committee effectiveness assessment examined the respective Board Committees, including their respective Chairmen, as to whether their function and duties are effectively discharged in accordance with the TOR. The Directors self and peer assessment which is intended to evaluate the mix of skills, experience and other relevant qualities the NEDs should bring to the Board, also took into account the individual director's ability to exercise independent judgement at all times and their contribution to the effective functioning of the Board. The Board Committee members self and peer assessment were conducted to ascertain the ability of each member to give material input at meetings and demonstrate high level of professionalism and integrity in decision making process.

The Company Secretary collates the feedback and summarises the findings with assurance of anonymity as part of the governance review process. The NRC analyses the BEE results and recommends to the Board action plan for improvement on the areas identified in the BEE. Each Board and Board Committee member is provided with individual results together with peer average rating on each area of assessment for personal development.

d. Training of Directors

The Company provides a dedicated training budget for Directors' continuing education. Relevant training (internal or external) programmes are arranged by the Company Secretary for the Directors and members of Board Committees. The Directors may also request to attend additional training courses according to their individual needs as a director or member of Board Committees on which they serve. In 2009, all Directors attended development and training programmes, the details of which are set out on pages 152 to 155 of the Annual Report.

The Board, in recognition of the importance of Directors being kept abreast of industry developments and trends, has adopted a policy requiring each Director to attend a minimum of three training sessions on capital market development in each year. This policy takes effect from year 2010.

CORPORATE GOVERNANCE STATEMENT

In October 2009, an offsite session was held for the MPC members to update them on the proposed enhancement to the enforcement framework, process and action in relation to market participants. An offsite session was also held for the LC members to brief them on the Main Market and ACE Market listing framework, proposed enhancement to the enforcement process against issuers and their directors as well as the CG initiatives implemented by Bursa Malaysia in enhancing high standards of conduct amongst PLCs.

4. Appointments to the Board and Board Committees

a. Appointments to the Board

The NRC, which comprises one PID and four Independent NEDs, has the responsibility to make recommendations to the Board for the appointment of Directors other than PIDs. As part of this process, the NRC formulates the nomination and selection policies for the Board, and reviews candidates for appointment as Directors based on criteria such as their qualifications, skills, functional knowledge, experience, character, integrity and professionalism. The NRC also evaluates the candidate's ability to discharge his responsibilities as expected from an Independent NED and whether the test of independence under the MMLR is satisfied, taking into account his character, integrity and professionalism.

The Board also has in place a policy where an Independent NED who has served for nine years on the Board, will be subjected to a rigorous review by the Board, to determine whether the Director can continue to be independent in character and judgement, and also to take into account the need for progressive refreshing of the Board.

In 2009, there was no new appointment of Director. There was also no proposal of any candidate for directorship at the 32nd AGM which is subject to Article 71 of the AA and the SC's approval.

b. Appointments to the Board Committees

The NRC is responsible for reviewing candidates for appointment to the Board Committees, and makes recommendations to the Board for approval. The review is conducted on an annual basis and when the need arises, for example, when the Board establishes an ad-hoc Board Committee.

5. Re-election of Directors

Pursuant to Article 69 of the AA, an election of Directors other than the PID, shall take place each year at the AGM of the Company where one-third of the Directors who are longest in office shall retire and, if eligible, may offer themselves for re-election. The NRC is also responsible for making recommendation to the Board on the re-election of Directors through this process of retirement by rotation in accordance with the provisions of the AA. At the 32nd AGM held on 2 April 2009, four Directors retired by rotation and were re-elected to the Board by the shareholders.

Pursuant to Section 129 of the CA, a Director who is over 70 years of age must retire at the AGM of the Company, and may be reappointed by shareholders with not less than a three-fourth majority. At the 32nd AGM, Tun Mohamed Dzaiddin bin Haji Abdullah, a PID was reappointed pursuant to this provision.

DIRECTORS' REMUNERATION

1. Level and Make-up of Remuneration

The current remuneration policy for the NEDs comprises the following:

a. Directors' fees:

RM60,000 per annum for the Chairman and RM40,000 per annum for each NED (from FY2004 to FY2008).

b. Meeting allowance for each Board or Board Committee⁵ meeting attended by a NED

- RM3,000 for the Chairman of the Board;
- RM1,500 for the other members of the Board;
- RM1,500 for the Chairman of a Board Committee; and
- RM1,000 for the other members of the Board Committees.

The meeting allowance is also applicable to ad-hoc Board Committees and the Tender Evaluation Committee which the NEDs attend pursuant to the Company's policy and procedures.

c. Benefits-in-kind and emoluments

NEDs are not entitled to participate in the ESOS. They are given other allowances such as travelling and mobile phone allowances comparable to other PLCs, particularly those in the financial sector, GLCs and selected stock exchanges. The Chairman is also given a monthly fixed allowance of RM40,000, in view of the scope of his responsibilities and the fact that he does not serve on the boards of any other PLCs or other market participants regulated by Bursa Malaysia to avoid COI.

The Executive Director/CEO is not entitled to the above Director's fee nor is he entitled to receive any meeting allowance for the Board and Board Committee meetings he attends. The CEO's remuneration package comprises a monthly salary and other benefits/emoluments.

In addition to the above, the Directors have the benefit of the D&O Insurance in respect of liabilities arising from their acts committed in the capacity as D&O of Bursa Malaysia. However, the said insurance policy does not indemnify a Director or principal officer if he is proven to have acted negligently, fraudulently or dishonestly, or in breach of duty or trust. The Directors and principal officers are required to contribute jointly to the premium of the D&O Insurance Policy.

⁵ Information on the composition, number of meetings held and attendance of meetings of all Board Committees is set out on pages 75 to 76 of the Annual Report.

2. Procedure for Approving Board Remuneration

The NRC is responsible for reviewing the remuneration of the NEDs and the Executive Director/CEO, and makes recommendations on the same to the Board for approval. In 2009, the Board approved the NRC's recommendation to maintain the existing remuneration policy, given the unfavourable market conditions. The NRC had recently considered the proposed increase to the Directors' fees in respect of FY2009, which is subject to shareholders' approval at the 33rd AGM. The Board agreed with the NRC's recommendation for revision based on a comparative analysis of the remuneration of the NEDs taking into account the increasing responsibilities and time commitment expected of them.

The CEO's remuneration package is linked to the performance of CBS and KPIs results for the previous year. In the evaluation, the NRC considers four perspectives: financial, customer, internal process, learning and growth. The CEO abstained from deliberation on his remuneration at the Board meeting.

3. Disclosure Of Board Remuneration

Disclosure of each Director's remuneration is set out in the Annual Audited Financial Statements on page 110 of the Annual Report.

SHAREHOLDERS

1. Dialogue between Company and Investors

Bursa Malaysia communicates regularly with shareholders and investors through the annual report, quarterly financial reports and various announcements made via Bursa LINK. Financial and market statistics and press releases are placed on Bursa Malaysia's website to keep shareholders and investors informed on the Group's performance and operations. Analyst briefings are held twice a year, in connection with the half yearly and annual financial results, following announcements via Bursa LINK to ensure fair dissemination to the public generally. These briefings which are supported by presentation and conference call, web-cast, question and answer and transcript are made available to all shareholders and investors on Bursa Malaysia's website. A detailed report on Investor Relations appears on pages 55 to 56 of the Annual Report.

2. Annual General Meeting

Although the AGM is mandated as an occasion for shareholders, the Chairman allowed representatives of the media to attend the 32nd AGM. All 13 Directors were present to account to the shareholders for their stewardship of the Company. The proceedings of the 32nd AGM included the CEO's presentation of the Company's operating and financial performance for 2008, the presentation of the unqualified external auditors' report to the shareholders, and a question and

answer session in which the Chairman invited shareholders to raise questions on the Company's accounts and other items for adoption at the meeting, before putting a resolution to vote. The CEO also shared with the meeting the responses to the questions submitted in advance by the MSWG.

Shareholders were also invited to drop questions in an enquiry box placed at the venue of 32nd AGM so that they might be responded to in writing after the meeting or they could approach the CCCB personnel who was there to handle enquiries from shareholders. All NEDs abstained from voting on the resolution concerning their remuneration. The external auditors were on standby to act as scrutineers, but there was no demand for a poll. The results of all the resolutions set out in the Notice of the 32nd AGM were announced on the same day via Bursa LINK, which is accessible on Bursa Malaysia's website.

ACCOUNTABILITY AND AUDIT

1. Financial Reporting

The Board ensures that shareholders are provided with a balanced and meaningful evaluation of the Company's financial performance, its position and its future prospects, through the issuance of Annual Audited Financial Statements and quarterly financial reports and corporate announcements on significant developments affecting the Company in accordance with the MMLR. In this respect, the financial statements are reviewed by AC at its meetings, in the presence of external auditors and internal auditors, before being presented to the Board for approval. The Chairman's Message and CEO's Message on pages 16 to 19 and pages 34 to 47 of the Annual Report provide additional analysis and commentary. The Directors' Responsibility Statement for the Annual Audited Financial Statements of the Company and Group is set out on page 81 of the Annual Report.

2. Internal Control

The Company continues to maintain and review its internal control procedures to ensure, as far as possible, the protection of its assets and its shareholders' investments. Details of the Company's internal control system and the framework are set out in the Internal Control Statement together with Risk Management Statement and AC Report on pages 65 to 66, pages 67 to 68 and pages 69 to 71 of the Annual Report respectively.

CORPORATE GOVERNANCE STATEMENT

3. Relationship with Auditors

Bursa Malaysia's relationship with its external auditors is primarily maintained through the AC and the Board. The AC has explicit authority to communicate directly with external and internal auditors. The Head of Group IA reports directly to the AC and he is present at all AC meetings together with the relevant members of his staff. The CEO and management only attend the AC meetings upon invitation. The external auditors did not call for any other meeting with the AC apart from the review of financial statements. The AC held three meetings with the external auditors in 2009 to discuss on management's cooperation in the audit process, quality and competency in financial reporting function, the state of affairs of the IA function and audit issues in relation to appropriate accounting treatment. These meetings were held without the presence of the Head of Group IA and internal auditors, the CEO and management. Further details on the AC in relation to the external auditors are set out in the AC Report on pages 34 to 47 of the Annual Report.

OTHER AREAS

1. Conflict of Interest

The Company has a dual status as a business oriented listed entity and as a market regulator. COI may arise, therefore, between Bursa Malaysia's commercial interests and the proper performance of its statutory duties as an exchange holding company. Bursa Malaysia is bound by law to act in the public interest, having regard to the need for investor protection and, where Bursa Malaysia's own or any other interest conflicts with the public interest, the latter prevails.

The Board has put into place appropriate controls and arrangements to ensure the systematic identification of potential COI and procedures to manage such COI that may arise. Further revision to the COI Guidelines were made in 2009 to clarify the procedures for managing different type of COI scenarios, including related party interest which may lead to biasness in making regulatory or commercial decision. This is to ensure that the Company's commercial functions operate independently and distinct from its regulatory functions.

In 2009, Bursa Malaysia did not identify any actual COI, arising between its commercial interests and the proper performance of its regulatory duties.

2. Related Party Transactions

An internal compliance framework exists to ensure that the Company meets its obligations under the MMLR including obligations in connection with related party transactions. The Board, through the AC, reviews all related party transactions. A Director who has an interest in a transaction must abstain from deliberation and voting on the relevant resolution in respect of such transaction at the Board meeting. A list of the significant related party disclosures between the Company and its subsidiaries, and between the Group and other related parties including relevant key management personnel for FY2009 is set out on pages 137 to 140 of the Annual Report.

3. Code of Ethics

The Company's Codes of Ethics for Directors and employees continues to govern the standards of ethics and good conduct expected from Directors and employees, respectively. The Code of Ethics for Directors, for example, includes principles relating to the Directors' duties, COI and dealings in securities. For employees, the Code of Ethics covers all aspects of the business operations of the Company such as confidentiality of information, dealings in securities, COI, gifts, gratuities or bribes, dishonest conduct, sexual harassment and the Company's whistle-blowing procedures.

4. Dealing in Securities

The Board has in place the Guidance for Dealings in Securities for Directors, which sets out the internal process for compliance by Directors when dealing in securities during and outside the closed periods, in accordance with the relevant provisions of the MMLR. The Guidance also provides that Directors must not deal in securities as long as they are in possession of price-sensitive information. In 2009, none of the Directors deal in securities of Bursa Malaysia during closed period although they may do so under exceptional circumstances if deemed acceptable by the Chairman of the Board or, in his absence, the AC Chairman.

The employees of the Company (including principal officers) are informed in advance through internal communication via e-mail before the commencement of each closed period, in which they are not allowed to trade as prescribed under the Securities Transaction Policy to curb insider trading and to avoid COI.

COMPLIANCE STATEMENT

The Board is satisfied that in 2009 the Company has complied with the best practices of the CG Code save for the appointment of a Senior Independent NED for reasons stated in the last paragraph of point 2 on page 60 of the Annual Report.

INTERNAL CONTROL STATEMENT

The Board is committed to maintaining a sound system of internal control in the Group and is pleased to provide the following statement, which outlines the nature and scope of internal control of the Group during the FY2009.

BOARD RESPONSIBILITY

The Board affirms its overall responsibility for the Group's systems of internal control and risk management, and for reviewing the adequacy and integrity of those systems. The system of internal control covers internal control, governance, risk management, financial, organisational, operational and compliance control. However, the Board recognises that this system is designed to manage, rather than eliminate the risk of non-achievement of the Group's policies, goals and objectives. Therefore, the system provides reasonable, but not absolute, assurance against the occurrence of any material misstatement, loss and fraud.

RISK MANAGEMENT

Risk management is firmly embedded in the Group's management systems. To manage our risk taking activities and ensure that they are aligned with our strategic objectives, our shareholders' expectations and regulatory requirements, Bursa Malaysia has in place an enterprise wide risk management framework to measure, assess, aggregate and manage risks across the organisation. Bursa Malaysia strongly believes that risk management is vital for continued profitability and enhancement of shareholder value. Further information on the Group's risk management activities is highlighted in the Risk Management Statement on pages 67 to 68.

KEY INTERNAL CONTROL PROCESSES

The Group's internal control system encompasses the following key control processes:

1. Separation of Commercial and Regulatory Functions

- a. Segregation of the Group's regulatory and commercial functions to ensure proper discharge of its regulatory duties. It is the statutory duty of Bursa Malaysia to always act in the interest of the public, having particular regard to the need for protection of investors. In the event its own interest or any interest that it is required to serve under any law relating to corporations conflicts with the public interest, public interest shall prevail. Four Public Interest Directors are appointed by MOF to Bursa Malaysia's Board of Directors to act in the interest of the public.

- b. Processes have been established and set-out in the Guidelines for Handling Conflict of Interest (Guidelines) to deal with any possible COI which may arise in the course of Bursa Malaysia performing its commercial as well as its regulatory role. The types of COI that are managed by the Guidelines are:

- COI or potential COI where Bursa Malaysia or its subsidiaries make regulatory decisions involving listed issuers, market participants or advisers/sponsors with whom Bursa Malaysia or its subsidiaries have a commercial or competitive relationship.
- COI or potential COI where Bursa Malaysia makes a business decision which may have an adverse impact on the performance of its regulatory duties.

2. Authority and Responsibility

- a. Delegation of responsibilities to Board Committees through clearly defined TOR which are annually reviewed.
- b. An ALD, which is annually reviewed, outlines the authority and authorisation limits for management in all aspects of Bursa Malaysia's major business operations and regulatory functions.

3. Planning, Monitoring and Reporting

- a. An annual planning and budgetary exercise requiring all divisions to prepare business plans and budgets for the forthcoming year, to be deliberated upon and approved by the Board before implementation.
- b. Monthly monitoring and half-yearly review of the Group's performance against budgets with any major variances deliberated by the Board.
- c. Regular and comprehensive flow of information to the Board and Management on all aspects of the Group's operations, to facilitate the monitoring of performance against strategic plans. The Board also reviews the Annual Regulatory Report, a statutory requirement under the CMSA, which is aimed at reporting to the SC the extent to which Bursa Malaysia and its subsidiaries have complied with their duties and obligations under the CMSA.

4. Policies and Procedures

- a. Clear, formalised and documented internal policies, standards and procedures are in place to ensure compliance with internal controls and relevant laws and regulations. Regular reviews are performed to ensure that documentation remains current and relevant. Common Group policies are available on Bursa's Malaysia's intranet for easy access by staff.
- b. For significant system development projects that are meant to support new product launches or intended to enhance existing ones, Group IA conducts a System Readiness Review to ensure that all the necessary due processes have been adequately considered and adhered to prior to the product launching.

INTERNAL CONTROL STATEMENT

5. Audits

- a. Through its internal audits, Group IA assesses compliance with policies and procedures as well as relevant laws and regulations. In addition, it examines and evaluates the effectiveness and efficiency of the Group's internal control system.
- b. Annual on-site regulatory audits are conducted by the SC on the Group's operations to ensure compliance with its duties and obligations under the CMSA, as well as its policies and procedures.
- c. Yearly audits by SIRIM in relation to the ISO 9001:2008 Quality Management System (ISO 9001) and ISO 14001:2004 Environment Management System (ISO 14001), collectively known in Bursa Malaysia as the Integrated Management System, ensure that product and service quality as well as environment performance comply with international standards and are continually improved.
- d. A policy on the External Auditor's independence relating to inter alia, the requirement for the lead and concurring audit partners to be subject to a five-year rotation with a five-year cooling-off period. Planned statutory audit and non-audit services by External Auditors require prior approval by the AC.
- e. Engagement of External Auditors to conduct a limited review of quarterly financial results.

6. Performance Measurement

- a. KPIs, which are based on the CBS approach, are used to measure staff performance semi-annually.
- b. Yearly internal and external surveys via an employee engagement survey and a customer satisfaction survey respectively are conducted to gauge feedback on effectiveness and efficiency for continuous improvement.

7. Staff Competency

- a. Training and development programmes are established to ensure that staff are kept up to date with the necessary competencies to carry out their responsibilities towards achieving the Group's objectives.

8. Conduct of Staff

- a. A Code of Ethics is established for all employees which defines the ethical standards and conduct at work required at Bursa Malaysia.
- b. Bursa Malaysia also has in place a Whistle Blower Policy, which forms part of the Code of Ethics, to provide an avenue for employees to report any breach or suspected breach of any law or regulation, including business principles and the Company's policies and guidelines in a safe and confidential manner.
- c. A Securities Transaction Policy is in place to govern the securities transactions of Bursa Malaysia's employees where the policy prohibits employees from using unpublished price sensitive information obtained during the course of their work for personal or for other persons' gain.

- d. A Corporate Fraud Policy is established to aid in the detection and prevention of fraud and to promote consistent organisational behaviour and practices.
- e. Segregation of duties is practiced whereby conflicting tasks are apportioned between different members of staff to reduce the scope for error and fraud.

9. Business Continuity Planning

- a. A comprehensive BCP, including a DR plan, which is tested annually, is in place to ensure continuity of business operations.

10. Insurance

- a. There is sufficient insurance coverage and physical safeguards on major assets to ensure that assets of the Group are adequately covered against any mishap that could result in material loss. During the yearly policy renewal exercise, Management reviews the cover based on the fixed asset inventory and their respective net book values and 'replacement value' i.e. the prevailing market price for the same or similar item, where applicable. The underwriter also assists by conducting a risk assessment, which helps Bursa Malaysia in assessing the adequacy of intended cover.

REVIEW OF THIS STATEMENT

Pursuant to paragraph 15.23 of the MMLR, the External Auditors have reviewed this Statement and the Risk Management Statement for inclusion in the annual report for FY2009, and reported to the Board that nothing has come to their attention that causes them to believe that this Statement is inconsistent with their understanding of the process adopted by the Board in reviewing the adequacy and integrity of the system of internal controls.

Additionally, Group IA has reviewed this Statement and reported to the AC that, while it has addressed individual lapses in internal controls during the course of its IA assignments for the year, it has not identified any circumstances which suggest any fundamental deficiencies in the system of internal controls in the Group.

CONCLUSION

The Board is of the view that the system of internal controls in place for the year under review and up to the date of issuance of the annual report and financial statements is sound and sufficient to safeguard the shareholders' investment, the interests of customers, regulators and employees, and the Group's assets.

RISK MANAGEMENT STATEMENT

The Board maintains overall responsibility for the risk oversight function within Bursa Malaysia through the RMC chaired by a PID.

During the year, the RMC convened four scheduled quarterly meetings. Matters reviewed and deliberated by the RMC included:

- implementation of the newly launched BTS (launched in December 2008) which was actively monitored by the RMC;
- risk assessment on strategic initiatives such as the collaboration with CME;
- key corporate risks and emerging concerns, and the effectiveness of actions taken or being taken by management thereon;
- pertinent risk events confronting Bursa Malaysia during uncertain and volatile market conditions and the economic downturn;
- selected operational risks and mitigation measures;
- progress of various ERM and BCM activities undertaken throughout the organisation;
- reports on exposures, incidents of system failures and related business interruptions, liability exposures and actions taken.

COMPREHENSIVE RISK GOVERNANCE

Bursa Malaysia has a comprehensive structure comprising of three lines of defence for the governance and management of risk, in line with a Risk Management Policy approved by the Board. There are also supporting guidelines, procedures and standards which are reviewed annually to ensure that they provide effective guidance for the governance of Bursa Malaysia's activities.

Management and the Divisions are the first line of defence in Bursa Malaysia's management of risk. They are responsible for exercising business judgement and ensure that policies, processes and internal controls are in place for managing risks in their day to day operations.

The second line of defence in the management of risk is provided by the RMC assisted by the CRM Division. It is responsible for overseeing the risk management activities of the Group and ensuring compliance and effective implementation of risk policy and objectives.

The third line of defence is the AC assisted by the Group Internal Audit Division. It provides independent assurance of the adequacy and reliability of the risk management processes and system of internal controls, and compliance with risk-related regulatory requirements.

Bursa Malaysia adopts an enterprise-wide approach to the identification, assessment, monitoring and management of risks faced across the organisation. Our enterprise risk management framework guides our risk-taking activities in order to align them with stakeholders' needs, shareholders' expectations and regulatory requirements. The framework provides for the management of risk on an integrated basis covering risks and uncertainties in the areas of strategic, operational, financial risks and hazards or exposures.

MANAGING SIGNIFICANT RISKS

1. Business interruption risk

In 2009, Bursa Malaysia's pandemic preparedness was put to the test with the Influenza A(H1N1) outbreak. We treated it as an opportunity to test and enhance our pandemic preparedness plan that had been established in 2006.

Following the Influenza A(H1N1) outbreak in Mexico around April 2009, we galvanised our efforts through the Pandemic Task Force, comprising key components from Occupational Safety and Health, GHR, CRM, BCM and Communications. The Task Force's first goal was to implement measures to ensure a safe working environment for Bursa Malaysia's employees and our tenants. Key initiatives included the implementation of both precautionary and preventive measures, travel guidelines, education and awareness, plus regular updates to employees. The Disaster Recovery Management Team made key decisions to ensure business continuity and implemented 'split operations' (for a limited period) for mission critical functions to reduce the risk of infection amongst employees. Timely response and commitment meant that Bursa Malaysia managed to continue operating during the Influenza A(H1N1) outbreak without any disruption.

We continue to ensure that critical BCP components are constantly ready to respond to potential threats/crisis. In 2009, we had conducted two BCP simulations with market participants, instead of the required minimum of one. Simulations are conducted with the objective of instilling greater robustness in our BCP. A notable effort was the revised recovery strategy for 'intra-day failure', which was successfully tested on 4 April 2009 and 12 December 2009. Other BCP exercises included the annual BCP awareness briefings for general staff, BCP training for recovery members, plus continual review and updating of BCP documentation to ensure the BCP stays relevant and continuity of business operations is assured.

RISK MANAGEMENT STATEMENT

As part of Bursa Malaysia's BCM programme of continuous improvement, Bursa Malaysia also undertook a BIA. Commencing with mission critical functions, this exercise was designed to update the previous BIA and ensure our recovery objectives remain aligned to our current business and operating environment. The BIA also provides a basis for changes to current recovery strategies (if necessary) and enhancement of our business continuity capabilities.

2. Regulatory risks

Bursa Malaysia continues to maintain a dynamic and balanced regulatory approach in managing our market place so as to ensure a fair and orderly market. Over the past year, various activities have been initiated and implemented including:

- a. Engagements with and education programmes for market participants, media and authorities/agencies, to strengthen collaboration and manage expectations concerning Bursa Malaysia's role in managing the market place;
- b. Strengthening detection and monitoring of irregular market activities through automation and new techniques to detect market irregularities; and
- c. Continuous review and refinement of our market surveillance framework in tandem with the dynamism of the market.

Bursa Malaysia continues to institute measures to safeguard market orderliness, protect investor interests and promote high standards of business conduct amongst participants.

In light of the global financial crisis, Bursa Malaysia has tightened supervision on the participants, implementing additional measures to cope with market volatility and to prevent/mitigate systemic risk arising from failure of participants. In this regard, Bursa Malaysia conducts regular impact tests to ensure that the financial health of participants is within regulatory requirements. Participants that fall under the high risk category are monitored closely.

Conferences, evening talks and dialogues were organised to provide appropriate education and elevate the level of awareness amongst participants. Such events also provided a platform for Bursa Malaysia to share with participants, regulatory expectations and concerns, common breaches amongst participants, recommendations on supervisory controls and monitoring to enhance the quality of their trading operations and guard against market abuses.

These measures are supplemented with continual engagement of participants' senior management and compliance officers in one-on-one meetings, to discuss and inculcate the culture of self regulation and compliance amongst participants.

3. Counterparty credit risk

In managing counterparty/settlement risks where Bursa Malaysia acts as the Clearing House for equities and derivatives trades, and to prevent any systemic impact on the market, Bursa Malaysia continues to employ a robust risk management process comprising:

- a. initial/variation margin requirements on CPs and risk-based minimum capital requirements on TCPs;
- b. managing credit exposures via price/trading/single client limits, cash flow requirements and provision of a bridging facility; and
- c. maintenance of the CGF and Clearing Fund for equities and derivatives trading respectively, neither of which were called upon in the past year despite the challenging conditions.

LOOKING AHEAD

Bursa Malaysia is cognisant of the various challenges ahead, such as the fast pace of technological change, escalating cost of operations, new as well as non-traditional entrants/competitors, challenges to traditional revenue sources, etc., all of which will threaten Bursa Malaysia's value drivers and business model. Bursa Malaysia endeavours to be proactive in reviewing its corporate strategies and structure and to consider and operationalise new business models, as appropriate, to minimise threats and capitalise on opportunities.

AUDIT COMMITTEE REPORT

The Board is pleased to present the AC Report for the FY2009.

COMPOSITION

In line with the CG Code, all five members of the AC are NEDs. All five AC members are independent directors, including the AC Chairman and a PID who also satisfies the test of independence under the MMLR. The composition of the AC is set out on page 75 of the Annual Report.

Dato' Sri Abdul Wahid bin Omar, the AC Chairman, is a Fellow of the ACCA (UK) and a member of the MIA. In this respect, Bursa Malaysia is in compliance with paragraph 15.09(1)(c)(i) of the MMLR.

The Board reviews the terms of office and performance of the AC annually to determine whether the AC has carried out its duties in accordance with its terms of reference.

TERMS OF REFERENCE

1. Authority

The AC shall have the authority to:

- a. approve any appointment or termination of senior staff members of the IA function;
- b. convene meeting with the External Auditors, the Internal Auditors or both excluding the attendance of other directors and employees of the Group, whenever deemed necessary and such meetings with the External Auditors shall be held at least twice a year;
- c. obtain external professional advice and invite persons with relevant experience to attend its meetings, if necessary;
- d. investigate any matter within its TOR, have the resources which it needs to do so, full and unrestricted access to information pertaining to the Group and the management; and
- e. have direct communication channels with the External Auditors and Internal Auditors, and also to engage the senior management on a continuous basis, such as the Chairman, the CEO and the CFO in order to be kept informed of matters affecting the Group.

2. Responsibilities

All the AC members are able to effectively discharge their functions, duties and responsibilities in accordance with the TOR of the AC to support the Board for ensuring CG of Bursa Malaysia Group which include the following:

a. Financial Reporting Review

Reviewing the Group's quarterly and annual financial statements focusing particularly on:

- changes in or implementation of major accounting policy changes;
- significant and unusual events;
- significant adjustments arising from the audit;
- compliance with accounting standards and other legal requirements; and
- the going concern assumption.

b. External Audit

- Reviewing the External Auditors' audit plan, scope of their audits and audit reports and recommending the appointment of the External Auditors and audit fees.
- Reviewing any letters of resignation from the External Auditors or suggestions for their dismissal.
- Determining whether there is reason (supported by grounds) to believe that the External Auditor is not suitable for reappointment.

c. Internal Audit

- Reviewing the adequacy of the scope, functions, competency and resources of the in-house Group IA function, including whether it has the necessary authority to carry out its responsibilities, together with the Group IA's audit plan, audit reports and follow-up on the recommendations contained in such reports.
- Taking cognisance of resignations of IA staff members and provide the resigning IA staff member an opportunity to submit his reasons for resigning upon receipt of such notice of resignation.
- Reviewing the appraisal or assessment of the performance of members of the IA function which is headed by the Head of Group IA who will be responsible for the regular review and/or appraisal of the effectiveness of the risk management, internal control and governance processes within the Group.
- Determining the remit of the IA function which reports directly to the AC. The IA function should be independent of the activities they audit and should be performed with impartiality, proficiency and due professional care.

AUDIT COMMITTEE REPORT

d. Internal Control

- Reviewing the annual Internal Control Statement to be published in the Annual Report.
- Assessing processes and procedures for the purpose of compliance with all laws, regulations and rules, directives and guidelines established by the relevant regulatory bodies.

e. Related Party Transactions

- Reviewing any related party transactions and conflict of interest situations that may arise including any transaction, procedure or course of conduct that raises a question of management integrity.

f. ESOS

- Verifying the allocation of options pursuant to the ESOS at the end of each FY as being in compliance with the criteria which are disclosed to the employees.

g. Other Matters

- Where the AC is of the view that a matter reported by it to the Board has not been satisfactorily resolved resulting in a breach of the LR, the AC must promptly report such matter to the SC.
- Carrying out any other functions that may be mutually agreed upon by the AC and the Board.

MEETINGS

The AC held six meetings in 2009. The attendance of the AC members is set out on page 75 of the Annual Report.

All AC meetings were held without the presence of the management unless their attendance was specifically requested. The Head of Group IA and Departmental Heads of the respective IA functions were present at all AC meetings to present the IA reports to the AC. Relevant management members of the auditee were invited to brief the AC on specific issues arising from unsatisfactory audit ratings.

The partner of the External Auditors attended four AC meetings in 2009 to present the auditors' report on the annual audited financial statements for FY2008 and auditors' review reports on the unaudited quarterly financial statements. The AC also met with the External Auditors on three occasions in 2009 – on 3 February 2009, 17 July 2009 and 15 October 2009 – without the presence of the Executive Director, management or Internal Auditors, to make enquiries in relation to the management's cooperation in financial reporting and to make known their views on any matter to the AC or, which in their opinion, should be brought to the AC's attention.

Deliberations during the AC meetings, including the issues discussed and the rationale for decisions, were recorded. Minutes of AC meetings were tabled for confirmation at the next AC meeting and subsequently distributed to the Board for notation. The AC Chairman presented the

AC's recommendation, together with rationale, to the Board for approval of the annual and quarterly financial statements as well as declarations of dividends. The AC Chairman also conveyed to the Board matters of significant concern as and when raised by the External Auditors or Internal Auditors.

SUMMARY OF ACTIVITIES

The AC's activities during the FY2009 encompassed the following:

1. Financial Reporting

In overseeing financial reporting, the AC reviewed the quarterly financial statements for the fourth quarter of FY2008 and the annual audited financial statements for FY2008 at its meeting on 3 February 2009, and the quarterly financial statements for the first, second and third quarters of FY2009 were reviewed at its meetings on 16 April 2009, 17 July 2009 and 15 October 2009 respectively, before recommending the same for the Board's approval.

2. External Audit

- a. The AC deliberated on the External Auditor's report at its meeting on 3 February 2009. At the same meeting, the AC evaluated the performance of the External Auditor and recommended their appointment to the Board for FY ended December 2009.
- b. On 15 October 2009, the AC reviewed the External Auditors' Audit Planning Memorandum comprising their scope of audit and proposed fees for the statutory audit and review of the Internal Control Statement for FY2009.
- c. At its meeting on 23 November 2009, the AC noted that, in accordance with the Auditor Independence Policy approved by the Board on 29 June 2006, Encik Abdul Rauf bin Rashid, who has been the lead audit partner for 5 years, i.e., from FY2005 to FY2009 will be replaced by Mr. Chan Hooi Lam as the audit engagement partner from FY2010 to FY2014, subject to the External Auditor's re appointment as auditors for Bursa Malaysia for financial year ending 31 December 2010.
- d. The AC reviewed the External Auditor's non-recurring non-audit services and corresponding fees for FY2009 at its meetings on 15 October 2009 and 2 February 2010 and was satisfied that the services provided by the External Auditor did not impair its audit independence. The AC was also satisfied with the External Auditor's technical competency and reasonableness of fees. Among the non-recurring non-audit services provided by the External Auditor FY2009 were accounting and tax advice on CME deal, transfer pricing review, implementation of FRS 139 and withholding tax advice.
- e. The proposed reappointment of the External Auditor for FY2010 was deliberated by the AC at its meeting on 23 November 2009.

3. Internal Audit

- a. The AC approved the IA's Annual Audit Plan for 2010 at its meeting on 23 November 2009 to ensure adequate scope and comprehensive coverage of the Group's activities. The Head of Group IA presented to the AC at every AC meeting the Group IA's reports on the status and progress of IA assignments, including the summary of audit reports issued, audit recommendations provided by Internal Auditors and management's response to these recommendations. Non-audit assignments were also presented for the purpose of evaluating system readiness on key system development projects, tender evaluation and monitoring employees' dealings in securities.
- b. At the meeting on 16 April 2009, the Head of Group IA presented the post-mortem report for the Annual IA Plan of 2008 which provided an overall indication of the adequacy and effectiveness of controls implemented.
- c. On 2 March 2009, the AC reviewed the results of the Group IA's Customer Satisfaction Survey for 2008 which included an analysis of IA's strengths and weaknesses and action plans to improve audit services to IA's customers.
- d. At the meeting on 3 February 2009, the AC deliberated on the results of the Head of Group IA's 2008 Balanced Scorecard and KPIs. The Head of Group IA's 2009 Balanced Scorecard and KPIs were deliberated and approved on 2 March 2009.
- e. On 23 November 2009, the AC reviewed the annual Internal Control Statement and the Risk Management Statement to be published in the Annual Report.
- f. The AC reviewed the verification exercise conducted by Group IA on the ESOS allocation for FY2009 at its meeting on 23 November 2009 to ensure compliance with the criteria as approved by the Option Committee.

INTERNAL AUDIT FUNCTION

The Board obtains sufficient assurance of the effectiveness of the system of internal control in the Group, through a programme of regular reviews and appraisals conducted by the Group IA, which reports directly to the AC. The AC determines the adequacy of the scope, function and resources of IA function. The Group IA comprises 13 staff; Head of Group IA and four Departmental Heads with two Internal Auditors under each department for the performance of the IA function.

In its endeavour to provide reasonable assurance on the state of internal control in the Group, the IA function carried out its reviews based on the Annual IA Plan for 2009 which was developed using a risk-based approach. The selection of audit assignments was based on the Divisional Risk Profiles of each division which was also mapped to the Corporate Risk Profiles approved by the Board. The main activities of the IA function include:

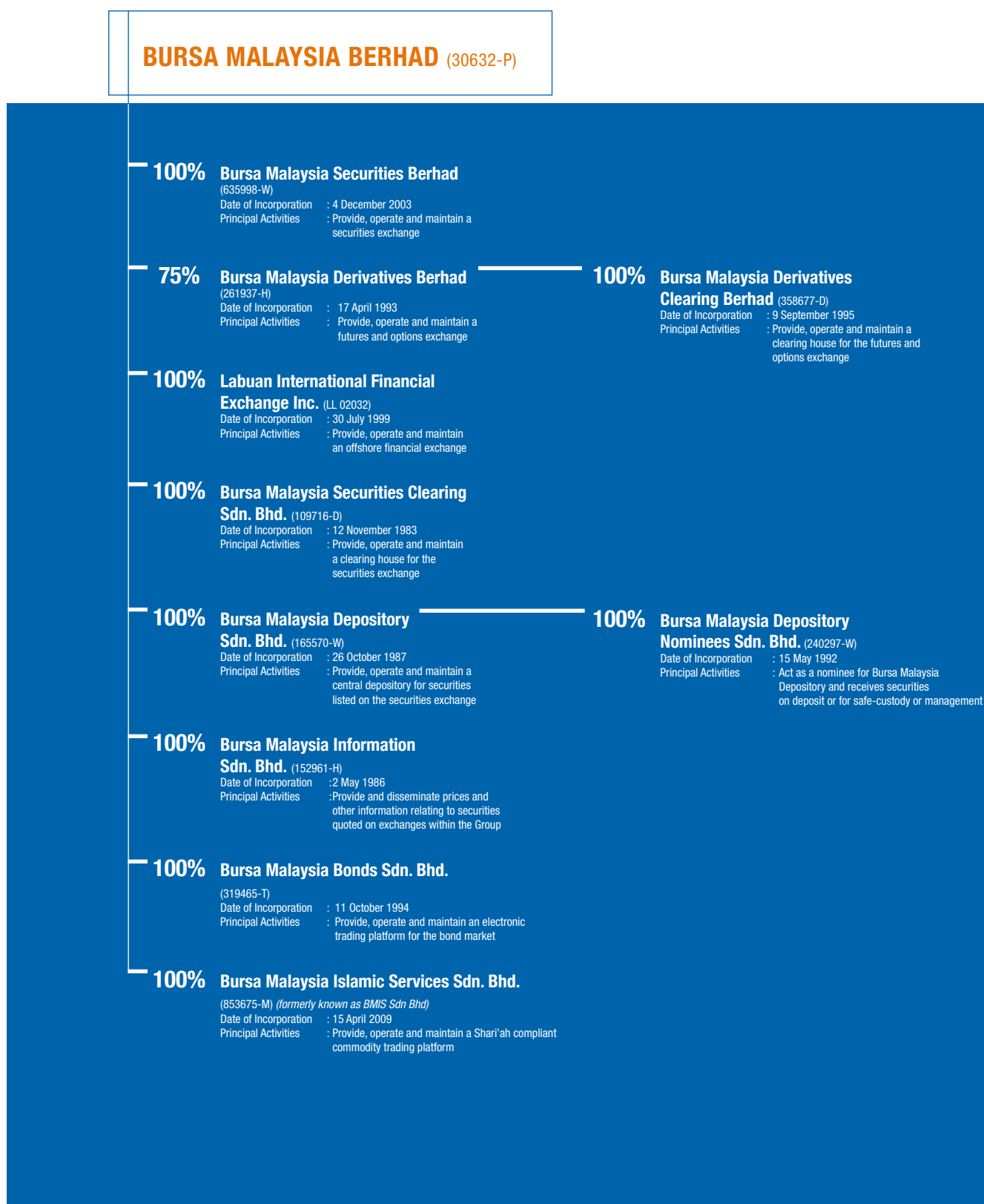
1. Performing operational audits on the following areas:
 - a. Core Business and Support Services functions of the Group;
 - b. Quarterly stock count of CDS scrip maintained by Bursa Malaysia Depository;
 - c. System administration and support; and
 - d. Reviewing compliance with the Group's Guidelines on Handling COI, where conflict may exist between the interest of the Group and the proper performance of its regulatory duties.
2. Performing IS and IT audits on the following areas:
 - a. Facilities management functions supporting the core application systems of the Group;
 - b. IT project management of the Group;
 - c. Systems development and maintenance of core application systems of the Group; and
 - d. IT related functions supported by third party vendors.
3. Providing assurance and performing compliance review for:
 - a. Tenders and significant procurement exercises;
 - b. System Readiness Review on key system development projects;
 - c. Monitoring employees' compliance to Securities Transaction Policy; and
 - d. Undertaking investigations on any suspicion of fraud or operational failures reported to them within the Group.

The results of the audits provided in the IA reports were reviewed by the AC. The relevant management of the auditee was responsible for ensuring that corrective actions on reported weaknesses were taken within the required time frame. The Group IA conducted follow-up audits to ensure that management's corrective action was implemented accordingly and provided update on the status of such action in their IA reports. In this respect, the IA has added value by improving the control process in the organisation.

All IA activities for FY2009 were conducted by the in-house audit team. There were no areas of the IA function which were outsourced. The total costs incurred by Group IA for the internal audit function of the Group in 2009 amounted to RM2,414,951.

CORPORATE INFORMATION

Group Corporate Structure



CORPORATE INFORMATION

Organisation Structure

DATO' YUSLI BIN MOHAMED YUSOFF

Chief Executive Officer

CEO's Office

- Strategy Management Office
- Corporate Risk Management
- Corporate Secretarial and Compliance
- Islamic Markets
- Communications
- Transformation and Organisation and Methods

OMAR BIN MALEK ALI MERICAN

Chief Operating Officer

Business & Market Development

- Market Intelligence
- Market and Product Development
- Group Marketing

DEVANESAN EVANSON

Chief Market Operations Officer

Market Operations

- Exchanges Operations
- Clearing and Settlement Operations
- Depository
- Risk Management
- Information Services

NADZIRAH BINTI ABDUL RASHID

Chief Financial Officer

Corporate Services

- Finance
- Treasury
- Corporate Legal
- Investor Relations
- Community Investment
- Administration

SELVARANY RASIAH

Chief Regulatory Officer

Regulation

- Regulatory Strategy
- Regulatory Policy and Advisory
- Listing
- Corporate Surveillance and Governance
- Participants Supervision
- Market Surveillance
- Investigation
- Enforcement

LIM JIT JEE

Chief Information Officer

Technology & Systems

- Enterprise Architecture and Applications Development Services
- Technical and Operation Services
- IT Services Management
- IT Project Planning
- IT Strategy Planning and Architecture
- IT Security and Process Management

SITI AISHAH MD LASSIM

Chief Human Resource Officer

Group Human Resources

- Employee and Industrial Relations
- Performance Management and Rewards
- Learning and Development
- Analytics and Employee Services
- Succession Management

CHONG KIM SENG

Chief Executive Officer

Bursa Malaysia Derivatives Berhad

- Business Development and Marketing
- Operations and Risk Management
- Product Development
- Management Accounting

SITI ZALEHA SULAIMAN

Acting Head, Group Internal Audit*

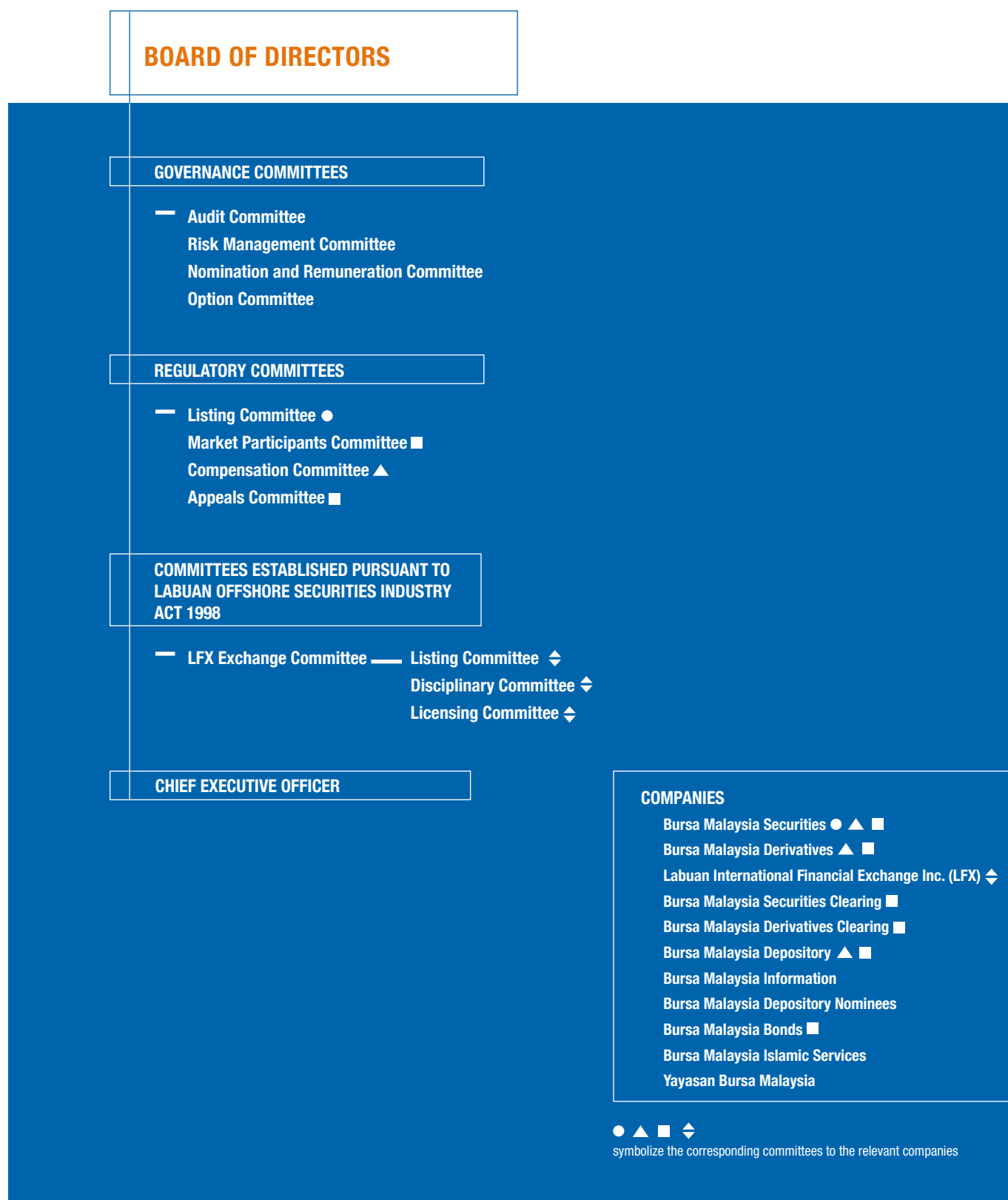
Group Internal Audit

- Operations Audit
- Support Services Audit
- IS/IT Audit
- Project and Tender Review

* The Acting Head of Group Internal Audit reports directly to the Audit Committee

CORPORATE INFORMATION

Governance Model



Board of Directors and Board Committees

1. Governance Committees		Attendance			
Classification	Name	AC	RMC	NRC	OC
Non-Executive and Public Interest Directors	Tun Mohamed Dzaiddin bin Haji Abdullah			7/7	3/3
	Dato' Abdul Latif bin Abdullah				
	Datuk Haji Faisyal bin Datuk Yusof Hamdain Diego				
	Dato' Tajuddin bin Atan	6/6	4/4	note*3/3	note*2/2
Independent Non-Executive Directors	Datin Paduka Siti Sa'diah binti Sheikh Bakir		note 1/3		
	Dato' Dr. Thillainathan a/l Ramasamy	6/6		7/7	3/3
	Dato' Sri Abdul Wahid bin Omar	6/6		7/7	2/3
	Izham bin Yusoff	5/6	3/4	note*3/3	note*2/2
	Dato' Wong Puan Wah @ Wong Sulong		4/4		
	Cheah Tek Kuang	4/6	note*1/1	note 2/4	note 0
	Dato' Saiful Bahri bin Zainuddin			note 3/4	note 1/1
	Ong Leong Huat @ Wong Joo Hwa		4/4		
Non-Independent Executive Director	Dato' Yusli bin Mohamed Yusoff				
Independent individuals with significant and relevant industry experiences	Dato' Thomas Lee Mun Lung				
	Izlan bin Izhab				
	Dato' Mohammed Adnan bin Dato' Shuaib				
	Sreesanthan a/l Eliathamby				
	Wong Chong Wah				
	Nik Hasyudeen bin Yusoff				
	Datuk Oh Chong Peng				
	Dr. Aiman Nariman binti Mohd Sulaiman				
	Gan Kim Khoon				
	Dato' Siow Kim Lun				
	Datuk Haji Khuthubul Zaman bin Bukhari				
	Selvarajah a/l Sivalingam				
	Salwah binti Abdul Shukor				
	Steven Lai Choon Lim				
	Kuok Wee Kiat				
	Richard Tong Kooi Keong				
	Peter Leong Tuck Leng				
	Uday Jayaram				
	Khoo Guan Huat				
	John Mathew				
	Total number of meetings for 2009	6	4	7	3

Chairman

Member

Non-member

note

note *

note ^

appointment from 12 May 2009

appointment up to 11 May 2009

appointment from 4 February 2009

Board of Directors and Board Committees

2. Regulatory Committees		Attendance			
Classification	Name	LC	MPC	CC	APC
Non-Executive and Public Interest Directors	Tun Mohamed Dzaiddin bin Haji Abdullah				8/10
	Dato' Abdul Latif bin Abdullah		10/10	0	
	Datuk Haji Faisyal bin Datuk Yusof Hamdain Diego		8/10	0	
	Dato' Tajuddin bin Atan				9/10
Independent Non-Executive Directors	Datin Paduka Siti Sa'diah binti Sheikh Bakir	10/15			
	Dato' Dr. Thillainathan a/l Ramasamy	12/15			
	Dato' Sri Abdul Wahid bin Omar				
	Izham bin Yusoff				8/10
	Dato' Wong Puan Wah @ Wong Sulong	13/15		0	
	Cheah Tek Kuang				8/10
	Dato' Saiful Bahri bin Zainuddin		10/10	0	
	Ong Leong Huat @ Wong Joo Hwa			0	
Non-Independent Executive Director	Dato' Yusli bin Mohamed Yusoff				
Independent individuals with significant and relevant industry experiences	Dato' Thomas Lee Mun Lung				7/10
	Izlan bin Izhab				8/10
	Dato' Mohammed Adnan bin Dato' Shuaib	14/15			
	Sreesanthan a/l Eliathamby	11/15			
	Wong Chong Wah	15/15			
	Nik Hasyudeen bin Yusoff	15/15			
	Datuk Oh Chong Peng	9/15			
	Dr. Aiman Nariman binti Mohd Sulaiman	9/15			
	Gan Kim Khoon	13/15			
	Dato' Siow Kim Lun	note*4/5			
	Datuk Haji Khuthubul Zaman bin Bukhari		7/10		
	Selvarajah a/l Sivalingam		8/10		
	Salwah binti Abdul Shukor		10/10		
	Steven Lai Choon Lim		10/10		
	Kuok Wee Kiat		note 6/6		
	Richard Tong Kooi Keong		note*3/4		
	Peter Leong Tuck Leng		note*3/4		
	Uday Jayaram		note*3/4		
	Khoo Guan Huat			note^0	
	John Mathew			note^0	
	Total number of meetings for 2009	15	10	0#	10

Chairman

Member

Non-member

note

note *

note ^

#

appointment from 12 May 2009

appointment up to 11 May 2009

appointment from 4 February 2009

No CC meeting was held in 2009 as there was no claim against any compensation/fidelity funds of the subsidiaries within the Group.

Other Corporate Information

COMPANY SECRETARIES

Yong Hazadurah binti Md. Hashim
LS 006674

Hong Soo Yong, Suzanne
MAICSA 7026744

REGISTERED OFFICE

15th Floor, Exchange Square
Bukit Kewangan, 50200 Kuala Lumpur
Tel 03-2034 7000
Fax 03-2732 6437
E-mail enquiries@bursamalaysia.com
Web www.bursamalaysia.com

FORM OF LEGAL ENTITY

Incorporated on 14 December 1976 as a public company limited by guarantee.
Converted to a public company limited by shares on 5 January 2004 pursuant to the Demutualisation (Kuala Lumpur Stock Exchange) Act 2003

STOCK EXCHANGE LISTING

Listed on Main Board of
Bursa Malaysia Securities Berhad
on 18 March 2005
Stock Code: 1818
Stock Name: BURSA

CUSTOMER CARE AND COMPLAINT BUREAU

Bursa Malaysia Berhad
Lower Ground Floor, Exchange Square
Bukit Kewangan, 50200 Kuala Lumpur
Tel 03-2732 0067
Fax 03-2732 5258
E-mail enquiries@bursamalaysia.com
aduan@bursamalaysia.com

INVESTOR RELATIONS

Koay Lean Lee
13th Floor, Exchange Square
Bukit Kewangan, 50200 Kuala Lumpur
Tel 03-2034 7306
Fax 03-2026 3684
E-mail ir@bursamalaysia.com

REGISTRAR

Tricor Investor Services Sdn. Bhd. (118401-V)
(formerly known as Tenaga Koperat Sdn. Bhd.)
Level 17, The Gardens North Tower
Mid Valley City, Lingkaran Syed Putra
59200 Kuala Lumpur
Tel: 03-2264 3883
Fax: 03-2282 1886
E-mail: is.enquiry@my.tricorglobal.com
Web: www.tricorglobal.com

AUDITORS

Ernst & Young (AF 0039)
Chartered Accountants
Level 23A, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur

PRINCIPAL BANKERS

Malayan Banking Berhad (3813-K)
Menara Maybank
100, Jalan Tun Perak
50050 Kuala Lumpur

CIMB Bank Berhad (13491-P)
5th Floor, Bangunan CIMB
Jalan Semantan
Damansara Heights
50490 Kuala Lumpur





FINANCIAL REPORT

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FINANCIAL CALENDAR

2010

February

Announcement of the audited consolidated results for the 4th quarter and financial year ended 31 December 2009.

March

33rd Annual General Meeting.

April

Announcement of the consolidated results for the 1st quarter ending 31 March 2010.

July

Announcement of the consolidated results for the 2nd quarter ending 30 June 2010.

October

Announcement of the consolidated results for the 3rd quarter ending 30 September 2010.

2011

February

Announcement of the audited consolidated results for the 4th quarter and financial year ending 31 December 2010.

DIRECTORS' RESPONSIBILITY STATEMENT

for the annual audited financial statements

The Directors are required by the Companies Act 1965 (the Act) to prepare financial statements for each financial year which have been made out in accordance with applicable Financial Reporting Standards in Malaysia, and the provisions of the Act and the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The Directors are responsible to ensure that the financial statements give a true and fair view of the state of affairs of the Group and the Company at the end of the financial year and of the results and cash flows of the Group and the Company for the financial year.

In preparing the financial statements, the Directors have:

- Adopted appropriate accounting policies and applied them consistently;
- Made judgments and estimates that are reasonable and prudent; and
- Prepared the financial statements on a going concern basis.

The Directors are responsible to ensure that the Group and the Company keep accounting records which disclose with reasonable accuracy the financial position of the Group and the Company which enable them to ensure that the financial statements comply with the Act.

The Directors are responsible for taking such steps as are reasonably open to them to safeguard the assets of the Group and to detect and prevent fraud and other irregularities.

DIRECTORS' REPORT

The Directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2009.

PRINCIPAL ACTIVITIES

The Company is an exchange holding company, whose principal activities are treasury management and the provision of management and administrative services to its subsidiaries.

The principal activities of the subsidiaries are to operate the securities, derivatives and offshore exchanges in Malaysia, its related depository and clearing houses, including the compilation, provision and dissemination of information relating to securities quoted on the exchanges. The principal activities of the subsidiaries are disclosed in Note 15 to the financial statements.

There have been no significant changes in the nature of these principal activities during the financial year except for the business of a newly acquired subsidiary as disclosed in Note 15 to the financial statements.

RESULTS

	Group RM'000	Company RM'000
Profit for the year	177,738	207,231
Attributable to:		
Equity holders of the Company	177,588	207,231
Minority interests	150	—
	177,738	207,231

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

In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

The amount of dividends paid by the Company since 31 December 2008 were as follows:

	RM'000
In respect of the financial year ended 31 December 2008, as reported in the Directors' report of that year:	
Final dividend of 7.8 sen per share less 25 per cent taxation, on 525,927,000 ordinary shares, declared on 2 April 2009 and paid on 4 May 2009	30,768
In respect of the financial year ended 31 December 2009:	
Interim dividend of 5.1 sen per share less 25 per cent taxation and 5 sen per share under single-tier system, on 527,529,000 ordinary shares, declared on 20 July 2009 and paid on 18 August 2009	46,554
Total dividends paid since 31 December 2008	77,322

At the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 31 December 2009 of 9 sen per share under single-tier system on 528,656,000 ordinary shares, amounting to a dividend payable of approximately RM47,579,000 will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2010.

DIRECTORS

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

Tun Mohamed Dzaiddin bin Haji Abdullah

Dato' Abdul Latif bin Abdullah

Datuk Haji Faisyal bin Datuk Yusof Hamdain Diego

Datin Paduka Siti Sa'diah binti Sheikh Bakir

Dato' Dr. Thillainathan a/l Ramasamy

Dato' Sri Abdul Wahid bin Omar

Izham bin Yusoff

Dato' Wong Puan Wah @ Wong Sulong

Cheah Tek Kuang

Dato' Yusli bin Mohamed Yusoff

Dato' Saiful Bahri bin Zainuddin

Ong Leong Huat @ Wong Joo Hwa

Dato' Tajuddin bin Atan

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the Directors might acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate, other than those arising from the share options granted under the ESOS.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors or the fixed salary of a full-time employee of the Company as shown in Note 8 to the financial statements) by reason of a contract made by the Company or a related corporation with any Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

DIRECTORS' REPORT

DIRECTORS' INTERESTS

According to the register of Directors' shareholdings, the interests of Directors in office at the end of the financial year in shares and options over shares in the Company during the financial year were as follows:

	Number of ordinary shares of RM0.50 each				
	1.1.2009 '000	Purchased '000	Options exercised '000	Sold/ transferred '000	31.12.2009 '000
Direct interests					
Tun Mohamed Dzaiddin bin Haji Abdullah	120	—	—	(20)	100
Dato' Abdul Latif bin Abdullah	40	—	—	—	40
Datuk Haji Faisyal bin Datuk Yusof Hamdain Diego	25	—	—	—	25
Datin Paduka Siti Sa'diah binti Sheikh Bakir	52	—	—	—	52
Dato' Dr. Thillainathan a/l Ramasamy	50	—	—	—	50
Dato' Sri Abdul Wahid bin Omar	10	—	—	—	10
Izham bin Yusoff	10	—	—	—	10
Cheah Tek Kuang	50	—	—	—	50
Dato' Yusli bin Mohamed Yusoff	1,049	—	105	(154)	1,000
	Number of ordinary shares of RM0.50 each				
	Spouse 1.1.2009 '000	Child 1.1.2009 '000	Purchased '000	Sold '000	31.12.2009 '000
Indirect interests					
Tun Mohamed Dzaiddin bin Haji Abdullah	—	6	—	—	6
Datuk Haji Faisyal bin Datuk Yusof Hamdain Diego	50	—	—	—	50
Dato' Dr. Thillainathan a/l Ramasamy	50	—	—	—	50
Cheah Tek Kuang	—	14	—	—	14
Dato' Yusli bin Mohamed Yusoff	105	—	—	—	105
	Number of options over ordinary shares of RM0.50 each				31.12.2009 '000
	1.1.2009 '000	Granted '000	Exercised '000		
Dato' Yusli bin Mohamed Yusoff		3,966	—	(105)	3,861

The ESOS scheme will expire on 8 March 2010. As such, there will be no further vestings from the outstanding balance of 3,861,000 options.

Other than the above, the Directors in office at the end of the financial year did not have any interest in shares and options over shares in the Company or its related corporations during the financial year.

ISSUE OF SHARES

During the financial year, the Company increased its issued and paid-up ordinary share capital from RM262,943,000 to RM264,328,000 by way of the issuance of 2,770,000 ordinary shares of RM0.50 each for cash, pursuant to the Company's ESOS at exercise prices of between RM2.06 and RM7.96 per ordinary share.

ESOS

The Bursa Malaysia Berhad ESOS is governed by the Bye-Laws approved by the shareholders at an Extraordinary General Meeting held on 11 December 2004. The ESOS was implemented on 9 March 2005 and is to be in force for a period of 5 years from the date of implementation.

The salient terms of the ESOS are as disclosed in Note 28(b) to the financial statements.

The Company has been granted exemption by the Companies Commission of Malaysia from having to disclose the names of employees who have been granted options to subscribe for less than 100,000 ordinary shares of RM0.50 each.

The employees, other than Directors, who have been granted the option to subscribe 100,000 or more ordinary shares of RM0.50 each during the financial year are as disclosed below:

	Grant date	Expiry date	Exercise Price RM	Number of options over ordinary shares of RM0.50 each		
				Granted '000	Exercised '000	31.12.2009 '000
Lim Jit Jee	10 April 2009	8 March 2010	4.10	193	(193)	–
Zaini binti Long	18 March 2009	8 March 2010	4.50	139	–	139

OTHER STATUTORY INFORMATION

- (a) Before the income statements and balance sheets of the Group and of the Company were made out, the Directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no known bad debts had been written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances which would render:
 - (i) it is necessary to write off any bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and
 - (ii) the values attributed to current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the Directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.

DIRECTORS' REPORT

OTHER STATUTORY INFORMATION

- (d) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) As at the date of this report, there does not exist:
 - (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability in respect of the Group or of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the Directors:
 - (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of 12 months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

SIGNIFICANT EVENTS

In addition to the significant events disclosed elsewhere in this report, the other significant events are disclosed in Note 15 to the financial statements.

AUDITORS

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

Signed on behalf of the Board in accordance with a resolution of the Directors dated 4 February 2010.

Tun Mohamed Dzaiddin bin Haji Abdullah

Dato' Yusli bin Mohamed Yusoff

STATEMENT BY DIRECTORS

Pursuant to Section 169(15) of the Companies Act 1965

We, Tun Mohamed Dzaiddin bin Haji Abdullah and Dato' Yusli bin Mohamed Yusoff, being two of the Directors of Bursa Malaysia Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 89 to 150 are drawn up in accordance with FRSs and the provisions of the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2009 and of the results and the cash flows of the Group and of the Company for the financial year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 4 February 2010.

Tun Mohamed Dzaiddin bin Haji Abdullah

Dato' Yusli bin Mohamed Yusoff

STATUTORY DECLARATION

Pursuant to Section 169(16) of the Companies Act 1965

I, Nadzirah binti Abdul Rashid, being the officer primarily responsible for the financial management of Bursa Malaysia Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 89 to 150 are in my opinion correct, and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act 1960.

Subscribed and solemnly declared by the
abovenamed Nadzirah binti Abdul Rashid
at Kuala Lumpur in the Federal Territory
on 4 February 2010.

Nadzirah binti Abdul Rashid

Before me,

Tan Boon Chua
No. W325
Commissioner of Oaths
20th Floor, Bangunan AmBank Group
No. 55, Jalan Raja Chulan
50200 Kuala Lumpur

INDEPENDENT AUDITORS' REPORT

to the members of Bursa Malaysia Berhad (Incorporated in Malaysia)

REPORT ON THE FINANCIAL STATEMENTS

We have audited the financial statements of Bursa Malaysia Berhad, which comprise the balance sheets as at 31 December 2009 of the Group and of the Company, and the income statements, statements of changes in equity and cash flow statements of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory notes, as set out on pages 89 to 150.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation and fair presentation of these financial statements in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements have been properly drawn up in accordance with Financial Reporting Standards and the Companies Act 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2009 and of their financial performance and cash flows for the year then ended.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

In accordance with the requirements of the Companies Act 1965 in Malaysia, we also report the following:

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.
- (b) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.
- (c) The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment required to be made under Section 174(3) of the Act.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.

Ernst & Young
AF: 0039
Chartered Accountants

Kuala Lumpur, Malaysia

Abdul Rauf bin Rashid
No. 2305/05/10(J)
Chartered Accountant

INCOME STATEMENTS

For the year ended 31 December 2009

		Group		Company	
	Note	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Operating revenue	3	297,625	302,303	281,313	448,163
Other income	4	28,817	29,372	15,399	19,467
Gain on disposal of subsidiaries	15(b),(c)	75,975	–	110,555	–
		402,417	331,675	407,267	467,630
Staff costs	5	(83,251)	(85,747)	(82,600)	(85,747)
Depreciation and amortisation	6	(38,911)	(20,529)	(38,663)	(20,484)
Other operating expenses	7	(60,449)	(79,137)	(59,851)	(77,473)
Profit from operations		219,806	146,262	226,153	283,926
Finance costs	9	(625)	(635)	(125)	(126)
Profit before tax		219,181	145,627	226,028	283,800
Income tax expense	10	(41,443)	(41,207)	(18,797)	(49,390)
Profit for the year		177,738	104,420	207,231	234,410
Attributable to:					
Equity holders of the Company		177,588	104,420	207,231	234,410
Minority interest		150	–	–	–
		177,738	104,420	207,231	234,410
Earnings per share attributable to equity holders of the Company (sen):					
Basic	11(a)	33.7	19.9		
Diluted	11(b)	33.6	19.0		

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

BALANCE SHEETS

as at 31 December 2009

	Note	Group		Company	
		2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Assets					
Non-current asset					
Property, plant and equipment	13	243,163	253,722	242,564	253,719
Computer software	14(a)	83,609	91,828	82,510	90,990
Goodwill	14(b)	42,957	44,720	29,494	29,494
Investment in subsidiaries	15	—	—	150,510	168,147
Other investments	16	137,347	47,200	84,488	—
Staff loans receivable	17	17,046	20,578	15,796	19,011
Deferred tax assets	18	4,139	6,357	—	—
		528,261	464,405	605,362	561,361
Current assets					
Trade receivables	19	21,028	15,496	1,502	1,390
Other receivables	20	13,763	11,598	9,839	8,659
Due from subsidiaries	21	—	—	18,621	19,584
Tax recoverable		9,255	21,203	9,224	13,070
Short term investments	22	62,884	72,857	57,915	72,857
Cash collected from CPs and TCPs	23	814,534	861,500	—	—
Cash and bank balances	24	336,916	282,805	179,210	90,394
		1,258,380	1,265,459	276,311	205,954
Total assets		1,786,641	1,729,864	881,673	767,315

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

	Note	Group 2009 RM'000	2008 RM'000	Company 2009 RM'000	2008 RM'000
Equity and liabilities					
Equity attributable to equity holders of the Company					
Share capital	25	264,328	262,943	264,328	262,943
Share premium		78,813	70,736	78,813	70,736
Other reserves	26	52,722	54,690	4,480	6,369
Retained earnings	27	444,152	343,886	432,524	302,615
		840,015	732,255	780,145	642,663
Minority interests		8,597	—	—	—
Total equity		848,612	732,255	780,145	642,663
Non-current liabilities					
Retirement benefit obligations	28(a)	23,893	22,940	23,893	22,940
Deferred income	29	12,211	11,617	9,650	8,847
Deferred tax liabilities	18	16,208	16,179	15,901	16,029
Advances from subsidiaries	21	—	—	—	2,637
		52,312	50,736	49,444	50,453
Current liabilities					
Trade payables	23	782,093	827,755	—	—
CPs' and TCPs' contributions to Clearing Funds	23	32,441	33,745	—	—
Other payables	30	64,114	79,728	52,084	69,499
Advances from subsidiaries	21	—	—	—	4,700
Tax payable		7,069	5,426	—	—
Short term borrowings	31	—	219	—	—
		885,717	946,873	52,084	74,199
Total liabilities		938,029	997,609	101,528	124,652
Total equity and liabilities		1,786,641	1,729,864	881,673	767,315

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2009

Attributable to equity holders of the Company											Minority interest	Total equity
Note	Non-distributable					Distributable						
	Share capital RM'000	Share premium RM'000	Capital reserve RM'000	Capital redemption reserve RM'000	Foreign currency exchange reserve RM'000	Share option reserve RM'000	Clearing fund reserves RM'000	Retained earnings RM'000	Total RM'000			
At 1 January 2008		261,825	65,254	13,500	5,250	(933)	4,563	30,000	400,770	780,229	*	780,229
Issuance of ordinary shares pursuant to ESOS	25	1,118	5,482	—	—	—	(1,180)	—	—	5,420	—	5,420
Issuance of preference shares by a subsidiary		—	—	200	—	—	—	—	—	200	**	200
Foreign currency translation, representing net gain recognised directly in equity		—	—	—	—	304	—	—	—	304	—	304
Share options granted under ESOS, net of options lapsed during the year	5	—	—	—	—	—	2,986	—	—	2,986	—	2,986
Dividends	12	—	—	—	—	—	—	—	(161,304)	(161,304)	—	(161,304)
Profit for the year		—	—	—	—	—	—	—	104,420	104,420	—	104,420
At 31 December 2008		262,943	70,736	13,700	5,250	(629)	6,369	30,000	343,886	732,255	***	732,255
At 1 January 2009		262,943	70,736	13,700	5,250	(629)	6,369	30,000	343,886	732,255	***	732,255
Issuance of ordinary shares pursuant to ESOS	25	1,385	8,077	—	—	—	(1,685)	—	—	7,777	—	7,777
Foreign currency translation, representing net gain recognised directly in equity		—	—	—	—	(79)	—	—	—	(79)	—	(79)
Share options granted under ESOS, net of options lapsed during the year	5	—	—	—	—	—	(204)	—	—	(204)	—	(204)
Part disposal of a subsidiary	15(c)	—	—	—	—	—	—	—	—	—	8,447	8,447
Dividends	12	—	—	—	—	—	—	—	(77,322)	(77,322)	—	(77,322)
Profit for the year		—	—	—	—	—	—	—	177,588	177,588	150	177,738
At 31 December 2009		264,328	78,813	13,700	5,250	(708)	4,480	30,000	444,152	840,015	8,597	848,612

Note a

Note a

Minority interest of the Group at 31 December 2008 relates to subscriptions in the non-cumulative preference shares of RM1 each in Bursa Malaysia Derivatives, a subsidiary, for registration as TPs, at a subscription price determined by Bursa Malaysia Derivatives. The preference shareholders are not entitled to a refund of any part of the premium paid for the preference shares.

* Denotes RM82

** Denotes RM1

*** Denotes RM83

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

COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 31 December 2009

	Note	Share capital RM'000	Non-distributable		Distributable	Total equity RM'000
			Share premium RM'000	Share option reserve RM'000	Retained earnings RM'000	
At 1 January 2008		261,825	65,254	4,563	229,509	561,151
Issuance of ordinary shares pursuant to ESOS	25	1,118	5,482	(1,180)	—	5,420
Share options granted under ESOS, net of options lapsed during the year	5	—	—	2,986	—	2,986
Dividends paid	12	—	—	—	(161,304)	(161,304)
Profit for the year		—	—	—	234,410	234,410
At 31 December 2008		262,943	70,736	6,369	302,615	642,663
At 1 January 2009		262,943	70,736	6,369	302,615	642,663
Issuance of ordinary shares pursuant to ESOS	25	1,385	8,077	(1,685)	—	7,777
Share options granted under ESOS, net of options lapsed during the year	5	—	—	(204)	—	(204)
Dividends paid	12	—	—	—	(77,322)	(77,322)
Profit for the year		—	—	—	207,231	207,231
At 31 December 2009		264,328	78,813	4,480	432,524	780,145

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

CASH FLOW STATEMENTS

For the year ended 31 December 2009

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Cash flows from operating activities				
Profit before tax	219,181	145,627	226,028	283,800
Adjustments for:				
Amortisation of computer software	20,182	4,863	20,033	4,818
Amortisation of premium less accretion of discount	200	(33)	—	—
Depreciation	18,729	15,666	18,630	15,666
Grant income	(1,658)	(732)	(1,449)	(1,025)
Gross dividend income	—	—	(110,088)	(265,285)
Increase in retirement benefit obligations	1,511	2,603	1,511	2,603
Interest expense	—	11	—	—
Interest income	(22,227)	(28,859)	(6,545)	(8,372)
Impairment loss on computer software	2,006	—	2,006	—
Net (reversal of)/provision for impairment on investments	(1,317)	2,597	(648)	1,831
Net gain on disposal of investments	(448)	(161)	(134)	(181)
Gain on disposal of subsidiaries	(75,975)	—	(110,555)	—
Net gain on disposal of property, plant and equipment	(362)	(34)	(715)	(34)
Net provision for/(reversal of) bad and doubtful debts	189	(416)	44	(500)
Provision for short term accumulating compensated unutilised leave	47	131	32	131
Share options granted under ESOS, net of options lapsed during the year	(204)	2,986	(204)	2,986
Operating profit before working capital changes	159,854	144,249	37,946	36,438
(Increase)/decrease in receivables	(5,361)	13,780	(112)	1,720
Decrease in other payables	(7,545)	(3,764)	(11,383)	(2,407)
Changes in subsidiaries balances	—	—	2,717	(6,952)
Cash generated from operations	146,948	154,265	29,168	28,799
Retirement benefits paid	(558)	(434)	(558)	(434)
Interest paid	—	(11)	—	—
Taxes paid, net of refund	(27,485)	(60,918)	(3,220)	(9,098)
Net cash generated from operating activities	118,905	92,902	25,390	19,267
Cash flows from investing activities				
Interest received	21,911	27,404	6,930	7,269
Disposal of subsidiaries (Note 15)	1,912	—	39,005	—
Purchases of investments, net of proceeds	6,378	33,188	15,720	2,157
Purchases of property, plant and equipment and computer software, net of proceeds	(30,104)	(36,286)	(28,646)	(35,701)
Staff loans repaid, net of disbursements	4,955	3,916	4,399	3,652
Net cash generated from/(used in) investing activities	5,052	28,222	37,408	(22,623)

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Cash flows from financing activities				
Dividends paid (Note 12)	(77,322)	(161,304)	(77,322)	(161,304)
Dividends received	–	–	98,200	222,962
Grant received	–	9,872	–	9,872
Preference shares issued by a subsidiary	–	200	–	–
Proceeds from exercise of ESOS	7,777	5,420	7,777	5,420
Repayment of advances to subsidiaries	–	–	(2,637)	(24,804)
Repayment of borrowings	(219)	(219)	–	–
Net cash (used in)/generated from financing activities	(69,764)	(146,031)	26,018	52,146
Net increase/(decrease) in cash and cash equivalents	54,193	(24,907)	88,816	48,790
Effects of foreign exchange rate changes	(82)	313	–	–
Cash and cash equivalents at beginning of year	282,805	307,399	90,394	41,604
Cash and cash equivalents at end of year	336,916	282,805	179,210	90,394

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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2009

1. Corporate information

The Company is a public limited company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at 15th Floor, Exchange Square, Bukit Kewangan, 50200 Kuala Lumpur.

The Company is an exchange holding company, whose principal activities are treasury management and the provision of management and administrative services to its subsidiaries. The principal activities of the subsidiaries are to operate the securities, derivatives and offshore exchanges in Malaysia, its related depository and clearing houses, including the compilation, provision and dissemination of information relating to securities quoted on the exchanges. The principal activities of the subsidiaries are disclosed in Note 15.

There have been no significant changes in the nature of these principal activities during the financial year except for the business of a newly acquired subsidiary as disclosed in Note 15.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 4 February 2010.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements have been prepared on a historical cost basis and comply with FRSs and the provisions of the Companies Act 1965 in Malaysia.

The financial statements are presented in RM and all values are rounded to the nearest thousand (RM'000 or '000), except when otherwise indicated.

2.2 Summary of significant accounting policies

(a) *Subsidiaries and basis of consolidation*

(i) *Subsidiaries*

Subsidiaries are entities over which the Group has the ability to control the financial and operating policies so as to obtain benefits from their activities. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group has such power over another entity.

In the Company's separate financial statements, investments in subsidiaries are stated at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is included in profit or loss.

(ii) *Basis of consolidation*

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the balance sheet date. The financial statements of the subsidiaries are prepared for the same reporting date as the Company.

Subsidiaries are consolidated from the date of acquisition, being the date on which the Group obtains control, and continue to be consolidated until the date such control ceases. In preparing the consolidated financial statements, intra-group balances, transactions and unrealised gains or losses are eliminated in full. Uniform accounting policies are adopted in the consolidated financial statements for like transactions and events in similar circumstances.

Acquisition of subsidiaries are accounted for using the purchase method except for subsidiaries arising from common control transfer. Common control transfers are acquisition of entities whereby these entities have common ultimate controlling parties prior to and immediately after such transfers. In view that business combination under common control are scoped out of FRS 3 Business Combination, the guidance set out in FRS 108 Accounting Policies, Changes in Accounting Estimates and Errors is used to select the appropriate accounting policy.

2. Significant accounting policies

2.2 Summary of significant accounting policies

(a) *Subsidiaries and basis of consolidation*

(ii) *Basis of consolidation*

Accordingly, subsidiaries arising from common control transfers are consolidated using the principles of the pooling of interests method of accounting based on the pronouncement issued by other standard setting bodies in other countries. The difference between the carrying value of the investment and the nominal value of ordinary shares acquired is treated as a consolidation reserve or consolidation deficit. Consolidation deficit is adjusted against suitable reserves of the subsidiaries acquired to the extent that laws or statutes do not prohibit the use of such reserves. The results and financial position of the companies being consolidated are included as if the pooling of interest had been in existence throughout the current and previous financial year.

The purchase method of accounting involves allocating the cost of the acquisition to the fair value of the assets acquired and liabilities and contingent liabilities assumed at the date of acquisition. The cost of an acquisition is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the acquisition.

Any excess of the cost of the acquisition over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities represents goodwill. Any excess of the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities over the cost of acquisition is recognised immediately in profit or loss.

Minority interest represent the portion of profit or loss and net assets in subsidiaries not held by the Group. It is measured at the minorities' share of the fair value of the subsidiaries' identifiable assets and liabilities at the acquisition date and the minorities' share of changes in the subsidiaries since then.

(b) *Intangible assets*

(i) *Goodwill*

Goodwill acquired in a business combination is initially measured at cost being the excess of the cost of business combination over the Group's interest in the net fair value of the identifiable assets, liabilities and contingent liabilities. Following the initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortised but instead, it is reviewed for impairment, annually or more frequently if events or changes in circumstances indicate that the carrying value may be impaired. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

(ii) *Other intangible assets*

As at the balance sheet date, the Group's and the Company's intangible asset, other than goodwill, is computer software.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair values as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised on a straight-line basis over the estimated economic useful lives and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The useful life of computer software is assessed to be finite. Computer software is amortised on a straight-line basis over five to ten years. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each balance sheet date.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2009

2. Significant accounting policies

2.2 Summary of significant accounting policies

(c) Property, plant and equipment and depreciation

All items of property, plant and equipment are initially recorded at cost. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are charged to the income statement during the financial period in which they are incurred.

Subsequent to recognition, property, plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment losses.

Projects-in-progress are not depreciated. Depreciation of other property, plant and equipment is provided for on a straight-line basis to write off the cost of each asset to its residual value over the estimated useful life at the following annual rates:

Building and office lots	2%
Renovations	20%
Office equipment, electrical installation, furniture and fittings	20%
Computers and office automation	10% – 33.33%
Motor vehicles	20%

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

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

(d) Impairment of non-financial assets

The carrying amounts of assets, other than deferred tax assets, are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss.

For goodwill, intangible assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each balance sheet date or more frequently when indicators of impairment are identified.

For the purpose of impairment testing of these assets, recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, recoverable amount is determined for the CGU to which the asset belongs to. Goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's CGUs, or groups of CGUs, that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the Group are assigned to those units or groups of units.

An asset's recoverable amount is the higher of an asset's or CGU's fair value less costs to sell and its value-in-use. In assessing value-in-use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment of the time-value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or group of units on a pro-rata basis.

An impairment loss is recognised in profit or loss in the period in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is accounted for as a revaluation decrease to the extent that the impairment loss does not exceed the amount held in the asset revaluation reserve for the same asset.

2. Significant accounting policies

2.2 Summary of significant accounting policies

(d) Impairment of non-financial assets

Impairment loss on goodwill is not reversed in a subsequent period. An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of an asset other than goodwill is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss, unless the asset is carried at revalued amount, in which case, such reversal is treated as a revaluation increase.

(e) Financial instruments

Financial instruments are recognised in the balance sheet when the Group has become a party to the contractual provisions of the instrument.

Financial instruments are classified as liabilities or equity in accordance with the substance of the contractual arrangement. Interest, dividends and gains and losses relating to a financial instrument classified as a liability, are reported as expense or income. Distributions to holders of financial instruments classified as equity are recognised directly in equity. Financial instruments are offset when the Group has a legally enforceable right to offset and intends to settle either on a net basis or to realise the asset and settle the liability simultaneously.

(i) Cash and cash equivalents

For the purposes of the cash flow statements, cash and cash equivalents include cash on hand and at banks and short term deposits.

(ii) Other investments

Other investments comprise quoted and unquoted securities that are acquired and held for yield or capital growth and are usually held to maturity.

Quoted investments are stated at the lower of cost and market value, determined on an aggregate basis. Unquoted investments are stated at cost adjusted for amortisation of premium net of accretion of discount, where applicable, to maturity dates, less impairment losses.

On disposal of an investment, the difference between the net disposal proceeds and its carrying amount is recognised in profit or loss.

(iii) Short term investments

Short term investments comprise unquoted securities which are managed by external fund managers for the purpose of short term capital gains. These unquoted securities are stated at the lower of cost and market value or indicative market value determined on an aggregate basis. Cost is determined on the weighted average basis. Increases and decreases in the carrying amount of short term investments are recognised in the income statement. On disposal of short term investments, the difference between net disposal proceeds and the carrying amount is recognised in the income statement.

(iv) Receivables

Receivables are carried at anticipated realisable values. Bad debts are written off when identified. An estimate is made for doubtful debts on trade debts which are six months or older, or when recoverability is considered doubtful.

(v) Payables

Payables are stated at the fair value of the consideration to be paid in the future for goods and services received.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2009

2. Significant accounting policies

2.2 Summary of significant accounting policies

(e) Financial instruments

(vi) Securities borrowing and lending collaterals

Collaterals lodged by borrowers in the form of cash are treated as current liabilities on the balance sheet. Collaterals lodged by borrowers in the form of bank guarantees, letters of credit and approved securities are not reflected as assets and liabilities in the balance sheet.

(vii) Borrowings

Borrowings are initially recognised at the fair value of the consideration received less directly attributable transaction costs.

(viii) Equity instruments

Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

(f) Income tax

Income tax on the profit or loss for the year comprises current and deferred tax. Current tax is the expected amount of income taxes payable in respect of the taxable profit for the year and is measured using the tax rates that have been enacted at the balance sheet date.

Deferred tax is provided for, using the liability method. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised. Deferred tax is not recognised if the temporary difference arises from goodwill or negative goodwill or from the initial recognition of an asset or liability in a transaction which is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit.

Deferred tax is measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates that have been enacted or substantively enacted at the balance sheet date. Deferred tax is recognised as income or an expense and included in the profit or loss for the year, except when it arises from a transaction which is recognised directly in equity, in which case the deferred tax is also recognised directly in equity, or when it arises from a business combination that is an acquisition, in which case the deferred tax is included in the resulting goodwill or the amount of any excess of the acquirer's interest in the net fair value of the acquiree's identifiable assets, liabilities and contingent liabilities over the cost of the combination.

(g) Provisions

Provisions are recognised when the Group has a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. Where the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

2. Significant accounting policies

2.2 Summary of significant accounting policies

(h) Employee benefits

(i) Short term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees. Short term accumulating compensated absences such as paid annual leave are recognised when services are rendered by employees that increase their entitlement to future compensated absences. Short term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plan

Defined contribution plans are post-employment benefit plans under which the Group pays fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the profit or loss as incurred. As required by law, companies in Malaysia make such contributions to the EPF.

(iii) Defined benefit plan

The Group operates a funded, defined benefit retirement scheme (the Scheme) for its eligible employees. The Scheme was closed to new entrants effective 1 September 2003.

The Group's obligation under the Scheme, calculated using the Projected Unit Credit Method, is determined based on actuarial computations by independent actuaries, through which the amount of benefit that employees have earned in return for their service in the current and prior years is estimated. That benefit is discounted in order to determine its present value.

Actuarial gains and losses are recognised as income or expense over the expected average remaining working lives of the participating employees when the cumulative unrecognised actuarial gains or losses for the Scheme exceed 10% of the higher of the present value of the defined benefit obligation and the fair value of plan assets. Past service costs are recognised immediately to the extent that the benefits are already vested, and otherwise are amortised on a straight-line basis over the average period until the amended benefits become vested.

The amount recognised in the balance sheet represents the present value of the defined benefit obligations adjusted for unrecognised actuarial gains and losses and unrecognised past service costs and reduced by the fair value of plan assets. Any asset resulting from this calculation is limited to the net total of any unrecognised actuarial losses and past service costs, and the present value of any economic benefits in the form of refunds or reductions in future contributions to the plan.

(iv) Share-based compensation

The Bursa Malaysia Berhad ESOS, an equity-settled, share-based compensation plan, allows the Group's employees to acquire ordinary shares of the Company. The total fair value of share options granted to employees is recognised as an employee cost with a corresponding increase in the share option reserve within equity over the vesting period and taking into account the probability that the options will vest. The fair value of share options is measured at grant date, taking into account, if any, the market vesting conditions upon which the options were granted but excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions about the number of options that are expected to become exercisable on vesting date.

At each balance sheet date, the Group revises its estimates of the number of options that are expected to become exercisable on vesting date. It recognises the impact of revision of original estimates, if any, in the profit or loss, and a corresponding adjustment to equity over the remaining vesting period.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2009

2. Significant accounting policies

2.2 Summary of significant accounting policies

(h) Employee benefits

(iv) Share-based compensation

The proceeds received net of any directly attributable transaction costs are credited to equity when the options are exercised.

The amount attributable to exercised options previously recognised in equity shall be transferred to share premium. Where options have not been exercised by end of the option period and have expired, the amount attributable to these options shall be transferred to retained earnings.

(v) Separation benefits

Separation benefits are payable when employment ceases before the normal retirement date or expiry of employment contract date. The Group recognises separation benefits as a liability and an expense when it is demonstrably committed to cease the employment of current employees according to a detailed plan without possibility of withdrawal. Benefits falling due more than 12 months after balance sheet date are discounted to present value.

(i) Foreign currencies

(i) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in RM, which is also the Company's functional currency.

(ii) Foreign currency transactions

In preparing the financial statements of the individual entities, transactions in currencies other than the entity's functional currency (foreign currencies) are recorded in the functional currencies using the exchange rates prevailing at the dates of the transactions. At each balance sheet date, monetary items denominated in foreign currencies are translated at the rates prevailing on the balance sheet date. Non-monetary items carried at fair value that are denominated in foreign currencies are translated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not translated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in profit or loss for the period except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operation.

Exchange differences arising on the translation of non-monetary items carried at fair value are included in profit or loss for the period except for the differences arising on the translation of non-monetary items in respect of which gains and losses are recognised directly in equity. Exchange differences arising from such non-monetary items are also recognised directly in equity.

(iii) Malaysian subsidiary with foreign currency as its functional currency

The results and financial position of a subsidiary that has a functional currency different from the presentation currency of the consolidated financial statements are translated into RM as follows:

- Assets and liabilities for each balance sheet presented are translated at the closing rate prevailing at the balance sheet date;
- Income and expenses for each income statement are translated at average monthly exchange rates, which approximates the exchange rates at the dates of the transactions; and
- All resulting exchange differences are taken to the foreign currency exchange reserve within equity.

2. Significant accounting policies

2.2 Summary of significant accounting policies

(j) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured. The following specific recognition criteria must also be met before revenue is recognised:

(i) Trade fees

Trade fees on securities traded on Bursa Malaysia Securities and Bursa Malaysia Bonds are recognised on a trade date basis. Trade fees on derivatives contracts traded on Bursa Malaysia Derivatives are recognised net of rebates on a trade date basis. Trade fees on commodities traded on Bursa Malaysia Islamic Services are recognised on a trade date basis net of amount payable to commodities suppliers.

(ii) Clearing and institutional settlement services fees

Fees for clearing and settlement between clearing participants for trades in eligible securities transacted on Bursa Malaysia Securities are recognised in full when services are rendered. Clearing fees on derivatives contracts are recognised net of rebates on the clearing date.

(iii) Fees from depository, information and broker services

Fees from depository and broker services and income from sale of information and services are recognised when the related services are rendered.

(iv) Listing fees

Initial listing fees for IPO exercises are recognised upon the listing of an applicant. Annual listing fees are recognised on an accrual basis. Additional listing fees are recognised upon the listing of new securities issued by applicants.

(v) Participants' fees

Initial application fees are recognised upon registration/admission into the equity or derivatives markets. Annual subscription fees are recognised on an accrual basis.

(vi) SBL fees

Fees from SBL activities are recognised on an accrual basis.

(vii) Guarantee fees

Guarantee fees are charged on a daily basis on day end required margins of open contracts.

(viii) Other income

- Accretion of discounts and amortisation of premiums on investments are recognised on an effective yield basis.
- Dividend income is recognised when the right to receive payment is established.
- Fines income is recognised when the right to receive payment is established and it is probable that economic benefits will flow to the Group.
- Interest income is recognised on an accrual basis that reflects the yield of the asset.
- Management fees is recognised when services are rendered.
- Rental income from the letting of office space, equipment and equipment hosting space are recognised on a straight-line basis over the term of the rental agreement.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2009

2. Significant accounting policies

2.2 Summary of significant accounting policies

(k) Deferred income

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

(l) Clearing Guarantee Fund

Appropriations from the resources of Bursa Malaysia Securities Clearing to the CGF is segregated from its retained earnings and included in the balance sheet as a designated reserve, as explained in Note 26(e)(i).

Contributions from TCPs in the form of cash are treated as current liabilities on the balance sheet. Contributions from TCPs in the form of bank guarantees are not reflected as assets and liabilities in the balance sheet.

Any amounts paid out of the CGF in the event of a default is recoverable from the defaulting TCP.

(m) Derivatives Clearing Fund

A certain sum from retained earnings of Bursa Malaysia Derivatives Clearing for the purpose of the DCF is segregated and shown in the statement of changes in equity as a designated reserve, as explained in Note 26(e)(ii).

Contributions from CPs for the purpose of DCF in the form of cash are treated as current liabilities on the balance sheet.

Any amount charged against Bursa Malaysia Derivatives Clearing is recognised in the profit or loss when incurred. Any amount charged against contribution from CPs for the purpose of the DCF is offset against the DCF amount in liability.

(n) Leases

(i) Classification

A lease is recognised as a finance lease if it transfers substantially to the Group all the risks and rewards incidental to ownership. Leases of land and buildings are classified as operating or finance leases in the same way as leases of other assets and the land and buildings elements of a lease of land and buildings are considered separately for the purposes of lease classification. All leases that do not transfer substantially all the risks and rewards are classified as operating leases.

(ii) Operating leases – the Group as lessee

Operating lease payments are recognised as an expense on a straight-line basis over the term of the relevant lease. The aggregate benefit of incentives provided by the lessor is recognised as a reduction of rental expense over the lease term on a straight-line basis.

In the case of a lease of land and buildings, the minimum lease payments or the up-front payments made are allocated, whenever necessary, between the land and the buildings elements in proportion to the relative fair values for leasehold interests in the land element and buildings element of the lease at the inception of the lease. The up-front payment represents prepaid lease payments and are amortised on a straight-line basis over the lease term.

(iii) Operating leases – the Group as lessor

Assets leased out under operating leases are presented on the balance sheets according to the nature of the assets. Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease (Note 2.2(j)(viii)). Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

2. Significant accounting policies

2.3 Adoption of revised FRSs, Amendments to FRSs and Interpretations

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2008.

At the date of authorisation of these financial statements, the following FRSs, Amendments to FRSs and Interpretations were issued but not yet effective and have not been applied by the Group and the Company:

FRSs, Amendments to FRSs and Interpretations		Effective for financial periods beginning on or after
FRS 1 (revised)	First-time Adoption of Financial Reporting Standards	1 July 2010
FRS 3 (revised)	Business Combinations	1 July 2010
FRS 4	Insurance Contracts	1 January 2010
FRS 7	Financial Instruments: Disclosures	1 January 2010
FRS 8	Operating Segments	1 July 2009
FRS 101	Presentation of Financial Statements (Revised 2009)	1 January 2010
FRS 123	Borrowing Costs	1 January 2010
FRS 127	Consolidated and Separate Financial Statements	1 July 2010
FRS 139	Financial Instruments: Recognition and Measurement	1 January 2010
Amendment to FRS 1	First-time Adoption of Financial Reporting Standards	1 January 2010
Amendment to FRS 2	Share-based Payment: Vesting Conditions and Cancellations	1 July 2010
Amendment to FRS 5	Non-current Assets Held for Sale and Discontinued Operations	1 July 2010
Amendment to FRS 7	Financial Instruments: Disclosures	1 January 2010
Amendment to FRS 8	Operating Segments	1 January 2010
Amendment to FRS 107	Statement of Cash Flows	1 January 2010
Amendment to FRS 108	Accounting Policies, Changes in Accounting Estimates and Errors	1 January 2010
Amendment to FRS 110	Events after the Reporting Period	1 January 2010
Amendment to FRS 116	Property, Plant and Equipment	1 January 2010
Amendment to FRS 117	Leases	1 January 2010
Amendment to FRS 118	Revenue	1 January 2010
Amendment to FRS 119	Employee Benefits	1 January 2010
Amendment to FRS 120	Accounting for Government Grants and Disclosure of Government Assistance	1 January 2010
Amendment to FRS 123	Borrowing Costs	1 January 2010
Amendment to FRS 127	Consolidated and Separate Financial Statements:	
	Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate	1 July 2010
Amendment to FRS 128	Investments in Associates	1 January 2010
Amendment to FRS 129	Financial Reporting in Hyperinflationary Economies	1 January 2010
Amendment to FRS 131	Interest in Joint Ventures	1 January 2010
Amendment to FRS 132	Financial Instruments: Presentation	1 January 2010
Amendment to FRS 134	Interim Financial Reporting	1 January 2010
Amendment to FRS 136	Impairment of Assets	1 January 2010
Amendment to FRS 138	Intangible Assets	1 July 2010
Amendment to FRS 139	Financial Instruments: Recognition and Measurement	1 January 2010
Amendment to FRS 140	Investment Property	1 January 2010
IC Interpretation 9	Reassessment of Embedded Derivatives	1 January 2010
IC Interpretation 10	Interim Financial Reporting and Impairment	1 January 2010
IC Interpretation 11	FRS 2 – Group and Treasury Share Transactions	1 January 2010
IC Interpretation 12	Service Concession Arrangements	1 July 2010
IC Interpretation 13	Customer Loyalty Programmes	1 January 2010
IC Interpretation 14	FRS 119 – The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	1 January 2010
IC Interpretation 15	Agreements for the Construction of Real Estate	1 July 2010
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation	1 July 2010
IC Interpretation 17	Distributions of Non-cash Assets to Owners	1 July 2010
Amendment to IC Interpretation 9	Reassessment of Embedded Derivatives	1 July 2010

NOTES TO THE FINANCIAL STATEMENTS

31 December 2009

2. Significant accounting policies

2.3 Adoption of revised FRSs, Amendments to FRSs and Interpretations

The adoption of the above FRSs, Amendments to FRSs and Interpretations upon their effective dates are not expected to have any significant impact on the financial statements of the Group and of the Company. The Group and the Company are exempted from disclosing the possible impact, if any, to the financial statements upon its initial application of FRS 7 and FRS 139.

2.4 Significant accounting estimates

Key sources of estimation uncertainty

The preparation of financial statements in accordance with FRS requires the use of certain accounting estimates and exercise of judgment. Estimates and judgments are continually evaluated and are based on past experience, reasonable expectations of future events and other factors.

The key assumptions concerning the future and other key sources of estimation uncertainty at the balance sheet date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) Impairment of computer software

The Group reviews its computer software at each balance sheet date to determine if there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss. The Group carried out the impairment test based on a variety of estimation including the value-in-use of the CGUs to which the computer software is allocated to. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of computer software as at the balance sheet date is disclosed in Note 14(a).

(b) Impairment of goodwill

The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of the CGUs to which goodwill is allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill as at the balance sheet date is disclosed in Note 14(b).

(c) Depreciation/amortisation of system hardware and software

The cost of system hardware and software (included within computer and office automation and computer software) is depreciated on a straight-line basis over the assets' useful lives. Management estimates the useful lives of these assets to be between five to ten years. These are based on policy to review the hardware and software every five and ten years. The useful lives of the previous/current trading systems and information technology equipment and potential technological advancements have also been considered in the estimation of useful lives of these assets. The total carrying amount of computer hardware and software as at the balance sheet date is disclosed in Notes 13 and 14(a).

(d) Deferred tax assets

Deferred tax assets are recognised for all unabsorbed tax losses and unused capital allowances to the extent that it is probable that taxable profit will be available against which the losses and capital allowances can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits together with future tax planning strategies. The total carrying value of recognised tax losses and capital allowances of the Group is RM36,892,000 (2008: RM21,804,000).

3. Operating revenue

(a) Operating revenue of the Group

	Group	
	2009 RM'000	2008 RM'000
Trading revenue		
Securities market:		
Clearing fees*	116,289	111,780
Trade fees	14,317	14,486
ISS fees	8,139	9,721
Buying-in commissions	315	846
	139,060	136,833
Derivatives market:		
Trade fees	25,439	29,253
Clearing fees	8,484	9,226
Guarantee/tender fees	4,554	5,079
	38,477	43,558
Total trading revenue	177,537	180,391
Stable revenue		
Listing fees:		
Initial listing fees	1,265	1,863
Annual listing fees	27,739	31,242
Additional listing fees	3,005	3,213
	32,009	36,318
Depository services	32,925	25,467
Information services	24,780	24,822
Broker services	10,907	13,611
Participants' fees	3,000	2,979
Total stable revenue	103,621	103,197
Other operating income		
Interest earned from CPs' and TCPs' contributions ^	7,095	8,210
Perusal and processing fees	5,768	6,142
Conference fee and exhibition related income	3,179	3,786
Miscellaneous operating income	425	577
Total other operating income	16,467	18,715
	297,625	302,303

* Clearing fees of the Group is stated net of the amount payable to the SC of RM31,785,000 (2008: RM27,861,000).

^ Interest income from margins and excess cash placed with banks and financial institutions is net of interest paid/payable to CPs and TCPs of RM7,957,000 (2008: RM18,994,000).

NOTES TO THE FINANCIAL STATEMENTS

31 December 2009

3. Operating revenue

(b) Operating revenue of the Company

	Company	
	2009	2008
	RM'000	RM'000
Broker services	10,907	13,611
Information services	543	228
Significant income from subsidiaries:		
Dividend income	110,088	265,285
Management fees	136,058	161,150
Office space rental income	566	—
Lease rental income	19,372	3,474
Commitment fees	600	600
Other operating income	3,179	3,815
	281,313	448,163

4. Other income

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Fines income	3,847	1,152	—	—
Interest income from:				
Deposits with banks and financial institutions	7,305	11,637	2,047	3,060
Investment securities	6,987	7,943	3,735	4,390
Others	840	1,069	763	922
Net gain on disposal of investments	448	161	134	181
Net gain on disposal of property, plant and equipment	362	34	715	34
Rental income	5,543	4,638	5,543	4,638
Miscellaneous income	3,485	2,738	2,462	6,242
	28,817	29,372	15,399	19,467

5. Staff costs

	Group		Company	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Wages and salaries	54,778	52,135	54,259	52,135
Bonus	9,656	9,381	9,591	9,381
Social security contributions	331	330	330	330
Contributions to a defined contribution plan - EPF	10,153	9,664	10,109	9,664
Provision for short term accumulating compensated unutilised leave	47	131	32	131
Increase in retirement benefit obligations (Note 28(a))	1,511	2,603	1,511	2,603
(Reversal of)/charge on share options granted under ESOS	(204)	2,986	(204)	2,986
Separation benefits	101	937	101	937
Other benefits	6,878	7,580	6,871	7,580
	83,251	85,747	82,600	85,747

Included in staff costs of the Group and of the Company is the Executive Director's remuneration of RM1,438,000 (2008: RM1,477,000), as further disclosed in Note 8.

6. Depreciation and amortisation

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Depreciation of property, plant and equipment	18,729	15,666	18,630	15,666
Amortisation of computer software	20,182	4,863	20,033	4,818
	38,911	20,529	38,663	20,484

7. Other operating expenses

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Amortisation of premium less accretion of discount	200	(33)	—	—
Auditors' remuneration:				
Statutory audit	235	220	50	50
Non-audit fees				
– Assurance related	200	59	200	58
– Tax and other non-audit services	243	174	177	107
Administrative expenses	9,007	9,988	9,007	9,977
Building management costs:				
Office rental	83	83	83	83
Upkeep and maintenance	10,057	10,265	10,057	10,257
CDS consumables	2,403	2,527	2,403	2,527
Conference and exhibition related expenses	3,302	3,526	3,299	3,526
Impairment loss on computer software	2,006	—	2,006	—
IT maintenance	13,226	15,274	13,226	15,274
Market development and promotions	7,561	17,629	7,462	17,629
Net gain on foreign exchange differences	3	130	47	91
Operating lease payments	539	539	539	539
Provision for/(reversal of) bad and doubtful debts	189	(416)	44	(500)
Professional fees	8,803	11,106	8,778	11,100
Net (reversal of)/provision for impairment on investments	(1,317)	2,597	(648)	1,831
Rental of equipment	483	459	483	459
Others	3,226	5,010	2,638	4,465
	60,449	79,137	59,851	77,473

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8. Directors' remuneration

	Group and Company	
	2009	2008
	RM'000	RM'000
Executive Director's remuneration (Note 5):		
Salaries and other emoluments	1,243	1,241
Defined contribution plan – EPF	192	192
Share options granted under ESOS	3	44
	1,438	1,477
Estimated money value of benefits-in-kind	31	31
	1,469	1,508
Non-executive Directors' remuneration:		
Fees	500	486
Other emoluments	1,229	1,851
	1,729	2,337
Estimated money value of benefits-in-kind	35	35
	1,764	2,372
Total Directors' remuneration	3,233	3,880
Total Directors' remuneration excluding benefits-in-kind	3,167	3,814
Estimated money value of benefits-in-kind	66	66
Total Directors' remuneration including benefits-in-kind	3,233	3,880

Directors' remuneration, including benefits-in-kind, for the financial year for the individual Directors are as follows:

	2009		2008	
	Directors' fees^	Other allowances*/ salaries	Directors' fees	Other allowances*/ salaries
	RM'000	RM'000	RM'000	RM'000
Tun Mohamed Dzaiddin bin Haji Abdullah	90	626	60	650
Dato' Abdul Latif bin Abdullah	60	57	40	65
Datuk Haji Faisyal bin Datuk Yusof Hamdain Diego	60	47	40	71
Dato' Tajuddin bin Atan	60	66	19	30
Datuk Azman bin Abdul Rashid	–	–	22	70
Datin Paduka Siti Sa'diah bt Sheikh Bakir	60	50	40	67
Dato' Dr. Thillainathan a/l Ramasamy	60	82	40	105
Dato' Sri Abdul Wahid bin Omar	60	56	40	71
Izham bin Yusoff	60	58	40	468
Dato' Wong Puan Wah @ Wong Sulong	60	64	40	73
Cheah Tek Kuang	60	58	40	63
Dato' Saiful Bahri bin Zainuddin	60	57	21	35
Ong Leong Huat @ Wong Joo Hwa	60	43	21	34
Dato' Seri Hwang Sing Lue	–	–	10	31
Peter Leong Tuck Leng	–	–	13	53
Dato' Yusli bin Mohamed Yusoff	–	1,469	–	1,508
	750	2,733	486	3,394

^ Included in Directors' fees is a proposed increase in fees totalling RM250,000 to be tabled for approval at the Annual General Meeting.

* Other allowances comprise mainly meeting allowances which vary from one Director to another, depending on the number of committees they sit on and the number of meetings attended.

9. Finance costs

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Commitment fees	625	624	125	126
Interest expense	–	11	–	–
	625	635	125	126

10. Income tax expense

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Income tax:				
Current year's provision	33,911	27,150	13,719	38,331
Under/(over) provision of income tax in prior year	5,285	(816)	5,206	(377)
	39,196	26,334	18,925	37,954
Deferred tax (Note 18):				
Relating to origination and reversal of temporary differences	6,593	14,791	3,407	11,552
Relating to changes in tax rates	–	(217)	–	(413)
(Over)/under provision of deferred tax in prior years	(4,346)	299	(3,535)	297
	2,247	14,873	(128)	11,436
Total income tax expense	41,443	41,207	18,797	49,390

Income tax is calculated at the Malaysian statutory tax rate of 25% (2008: 26%) of the estimated assessable profit for the year. In the prior year, certain subsidiaries of the Company being Malaysian resident companies with paid-up capital of RM2,500,000 or less qualified for the preferential tax rates under Paragraph 2A, Schedule 1 of the Income Tax Act 1967 as follows:

On the first RM500,000 of chargeable income: 20%
In excess of RM500,000 of chargeable income: 26%

However, pursuant to Paragraph 2B, Schedule 1 of the Income Tax Act 1967 that was introduced with effect from the year of assessment 2009, these subsidiaries no longer qualify for the above preferential tax rates.

A reconciliation of income tax expense applicable to profit before tax at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company is as follows:

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Profit before tax	219,181	145,627	226,028	283,800
Taxation at Malaysian statutory tax rate of 25% (2008: 26%)	54,795	37,863	56,507	73,788
Deferred tax not recognised in respect of current year's tax losses	325	–	–	–
Effect of changes in tax rates	–	(809)	–	(876)
Effect of tax rate of 20% on chargeable income of up to RM500,000	–	(30)	–	–
Effect of tax rate of 3% on profit before tax for companies incorporated in Labuan	(50)	(50)	–	–
Effect of expenses not deductible for tax purposes	4,417	4,755	3,913	4,314
Effect of income not subject to tax	(19,028)	(5)	(43,294)	(27,756)
Utilisation of business loss by Bursa Malaysia Derivatives Berhad Fidelity Fund	45	–	–	–
(Over)/under provision of deferred tax in prior years	(4,346)	299	(3,535)	297
Under/(over) provision of income tax in prior year	5,285	(816)	5,206	(377)
Tax expense for the year	41,443	41,207	18,797	49,390

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11. Earnings per share

(a) Basic EPS

Basic EPS is calculated by dividing profit for the year attributable to equity holders of the Company by the weighted average number of ordinary shares in issue during the financial year.

	Group	
	2009	2008
Profit attributable to equity holders of the Company (RM'000)	177,588	104,420
Weighted average number of ordinary shares in issue ('000)	526,970	525,005
Basic EPS (sen)	33.7	19.9

(b) Diluted EPS

For the purpose of calculating diluted EPS, profit for the year attributable to equity holders of the Company and the weighted average number of ordinary shares in issue during the financial year have been adjusted for the dilutive effects of all potential ordinary shares, i.e. share options granted to employees.

	Group	
	2009	2008
Profit attributable to equity holders of the Company (RM'000)	177,588	104,420
Weighted average number of ordinary shares in issue ('000)	526,970	525,005
Effect of dilution of share options ('000)	1,354	25,335
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	528,324	550,340
Diluted EPS (sen)	33.6	19.0

12. Dividends

	Dividends in respect of year		Dividends recognised in year	
	2009	2008	2009	2008
	RM'000	RM'000	RM'000	RM'000
Recognised during the year				
Interim dividend				
5.1 sen per share less 25 per cent taxation and 5 sen per share under single-tier system, on 527,529,000 ordinary shares (net 8.8 sen per share)	46,554	—	46,554	—
16.5 sen per share less 26 per cent taxation, on 525,535,000 ordinary shares (net 12.21 sen per share)	—	64,168	—	64,168
Final dividend				
7.8 sen per share less 25 per cent taxation, on 525,927,000 ordinary shares (net 5.9 sen per share)	—	30,768	30,768	—
25 sen per share less 26 per cent taxation, on 525,061,000 ordinary shares (net 18.5 sen per share) [^]	—	—	—	97,136
	46,554	94,936	77,322	161,304

[^] The dividends recognised in 2008 were in respect of the financial year ended 31 December 2007.

At the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 31 December 2009 of 9 sen per share under single-tier system on 528,656,000 ordinary shares, amounting to a dividend payable of approximately RM47,579,000 will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2010.

13. Property, plant and equipment

Group At 31 December 2009	Land and buildings (Note a) RM'000	Office equipment, electrical installation, furniture and fittings RM'000	Computers and office automation RM'000	Motor vehicles RM'000	Total RM'000
Cost					
At 1 January 2009	317,124	30,793	105,574	2,073	455,564
Additions	399	446	6,330	995	8,170
Disposals	—	—	—	(1,396)	(1,396)
Written off	—	—	(242)	—	(242)
Exchange differences	(4)	(1)	(28)	(1)	(34)
At 31 December 2009	317,519	31,238	111,634	1,671	462,062
Accumulated depreciation and impairment losses					
At 1 January 2009	98,161	29,723	72,351	1,607	201,842
Depreciation charge for the year	7,225	424	10,851	229	18,729
Disposals	—	—	—	(1,396)	(1,396)
Written off	—	—	(242)	—	(242)
Exchange differences	(4)	(1)	(28)	(1)	(34)
At 31 December 2009	105,382	30,146	82,932	439	218,899
Net carrying amount at 31 December 2009	212,137	1,092	28,702	1,232	243,163

Group At 31 December 2008	Land and buildings (Note a) RM'000	Office equipment, electrical installation, furniture and fittings RM'000	Computers and office automation RM'000	Motor vehicles RM'000	Projects-in- progress RM'000	Total RM'000
Cost						
At 1 January 2008	315,690	30,234	187,305	1,699	21,933	556,861
Additions	1,424	556	3,361	523	—	5,864
Disposals	—	—	—	(152)	—	(152)
Written off	—	—	(103,116)	—	—	(103,116)
Reclassification	—	—	17,926	—	(21,933)	(4,007)
Exchange differences	10	3	98	3	—	114
At 31 December 2008	317,124	30,793	105,574	2,073	—	455,564
Accumulated depreciation and impairment losses						
At 1 January 2008	90,851	29,247	167,819	1,413	—	289,330
Depreciation charge for the year	7,300	473	7,550	343	—	15,666
Disposals	—	—	—	(152)	—	(152)
Written off	—	—	(103,116)	—	—	(103,116)
Exchange differences	10	3	98	3	—	114
At 31 December 2008	98,161	29,723	72,351	1,607	—	201,842
Net carrying amount at 31 December 2008	218,963	1,070	33,223	466	—	253,722

NOTES TO THE FINANCIAL STATEMENTS

31 December 2009

13. Property, plant and equipment

Company At 31 December 2009	Land and buildings (Note a) RM'000	Office equipment, electrical installation, furniture and fittings RM'000	Computers and office automation RM'000	Motor vehicles RM'000	Total RM'000
Cost					
At 1 January 2009	316,883	30,384	92,472	1,890	441,629
Additions	399	446	6,008	995	7,848
Disposals	—	—	—	(1,279)	(1,279)
Written off	—	—	(242)	—	(242)
Transfer to subsidiaries	—	(133)	(1,119)	—	(1,252)
At 31 December 2009	317,282	30,697	97,119	1,606	446,704
Accumulated depreciation and impairment losses					
At 1 January 2009	97,920	29,314	59,252	1,424	187,910
Depreciation charge for the year	7,225	424	10,752	229	18,630
Disposals	—	—	—	(1,279)	(1,279)
Written off	—	—	(242)	—	(242)
Transfer to subsidiaries	—	(133)	(746)	—	(879)
At 31 December 2009	105,145	29,605	69,016	374	204,140
Net carrying amount at 31 December 2009	212,137	1,092	28,103	1,232	242,564

Company At 31 December 2008	Land and buildings (Note a) RM'000	Office equipment, electrical installation, furniture and fittings RM'000	Computers and office automation RM'000	Motor vehicles RM'000	Projects-in- progress RM'000	Total RM'000
Cost						
At 1 January 2008	315,459	29,828	172,097	1,519	21,933	540,836
Additions	1,424	556	3,358	523	—	5,861
Disposals	—	—	—	(152)	—	(152)
Written off	—	—	(100,909)	—	—	(100,909)
Reclassification	—	—	17,926	—	(21,933)	(4,007)
At 31 December 2008	316,883	30,384	92,472	1,890	—	441,629
Accumulated depreciation and impairment losses						
At 1 January 2008	90,620	28,841	152,611	1,233	—	273,305
Depreciation charge for the year	7,300	473	7,550	343	—	15,666
Disposals	—	—	—	(152)	—	(152)
Written off	—	—	(100,909)	—	—	(100,909)
At 31 December 2008	97,920	29,314	59,252	1,424	—	187,910
Net carrying amount at 31 December 2008	218,963	1,070	33,220	466	—	253,719

13. Property, plant and equipment

(a) Land and buildings

Group At 31 December 2009	Buildings RM'000	Office lots RM'000	Renovation RM'000	Total RM'000
Cost				
At 1 January 2009	285,960	19,862	11,302	317,124
Additions	—	—	399	399
Exchange differences	—	—	(4)	(4)
At 31 December 2009	285,960	19,862	11,697	317,519
Accumulated depreciation and impairment losses				
At 1 January 2009	83,496	9,051	5,614	98,161
Depreciation charge for the year	5,242	281	1,702	7,225
Exchange differences	—	—	(4)	(4)
At 31 December 2009	88,738	9,332	7,312	105,382
Net carrying amount at 31 December 2009	197,222	10,530	4,385	212,137
Group At 31 December 2008	Buildings RM'000	Office lots RM'000	Renovation RM'000	Total RM'000
Cost				
At 1 January 2008	285,960	19,862	9,868	315,690
Additions	—	—	1,424	1,424
Exchange differences	—	—	10	10
At 31 December 2008	285,960	19,862	11,302	317,124
Accumulated depreciation and impairment losses				
At 1 January 2008	78,254	8,770	3,827	90,851
Depreciation charge for the year	5,242	281	1,777	7,300
Exchange differences	—	—	10	10
At 31 December 2008	83,496	9,051	5,614	98,161
Net carrying amount at 31 December 2008	202,464	10,811	5,688	218,963

NOTES TO THE FINANCIAL STATEMENTS

31 December 2009

13. Property, plant and equipment

(a) Land and buildings

Company At 31 December 2009	Buildings RM'000	Office lots RM'000	Renovation RM'000	Total RM'000
Cost				
At 1 January 2009	285,960	19,862	11,061	316,883
Additions	—	—	399	399
At 31 December 2009	285,960	19,862	11,460	317,282
Accumulated depreciation and impairment losses				
At 1 January 2009	83,496	9,051	5,373	97,920
Depreciation charge for the year	5,242	281	1,702	7,225
At 31 December 2009	88,738	9,332	7,075	105,145
Net carrying amount at 31 December 2009	197,222	10,530	4,385	212,137
Company At 31 December 2008	Buildings RM'000	Office lots RM'000	Renovation RM'000	Total RM'000
Cost				
At 1 January 2008	285,960	19,862	9,637	315,459
Additions	—	—	1,424	1,424
At 31 December 2008	285,960	19,862	11,061	316,883
Accumulated depreciation and impairment losses				
At 1 January 2008	78,254	8,770	3,596	90,620
Depreciation charge for the year	5,242	281	1,777	7,300
At 31 December 2008	83,496	9,051	5,373	97,920
Net carrying amount at 31 December 2008	202,464	10,811	5,688	218,963

14. Intangible assets

(a) Computer software

	Group					
	2009			2008		
	Implemented projects RM'000	Projects-in-progress RM'000	Total RM'000	Implemented projects RM'000	Projects-in-progress RM'000	Total RM'000
Cost						
At 1 January	83,834	16,460	100,294	22,100	46,044	68,144
Additions	11,538	2,431	13,969	22,495	5,648	28,143
Reclassification	14,932	(14,932)	–	39,239	(35,232)	4,007
At 31 December	110,304	3,959	114,263	83,834	16,460	100,294
Accumulated amortisation and impairment losses						
At 1 January	8,466	–	8,466	3,603	–	3,603
Amortisation charge	20,182	–	20,182	4,863	–	4,863
Impairment charge	2,006	–	2,006	–	–	–
At 31 December	30,654	–	30,654	8,466	–	8,466
Net carrying amount at 31 December	79,650	3,959	83,609	75,368	16,460	91,828

	Company					
	2009			2008		
	Implemented projects RM'000	Projects-in-progress RM'000	Total RM'000	Implemented projects RM'000	Projects-in-progress RM'000	Total RM'000
Cost						
At 1 January	82,932	16,460	99,392	21,781	46,044	67,825
Additions	11,287	2,431	13,718	21,912	5,648	27,560
Reclassification (Note 13)	14,932	(14,932)	–	39,239	(35,232)	4,007
Transfer to subsidiaries	(252)	–	(252)	–	–	–
At 31 December	108,899	3,959	112,858	82,932	16,460	99,392
Accumulated amortisation and impairment losses						
At 1 January	8,402	–	8,402	3,584	–	3,584
Amortisation charge	20,033	–	20,033	4,818	–	4,818
Impairment charge	2,006	–	2,006	–	–	–
Transfer to subsidiaries	(93)	–	(93)	–	–	–
At 31 December	30,348	–	30,348	8,402	–	8,402
Net carrying amount at 31 December	78,551	3,959	82,510	74,530	16,460	90,990

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31 December 2009

14. Intangible assets

(b) Allocation of goodwill

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
At 1 January	44,720	44,720	29,494	29,494
Derecognition on part disposal of a subsidiary	(1,763)	—	—	—
At 31 December	42,957	44,720	29,494	29,494

Goodwill is in respect of acquisition of subsidiaries by the Group and has been allocated to the CGUs in the following market and business segments as follow:

	Group	
	2009 RM'000	2008 RM'000
Market segments		
Securities market	30,843	30,843
Derivatives market	9,684	11,447
Information services	2,430	2,430
	42,957	44,720
Business segments		
Exchanges	39,177	40,940
Clearing, settlement and depository	1,350	1,350
Information services	2,430	2,430
	42,957	44,720

(c) Key assumptions used in value-in-use calculations

The following describes the key assumptions on which management has based its cash flow projections to undertake impairment testing of goodwill:

(i) Securities market and information services

The recoverable amount of the CGU is determined based on value-in-use calculations using cash flow projections extrapolated using growth rates. No revenue growth was budgeted for the first year following the current financial year for the securities market due to current uncertainties in the global market. Subsequent growth rate is based on the lower of the average growth rate of the CGU and the forecasted Malaysian economic growth rate. Revenue for information services was budgeted to grow at the lower of the average growth rate of the CGU and the forecasted Malaysian economic growth rate.

(ii) Derivatives market

The recoverable amount of the CGU is determined based on value-in-use calculations which are derived from management's expectations of the developments in the derivatives market. Revenue was budgeted to grow according to expected developments in the derivatives market and the forecasted Malaysian economic growth rate.

(iii) Other key assumptions

Expenses for respective CGU were budgeted to grow at the inflation rate.

The discount rate used was the Group's weighted average cost of capital for the year.

14. Intangible assets

(c) Key assumptions used in value-in-use calculations

Sensitivity to changes in assumptions

Management believes that no reasonable possible changes in any of the key assumptions above would cause the carrying values of the CGUs to materially exceed their recoverable amounts.

15. Investments in subsidiaries

	Company	
	2009	2008
	RM'000	RM'000
Unquoted shares, at cost	171,568	222,557
Less: Accumulated impairment losses	(21,058)	(54,410)
	150,510	168,147

(a) Acquisition of a subsidiary

On 1 June 2009, the Company acquired two ordinary shares of RM1 each, representing a 100% equity interest in BMIS Sdn. Bhd. (formerly known as Komposite Prima Sdn. Bhd.), a private company limited by shares incorporated in Malaysia.

On 22 July 2009, BMIS Sdn. Bhd. changed its name to Bursa Malaysia Islamic Services and commenced operations on 17 August 2009 to provide, operate and maintain a Shari'ah compliant commodity trading platform.

The acquired subsidiary has contributed the following results to the Group:

	RM'000
Revenue	82
Profit for the year (excluding intercompany charges)	76

The acquisition of Bursa Malaysia Islamic Services had no material impact on the results, balance sheet and cash flow of the Group.

(b) Disposal of a subsidiary

On 30 November 2009, the Company disposed of the entire issued and paid-up share capital of Bursa Malaysia Derivatives Clearing to Bursa Malaysia Derivatives for a purchase consideration of RM37.1 million. This has resulted in a gain on disposal of RM37.1 million to the Company.

The disposal had no impact to the financial position of the Group.

(c) Part disposal of a subsidiary

On 17 September 2009, the Group announced the disposal of 25% equity interest in Bursa Malaysia Derivatives to CME Group Inc. and CME Group Strategic Investments LLC (collectively known as CME Group) for a consideration of RM55.6 million which was to be satisfied by way of RM1.9 million cash and 76,427 CME Group Inc. shares.

The disposal was completed on 30 November 2009. The CME Group Inc. shares had a market value of USD328.23 per share on that date resulting in a total consideration of RM86.4 million. Gain on disposal for the Group and the Company was RM76.0 million and RM73.5 million respectively.

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15. Investments in subsidiaries

Details of the subsidiaries, all of which are incorporated in Malaysia, are as follows:

Name of subsidiaries	Proportion of ownership interest		Ordinary paid up capital as at 31.12.2009 RM'000	Principal activities
	2009 %	2008 %		
Bursa Malaysia Securities	100	100	25,000	Provide, operate and maintain a securities exchange.
Bursa Malaysia Derivatives	75	100	50,000	Provide, operate and maintain a derivatives exchange.
LFX*	100	100	5,500 (in USD'000)	Provide, operate and maintain an offshore financial exchange.
Bursa Malaysia Securities Clearing	100	100	50,000	Provide, operate and maintain a clearing house for the securities exchange.
Bursa Malaysia Depository	100	100	25,000	Provide, operate and maintain a central depository for securities listed on the securities exchange.
Bursa Malaysia Information	100	100	250	Provide and disseminate prices and other information relating to securities quoted on exchanges within the Group.
Bursa Malaysia Bonds	100	100	~	Provide, operate and maintain an electronic trading platform for the bond market.
Bursa Malaysia Islamic Services (formerly known as BMIS Sdn. Bhd.)	100	100	1,000	Provide, operate and maintain a Shari'ah compliant commodity trading platform.
Subsidiary held through Bursa Malaysia Derivatives				
Bursa Malaysia Derivatives Clearing	75	100	20,000	Provide, operate and maintain a clearing house for the derivatives exchange.
Subsidiary held through Bursa Malaysia Depository				
Bursa Malaysia Depository Nominees	100	100	~	Act as a nominee for Bursa Malaysia Depository and receive securities on deposit or for safe-custody or management.
Bursa Malaysia IT Sdn. Bhd. (Bursa Malaysia IT)	—	100	—	Wound up
Bursa Malaysia Property Sdn. Bhd. (Bursa Malaysia Property)	—	100	—	Wound up
Commodity and Monetary Exchange of Malaysia (COMMEX)	—	^	—	Wound up
Malaysia Monetary Exchange Berhad (MME)	—	100	—	Wound up

* Incorporated in the Federal Territory of Labuan, Malaysia.

~ Denotes RM2.

^ COMMEX was a company limited by guarantee. Bursa Malaysia Derivatives and the Company were regarded as COMMEX's immediate and ultimate holding company respectively. Bursa Malaysia Derivatives was the sole member of COMMEX.

16. Other investments

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Quoted shares outside Malaysia				
At cost	84,488	—	84,488	—
Unquoted bonds				
At cost	52,607	52,933	—	—
Amortisation of premium less accretion of discount	(312)	(321)	—	—
	52,295	52,612	—	—
Accumulated impairment losses	(4,713)	(5,412)	—	—
	47,582	47,200	—	—
MGS				
At cost	5,380	—	—	—
Amortisation of premium less accretion of discount	(52)	—	—	—
	5,328	—	—	—
Accumulated impairment losses	(51)	—	—	—
	5,277	—	—	—
Recreational club memberships				
At cost	25	25	—	—
Accumulated impairment losses	(25)	(25)	—	—
	—	—	—	—
Total	137,347	47,200	84,488	—

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17. Staff loans receivable

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Housing loans	18,051	21,662	16,691	19,964
Vehicle loans	143	243	143	243
Computer loans	112	146	103	143
Staff advances	8	17	—	—
	18,314	22,068	16,937	20,350
Less: Portion within 12 months, included in other receivables (Note 20)	(1,268)	(1,490)	(1,141)	(1,339)
	17,046	20,578	15,796	19,011
Maturity:				
Within one year	1,268	1,490	1,141	1,339
More than one year and less than five years	3,666	4,103	3,276	3,708
Five years or more	13,380	16,475	12,520	15,303
	18,314	22,068	16,937	20,350

18. Deferred tax assets/(liabilities)

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
At 1 January	(9,822)	5,051	(16,029)	(4,593)
Recognised in income statement (Note 10)	(2,247)	(14,873)	128	(11,436)
At 31 December	(12,069)	(9,822)	(15,901)	(16,029)

Presented after appropriate offsetting as follows:

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Deferred tax assets	4,139	6,357	—	—
Deferred tax liabilities	(16,208)	(16,179)	(15,901)	(16,029)
	(12,069)	(9,822)	(15,901)	(16,029)

18. Deferred tax assets/(liabilities)

Deferred tax assets of the Group:

	Provision for retirement benefits RM'000	Other provisions and payables RM'000	Provision for doubtful debts RM'000	Depreciation in excess of capital allowances RM'000	Unabsorbed tax losses and unused capital allowances RM'000	Total RM'000
At 1 January 2009	5,736	3,770	1,031	1	5,451	15,989
Recognised in income statement	238	925	24	–	3,772	4,959
At 31 December 2009	5,974	4,695	1,055	1	9,223	20,948
At 1 January 2008	5,194	6,708	1,337	4	8,599	21,842
Recognised in income statement	542	(2,938)	(306)	(3)	(3,148)	(5,853)
At 31 December 2008	5,736	3,770	1,031	1	5,451	15,989

Deferred tax assets of the Company:

	Provision for retirement benefits RM'000	Other payables RM'000	Provision for doubtful debts RM'000	Unabsorbed capital allowances RM'000	Total RM'000
At 1 January 2009	5,736	3,508	388	–	9,632
Recognised in income statement	238	90	45	6,804	7,177
At 31 December 2009	5,974	3,598	433	6,804	16,809
At 1 January 2008	5,194	6,294	667	–	12,155
Recognised in income statement	542	(2,786)	(279)	–	(2,523)
At 31 December 2008	5,736	3,508	388	–	9,632

Deferred tax liabilities of the Group and of the Company:

	Accelerated capital allowances	
	Group RM'000	Company RM'000
At 1 January 2009	(25,811)	(25,661)
Recognised in income statement	(7,206)	(7,049)
At 31 December 2009	(33,017)	(32,710)
At 1 January 2008	(16,791)	(16,748)
Recognised in income statement	(9,020)	(8,913)
At 31 December 2008	(25,811)	(25,661)

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19. Trade receivables

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Trade receivables	23,608	18,172	1,943	1,831
Less: Provision for doubtful debts	(2,580)	(2,676)	(441)	(441)
	21,028	15,496	1,502	1,390

20. Other receivables

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Deposits and prepayments	2,895	3,144	2,637	2,914
Interest receivables	2,011	3,031	765	1,039
Staff loans receivable within 12 months (Note 17)	1,268	1,490	1,141	1,339
Sundry receivables	9,244	5,537	6,586	4,613
	15,418	13,202	11,129	9,905
Less: Provision for doubtful debts	(1,655)	(1,604)	(1,290)	(1,246)
	13,763	11,598	9,839	8,659

21. Related company balances

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

22. Short term investments

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Unquoted bonds				
At cost	52,949	74,688	52,949	74,688
Accumulated impairment losses	—	(1,831)	—	(1,831)
	52,949	72,857	52,949	72,857
Commercial papers				
At cost	9,935	—	4,966	—
Total	62,884	72,857	57,915	72,857

23. Cash and non-cash amounts from CPs and TCPs

	Cash RM'000 (Note a)	Group Non-cash RM'000 (Note b)	Total RM'000
31 December 2009			
Margins and excess cash on derivatives contracts and letters of credit *	768,904	504,401	1,273,305
Security deposits	9,983	15,000	24,983
SBL collaterals from TCPs of Bursa Malaysia Securities Clearing	3,206	–	3,206
Total trade payables	782,093	519,401	1,301,494
TCPs contributions to CGF (Note 26(e)(i))	11,013	6,256	17,269
CPs contributions to DCF (Note 26(e)(ii))	21,428	–	21,428
Total cash and non-cash from CPs and TCPs	814,534	525,657	1,340,191
31 December 2008			
Margins and excess cash on derivatives contracts and letters of credit *	801,620	392,144	1,193,764
Security deposits	10,679	15,000	25,679
SBL collaterals from TCPs of Bursa Malaysia Securities Clearing	15,456	–	15,456
Total trade payables	827,755	407,144	1,234,899
TCPs contributions to CGF (Note 26(e)(i))	10,012	6,364	16,376
CPs contributions to DCF (Note 26(e)(ii))	23,733	–	23,733
Total cash and non-cash from CPs and TCPs	861,500	413,508	1,275,008

* The margins per contract for the actively traded derivatives products are as follows:

	2009 RM	Group 2008 RM
FCPO	5,500 – 6,000	7,250 – 7,500
FKLI	2,500	4,000

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23. Cash and non-cash amounts from CPs and TCPs

Note a

The cash received from CPs and TCPs are placed in interest-bearing deposits and interest earned is credited to the CPs' and TCPs' accounts net of service charges as follows:

	Group 2009 RM'000	2008 RM'000
Cash on hand and at banks	11,718	27,414
Deposits with:		
Licensed banks	797,531	808,589
Licensed investment banks	5,285	25,497
	814,534	861,500

The weighted average effective interest rates per annum and the average maturities of margin deposits as at the balance sheet date were as follows:

	Weighted average effective interest rates		Average remaining maturities	
	2009 %	2008 %	2009 Days	2008 Days
Group				
Licensed banks	1.7	3.0	10	11
Investment banks	2.2	3.4	5	17

Included in total cash from CPs received in currencies other than functional currency of the Group as follows:

	Group 2009 RM'000	2008 RM'000
USD	149,780	56,496
JPY	9,265	23,086
SGD	21	—
	159,066	79,582

Note b

The following margins and security deposits were lodged with the Group but not included in the Group's balance sheet.

	Group 2009 RM'000	2008 RM'000
Letters of credit	519,401	407,144
Contributions to the CGF in the form of bank guarantees	6,256	6,364
	525,657	413,508

24. Cash and bank balances

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Cash on hand and at banks	4,994	3,458	730	789
Deposits with:				
Licensed banks	308,697	244,754	162,111	84,425
Licensed investment banks	23,225	34,593	16,369	5,180
	331,922	279,347	178,480	89,605
Total	336,916	282,805	179,210	90,394

Included in cash and bank balances are the following:

(i) Cash set aside for the following Clearing Funds:

	Group	
	2009 RM'000	2008 RM'000
Bursa Malaysia Securities Clearing contribution to the CGF (Note 26(e)(i))	25,000	25,000
Bursa Malaysia Derivatives Clearing contribution to the DCF (Note 26(e)(ii))	5,000	5,000
	30,000	30,000

(ii) An amount of RM8,949,000 (2008: RM9,506,000) has been set aside to meet or secure the claims of creditors and certain lease payments pursuant to the High Court orders issued in relation to the reduction of capital of the Company on 27 January 2005.

The average remaining maturities of deposits at the balance sheet date were as follows:

	Group		Company	
	2009	2008	2009	2008
Licensed banks	29	18	32	11
Investment banks	31	16	30	6

All cash and bank balances in the Group and the Company are denominated in RM except for LFX whose functional currency is in USD.

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25. Share capital

	Number of ordinary shares of RM0.50 each		Amount	
	2009 '000	2008 '000	2009 RM'000	2008 RM'000
Authorised				
At 1 January/31 December	2,000,000	2,000,000	1,000,000	1,000,000
Issued and fully paid				
At 1 January	525,886	523,649	262,943	261,825
Issued during the year pursuant to ESOS (Note 28(b))	2,770	2,237	1,385	1,118
At 31 December	528,656	525,886	264,328	262,943

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regard to the Company's residual assets.

26. Other reserves

(a) Capital reserve

Capital reserve is in relation to share premium in Bursa Malaysia Derivatives, which arises from "B" and "C" non-cumulative preference shares of RM1.00 each in Bursa Malaysia Derivatives. The composition of share premium in Bursa Malaysia Derivatives is as follows:

Financial year of issue	Type of preference shares	No. of shares issued	Share premium RM'000
2001	"B" preference shares	16	8,000
2001	"C" preference shares	15	3,000
2002	"C" preference shares	6	1,200
2003	"C" preference shares	1	200
2006	"C" preference shares	1	200
2007	"B" preference shares	1	500
2007	"C" preference shares	2	400
2008	"C" preference shares	1	200
			13,700

The share premium arising from the above issue is not refundable to the preference shareholders and thus is treated as a non-distributable capital reserve. The "B" and "C" preference shares have been accounted for as part of the Group's minority interest.

(b) Capital redemption reserve

The capital redemption reserve relates to the capitalisation of retained earnings arising from the redemption of preference shares by the following subsidiaries:

	Group	
	2009 RM'000	2008 RM'000
Bursa Malaysia Depository	5,000	5,000
Bursa Malaysia Securities	250	250
	5,250	5,250

The capital redemption reserve is non-distributable in the form of dividends but may be applied in paying up unissued shares of the subsidiaries to be issued to the shareholders of the subsidiaries as fully-paid bonus shares.

26. Other reserves

(c) Foreign currency exchange reserve

The foreign currency exchange reserve is used to record exchange differences arising from the translation of the financial statements of a subsidiary whose functional currency differs from the Group's presentation currency.

(d) Share option reserve

The share option reserve represents the equity-settled share options granted to employees. This reserve is made up of the cumulative value of services received from employees recorded on grant of share options.

(e) Clearing fund reserves

	Note	2009 RM'000	2008 RM'000
Amount set aside for:			
CGF in accordance with Bursa Malaysia Securities Clearing Rules	(i)	25,000	25,000
DCF in accordance with Bursa Malaysia Derivatives Clearing Rules	(ii)	5,000	5,000
		30,000	30,000

(i) CGF reserve

The CGF reserve is an amount set aside following the implementation of the CGF. On 1 July 2006, pursuant to the Rules of Bursa Malaysia Securities Clearing, Bursa Malaysia Securities Clearing set up a CGF for securities clearing and settlement. The quantum of the CGF was set at RM100,000,000 and may increase by the quantum of interest arising from investments of the fixed contributions. The CGF comprises contributions from TCPs, appropriation from Bursa Malaysia Securities Clearing, and other financial resources (currently in the form of a Standby Credit Facility from the Company).

As at the balance sheet date, the CGF composition was as follows:

	2009 RM'000	2008 RM'000
TCPs of Bursa Malaysia Securities Clearing (Note 23)	11,013	10,012
Bursa Malaysia Securities Clearing (Note 24(i))	25,000	25,000
Standby Credit Facility from the Company (Note 34(b))	60,000	60,000
	96,013	95,012

(ii) DCF reserve

Pursuant to the Rules of Bursa Malaysia Derivatives Clearing, Bursa Malaysia Derivatives Clearing set up a DCF for derivatives clearing and settlement. The DCF comprises contributions from CPs and appropriation of certain amounts from Bursa Malaysia Derivatives Clearing's retained earnings.

As at the balance sheet date, the DCF composition was as follows:

	2009 RM'000	2008 RM'000
CPs of Bursa Malaysia Derivatives Clearing (Note 23)	21,428	23,733
Bursa Malaysia Derivatives Clearing (Note 24(ii))	5,000	5,000
	26,428	28,733

There were no non-cash collaterals from CPs of Bursa Malaysia Derivatives Clearing for DCF held by the Group as at 31 December 2009 and 31 December 2008.

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27. Retained earnings

The Company has elected for the irrevocable option to disregard the Section 108 balance as at 30 September 2009. Hence, the Company will be able to distribute dividends out of its entire retained earnings under the single-tier system.

28. Employee benefits

(a) Retirement benefit obligations

The Group operates a funded, defined Retirement Benefit Scheme (the Scheme) for its eligible employees. Contributions to the Scheme are made to a separately administered fund. Under the Scheme, eligible employees are entitled to a lump sum, upon leaving service, calculated based on the multiplication of two times the Final Scheme Salary, Pensionable Service and a variable factor based on service years, less EPF offset. The Scheme was closed to new entrants effective 1 September 2003.

Movements in the net liability were as follows:

	Group and Company	
	2009	2008
	RM'000	RM'000
At 1 January	22,940	20,771
Recognised in income statement (Note 5)	1,511	2,603
Contributions paid	(558)	(434)
At 31 December	23,893	22,940

The amounts recognised in the balance sheets were determined as follows:

	Group and Company	
	2009	2008
	RM'000	RM'000
Present value of funded defined benefit obligations	25,981	26,166
Fair value of plan assets	(1,024)	(1,275)
Unrecognised actuarial losses	(1,064)	(1,951)
Net liability	23,893	22,940

The present value of defined benefit obligations are analysed as follows:

	Group and Company	
	2009	2008
	RM'000	RM'000
Current	981	971
Non-current:		
Later than one year but not later than two years	1,130	1,177
Later than two years but not later than five years	2,817	2,558
Later than five years	21,053	21,460
	25,000	25,195
Total	25,981	26,166

28. Employee benefits

(a) Retirement benefit obligations

The amounts recognised in the income statement during the year were as follows:

	Group and Company	
	2009	2008
	RM'000	RM'000
Interest cost	1,541	1,871
Expected return on plan assets	(30)	(81)
Actuarial loss	–	813
Total	1,511	2,603

The actual return on the plan assets of the Group and of the Company for the year was a gain of RM401,000 (2008: RM106,000).

Principal actuarial assumptions used:

	2009	2008
	%	%
Discount rate	6.3	6.0
Expected return on plan assets	2.2	3.3
Expected rate of salary increase	5.0	5.0

(b) ESOS

The ESOS is governed by the Bye-Laws approved by the shareholders at an Extraordinary General Meeting held on 11 December 2004. The ESOS was implemented on 9 March 2005 and is to be in force for a period of 5 years from the date of implementation.

The salient terms of the ESOS are as follows:

- (i) The Option Committee appointed by the Board of Directors to administer the ESOS, may at its discretion at any time within the duration of the scheme, grant options to eligible employees or Executive Directors of the Group to subscribe for new ordinary shares of RM0.50 each in the Company.
- (ii) The total number of shares to be issued under the ESOS shall not exceed in aggregate 13% of the issued share capital of the Company at any point of time during the tenure of the ESOS and out of which not more than 50% of the shares shall be allocated, in aggregate, to Executive Directors and senior management of the Group. In addition, not more than 10% of the shares available under the ESOS shall be allocated to any individual employee or Executive Director who, either singly or collectively through persons connected with him/her, holds 20% or more in the issued and paid-up capital of the Company.
- (iii) The exercise price for each share shall be as follows:
 - In respect of options granted in conjunction with the IPO, the IPO price;
 - In respect of options granted subsequent to the Listing to new employees of the Company, the weighted average market price of the shares for the 5 market days immediately preceding the date on which the options are granted with a discount of not more than 10% at the Option Committee's discretion, provided that the option price shall in no event be less than the par value of the shares of the Company of RM0.50.
- (iv) All new ordinary shares issued upon exercise of the options granted under the ESOS will rank pari passu in all respects with the existing ordinary shares of the Company other than as may be specified in a resolution approving the distribution of dividends prior to their exercise dates.

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28. Employee benefits

(b) ESOS

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year:

	Number of share options				
	Movements during the year			Outstanding at 31 Dec '000	Exercisable at 31 Dec '000
	Outstanding at 1 Jan '000	Granted '000	Exercisable '000		
2009					
2005 options	31,257	—	(1,819)	29,438	1,907
2006 options	45	—	(45)	—	—
2007 options	250	—	(56)	194	194
2008 options	1,244	—	(181)	1,063	1,063
2009 options	—	1,908	(669)	1,239	1,239
	32,796	1,908	(2,770)	31,934	4,403
WAEP	2.28	5.38	2.81	2.41	4.61
2008					
2005 options	33,348	—	(2,091)	31,257	1,844
2006 options	65	—	(20)	45	45
2007 options	371	—	(121)	250	250
2008 options	—	1,249	(5)	1,244	1,244
	33,784	1,249	(2,237)	32,796	3,383
WAEP	2.33	7.30	2.42	2.28	4.16

(i) Details of share options outstanding at the end of the year

Grant date	WAEP RM	Exercise period
2009		
2005 options	2.06	09.03.2005 – 08.03.2010
2007 options	6.09	15.03.2007 – 08.03.2010
2008 options	7.24	18.03.2008 – 08.03.2010
2009 options	6.05	18.03.2009 – 08.03.2010
2008		
2005 options	2.06	09.03.2005 – 08.03.2010
2006 options	4.50	09.03.2006 – 08.03.2010
2007 options	5.98	15.03.2007 – 08.03.2010
2008 options	6.88	18.03.2008 – 08.03.2010

28. Employee benefits

(b) ESOS

(ii) Share options exercised during the year

As disclosed in Note 25, options exercised during the financial year resulted in the issuance of 2,770,000 (2008: 2,237,000) ordinary shares at weighted average exercise price of RM2.81 (2008: RM2.42) each. The related weighted average share price at the date of exercise was RM6.81 (2008: RM9.25).

(iii) Fair value of share options granted during the year

The fair value of share options granted during the year was estimated by an external valuer using a binomial model, taking into account the terms and conditions upon which the options were granted. The fair value of share options measured at grant date and the assumptions were as follows:

	2009	2008
Weighted average fair value of share options (RM):		
2009 options	1.08	—
2008 options	—	1.63
Weighted average share price (RM)	4.55	8.45
Weighted average exercise price (RM)	5.38	7.29
Expected volatility (%)	41.5	41.5
Expected life (years)	1.0	2.0
Risk free rate (%)	2.5	3.4
Expected dividend yield (%)	4.0	4.0

The expected life of the options is based on historical data and is not necessarily indicative of exercise patterns that may occur. The expected volatility reflects the assumption that the historical volatility is indicative of future trends, which may also not necessarily be the actual outcome. No other features of the option grant were incorporated into the measurement of fair value.

29. Deferred income

	Group RM'000	Company RM'000
At 1 January 2009	11,617	8,847
Grant receivable	2,252	2,252
Grants utilised	(1,658)	(1,449)
At 31 December 2009	12,211	9,650
At 1 January 2008	2,477	—
Grant received	9,872	9,872
Grants utilised	(1,050)	(1,025)
Overrecognition of grant income in prior year	318	—
At 31 December 2008	11,617	8,847

The deferred income of the Group refers to grants for the development of the bond trading platform and clearing facilities for the derivatives market. The deferred income of the Company refers to the grant for the bond trading platform.

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30. Other payables

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Accruals	16,479	31,512	16,065	31,054
Amount owing to SC	3,240	1,641	—	—
Provision for bonus and EPF	12,902	11,903	12,232	11,903
Receipts in advance	9,558	8,802	8,766	8,311
Provision for unutilised leave	2,180	2,134	2,165	2,134
Sundry payables	19,755	23,736	12,856	16,097
	64,114	79,728	52,084	69,499

31. Borrowings

Borrowings of the Group in the previous year relate to amounts payable to the Government of Malaysia and comprised two interest-free, unsecured loans of RM697,000 and RM1,500,000. Each loan was repayable in ten equal annual instalments, repayments of which commenced on 30 November 2000. The RM219,700 was fully repaid during the financial year ended 31 December 2009.

32. Compensation funds

The Group maintains the following funds to compensate investors who have suffered losses under the circumstances specified in the relevant rules and regulations.

The net assets of the funds are as follows:

	2009 RM'000	2008 RM'000
Bursa Malaysia Securities Berhad – Securities Compensation Fund (Securities Compensation Fund)	291,740	285,793
Bursa Malaysia Derivatives Berhad – Fidelity Fund (Derivatives Fidelity Fund)	13,617	13,303
Bursa Malaysia Depository Sdn. Bhd. – Compensation Fund (Depository Compensation Fund)	50,000	50,000

The assets of the funds are segregated from the financial statements of the Group and accounted for separately.

(i) Securities Compensation Fund

The Securities Compensation Fund was established on 1 July 1997 pursuant to the CMSA and the net assets of the Kuala Lumpur Stock Exchange Berhad Fidelity Fund was effectively transferred to the fund on that date.

The Securities Compensation Fund comprises contributions from Bursa Malaysia Securities, a wholly-owned subsidiary, and participating organisations. Over and above the contributions, the SC has also set aside RM100 million to meet the needs of the Securities Compensation Fund as and when required. Contributions receivable and withdrawals from the Securities Compensation Fund are governed by the provisions of the CMSA.

32. Compensation funds

(ii) Derivatives Fidelity Fund

The Derivatives Fidelity Fund was established and maintained by Bursa Malaysia Derivatives in accordance with the provisions of the CMSA.

The Derivatives Fidelity Fund comprises contributions from trading participants. Contributions receivable and withdrawals from the Derivatives Fidelity Fund are governed by the provisions of the CMSA.

(iii) Depository Compensation Fund

In 1997, pursuant to the provisions of Section 5(1)(b)(vii) of the Securities Industry (Central Depositories) Act 1991, Bursa Malaysia Depository, a wholly-owned subsidiary, established a scheme of compensation for the purpose of settling claims by depositors against Bursa Malaysia Depository, its authorised depository agents and Bursa Malaysia Depository Nominees. The scheme comprises the Depository Compensation Fund and insurance policies. Bursa Malaysia Depository's policy is to maintain the balance in the Depository Compensation Fund at RM50,000,000. In consideration for the above, all revenue accruing to the Depository Compensation Fund's deposits and investments are to be credited to Bursa Malaysia Depository and all expenditure incurred for and on behalf of the Depository Compensation Fund will be paid for by Bursa Malaysia Depository.

33. Operating lease arrangements

(a) The Group and Company as lessee

The Company has entered into two non-cancellable operating lease agreements for the use of land. The leases have lives of 99 years with no renewal or purchase option included in the contracts. The leases do not allow the Company to assign, transfer or sublease or create any charge, lien or trust in respect of or dispose of the whole or any part of the land. Tenancy is however allow with the consent of the lessor.

The future aggregate minimum lease payments under non-cancellable operating leases contracted for as at the balance sheet date but not recognised as liabilities are as follows:

	Group and Company	
	2009	2008
	RM'000	RM'000
Not later than one year	539	539
Later than one year and not later than two years	539	539
Later than two years and not later than five years	1,616	1,616
Later than five years	41,870	42,409
	44,564	45,103

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33. Operating lease arrangements

(b) The Group and Company as lessor of building

During the year, the Company entered into non-cancellable operating lease agreements for the rental of office space in the building. The leases have lives of three years with renewal option of another three years included in the agreements. The leases have a fixed rental rate for the existing lease period with an upward revision to the rental rate for the renewed lease period.

The future aggregate minimum lease payments receivable under non-cancellable operating leases contracted for as at the balance sheet date but not recognised as receivables are as follows:

	Group and Company	
	2009	2008
	RM'000	RM'000
Not later than one year	4,790	4,904
Later than one year and not later than two years	3,003	4,656
Later than two years and not later than five years	3,536	6,436
	11,329	15,996

These lease rentals in relation to external parties are recognised in profit or loss during the financial year.

(c) The Company as lessor of building

The Company has entered into an operating lease arrangement with its subsidiaries mainly for the use of office space. The lease is automatically renewed after the first year of lease with renewal option of another three years included in the agreement.

The future aggregate minimum lease payments receivable under the operating leases contracted for as at the balance sheet date but not recognised as receivables are as follows:

	Company	
	2009	2008
	RM'000	RM'000
Not later than one year	6,798	—
Later than one year and not later than two years	6,798	—
Later than two years and not later than five years	20,395	—
	33,991	—

The lease rentals recognised in profit or loss during the financial year are disclosed in Note 35(a) to the financial statements.

(d) The Company as lessor of equipment

The Company has entered into an operating lease arrangement with its subsidiaries mainly for the use of IT equipment. The equipment is leased between three to five years with no purchase option included in the contract.

The future aggregate minimum lease payments receivable under the operating leases contracted for as at the balance sheet date but not recognised as receivables are as follows:

	Company	
	2009	2008
	RM'000	RM'000
Not later than one year	27,908	18,596
Later than one year and not later than two years	27,908	18,596
Later than two years and not later than five years	56,777	53,819
	112,593	91,011

The lease rentals recognised in profit or loss during the financial year are disclosed in Note 35(a) to the financial statements.

34. Commitments

(a) Capital commitments

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Approved and contracted for:				
Computers and office automation	3,913	15,522	3,913	15,522
Renovation and office equipment	343	583	343	583
	4,256	16,105	4,256	16,105
Approved but not contracted for:				
Computers and office automation	11,683	17,942	1,122	17,942

(b) Other commitments

A standby credit facility of RM60 million (2008: RM60 million) was given by the Company to Bursa Malaysia Securities Clearing in respect of the CGF (Note 26(e)(i)).

35. Related party disclosures

(a) Transactions with subsidiaries

Significant transactions between the Company and its subsidiaries are as follows:

	2009 RM'000	2008 RM'000
Management fee income from subsidiaries:		
Bursa Malaysia Securities	62,793	71,249
Bursa Malaysia Derivatives	13,068	17,894
LFX	538	555
Bursa Malaysia Securities Clearing	16,757	21,502
Bursa Malaysia Derivatives Clearing	5,683	7,278
Bursa Malaysia Depository	26,053	29,675
Bursa Malaysia Information	10,211	12,688
Bursa Malaysia Islamic Services	280	—
Bursa Malaysia Bonds	675	309
	136,058	161,150

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35. Related party disclosures

(a) Transactions with subsidiaries

	2009 RM'000	2008 RM'000
Office space rental income from:		
Bursa Malaysia Securities	228	—
Bursa Malaysia Derivatives	14	—
LFX	16	—
Bursa Malaysia Securities Clearing	64	—
Bursa Malaysia Derivatives Clearing	18	—
Bursa Malaysia Depository	74	—
Bursa Malaysia Information	101	—
Bursa Malaysia Islamic Services	38	—
Bursa Malaysia Bonds	13	—
	566	—
Lease rental income from:		
Bursa Malaysia Securities	15,541	1,416
Bursa Malaysia Derivatives	3,402	2,058
LFX	14	—
Bursa Malaysia Securities Clearing	148	—
Bursa Malaysia Derivatives Clearing	14	—
Bursa Malaysia Depository	105	—
Bursa Malaysia Information	22	—
Bursa Malaysia Islamic Services	126	—
	19,372	3,474
Commitment fees from a subsidiary, Bursa Malaysia Securities Clearing	600	600
Depository services charges to a subsidiary, Bursa Malaysia Depository	(68)	(55)
Property, plant and equipment and computer software transfer to subsidiaries:		
Bursa Malaysia Derivatives	704	—
Bursa Malaysia Derivatives Clearing	200	—

Management fee charged to subsidiaries are in respect of operational and administrative functions of the subsidiaries which are performed by employees of the Company.

Information regarding outstanding balances arising from related party transactions as at the balance sheet date are disclosed in Note 21.

The Directors are of the opinion that the above transactions have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

35. Related party disclosures

(b) Transactions with other related parties

Significant transactions between the Group and the Company and other related parties are as follows:

	Group		Company	
	2009 RM'000	2008 RM'000	2009 RM'000	2008 RM'000
Administration fee income from Securities Compensation Fund, a fund managed by the Company	865	848	865	848
Administration fee income from Derivatives Fidelity Fund, a fund managed by a subsidiary	120	120	—	—

The Directors are of the opinion that the above transactions have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

Certain Directors are also directors of stockbroking companies and banks. The transactions entered into with these stockbroking companies and banks have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

Government-linked corporations are related to the Company by virtue of the substantial shareholdings of the Minister of Finance Incorporated in the Company. The transactions entered into with these government-linked corporations have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

(c) Compensation of key management personnel

Key management personnel refers to the leadership team of the Group. The remuneration of key management personnel during the year was as follows:

	Group and Company	
	2009 RM'000	2008 RM'000
Short term employee benefits	5,930	6,080
Contributions to defined contribution plan – EPF	786	804
Share options granted under ESOS	195	120
Other long term benefits	23	13
	6,934	7,017

Included in total remuneration of key management personnel is:

	Group and Company	
	2009 RM'000	2008 RM'000
Executive Director's remuneration (Note 8)	1,438	1,477
Benefits-in-kind (Note 8)	31	31
	1,469	1,508

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35. Related party disclosures

(c) Compensation of key management personnel

The Executive Director of the Group and of the Company and other members of key management have been granted the following number of options under the ESOS:

	Group and Company	
	2009	2008
	RM'000	RM'000
At 1 January	4,465	4,769
Change in key members of management	—	(186)
Granted	506	377
Exercised	(607)	(495)
At 31 December	4,364	4,465

36. Contingent liability

In connection with the partial disposal of Bursa Malaysia Derivatives as disclosed in Note 15(c), the Company had entered into put and call options with CME Group over the ordinary shares of Bursa Malaysia Derivatives representing the 25% equity interest disposed of to CME Group. The exercise price for the put and call options shall be determined based on a pre-agreed formula which takes into consideration the performance of Bursa Malaysia Derivatives and other peer exchanges.

However, for a period of 48 months following the completion of the disposal, the Company and CME Group may only exercise the put or call option should certain events occur as defined in the Shareholders' Agreement. If the put or call option is exercised during this period, the party exercising the option will have to bear a certain specified premium or discount on the option price determined in the manner mentioned above.

37. Financial instruments

(a) Financial risk management objectives and policies

The Group's financial risk management policy seeks to ensure that adequate financial resources are available for the development of the Group's businesses whilst managing its interest rate risks (both fair value and cash flow), foreign currency risk, liquidity risk and credit risk. The Group operates within clearly defined guidelines that are approved by the Board. It is, and has been throughout the year under review, the Group's policy that no trading in derivative financial instruments shall be undertaken.

(b) Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

The Group is exposed to both cash flow and fair value risks as it has substantial short and long term interest-bearing financial assets as at the balance sheet date. The investments in financial assets are not held for speculative purposes but have been placed in fixed deposits and invested in quoted and unquoted securities.

37. Financial instruments

(b) Interest rate risk

The following tables set out the WAEIR as at the balance sheet date and the remaining maturities of the Group's and the Company's financial instruments that are exposed to interest rate risk:

	Other investments Unquoted bonds RM'000 Note 16	MGS RM'000 Note 16	Unquoted short investments RM'000 Note 22	Cash from CPs and TCPs RM'000 Note 23	Deposits RM'000 Note 24	Total RM'000
Group						
At 31 December 2009						
Maturity:						
Within one year	15,273	—	5,035	802,816	331,922	1,155,046
One to two years	11,827	—	6,688	—	—	18,515
Two to three years	5,000	—	11,142	—	—	16,142
Three to four years	—	—	13,630	—	—	13,630
Four to five years	5,000	5,380	6,429	—	—	16,809
More than five years	15,507	—	10,025	—	—	25,532
	52,607	5,380	52,949	802,816	331,922	1,245,674
WAEIR (%)	5.1	3.5	5.6	1.7	2.2	2.2
At 31 December 2008						
Maturity:						
Within one year	—	—	18,183	834,086	279,347	1,131,616
One to two years	10,273	—	5,035	—	—	15,308
Two to three years	11,827	—	6,689	—	—	18,516
Three to four years	10,021	—	6,545	—	—	16,566
Four to five years	5,306	—	18,162	—	—	23,468
More than five years	15,506	—	20,074	—	—	35,580
	52,933	—	74,688	834,086	279,347	1,241,054
WAEIR (%)	5.3	—	5.6	3.0	3.6	3.4

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37. Financial instruments

(b) Interest rate risk

	Unquoted short term investments RM'000 Note 22	Deposits RM'000 Note 24	Total RM'000
Company			
At 31 December 2009			
Maturity:			
Within one year	5,035	178,480	183,515
One to two years	6,688	—	6,688
Two to three years	11,142	—	11,142
Three to four years	13,630	—	13,630
Four to five years	6,429	—	6,429
More than five years	10,025	—	10,025
	52,949	178,480	231,429
WAEIR (%)	5.6	2.2	3.0
At 31 December 2008			
Maturity:			
Within one year	18,183	89,605	107,788
One to two years	5,035	—	5,035
Two to three years	6,689	—	6,689
Three to four years	6,545	—	6,545
Four to five years	18,162	—	18,162
More than five years	20,074	—	20,074
	74,688	89,605	164,293
WAEIR (%)	5.6	3.3	4.4

37. Financial instruments

(c) Foreign currency risk

The Group is exposed to transactional currency risk primarily through its investment in quoted shares, trade margins and expenses that are denominated in a currency other than the functional currency of the operations to which they relate. The currencies giving rise to this risk are primarily USD, GBP, SGD and EURO. Foreign exchange exposures in transactional currencies other than functional currencies of the operating entities are kept to an acceptable level. Approximately 42% (2008: nil), 19% (2008: 18%) and 20% (2008: 10%) of Group investments, operating and capital costs, and trade margins respectively, are denominated in currencies other than the functional currencies of the respective entities.

The unhedged financial assets and financial liabilities of the Group companies that are not denominated in their functional currencies are as follows:

Functional currency of Group companies	Net financial assets/(liabilities) held in non-functional currencies		Total RM'000
	RM RM'000	USD RM'000	
At 31 December 2009			
RM	–	81,521	81,521
USD	(44)	–	(44)
	(44)	81,521	81,477
At 31 December 2008			
RM	–	(14,727)	(14,727)
USD	13	–	13
	13	(14,727)	(14,714)

(d) Liquidity risk

The Group manages its debt maturity profile, operating cash flows and the availability of funding so as to ensure that all funding needs are met. As part of its overall liquidity management, the Group maintains sufficient levels of cash or cash convertible investments to meet its working capital requirements. In addition, the Group strives to maintain available banking facilities of a reasonable level to meet its operational needs.

(e) Credit risk

The Group's credit risk is primarily attributable to trade receivables, outstanding loans from former staff and certain sundry receivables. Receivables are monitored on an on-going basis via Group management reporting procedures.

In the normal course of business, the clearing houses of the Group act as the counterparty to eligible trades concluded on the equity and derivatives markets through novation of the obligations of the buyers and sellers. As a result, the Group faces credit risk since the participants' ability to honour their obligations in respect of their trades may be adversely affected by economic conditions.

The Group mitigates its exposure to risks described above by requiring the participants' to meet the Group's established financial requirements and criteria for admission as participants, monitoring compliance with risk management measures such as position limits established by the Group and requiring participants to contribute to the funds set up by the respective clearing houses. In addition, the Group had taken up insurance to cover the risks.

The credit risk of the Group's other financial assets, which comprise cash and cash equivalents and unquoted securities, arises from default of the counterparty, with a maximum exposure equal to the carrying amount of these financial assets.

The Group does not have any significant exposure to any individual customer or counterparty nor does it have any major concentration of credit risk related to any financial instrument.

NOTES TO THE FINANCIAL STATEMENTS

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37. Financial instruments

(f) Fair values

The carrying amounts of financial assets and liabilities of the Group and of the Company at the balance sheet date approximated their fair values except for the following:

	Group		Company	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
31 December 2009				
Other investments (Note 16):				
Quoted shares	84,488	88,057	84,488	88,057
Unquoted bonds	47,582	51,327	—	—
Staff loans receivable (Note 17)	18,314	12,597	16,937	11,546
31 December 2008				
Other investments - unquoted bonds (Note 16)	47,200	47,398	—	—
Staff loans receivable (Note 17)	22,068	14,396	20,350	13,168

The methods and assumptions used by management to determine fair values of financial instruments other than those whose carrying amounts reasonably approximate their fair values are as follows:

(i) Investments

The fair value of the quoted security is determined based on the indicative share price obtained from the relevant market index.

The fair value of unquoted securities is determined based on indicative rates obtained from third parties at the close of the last business day on or before the balance sheet date.

Management believes the estimated fair values are reasonable and the most appropriate at the balance sheet date.

(ii) Staff loans receivable

The fair value of staff loans receivable is estimated by discounting the expected future cash flows using the current interest rates for loans with similar risk profiles.

(iii) Financial assets and liabilities other than mentioned above

All other financial assets and liabilities approximate fair values due to the relatively short term maturity of these financial instruments.

38. Segment information

(a) Reporting format

The primary segment reporting format is determined to be market segments as the Group's risks and rates of return are affected predominantly by the activities on the different exchanges. Secondary information is reported by business segments.

(b) Market segments

The six major market segments of the Group are as follows:

- (i) The **securities market** mainly comprises the provision and operation of the listing, trading, clearing and depository services for the securities market.
- (ii) The **derivatives market** mainly comprises the provision and operation of the trading, clearing and depository services for the derivatives market.
- (iii) The **offshore market** mainly comprises the provision and operation of the listing and trading function for the offshore market.
- (iv) The **information services** relates to the provision and dissemination of information relating to securities quoted on exchanges within the Group.
- (v) The **exchange holding** business refers to the operation of the Company which functions as an investment holding company.
- (vi) The **others** mainly comprises the provision of an electronic trading platform for the bond market and a Sha'riah compliant commodity trading platform.

(c) Business segments

The five major business segments of the Group are as follows:

- (i) The **exchanges** provide, operate and maintain securities, futures and options, bonds and offshore financial exchanges.
- (ii) The **clearing, settlement and depository** provides, operates and maintains clearing houses for the securities and futures and options exchange, and a central depository for securities listed on the securities exchange.
- (iii) The **information services** relates to the provision and dissemination of information relating to securities quoted on exchanges within the Group.
- (iv) The **exchange holding** business refers to the operation of the Company which functions as an investment holding company.
- (v) The **others** mainly comprises the provision of a Sha'riah compliant commodity trading platform.

(d) Allocation Basis and Transfer Pricing

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets, liabilities and expenses.

Transfer prices between segments are set on an arm's length basis in a manner similar to transactions with third parties. Segment revenue, expenses and results refer to transfers between segments. These transfers are eliminated on consolidation.

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38. Segment information

Market segments

	Securities market RM'000	Derivatives market RM'000	Offshore market RM'000	Information services RM'000	Exchange holding RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
31 December 2009								
Operating revenue								
External revenue	227,368	47,929	292	18,099	3,179	758	–	297,625
Inter-segment revenue	311	–	–	1,049	254,796	–	(256,156)	–
Total operating revenue	227,679	47,929	292	19,148	257,975	758	(256,156)	297,625
Other income	10,570	3,229	85	73	13,949	1,451	(540)	28,817
Gain on part disposal of a subsidiary	–	–	–	–	110,555	–	(34,580)	75,975
	238,249	51,158	377	19,221	382,479	2,209	(291,276)	402,417
Operating expenses	(129,291)	(24,036)	(622)	(10,531)	(162,473)	(8,706)	157,990	(177,669)
Segment results	108,958	27,122	(245)	8,690	220,006	(6,497)	(133,286)	224,748
Unallocated expenses								(4,942)
Profit from operations								219,806
Finance costs								(625)
Profit before tax								219,181
Income tax expense								(41,443)
Profit for the year								177,738
Segment assets								
Assets that belong to the Group	255,095	68,246	6,454	9,073	586,640	19,983	–	945,491
Cash collaterals and contributions	14,219	800,315	–	–	–	–	–	814,534
Segment assets	269,314	868,561	6,454	9,073	586,640	19,983	–	1,760,025
Unallocated assets								26,616
Total assets								1,786,641
Segment liabilities								
Liabilities that belong to the Group	8,153	3,664	213	2,612	75,919	9,657	–	100,218
Cash collaterals and contributions	14,219	800,315	–	–	–	–	–	814,534
Segment liabilities	22,372	803,979	213	2,612	75,919	9,657	–	914,752
Unallocated liabilities								23,277
Total liabilities								938,029
Other information								
Capital expenditure and intangible assets	7,400	700	–	61	995	6,926	–	16,082
Unallocated capital expenditure	–	–	–	–	–	–	–	6,056
Depreciation and amortisation	5,556	474	–	106	25,359	2,226	–	33,721
Reversal of impairment on investments	(441)	(229)	–	–	(647)	–	–	(1,317)
Impairment loss on computer software	–	–	–	–	–	2,006	–	2,006
Other significant non-cash expenses:								
Net provision for/(reversal of) doubtful debts	101	(63)	(6)	113	44	–	–	189
Increase in pension costs	–	–	–	–	1,511	–	–	1,511
Share options granted under ESOS	–	–	–	–	(204)	–	–	(204)

38. Segment information

Market segments

	Securities market RM'000	Derivatives market RM'000	Offshore market RM'000	Information services RM'000	Exchange holding RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
31 December 2008								
Operating revenue								
External revenue	225,997	53,504	307	18,233	3,786	476	–	302,303
Inter-segment revenue	639	–	–	969	388,186	–	(389,794)	–
Total operating revenue	226,636	53,504	307	19,202	391,972	476	(389,794)	302,303
Other income	10,544	3,223	134	127	14,142	1,160	42	29,372
	237,180	56,727	441	19,329	406,114	1,636	(389,752)	331,675
Operating expenses	(130,844)	(28,517)	(634)	(12,783)	(173,067)	(1,345)	166,831	(180,359)
Segment results	106,336	28,210	(193)	6,546	233,047	291	(222,921)	151,316
Unallocated expenses								(5,054)
Profit from operations								146,262
Finance costs								(635)
Profit before tax								145,627
Income tax expense								(41,207)
Profit for the year								104,420
Segment assets								
Assets that belong to the Group	249,924	108,010	6,749	8,865	431,227	19,762	–	824,537
Cash collaterals and contributions	25,468	836,032	–	–	–	–	–	861,500
Segment assets	275,392	944,042	6,749	8,865	431,227	19,762	–	1,686,037
Unallocated assets								43,827
Total assets								1,729,864
Segment liabilities								
Liabilities that belong to the Group	6,760	3,911	227	2,346	101,256	4	–	114,504
Cash collaterals and contributions	25,468	836,032	–	–	–	–	–	861,500
Segment liabilities	32,228	839,943	227	2,346	101,256	4	–	976,004
Unallocated liabilities								21,605
Total liabilities								997,609
Other information								
Capital expenditure and intangible assets	17,644	1,324	–	88	523	10,199	–	29,778
Unallocated capital expenditure	–	–	–	–	–	–	–	4,229
Depreciation and amortisation	3,812	640	–	96	9,893	1,034	–	15,475
Impairment losses recognised in profit or loss	385	381	–	–	1,831	–	–	2,597
Other significant non-cash expenses:								
Net provision for/(reversal of) doubtful debts	225	(95)	21	(67)	(500)	–	–	(416)
Increase in pension costs	–	–	–	–	2,603	–	–	2,603
Share options granted under ESOS	–	–	–	–	2,986	–	–	2,986

NOTES TO THE FINANCIAL STATEMENTS

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38. Segment information

Business segments

	Exchanges RM'000	Clearing, settlement and depository RM'000	Information services RM'000	Exchange holding RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
31 December 2009							
Operating revenue							
External revenue	163,501	112,766	18,099	3,179	80	–	297,625
Inter-segment revenue	307	68	1,049	254,796	–	(256,220)	–
Total operating revenue	163,808	112,834	19,148	257,975	80	(256,220)	297,625
Other income	9,173	6,160	73	13,949	2	(540)	28,817
Gain on part disposal of a subsidiary	–	–	–	110,555	–	(34,580)	75,975
	172,981	118,994	19,221	382,479	82	(291,340)	402,417
Operating expenses	(110,686)	(51,259)	(10,531)	(162,473)	(774)	158,054	(177,669)
Segment results	62,295	67,735	8,690	220,006	(692)	(133,286)	224,748
Unallocated expenses							(4,942)
Profit from operations							219,806
Finance costs							(625)
Profit before tax							219,181
Income tax expense							(41,443)
Profit for the year							177,738
Segment assets							
Assets that belong to the Group	169,888	171,709	9,073	586,640	8,181	–	945,491
Cash collaterals and contributions	–	814,534	–	–	–	–	814,534
Segment assets	169,888	986,243	9,073	586,640	8,181	–	1,760,025
Unallocated assets							26,616
Total assets							1,786,641
Segment liabilities							
Liabilities that belong to the Group	12,646	9,034	2,612	75,919	7	–	100,218
Cash collaterals and contributions	–	814,534	–	–	–	–	814,534
Segment liabilities	12,646	823,568	2,612	75,919	7	–	914,752
Unallocated liabilities							23,277
Total liabilities							938,029
Other information							
Capital expenditure and intangible assets	8,701	–	61	995	6,325	–	16,082
Unallocated capital expenditure	–	–	–	–	–	–	6,056
Depreciation and amortisation	6,840	1,362	106	25,359	54	–	33,721
Reversal of impairment on investments	(92)	(577)	–	(648)	–	–	(1,317)
Impairment loss on computer software	2,006	–	–	–	–	–	2,006
Other significant non-cash expenses:							
Net provision for/(reversal of) doubtful debts	28	4	113	44	–	–	189
Increase in pension costs	–	–	–	1,511	–	–	1,511
Share options granted under ESOS	–	–	–	(204)	–	–	(204)

38. Segment information

Business segments

	Exchanges RM'000	Clearing, settlement and depository RM'000	Information services RM'000	Exchange holding RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
31 December 2008							
Operating revenue							
External revenue	171,128	109,156	18,233	3,786	–	–	302,303
Inter-segment revenue	–	55	969	388,186	–	(389,210)	–
Total operating revenue	171,128	109,211	19,202	391,972	–	(389,210)	302,303
Other income	6,792	8,133	127	14,142	136	42	29,372
	177,920	117,344	19,329	406,114	136	(389,168)	331,675
Operating expenses	(99,308)	(61,448)	(12,783)	(173,067)	–	166,247	(180,359)
Segment results	78,612	55,896	6,546	233,047	136	(222,921)	151,316
Unallocated expenses							(5,054)
Profit from operations							146,262
Finance costs							(635)
Profit before tax							145,627
Income tax expense							(41,207)
Profit for the year							104,420
Segment assets							
Assets that belong to the Group	213,762	164,715	8,865	431,227	5,968	–	824,537
Cash collaterals and contributions	–	861,500	–	–	–	–	861,500
Segment assets	213,762	1,026,215	8,865	431,227	5,968	–	1,686,037
Unallocated assets							43,827
Total assets							1,729,864
Segment liabilities							
Liabilities that belong to the Group	2,175	8,723	2,346	101,256	4	–	114,504
Cash collaterals and contributions	–	861,500	–	–	–	–	861,500
Segment liabilities	2,175	870,223	2,346	101,256	4	–	976,004
Unallocated liabilities							21,605
Total liabilities							997,609
Other information							
Capital expenditure and intangible assets	28,696	471	88	523	–	–	29,778
Unallocated capital expenditure	–	–	–	–	–	–	4,229
Depreciation and amortisation	4,308	1,179	96	9,892	–	–	15,475
Impairment losses recognised in profit or loss	375	391	–	1,831	–	–	2,597
Other significant non-cash expenses:							
Net provision for/(reversal of) doubtful debts	391	(240)	(67)	(500)	–	–	(416)
Increase in pension costs	–	–	–	2,603	–	–	2,603
Share options granted under ESOS	–	–	–	2,986	–	–	2,986

NOTES TO THE FINANCIAL STATEMENTS

31 December 2009

39. Comparatives

The following comparatives for the Group and Company have been reclassified to conform with current year's presentation.

(a) Income statement

	As previously stated RM'000	Reclassification RM'000	As restated RM'000
Group			
Operating revenue	290,307	11,996	302,303
Other income	41,368	(11,996)	29,372
Company			
Operating revenue	444,377	3,786	448,163
Other income	23,253	(3,786)	19,467

(b) Balance sheet

Group			
Cash collected from CPs and TCPs	—	861,500	861,500
Cash and bank balances	1,144,305	(861,500)	282,805
CPs' and TCPs' contribution to Clearing Funds	—	33,745	33,745
CPs' contribution to DCF	23,733	(23,733)	—
TCPs' contribution to CGF	10,012	(10,012)	—

LIST OF PROPERTIES

owned by Bursa Malaysia Group as at 31 December 2009

Location	Postal Address	Description	Current Use	Tenure	Remaining Lease Period (Expiry Date)	Age of Building	Land Area/ Built-up Area (Sq. meters)	Date of Acquisition	Net Book Value 31 Dec 2009 RM'000
Geran No. 28936 Lot No. 520 (formerly P.T. 8) Section 19, Town and District of Kuala Lumpur	Exchange Square, Bukit Kewangan, 50200 Kuala Lumpur	16-storey office building with 5-level basement car park and a lower level car park known as the Main Building	Office	Leasehold 99 years*	83 years (14 Apr 2092)	12 years	7,144/ 71,347	Aug 1997	146,959
Geran No. 28938 Lot No. 522 (formerly P.T. 10) Section 19, Town and District of Kuala Lumpur	Exchange Square, Bukit Kewangan, 50200 Kuala Lumpur	2-storey office building with 2-level basement car park known as the Annexe Building	Office	Leasehold 99 years*	86 years (28 Feb 2095)	11 years	9,314/ 38,609	Mar 1998	50,263
Lot 5.0 to 8.0, No. Berdaftar Geran 17768/MI/4/5 to 8 Bangunan No. M1 Lot No. 51452, Mukim of Kuala Lumpur Daerah Wilayah Persekutuan	4th Floor, Wisma Chase Perdana, Off Jalan Semantan, Damansara Heights, 50490 Kuala Lumpur	Four office units on the 4th Floor of a 12-storey office building	Office	Freehold	N/A	26 years	N/A/ 3,355	May 1998	10,531

* These are freehold lands which have been leased to us by the Federal Land Commissioner for a period of 99 years.

TRAINING PROGRAMMES ATTENDED BY DIRECTORS

1. TUN MOHAMED DZAIDIN BIN HAJI ABDULLAH

- FIDE Programme: A Session with Jim Rogers – How I See the World Today 3 February 2009
- BNM Annual Report 2008: Financial Stability and Payment Systems Report Briefing 25 March 2009
- What is Bursa Malaysia's Voice to Embrace the Global Meltdown with Confidence 14 May 2009
- NED Development Series: Is It Worth The Risk? 20 May 2009
- CG on Governance Trends and Issues 21 May 2009
- SC-Bursa Malaysia CG Week 2009: Unveiling of Bursa Malaysia's CG Guide and Introduction of Revamped Regulation Web-Section 8 June 2009
- Invest Malaysia 2009 30 June 2009
- Development and Challenges in Regional and Local Markets 2 July 2009
- Main Market Technical Briefing 3 July 2009
- World Capital Markets Symposium: The Global Financial Crisis – The Way Ahead 10 August 2009
- Multilateral Trading Facility, Alternative Trading System and Dark Pools – Challenges and Opportunities 29 October 2009
- KPMG Briefing: An Overview of FRS 139 – Financial Instruments: Recognition and Measurement 20-21 November 2009
- IFSB Public Lecture on Financial Policy and Stability and BNM High Level Conference 23-24 November 2009
- SC-Bursa Malaysia Lecture Series: CG – Lessons from Hong Kong 16 December 2009

2. DATO' ABDUL LATIF BIN ABDULLAH

- Invest Malaysia 2009 30 June 2009
- Development and Challenges in Regional and Local Markets 2 July 2009
- Main Market Technical Briefing 3 July 2009
- World Capital Markets Symposium: The Global Financial Crisis – The Way Ahead 10 August 2009
- Multilateral Trading Facility, Alternative Trading System and Dark Pools – Challenges and Opportunities 29 October 2009
- 14th Malaysian Capital Market Summit 2009: Bouncing Back After The Global Financial Crisis 3-4 December 2009

3. DATUK HAJI FAISYAL BIN DATUK YUSOF HAMDAN DIEGO

- Invest Malaysia 2009 30 June & 1 July 2009
- Development and Challenges in Regional and Local Markets 2 July 2009
- Main Market Technical Briefing 3 July 2009
- CG Guide: Towards Boardroom Excellence 9 July 2009
- World Capital Markets Symposium: The Global Financial Crisis – The Way Ahead 10-11 August 2009
- Rotterdam of the East, Meaning and Opportunity to the Business Sector on Lahad Datu Palm Oil Industrial Cluster and its Direction 13 November 2009
- Global Market Trends & Exchanges Features that Encourage Liquidity – Impact, Challenges & Opportunities Created by Changing Landscape in the US and European Capital Markets, to Regulators, Exchanges & Market Players 7 December 2009
- The NED Development Series: Is It Worth The Risk? 9 December 2009

4. DATO' TAJUDDIN BIN ATAN

- Invest Malaysia 2009 1 July 2009
- Development and Challenges in Regional and Local Markets 2 July 2009
- Main Market Technical Briefing 3 July 2009
- World Capital Markets Symposium: The Global Financial Crisis – The Way Ahead 10-11 August 2009
- Khazanah Megatrend Forum: Apocalypse Averted? Reconfiguring the New Normal 5-6 October 2009
- Khazanah Global Lectures: Reading on Development – Malaysia 2057 21 October 2009
- Financial Industry Conference 17-18 November 2009

5. DATIN PADUKA SITI SA'DIAH BINTI SHEIKH BAKIR

- Kongres Yayasan Pembangunan Ekonomi Islam Malaysia: Peranan Agensi Awam & GLC dalam Mewujudkan dan Memperkasa Usahawan Baru yang Kompeten dan Berdaya Saing – Suatu Gagasan & Cabaran Masa Hadapan 13 January 2009
- Kongres Islam Sarawak 2009: Globalisasi Ekonomi & Landskap Baru Ekonomi Dunia – Ruang & Peluang bagi Pembangunan & Pertumbuhan Ekonomi di Malaysia 11 February 2009
- Program Sembang-Sembang Wanita Korporat: Wanita & Bisnes 14 February 2009
- Strategic Direction and Business Transformation 27 February 2009
- Culture Re-engineering and Leadership 29-31 March 2009
- The International Society for Quality in Healthcare Conference 11-14 October 2009
- Workshop on Main Market & ACE Market Listing Framework and Proposed Enhancement to Enforcement Processes 28 October 2009
- Multilateral Trading Facility, Alternative Trading System and Dark Pools – Challenges and Opportunities 29 October 2009
- Kuala Lumpur International Trade Forum 12 November 2009
- Inaugural Malaysia-Arab Business Forum: Women in Business Forging New Partnerships 30 November 2009
- KPJ Healthcare Medical Conference: Commitment to Patient Safety Initiatives 12 December 2009
- ASEAN Women Leaders' Forum 2009: Expanding Possibilities, Scaling New Heights 15 December 2009
- Shaping The Future / Implementation of FRS 139 – What Directors Should Know 30 December 2009

6. DATO' DR. THILLAINATHAN A/L RAMASAMY

- Invest Malaysia 2009 30 June 2009
- Development and Challenges in Regional and Local Markets 2 July 2009
- Main Market Technical Briefing 3 July 2009
- Private Pension Industry & Retirement Funds 23-24 July 2009
- Creating Genomics-based Solutions 6 August 2009
- World Capital Markets Symposium: The Global Financial Crisis – The Way Ahead 10-11 August 2009
- The NED Development Series: Is It Worth The Risk? 12 August 2009
- CG Guide: Towards Boardroom Excellence 20 August 2009
- Multilateral Trading Facility, Alternative Trading System and Dark Pools – Challenges and Opportunities 29 October 2009
- Investment Analysis & Financial Management 17 November 2009
- Administrative and Diplomatic Service Officers Alumni Association Economic Forum on 10th Malaysia Plan: New Paradigm – Rising to the Challenges 19 November 2009
- The ASEAN Capital Market Forum – Group of Experts Meeting 26 November 2009

7. DATO' SRI ABDUL WAHID BIN OMAR

- Invest Malaysia 2009 30 June 2009
- Development and Challenges in Regional and Local Markets 2 July 2009
- Main Market Technical Briefing 3 July 2009
- Basel II Workshop 8 August 2009
- World Capital Markets Symposium: The Global Financial Crisis – The Way Ahead 11 August 2009
- Effective Board Governance Frameworks 29 September 2009

TRAINING PROGRAMMES ATTENDED BY DIRECTORS

8. IZHAM BIN YUSOFF

- The NED Development Series: Is It Worth The Risk? 8 April 2009
- SC-Bursa Malaysia CG Week 2009: Unveiling of Bursa Malaysia's CG Guide and Introduction of Revamped Regulation Web-Section 8 June 2009
- Invest Malaysia 2009 30 June & 1 July 2009
- Development and Challenges in Regional and Local Markets 2 July 2009
- Main Market Technical Briefing 3 July 2009
- Managing International Financial Reporting Standards (IFRS) 21 July 2009
- CG Guide: Towards Boardroom Excellence 23 July 2009
- Getting Up to Speed with Governance 15 & 29 July 2009
- World Capital Markets Symposium: The Global Financial Crisis – The Way Ahead 10-11 August 2009
- Warren Buffett CG – Building a World Class Board of Directors 20 August 2009
- Chartered Financial Analyst (CFA) Talk: How to Smell a Rat 30 September 2009
- Governance Expectations of International Fund Managers 19 October 2009
- Multilateral Trading Facility, Alternative Trading System and Dark Pools – Challenges and Opportunities 29 October 2009
- SC-Bursa Malaysia Lecture Series: CG – Lessons from Hong Kong 16 December 2009

9. DATO' WONG PUAN WAH @ WONG SULONG

- Invest Malaysia 2009 30 June 2009
- Development and Challenges in Regional and Local Markets 2 July 2009
- Main Market Technical Briefing 3 July 2009
- World Capital Markets Symposium: The Global Financial Crisis – The Way Ahead 10-11 August 2009
- CG Guide: Towards Boardroom Excellence 20 August 2009
- Multilateral Trading Facility, Alternative Trading System and Dark Pools – Challenges and Opportunities 29 October 2009
- Branding and Communications 2 December 2009
- The NED Development Series: Is It Worth The Risk? 9 December 2009

10. CHEAH TEK KUANG

- BNM High Level Conference 2009: Central Banking in the 21st Century – Industry Implications of Economic and Financial Globalisation 10-11 February 2009
- 20th Annual Palm & Lauric Oils Conference 11 March 2009
- Asia Regional Forum: Policy & Regulation of Financial Inclusion 6 May 2009
- Invest Malaysia 2009 30 June & 1 July 2009
- Development and Challenges in Regional and Local Markets 2 July 2009
- Main Market Technical Briefing 3 July 2009
- IFN 2009 Issuers & Investors Asia Forum 4 August 2009
- World Capital Markets Symposium: The Global Financial Crisis – The Way Ahead 10 August 2009
- Multilateral Trading Facility, Alternative Trading System and Dark Pools – Challenges and Opportunities 29 October 2009
- 2nd Annual Global Financial Leadership Conference 2-3 November 2009
- Financial Industry Conference 17-18 November 2009

11. DATO' SAIFUL BAHRI BIN ZAINUDDIN

- BNM High Level Conference 2009: Central Banking in the 21st Century – Industry Implications of Economic and Financial Globalisation 10 February 2009
- 20th Annual Palm & Lauric Oils Conference 11-12 March 2009
- Invest Malaysia 2009 30 June & 1 July 2009
- Development and Challenges in Regional and Local Markets 2 July 2009
- Main Market Technical Briefing 3 July 2009
- Impact on Government Linked Investment Companies and Government Linked Companies 24 July 2009
- High Performance Leadership 4 August 2009
- World Capital Markets Symposium: The Global Financial Crisis – The Way Ahead 10-11 August 2009
- Strengthening the Islamic Financial System – Lesson from the Crisis 29 September 2009
- 49th General Assembly of the World Federation of Exchanges 4-9 October 2009
- Multilateral Trading Facility, Alternative Trading System and Dark Pools – Challenges and Opportunities 29 October 2009

12. ONG LEONG HUAT @ WONG JOO HWA

- Financial Institutions Directors Education (FIDE) Programme – Module 1 16-17 January 2009
- FIDE Programme – Module 2 20-21 February 2009
- Introduction to Islamic Investment Banking 28 February 2009
- FIDE Programme – Module 3 20-21 March 2009
- Key Performance Indicators (KPI) 20 April 2009
- FIDE Programme – Module 4 24-25 April 2009
- FIDE Programme – Module 5 22-23 May 2009
- Invest Malaysia 2009 30 June & 1 July 2009
- Development and Challenges in Regional and Local Markets 2 July 2009
- Main Market Technical Briefing 3 July 2009
- Balance Scorecard Implementation Workshop 1 August 2009
- World Capital Markets Symposium: The Global Financial Crisis – The Way Ahead 10 August 2009
- Setting KPI and Managing Performance 10 October 2009
- Multilateral Trading Facility, Alternative Trading System and Dark Pools – Challenges and Opportunities 29 October 2009

13. DATO' YUSLI BIN MOHAMED YUSOFF

- SC High-level Visioning Workshop on the Malaysia Capital Market 19 January 2009
- Euromoney Islamic Finance Summit 24-27 February 2009
- Leading Change in Tough Times 17 March 2009
- Top Team Workout Programme 20-21 March 2009
- Issues Beyond Regional Capital Market Integration – Stock Exchanges' Views and Concerns 24 March 2009
- 28th Asian & Oceanian Stock Exchanges Federation (AOSEF) General Assembly 22-24 April 2009
- The Global Emerging Markets Summit: Reforming Governance, Rebuilding Economies – Thriving and Rebuilding in Emerging Markets, Fast-tracking Forward 29 April 2009
- Inaugural Malaysia-Europe Forum (MEF): Towards Sustainable Business – Corporate Responsibility in Malaysia and the Growing Role of the Regulator 30 April 2009
- 2nd Islamic Venture Capital & Private Equity Conference: Market Outlook – Experience in Middle East and Asia in Assessing Alternative Investments 20 May 2009
- Development and Challenges in Regional and Local Markets 2 July 2009
- Main Market Technical Briefing 3 July 2009
- Bloomberg Leadership Forum 16 July 2009
- Securities Investors Association of Singapore (SIAS)/Asian Investment Conference 17 July 2009
- World Capital Markets Symposium: The Global Financial Crisis – The Way Ahead 10-11 August 2009
- 11th ASEAN Capital Markets Forum 18 August 2009
- Forbes CEO Conference 29-30 September 2009
- 49th General Assembly of the World Federation of Exchanges 4-9 October 2009
- Multilateral Trading Facility, Alternative Trading System and Dark Pools – Challenges and Opportunities 29 October 2009
- 2nd Annual Global Financial Leadership Conference 2-3 November 2009
- KRX-MIFC Islamic Capital Market Conference 2009: Malaysian Islamic Capital Market Landscape 19 November 2009

STATISTICS OF SHAREHOLDINGS

as at 25 January 2010

Authorised Share Capital	: RM1,000,000,000 divided into 2,000,000,000 ordinary shares of RM0.50 each
Issued and Paid-up Share Capital	: RM264,535,325 comprising 529,070,650 ordinary shares of RM0.50 each
Class of Shares	: Ordinary shares of RM0.50 each
Voting Rights	: One vote per ordinary share

ANALYSIS BY SIZE OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders		Total No. of Shareholders		No. of Issued Shares		Total No. of Issued Shares	
	Malaysian	Foreigner	No.	%	Malaysian	Foreigner	No.	%
1 – 99	103	1	104	0.38	1,647	9	1,656	0.00
100 – 1,000	11,291	166	11,457	41.53	9,690,232	138,000	9,828,232	1.86
1,001 – 10,000	12,823	467	13,290	48.18	49,929,964	2,212,600	52,142,564	9.85
10,001 – 100,000	2,282	213	2,495	9.04	60,598,101	7,153,828	67,751,929	12.81
100,001 – less than 5% of issued shares	150	87	237	0.86	142,997,153	81,289,115	224,286,268	42.39
5% and above of issued shares	2	0	2	0.01	175,060,001	0	175,060,001	33.09
Total	26,651	934	27,585	100.00	438,277,098	90,793,552	529,070,650	100.00

ANALYSIS OF EQUITY STRUCTURE

No.	Category of Shareholders	No. of Shareholders		No. of Issued Shares		% of Issued Shares	
		Malaysian	Foreigner	Malaysian	Foreigner	Malaysian	Foreigner
1.	Individual	22,464	494	104,939,958	5,713,109	19.83	1.08
2.	Body Corporate						
	a. Banks/finance companies	48	1	68,725,188	150,000	12.99	0.03
	b. Investment trust/foundation/charities	12	0	299,000	0	0.06	0.00
	c. Industrial and commercial companies	313	17	15,667,425	412,700	2.96	0.08
3.	Government agencies/institutions	5	0	185,315,401	0	35.03	0.00
4.	Nominees	3,808	422	63,320,126	84,517,743	11.97	15.97
5.	Others	1	0	10,000	0	0.05	0.00
	Total	26,651	934	438,277,098	90,793,552	82.84	17.16

TOP 30 SECURITIES ACCOUNT HOLDERS

No.	Name	No. of Issued Shares	% of Issued Shares
1.	Capital Market Development Fund	99,860,001	18.87
2.	Minister of Finance Incorporated	75,200,000	14.21
3.	CIMSEC Nominees (Tempatan) Sdn Bhd Minister of Finance Incorporated (ESOS Pool Account)	25,000,000	4.73
4.	HSBC Nominees (Asing) Sdn Bhd Exempt AN for The Bank of New York Mellon (BNYM as E&A)	23,493,097	4.44
5.	Kumpulan Wang Persaraan (Diperbadankan)	21,946,400	4.15
6.	Employees Provident Fund Board	20,672,500	3.91
7.	Valuecap Sdn Bhd	17,596,000	3.33
8.	Lembaga Tabung Angkatan Tentera	8,750,400	1.65
9.	The Nomad Group Bhd	6,072,728	1.15
10.	Cartaban Nominees (Asing) Sdn Bhd State Street for iShares MSCI Emerging Markets Index Fund	5,336,500	1.01
11.	HSBC Nominees (Asing) Sdn Bhd BBH and Co Boston for Vanguard Emerging Markets Stock Index Fund	3,954,452	0.75
12.	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB Bank Berhad (ETP)	3,539,100	0.67
13.	HSBC Nominees (Asing) Sdn Bhd Exempt AN for The Bank of New York Mellon (Mellon Acct)	3,378,100	0.64
14.	HSBC Nominees (Asing) Sdn Bhd Exempt AN for JPMorgan Chase Bank, National Association (U.A.E.)	2,537,590	0.48
15.	HSBC Nominees (Asing) Sdn Bhd BNYM SA/NV for BNY Mellon Global Funds, Public Limited Company	2,500,000	0.47
16.	Cartaban Nominees (Asing) Sdn Bhd The Governor and Company of The Bank of Ireland for iShares Public Limited Company	2,447,500	0.46
17.	Cartaban Nominees (Asing) Sdn Bhd State Street for iShares, Inc.	2,288,000	0.43
18.	Kumpulan Wang Simpanan Pekerja	1,500,000	0.28
19.	HSBC Nominees (Asing) Sdn Bhd HSBC-FS for Legg Mason Southeast Asia Special Situations Trust (201061)	1,415,200	0.27

STATISTICS OF SHAREHOLDINGS

as at 25 January 2010

TOP 30 SECURITIES ACCOUNT HOLDERS

No.	Name	No. of Issued Shares	% of Issued Shares
20.	CIMSEC Nominees (Tempatan) Sdn Bhd CIMB for Mohd Zakhir Siddiqy bin Sidek (PB)	1,400,000	0.26
21.	Cartaban Nominees (Asing) Sdn Bhd State Street for MSCI Equity Index Fund B Malaysia (Barclays G Inv)	1,353,900	0.26
22.	Citigroup Nominees (Asing) Sdn Bhd CBLDN for Stichting PensioenFonds Metaal En Techniek	1,343,500	0.25
23.	Cartaban Nominees (Asing) Sdn Bhd Government of Singapore Investment Corporation Pte Ltd for Government of Singapore (C)	1,291,100	0.24
24.	Amanahraya Trustees Berhad Public Dividend Select Fund	1,265,000	0.24
25.	Cartaban Nominees (Asing) Sdn Bhd BBH (LUX) SCA for Fidelity Funds Malaysia	1,235,500	0.23
26.	Cartaban Nominees (Asing) Sdn Bhd BBH (LUX) SCA for Fidelity Funds Asean	1,162,200	0.22
27.	Cartaban Nominees (Asing) Sdn Bhd Exempt AN for Credit Agricole Titres Brunoy	1,162,000	0.22
28.	HSBC Nominees (Asing) Sdn Bhd Exempt AN for JPMorgan Chase Bank, National Association (Norges BK Lend)	1,140,000	0.22
29.	HSBC Nominees (Asing) Sdn Bhd BNYM SA/NV for Invesco Asean Equity Fund	1,100,000	0.21
30.	Cartaban Nominees (Asing) Sdn Bhd State Street London Fund JY64 for the Emerging Markets Equity Fund (RIC PLC)	1,069,800	0.20
Total		341,010,568	64.45

DIRECTORS' DIRECT AND DEEMED INTERESTS IN THE COMPANY AND/OR ITS RELATED CORPORATIONS

The interests of the Directors in the shares of the Company as at 25 January 2010 including those of his/her spouse and child/children which are deemed interest of the Directors by reference to Section 134(12)(c) of the CA are maintained by the Company in the Register of Directors' Shareholdings pursuant to Section 134 of the CA, details of which are as follows:

Names of Directors	Direct Interest		Deemed Interest		
	No. of Issued Shares	% of Issued Shares	Spouse No. of Issued Shares	Child No. of Issued Shares	% of Issued Shares
Tun Mohamed Dzaiddin bin Haji Abdullah	100,000	0.02	—	6,000	0.001
Dato' Abdul Latif bin Abdullah	40,000	0.007	—	—	—
Datuk Haji Faisyal bin Datuk Yusof Hamdain Diego	25,000	0.005	50,000	—	0.009
Dato' Tajuddin bin Atan	0	0.00	—	—	—
Datin Paduka Siti Sa'diah binti Sheikh Bakir	52,000	0.009	—	—	—
Dato' Dr. Thillainathan a/l Ramasamy	50,000	0.009	50,000	—	0.009
Dato' Sri Abdul Wahid bin Omar	10,000	0.002	—	—	—
Izham bin Yusoff	10,000	0.002	—	—	—
Dato' Wong Puan Wah @ Wong Sulong	0	0.00	—	—	—
Cheah Tek Kuang	50,000	0.009	—	14,000	0.003
Dato' Saiful Bahri bin Zainuddin	0	0.00	—	—	—
Ong Leong Huat @ Wong Joo Hwa	0	0.00	—	—	—
Dato' Yusli bin Mohamed Yusoff ¹	1,000,000	0.19	105,000	—	0.02
Total	1,337,000	0.253			

SUBSTANTIAL SHAREHOLDERS ACCORDING TO THE REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 25 JANUARY 2010

No.	Name	No. of Issued Shares	% of Issued Shares
1.	CMDF ²	99,860,001	18.88
2.	MOF Inc ³	100,200,000	18.94
3.	Newton Investment Management Limited with its shareholding held under its nominees accounts, including Item 4 of the Top 30 Securities Account Holders i.e. HSBC Nominees (Asing) Sdn Bhd Exempt AN for The Bank of New York Mellon (BNYM as E&A)	29,913,891	5.65

¹ Dato' Yusli had subscribed for 2,139,500 ordinary shares of RM0.50 each in 2005, 2006, 2007, 2008 and 2009 by virtue of the options granted pursuant to the ESOS which had vested based on performance.

² Total shares held by CMDF should be 100,200,001 ordinary shares of RM0.50 each in Bursa Malaysia. 340,000 shares representing 0.06% of CMDF's shareholdings in Bursa Malaysia were utilised for onward lending by Central Lending Agency to borrowers under Securities Borrowing and Lending.

³ Total shares held by MOF Inc are set out in Items 2 and 3 of the Top 30 Securities Account Holders.

STATISTICS OF SHAREHOLDINGS

as at 25 January 2010

ESOS

In conjunction with the IPO of Bursa Malaysia on the Main Board of Bursa Malaysia Securities, options over 55,992,600 ordinary shares of RM0.50 each in the Company have been granted to eligible employees over the five years duration of ESOS i.e. from 18 March 2005 to 8 March 2010 (Option Period) in accordance with the ESOS Bye-Laws.

The allocation of options for each year over the Option Period was determined by the Option Committee based on employees' performance rating in the preceding year. Over the five years, a total of 33,059,400 options were vested to eligible employees. In 2009, a total of 3,790,200 options were vested to eligible employees, out of which 466,400 options were granted to 25 new employees on 10 April 2009 at the exercise price of RM4.10. There was no adjustment to the ESOS exercise prices in 2009.

The number of shares allotted pursuant to the exercise of options under ESOS as at 25 January 2010 from 1 January 2009 is reflected in the changes in issued and paid-up share capital as set out in the table below.

No.	Date of Allotment/(Cancellation)	No. of Shares Allotted/ (Cancelled)	Increase/ (Decrease) in Issued and Paid-up Share Capital (RM)	Consideration	Cumulative No. of Shares Allotted	Cumulative Issued and Paid-up Share Capital (RM)
1.	7 January 2009	16,200	8,100	Exercise of ESOS options	525,902,650	262,951,325
2.	13 – 24 February 2009	4,900	2,450	Exercise of ESOS options	525,907,550	262,953,775
3.	11 – 20 March 2009	9,800	4,900	Exercise of ESOS options	525,917,350	262,958,675
4.	13 – 30 April 2008	227,700	113,850	Exercise of ESOS options	526,145,050	263,072,525
5.	6 – 28 May 2008	426,200	213,100	Exercise of ESOS options	526,571,250	263,285,625
6.	3 – 24 June 2008	457,900	228,950	Exercise of ESOS options	527,029,150	263,514,575
7.	3 – 28 July 2009	499,400	249,700	Exercise of ESOS options	527,528,550	263,764,275
8.	11 – 27 August 2009	149,400	74,700	Exercise of ESOS options	527,677,950	263,838,975
9.	3 – 23 September 2009	119,700	59,850	Exercise of ESOS options	527,797,650	263,898,825
10.	15 – 30 October 2009	256,700	128,350	Exercise of ESOS options	528,054,350	264,027,175
11.	4 – 26 November 2009	80,100	40,050	Exercise of ESOS options	528,134,450	264,067,225
12.	3 – 31 December 2009	521,900	260,950	Exercise of ESOS options	528,656,350	264,328,175
13.	6 – 25 January 2010	414,300	207,150	Exercise of ESOS options	529,070,650	264,535,325

OTHER DISCLOSURES

The following information is provided in accordance with Paragraph 9.25 of the MMLR as set out in Appendix 9C thereto.

1. UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

There were no proceeds raised from corporate proposals during the financial year.

2. SHARE BUY-BACK

The proposed share buy-back which was announced on 4 March 2009 was approved by the shareholders of the Company at the 32nd AGM on 2 April 2009. However, no share buy-back has taken place as at 31 December 2009.

3. OPTIONS, WARRANTS OR CONVERTIBLE SECURITIES

The Company did not issue any options, warrants or convertible securities during the financial year, other than the granting of options under ESOS as disclosed in Note 28(b) to the financial statements (pages 131 – 133 of the Annual Report).

4. AMERICAN DEPOSITORY RECEIPT (ADR)/GLOBAL DEPOSITORY RECEIPT (GDR)

The Company did not sponsor any ADR/GDR Programme during the financial year.

5. PENALTY

There was no penalty imposed on the Company for the financial year.

6. VARIATION IN RESULTS

There was no variation between the financial results in the Annual Audited Financial Statements 2009 and the audited financial results for the year ended 31 December 2009 announced by the Company on 4 February 2010.

7. PROFIT GUARANTEE

There was no profit guarantee for the financial year.

8. MATERIAL CONTRACTS

There was no material contract entered into by the Group involving the interest of Directors and major shareholders, either still subsisting at the end of the financial year ended 31 December 2009 or entered into since the end of the previous financial year.

9. REVALUATION POLICY ON LANDED PROPERTIES

The Group's policy is to conduct a review of the value of its landed properties at the end of each financial year. As the Group does not have any revalued properties as at the financial year end, any impairment to the carrying amounts of the landed properties will be recognised in profit or loss. Thus, the value of the landed properties is stated at cost less accumulated depreciation and impairment losses.

INFORMATION FOR SHAREHOLDERS

on 33rd Annual General Meeting

The 33rd AGM will be held on at Ballroom 1, 1st Floor, Sime Darby Convention Centre, 1A, Jalan Bukit Kiara 1, Bukit Kiara, 60000 Kuala Lumpur on Monday, 29 March 2010 at 10.00 a.m.

Details of the 33rd AGM are set out in the Notice of 33rd AGM which accompanies the Annual Report 2009 together with a Form of Proxy. They are also available on Bursa Malaysia's website, www.bursamalaysia.com

The Company has requested Bursa Malaysia Depository in accordance with Article 49A(1) of the Company's AA and Section 34(1) of the Securities Industry (Central Depositories) Act 1991 to issue a ROD as at 22 February 2010, for the purpose of determining the persons to whom the Notice of 33rd AGM shall be given by the Company. Only a depositor whose name appears on the ROD as at 22 February 2010 shall be given the notice of the said meeting.

The General Meeting ROD as at 22 March 2010 will determine a member who shall be entitled to attend the 33rd AGM or appoint proxies to attend and/or vote on his/her behalf.

Final dividend of 9 sen per share under single-tier system in respect of FY2009 if approved by the shareholders under **Resolution 6** at the 33rd AGM of the Company will be paid on 15 April 2010 to shareholders as per ROD on 2 April 2010.

ABBREVIATIONS

LIST OF BURSA MALAYSIA SUBSIDIARIES

Bursa Malaysia Bonds	Bursa Malaysia Bonds Sdn. Bhd.
Bursa Malaysia Depository	Bursa Malaysia Depository Sdn. Bhd.
Bursa Malaysia Depository Nominees	Bursa Malaysia Depository Nominees Sdn. Bhd.
Bursa Malaysia Derivatives	Bursa Malaysia Derivatives Berhad
Bursa Malaysia Derivatives Clearing	Bursa Malaysia Derivatives Clearing Berhad
Bursa Malaysia Information	Bursa Malaysia Information Sdn. Bhd.
Bursa Malaysia Islamic Services	Bursa Malaysia Islamic Services Sdn. Bhd.
Bursa Malaysia Securities	Bursa Malaysia Securities Berhad
Bursa Malaysia Securities Clearing	Bursa Malaysia Securities Clearing Sdn. Bhd.
LFX	Labuan International Financial Exchange

A		C	
AA	Company's Articles of Association	CA	Companies Act 1965
AC	Audit Committee	CAR	Capital Adequacy Ratio
ACCA	Association of Chartered Certified Accountants	CBS	Corporate Balanced Scorecard
AGM	Annual General Meeting	CBRS	CMDF-Bursa Research Scheme
ALD	Authority Limits Document	CC	Compensation Committee
APC	Appeals Committee	CCCB	Customer Care and Complaint Bureau
ASCM	Association of Stockbroking Companies of Malaysia	CDS	Central Depository System
ASEAN	Association of Southeast Asian Nations	CEO	Chief Executive Officer
		CFO	Chief Financial Officer
		CG	Corporate Governance
B		CG Code	Malaysian Code on Corporate Governance and its revision dated 1 October 2007
BCM	Business Continuity Management	CGU	Cash Generating Unit
BCP	Business Continuity Plan	CGF	Clearing Guarantee Fund
BEE	Board Effectiveness Evaluation	CHRO	Chief Human Resource Officer
BIA	Business Impact Analysis	CIO	Chief Information Officer
BNM	Bank Negara Malaysia	CIOC	China International Oils and Oilseeds Conference
Board	Board of Directors	CMDF	Capital Market Development Fund
BPIP	Board Performance Improvement Programme	CME	CME Group Inc.
BT	Bursa Trade	CMH	Commodity Murabahah House
BTS	Bursa Trade Securities	CMOO	Chief Market Operations Officer
Bursa LINK	Bursa Listing Information Network	CMSA	Capital Markets and Services Act 2007
Bursa Malaysia	Bursa Malaysia Berhad	COI	Conflict of interest
		Company	Bursa Malaysia Berhad
		COO	Chief Operating Officer
		CP/CPs	Clearing Participant or its plural
		CRM	Corporate Risk Management
		CRO	Chief Regulatory Officer
		CSR	Corporate Social Responsibility

ABBREVIATIONS

D

DBT	Direct Business Transaction (in accounts is referred to as Direct Business Trade)
DCF	Derivatives Clearing Fund
DMA	Direct Market Access
DR	Disaster Recovery
D&O	Directors and Officers

E

EBITDA	Earnings before Interest, Tax, Depreciation and Amortisation
EPF	Employees Provident Fund
ERM	Enterprise Risk Management
ESOS	Employees' Share Option Scheme
ETF/ETFs	Exchange Traded Fund or its plural
ETP	Electronic Trading Platform
EURO	Euro Dollar

F

FBM	FTSE Bursa Malaysia
FCPO	Crude Palm Oil Futures
FIDE	Financial Institutions Directors Education
FKB3	3-Month KL Interbank Offered Rate Futures
FKLI	Kuala Lumpur Composite Index Futures
FOW	Futures & Options World
FRS/FRSs	Financial Reporting Standard or its plural
FTSE	Financial Times Stock Exchange
FY	Financial Year

G

GBP	Sterling Pound
GDP	Gross Domestic Product
GHR	Group Human Resources
Group	Bursa Malaysia Berhad and its group of companies

H

Hons	Honours
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I

IA	Internal Audit
IFSB	Islamic Financial Services Board
IPO/IPOs	Initial Public Offering or its plural
IR	Investor Relations
IS	Information System
ISS	Institutional Settlement Services
IT	Information Technology

J

JPY	Japanese Yen
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K

KLCI	Kuala Lumpur Composite Index
KPI/KPIs	Key Performance Indicator or its plural

L

LC	Listing Committee
LR	Listing Requirements

M

MAICSA	Malaysian Institute of Chartered Secretaries and Administrators
MGS	Malaysian Government Securities
MIA	Malaysian Institute of Accountants
MIFC	Malaysia International Islamic Financial Centre
MMLR	Main Market Listing Requirements of Bursa Malaysia Securities Berhad
MOF	Minister of Finance
MOF Inc	Minister of Finance, Incorporated
MPC	Market Participants Committee
MSWG	Minority Shareholder Watchdog Group

N

NED/NEDs	Non-Executive Director or its plural
NRC	Nomination and Remuneration Committee

O		T	
OC	Option Committee	TCP/TCPs	Trading Clearing Participant or its plural
OMT	On Market Transactions	TOR/TORs	Terms of Reference or its plural
OPR	Overnight Policy Rate	TP/TPs	Trading Participant or its plural
OTC	Over the Counter		
P		U	
PAT	Profit After Tax	UK	United Kingdom
PID/PIDs	Public Interest Director or its plural	US	United States
PLC/PLCs	Public Listed Company or its plural	USD	United States Dollar
POC 2009	20 th Annual Palm & Lauric Oils Conference and Exhibition		
PO/POs	Participating Organisation or its plural	W	
		WAEIR	Weighted Average Effective Interest Rates
		WAEP	Weighted Average Exercise Prices
R			
REIT/REITs	Real Estate Investment Trusts or its plural		
RM	Ringgit Malaysia		
RMC	Risk Management Committee		
ROD	Record of Depositors		
ROE	Return on Equity		
RWCR	Risk Weighted Capital Ratio		
S			
SBL	Securities Borrowing and Lending		
SBLNT	Securities Borrowing and Lending Negotiated Transaction		
SC	Securities Commission		
SDN BHD	Sendirian Berhad		
SGD	Singapore Dollar		
SIAS	Securities Investors Association Singapore		
SW/SWs	Structured Warrant or its plural		

NOTES