

# 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 2015.

## 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 Malaysian securities, derivatives and offshore exchanges and the Shari'ah compliant commodity trading platform, to operate the related depository function and clearing houses, and to disseminate 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.

## Results

	Group RM'000	Company RM'000
Profit for the year	206,455	188,752
Profit attributable to:		
Owners of the Company	198,613	188,752
Non-controlling interest	7,842	-
	206,455	188,752

There were no material transfers to or from reserves or provisions during the financial year, other than those 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 2014 were as follows:

	RM'000
In respect of the financial year ended 31 December 2014, as reported in the Directors' report of that year:	
Final dividend under the single-tier system of 18.0 sen per share, on 533,770,000 ordinary shares, approved on 31 March 2015 and paid on 16 April 2015	96,079
In respect of the financial year ended 31 December 2015:	
Interim dividend under the single-tier system of 16.5 sen per share, on 534,614,000 ordinary shares, declared on 15 July 2015 and paid on 12 August 2015	88,211
<b>Total dividends paid since 31 December 2014</b>	<b>184,290</b>

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### Dividends (cont'd.)

At the forthcoming Annual General Meeting, a final dividend under the single-tier system in respect of the financial year ended 31 December 2015 of 18.0 sen per share on 534,614,000 ordinary shares, amounting to a dividend payable of approximately RM96,231,000 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 2016.

### 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:

Tan Sri Amirsham bin A Aziz	(appointed on 1 March 2015)
Datuk Seri Tajuddin bin Atan	
Datuk Dr. Md Tap bin Salleh	
Dato' Saiful Bahri bin Zainuddin	
Datuk Karownikaran @ Karunakaran a/l Ramasamy	
Datuk Chay Wai Leong	
Ghazali bin Hj Darman	
Dato' Zuraidah binti Atan	
Pushpanathan a/l S.A. Kanagarayar	
Dato' Eshah binti Meor Suleiman	
Tun Mohamed Dzaidin bin Haji Abdullah	(retired on 1 March 2015)
Tan Sri Ong Leong Huat @ Wong Joo Hwa	(retired on 31 March 2015)

### 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 shares awarded under the Share Grant Plan ("SGP").

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 disclosed 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.

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## Directors' interests

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

	Number of ordinary shares of RM0.50 each		
	1.1.2015 '000	Shares vested under the SGP '000	31.12.2015 '000
<b>Direct interests</b>			
Datuk Seri Tajuddin bin Atan	22	276	298

	Number of ordinary shares of RM0.50 each granted under the SGP				
	1.1.2015 '000	Granted '000	Vested '000	Forfeited '000	31.12.2015 '000
Datuk Seri Tajuddin bin Atan	241	312	(276)	(59)	218

Other than the above, the Directors in office at the end of the financial year did not have any interest in shares of 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 RM266,760,000 to RM267,307,000 by way of the issuance of 1,094,000 ordinary shares of RM0.50 each, pursuant to the Company's SGP.

The new ordinary shares issued during the financial year ranked pari passu in all respects with the existing ordinary shares of the Company.

## Share Grant Plan

The Company's SGP is governed by the By-Laws approved by the shareholders at an Extraordinary General Meeting held on 14 April 2011. The SGP was implemented on 18 April 2011 and is made up of two plans - the Restricted Share Plan ("RSP") and the Performance Share Plan ("PSP"). The SGP will be in force for a maximum period of ten years from the date of implementation.

The salient features, terms and details of the SGP are as disclosed in Note 28(b) to the financial statements.

During the financial year, the Company granted 1,369,000 shares under the RSP and 465,000 shares under the PSP to its eligible employees. The details of the shares granted under the SGP and its vesting conditions are disclosed in Note 28(b) to the financial statements.

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## Other statutory information

- (a) Before the income statements, statements of comprehensive income and statements of financial position 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 bad debts 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 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.
- (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) 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 twelve 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.

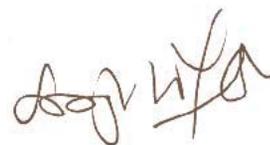
## Auditors

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 2 February 2016.



**Tan Sri Amirsham bin A Aziz**



**Datuk Seri Tajuddin bin Atan**