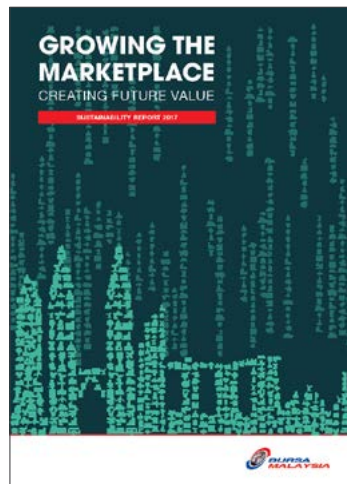
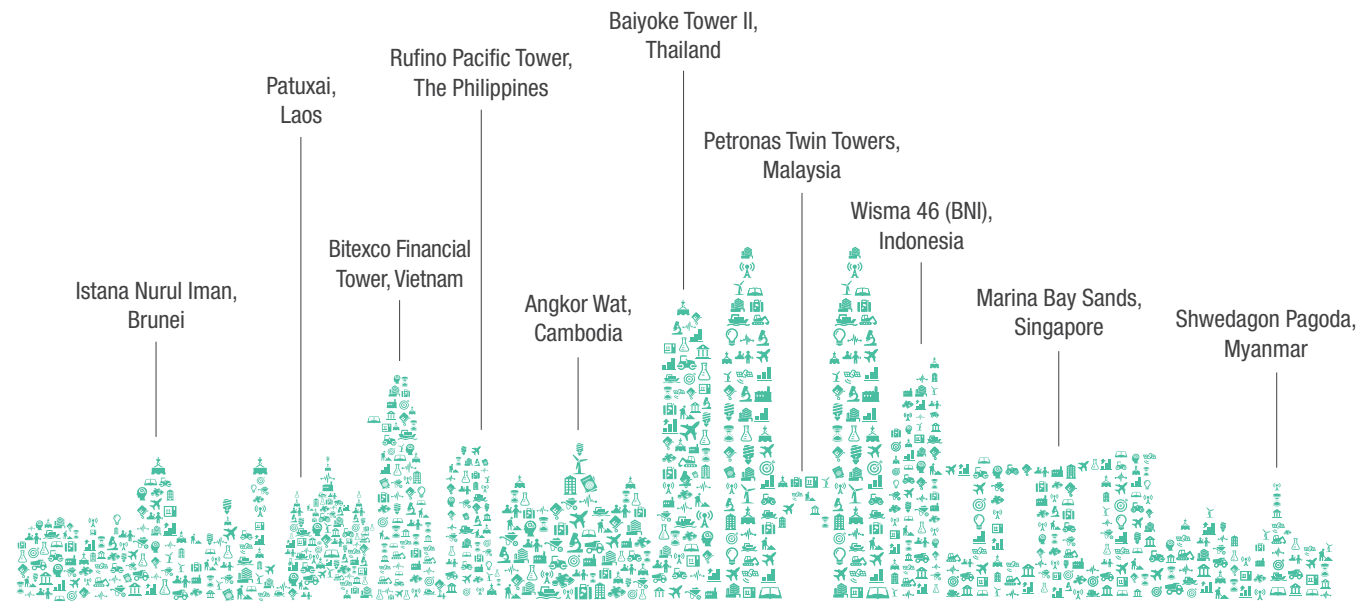


On our Cover:

ASEAN'S LEADING LANDMARKS



GROWING THE MARKETPLACE, CREATING FUTURE VALUE

The imagery used on the cover of our Sustainability Report 2017 symbolises Bursa Malaysia's long-term strategy to be the leading capital market in ASEAN.

At the same time, the theme of our Sustainability Report this year, 'Growing the Marketplace, Creating Future Value', highlights our efforts to continuously develop the domestic capital market, guided by our long-term strategy. This is anchored on achieving value creation not only for our business, but also for our stakeholders for years to come.

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i This interactive PDF allows you to access information easily, search for a specific item or navigate between pages, sections and links.

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ABOUT THIS REPORT

102-10; 102-45; 102-48; 102-50; 102-52; 102-53; 102-54

BURSA MALAYSIA BERHAD (BURSA MALAYSIA) FIRST STARTED REPORTING SUSTAINABILITY PRACTICES IN ITS ANNUAL REPORT 2006. IN 2011, WE MOVED TO PUBLISHING OUR FIRST ANNUAL STAND-ALONE SUSTAINABILITY REPORT, MAKING THIS OUR SEVENTH. AS A COMPANY, WE STRIVE TO CONTINUOUSLY IMPROVE HOW WE REPORT, MEETING THE INFORMATION NEEDS OF OUR STAKEHOLDERS AND HELPING THEM TO BETTER UNDERSTAND OUR APPROACH TO SUSTAINABILITY. THIS REPORT IS PUBLISHED ALONGSIDE OUR ANNUAL REPORT 2017, BOTH OF WHICH ARE AVAILABLE ON OUR WEBSITE AT WWW.BURSAMALAYSIA.COM/CORPORATE.

REPORTING STANDARDS

As with previous years, we have based our reporting approach on the framework and guidance provided by Global Reporting Initiative (GRI). This report has been prepared in accordance with the "core" option of the GRI Standards. This includes adhering to the GRI principles for defining report content:

- Stakeholder Inclusiveness - being responsive to stakeholder expectations and interests
- Sustainability Context - presenting performance in the wider sustainability context
- Materiality - focusing on issues where we can have the greatest impact and that are most important to our business and stakeholders
- Completeness - including all information that is of significant economic, environmental and social impact to enable stakeholders to assess the Company's performance

Our GRI Content Index providing a full list of our GRI disclosures with relevant references is provided on page 66 of this report.

REPORTING SCOPE AND BOUNDARIES

This report covers our economic, environmental, social and governance performance across all our entities and operations in Malaysia except that our environmental performance excludes certain offices and spaces in Kuala Lumpur and Labuan where only a few employees are located. Given the limited significance of this exclusion, we believe our report provides a full picture of our overall sustainability impact and performance. This report covers the period from 1 January 2017 to 31 December 2017. There were no significant changes to our operations and supply chain during the financial year. There is no restatement of information from last year's report.

ASSURANCE

This report has not been externally assured. We will review the need to engage an external assurer for our report in the coming years.

FEEDBACK

We welcome feedback from our stakeholders on this report and any of the issues covered. Should you have any comment or query regarding this report, please contact:

Emilia Tee Yoke Hoong
 Director, Sustainability
 11th Floor, Exchange Square
 Bukit Kewangan, 50200 Kuala Lumpur
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 E-mail : yhtee@bursamalaysia.com



KEY HIGHLIGHTS

2017 has been a successful year for us, with several important milestones on our journey towards being the leading exchange for sustainability in ASEAN. Below, we highlight some of the sustainability achievements and notable points that can be found in our report this year.

- ENHANCING THE COMPETITIVENESS OF THE CAPITAL MARKET -

LAUNCHED THE LEAP MARKET FOR SMEs, the first of its kind in ASEAN	421 RESEARCH REPORTS ON MID AND SMALL-CAP PLCs developed as part of Bursa MidS	MORE THAN 30,000 MEMBERS OF THE PUBLIC participated in Bursa Malaysia's investor education initiatives	FTSE4GOOD BURSA MALAYSIA grew to 44 CONSTITUENTS
-----------------------------------------------------------------------------	---------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------	----------------------------------------------------------------

- ENSURING INTEGRITY AND STABILITY OF THE CAPITAL MARKET -

> 99% of financial statements were filed on time by PLCs	Launched the 3 rd edition CORPORATE GOVERNANCE GUIDE	Conducted 41 corporate governance and sustainability advocacy programmes, involving over 2,400 PARTICIPANTS	Complied with CPMI-IOSCO PFMI and the GUIDELINES ON FINANCIAL MARKET INFRASTRUCTURES issued by the SC
--------------------------------------------------------------------	------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------------	---------------------------------------------------------------------------------------------------------------------

- DRIVING RESILIENCY, RELIABILITY, EFFICIENCY AND INNOVATION THROUGH TECHNOLOGY -

LAUNCHED 1 NEW ORDER VALIDITY AND 2 ENHANCED ORDER TYPES for securities market trading	Implemented an ENTERPRISE DATA ANALYTICS PLATFORM	99.97% average service availability of all IT systems (above average agreed service level of 99.60%)
-----------------------------------------------------------------------------------------------	----------------------------------------------------------	-------------------------------------------------------------------------------------------------------------

- ATTRACTING, RETAINING AND GROWING THE BEST TALENT -

Basic salary ratio of 54% TO 46% FOR MEN AND WOMEN RESPECTIVELY	93% sustainable engagement score among employees	29 AVERAGE TRAINING HOURS per employee
------------------------------------------------------------------------	---------------------------------------------------------	-----------------------------------------------

- CREATING A POSITIVE IMPACT IN THE COMMUNITIES WE TOUCH -

RM2.3 MILLION raised and distributed to 34 BENEFICIARIES via the Bursa Bull Charge 2017	488 EMPLOYEES recorded more than 3,500 VOLUNTEER HOURS
-------------------------------------------------------------------------------------------------------	----------------------------------------------------------------------

- REDUCING OUR ENVIRONMENTAL FOOTPRINT -

FIRST CARBON NEUTRAL Bursa Bull Charge 2017	Maintained our energy intensity at 0.35 GJ/SQ METER
----------------------------------------------------	------------------------------------------------------------

LETTER FROM THE CHIEF EXECUTIVE OFFICER

102-14

Dear Stakeholders,

Bursa Malaysia prides itself as a frontrunner on sustainability. Leveraging on our strengths and our position of influence as a frontline regulator, we continued to play a key role in guiding and moving the Malaysian capital market towards sustainability. Being a public listed company, we recognise the need to lead by example, and are committed to making sustainability a way of life within the organisation.



DATUK SERI TAJUDDIN ATAN

Chief Executive Officer, **BURSA MALAYSIA BERHAD**

For Bursa Malaysia, the year under review has been a good and exciting one. We are fairly pleased with the progress that we have made towards our 2020 aspiration to be a developed market and a leader in ASEAN. Fundamental to this aspiration is the sustainability of our own operations and the Malaysian capital market as a whole. In recent years, we have witnessed the emphasis on sustainability grow in importance both regionally and globally across financial markets. To ensure the creation of future value, we must adapt to the changing global context by proactively managing the breadth of economic, environmental, social and governance opportunities and risks we face. In 2017, we renewed our focus on our material factors (Competition, Market Integrity and Stability, Technology and Talent), which are crucial value drivers across our roles as a regulator, a market operator, an influencer and a public listed company (PLC). These material factors form the foundation for our approach to sustainability.

LETTER FROM THE CHIEF EXECUTIVE OFFICER

LETTER FROM THE CHIEF EXECUTIVE OFFICER

SMEs ARE A CRUCIAL PART OF THE MALAYSIAN ECONOMY AND WE BELIEVE THAT SUPPORTING THEM TO GAIN ACCESS TO CAPITAL MARKET FUNDS WILL CREATE AND SUSTAIN INCLUSIVE GROWTH IN THE ECONOMY.



ENHANCING THE COMPETITIVENESS OF OUR MARKETS

The global landscape for exchanges is increasingly competitive. Our aim is to be a leading market for sustainability, as well as the preferred exchange for fundraising, trading and investment. A four-year business plan was established to enhance our competitiveness. Underpinning this strategy are drivers to further expand our offerings, increase efficiency and provide an enabling ecosystem, while continuously exploring collaborations with stakeholders across the region and leveraging technology.

An important aspect of driving competitiveness is providing market-relevant solutions. In pursuing this, we saw the opportunity to leverage our position to drive sustainable development by providing inclusive market access to fundraising. To this end, we launched two new initiatives aimed at underserved segments of the market. Firstly, the Leading Entrepreneur Accelerator Platform (LEAP) Market, targeted at facilitating the growth of small- and medium-sized enterprises (SMEs), was launched in 2017. SMEs are a crucial part of the Malaysian economy and we believe that supporting them to gain access to

capital market funds will create and sustain inclusive growth in the economy. The LEAP Market was the first listing platform of its kind in ASEAN.

Secondly, in 2017, we also launched the Mid and Small Cap Research Scheme (Bursa MidS) to raise the profile of the potentially high-growth segment of the market. Bursa MidS provides investors with in-depth analysis into mid and small-cap PLCs that are under-researched. This helps investors to make informed decisions regarding such PLCs and diversify their portfolio. In its first phase, 100 PLCs were identified to receive analyst coverage from 20 research houses, and the number of PLCs under the research scheme is expected to grow further over the years. In conjunction with the launch of Bursa MidS, we introduced the FTSE Bursa Malaysia MidS Cap Index and the FTSE Bursa Malaysia MidS Cap Shariah Index to further build investor interest in mid and small-cap PLCs.

A big opportunity area of development for Bursa Malaysia under our core business segments is to meet the growing global demand for Islamic capital market offerings. We have a wide breadth of Shariah-compliant products. As at end

2017, 60.5% of our market capitalisation is Shariah-compliant. To boost our leadership in the Islamic capital market, we had launched Bursa Malaysia-*i*, the world's first end-to-end Shariah-compliant securities platform in 2016. Following that, we had increased the number of Islamic Participating Organisations from 11 in 2016 to 14 in 2017, further enhancing the ecosystem for the Islamic capital market.

In 2017, as part of our efforts to promote Shariah investing, which is viewed as a subset of sustainable and responsible investing, we also took steps to create awareness and educate retail investors on Shariah-compliant capital market products and services. This included organising our inaugural Shariah Investing Fair that attracted strong interest from the public, with 10,000 prospective retail investors attending the event.

We are convinced that integrating sustainability into our business strategies and operations is a vital step in the right direction towards long term value creation. As such, we remain steadfast in our mission, and innovative in our approaches, in order to be an attractive hub locally and in the region.

MAINTAINING THE INTEGRITY AND STABILITY OF THE MALAYSIAN CAPITAL MARKET

While encouraging fundraising and market growth, Bursa Malaysia also seeks to ensure an efficient, fair and orderly market that protects investor interests. In previous years, our Regulatory Plans focused on building a strong regulatory foundation that would raise the quality of practices and conduct among PLCs and intermediaries. As standards improved across the marketplace, we have liberalised our approach over time by moving away from overly prescriptive rules where appropriate, and adopting more principle-based rules, supplemented by guidance. This approach encourages market participants to understand and embrace the spirit and intent behind our regulatory requirements, to promote performance rather than just compliance with the form of our requirements. We have observed encouraging progress among PLCs and intermediaries in response to our efforts over the years. As a result, today we have a well-regulated market underpinned by adequate level of investor protection that is in line with international standards.

Building on this solid foundation, our current 2017-2020 Regulatory Plan seeks to further develop our areas of strength and deepen the culture of corporate governance and sustainability among our PLCs. To this end, in 2017 we made revisions to the Main Market and ACE Market Listing Requirements following the implementation of the new Companies Act 2016 and the release of the new Malaysian Code on Corporate Governance. To support PLCs to get up to speed with these changes, we also published the 3rd edition of our Corporate Governance Guide and conducted 25 advocacy programmes on good corporate governance practices, involving over 1,700 participants.

Furthermore, following the introduction of the Sustainability Reporting Framework in 2015, we continued to upskill PLCs on our sustainability reporting requirements and raise awareness of the importance of managing sustainability risks and opportunities. We held 16 advocacy sessions on these areas for directors, senior management and sustainability practitioners. We also embarked on a review of the first batch of sustainability statements issued in 2017 by the large PLCs, where we found that there was high adherence to our Sustainability Reporting Framework although the quality of disclosures could be improved. We recognise that it takes time for PLCs to fully appreciate the significance of sustainability and integrate the same into their operations. Therefore, we have focused on helping PLCs as well as other market participants such as investors to recognise the importance of sustainability and the benefits of doing so, through relentless advocacy programmes, guidance and engagements with our stakeholders.

Last but not least, as a market operator and regulator, we have a duty to ensure that adequate market safeguard mechanisms are in place. A robust risk management framework is an important sustainability factor that directly affects business continuity. In this respect, we have undertaken the relevant assessments to validate compliance by our depository as well as securities and derivatives clearing houses with the Principles for Financial Market Infrastructures (PFMI) issued by the Committee on Payments and Market Infrastructures and the International Organisation of Securities Commissions.

60.5%
OF MARKET CAPITALISATION IS SHARIAH-COMPLIANT

89.6% AVERAGE COMPLIANCE

with our
SUSTAINABILITY REPORTING FRAMEWORK
among large PLCs

LETTER FROM THE CHIEF EXECUTIVE OFFICER

LETTER FROM THE CHIEF EXECUTIVE OFFICER

26.6%
OF THE 94 FTSE4GOOD
ASEAN 5 INDEX
constituents are
**BURSA
MALAYSIA'S
PLCs**

**BURSA MALAYSIA
HAS MAPPED
ITS CONTRIBUTION TO
FIVE OF THE
SDGs,**
demonstrating our commitment
to play a key role in transforming
the nation for the better

ZERO CYBER SECURITY BREACHES

impacted Bursa Malaysia's services in 2017. All security threats including viruses, malware and attempted intrusions to Bursa Malaysia's firewall and Distributed Denial of Services (DDoS) attempts were detected and blocked by the controls that we have put in place.

BRINGING EFFICIENCIES AND INNOVATION TO THE MARKET THROUGH TECHNOLOGY

Technology is the driving force that underpins the delivery of our services and ensures the resiliency and reliability of the capital market infrastructure that all market participants depend on. In addition, technology opens up opportunities for innovation, as customer demand for digital, mobile and customer-friendly solutions continues to grow. In this respect, we are focused on upgrading and enhancing our systems, as well as embracing new technology to improve customer experience and operational efficiency. We have embarked on our digitalisation journey commencing with the implementation of an Enterprise Data Analytics platform in 2017. This move is in line with best practices adopted by global exchanges and leaves us well positioned to capitalise on the full potential of artificial intelligence moving forward.

We are also exploring a number of other potential areas for development, such as the application of blockchain and keeping a close eye on the growth in Fintech solutions that could be relevant for the capital market.

At the same time, we do recognise that advancements in technology come with increased risks of cyber threats. Although there were no cyber security incidents that impacted Bursa Malaysia's services in 2017, we must continue to strengthen our defence against the growing cyber security risks. In this regard, Bursa Malaysia has established a framework for cyber security to address any escalating cyber threats posed to both our organisation and the broader capital market.

DEVELOPING A HIGH PERFORMING AND DIVERSE WORKFORCE

Our people are one of our most important assets, and we aim to recruit, develop and retain the very best talent. We have continued to invest heavily in employee development to ensure our employees are future-ready. We strive to ensure that our employees remain highly engaged as it is a key driver to high performance and organisational success.

We are also committed to raising awareness for gender equality. Advancing gender diversity in the workplace makes good business sense and the Board of Directors shall set the tone from the top. To this end, we are committed to achieving our target of at least 30% women on the Board of Directors.

At the beginning of 2017, we implemented the Optimising Organisational Structure for Organisation Effectiveness (OOS) initiative for better cohesion and to capitalise strengths across the organisation. This included changes in senior management to ensure a high performance organisation. A review of remuneration and rewards was also conducted to ensure that we continue to attract, motivate and retain high performing talent.

BEING A SOCIALLY AND ENVIRONMENTALLY RESPONSIBLE ORGANISATION

Although community and environmental aspects are not considered as highly material to our business, we are committed to doing our part to contribute to the betterment of our society, while reducing our own environmental footprint. For instance we are pleased to report that as a company, we have steadily reduced our own emissions for five consecutive years.

One other highlight of 2017 was the Bursa Bull Charge (BBC). It was a huge success, seeing more than 1,800 runners participating and raising RM 2.3 million that was distributed to 34 beneficiaries covering a wide spectrum of causes such as financial literacy and social entrepreneurship. It was also Bursa Malaysia's first carbon neutral BBC.

In addition, our employees' volunteering hours increased significantly from last year, with participation in various worthy causes that made a difference to society.

CONTRIBUTING TO SUSTAINABLE DEVELOPMENT GOALS IN OUR OWN WAY

Bursa Malaysia supports and aims to contribute to the Sustainable Development Goals (SDGs), which were adopted by United Nations (UN) member states in September 2015. These universal goals serve as a blueprint for development policy and action towards 2030, for the public and private sector alike. Our belief is that we have a responsibility and an invaluable opportunity to connect with the needs of society, and play our part in transforming communities and the economy for the better. This year, our contribution to the achievement of the SDGs was particularly focused on the five goals put forward by the UN Sustainable Stock Exchanges Initiative as relevant for stock exchanges to support (namely, Goal 5: Gender Equality; Goal 8: Decent Work and Economic Growth; Goal 12: Responsible Consumption and Production; Goal 13: Climate Change; and Goal 17: Partnerships). Our full statement on our commitment and contribution to the SDGs can be found on page 13 of this report. In 2018, we plan to progressively build on our contributions.

LOOKING AHEAD

Bursa Malaysia is determined to be the leading exchange for sustainability in ASEAN. An indicator of our progress in that regard is the strong representation by our PLCs on the FTSE4GOOD ASEAN 5 Index, which showcases the quality and strength of our PLCs against other listed companies in the region. We are confident that we will

make meaningful strides forward in lifting the quality of our capital market and in particular the corporate governance and sustainability standards among our PLCs. To this end, we established a dedicated sustainability team that could lead the way and ensure that Bursa Malaysia's sustainability strategies and action plans are holistic, progressive and impactful.

This year, we have enhanced and expanded the Sustainability Report to be more informative and user-friendly. This Sustainability Report sits within a wider reporting suite by Bursa Malaysia, complementing our Annual Report that focuses on our business and financial performance, strategies and initiatives as well as corporate governance related matters. We are committed to progress on our journey to produce a full Integrated Annual Report for financial year 2018. As we continue to improve our reporting to stakeholders, we hope that the reports provide not only an important update, but a signal of our commitment to being a responsible market leader in the region and beyond.

DATUK SERI TAJUDDIN ATAN
Chief Executive Officer

ABOUT BURSA MALAYSIA

102-16

VISION:

To be the preferred partner in Asia for fundraising, 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.

OUR CORE VALUES



Building relationships

We strive to build mutually beneficial relationships with all our stakeholders.

Building strong relationships with our fellow colleagues towards realizing company goals and objectives.

We have a sense of urgency in our service levels.



United to achieve

We are one organization and work as a team towards common goals.

We encourage information sharing and ideas to achieve our goals.

We believe in mutual respect and trust in one another.

We are strengthened by our diversity (gender, race, experiences and views).



Responsibility

Honesty and integrity in our conduct and practices.

Trustworthy and genuine in all our dealings.

We maintain fair, transparent and orderly markets with prudent risk management.

We take charge and are accountable for our own actions.

Collectively we look towards building a socially responsible organization.



Simplicity

We strive towards simplicity in processes and structures that enable us to make decisions quickly, rapidly transforming ideas into results that excel.

We encourage innovation and welcome and promote new creative ways of doing business for better efficiency and quality.



Agility

We will accept, as well as respond to changes as we move along.

We are enterprising by proactively identifying and pursuing opportunities for new products, services and business practices.

We are result-oriented with the drive and passion to succeed.

We are committed to self-improvement and personal excellence.

WHO WE ARE

102-2, 102-3; 102-4; 102-5; 102-6

Bursa Malaysia is one of the largest bourses in ASEAN, hosting more than 900 public listed companies (PLCs) across 60 economic activities. Established in 1973, we demutualised and became an exchange holding company in 2004, and subsequently listed on Bursa Malaysia Securities Berhad (MYX: 1818) in 2005.

Headquartered at Exchange Square in Kuala Lumpur, we operate and regulate a fully integrated exchange offering a comprehensive range of exchange-related services including listing, trading, clearing, and settlement and depository to all local and international market participants who conduct their businesses and invest in the capital market of Malaysia. We also offer other investment choices including collective investment schemes such as Exchange Traded Funds (ETFs), Real Estate Investment Trusts (REITs), Exchange Traded Bonds and Sukuks (ETBS) and Business Trusts. All our operations are based in Malaysia across our two offices, Kuala Lumpur and Labuan.

GROUP CORPORATE STRUCTURE

102-2



100%

BURSA MALAYSIA SECURITIES BERHAD (635998-W)

Date of Incorporation : 4 December 2003
Principal Activities : Provides, operates and maintains a securities exchange

75%

BURSA MALAYSIA DERIVATIVES BERHAD (261937-H)

Date of Incorporation : 17 April 1993
Principal Activities : Provides, operates and maintains a derivatives exchange

100%

LABUAN INTERNATIONAL FINANCIAL EXCHANGE INC (LL 02032)

Date of Incorporation : 30 July 1999
Principal Activities : Provides, operates and maintains an offshore financial exchange

100%

BURSA MALAYSIA SECURITIES CLEARING SDN BHD (109716-D)

Date of Incorporation : 12 November 1983
Principal Activities : Provides, operates and maintains a clearing house for the securities exchange

100%

BURSA MALAYSIA DEPOSITORY SDN BHD (165570-W)

Date of Incorporation : 26 October 1987
Principal Activities : Provides, operates and maintains a central depository for securities listed on the securities exchange

100%

BURSA MALAYSIA INFORMATION SDN BHD (152961-H)

Date of Incorporation : 2 May 1986
Principal Activities : Compiles, provides and disseminates prices and other information relating to securities quoted on the securities and derivatives exchanges within the Group as well as data reported from the bond platform

100%

BURSA MALAYSIA BONDS SDN BHD (319465-T)

Date of Incorporation : 11 October 1994
Principal Activities : Provides, operates and maintains an electronic trading platform for the bond market

100%

BURSA MALAYSIA ISLAMIC SERVICES SDN BHD (853675-M)

Date of Incorporation : 15 April 2009
Principal Activities : Provides, operates and maintains a Shariah compliant commodity trading platform

100%

Wholly-owned subsidiary of Bursa Malaysia Derivatives Berhad

BURSA MALAYSIA DERIVATIVES CLEARING BERHAD (358677-D)

Date of Incorporation : 9 September 1995
Principal Activities : Provides, operates and maintains a clearing house for the derivatives exchange

100%

Wholly-owned subsidiary of Bursa Malaysia Depository Sdn Bhd

BURSA MALAYSIA DEPOSITORY NOMINEES SDN BHD (240297-W)

Date of Incorporation : 15 May 1992
Principal Activities : Acts as a nominee for Bursa Malaysia Depository and receives securities on deposit or for safe-custody or management

Public Company Limited by Guarantee YAYASAN BURSA MALAYSIA (464552-M)

Date of Incorporation : 24 June 1998
Principal Activities : Provides funds or support to Malaysian individuals and organisations by way of scholarships, grants, donations and other forms of financial assistance for educational, research and charitable purposes

HOW WE CREATE VALUE

102-2; 102-7

HOW WE CREATE VALUE

102-2; 102-6; 102-7

OUR ROLES

WHO WE ARE

Bursa Malaysia plays an important role as the lead facilitator for capital formation and price discovery of the Malaysian capital market. We operate and regulate an integrated exchange which offers trading in securities, derivatives, conventional and Shariah-compliant products and services, giving investors a diverse range of investment choices.

WHAT WE DO

We are the **frontline market regulator**, ensuring that our listed issuers and intermediaries meet their regulatory obligations to uphold investor protection, market integrity and stability.

As the **market operator**, we facilitate secure and easy access to investment and fundraising by providing reliable and resilient market infrastructure and ensuring accessibility to our products and services.

We pride ourselves on being **an influencer** in the areas of governance and sustainability, leading the sustainability agenda and serving as a model of sound corporate governance practices for other Malaysian PLCs and intermediaries.

Finally, we have a responsibility as a **Public Listed Company** to build sustainable value for our shareholders through capital preservation and appreciation while also ensuring we contribute to the betterment of our communities and the environment.

OUR FORMS OF CAPITAL

In creating value, we rely on the effective deployment of our capitals:



1/ FINANCIAL CAPITAL

Our Financial Capital comprises share capital and operating revenue.

The monetary assets we leverage on to enable the holistic execution of our roles in developing and educating the market, investing in our systems and processes, and ensuring our markets operate efficiently and effectively, amongst others.



2/ HUMAN CAPITAL

Our Human Capital comprises highly competent professionals with the right skill sets and capabilities to manage our market infrastructure.

Our staff are deployed in a way which ensures effective and efficient delivery of our commitment and obligations in all our markets. We view innovation and creativity as essential skills to develop competitive products and services which meet evolving market needs. We also emphasise the need for our employees to be agile in adapting to the regulatory and supervisory changes in a robust marketplace.



3/ INTELLECTUAL CAPITAL

Our Intellectual Capital comprises the institutionalised forms of knowledge, information and competencies derived from years of experience as the capital market operator and regulator.

This in turn forms the backbone of our knowledge base, as well as our information portfolio which comprises intellectual property, proprietary rights and our brand.



4/ SOCIAL CAPITAL

Our Social Capital comprises the relationships that we have built with our stakeholders including our investors, public listed companies, regulators, intermediaries and communities.

We are committed to the development of a sustainable ecosystem for all market participants, and to empowering these ecosystems through our Corporate Sustainability Initiatives.



5/ MANUFACTURED CAPITAL

Our Manufactured Capital comprises technology as an enabler across our trading platforms and market operations to ensure reliability and efficiency of our market infrastructure.

We are committed to providing effective and relevant technology to run the trading platform, Bursa Trade Securities, and our clearing systems, depository as well as our regulatory, supervision and risk management functions.

OUR PRODUCTS AND SERVICES

Bursa Malaysia is a multi-asset class integrated exchange, providing investors with diversified opportunities for capital preservation and appreciation and issuers with an avenue for fundraising.

The Exchange comprises:

- Main Market for established companies
- ACE Market for companies with growth potential
- LEAP Market for emerging companies
- A futures and options exchange
- Shariah-compliant products and services through Bursa Malaysia-*i*
- A Shariah-compliant commodity Murabahah trading platform
- LFX offshore exchange

As an end-to-end facilitator of trading, we also provide:

- Post-trade services
- Technology infrastructure and services to support our market operations
- Information services, including market data, to uplift the visibility of our listed issuers and assist investors in the decision-making process
- BursaMKTPLC, our online platform that equips investors and traders with information including analysis, investing and trading tools

At the same time, our risk management structures provide an effective safeguard against systemic risks typically present in the capital markets.

TRADING



SECURITIES

We operate the securities market in Malaysia where investors can participate in the buying and selling of shares on three types of markets, the Main Market with 788 companies, the ACE Market with 115 companies and LEAP Market with two companies. Together these markets comprise 18 sectors that cover 60 economic activities. Our products include:

606	Structured Warrants	4	SPACs
258	Warrants	4	ETBS
18	REITs	1	Stapled Securities
10	Foreign Listings	1	Closed-End Fund
9	ETFs		



ISLAMIC

We offer diverse Shariah-compliant products and services. Our Bursa Malaysia-*i* provides a comprehensive end-to-end Shariah investing platform. We also operate Bursa Suq Al-Sila' (BSAS), a commodity Murabahah trading platform specifically dedicated to facilitate Islamic liquidity management.

Our Shariah-compliant offerings include:

688	i-Stocks	4	i-REITs
5	i-ETFs	4	ETBS



We operate the Labuan International Financial Exchange, where issuers can list their non-Ringgit denominated securities.



DERIVATIVES

We offer 14 derivatives products from the commodity, equity and financial categories. Our products include:

7	Commodity derivatives
4	Financial derivatives
3	Equity derivatives

USD 24.5 billion	Total market capitalisation
19	Bond listings
12	Sukuk listings

VALUE WE CREATE

A DIVERSE AND RESILIENT MARKET:

RM1.9 trillion
Market capitalisation

We are one of the largest stock markets in ASEAN with diverse economic sectors, demonstrating resilience through our regulatory frameworks and presence of quality PLCs which ensure sustainability of our capital market.

GLOBAL BENCHMARK FOR CRUDE PALM OIL FUTURES (FCPO):

Rank 1

Being a leading market for FCPO contracts, the contracts on Bursa Malaysia function as the global benchmark for the FCPO settlement price.

EFFECTIVE FUNDRAISING CHANNELS:

RM21.9 billion
Funds raised

Bursa Malaysia is a choice destination for fundraising, offering vibrant investment options.

PACESETTER IN ISLAMIC CAPITAL MARKETS:

Our expertise in Islamic finance has enabled us to become a leading specialist in global Islamic capital markets.

EXPOSURE TO ASEAN:

As home to some of ASEAN's largest companies with operations throughout the region, Bursa Malaysia is steadily reaching its goal of becoming ASEAN's Multinational Marketplace.

INVESTOR PROTECTION:

Bursa Malaysia upholds investor protection through its robust regulatory framework and approaches, with a high level of adherence to its rules by both listed issuers and intermediaries.

OUR APPROACH TO DRIVING SUSTAINABILITY

102-11

Bursa Malaysia strives to become the leading market for sustainability in ASEAN, fostering the creation of long term value for our stakeholders and contributing to the sustainable development of the Malaysian economy.

We play a pivotal role for the Malaysian economy. While we are committed to ensuring that we adopt sustainable practices within our own operations, our main responsibility, and the greatest impact we have, is on the wider capital market. We are in a unique position to champion the cultivation of sustainable development within the Malaysian capital market.

Building on our journey to date, 2017 saw us take further steps to strengthen our approach to sustainability. Our newly established sustainability department has responsibility for leading the development and implementation of sustainability throughout Bursa Malaysia. Based on our identified material factors and associated sustainability risks and opportunities (presented on page 16), our strategy is focused on integrating sustainability into all aspects of our business – as a regulator, a market operator, an influencer and a public listed company.

OUR INTEGRATED SUSTAINABILITY STRATEGY



AS A REGULATOR,

we take a balanced and holistic approach that seeks to protect investor interests and foster trust, while encouraging growth in the market. We maintain a robust regulatory framework that is assessed regularly and benchmarked against international standards. Key to this is ensuring that we are vigilant to key regulatory risks and opportunities facing our markets. As we continue to strengthen our rules framework, we aim to encourage high standards of self-regulation among our public listed companies (PLCs) and intermediaries. However, we also recognise that rules alone are insufficient to develop a quality and sustainable capital market that is underpinned by transparency and high level of business conduct. To this end, we continue to invest significant resources to supervise, monitor, guide, engage and educate our PLCs and intermediaries. We also continue to enforce our rules promptly and objectively to secure compliance.



AS A MARKET OPERATOR,

we aim to be the preferred market for fundraising, trading and investment. This means, among others, maintaining a reliable and secure market for our investors and market participants. We invest in technology to enrich the trading experience of our customers and improve operational efficiency. Furthermore, we continue to enhance our resilience and competitiveness through increasing our product offerings and services, developing and growing a diverse investor base, improving and providing an enabling market ecosystem that includes all of the market participants, such as intermediaries and PLCs. In line with our regional aspiration, we continue to expand our capability and facilitation of cross border offerings and collaboration.



AS AN INFLUENCER,

we strive to drive positive impact throughout our value chain. Recognising that exchanges are in a unique position to help aggregate and mobilise change, we work relentlessly with and for our stakeholders in areas that will not only benefit them but the capital market as a whole. These include, among others, instilling a strong culture of corporate governance (CG) and sustainability among our PLCs through guidance, education and engagement. Our aim is to not only support the PLCs in fulfilling the relevant reporting requirements, but also encouraging them to go beyond compliance, seeing the inherent value in CG and sustainability.



AS A PUBLIC LISTED COMPANY,

we aim to be exemplary both in terms of sustainable practices and reporting. We constantly benchmark ourselves against global best practices and with peer exchanges in what we do. We aspire to make sustainability a way of life at Bursa Malaysia by engaging and working closely with our employees, customers, suppliers and communities in various areas including labour practices, environmental management, community investment, and many more. In line with our commitment to building a sustainable capital market that is accessible to everyone, we continue to invest considerable efforts to nurture a strong pool of well informed and market savvy investors through various financial literacy initiatives and outreach programmes for the public.

OUR APPROACH TO DRIVING SUSTAINABILITY



THE SUSTAINABLE DEVELOPMENT GOALS



The Sustainable Development Goals (SDGs) set a universal blueprint for development policy and action. Contribution to the relevant SDGs is our responsibility and presents us with an invaluable opportunity to connect with the needs of society, and transform communities and the economy for the better.

Launched at the historic United Nations (UN) Summit in New York in 2016, the SDGs were ratified by 193 UN member states as a common framework for countries, businesses and civil society to focus their efforts on transforming the world by 2030. For Malaysia, the SDGs align to and build on the sustainable development agenda already set in motion by the Eleventh Malaysia Plan 2016-2020 (11MP), which seeks to ensure that no section of society is left behind in nation development.

As an initial step in our own journey to contribute to the SDGs, we have looked at the five goals put forward by the Sustainable Stock Exchanges Initiative (SSE) as relevant for stock exchanges to support. The next table shows how we have had an impact on these five goals. We will be factoring the relevant SDGs into our future strategy planning and target setting.

OUR APPROACH TO DRIVING SUSTAINABILITY

OUR APPROACH TO DRIVING SUSTAINABILITY

SDG	ASSOCIATED TARGET	BURSA MALAYSIA'S IMPACT AND PRIORITIES
	Target 5.5: Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic, and public life.	<ul style="list-style-type: none"> Following the launch of the Empowering Women Series (EWS) in 2016, we continued our efforts to develop the leadership skills of women in senior management of our PLCs and prepare them for board positions through its second series of the EWS in 2017. Please refer to page 39 for further details. We recognise that we have a responsibility for promoting the rights of women and girls in the society. Through our Bursa Suq Al-Sila', we facilitated Amanah Ikhtiar Malaysia to offer cost effective microcredit support for the unbankable community in the nation, particularly single mothers. For more information please see page 26. Within our own operations, we are committed to being an inclusive and equal opportunity employer. We employ a policy of equal pay for equal work for our employees regardless of their gender. At the board level, we support the global and national agenda on gender diverse boards. For more information on how we promote diversity in our workplace and at the highest governance level, please see page 50.
	Target 8.3: Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services.	<ul style="list-style-type: none"> We recognise the opportunity of leveraging the capital market mechanism to support the growth of many small- and medium-sized enterprises (SMEs) which form the backbone of the Malaysian economy. To this end, we launched the LEAP Market, the first listing platform of its kind in ASEAN on 25 July 2017 to give SMEs greater fundraising access and visibility via the Malaysian capital market. Recognising that wider research coverage should be provided to mid to small- cap PLC, the Mid and Small Cap Research Scheme (Bursa MidS) was implemented to ensure licensed research houses provide independent research on each eligible company twice a year. For further details on the LEAP Market and Bursa MidS, please refer to pages 24 and 28 respectively.
	Target 12.6: Encourage companies, especially large and trans-national companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle.	<ul style="list-style-type: none"> Being a signatory to SSE, we remain steadfast in elevating the level of sustainable practices and reporting among our PLCs. Following the introduction of the Sustainability Reporting Framework in 2015 which mandated sustainability reporting, we continued to offer extensive guidance and support to our PLCs by way of advocacy, guidance, disclosure review and engagements. Please refer to page 40 for further details on our sustainability initiatives undertaken for 2017. Guided by our aspiration to be a leading exchange for sustainability, we are committed to leading the way by further integrating sustainability in our business and operations and being transparent in what we do. This year, we continued to prepare our standalone Sustainability Report in accordance with the GRI Standards.
	Target 13.3: Improve education, awareness raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction, and early warning.	<ul style="list-style-type: none"> Globally, green financing has emerged as an effective and powerful means to tackle climate change issue. Riding on this growing trend, we partnered with Capital Markets Malaysia and the World Bank in organising a Green Finance workshop to apprise PLCs of the latest developments and new capital raising opportunities surrounding the green agenda. Please refer to page 40 for greater details. Looking inward, we launched a new initiative to hold our annual signature charity run, the Bursa Bull Charge as a carbon neutral event in 2017. We took deliberate steps to measure, reduce and offset the carbon emissions of the BBC. Please see page 63 for further details.
	Target 17.6: Enhance the global partnership for sustainable development complemented by multi-stakeholder partnerships that mobilize and share knowledge, expertise, technologies and financial resources to support the achievement of sustainable development goals in all countries, particularly developing countries.	<ul style="list-style-type: none"> To grow and drive more conversations on sustainability in the marketplace, we partnered with local and international organisations in many sustainability advocacy programmes and events in 2017. Please refer to page 40 for some examples of our partnership initiatives.

GOVERNANCE OF SUSTAINABILITY 102-18; 102-19; 103-3

Being a PLC and a front-line regulator, we recognise the responsibility we carry with respect to fostering a strong culture of CG not just in the capital market but also within Bursa Malaysia. We aim to adhere to the highest standards of CG under the leadership of our Board of Directors (the Board or the Directors). Detailed information on our Board of Directors and its Governance Model can be found on our corporate website, as follows:



<http://www.bursamalaysia.com/corporate>

With regard to sustainability, the Board has the ultimate responsibility to ensure sustainability is taken into account when setting the strategic direction of the company. We have established a Corporate Sustainability Committee (CSC) to oversee the formulation, implementation and effective management of Bursa Malaysia's sustainability strategies. The CSC is chaired by the CEO and composed of key management members, as follows:

- Chief Commercial Officer
- Chief Operating Officer
- Chief Regulatory Officer
- Chief Financial Officer
- Director, Sustainability
- Director, Corporate Strategy
- Director, Risk and Compliance
- Director, Human Resources

The main roles and responsibilities of the CSC include:

- Reviewing and approving Bursa Malaysia's sustainability strategies, roadmap and high-level goals (collectively referred to as Sustainability Initiatives);
- Aligning or integrating the Sustainability Initiatives with its business strategy to the best extent possible;
- Monitoring the management and implementation of material sustainability matters, sustainability plans and initiatives;
- Reviewing Bursa Malaysia's list of material sustainability matters on a periodic basis;
- Overseeing Bursa Malaysia's stakeholder dialogue/engagement process and its outcomes; and
- Deliberating on such other matters relating to sustainability as may be brought to its attention.

In 2017, the CSC undertook a review of Bursa Malaysia's approach in managing its sustainability matters under each of the identified material factors. Our performance and how we continuously improved and adapted our management approach is addressed in the subsequent chapters of this report.

One particular area identified by the CEO to make sustainability a way of life within Bursa Malaysia, was to have more resources dedicated to sustainability. As a result, a new Sustainability Department (SD) was created in November 2017. The SD exists, among others, to lead the development and implementation of sustainability strategies across our business, supporting the long term interests of Bursa Malaysia and the capital market. The department is headed by Ms. Emilia Tee Yoke Hoong, Director of Sustainability who reports directly to the CEO. The SD comprises three core functions which are:

- Sustainability Strategy and Implementation;
- Community Investment; and
- Bursa Academy.

ORGANISATIONAL STRUCTURE FOR SUSTAINABILITY:



OUR APPROACH TO DRIVING SUSTAINABILITY

OUR APPROACH TO DRIVING SUSTAINABILITY

OUR MATERIAL FACTORS 102-15; 102-46; 102-47; 102-49; 103-1

While we monitor, manage and report on a wide variety of issues, key to our approach is focusing our resources on material sustainability risks and opportunities that are associated with each material factor. This allows us to best meet stakeholder needs and ensure the long term success of our business.

MATERIAL FACTORS	DESCRIPTION	WHAT ARE THE RISKS?	WHAT ARE THE OPPORTUNITIES?	RELATED TOPICS
COMPETITION	Bursa Malaysia is exposed to competition in our securities, derivatives and Islamic markets from regional and global exchanges for both investment and capital raising purposes.	<ul style="list-style-type: none"> Lack of liquidity in the marketplace may hamper the attractiveness of our markets, which in turn may drive issuers to list on other exchanges, and investors to invest in other markets Foreign fund inflows could be curtailed by the presence of more competitive offerings and ecosystems in other exchanges 	<ul style="list-style-type: none"> A facilitative regulatory framework that addresses ecosystem issues will enhance competitiveness of our platform for fundraising and product issuance. This will attract domestic and regional investors as well as issuers to our markets Comprehensive marketing together with intermediaries to attract more investors into our markets Innovative products and an investor-friendly ecosystem could be offered to entice investors with different investment strategies and risk appetites to invest in our marketplace Regional partnerships and collaborations (especially in product development and market connectivity) could be established to extend our global market reach 	<ul style="list-style-type: none"> Increasing securities and other product-related offerings Developing and growing diverse investor base Improving and providing enabling ecosystem
MARKET INTEGRITY AND STABILITY	A well-regulated market, supported by an effective and balanced regulatory framework that provides adequate levels of investor protection while facilitating business efficacy and innovation, is imperative for the continued growth and development of our markets.	<ul style="list-style-type: none"> Any event – such as breaches in regulation, poor corporate governance (CG) practices – that undermines integrity or stability will influence stakeholder confidence, and possibly participation, in the market Overregulation can increase the cost of compliance and create impediments to the market and in particular, public listed companies and intermediaries to develop and innovate A poor CG and sustainability culture, can lead to a lack of transparency and poor CG and sustainability practices 	<ul style="list-style-type: none"> Having a robust approach to ensure the integrity and stability of the market serves to engender trust and confidence, which in turn encourages participation and growth Fostering a strong CG and sustainability culture will also drive long-term value, both in the market and within Bursa Malaysia 	<ul style="list-style-type: none"> Providing a balanced regulatory framework Promoting high standards of business conduct among intermediaries Ensuring market orderliness Promoting transparency and the quality of PLCs Strengthening the culture of CG and sustainability in the market Effective enforcement regime Ensuring orderly trading, resiliency, and reliability of our market infrastructure
TECHNOLOGY	Technology is both a key enabler as well as a potential source of significant disruption to our business model in the long run. It ensures the resiliency and reliability of the market infrastructure, while bringing efficiencies and innovation for market participants.	<ul style="list-style-type: none"> Technology is essential to maintain service availability and reliability by preventing any disruption to our business and the market A growing dependence on technology means greater exposure to the risks of cyber threats. Furthermore, strong data protection measures are needed to ensure our systems run efficiently and productively 	<ul style="list-style-type: none"> With the growing demand for digital, mobile and customer-friendly solutions in the market, staying abreast of technological trends and developments enables us to provide the best service as an integrated exchange Technology can enable cross-border activities and improve connectivity with partner exchanges 	<ul style="list-style-type: none"> Transforming customer experience Revolutionising our services in trading and post trade Pursuing operational excellence
TALENT	Bursa Malaysia plays various specialised roles as a frontline market regulator, market operator, and public listed company. Therefore, acquiring and developing the best talent is central to our growth and success. This makes strategies for the recruitment, development, engagement and retention of our employees crucial to steer our organisation towards meeting our goals and aspirations.	<ul style="list-style-type: none"> Operating in a highly specialised industry, attracting and retaining the best talent to ensure we can continue to perform and meet our objectives can be a challenge Furthermore, for critical and leadership roles, succession planning is vital to our long-term performance as a company 	<ul style="list-style-type: none"> Creating an engaged and energised workforce with shared values Having a diverse workforce, with a mix of perspectives and backgrounds that represents society, will best position us to navigate our operating environment Cultivating a learning culture within the organisation to ensure our talents are 'future-ready' and able to meet evolving market needs 	<ul style="list-style-type: none"> Developing a high performance workforce Diversity and inclusion Nurturing our talent Health, safety, and well-being Employee benefits Managing labour relations

MATERIALITY ASSESSMENT PROCESS

To determine our material sustainability matters (namely, material sustainability risks and opportunities), we undertook a materiality assessment in 2016. We began by developing a long list of sustainability factors through an internal workshop that involved 99 senior, middle and top management staff from across our business. The list of material sustainability factors was subsequently refined based on benchmarking with other exchanges, validated with two key external stakeholders, prioritised and deliberated by our top management before being reflected in Bursa Malaysia's Sustainability Statement and Report 2016.

In order to ensure our material sustainability factors identified in 2016 remained relevant and material to our business and stakeholders, a validation of the material sustainability factors was conducted with a wider group of stakeholders in 2017 via an online survey. We received 238 responses from PLCs, investors, intermediaries, regulators or industry associations, Bursa Malaysia's employees and other stakeholder groups. About 95% of the stakeholders surveyed agreed with the material factors that we outlined.

Moving forward, in 2018 we plan to undertake a review of our material factors and sustainability matters in order to ensure that our understanding of both the current and future risks and opportunities facing our markets is up to date, as well as to gather stakeholder perspectives and ensure we are responding to their needs. As we update our material factors, we will continue to evolve our management approach to ensure that we are addressing them in a holistic and integrated manner. This may involve developing new policies and procedures, implementing various initiatives, measures and action plans, setting indicators, goals and targets as well as reviewing existing systems that capture, analyse and report sustainability data and information.

OUR STAKEHOLDERS 102-40; 102-42; 102-43; 102-44

We strive to create value for all our stakeholders, groups of people or entities that are directly or indirectly influenced by our business operations, or can significantly influence our business or operations. We interact with a large number of stakeholder groups and our engagements with them are crucial to help us identify, prioritise and address material matters in our business. Stakeholder engagements are carried out on a regular basis, as they are integral to our business development, relationships with stakeholders and our overall commitment to sustainability. By allowing forums for transparent engagements which create an environment in which the stakeholders can have their say, we believe that we will be able to create long-term value for these stakeholders.

Our key stakeholders are outlined on the next page, along with the forms of engagement and key topics of interest that we seek to address. The business and functional units are empowered to interact with their respective stakeholders on their chosen platforms and take the necessary actions to address the issues raised by the stakeholders. By gathering stakeholder feedback through constructive dialogue, collaboration and cooperation, we secure, among others, material insights into the environmental, social and governance matters that matter most to them and that are relevant to our business.

Our regular channels to disseminate information to stakeholders include our websites (such as our corporate website and BursaMKTPLC), media releases, various committees and working/ focus groups as well as announcements made via Bursa LINK and other online channels. We also undertake surveys to gain in-depth market feedback and conduct public consultations on major market initiatives or rule amendments for better understanding of our stakeholders' views and expectations. This is important to ensure that we make informed decisions and enable us to assess and manage impact of our proposals. In creating sustainable value for our stakeholders, we are committed to aligning our long-term business strategies with their interests. As stated in our materiality assessment process, we take into consideration their expectations and concerns as we identify and assess the economic, environmental, social and governance risks, as well as opportunities across our businesses.

OUR APPROACH TO DRIVING SUSTAINABILITY

OUR APPROACH TO DRIVING SUSTAINABILITY

OUR STAKEHOLDER GROUPS	ENGAGEMENT APPROACH	WHAT WE ENGAGED THEM ABOUT	THEIR FEEDBACK/ EXPECTATIONS	HOW WE RESPONDED
Public listed companies (PLCs)/potential PLCs, advisers and secretarial firms that act on behalf of PLCs	<ul style="list-style-type: none"> Meetings Public/industry consultations Focus group sessions/dialogues Informal consultations/engagements through emails, phone calls or other means Circulars/directives Communication notes Advocacy programmes/workshops Promotional roadshows and seminars Enquiries via Listing Advisory Portal BursaLINK Site visits Bursa Malaysia's websites 	<ul style="list-style-type: none"> Bursa Malaysia's market development initiatives, regulatory policies and proposed changes to the Listing Requirements (LR) Initial Listing Applications – Initial Public Offerings (IPO)/ Reverse Take Overs (RTO) Additional Listing Applications – Additional issues of securities/secondary fundraising Clarification of obligations or applications of the LR (such as modification or waiver of LR) Operational matters relating to the suitability of listing, admission process, clarification of LR in areas such as transactions and other corporate proposals PLCs' corporate governance (CG) and sustainability practices and reporting FTSE4Good Bursa Malaysia Index and related indices Education/training/advocacy Other matters (such as regularisation proposals for PLCs with poor financial conditions, complaints) 	<ul style="list-style-type: none"> Rules framework should promote ease of doing business and growth of the capital market Voluminous rule amendments resulting in difficulty for PLCs to keep track of changes and higher cost of compliance for PLCs More transparency on Bursa Malaysia's regulatory decisions and expectations More guidance in areas such as eligibility assessment for purpose of listing and application of rules (such as CG and sustainability disclosures) to ensure understanding and compliance Positive feedback on Bursa Malaysia's education and advocacy programmes Insufficient business case and incentives to garner buy-in for sustainability 	<ul style="list-style-type: none"> Continued to adopt a robust consultative approach to ensure that our rules remain practical, relevant and proportionate (such as providing sufficient grace period for compliance where appropriate) Moved towards less prescriptive forms of regulation, where appropriate through issuance of guidance and communication notes Continued to engage and provide comprehensive and targeted advocacy programmes to PLCs on key topics such as disclosure, CG and sustainability Continued to offer assistance and support to PLCs on their enquiries through existing channels such as the Listing Advisory Portal and phone calls
Investors	<ul style="list-style-type: none"> Meetings Public consultations Focus group sessions/dialogues Informal consultations/engagements through emails, phone calls or other means Local and overseas conferences (such as Invest Malaysia), education and advocacy programmes BursaMKTPLC Promotional roadshows and workshops Bursa Malaysia's websites 	<ul style="list-style-type: none"> Background, trends and outlook of the Malaysian capital market Bursa Malaysia's products and services such as equities, derivatives and Islamic products as an option for financial planning and investment Profile of Bursa Malaysia's PLCs, including their financial and non-financial performance (such as CG and sustainability practices) Feasibility of Bursa Malaysia's proposed market initiatives and products Bursa Malaysia's regulatory policies and rule changes Sustainable and responsible investing Financial literacy and investor education Other matters (such as customer service and complaints) 	<ul style="list-style-type: none"> Need a more efficient marketplace underpinned by high market liquidity and velocity to facilitate price discovery Need greater trading flexibility for market participants to mitigate risks and reduce transaction costs Expect a broader range of Bursa Malaysia's products Require more information on Bursa Malaysia's market initiatives, products and PLCs' performance Expect larger PLCs to adopt high standards of CG and sustainability practices and disclosures Envisage more investor education and guidance to be provided by Bursa Malaysia to retail investors and the public 	<ul style="list-style-type: none"> Focused on boosting our market liquidity, velocity and trading flexibility through more facilitative market frameworks or ecosystems Built our listing pipeline and expanded our product offerings to facilitate investments Continued to reach out to existing and new investors through workshops and roadshows to ensure high visibility of our market initiatives, products and PLCs Continued to build up the number of constituents of FTSE4Good Bursa Malaysia to aid investors in identifying PLCs with strong CG and sustainability practices Introduced various investor educational programmes and initiatives (such as leveraging digital media) to raise public awareness on capital market investment opportunities and to promote the mindset shift from saving to investing as well as trading

OUR STAKEHOLDER GROUPS	ENGAGEMENT APPROACH	WHAT WE ENGAGED THEM ABOUT	THEIR FEEDBACK/ EXPECTATIONS	HOW WE RESPONDED
Intermediaries (such as brokers)	<ul style="list-style-type: none"> Meetings Public/industry consultations Focus group sessions/dialogues Informal consultations/engagements through emails, phone calls or other means Circulars/directives Communication notes Advocacy programmes/workshops Promotional roadshows and seminars Bursa Malaysia's websites 	<ul style="list-style-type: none"> Bursa Malaysia's market development initiatives, regulatory policies and proposed rule changes (such as trading systems and business rules) Bursa Malaysia's product development and offerings Clarification of obligations or applications of the business rules (such as modification or waiver of business rules) Operational matters or concerns relating to participant conduct, trading, supervision and market surveillance Education/training/advocacy Other matters (such as complaints) 	<ul style="list-style-type: none"> Need for a more facilitative regulatory framework for market development Perception of over-regulation More transparency on Bursa Malaysia's regulatory decisions and expectations Need more guidance on trading, supervision and market surveillance related matters Positive feedback on Bursa Malaysia's education and advocacy programmes (such as providing a platform for knowledge sharing, exchange of ideas and keeping abreast of latest market developments) 	<ul style="list-style-type: none"> Continued to undertake formal or informal consultations and engagements to seek feedback on the feasibility of proposed changes to rules and new products/services Moved towards less prescriptive forms of regulation, where appropriate through issuance of guidance and communication notes Facilitated market development and addressed any issues from the industry on the perception of over-regulation Conducted advocacy and engagement to elevate compliance and improve intermediaries' understanding of matters pertaining to participants' obligations, front-office supervision, trading, business conduct and cybersecurity Continued to offer assistance to intermediaries through existing channels such as phone calls
Regulators and the Government	<ul style="list-style-type: none"> Meetings Briefings, engagements and consultative sessions Jointly organised events Reports in respect of capital market developments or compliance with statutory obligations (such as Annual Regulatory Report) 	<ul style="list-style-type: none"> Economic and investment landscape and policies in Malaysia Market development initiatives, products, services and regulatory framework governing the Malaysian capital market (such as proposed rule changes) Status updates on supervision and surveillance of capital market trading activities and conduct of PLCs Bursa Malaysia's compliance with its statutory duties and obligations Tax and incentives which affect the capital market and market participants Interpretation of laws/legislations/guidelines 	<ul style="list-style-type: none"> Need for more facilitative policies, incentives and regulatory framework for market development Key risk areas and how to strike the appropriate balance between market development and investor protection Need for better quality and structured disclosures/reporting by PLCs and moving away from a compliance mindset/box-ticking approach Regulators to leverage on technology for monitoring compliance with Bursa Malaysia's rules Need to ensure timely detection and continued enhancement of pre-emptive measures to maintain market orderliness 	<ul style="list-style-type: none"> Continued to engage closely with regulators and the government on our market development initiatives, regulatory framework and liberalisations initiatives to ensure continued growth, vibrancy and competitiveness of the capital market Collaborated with regulators and the government in rolling out CG and sustainability initiatives for the capital market Executed supervision, market monitoring and pre-emptive measures in an efficient manner and reported on the same in a timely manner
Employees	<ul style="list-style-type: none"> Meetings, feedback sessions and coaching CEO Conversations and sessions with the Management Trainings, talks and campaigns (such as HR Day, Eco Carnival) Employee Portal (MY1818) and Staff Zone Employee Engagement Survey Other employee engagement activities (such as annual dinner, festive celebrations, outdoor sports and volunteering work) 	<ul style="list-style-type: none"> Bursa Malaysia's performance and growth strategies Training and development Performance evaluation and management Staff remuneration and benefits Employee well-being Bursa Malaysia's Code of Ethics Collective bargaining and freedom of association 	<ul style="list-style-type: none"> Need for more transparency with regard to Bursa Malaysia's performance, business objectives and growth strategies Offer employees more opportunities to close their competency gaps and gain wider knowledge and skills beyond their current job scope which will enable them to be ready for future roles Ensure a fair and transparent performance management process Offer competitive remuneration Positive feedback with expectations of better and more engaging wellness programmes and activities Harmonious relationship between union members and the Management 	<ul style="list-style-type: none"> Communicated Bursa Malaysia's corporate performance and strategies with employees Offered structured development programmes to ensure all employees' learning needs were addressed and that they were equipped with the fundamental knowledge and skills to perform their jobs Practised and encouraged on-the-job learning, knowledge sharing, coaching and mentoring Strengthened the performance management framework and process Conducted compensation benchmarking to ensure our remuneration package was competitive in the market Conceptualised and implemented a series of forward-thinking and engaging events Continually open, two-way communication and engagement sessions between the Management and employees through various channels and events

OUR APPROACH TO DRIVING SUSTAINABILITY
OUR APPROACH TO DRIVING SUSTAINABILITY

OUR STAKEHOLDER GROUPS	ENGAGEMENT APPROACH	WHAT WE ENGAGED THEM ABOUT	THEIR FEEDBACK/ EXPECTATIONS	HOW WE RESPONDED
Bursa Malaysia's shareholders, institutional investors and analysts	<ul style="list-style-type: none"> Annual Reports Annual General Meetings Bursa Malaysia's senior management meetings with investors and analysts Circulars Bursa Malaysia's websites 	<ul style="list-style-type: none"> Financial performance Strategies for growth Operating landscape Costs Dividend policy Share schemes Corporate sustainability efforts 	<ul style="list-style-type: none"> Concerns relating primarily to Bursa Malaysia's changing competitive landscape and cost growth Strategies and initiatives to support growth plans 	<ul style="list-style-type: none"> Developed and implemented holistic corporate strategies to catapult Bursa Malaysia to the next level of growth Remained vigilant and prudent with corporate expenditures On-going benchmarking and evaluation to ensure Bursa Malaysia remains competitive
Industry associations, professional bodies and industry experts	<ul style="list-style-type: none"> Meetings Public consultations Focus group sessions/dialogues Informal consultations/engagements through emails, phone calls or other means Joint committees/taskforce with the industry (such as Securities Market Operations Committee) 	<ul style="list-style-type: none"> Feasibility of Bursa Malaysia's proposed market initiatives and products Bursa Malaysia's regulatory policies and rule changes Developmental initiatives (such as Bursa Malaysia's post-trade initiatives) and market issues 	<ul style="list-style-type: none"> Input and feedback on Bursa Malaysia's proposals from their standpoint Recommendations or proposals for consideration Request for guidance in respect of issues highlighted, for example, the future of Fintech 	<ul style="list-style-type: none"> Continued to engage closely with the industry associations on our market development initiatives or market issues, regulatory framework and liberalisations to ensure continued growth, vibrancy, and competitiveness of the capital market
Communities (including beneficiaries of Yayasan Bursa Malaysia (YBM) and Bursa Bull Charge (BBC), YBM scholars and non-profit organisations)	<ul style="list-style-type: none"> Education and human capital development initiatives (such as SL1M) Events (such as BBC) Community programmes (such as visits to charitable homes) Meetings Engagements via phone calls, emails/letters Bursa Malaysia's websites 	<ul style="list-style-type: none"> Bursa Malaysia's education and human capital development initiatives Bursa Malaysia's financial and investment literacy programmes YBM's sponsorships and community initiatives Academic performance, welfare and employment of YBM's scholars Progress and impact of BBC or YBM funded projects 	<ul style="list-style-type: none"> Bursa Malaysia offered a good venue for SL1M trainees to gain exposure and build up skills YBM's scholars encountered challenges (such as financial problems) during their study Need for a policy on selection of BBC's beneficiaries and proper follow-through 	<ul style="list-style-type: none"> Offered continued advice/support to YBM's scholars to encourage them to complete and excel in their studies Prioritised hiring of successful scholars Enhanced the policy on selection of beneficiaries and projects for the distribution of funds raised via BBC Close monitoring of BBC-funded projects to ensure the intended outcomes were met per YBM's requirements

GRIEVANCE MECHANISMS FOR STAKEHOLDERS

103-2

We have established a process and clear guidelines for the appropriate management of grievances and concerns raised by stakeholders. The main mechanism is via Bursa 2U, a centralised and independent complaints bureau. Any enquiry or complaint made by a stakeholder of Bursa Malaysia is generally directed to Bursa 2U. Through this mechanism, we seek to deliver a high standard of customer service to our stakeholders and provide assistance in response to any enquiries or complaints that they may have on PLCs, intermediaries, issuing houses, share registrars or on other Bursa Malaysia's services. Upon receipt of any enquiry or complaint, Bursa 2U will conduct a preliminary assessment and escalate it to the relevant personnel in the respective departments at Bursa Malaysia for clarification and investigation.

Stakeholders can submit enquiries and lodge complaints to Bursa 2U through our online help centre (link below) or via normal post to the Bursa 2U office in Kuala Lumpur.



<http://customer.bursamalaysia.com>

Most of the enquiries received will be attended to by Bursa 2U personnel within three business days, except for cases that require assistance from subject matter experts or further investigations by other departments in Bursa Malaysia. During 2017, Bursa 2U received 1042 enquiries including 18 complaints which were partly resolved by Bursa 2U, with the remaining ones forwarded to the respective departments to be addressed.

WHISTLE-BLOWER POLICY AND PROCEDURES

102-17

An environment that fosters a culture of high ethics and integrity is safeguarded at Bursa Malaysia through vehicles such as the Whistle-blower Policy and Procedures (WPP).



The WPP is available via the following link:

<http://www.bursamalaysia.com/corporate/about-us/corporate-governance/whistleblower-policy-and-procedure-for-directors/>

The WPP enables employees or other parties working with Bursa Malaysia (such as contractors, joint ventures) or external parties including members of the public to report any concerns of improper conduct or wrongdoings or raise concerns about possible malpractice at Bursa Malaysia or its subsidiaries without the fear of detrimental or retaliatory action. The Board is responsible for overseeing the implementation of the WPP for Directors. The Audit Committee (AC) is responsible for overseeing the implementation of the WPP for our employees, while duties relating to the day-to-day administration of the WPP are performed by the Director of Internal Audit (IA).

The WPP clearly establishes processes through which such reports may be made with confidence that employees and other persons making such reports will be treated fairly and protected from reprisal. Procedures for reporting by employees are available on our internal 'My1818' platform, while procedures for reporting by external parties are available on our corporate website:



<http://www.bursamalaysia.com/contact/complaints-against-bursa-malaysia>

Reports by any party, internal or external, can be made to our Senior Independent Director or to the Chairman of the Board for any improper conduct by Directors of Bursa Malaysia. Several external complaints were received by the Senior Independent Director and the Securities Commission Malaysia (SC) which were highlighted to IA and subsequently escalated to the AC in 2017 in accordance to the WPP process. As these complaints were verified not to be the subject matter of the WPP, they were referred to and resolved by the relevant operating units within Bursa Malaysia accordingly.

OUR APPROACH TO DRIVING SUSTAINABILITY

COMPETITION

103-1; 103-2; 103-3

MAINTAINING THE HIGHEST STANDARDS OF CONDUCT 102-16; 102-17

The Code of Conduct and Ethics for Directors and the Code of Ethics for employees govern the standards of conduct and ethical behaviour expected from the Board and Bursa Malaysia's employees respectively. The Code of Conduct and Ethics for Directors, which was revised following the publication of the MCCG in 2017, includes principles relating to Directors' duties such as taking into consideration sustainability when setting the strategic direction of the Group, avoiding conflicts of interest (COI) and ensuring compliance in terms of dealings in securities. The Code of Ethics for employees, on the other hand, promotes integrity and ethical conduct among the employees and the management in all aspects of our operations, including privacy and confidentiality of information, dealings in securities and any COI. It also sets out prohibited activities or misconduct involving gifts, gratuities, bribes, dishonest behaviour and sexual harassment. The Code of Ethics for employees, company policies, procedures, manuals and guidelines, form part of each employee's terms and conditions of employment with Bursa Malaysia. All are made available on our internal employee information portal 'My1818' and all employees are required to provide compliance attestation to the Code of Ethics upon joining. Both the Code of Conduct and Ethics for Directors and the Code of Ethics for employees are also available on our corporate website.



The Code of Conduct and Ethics for Directors is available at:

<http://www.bursamalaysia.com/corporate/about-us/corporate-governance/code-of-conduct-and-ethics-for-directors/>



The Code of Ethics for employees is available at:

<http://www.bursamalaysia.com/misc/system/assets/23293/Code-of-Ethics-201217.pdf>

OUR SUPPLY CHAIN

102-9; 102-10; 204-1

As a service company, we procure goods and services for institutional use only. These include sourcing goods and services for information technology, travel, events and building management services to support our day-to-day operations. While we are committed to providing equal opportunity for all vendors, we endeavour to increase the composition of local suppliers (after giving due regard to key considerations such as value for money, quality, competency and where applicable, sustainability performance) as part of our efforts to support the growth of Malaysian businesses. In 2017, 88% of our 610 suppliers were based in Malaysia, providing RM68.8 million worth of goods and services to the Group. There were no significant changes to our supply chain during the financial year.

OUR MEMBERSHIPS IN INTERNATIONAL ORGANISATIONS

102-12; 102-13

Bursa Malaysia holds memberships in various international organisations including bodies or groups that have a focus on sustainability. These enable us to remain up-to-date on latest developments in the exchange sector and sustainability space. Our memberships include:

- Sustainable Stock Exchanges Initiative (SSE);
- World Federation of Exchanges (WFE) including WFE's Sustainability Working Group;
- Asia-Pacific Central Securities Depository Group (ACG);
- OIC Member States' Stock Exchange Forum;
- Asian and Oceanian Stock Exchanges Federation (AOSEF);
- International Organisation of Securities Commissions (IOSCO);
- Futures Industry Association (FIA); and
- Association of National Numbering Agencies (ANNA).

In 2017, we continued to act as an adjudicator in the following sustainability themed awards and leverage the platforms to recognise the efforts of some leading PLCs in the markets and incentivise others to follow suit:

- National Annual Corporate Report Awards (NACRA) 2017 – Inclusiveness and Diversity Reporting Award; and
- ACCA Malaysia Sustainability Reporting Awards (MaSRA) 2017 (which was officially endorsed by Bursa Malaysia).

2017 KEY HIGHLIGHTS

LAUNCH OF THE

LEAPMARKET

FOR SMEs

26.6%

OF FTSE4Good ASEAN 5 INDEX ARE BURSA MALAYSIA'S PLCs

CONSTITUENTS OF

FTSE4Good 44

BURSA MALAYSIA GREW TO

MORE THAN

30,000

MEMBERS OF THE PUBLIC ENGAGED AND EDUCATED ON INVESTING

421

RESEARCH REPORTS WERE GENERATED FOR MID AND SMALL-CAP PLCs WITHIN SEVEN MONTHS AFTER THE LAUNCH OF BURSA MidS

We aim to be the preferred market for fund raising, trading and investment and the leading market for sustainability.

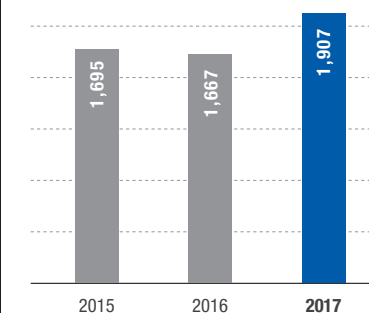
While the Malaysian capital market grew in 2017, the landscape for global exchanges remains challenging. Against the backdrop of globalisation, changes in legislation, technological advancements and many other factors, we are exposed to regional and global competition that is becoming more intense and disruptive. In order to achieve our business objectives and remain competitive, we must be vigilant and adaptable to change. Our focus is to continue to expand our product offerings, grow our investor base, provide an efficient ecosystem to entice more investors, and explore opportunities for partnership and collaboration across the region.

We acknowledge that some factors influencing the competitiveness of our marketplace are beyond our direct control, such as the domestic and global economic performance, global regulatory development and government policies that affect markets. However, for factors that are within our control, we have established a four-year business plan aimed to enhance the competitiveness of our core business segments covering securities, derivatives, and Islamic capital markets.

Our developmental initiatives to improve the overall ecosystem translated into healthy readings in 2017. Our market capitalisation (market cap) rose by 14.4% to RM1,907 billion while our ADV increased to RM 2,530 million, highest in history. Our year-on-year ADV growth of 28.6% was also the second highest among the ASEAN peers. Capturing growth across all investor segments, our retail ADV ended the year with a 41.3% growth, a testimony reflecting the fact that our developmental, marketing and educational initiatives were generating the desired results. Similarly, our BSAS ADV had performed well by closing the year with a 20.2% growth at RM19.6 billion. By 2020, we aspire to become a key regional player with global reach that has a developed market status and is recognised as a market leader in ASEAN.

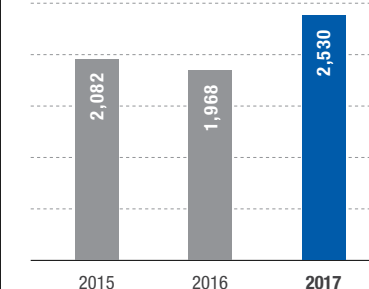
MARKET CAPITALISATION

RM billion



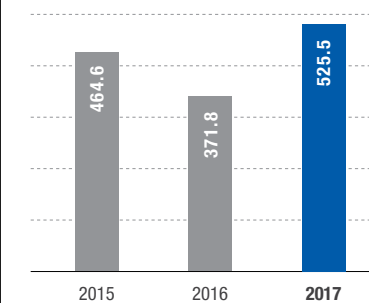
AVERAGE DAILY TRADING VALUE (ADV)

RM million



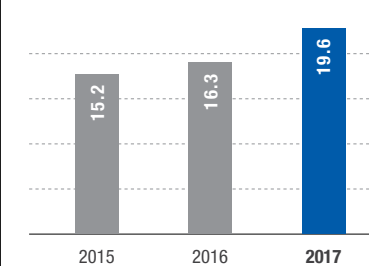
RETAIL ADV

RM million



BURSA SUQ AL-SILA' ADV

RM billion



COMPETITION

COMPETITION

While pursuing our business growth and strengthening our competitiveness, we see the need to do it in a sustainable and responsible manner. Indeed, there is compelling reason for us to weave sustainability considerations into our business strategies and operations. It enables us to be more innovative in our product offerings and gives us an edge over other exchanges to attract new listings and investors. With this in mind, our business plan takes a multi-faceted approach to enhance resilience and competitiveness of our markets while contributing to sustainable development. It cuts across four business pillars (please refer to page 39 in our Annual Report 2017 for more details), of which three are relevant in the context of sustainability:

Increasing Securities and Other Product-Related Offerings

Developing and Growing Diverse Investor Base

Improving and Providing Enabling Ecosystem

We take cognisance that our competitiveness is also closely related to the material topics of market integrity and stability, and technology, which are both crucial enablers of our strategic objectives. Further details on both these topics are detailed in the corresponding sections of this report.

INCREASING SECURITIES AND OTHER PRODUCT-RELATED OFFERINGS

The year 2017 saw a total of 13 listings, bringing in a market capitalisation (market cap) increase of RM21.5 billion. The amount raised was significantly higher at RM7.4 billion compared to RM0.6 billion in 2016. Cognisant of the choice of listing venue that domestic companies have, we seek to ensure that our regulatory framework and ecosystem are both facilitative and conducive to attract new listings of companies. Equally important is building awareness of the listing prospects on Bursa Malaysia. During the year, on top of our own initiatives, we also collaborated with institutions like Malaysian Investment Development Authority (MIDA), SME Corporation Malaysia and Malaysian Debt Ventures Bhd to promote listing on Bursa Malaysia through seminars. At these events, the audience were briefed on benefits of listing and guidance on listing process.

Through our marketing efforts, we seek to build a strong pipeline of companies for listing through consultative approach. We undertake regular engagements with investment banks and advisers to ensure provision of efficient services and address any impediments to growth.

SUPPORTING SMALL AND MEDIUM-SIZED ENTERPRISES' (SMEs) GROWTH THROUGH OUR LEAP MARKET

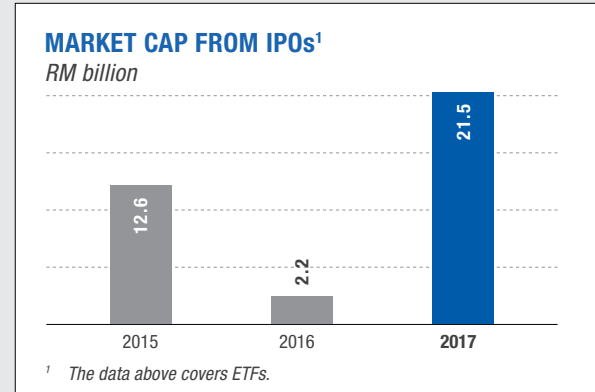
SMEs in Malaysia expanded at a faster pace than the overall economy, despite the challenging environment facing them. In 2016, SMEs recorded real Gross Domestic Product (GDP) growth of 5.2% during the year, bringing their total contribution to 36.6% of the country's GDP. Financial institutions such as development

financial institutions and banks were providing up to 96% of the financing facilities available to the SMEs (source: SME Corporation Annual Report 2016/2017). This shows that the SMEs are heavily reliant on the banking sector to meet their financing needs.

Given the importance of SMEs to the nation's prosperity and the opportunity for us to complement our existing listing platforms (namely, Main Market and ACE Market) with a more SME-friendly financing solution, we launched the Leading Entrepreneur Accelerator Platform (LEAP) Market on 25 July 2017. The LEAP Market is the first listing platform of its kind in ASEAN designed for SMEs. It seeks to provide a cost-efficient and conducive marketplace for SMEs to raise funds and realise their growth potential. This move is part of our commitment to Goal 8 of the Sustainable Development Goals (SDGs) to encourage the formalisation and growth of SMEs, including through access to financial services and is in line with the World Federation of Exchanges' (WFE) recommendation to enhance SME access to equity market finance.

The LEAP Market has garnered significant interest from small- and medium-sized companies seeking to raise capital for business expansion. To facilitate access to the market, we have in tandem with the launch, embarked on initiatives to build awareness among interested companies. As at 31 December 2017, two companies have listed on the LEAP Market. Due to the risks associated with investing in companies which are at developmental stage, only Sophisticated Investors (as defined in the Rules of Bursa Malaysia Securities) can invest in companies listed on the LEAP Market.

Proactive engagements with potential issuers



There is growing competition from other markets and funding platforms, attracting Malaysian companies to seek funding elsewhere. To ensure that we remain the primary choice for listing by Malaysian companies, in 2017 we continued to proactively engage with potential issuers. The engagements sought to increase awareness of the benefits of listing and what our marketplace has to offer as a listing platform as well as to provide guidance on the listing process. These included:

- Mass outreach programmes through 24 seminars and Initial Public Offering (IPO) events
- One-on-one IPO consultations with 138 potential issuers to help them address issues at an early stage, to facilitate and expedite the listing process

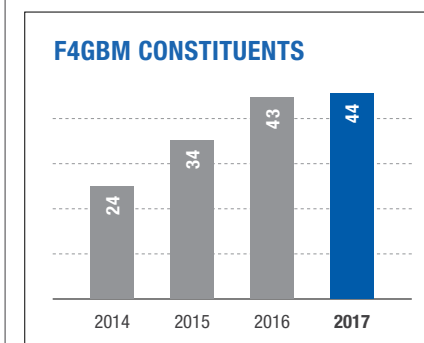
As at end December 2017, we recorded 14 new listings comprising six on the Main Market (including one Real Estate Investment Trust (REIT) and one Exchange Traded Fund (ETF), six on the ACE Market and two on the LEAP Market, with a total IPO funds raised amounting to RM7.4 billion and a combined market cap of RM21.5 billion upon listing. There were also three new listings via Reverse Take Over (RTO).

PROFILING PUBLIC LISTED COMPANIES (PLCs) WITH STRONG ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) PERFORMANCE THROUGH FTSE4GOOD INDICES

We first launched the FTSE4Good Bursa Malaysia Index (F4GBM) with 24 constituents in 2014. Today, F4GBM has 44 constituents following the December 2017 review. This 83.3% increase represents the growing adoption of ESG best practices among Malaysian PLCs. As part of our efforts to further raise awareness among our PLCs of the F4GBM, and ESG in general, seminars and workshops were jointly organised with FTSE Russell to support PLCs to improve their ESG disclosures and enhance their ESG ratings. These engagement programmes were held twice during the year. We also engaged with the senior management of PLCs yet to be included in the F4GBM on an ad-hoc basis, to deepen their understanding of the requirements and value of being in the F4GBM. We aim to continue to grow the

number of F4GBM constituents year-on-year. For more information on FTSE4Good and our related indices, please visit our website.

<http://www.bursamalaysia.com/market/sustainability/ftse4good-bursa-malaysia-index/overview>



Building on the F4GBM, we partnered with FTSE Russell and four other regional exchanges – Indonesia Stock Exchange, the Philippine Stock Exchange, Singapore Exchange and the Stock Exchange of Thailand to launch the FTSE4GOOD ASEAN

5 Index (F4GA5) on 12 April 2016. The new Index measures the performance of regional PLCs demonstrating strong ESG practices. As at 31 December 2017, 26.6% of the 94 constituents of F4GA5 are Malaysian PLCs, showcasing the quality and strength of local PLCs against other players in the region.

EXPANDING PRODUCT DIVERSITY THROUGH ETF

ETF is a product that is gaining much traction globally due to its low costs and transparent and innovative nature. Global ETF size reached USD4.661 trillion as at end of 2017 (source: ETFGI). Recognising the need to establish a sustainable ETF market, we continued our efforts in both developmental and marketing initiatives in this area. We are also a member of the SC-led ETF Task Force looking into improving the ecosystem for ETF and allowing new types of ETF to be introduced. The ETF Task Force published its recommendations in May 2017. In line

COMPETITION

with the Task Force recommendations, Bursa Malaysia announced a full waiver of clearing fees for ETF market makers and the Government announced waiver of stamp duty in the 2018 Federal Budget. On 6 December 2017, Bursa Malaysia's first commodity ETF was listed. The Tradeplus Shariah Gold Tracker enabled investors to buy and sell gold underlying security in a low cost and transparent manner like shares.

CREATING A MARKET NICHE THROUGH AN ISLAMIC LENS

We play an important role in promoting the Islamic capital market, as it provides unique opportunities and a trusted environment for Malaysian PLCs and investors to grow in a manner that is Shariah-compliant. In light of the tremendous growth of global and domestic Islamic funds industry due to increased number of high net worth individuals globally and demand for Shariah-compliant instruments, a strategic roadmap was developed to steer Bursa Malaysia towards being the leading exchange in the Islamic capital market and the hub for Shariah-compliant investments. Under the strategic roadmap, we are focused on creating a vibrant trading centre for Islamic-based capital market offerings and expanding our domestic and foreign client base.

As such, in 2016, we launched Bursa Malaysia-*i*, the world's first end-to-end Shariah-compliant investing platform to meet the growing needs for Islamic finance. This lends further credence to Malaysia's position as the pre-

eminent marketplace for Islamic and socially conscious-based finance. Bursa Malaysia-*i* incorporates the full range of Shariah-compliant exchange-related services including listing, trading, clearing, settlement and depository facilities. Bursa Malaysia-*i* offers a wide range of Shariah-compliant securities from *i*-Stocks, *i*-ETFs, *i*-REITs and ETBS for an investor to build a multi-asset, diversified portfolio and also has *i*-Indices for performance benchmarking. Please visit our website for more information of each product.



<http://www.bursamalaysia.com/market/islamic-markets/>

All these offerings contribute to an enabling environment of choices for investors to invest and trade via a Shariah-compliant platform. This innovation is one of many that Malaysia is proud to be able to lay claim to and bolsters our country profile as a leader in Islamic capital market services and infrastructure. As at 31 December 2017, Bursa Malaysia's market cap was RM1.91 trillion, of which RM1.15 trillion or 60.5% was Shariah-compliant. In addition, as at 31 December 2017, 76% or 688 out of 905 companies listed on Bursa Malaysia were Shariah-compliant. These position us as a leading exchange in the Islamic capital market and a hub for Shariah-compliant investments.

Facilitating Islamic finance institutions to provide financing to unbankable community

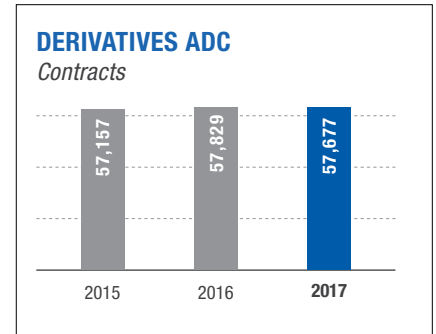
In August 2009, we launched Bursa Suq Al-Sila' (BSAS), a Commodity Murabahah platform to facilitate financing transactions by Islamic financial institutions. Being a participant on BSAS, Amanah Ikhtiar Malaysia (AIM) was given access to an effective and efficient platform to provide cost effective microcredit or financing for a sub-segment of unbankable community in the nation, such as single mothers selling goods in rural villages that do not have access to credit or funding. The objective of AIM's microcredit or financing initiative is to reduce poverty by promoting entrepreneurship, and providing counselling, training and guidance to families from low income groups.

This initiative aims to ensure that nobody is left behind and excluded from economic growth. With this initiative, today, BSAS not only provides services to big corporations and financial institutions, based on Murabahah concept, but is also now part of a more inclusive system to alleviate poverty, improve gender equality and ultimately promote decent work and economic growth in the nation. This initiative is in line with Goal 1: No Poverty, Goal 2: Gender Equality and Goal 8: Decent Work and Economic Growth. As at 31 December 2017, we facilitated and enabled a total disbursement of RM2.3 billion by AIM to the community.

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MOVING TOWARDS SUSTAINABILITY THROUGH OUR FUTURES PRODUCT

With respect to product development for the derivatives market, Bursa Malaysia Derivatives (BMD) has embarked on the Crude Palm Oil Futures (FCPO) revamp to enhance its competitiveness, which has received approval-in-principle from the Securities Commission Malaysia. The revamp of FCPO has been proposed to include, among others, mandating the requirement for submission of traceability documentation relating to crude palm oil delivered to BMD. We envisage that this initiative is a stepping stone towards supporting and meeting the increasing global market demand for traceable and certified sustainable palm oil in the physical market.



DEVELOPING AND GROWING DIVERSE INVESTOR BASE

We believe that a diverse and balanced mix of institutional, retail, local and foreign investors is an important yardstick of a competitive and sustainable capital market. Our efforts in this area cover a wide range of initiatives, both educational and marketing in nature. In both of these areas, we work very closely with all market participants to develop a diverse investor base that have different investment profiles and investment strategies.

BUILDING A STRONG PIPELINE OF RETAIL INVESTOR BASE

Having strong participation of domestic retail investors in the Malaysian capital market not only contributes to higher market liquidity but also signals the level of inclusiveness of our markets. We recognise that the capital market would benefit from new retail investors having the confidence to participate. In this regard, we are focused on reaching out to the general public, building their knowledge and interest in investing in our markets.

To encourage the general public to explore and learn about financial management and understand the capital market, we have implemented a comprehensive suite of initiatives and programmes to educate the public about becoming 'well-informed' investors. We recognise that it is our responsibility to develop quality investors who are able to assess the risks associated with their investments, weather undesirable market performance and grow their wealth via our markets in a sustainable manner. As part of our efforts to improve our contribution to the public in this area, we revamped our investor education programme in 2017 to effectively cater to the needs of different segments in the market. Different initiatives were tailored to meet the different objectives of reaching out to the following segments as set out on the right:

BEGINNERS/FUTURE INVESTORS

- To create awareness on investment opportunities on Bursa Malaysia
- To equip young and new investors with knowledge and information on investments

INTERMEDIATE/EXISTING INVESTORS

- To improve and increase existing investors' capital market literacy level to be in line with developed markets
- To ensure investors are making investment decisions in an informed and responsible manner

MARKET SAVVY/PROFESSIONALS

- To build a pipeline of sophisticated and market savvy capital market investors
- To share in-depth technical knowledge on investment products such as ETFs and structured warrants

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COMPETITION

All of our educational programmes are free for the public. In 2017, we reached out to a total of 31,027 individuals. Details of the engagements are as follow:

Target Segment	Examples of Investor Education Programme	2016		2017		YoY Attendees Growth
		No. of Events	Attendees	No. of Events	Attendees	
Beginners/ Future Investors	<ul style="list-style-type: none"> Market Awareness Visit (MAV) <ul style="list-style-type: none"> Hosting educational visits from higher learning institutions/organisations that are keen to learn more about the role of Bursa Malaysia and the Malaysian capital market Bursa Young Investor Club (BYIC) <ul style="list-style-type: none"> Educating undergraduates on savings and investment opportunities on Bursa Malaysia through investment seminars, workshops, conferences, investment games and other investment-related activities. Currently, there are 21 BYIC across Malaysia (eight new BYICs were formed in 2017) 	88	3,787	98	9,580	153%
Intermediate/ Existing Investors	<ul style="list-style-type: none"> Bursa Investor Education Workshop (BIEW) <ul style="list-style-type: none"> Providing investment knowledge to the general public. This programme educates and equips retail investors with investment fundamentals and trading knowledge through a series of financial and investment topics 	38	5,387	34	19,347	259%
Market Savvy/ Professionals	<ul style="list-style-type: none"> CPE Accredited Product Workshop <ul style="list-style-type: none"> Educating and equipping dealer representatives with the right information and sharpening their product knowledge and investment skill sets 	11	1,305	18	2,100	61%
Total		137	10,479	150	31,027	196%

The education programmes also complemented our various marketing and promotional initiatives (please refer to the MD&A section of 2017 Annual Report for details) such as the 3-month digital campaign named 'What's Your Goal' that was launched in November 2017. The campaign aimed to encourage Malaysians to achieve their financial goals through informed capital market investment and was supported by roadshows conducted by intermediaries around Malaysia, resulting in the opening of 7,126 new CDS accounts within the first month.

WIDENING THE REACH THROUGH DIGITAL PLATFORMS

In 2017 we embarked aggressively on digital social media marketing to reach out to the digital generation. For social media, bite-sized engaging content and interactive videos were posted to reach, educate and engage with our target audience. This resulted in a 412% growth in fans on the BursaMKTPLC Facebook page. For BursaMKTPLC portal, in 2017, it was repositioned as a portal to 'Learn, Try and Apply' targeting new investors with the aim to educate and provide a virtual platform for them to try investing with virtual money. To date, BursaMKTPLC has a total of 82,408 registered users. In our continuous efforts to ensure that the BursaMKTPLC portal is investor friendly, we are revamping the portal in stages to improve the content and accommodate the

learning needs of investors who are in the beginner, intermediate and advanced stages of their investing journey.

ENABLING INVESTORS TO DIVERSIFY THEIR INVESTMENTS INTO SMALLER PLCs

In 2017, we also released a new initiative to elevate the profile of mid and small-cap PLCs and spur the vibrancy of this potentially high growth segment of the market. The Mid and Small Cap Research Scheme (Bursa MidS), provides investors with in-depth analysis into mid and small-cap PLCs that are under-researched, helping investors to make informed decisions regarding such PLCs and diversify their portfolio. The first phase of the scheme began in May 2017 with the objective of supporting 100 PLCs with a

market cap of between RM200 million and RM2 billion. Funded by the Capital Market Development Fund, the initiative involves 20 licensed research houses.

Reports from Bursa MidS are available at:



www.bursamids.com

Within a period of seven months, 421 reports which included initiation coverage, summary reports, results review and company updates were uploaded on Bursa MidS. The initiative is also supported by the FTSE Bursa Malaysia MidS Cap Index and FTSE Bursa Malaysia MidS Cap Shariah Index, which track the performance of the mid and small-cap PLCs.

EXPOSING INVESTORS TO SHARIAH INVESTING

In addition to our focus of growing domestic retail investors, we are also focused on engaging our investors on the opportunity to adopt Shariah-compliant approaches to investing. Shariah-compliant investing is viewed as a subset of sustainable and responsible investing (SRI) due to its strong alignment of social objectives. To this end, we have worked closely with our Islamic Participating Organisations (POs) and other industry partners to increase awareness and provide education to the investment

community and retail public on Shariah investing through various educational programmes nationwide.

Since the launch of Bursa Malaysia-*i* over a year ago, we have conducted over 100 direct engagements with market participants including fund managers, institutional investors and over 35,000 individual retail investors. In terms of attracting foreign institutional investors, we also participated in international roadshows and forums in Beijing, Jakarta, London and Shanghai, among others. To capture the interests of young investors, particularly the Gen-Y and millennials, Bursa Malaysia-*i* embarked on social media engagements via Twitter, Facebook and Instagram to increase the awareness and provide latest updates and developments of Shariah investing and Bursa Malaysia-*i* platform activities.

The inaugural Shariah Investing Fair held in November 2017, was the first-of-its-kind retail event that we organised. It served as a platform to promote and increase awareness and exposure, as well as educate the retail public on stock market investment, Shariah-compliant product and service offerings, as well as the journey to investing in Shariah-compliant capital market products and Shariah investing on Bursa Malaysia-*i*. A total of 10,000 visitors and 32 exhibitors were present at the two-day event, indicating a strong interest from the public on Shariah investing.


IMPROVING AND PROVIDING ENABLING ECOSYSTEM

The evolving needs of investors and issuers have changed the way we conduct businesses. It is essential for us to develop a conducive ecosystem which not only promotes attractiveness of products offered but also supports sustainable growth of our markets. We continue to focus strongly on improving the eco-system which complements the technological evolution and connectivity trend. We have undertaken various initiatives in this area which include new programmes such as Intraday Short Selling, Business Rules Revamp, trading improvements for ETFs and Structured Warrants, and trading incentives as part of our efforts to elevate our marketplace to the developed market status (greater details are covered in the MD&A section of our 2017 Annual Report). In terms of improving Malaysia's investability, we will continue our engagements with the relevant parties to facilitate the increase in Malaysia's weightage on the MSCI Emerging Market Index.

STRENGTHENING THE NETWORK WITH MARKET INTERMEDIARIES

Given the importance of broker partners and their role in the capital market, we have established Channel Management to foster closer relationship and to provide guidance particularly on business initiatives. In 2017, 69 engagements were conducted comprising both one-on-one and industry-wide sessions on initiatives that Bursa Malaysia was undertaking. We also started issuing broker factsheets on a quarterly basis; providing competitive ranking of brokers vis-à-vis industry average. The factsheet provides insights on brokers' rankings on the various business areas within the industry including opportunities for development and growth. The continuous engagements have resulted in better reception towards new market developments and business growth initiatives.

COMPETITION

ENHANCING THE ACCESSIBILITY OF DERIVATIVES

Key to our competitiveness is ensuring accessibility to our services by our market participants and investors. In June 2017, we decoupled the participants structure of BMD to improve the accessibility and attractiveness of the market to traders globally. Unlike its previous structure which required participants to have both clearing and trading functions, this change allowed participants doing clearing only to be admitted as a clearing participant, without first being admitted as a trading participant with the derivatives exchange. The new approach enhances cost efficiency for trading and clearing activities as it provides intermediaries with further flexibility to specialize in their niche services and leverage their strengths. The introduction of the clearing-only function is imperative to facilitate greater diversity and transform the competitive dynamics of the Malaysian capital market.

ENHANCING THE ECOSYSTEM FOR THE ISLAMIC CAPITAL MARKET

As at 31 December 2017, there were 14 Islamic POs out of 30 registered POs carrying out Islamic stockbroking services (stockbroking services which are in compliance with Shariah principles) of which one was on a 'full-fledged' basis and the other 13 were on 'window' basis. Bursa Malaysia-i helped increase the visibility of the existing Islamic POs, which consequently, will attract the setting up of more Islamic stockbroking services in the near future and create a healthy competitive environment. This will create positive and lasting impacts to the development of the country's stockbroking services industry. Having more intermediaries such as these Islamic POs will also help facilitate promotion of Shariah-compliant products and Shariah investments via Bursa Malaysia-i.

ADDING MEASURES TO IMPROVE TRADING LIQUIDITY AND MARKET VELOCITY

We had successfully launched the revised tick rule on Regulated Short Selling (RSS) on 27 February 2017. Under the previous framework, RSS orders can only be entered at a price higher than the last done price. The revised Tick Rule will allow RSS orders to be executed at the best current asking price or higher. The revised Tick Rule provides greater price flexibility to market participants in conducting RSS and enhances the price discovery process and hedging abilities. This in turn can also contribute to higher trading liquidity for the related securities in the RSS over the long term.

On 27th February 2017, Bursa Malaysia launched the Securities Borrowing and Lending -Negotiated Transaction (SBL-NT) Failed Trade Framework. Under this framework, investors are now allowed to borrow securities to settle potential failed trades rather than be subjected to the buying-in process. Using this facility, investors will now be able to mitigate the high costs of trade errors. This facility makes investing in Bursa Malaysia a more attractive proposition to investors which can also increase the overall market velocity and liquidity.

INTRODUCING NEW FRAMEWORK TO ENHANCE PARTICIPATION OF ISLAMIC ASSET MANAGERS

In order to further enhance our Shariah-compliant products, we launched the Islamic Securities Selling and Buying Negotiated Transaction (ISSBNT) framework on 13 December 2017. ISSBNT is the world's first Shariah-compliant alternative to Securities Borrowing and Lending (SBL). Locally, the conventional SBL market has seen a growth from RM0.2 billion in 2012 to RM4.8 billion in 2017 (the average SBL amount for the year). SBL is an established practice in global financial markets that provides liquidity to markets while also generating additional returns to investors who lend securities.

ISSBNT was developed to cater for the need to have a Shariah-compliant version of SBL, especially when considering the massive size of Islamic assets under management in Malaysia, which stood at RM169 billion as at November 2017. (source: SC's website)

MOVING FORWARD

Looking ahead, our priority remains to position Malaysia at the centre of regional and global capital markets. We will continue to improve our market systems to remain competitive, sustainable and inclusive for all.

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103-1; 103-2; 103-3

2017 KEY HIGHLIGHTS

BALANCED REGULATORY FRAMEWORK WHICH IS BENCHMARKED AGAINST INTERNATIONAL STANDARDS	99.2% FINANCIAL REPORTS OF PLCs SUBMITTED WITHIN THE PRESCRIBED TIMEFRAMES
PUBLISHED THE 3RD EDITION OF OUR CORPORATE GOVERNANCE GUIDE	1.0% QUERIES ISSUED ON PLC ANNOUNCEMENTS AND MEDIA REPORTS BELOW
16 SUSTAINABILITY ADVOCACY PROGRAMMES INVOLVING 731 PARTICIPANTS	25 CORPORATE GOVERNANCE ADVOCACY PROGRAMMES INVOLVING 1,758 PARTICIPANTS
19.2% WOMEN ON THE BOARDS OF THE TOP 100 PLCs	89.6% AVERAGE COMPLIANCE LEVEL AND 47.4% AVERAGE QUALITY SCORE FOR THE FIRST BATCH OF SUSTAINABILITY DISCLOSURES FROM PLCs

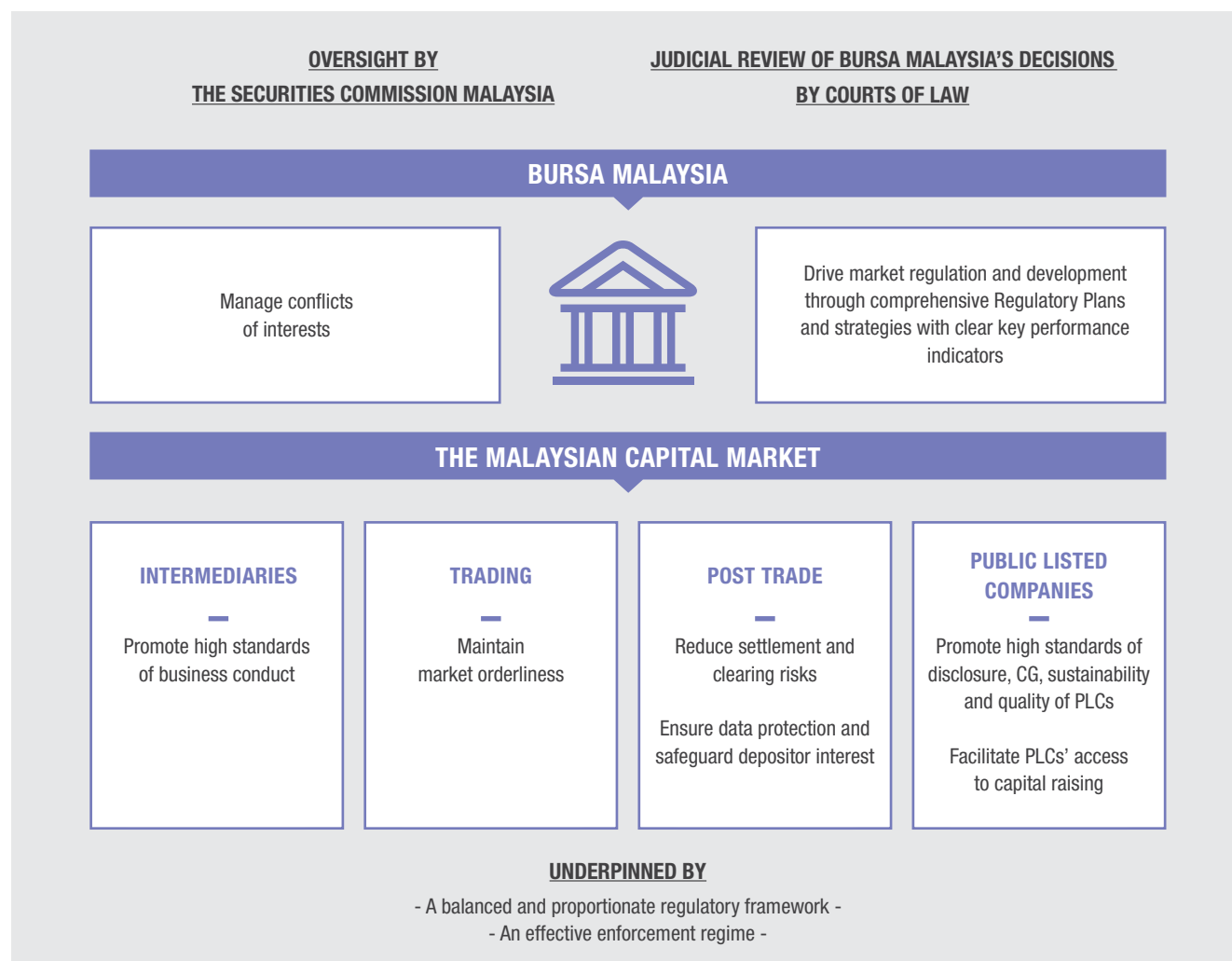
OUR AMBITION IS TO FACILITATE THE DEVELOPMENT OF A QUALITY AND SUSTAINABLE CAPITAL MARKET THAT IS BUILT ON A BEDROCK OF BALANCED REGULATION, TRANSPARENCY, HIGH LEVEL OF SELF-REGULATION AND BUSINESS CONDUCT.

Integrity and stability are imperative to the development of a quality and sustainable capital market. To this end, we have put in place a comprehensive and robust framework, covering multiple regulated persons and operations as illustrated in the next diagram. With the framework, we seek to ensure an efficient, fair and orderly market that protects investor/depositor interests, while encouraging fundraising and market growth. We also seek to encourage and facilitate a strong culture of corporate governance (CG) and sustainability in the capital market, as we believe this is crucial to the creation of long term and inclusive growth for the Malaysian economy as a whole.

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FRAMEWORK FOR ENSURING MARKET INTEGRITY AND STABILITY



We are operating in a dynamic environment with regulatory risks that continue to evolve. Therefore, to ensure market integrity and stability, we continuously refine our three-year Regulatory Plans to remain effective. Throughout the development and implementation of our Regulatory Plans, we engaged with regulatory bodies, investor groups, public listed companies (PLCs), industry associations, advisers, intermediaries and other relevant parties to ensure that we took into account the needs of all stakeholders.

Prior to 2017, our Regulatory Plans were focused on building a strong regulatory foundation for our market, enhancing and strengthening our market quality across PLCs, intermediaries and trading. We undertook various reforms to improve our regulatory framework over the years, which emphasised on promoting market development, improving quality of disclosures, inculcating better CG practices and conduct of PLCs and intermediaries, supported by an effective and efficient supervisory and enforcement regime.

This was to lift the bar on the quality of practices and conduct of our PLCs and intermediaries. From there, the regulatory framework was liberalised over time and our supervisory approaches evolved as the standards of conduct in the marketplace improved. We recognised that there were certain circumstances where prescriptive rules were necessary and others where more principle-based rules supplemented by guidance may be more appropriate. Hence, as the conduct improved and we saw the self-regulation grow among the

PLCs and intermediaries, we emphasised more on various initiatives such as issuance of best practices/guides and conduct of advocacy programmes, designed to move conformance mindset (of complying with the form/letter of the rules) to a performance mindset (of embracing the substance/ spirit and underlying rationale of the rules) among our regulated persons.

Today, we have a well-regulated market underpinned by adequate levels of investor protection. Our regulatory framework and approaches are benchmarked against international standards of market regulation and we have a high level of adherence to our rules by our PLCs and our intermediaries. We have also observed that the culture of self-regulation and quality of practices continued to strengthen over the past years.

Building on the foundation that was set, our 2017-2020 Regulatory Plan seeks to further strengthen the market quality, increase efficiency and facilitate market development of the Malaysian capital market via the following focus areas:

- Regulatory framework;
- Business Conduct of Intermediaries;
- Market Orderliness;
- Transparency and Quality of PLCs;
- CG and Sustainability Culture in the Market; and
- Effective Enforcement.

While our key focus areas remained largely the same over the years, we will be adopting new strategies to regulate the market under our 2017-2020 Regulatory Plan. For instance, in 2017 we took on a paradigm shift in our regulatory approaches and strategies by, among others, adopting a differentiated approach in regulating the market based on the level of risk and standard of practices among the regulated persons of varying sizes. We will continue to improve our communication with our stakeholders, to allow a more constructive and flexible response to the current issues we see in the market place, as well as to promote greater transparency on our expectation towards our regulated persons. Where appropriate, we will facilitate more self-regulation in areas where regulation is no longer necessary, in particular in low risks areas or where our regulated persons have demonstrated commendable practices as a way of life. We intend to further leverage on technology to aid our supervisory role and automate our processes for greater efficiency.

In addition to the regulatory measures and initiatives, we have also put in place market safeguard mechanisms and a market management framework to ensure we have orderly trading well supported by a resilient and reliable infrastructure (refer to page 41 of this chapter).

Managing Conflicts of Interests (COI) within Bursa Malaysia

Our regulatory activities are carried out independently of our commercial activities so as to pre-empt and address any COI (actual or otherwise). For this purpose, we have established a comprehensive COI framework which includes the setting up of the Regulatory and Conflicts Committee to oversee Regulation division and its activities as well as other Regulatory Committees to make significant regulatory decisions. In addition, the Securities Commission Malaysia (SC), being the regulatory oversight body, supervises and monitors us in the performance of our statutory duties. We seek SC's approval or concurrence, as the case may be, for changes to the rules and new or enhancements of products or services we provide.

For further details on our regulatory principles, policies, functions and insights, please visit our corporate website:

<http://www.bursamalaysia.com/market/regulation>

PROVIDING A BALANCED REGULATORY FRAMEWORK

As the frontline regulator of the Malaysian capital market, we have a duty to maintain a fair and orderly market in the securities and derivatives that are traded through our facilities. Our regulatory objectives, in addition to discharging our statutory duties, are market quality, transparency, investor protection, and high standards of business conduct and governance. We aim to ensure that the regulatory environment remains conducive and competitive for fundraising, listing, trading and investment.

We review our rules on a regular basis. This is to ensure that they remain relevant, effective and are benchmarked to international standards. When there are planned changes or updates to the rules, we undertake extensive review, benchmarking and robust discussions internally before seeking feedback from market participants and other relevant stakeholders. This includes conducting public consultation for rules that have major impact. This is an integral aspect of our rule review process as it helps in our understanding of stakeholders' concerns and expectations which then enables us to make more informed decisions, and to assess and manage the impact of our rule changes.

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In 2017, we made revisions to the Main Market and ACE Market Listing Requirements (LR) following the issuance of the new Companies Act 2016 (CA 2016) and the Malaysian Code on Corporate Governance (MCCG). These changes were predicated on, among others, promoting business efficacy and growth through a balanced and proportionate framework and improving CG practices and disclosures.

In this connection, a key enhancement pursuant to the amendments was providing PLCs with the flexibility to use electronic means to send documents such as annual reports, circulars and notices of general meetings, to their securities holders. This would be more efficient in the long term, providing securities holders with documents in a more timely manner. The new approach would reduce costs and the environmental impact from printed documents and CD-ROMs.

Given that good CG and transparency play a vital role in underpinning the integrity and efficiency of the market, we now require PLCs to provide a detailed report on the application of each Practice under the MCCG in a prescribed format, separate from the annual report (CG Report). In addition, for the annual report, PLCs are also required to provide a concise and informative overview of the application of the Principles set out in the MCCG. These requirements complement the MCCG to improve the quality of CG disclosures and promote greater transparency on PLCs' CG practices, so that stakeholders are able to evaluate, among others, the stewardship of the PLCs, the effectiveness of their CG framework, as well as the overall CG culture of the PLCs.

Further to the above, there will also be greater transparency over directors' remuneration, in annual reports. Shareholders will be able to know the fees and understand how incentive structures relate to individual director's remuneration and company performance through the enhanced disclosure of directors' remuneration on named basis.

Further details on amendments to the Main Market and ACE Market LR can be found on our website.



Main Market LR - http://www.bursamalaysia.com/misc/system/assets/22833/Circular_to_Main_PLC_29112017_fair.pdf



ACE Market LR - http://www.bursamalaysia.com/misc/system/assets/22849/Circular-to-ACE-PLC_291117_fair.pdf



Communication notes to PLCs and intermediaries to help shape behaviour

In order to provide more clarity of our expectations and leverage another channel to encourage behavioural change, we introduced the issuance of communication notes to PLCs and intermediaries to supplement the rules in 2017. As at 31 December 2017, we issued three communication notes to PLCs and intermediaries respectively. Where the communication notes/guidance is viewed to be relevant to the market as well (other than the PLCs and intermediaries, as the case may be), the communication note will be posted on our website. Please refer to the communication notes posted on our website at:



<http://www.bursamalaysia.com/market/regulation/regulatory-insights/communication-notes/>



PROMOTING HIGH STANDARDS OF BUSINESS CONDUCT AMONG INTERMEDIARIES

As a frontline regulator, we monitor and supervise the stockbroking and futures broking companies in respect of the Bursa Malaysia Rules, directives and circulars with the goal of maintaining high standards of conduct among the intermediaries. We perform onsite supervision (inspection and readiness review), offsite supervision (financial and non-financial review) and registration of participants and conduct advocacy and engagement programmes for intermediaries. There was no supervisory breach noted among the intermediaries in 2017. We have also observed that the culture of self-regulation continued to strengthen including in the area of front-office supervision whereby 22 Participating Organisations had implemented full front office automated monitoring system representing 92% of total value traded in 2017.

In view of the increasing trend of cyber attacks on trading systems globally, we introduced Cyber Security Fortification Programme in 2017, aimed at building the competence of our intermediaries to respond to cyber security threats. Guided by our 3E Approach (namely, Examine, Educate and Engage), we successfully completed a series of targeted reviews and inspections to ensure the resilience of our intermediaries' control measures. We also issued a communication note to intermediaries with the aim of enhancing the cyber resilience of the capital market.



ENSURING MARKET ORDERLINESS

Market surveillance is key to building and maintaining market integrity and stability as it enables us to detect and deter abusive trading practices and facilitate genuine price discovery. We monitor the trading activities of securities and derivatives markets on a real-time basis for unusual price and volume movements. To take a holistic approach to observation and detect any form of potential trading irregularities, we factor into our trade data reviews, market developments and key fundamental changes that affect the price, demand and supply of securities as well as underlying products.

In 2017, we embarked on the Market Integrity Programme to further enhance the industry's appreciation and awareness of the role of front office supervision and trade surveillance towards ensuring market integrity and strengthening their technical capabilities.

In collaboration with industry participants including Malaysian Investment Banking Association (MIBA) and Association of Stockbroking Companies Malaysia (ASCM), in 2017 we issued a communication note on Supervision of Trading as guidelines for intermediaries. It sets out guidance, recommended best practices and various illustrations to assist the intermediaries in enhancing their supervision and monitoring of trades as well as responses to Bursa Malaysia's regulatory measures.

We also reviewed the Unusual Market Activity (UMA) Query Framework and Momentum Trading of the Proprietary Day Traders (PDTs) and Investment Account Traders (IVTs) to address and find ways to mitigate industry and regulatory concerns. As a result, we have fine-tuned our surveillance processes to ensure a more meaningful and balanced surveillance approach while facilitating growth.

The Market Integrity Programme consisted of the following:



Market Integrity Symposium

On 18 May 2017, we held a market integrity symposium, themed 'Building and Maintaining Confidence' aimed to provide a better understanding and greater appreciation of market integrity and a fair and orderly marketplace to the boards of directors of our intermediaries.



Train-the-Trainer Workshop

In September 2017, we ran a two-day workshop focused on the technical aspects of trade monitoring, including data analysis, as well as pre and post trade monitoring for trading manipulation to increase intermediaries' technical capabilities and abilities to detect abusive trading activities.



Explainer Video on Trading as an Informed Investor

The concept of an explainer video has been widely used to explain things simply and to captivate the attention of the audience and create understanding. To this end, we developed an explainer video titled "Trading as an Informed Investor" to create public awareness on informed trading. The explainer video, which is made available in three languages, aims to support our intermediaries' education and awareness initiatives. It is available at:



www.bursamarketplace.com

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PROMOTING TRANSPARENCY AND THE QUALITY OF PLCS

Corporate Disclosure and Financial Health

We have made continuous efforts to elevate the standard and timeliness of disclosures in our market to ensure PLCs establish and adopt appropriate corporate disclosure policies and procedures. We review corporate announcements, circulars and media articles on corporate information and ensure that investors are provided with timely, adequate and accurate information. Applications to list additional securities are assessed based on the adequacy of disclosure in the circulars to be issued to shareholders, among other criteria. As part of our role, we also monitor and regulate PLCs with poor financial condition and insufficient level of operations to ensure these companies regulate their condition within the prescribed timeframes in order to warrant continued listing on the Official List.

In 2017, we observed that submission of financial reports was timely with more than 99% financial reports being submitted within the prescribed timeframe. Unaudited financial reports (namely, quarterly reports) were also disclosed in a timely and reliable fashion, with only four PLCs having a variation of more than 10% between unaudited and four audited financial reports up to financial year ending August 2017. During the year, we also observed that PLCs were more proactive in making voluntary announcements such as providing clarification on relevant media reports. This resulted in a low number of queries being issued by Bursa Malaysia for PLCs to clarify announcements and media reports. In 2017, we queried below 1% of the total general announcements received. In addition, the number of financially distressed PLCs remained low, at less than 3% of total PLCs.

	2017	2016	2015	2014
Submissions of financial information received on time (timely submission of financial statements)	99.20%	99.49%	99.44%	99.48%
Number of PLCs with deviation of more than 10% between the unaudited and audited results	4 (up to financial year ending 31 Aug 2017)	17	10	13
Total queries on media reports (percentage of media queries over general announcements received)	61 (0.28%)	94(0.47%)	65(0.32%)	52(0.26%)
Total queries on corporate announcements (Percentage of queries on announcements over general announcements received)	159 (0.73%)	179 (0.89%)	196 (0.99%)	165 (0.82%)
No. of financially distressed PLCs (Percentage of affected companies over total PLCs)	22 (2.44%)	24 (2.65%)	20 (2.21%)	24 (2.65%)

Notwithstanding the above, in recent years, we have observed increasing investor demand for the disclosure of timely and high quality information from PLCs. In line with this development, we have continued our efforts to elevate the standard of disclosures to ensure PLCs adopt appropriate corporate disclosure policies and procedures.

Our strategic measures to further elevate the disclosure standards in our market in 2017 included:



Pre-emptive supervision for complex proposals

Under this supervisory approach, after a corporate proposal was announced, we engaged the relevant PLCs and/or advisers before the draft circular was submitted for our review. During the engagement, we highlighted areas which required greater focus to ensure that information in the circular was comprehensive for shareholders' decision. The new supervisory approach was intended to ensure that circulars submitted to Bursa Malaysia were complete and contained all required information, hence enabling the circular to be processed within the specified turnaround time. Since the implementation of this approach from 30 June 2017, there was a notable improvement in the information disclosed in the draft circulars submitted by PLCs which had been engaged. The information provided was clearer and more succinct but at the same time contained more information on the relevant areas.



Implemented Green Lane Policy (GLP) in dealing with circulars issued by the FTSE Bursa Malaysia KLCI Index Companies

In August 2017, we launched the GLP, which provided an incentive to the top 30 PLCs based on their good standard of CG conduct and disclosure practices, by granting them certain privileges such as faster issuance of circulars to shareholders. This excluded those involving more complex proposals such as major disposal or privatisation, related party transactions and transactions which involve mineral, oil and gas assets. Not only did this approach improve efficiencies, it also encouraged greater self-governance and adoption of best practices.



Issuance of Management Discussion and Analysis (MD&A) Guide

In March of 2017, we issued a MD&A guide to assist PLCs in the preparation and presentation of their MD&A disclosures, in a clear and meaningful manner with emphasis on quality and relevant material information. The MD&A Guide was formulated and finalised following our engagements with various industry groups and stakeholders. We believe this will enhance the quality of information available to shareholders and investors, enabling them to better assess financial and operational performance, risk exposures, the outlook and expected future performance and other material aspects.

Corporate Surveillance

Corporate Surveillance is of fundamental importance to the integrity and stability of the Malaysian capital market. It ensures that the rules and regulations set for the PLCs are followed and that misconduct or irregularities are identified and handled appropriately. Our approach to corporate surveillance focuses on detecting possible irregularities or corporate misconduct, possible abusive/dubious transactions and breaches of our rules through:



Monitoring of non-financial and financial red flags in disclosures made by PLCs



Monitoring of corporate developments and tracking of identified PLCs and 'questionable' individuals



Undertaking in-depth analysis of issues identified from sources such as media reports, identified blogs, auditors, complaints/whistle-blowers and announcements

We regularly assess our approach to surveillance and make improvements where necessary. We will also continue to work and collaborate closely with other authorities such as the SC, the Companies Commission of Malaysia (CCM) and the Audit Oversight Board (AOB).

We also seek to proactively engage directors or auditors of PLCs and other intermediaries to address concerns relating to compliance, poor CG and other undesirable practices with the aim of enhancing good business practices and pre-empting non-compliances.

Based on our observations from the engagements as well as trends and developments noted, we formulate and undertake advocacy programmes in key concern areas as a form of pre-emptive measure. In 2017, we conducted two workshops on Fraud Risk Management for directors of PLCs and three workshops on Effective Internal Audit Function for PLC directors and internal auditors as we noted that corporate fraud was an increasing threat in today's business given the economic and reputational consequences. The programmes were designed to update them of new fraud techniques and cases to assist directors to be aware of the same so that they

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could ensure that their companies would be able to effectively govern fraud risk and leverage on internal audit activity in providing assurance on the efficiency and effectiveness of the organisation's governance, risk management and controls.



STRENGTHENING THE CULTURE OF CG AND SUSTAINABILITY IN THE MARKET

Our role for the capital market in Malaysia is not only to serve as a regulator, but also as an influencer. Encouraging the highest standards of CG and sustainability among PLCs is important to maintain market integrity. Furthermore, it enhances the effective deployment of capital and ultimately contributes towards growth and long term performance.

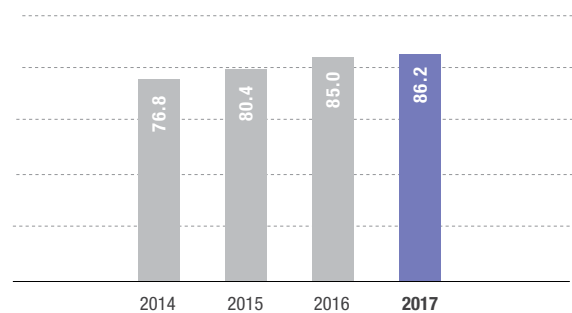
In order to ensure that our efforts in terms of engagement, review and advocacy programmes are effective, we have adopted a differentiated approach in formulating the initiatives to address the needs and issues faced by the different segments of PLCs in the areas of CG and sustainability. The differentiated approach undertaken in 2017 distinguished PLCs by risk profile, size based on market capitalisation (market cap) and sector/industry, in order to facilitate more targeted initiatives and supervisory approaches.

Corporate Governance

For the past three years since 2014, we had undertaken a review of PLCs' CG disclosures in their annual reports (ARs) and highlighted areas of concern and improvement to the boards of these PLCs. With this information, the PLCs were able to understand better where they stood in terms of their CG practices and thus, take concrete steps to improve their CG practices. The review done in 2016 which was a second round of review of the same batch of ARs reviewed earlier showed improvements on the level and quality of CG disclosures in ARs. This year however, we did not undertake any analysis of CG disclosures, as a new MCCG was issued in April 2017. The first batch of reports based on the new MCCG will be issued in 2018. Moving forward, the CG review will be undertaken based on the new MCCG, in collaboration with the SC.

Nonetheless, the improvement in the level of CG disclosures is also indicated in Minority Shareholder Watchdog Group's (MSWG) Malaysia – ASEAN CG Transparency Index. This Index score comprises a base score for CG evaluation (85%) and return on equity performance score (15%). The CG evaluation is an assessment of PLCs' CG disclosures which are publicly available. The Index scores have increased year-on-year as follows indicating the improving quality of PLCs' CG disclosures:

MALAYSIA - ASEAN CG TRANSPARENCY INDEX BY MINORITY SHAREHOLDER WATCHDOG GROUP (MSWG)



In 2017 MSWG completed a study commissioned by Bursa Malaysia, whereby the CG disclosures made by our top 100 PLCs by market cap were compared to 40 regional and 30 global listed companies. The OECD Principles of Corporate Governance (OECD Principles) were used as the main benchmark in developing the assessment criteria. MSWG sourced information from ARs published by 31 July 2016 and latest website information until 15 November 2016 to conduct the study. This study showed that more Malaysian PLCs had good scores (average of 12.8 points) in the area of equitable treatment of shareholders compared to the benchmarked ones in the international jurisdictions (average of 11.9 points). The individual findings and recommendations were shared with the relevant top 100 PLCs in an advocacy session on 7 July 2017 for them to further improve on their CG practices.

Throughout 2017, we continued our advocacy and educational initiatives to promote greater awareness and understanding of good governance practices. We conducted 25 separate CG advocacy programmes, involving 1,758 participants. For the top 100 PLCs, these sessions focused on elevating CG disclosures, specifically disclosures on the roles and responsibilities of the board and board composition. For the remaining cohort of PLCs, we focused on strengthening CG foundations in the areas of risk management, internal controls and effectiveness of audit committee. Three of the 25 programmes were also conducted to create awareness of the Best Practice Guide on AGMs for Listed Issuers (AGM Guide) that was issued by Malaysian Institute of Chartered Secretaries and Administrators (MAICSA) with our endorsement and to encourage adoption of best practices in the conduct of AGMs, leading to improved shareholder participation in AGMs.

	2017	2016	2015
Number of directors and practitioners who participated in Bursa Malaysia's CG advocacy programmes	1,758	2,441	1,900



Women on Board Agenda

In support of the global and national agenda of gender diversity, we launched the Empowering Women Series (EWS) in 2016 as part of our initiative towards inclusiveness, gender diversity and capacity building of women in senior management of the PLCs. This is in line with our commitment to champion Sustainable Development Goal 5 on Gender Equality.

The aim of EWS is to further develop the leadership skills to prepare the women in senior management for board positions. In 2017, we conducted the second part of the programme, which focused on helping women to build self-confidence, move forward in their careers, develop influencing skills as a board member and raise awareness of the importance of the women agenda in general. While still a work in progress, women representation on the boards of the top 100 PLCs had increased from 16.6% in 2016 to 19.2% in 2017.



Revamped Corporate Governance Guide in line with the MCCG

In December of 2017, we published the 3rd edition of our Corporate Governance Guide (CG Guide), which provides guidance for PLCs to improve their CG practices and reporting in line with the new MCCG and the enhanced CG disclosure requirements in Bursa Malaysia's LR.

The CG Guide was formulated and finalised following engagements with various key stakeholders. It is based on the Comprehend, Apply and Report (CARE) approach introduced in the MCCG and gives practical guidance and recommendations for PLCs to apply when adopting the principles and practices in the MCCG. The CG Guide provides insights for internalisation of CG in PLCs through illustrations, case studies and references from international developments. More information on the CG Guide can be found on our website, as follows:

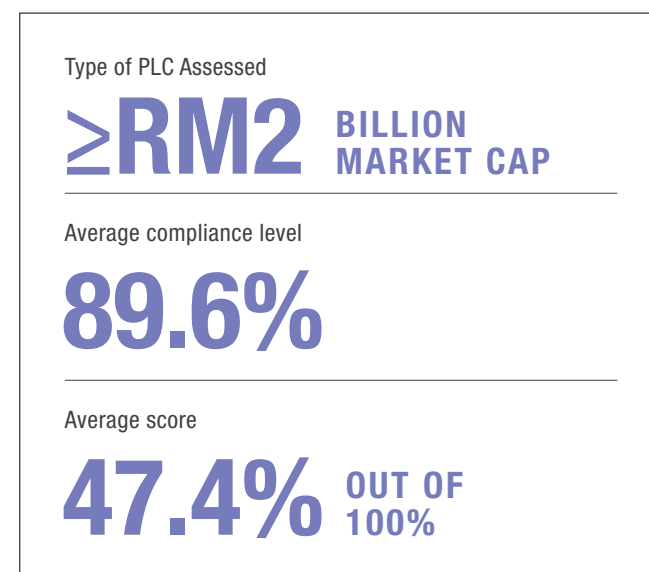


<http://www.bursamalaysia.com/market/listed-companies/corporate-governance/cg-guide/>

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Sustainability

To upskill our PLCs, we continued to offer our suite of sustainability reporting training and advocacy programmes in 2017. These programmes covered the provisions in the Main Market and ACE Market LR on sustainability, as well as guidance from Bursa Malaysia's Sustainability Reporting Guide and Toolkits, developed in 2015. Our aim is to not only support the PLCs to get up to speed with sustainability reporting requirements, but also encourage them to go beyond compliance, seeing the inherent value in sustainability. In 2017, we ran 16 sessions for PLC directors, senior management and practitioners on sustainability reporting. We adopted a differentiated approach by targeting and focusing on different key issues applicable to the PLCs taking into consideration the size of the PLCs and the sectors involved.

In 2017, we also conducted a review of the first batch of sustainability disclosures issued by PLCs with market cap of RM2 billion and above to determine the level of compliance against Bursa Malaysia's sustainability reporting requirements, as well as the quality of their sustainability practices and disclosures. Preliminary findings of our review indicated an overall average compliance level of 89.6% when it came to providing disclosures for four key assessment areas, namely Governance, Scope, Materiality and Management Approach. However, in terms of the quality of practices and disclosures, the same PLCs had an average score of 47.4%. We will continue to review our PLCs' sustainability disclosures in 2018, assessing both new reporting as well as tracking improvements for those engaged previously.

Sustainability disclosure review in 2017:


In order to drive further conversations on sustainability in the marketplace, we partnered with multiple local and international organisations in organising advocacy programmes and events in 2017. We organised a Sustainability Forum for Directors/CEOs in conjunction with ACCA Malaysia Sustainability Reporting Awards (MaSRA) Luncheon on 10 January 2017. The forum, which saw the attendance of over 200 participants from PLCs right up to investors, was aimed at addressing how current global business trends and investor sentiments were compelling companies to consider sustainability more than ever.

We also co-hosted the Responsible Investor Forum organised by United Nations-backed Principles of Responsible Investment (PRI) on 14 July 2017 for asset owners, asset managers, and PLCs. The event highlighted the growing importance and practices of responsible investment in Malaysia and globally and how sustainability practices and reporting tied into this agenda.

In recognition of the growing interest in green financing in both local and global markets, Capital Markets Malaysia (CMM), Bursa Malaysia and the World Bank co-organised a technical workshop on Green Finance on 13 October 2017 to provide an update to PLCs' board of directors and senior management on the latest developments surrounding the green agenda and the green sukuk market in Malaysia.

In addition to the advocacy programmes and events above, we also engaged with PLCs to socialise Bursa Malaysia's Sustainability Reporting Framework and to understand their challenges as well as to provide input to them on how to embed sustainability into their respective organisation. A total of 68 PLCs (primarily those with market cap of between RM1 - 2 billion) were engaged either in-person or via phone calls in 2017. Similar to last year's feedback, most of the PLCs engaged were aware of Bursa Malaysia's Sustainability Reporting Framework. However, they requested us to provide more guidance (such as samples of good sustainability statements) and training to help them embed sustainability into their organisation and to issue a quality sustainability statement in their ARs.

	2017	2016	2015
Number of PLCs' directors and practitioners who participated in Bursa Malaysia's sustainability advocacy programmes	731	824	N/A
Number of PLCs engaged on sustainability matters	68	100	N/A


EFFECTIVE ENFORCEMENT REGIME

As part of our measures to discharge our statutory duty, we take appropriate actions for the non-compliances of our rules and initiate legal actions to give effect to our enforcement decisions. Enforcement actions may be taken depending on materiality/severity of the breaches whereby the possible sanctions include public/private reprimands, fines, suspension or striking off. For less serious breaches, management actions such as warning/caution/reminder may be issued. Through these actions, we seek to preserve the stability and integrity of the market and encourage strong compliance culture among the market participants.

We have taken various types of enforcement actions for breaches of our rules over the years. In 2017, the number of enforcement actions (including management actions) which we took were as follows:

Number of actions taken by Bursa Malaysia	Number / Year		
	2017	2016	2015
Actions taken against PLCs for breaches of LR	37	27	65
Actions taken against directors of PLCs for breaches of LR	86	68	206
Actions taken against intermediaries (POs, Trading Participants, Authorised Depository Agents, Clearing Participants) for breaches of Business Rules	54	52	71
Actions taken against Dealer's Representatives/ Registered Persons for breaches of Business Rules	23	27	24

We note that there has been a reduction in serious breaches particularly in the area of reporting of financial information as evident from the reduction of breaches in this area by more than 60% since 2008 (the year where we commenced stricter director enforcement action). In this regard, strict enforcement in respect of the financial reporting breaches and a greater emphasis on director enforcement coupled with communication and education by Bursa Malaysia have been instrumental in the decline of such breaches.

In our on-going efforts to enhance transparency of our enforcement actions and processes under the LR and Business Rules, in 2017 we issued a communication note on Bursa Malaysia's Enforcement/Disciplinary Proceedings and Processes (ICON-DP) to both intermediaries and PLCs. The ICON-DP provides an overview of and clarity on our enforcement/disciplinary proceedings and processes, enhancing market and industry understanding.

The ICON-DP is available on our website for both intermediaries and PLCs, as follows:

<http://www.bursamalaysia.com/misc/system/assets/22385/Intermediaries-Communication-on-Bursa-Malaysia-Enforcement-and-Disciplinary-Proceedings.pdf>

<http://www.bursamalaysia.com/misc/system/assets/22381/Issuers-Communication-on-Bursa%20Malaysia-Enforcement-and-Disciplinary-Proceedings.pdf>


ENSURING ORDERLY TRADING, RESILIENCY, AND RELIABILITY OF OUR MARKET INFRASTRUCTURE
Market Safeguard Mechanisms

To ensure trading can be conducted in an orderly manner, various market safeguard mechanisms are automated and appropriately calibrated to manage extreme trading volatility. They include:

- Circuit breaker – a safeguard for securities trading at market level;
- Static price limits and dynamic limits – safeguards for securities trading at individual stock level; and
- Velocity Logic – a market integrity feature for derivatives trading, which introduces momentary suspension in matching in the event of significant price changes within a short span of time.

In addition to the above, we also have an Error Trade Policy which enables us to minimise the adverse impact of erroneous trades. This Policy which includes details on notification, threshold, conditions, types of eligible erroneous trades and mechanism, has been communicated to the intermediaries.

MARKET INTEGRITY AND STABILITY

TECHNOLOGY

103-1; 103-2; 103-3

Business Continuity Management

Appropriate systems with adequate capacity, security arrangements, facilities and resources are in place to mitigate risks that could cause interruption to our critical business functions. We have a comprehensive Business Continuity Plan (BCP), including a Disaster Recovery Plan which is tested annually to ensure continuity of the business and technology operations.

In 2017, we did not encounter any major business interruption. In order to provide assurance that we can continue our business operations in the event of a disaster, we conducted two mandatory industry wide BCP exercises in 2017.

Besides the mandatory industry wide test, we facilitated two BCP exercises for the intermediaries. The objective of this exercise was to ensure the intermediaries' backup sites/systems can be connected successfully to Bursa Malaysia in the event of disruption.

Compliance with the Principles for Financial Market Infrastructures (PFMI)

We have in place robust risk management processes and procedures to manage counterparty/settlement risks and prevent a systemic impact on the market. Bursa Malaysia Securities Clearing Sdn Bhd (BMSC) and Bursa Malaysia Derivatives Clearing Berhad (BMDC) (collectively referred to as Clearing Houses) act as the central counterparty for equities and derivatives trades, respectively, and thus, are subject to counterparty credit risk. The processes and procedures of these two Clearing Houses are in line with the PFMI.



PFMI

PFMI are international standards for financial market infrastructures, namely payment systems, central securities depositories, securities settlement systems, central counterparties and trade repositories. Issued by Committee on Payments and Market Infrastructures (CPMI) and the International Organization of Securities Commissions (IOSCO), the PFMI are part of a set of key standards that the international community considers essential to strengthening and preserving financial stability.

On 23 March 2017, the SC issued new guidelines on Financial Market Infrastructures which apply to a central counterparty (CCP), a central securities depository (CSD) and a trade repository (TR) in Malaysia. The guidelines issued by the SC are aligned with the requirements in CPMI-IOSCO Principles that address matters relevant to financial stability.

We have embarked on PFMI self-assessment and disclosure exercise, in compliance with guidelines issued by the SC. The self-assessment exercise was conducted from June 2017 to September 2017. In addition to BMSC and BMDC, this exercise also included Bursa Malaysia Bonds Sdn Bhd (BMBonds) and Bursa Malaysia Depository Sdn Bhd (BMDepo).

We had independent validations conducted by external consultants to assess and validate compliance with the PFMI. The review showed that there were no non-compliance issues in relation to the PFMI.

Managing post-trade related risks

To mitigate the risk of a settlement default and reduce systemic risk in the securities market, we have put in place the Equities Margin Framework which aligns our securities clearing and settlement framework with Principle 6: Margin of the PFMI.

MOVING FORWARD

Looking ahead, we will continue to refine our rules framework in 2018 in line with our regulatory focus of improving quality of our PLCs and intermediaries as well as efficiency and business efficacy.

We will remain committed to improving the quality of disclosures through guidance, review, and advocacy programmes with the objective to instil a strong disclosure culture and elevate the standard and quality of disclosure among our PLCs and advisers. Furthermore, we will continue to focus on having a balanced regulatory framework with no more regulation than necessary while ensuring adequate levels of investor protection.

Growing the CG and sustainability culture within the market will remain our key focus for 2018. We plan to introduce a one-stop knowledge platform to facilitate awareness and capacity building in the areas of CG and sustainability.

2017 KEY HIGHLIGHTS

IMPLEMENTED AN **ENTERPRISE DATA ANALYTICS** PLATFORM IN DEC 2017

ORDER TYPES AND **VALIDITY** EXPANDED FOR SECURITIES TRADING



ADOPTED AND CERTIFIED WITH **ISO 27001** INFORMATION SECURITY MANAGEMENT SYSTEM

99.97%

SERVICE AVAILABILITY WHICH WAS ABOVE THE AVERAGE AGREED SERVICE LEVEL OF 99.60%

ZERO CYBER SECURITY BREACHES

TECHNOLOGY IS THE DRIVING FORCE FOR BURSA MALAYSIA IN OUR MISSION TO ENSURE THE RESILIENCY AND RELIABILITY OF THE CAPITAL MARKET INFRASTRUCTURE, AND BRING EFFICIENCIES AND INNOVATION FOR THE MARKET PARTICIPANTS.

Technology is redefining the business models and value chain of the financial industry at an unprecedented rate. Stock exchanges are no exception. Evolving stakeholder expectations require us to keep up with the change and adopt new technologies in order to maintain or strengthen our position as a leader in the ASEAN region. We strive to keep abreast of technological trends and developments in order to provide the best service to our participants and investors at large.

With the growing demand for digital, mobile and customer-friendly solutions, technology is an important factor in our competitiveness. We are committed to continuously upgrade and enhance our systems to improve customer experience. We aim to establish ourselves as an innovative and a forward-moving exchange that is data-driven and powered by analytics, insights and information, which encourage greater market participation.

While we see technology as a key enabler to, among others, transform customer experience, revolutionise services and achieve operational excellence, we are also cognisant of the imminent risks associated with our reliance on technology. Cyber security

breaches are considered as a key risk to the sustainability of our business and also to our stakeholders. Given the past incidents where global exchanges had suffered from loss of customers, revenue and reputation due to technological issues, stringent measures are required to protect our customer information and prevent any technological disruption that would compromise our markets and business continuity. Most fundamentally, technology is crucial to ensuring the reliability and resiliency of the capital market on which so many of our stakeholders depend. This included establishing appropriate market management framework and safeguards, which are addressed in the Market Integrity and Stability section of this report on page 41.

Since 2011, we have invested heavily in a series of technological initiatives to address technology obsolescence, improve IT security posture and optimise network infrastructure. We are focused on achieving 100% availability of mission critical services and systems, having agile IT infrastructure that meets business demand, improving operational efficiency and maintaining cost effectiveness, as well as strengthening IT governance and security.

TECHNOLOGY

TECHNOLOGY

Recognising the importance of agility in a competitive environment, the Technology and Information Management Division was merged with Market Operations Division following the completion of the Optimising Organisational Structure for Organisation Effectiveness (OOS) project in 2017 with the objective of forming a more cohesive team that can implement change in a more efficient and responsive manner. Under the OOS aspiration, the Operations Group serves three broad objectives:

- Maintaining the exchange operations efficiently and effectively
- Building and maintaining the infrastructure required to support new market and product development activities
- Acting as the first line of defence against market failure

In tandem with the reorganisation, the Management Committee and Board of Directors formalised a three-year Operations Group Strategy, seeking to steer Bursa Malaysia towards achieving its 2020 aspirations of becoming a developed market and a market leader in ASEAN with global connectivity. The Operations Group Strategy focuses on three key pillars:

- Customer experience** – transforming the customer experience by providing value-added services and new capability to access or execute effectively their own services
- Service expansion** – revolutionising services in trading and post-trading through expansion of services and integration
- Operational Excellence** – protecting our systems from external threats and providing operational excellence through digitalisation and facilitating agility and innovation

Guided by the Operations Group Strategy, in 2017, we undertook a number of initiatives which aimed to improve customers' trading experience and drive internal operational excellence by capitalising on the latest technology. These included, among others, upgrading of existing systems to embrace new trading and post-trade functions, as well as the introduction of a new analytics capability to facilitate effective reporting and decision making within Bursa Malaysia.



TRANSFORMING CUSTOMER EXPERIENCE

As part of our commitment to provide a more seamless experience to our market participants in 2017 we undertook the following projects and initiatives:



The Central Depository System (CDS) was enhanced with eNotification feature to facilitate PLCs or their share registrars in sending documents via email to PLCs' shareholders that ensure delivery of information and efficient and effective communication



Leveraging on existing infrastructure, investors/depositors who have subscribed to electronic CDS statement (eStatement) will be able to see an improved layout and enhanced information on eStatements issued to them starting January 2018. The enriched eStatement layout provides depositors with comprehensive information of their investment portfolio based on last closing price as of the eStatement date



Further enhancement of Bursa Suq Al-Sila' (BSAS) (a commodity trading platform which facilitates Shariah-compliant liquidity management and financing by Islamic financial institutions) to provide among others, Straight Through Processing (STP) services to improve the transaction processing time, enable 22 hours x 7 days market operations availability and provide functional enhancements for better user experience



REVOLUTIONISING OUR SERVICES IN TRADING AND POST TRADE

As we progress towards becoming a developed market, our trading and investment strategies must support the widening of our product offerings and diversity of our investors and issuers.

Trading

The trading system, for an exchange, is the heart that keeps the capital market running. Our securities trading system was replaced in 2013 (called Bursa Trade Securities (BTS)) that enabled, among others, sub-millisecond trade execution and increased processing volume. Over the years, we have continuously enhanced the BTS to improve its performance and introduced new features and functionalities to meet with market needs.

In 2017, we implemented two key developmental initiatives that leveraged on our trading system capabilities and infrastructure; namely the LEAP Market and the introduction of new order types and validity for securities market trading.

On 28 July 2017, we successfully launched the LEAP Market, an alternative market for small- and medium- sized enterprises (SMEs) which serves to address the funding gap for SMEs through the Malaysian capital market (please refer to page 24 for further details on the LEAP Market). The robustness and flexibility of our trading engine and auxiliary systems coupled with our sound market practices and governance allowed us to introduce this new market in an efficient and timely manner.

On 11 December 2017, we introduced the "Good Till Cancel" and enhanced "STOP Market and STOP limit" trading features to assist investors in achieving their investment objectives and managing their orders effectively. The expansion of the order types and validity was timely, considering the growing sophistication of our market participants. This enhancement enabled our investors to refine their trading and risk management strategies. With the introduction of these new order features, we are positioned to be more competitive, better facilitating the achievement of investors' strategies in a more efficient and timely manner. Furthermore, we hope that the new features would act as a catalyst for intermediaries to develop sophisticated and useful features for investors. To expediently deliver the earlier mentioned trading features, we leveraged on the highly configurable design of our trading system and infrastructure.

Post Trade

Our clearing, settlement and depository systems are equally important as our BTS. Just as we did for our BTS, we have refreshed our post trade systems to ensure the systems meet the growing needs that included among others, higher processing capacity with features that fulfilled current and future needs of the business.

In terms of our strategies moving forward, as we drive towards greater operational efficiency, in 2017 we embarked on a multi-year post trade programme. We successfully implemented Real-time Electronic Transfer of Funds and Securities System (RENTAS) to manage payment settlement for both the securities and derivatives markets. In addition, we also commenced ISO20022, a universal financial industry message scheme programmes for our post trade services relating to corporate announcement as well as laid the ground work for T+2 settlement cycle.



PURSuing OPERATIONAL EXCELLENCE





In our pursuit to be a leading exchange in the region, we have embarked on our digitalisation journey commencing with the implementation of an Enterprise Data Analytics (EDA) platform in 2017. By having data analytics in place, we allow information to be shared across various business units within the organisation. This in turn provides an opportunity for Bursa Malaysia's management and employees to draw on a pool of useful information to make better business decisions. Using this to our advantage, data analytics will enable us to be a more data driven and customer centric organisation moving forward. This supports our competitiveness, as well as the strategic planning and development of Bursa Malaysia.

The challenge for us to roll out data analytics within Bursa Malaysia, however, is that much of the data currently available is decentralised and hence, the turnaround time for information extraction requires improvement. However, the transformation of Bursa Malaysia's structure as a result of the OOS project has enabled us to harness information through the entire trading and post trading lifecycle's data.

TECHNOLOGY








TECHNOLOGY

The EDA project is currently being implemented in stages and is expected to be completed by 2018. Our phased approach covers the following steps:

-  **Diagnostic Analytics:** Designing and displaying dashboard views of analytics that provide information and KPIs in a visual display that can be monitored at a glance, giving a quick and easy assessment of a situation
-  **Predictive Analytics:** Leveraging historical data to perform trend analysis, forecasting and prediction of business outcomes
-  **Prescriptive Analytics:** Synthesising data and business rules to suggest decision options, with the ability to show implications of each decision
-  **Cognitive Analytics:** Making full use of the computing power, memory and growing intelligence of the technology available to us, in order to enable greater automation and the processing of big data

Through EDA, we hope to create an improved approach to decision making grounded on efficiency and big data. All decisions made internally would be taken based on hard facts derived from analytics, where applicable. Decision makers at Bursa Malaysia would have factual and up-to-date figures at their fingertips to make meaningful and well-informed decisions for the Malaysian capital market. This move is in line with best practices adopted by global exchanges and leaves us well positioned to capitalize on the full potential of artificial intelligence.

In addition to the EDA, we strive to achieve operational excellence through a relentless focus on cyber security and resiliency. This means preventing any disruption to our business and the market, having strong data protection measures in place, and ensuring our systems run efficiently and productively. The risk of cyber threats is constantly growing and evolving as we become more digital and sophisticated. To safeguard our interests, we have established a framework for cyber security as set out below:

-  **Governance** – Adopted and certified with ISO 27001 as part of our security standard. Annual general IT audit on relevant systems including cyber security assessment is conducted by the Group Internal Audit and an external auditor
-  **Identification controls** – Identified and maintained complete inventory of all our information assets and the access matrix
-  **Protection controls** – Malware protection, perimeter defence, and public and private network protection
-  **Detection controls** – 22 hours x 7 days security operation center, data leakage prevention system, Security Event and Incident Management (SIEM)
-  **Recovery controls** – Incident management process escalation and recovery
-  **Testing** – Participant in national cyber drill (X-Maya) and system resilience testing
-  **Awareness and continuous improvements** – Continual education and awareness building for our employees on cyber security and threats

Based on our framework, we continued to invest in our cyber resilience capabilities to anticipate, withstand, contain and rapidly recover from a cyber incident. In 2017, we tested the business continuity and disaster recovery procedures and practices of both our internal systems and market participants. All of our internal systems achieved the expected recovery time objective (RTO), and 95% of the market participants were involved in our Business Continuity Plan (BCP) tests.

PROMPT RESPONSE TO CYBER SECURITY THREAT FACING THE MARKET

In July 2017, the internet trading platform of a few Participating Organisations (POs) experienced a Distributed Denial of Services (DDoS) – an attempt to make an online service unavailable by overwhelming it with traffic from multiple sources. This incident only affected the internet trading clients of a few POs for about one to two hours from 5 to 7 July 2017.

Immediately after the incident was detected, we undertook two specific actions to contain its impact to the market. These included:

- collaborating with the telecommunication companies to offer two weeks of Clean Pipe services for the POs at no cost; and
- centralizing and coordinating the communication, escalation and information sharing among market participants and regulators to keep them informed on the status of the incident and mitigation measures taken.

Prompt action by us and the POs prevented the threat from affecting the POs' trading order management system and the broader market. Following this incident, most of our POs with internet trading order management system subscribed to DDoS mitigation services. Meanwhile, we continued to invest our efforts in improving the awareness on cyber security internally, by conducting information security workshop and briefing for our employees and our Board of Directors, as well as enhancing our internal security controls.

TECHNOLOGY

TALENT

102-7; 102-8; 103-1; 103-2; 103-3

We aim to limit any escalating cyber threats posed to both our organisation and the broader capital market. The tools and mechanisms we deploy are reviewed and assessed to adhere to the Principles for Financial Market Infrastructures (PFMI) issued by the International Organization of Securities Commissions (IOSCO), and the Guidelines on Management of Cyber Risk issued by the Securities Commission Malaysia (SC).

We are certified with Information Security Management System (ISMS) or ISO 27001:2013 for Securities Trading Services, Depository Services and Equity Clearing and Settlement Services. We are planning to extend the ISMS certification scope for Bursa Suq Al-Sila' (Dealing) Services and Derivatives Clearing Services in 2018.

We aim for 100% service availability and uptime (namely no disruption to business activities) as this is a critical performance factor. In 2017, no significant downtime was experienced, with all of our IT systems recording an average 99.97% availability during the year which exceeded the average agreed service level of 99.60%.

As at 31 December 2017, there were no cyber security incidents that impacted the services of Bursa Malaysia. All security threats including viruses, malware, attempted intrusions to Bursa Malaysia's firewall and DDoS attempts were detected and blocked by the controls that we had already put in place, as follows:

Controls	Threat Detection	No. of events detected in 2017	Breaches
Clean Pipe Monitoring	DDOS events	4,428	NIL
Web Application Firewall	Threats and Intrusions	9,717,415	NIL
24x7 Security Operations Centre	Cyber threats	573	NIL
PC/Notebook Protection	Virus, Malware	23,180	NIL
Zero Day Threats Control	Advanced Persistent Threats	527	NIL
E-mail Security	Spam, Malware, Virus	2,109,714 ¹	NIL

¹ Data from July to December 2017

MOVING FORWARD

Plans are being put into action to transform customer experience, to revolutionize our trading and post trade services as well as to strive for operational excellence within Bursa Malaysia via digitalisation. By leveraging new technology, we seek to create 'Zero Distance' with our investors and market participants, interacting with them through direct conversations. In line with our continuing efforts to adopt international best practices, we are working towards a T+2 settlement cycle in 2018. The proposed T+2 settlement cycle framework will be developed in consultation with industry participants, including SC, intermediaries and custodian banks. The migration to a shorter settlement cycle will increase efficiency, reduce risk and market exposure, while aligning Bursa Malaysia with the settlement practices of the leading global exchanges. We would also be introducing digitised CDS services that are mobile-enabled to allow investors to conduct CDS transactions and account enquiries on their personal electronic gadgets.

We will continue to place strong emphasis on our ongoing measures to ensure the resiliency and reliability of our market infrastructure and systems. We will also capitalise on our position as a focal point in the Malaysian capital market to not only drive more conversations among the market participants, but also to form industry-wide collaborations to strengthen our market defence against cyber security risk which is becoming more systemic and borderless in nature.

2017 KEY HIGHLIGHTS

571 EMPLOYEES
IN TOTAL

29 AVERAGE TRAINING HOURS PER EMPLOYEE

93% SUSTAINABLE ENGAGEMENT SCORE

BASIC SALARY RATIO OF **54% TO 46%** FOR MEN AND WOMEN RESPECTIVELY

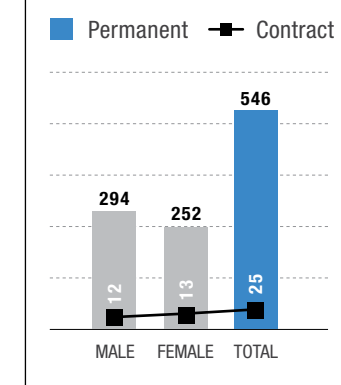
IN OUR BUSINESS, OUR PEOPLE ARE OUR MOST IMPORTANT ASSET. HAPPY, PRODUCTIVE AND MOTIVATED EMPLOYEES WOULD IN TURN PROVIDE A GREAT CUSTOMER EXPERIENCE. WITH THE FORMIDABLE COMPETITION REGIONALLY, THE KEY TO SURVIVAL IS RETAINING AND GROWING OUR TALENTS TO BE FUTURE-READY AND RESILIENT TO FACE NEW CHALLENGES IN THE CONSTANTLY CHANGING BUSINESS ENVIRONMENT.

As a capital market operator, acquiring and developing the best talent is central to our growth and success. We do our best to support our employees' career progression and strongly advocate continuous development where our employees are given ample opportunities to enhance their knowledge and skills. We are committed to being an inclusive and equal opportunity employer. Furthermore, we look after the well-being of our employees and provide a healthy and safe working environment. We believe this is vital to develop a high performing workforce that can deliver on our mission and ensure that we continue to be dynamic and relevant.

As at 31 December 2017, we employed a total of 571 employees on a full-time basis, either permanently or on contract. All of our employees are based at our Exchange Square Office in Kuala Lumpur except for one male employee who is stationed at our Labuan office. As a Malaysian company, we pride ourselves on having local talent with 26 of our 27 senior management¹ staff being Malaysians.

Our Human Resources Division provides the overarching framework for managing talent within Bursa Malaysia, with oversight given by both the Talent Council and Nomination and Remuneration Committee (NRC). Our approach is guided by our Talent Management Framework, Recruitment Policy and Learning and Development Policy.

TOTAL EMPLOYEES BY EMPLOYMENT CONTRACT



¹ Senior management covers CEO, Senior Directors, Directors, Senior Executive Vice Presidents and Executive Vice Presidents.



DEVELOPING A HIGH PERFORMANCE WORKFORCE

In moving Bursa Malaysia towards a world-class High Performance Organisation (HPO), we devised a Human Resources strategy which is anchored in three change levers, as follows:

a. Organisational Cultural Change

- To cultivate shared enterprise behaviours through assessment of behavioural competencies and communication of core values with our employees
- To enhance professionalism of our employees with a focus on capability, performance and commitment

b. Aggressive Talent Levers

- To close talent and capability gaps as well as to achieve resource optimisation through a robust end-to-end talent management process
- To ensure sufficient bench strength and develop a strong pool of future leaders through talent seeding to attract talents from universities and targeted developmental plans for existing employees

c. High Performance Work Practices

- To introduce a new organisational structure and design with the aim to optimise resources and enhance efficiency and effectiveness of our work processes to support innovation and creativity among the employees

Arising from this strategy, in February 2017 we announced a new organisational structure with the objective of aligning our structure, processes, people and governance. Changes in leadership at senior management level were effected in order to groom the talents to be regional-ready and towards achieving a HPO. A review on remuneration and rewards was also undertaken to ensure that we remained attractive and competitive to recruit, motivate and retain the best talents towards realising our aspiration to be a developed market and a leader in ASEAN.



DIVERSITY AND INCLUSION 405-1

We value equality, diversity and inclusion. We hire men and women with vast experiences, from different industry backgrounds, and with different cultures, beliefs and ethnicities. This ensures that we are able to adapt to the changing needs and demands of customers/stakeholders and markets. We adopt merit-based recruitment practices and strive for equal employment opportunities for all regardless of race, religion, gender, marital status, age or disability and this includes having in our employment, competent and capable employees with disabilities. As at 31 December 2017, we have two disabled employees. We have a good balance of men and women at all levels in the company, particularly in management positions.

We also employ a policy of equal pay for equal work. We aim to practise gender parity in all our dealings with employees. An important way we monitor and assess this is through our basic salary ratio for men and women. In 2017, men made up 54% of salary costs and women made up 46%.

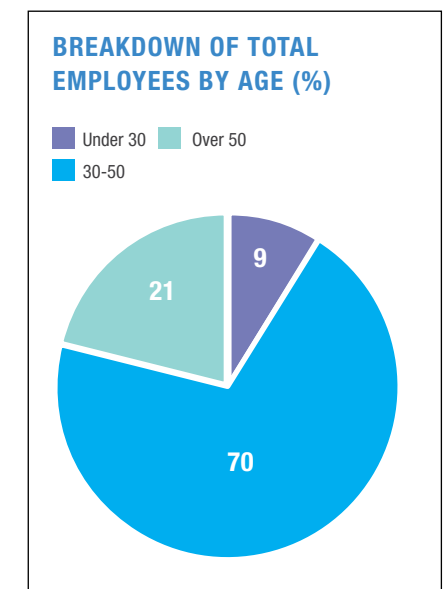
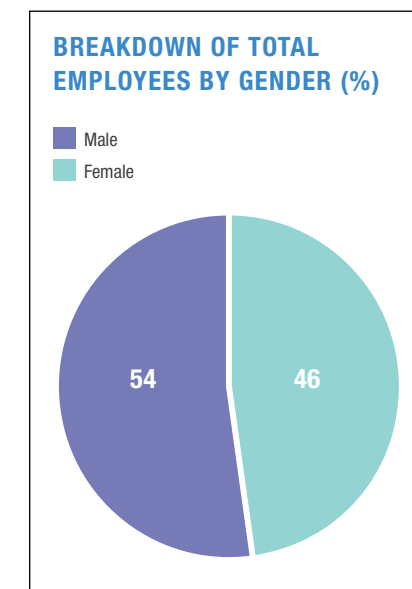
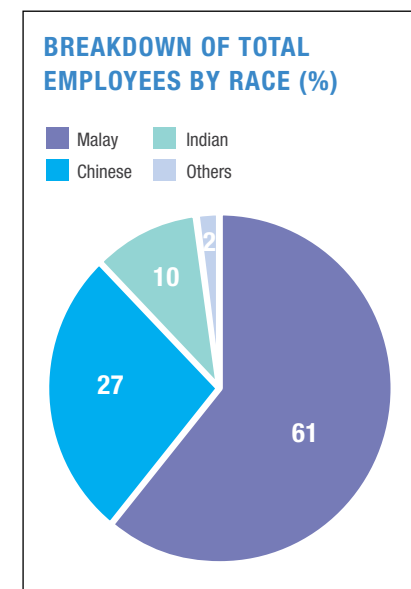
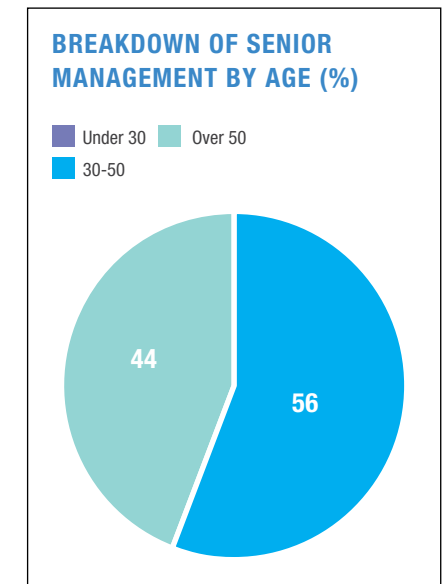
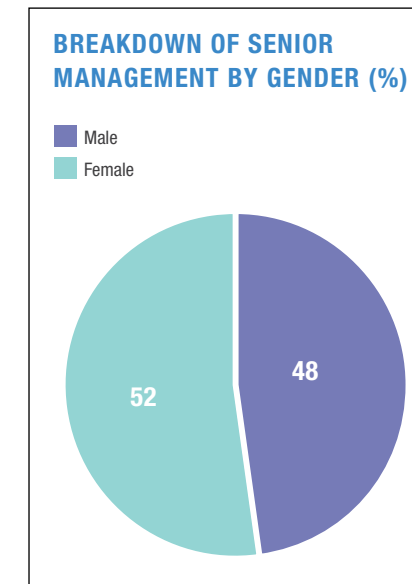
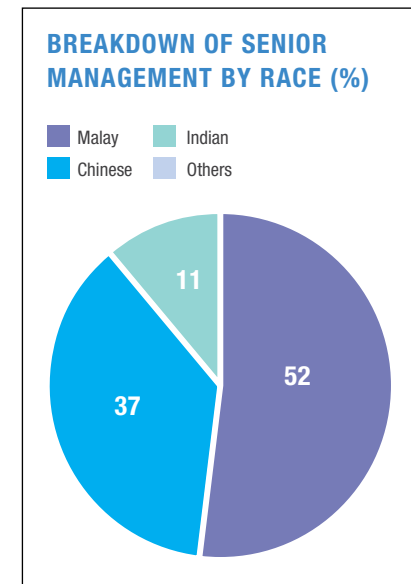
With regard to the Bursa Malaysia's Board and management, our diversity policy is to ensure that there is the right mix and profile in terms of age, ethnicity, and gender. For the Board in particular, it is important to ensure our Directors possess the necessary range of perspectives, experience and expertise to achieve effective stewardship and management. We believe that a truly diverse and inclusive board will leverage differences in perspective, knowledge, skill, and experience, which will drive better decision making and performance at the organisation. In 2017, two of our nine members of our Board were women.



30% Women on Board

In November 2017, the Board approved the amendments to the Board Charter inter alia to formalise our commitment to achieve the target of having three women directors or 30% women on its Board through its Board Diversity Policy. For more information on our Board Charter, please visit the following website:

<http://www.bursamalaysia.com/corporate/about-us/corporate-governance/board-charter/>



Basic Salary Ratio (% of Total RM Salary Paid to Gender Group)	2017	
	Male	Female
a) Senior Management	31	69
b) Middle Management	50	50
c) Executive	50	50
d) Non-Executive	79	21
Total	54	46



NURTURING OUR TALENT 401-1; 404-1

RECRUITMENT

Our talent philosophy is based on our ambition to be an employer of choice. The Careers pages on the Bursa Malaysia website provide a listing of our open positions, and present our values and people philosophy to potential candidates. However, in a competitive market, hiring the best talent means taking a proactive approach.

We seek to attract, motivate and retain the best talent that is competent and highly skilled, agile and high performing to meet the demands in the capital market. Aggressive recruitment efforts are in place to ensure we fill the critical positions in the shortest time possible. We use various channels and job portals to reach out to experienced talents. We have also embarked on a talent seeding programme where we attracted new young talents from universities. We received 1,216 applications in 2017, where five were selected to participate in our 10-month accelerated development programme.

In 2017, our new hire rate was 8.5% and we had a turnover rate of 12.6%.

New Hires by Age Group and Gender	2017	
	Male	Female
a) Under 30	9	8
b) 30-50	12	19
c) Over 50	1	0
Total	49	

Attrition by Age Group and Gender	2017	
	Male	Female
a) Under 30	6	6
b) 30-50	19	31
c) Over 50	7	3
Total	72	

DEVELOPMENT

Building capability is key to the success of any organisation. We recognise the importance of ensuring that we are 'future-ready' and able to meet the ever-evolving business needs in the market. To achieve this, we have invested in building and strengthening our employees' competencies particularly in developing their ability to be adaptable, agile and innovative.

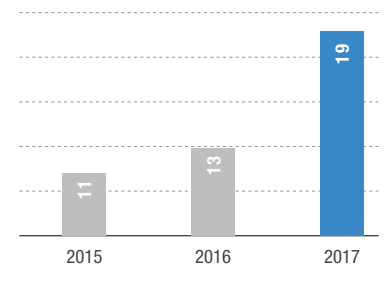
An Annual Learning Plan is developed taking into consideration both long-term goals (such as career aspirations) and short-term needs (such as critical business skills). The Annual Learning Plan also prioritises competency gaps and learning needs for the year.



Skim Latihan 1Malaysia (SL1M)

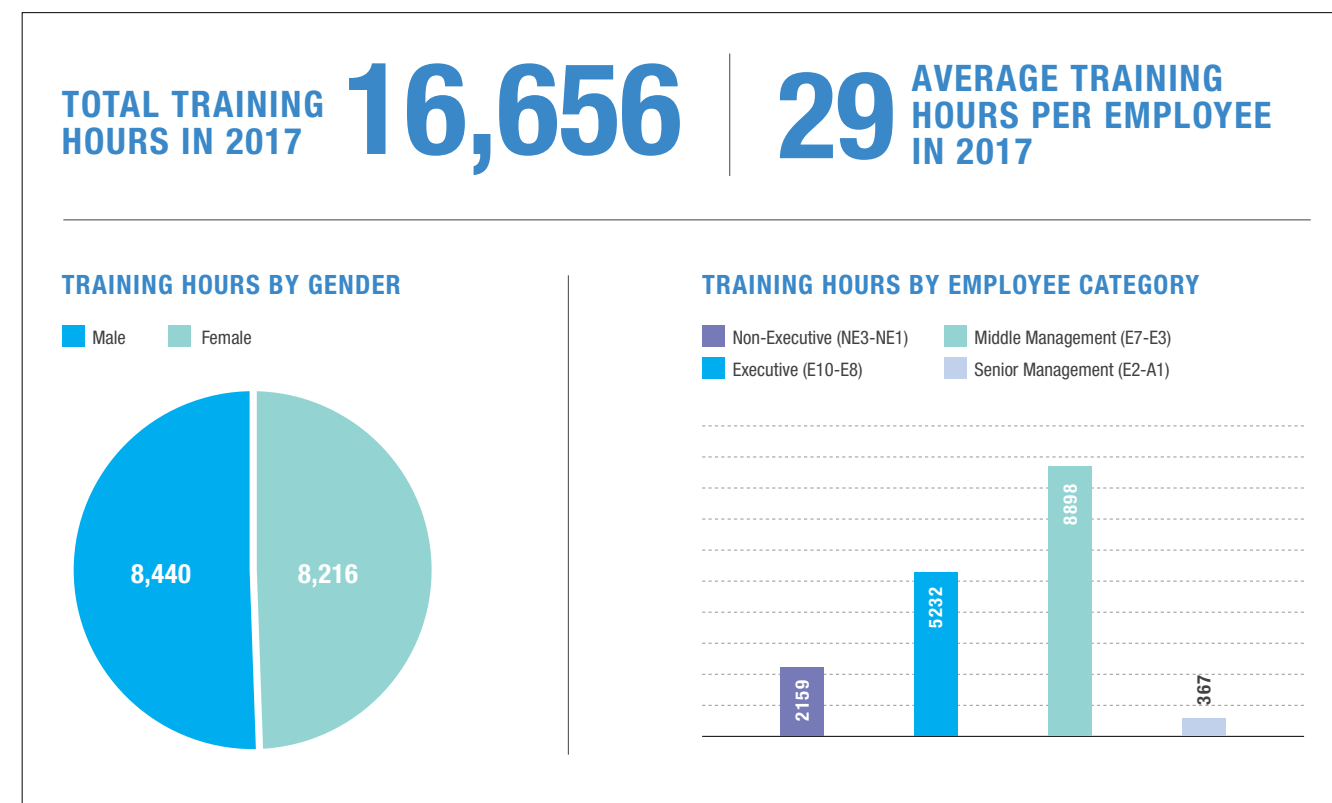
Initiated in 2011 by the Malaysian Government, SL1M aims to upskill fresh and unemployed graduates, enhance their marketability, employability and self-confidence through on-the-job training and soft skills training at participating organisations for a maximum period of 12 months. In 2017, we continued to provide full support to the SL1M, by taking in graduates who applied under the scheme and providing them with a platform to gain the relevant experience and knowledge at Bursa Malaysia.

NO. OF SL1M TRAINEES



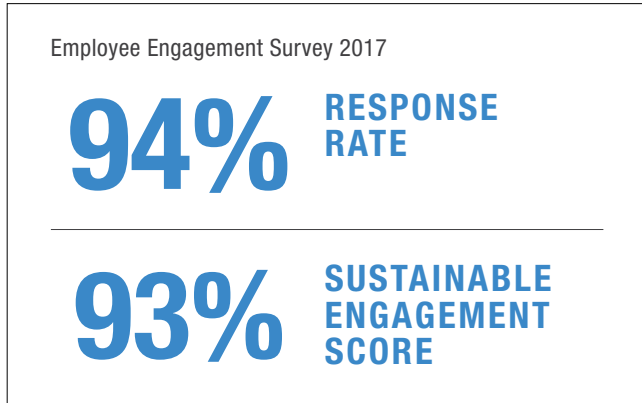
Based on the 2017 Learning Plan, we continued to implement a structured developmental programme under the Pre-Requisite Development Programme which was designed to make certain that our employees at each level possess the fundamental knowledge and skills to carry out their duties efficiently and effectively. We also rolled out targeted developmental programmes to meet specific learning needs of our employees. Furthermore, we offered a wide variety of learning programmes which addressed, among others, statutory and/or regulatory requirements (for example safety and health as required under the Occupational Safety and Health Act 1994). In order to increase the level of awareness among employees on the importance of sustainability and its associated risks and opportunities, we also conducted sustainability related programmes on key topics such as financial ethics, anti-corruption, cyber security, handling of bomb threats and environmental preservation. To gauge training effectiveness, we employed post training evaluations which we used to review and enhance the delivery of our programmes. In 2017, we invested RM641,895 in employee development and recorded a total of 16,656 hours of training by employees. This is an average of 4.1 days or 29 hours per employee.

In addition to upskilling our employees in their respective technical, functional and soft skills, we strengthen our leadership pipeline by developing key talents and successors at all levels, from junior to senior levels. We continuously identify new development areas for talents and more importantly, increase talent readiness to assume critical roles in our organisation. We emphasize on creating an optimal environment for growth by providing opportunities for continuous development, hence creating a learning culture. Moving beyond traditional classroom setting, we support on-the-job training, knowledge sharing and other experiential learning methods and we aim to build a strong coaching and mentoring culture. We further encourage our employees to be actively involved in cross-functional assignments, short-term projects and provide job rotation opportunities to enable them to gain a wider perspective of how we operate, resulting in a better business alignment and collaboration within Bursa Malaysia.



EMPLOYEE ENGAGEMENT

Employee engagement is an important driver to performance and organisational success. Every interaction an employee has at work impacts his or her engagement. In addition to our main talent initiatives described earlier, we established a series of organisation-wide engagement initiatives throughout the year, aimed at promoting and fostering employee integration, teamwork and camaraderie. These included among others, townhall meetings with CEO, festival celebrations, exhibitions, campaigns, outdoor activities and annual dinner. Our annual Employee Engagement Survey, provides a good measure of engagement across our business. In 2017, the average engagement score was 93%, continuing an upward trend in recent years.



Key Employee Engagement Initiatives 2017:

- CEO Conversation – 2 sessions of the CEO Conversation were held on 20 February and 10 March 2017 where the CEO met and shared new developments on the organisation with employees such as the new macro organisational structure and changes as well as expectations towards achieving a HPO.
- Eco Carnival – In collaboration with EcoKnights (a Malaysia based not-for-profit environmental organisation), we organised an Eco Carnival on 28 April 2017. This event included organising a green market, holding documentary-film screenings and green living workshops. All these activities aimed to increase employees' participation in company activities and to raise environmental awareness where employees could then make the change towards a more sustainable living. It also formed part of our commitment to make sustainability a way of life at Bursa Malaysia. In view of the positive response from employees, we endeavour to organise similar events in the future by joining forces with various not-for-profit organisations.
- Appreciation Night – On 21 October 2017, we organised an Appreciation Night themed 'Rainforest Glamour'. This annual dinner exuded the beauty of staying green with selection of prizes that were curated using environmentally-friendly products or brands. One of the prizes – the Best Dressed Award was given to a winner whose attire was designed and made up of recyclables or recycled materials.



Our Board of Directors and their family members took a moment to pose for a photo at the 'Rainforest Glamour' photo booth before the start of the annual dinner.



Three of our employees were shortlisted for the Best Dressed Award during the annual dinner. The award was presented to Ms. Noor Shamimi Sobri (second from the right) by Datuk Seri Tajuddin Atan.

SUCCESSION PLANNING

Building and strengthening our leadership pipeline is critical to not only identify employees who have the potential to move up in the organisation, but also ensure we have the talent that is fit to meet our future needs. Profiling of successors is carried out through various assessments to identify their strengths and areas of development followed by putting in place targeted development plans. We also have put in place a Talent Council that monitors and provides guidance on the implementation of all talent initiatives for those under the talent pool and succession pipeline, mainly focusing on talent development and retention. In ensuring that we have a healthy pipeline, a yearly review is also conducted on the readiness state of our successors.

Post our Optimising Organisation Structure for Organisational Effectiveness (OOS) project this year, a critical role and talent review was done to ensure that we invest our efforts in the right talents for succession and leadership development purpose. We created three critical talent pools, namely the Management Team, Succession Pool and Talent Pool with different leadership development plans to close specific gaps and meet our succession objectives.



HEALTH, SAFETY AND WELL-BEING

The health, safety and well-being of our employees are overseen by Bursa Malaysia's Occupational Health and Safety (OHS) Committee, which is made up of four management staff and four other employees. The OHS Committee, with the strong support of the management, ensures that as far as practicable, all relevant and applicable statutory and regulatory requirements as stipulated under the Occupational Safety and Health Act 1994 are met. This includes implementing safety and health awareness programmes relating to wellness, mental health, ergonomics, and safety at the workplace as well as conducting safety and health audits. In 2017, we continued to maintain our track record of zero fatalities and zero lost time arising from work-related injuries.

To encourage our employees to embrace a healthy and active lifestyle, we provide sport facilities exclusively for the benefit of our employees such as the Multi-Purpose Hall with gymnasium, which can cater for futsal, badminton, netball and squash. Employees are also encouraged to participate in the various fitness classes that are conducted at our premises, such as aerobics, zumba and yoga. Additionally, we organise outdoor adventure activities and take part in the annual sports games organised by the Ministry of Finance (MOF). In 2017, we participated in the MOF annual sports games that were held at Institut Penilaian Negara, Bangi from 10 to 19 November 2017.

In 2017, we celebrated HR Day in May and jointly organised the Occupational Health and Safety Day with Astro AWANI in October. These were part of our efforts to heighten our employees' awareness on wellness and safety matters. During both events, we disseminated information concerning workplace hazards, offered wellness and health products, held a lifestyle bazaar, and conducted health screenings and health awareness talk.



EMPLOYEE BENEFITS 401-2

At Bursa Malaysia, we believe in ensuring that we provide the best working arrangements for our employees so that they are able to manage their personal and work commitments more effectively. We ensure that the arrangements are able to cater to the differing needs of families and employees with special circumstances.

We provide alternative arrangements to our standard working hours, which are from 8:45 am to 5:30 pm, with 9% of our employees opting for alternative work hours. Employees are entitled to rest days and paid holidays on all gazetted Federal public holidays.

We ensure that for remuneration, benefits and pensions, we offer competitive remuneration beyond minimum wage for our employees. In addition, we also offer competitive benefits to attract and retain the best talent for the company. Our employees enjoy various employee benefits such as maternity and paternity leave, social security fund, medical benefits, workman compensation, death benefit, life and accident insurance, retirement benefit and a share grant plan.

TALENT

TALENT


MANAGING LABOUR RELATIONS 102-41; 102-48; 406-1

We acknowledge the rights of employees to form and join a trade union, and therefore recognise the National Union of Commercial Workers (NUCW), a national trade union of employees registered pursuant to the Trade Unions Act of Malaysia 1959, as the collective bargaining body representing our eligible (full time) employees who join as members of the said Union. Of our non-executive employees, 60% are members of the Trade Union. However, all non-executive employees enjoy the terms of the three-year Collective Agreement (CA). In 2017, there were no reports received on violation of employees' rights to exercise freedom of association or collective bargaining.

Guidelines are in place for the appropriate management of grievance cases including discrimination matters. Employee grievances are resolved according to the grievance procedures while those who are unionised are governed by the grievance process provided under the CA. All registered grievances are investigated and tracked through to final closure. In 2017, there were no incidents of discrimination reported.

We strongly support fair and ethical labour practices and we ensure our operations are free from child labour, forced labour, slavery and human trafficking. Our commitment to protecting human rights is supported by our Employee Code of Ethics, which sets the tone in relation to our stance against discrimination on any basis, including any bias on the basis of ethnicity, gender, religious beliefs, or age. The Code of Ethics applies to all employees and are communicated to the employees via our internal employee information portal 'My1818' primarily.

NUMBER OF EMPLOYEES IN THE NUCW

49

 EMPLOYEES

8.5%

 OF TOTAL EMPLOYEES IN NUCW

SUMMARY OF 2015 - 2017 PERFORMANCE DATA FOR TALENT

Talent Data:	2015	2016	2017
--------------	------	------	------

Total Employees by Employment Contract			
Permanent	568	565	546
Contract	28	28	25
Total	596	593	571

Breakdown of Senior Management by Race, Gender and Age			
Malay	50	64	52
Chinese	38	27	37
Indian	12	9	11
Others	0	0	0
Total (%)	100	100	100

Male	50	36	48
Female	50	64	52
Total (%)	100	100	100

Under 30	0	0	0
30-50	53	42	56
Over 50	47	58	44
Total (%)	100	100	100

Breakdown of Total Employees by Race, Gender and Age			
Malay	60	62	61
Chinese	27	27	27
Indian	11	10	10
Others	2	1	2
Total (%)	100	100	100

Male	54	54	54
Female	46	46	46
Total (%)	100	100	100

Under 30	12	10	9
30-50	73	70	70
Over 50	15	19	21
Total (%)	100	100	100

Disabled Employees	2	2	2
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Talent Data:	2015	2016	2017
--------------	------	------	------

Basic Salary Ratio (% of Total RM Salary Paid to Gender Group)			
a) Male			
Senior Management	59	48	31
Middle Management	51	51	50
Executive	46	48	50
Non-Executive	78	78	79
Total	54	52	54

b) Female			
Senior Management	41	52	69
Middle Management	49	49	50
Executive	54	52	50
Non-Executive	22	23	21
Total	46	48	46

New Hires by Age Group			
Under 30	32	18	17
30-50	22	27	31
Over 50	1	0	1
Total	55	45	49

Attrition by Age Group			
Under 30	29	8	12
30-50	30	35	50
Over 50	6	5	10
Total	65	48	72

Number of SL1M trainees	11	13	19
Total Investment in Employee Development (RM)	1,097,656	1,048,735	641,895
Total Training Hours	21,394	22,968	16,656
Average Training Hours Per Employee	35	39	29

Training Hours by Gender			
Male	10 841	11 034	8440
Female	10 553	11 934	8216

Talent Data:	2015	2016	2017
--------------	------	------	------

Training Hours by Employee Category			
Non-Executive (NE3-NE1)	3 213	1 789	2159
Executive (E10-E8)	5 275	5 663	5232
Middle Management (E7-E3)	12 395	14 526	8898
Senior Management (E2-A1)	434	950	367

Thematic Training (non-exhaustive)			
a) Safety and Health			
Total Training Hours	1 113	2 962	1859
Number of Attendees	972	1 766	1382

b) Anti-Corruption			
Total Training Hours	-	-	186
Number of Attendees	-	-	125

c) Human Rights ¹			
Total Training Hours	-	66	-
Number of Attendees	-	50	-

Employee Engagement Survey			
Response Rate (%)	96.3	99.0	94.0
Sustainable Engagement Score (%) ²	86.0	89.0	93.0

Number of Representatives in the OSH Committee			
Management	6	6	4
Employee	4	4	4

Lost Time Injury			
Male	0	0	0
Female	0	0	0

Work-related Fatalities			
Male	0	0	0
Female	0	0	0

NUCW			
Number of Employees in the NUCW	64	56	49
Percentage of Total Employees in NUCW (%)	10.7	9.4	8.5

¹ targeting at security personnel of Bursa Malaysia

² The sustainable engagement score for 2015 and 2016 were recalibrated as different consultants were engaged to carry out the employee engagement survey in 2017.

COMMUNITY

2017 KEY HIGHLIGHTS

RM2.3
MILLION RAISED AND DISTRIBUTED
BURSA BULL CHARGE 2017

34
BENEFICIARIES
BENEFITTED FROM BURSA BULL
CHARGE 2017

19
STUDENTS
SPONSORED UNDER YAYASAN
SCHOLARSHIP PROGRAMME

488 EMPLOYEES
RECORDED MORE THAN
3,500 VOLUNTEER HOURS

MORE THAN
RM12,000
AWARDED TO 27 BURSA
KIDS WHO PERFORMED
WELL IN EXAMINATIONS

AS A RESPONSIBLE COMPANY, WE AIM TO HAVE A POSITIVE IMPACT ON SOCIETY IN MALAYSIA, SUPPORTING INCLUSIVE AND SUSTAINABLE DEVELOPMENT IN THE COMMUNITIES WE TOUCH.

While it is not a high material sustainability factor for Bursa Malaysia, investing in the communities we touch in Malaysia is an important part of our responsibility to society as a corporate citizen and is something that we are also passionate about.

It is also consistent with our values and business strategy. Our community strategy is focused on forming targeted social initiatives and partnerships that:

- Invest in future generations through programmes that support education and entrepreneurship; and
- Give back to the community, through supporting employees to volunteering as well as conducting fund raising for worthy causes.



INVESTING IN FUTURE GENERATIONS

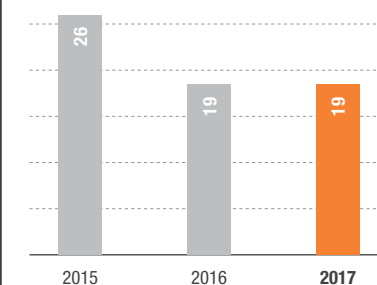
We strongly believe that for our future growth development, we need to help the current and cultivate the next generation of business leaders and entrepreneurs. We do that by providing financial access and wealth creation opportunities where they currently do not exist.

YAYASAN SCHOLARSHIP PROGRAMME

Since 2008, we have sought to assist students from challenging backgrounds to pursue undergraduate studies at local universities. Through the Yayasan Scholarship Programme, we provide a four-year scholarship to students from underprivileged backgrounds to carry out an undergraduate degree at public Malaysian universities. Students must meet certain criteria, including being a Malaysian citizen aged below 22 years old and from a household with a gross monthly income of RM5,000 or less. Students are also assessed based on their grades and participation in extra-curricular activities. Students who select disciplines relevant to Bursa Malaysia are given preference, such as Law, Finance, Accountancy and Economics.

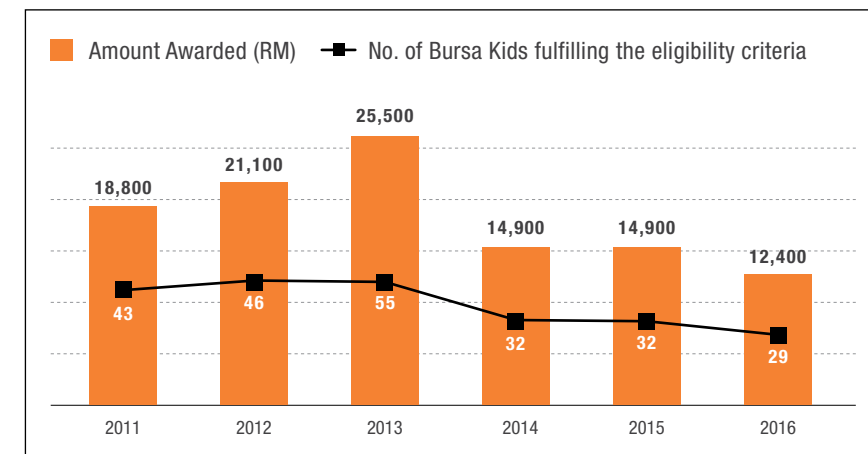
YAYASAN SCHOLARSHIP PROGRAMME

No. of participants



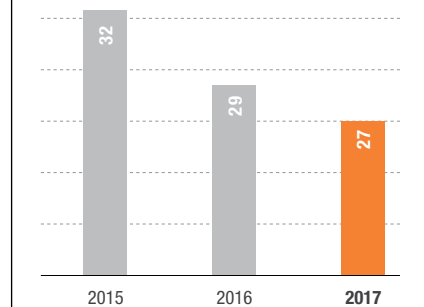
YAYASAN BURSA MALAYSIA EXCELLENCE AWARDS

Since 2008, we have held the Yayasan Bursa Malaysia Excellence Awards as an annual event to reward and honour the children of employees (Bursa Kids), who have excelled in major public examinations namely UPSR (standard 6), PT3 (form 3), SPM (form 5) and STPM (Upper 6). The aim is to promote and celebrate educational excellence among children of our employees. In 2017, Yayasan Bursa Malaysia awarded RM12,400 to 27 Bursa Kids. Awards for previous years are as follows:



YAYASAN BURSA MALAYSIA EXCELLENCE AWARDS

No. of participants



GIVING BACK TO THE COMMUNITY

EMPLOYEE VOLUNTEERING

At Bursa Malaysia, we have a strong culture of giving back to communities and being a good corporate citizen. We support and encourage our employees to volunteer, using their skills, resources and time, to worthy causes that make a difference in society. In 2017, 488 employees participated in either company-run or self-initiated volunteering activities in collaboration with external organisations including non-governmental bodies. These included:



Supporting community kitchens to feed the needy and homeless people



Organising financial literacy workshops for the youth



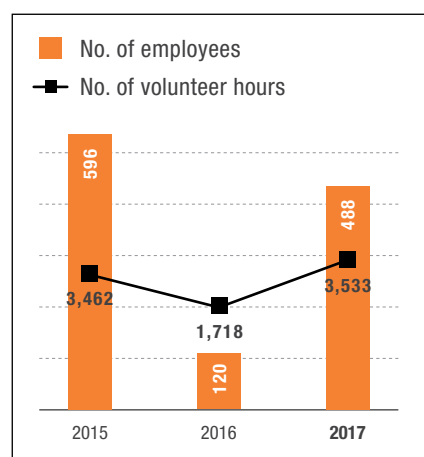
Organising get-together sessions with single mothers, orphans and children with special needs



Undertaking environmental initiatives such as beach cleaning and tree planting



Donating or organising fundraising activities to raise funds for communities or organisations in need



COMMUNITY

COMMUNITY



Our Corporate Governance and Secretarial Team organised a get-together session with single mothers from Kg Batu Muda and orphanages from Rumah Anak Yatim Raudhatul Jannah in Kuala Lumpur on 28 October 2017.



Regulation staff volunteered at the Pit Stop Community Café – a community cafe by day and a soup kitchen by night, located on Jalan Tun H.S. Lee, Kuala Lumpur.



The CEO's Office, Human Resources and Securities Market teamed up and organised a tree planting initiative at KL Forest Eco Park on 16 December 2017.

THE BURSA BULL CHARGE

The Bursa Bull Charge (BBC) is our flagship event held annually and for the fourth consecutive year in 2017, that brings Malaysia's capital market players and participants together in the spirit of inclusiveness in order to raise awareness and funds. On 14 September 2017, we organised our BBC 2017 which saw more than 1800 runners charging through the streets of Kuala Lumpur. A total of RM2.27 million was raised and distributed to support various charitable organisations with focus on financial literacy and social entrepreneurship as well as organisations that undertook social development programmes to alleviate distress and poverty or improve the condition of the underprivileged. The target groups covered under the latter included among others, women, children, indigenous community and the physically challenged. After its successful run in 2017, the BBC will be back again in 2018.

	2015	2016	2017
Amount raised and distributed (RM million)	1.8	2.2	2.3
Number of participating companies	179	217	191
Number of runners	1,800	2,022	1,844
Number of beneficiaries	28	38	34
Cumulative amount raised including Rat Race (RM)	20.3	22.5	24.9
Cumulative number of beneficiaries (including from Rat Race)	232	289	323



Bursa Malaysia's management and employees celebrated the success of the BBC 2017 in front of the Exchange Square, Kuala Lumpur.



A cheque presentation ceremony was held with a group of beneficiaries after the BBC 2017. The total amount disbursed was RM2.3 million, 7% higher compared to last year.

MOVING FORWARD

In line with our aspiration to be the leading exchange in sustainability in ASEAN by 2020, there will be greater focus on sustainability and as part of that, the role of Yayasan Bursa Malaysia (Yayasan) as a charitable organization. We aim to review the model for Yayasan, to further enhance its effectiveness in being a prominent charitable organization that can make a significant impact in improving the lives of communities particularly as regards education while also amplifying its profile as such an organization.

ENVIRONMENT

2017 KEY HIGHLIGHTS

FIRST CARBON NEUTRAL
BURSA BULL CHARGE 2017

PAPER ONLY
6,204 KG OF PAPER RECYCLED

MAINTAINED OUR ENERGY INTENSITY AT
0.35 GJ/sq meter
AN OVERALL REDUCTION FROM BASE YEAR OF 2013

REDUCED OUR GHG EMISSIONS
5TH CONSECUTIVE YEAR IN A ROW

AS A RESPONSIBLE COMPANY, WE AIM TO REDUCE THE ENVIRONMENTAL FOOTPRINT OF OUR OPERATIONS AND ENGAGE OUR EMPLOYEES TO DRIVE SUSTAINABLE BEHAVIOURS THROUGHOUT OUR BUSINESS.

We understand that our environmental impacts are limited in nature arising out of our office operations in Kuala Lumpur. Nonetheless, we take responsibility for managing our environmental impacts seriously. Reducing our environmental footprint not only aligns with our core values as a company, it also drives tangible benefits for our business through higher efficiencies and cost savings.

Being a key focal point for many public listed companies (PLCs) in the capital market, we are conscious of the need to lead by example and influence others to follow suit. Through our environmental efforts, we seek to demonstrate to others that every effort counts, no matter how small and insignificant it may seem. This becomes particularly important when environmental issues are increasingly affecting the survival of many lives around the globe. Similar to its past analysis, the Global Risks Report issued by the

World Economic Forum consistently rates environmental dangers such as water and climate change related risks as critical. On the local front, policy makers and regulators have instituted strong policies and measures to direct the development of the nation and the marketplace towards green growth. In support of these developments, we rolled out a series of environmental initiatives in 2017 with a view to drive better environmental performance within Bursa Malaysia.

Our environmental impacts mainly arise from the operation of our Head Office (namely, Main Building and Annexe Building) and a data centre located at the Exchange Square, Kuala Lumpur. Our environmental focus includes managing our energy use and Greenhouse Gas (GHG) emissions, water consumption and waste.



ENERGY USE AND GHG EMISSIONS

302-1; 302-4; 305-2; 305-5

We continuously strive to improve our energy efficiency and reduce our GHG emissions, taking advantage of opportunities to do so when they arise. This primarily involves engaging our employees, promoting sustainable behaviours and upgrading our infrastructure and facilities.

We have continuously made efforts to ensure that our energy usage and emissions decrease compared to our baseline that we set in 2013. Overall, since 2013 we have achieved a cumulative energy saving of 22.0% and GHG emissions reduction of 17.7%. While we have undertaken several initiatives to optimise our energy consumption in recent years, one of the reasons for the reduction in our electricity usage in 2017 is that one of our larger tenants in our Kuala Lumpur office moved out of the building.

Looking ahead, we hope to look into opportunities for reducing our impact even further by investing in renewables and other low carbon technologies. We also seek to expand our reporting to include additional aspects of our energy consumption in the coming years.



Making the Bursa Bull Charge 2017 Carbon Neutral

As part of our environmental commitments, in 2017 we launched a new initiative to hold our annual charity run event, the Bursa Bull Charge (BBC) as a carbon neutral event. This was our first carbon neutral event. In so doing, we first calculated the carbon footprint of our BBC 2017 to establish a baseline. Next, we took deliberate steps to reduce its carbon footprint. We made a conscious effort to reduce our plastic usage and prepare for waste segregation and disposal. Surplus food was also distributed to the needy and booth participants were encouraged to go plastic free. We made available an electric bus to ferry participants to allow for less usage of cars and taxis during the run.

To achieve carbon neutral status, we offset the remaining carbon emissions of our run by replacing fluorescent downlights in our offices with LED downlights. A total of 520 LEDs were installed in September 2017. We also periodically raised the temperature in our office building in Kuala Lumpur from 23°C to 24°C between 15 September and 31 December 2017, achieving a total of 36 full days of 24°C. With all these measures, we managed to offset the estimated carbon footprint of BBC 2017, amounting to 16,351.66 kg CO₂e.

Our aspiration is that in the future we will eventually manage all our events to be carbon neutral.

In 2017, our performance improvement can be attributed to the various initiatives we undertook to reduce our consumption, such as:



Installation of Light Emitting Diodes (LED) downlights to replace older, less energy efficient downlights in our lift lobbies



SWITCHED OFF CHILLERS at night, during public holidays and weekends



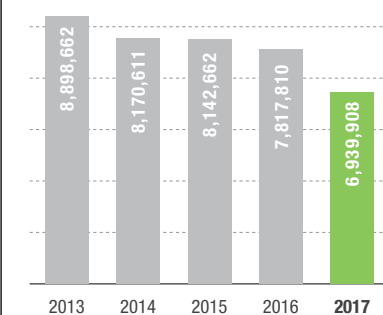
Continuing **MAINTENANCE AND REPLACEMENT** of electrical equipment and light fittings to maximise energy efficiency



ONGOING CAMPAIGNS to remind all employees to switch off the lighting, water dispensers, air conditioning, or other electrical appliances in the office when they are not used

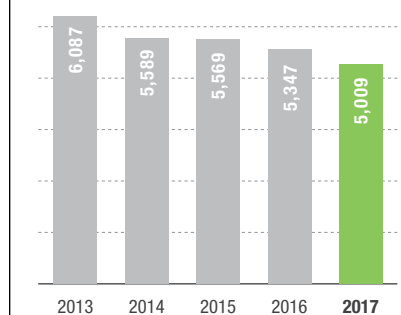
ELECTRICITY USAGE

Electricity usage (in kWh)



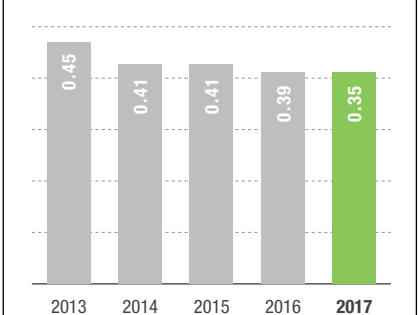
GHG EMISSION

Electricity Usage (in tonnes of CO₂ equivalent)



ELECTRICITY INTENSITY

GJ/sq meter



Note: The data above covers our Main Building and data centre.

ENVIRONMENT

ENVIRONMENT

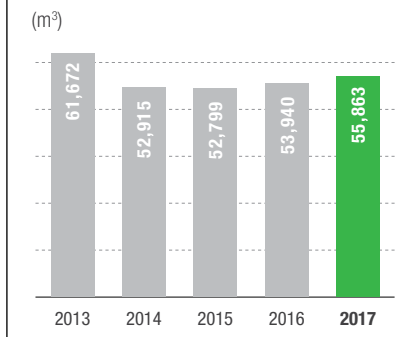


WATER CONSUMPTION

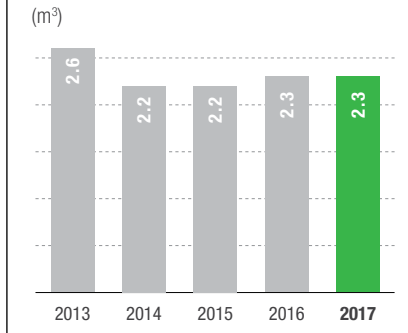
303-1

We seek to reduce our water footprint through promoting water-saving practices among employees and adopting water-efficient technologies and equipment wherever possible. Most of the water consumed at our Head Office is obtained from municipal water supply. In addition to our purchased water utilities, we have also been using groundwater extracted from a stream in the vicinity of our Head Office for non-human consumption purposes such as toilet flushing and cooling towers since 2011. We do not currently measure the amount of water used from this source. However, we plan to start monitoring our consumption of groundwater moving forward.

WATER CONSUMPTION



AVERAGE USAGE / PERSON



Note: The data above covers municipal water usage in our Head Office (Main Building and Annexe Building).

Our ongoing water saving initiatives include:



SLOW THE FLOW

Adjusting water pressure/outflow for toilets, wash basins, pantry, throughout our head office building



SEEK THE LEAK

Conducting checks and fixing leaks immediately, where possible

In 2017, our water consumption was 55,863m³. This is a marginal increase from the previous year, possibly due to higher consumption of municipal water for cooling towers as a result of a reduction in supply of groundwater. However, overall we have reduced our water consumption by 9.4% since 2013 when we first established a baseline for our water use.



WASTE MANAGEMENT

306-2

We aim to minimise the waste we generate in our offices, increase opportunities for reuse and recycling where possible, and responsibly dispose of the waste we generate. We generate two types of waste in our operations: general waste and scheduled waste. General waste is disposed to a landfill site at Bukit Tagar via the waste exchange station (namely, Taman Lembah Beringin Transfer Station) in Kuala Lumpur. Our scheduled waste is composed of e-waste, most of which is fluorescent tubes. Disposal of scheduled waste depends on its composition. For example, used fluorescent tubes are collected and taken to a recycling plant at Telok Gong, Klang, where mercury is removed and the remainder of the tube is disposed and recycled via a crusher machine. We have appointed government-licensed waste contractors for removal and disposal of both our general and scheduled waste streams.

Throughout 2017, we continued our '3R' (Reduce, Reuse and Recycle) Campaign, as the main form of employee engagement related to waste management. In particular, the campaign focused on:



REDUCING PAPER CONSUMPTION

by encouraging the employees to avoid printing/photocopying or prioritise electronic means to share and store documents. If not possible, to use double sided printing



REUSING PAPER that has been printed on only one side for draft documents

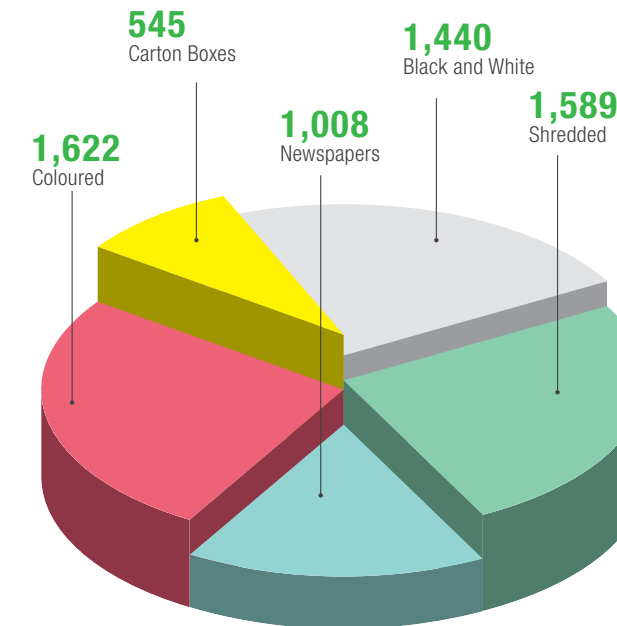


RECYCLING PAPER

through well labelled paper recycling bins located throughout our office

3R CAMPAIGN 2017: AMOUNT OF PAPER RECYCLED

(kg)



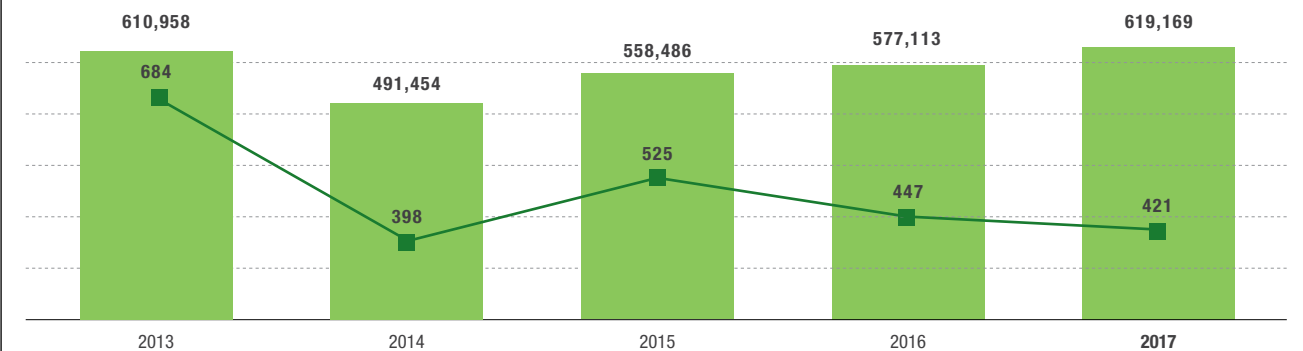
As a result, in 2017 we were able to save approximately 6,204kg of recycled paper, which is the equivalent of 25 trees. This is a reduction from last year, partly because the same campaign was conducted in 2016 where the employees had already contributed close to 10,000kg paper for recycling.

In 2017, we also ran a Green Spring Cleaning Campaign, following staff feedback and requests for a cleaner and clutter free workplace. During the campaign, employees were encouraged to keep their workstations and cabinets clean and neat by digitalising, disposing off or recycling their paper documents. This is in line with our ambition to move towards digitisation and reduction of our paper use.

Overall, our general waste disposed figures have risen year-on-year since 2014 while our scheduled waste figures have declined for the second year in a row in 2017, primarily due to reduced disposal of fluorescent tubes.

WASTE MANAGEMENT

■ General Waste disposed (kg) ■ Scheduled waste disposed (kg)



Note: The data above covers waste generated from our Head Office (Main Building and Annexe Building).

GRI CONTENT INDEX
GRI CONTENT INDEX

DISCLOSURE NUMBER	DISCLOSURE TITLE	PAGE REFERENCE/COMMENT/REASON FOR OMISSION
GENERAL DISCLOSURES		
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102-1	Name of the organization	p.8
102-2	Activities, brands, products, and services	p.9-11
102-3	Location of headquarters	p.8
102-4	Location of operations	p.8
102-5	Ownership and legal form	p.9
102-6	Markets served	p.8,11
102-7	Scale of the organization	p.8, 10, 11, 49
102-8	Information on employees and other workers	p.49
102-9	Supply chain	p.22
102-10	Significant changes to the organization and its supply chain	p.1,22
102-11	Precautionary Principle or approach	Bursa Malaysia applies the Precautionary Principle whenever assessing potential environmental risks, in order to avoid both known and unforeseen negative impacts on the environment.
102-12	External initiatives	p.22
102-13	Membership of associations	p.22
STRATEGY		
102-14	Statement from senior decision-maker	p.3-7
102-15	Key impacts, risks, and opportunities	p.16
ETHICS AND INTEGRITY		
102-16	Values, principles, standards & norms of behavior	p.8, 22
102-17	Mechanisms for advice and concerns about ethics	p.21, 22
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102-18	Governance structure	p.15
102-19	Delegating authority	p.15
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102-40	List of stakeholder groups	p.17-20
102-41	Collective bargaining agreements	p.56
102-42	Identifying and selecting stakeholders	p.17
102-43	Approach to stakeholder engagement	p.17-20
102-44	Key topics and concerns raised	p.17-20
REPORTING PRACTICE		
102-45	Entities included in the consolidated financial statements	p.1
102-46	Defining report content and topic Boundaries	p.16-17
102-47	List of material topics	p.16
102-48	Restatements of information	p.1
102-49	Changes in reporting	No changes in reporting for FY2017
102-50	Reporting period	p.1
102-51	Date of most recent report	Most recent report was for FY2016
102-52	Reporting cycle	p.1
102-53	Contact point for questions regarding the report	p.1

DISCLOSURE NUMBER	DISCLOSURE TITLE	PAGE REFERENCE/COMMENT/REASON FOR OMISSION
GENERAL DISCLOSURES		
REPORTING PRACTICE		
102-54	Claims of reporting in accordance with the GRI Standards	p.1
102-55	GRI Content Index	p.66-67
102-56	External assurance	This report has not been externally assured. The need for external assurance will be reviewed for future reports.
TOPIC SPECIFIC DISCLOSURES: MATERIAL MATTERS		
COMPETITION		
103-1	Explanation of the material topic and its Boundary	p.16, 23-24
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N/A	Sustainability performance of listed issuers (Average compliance with Bursa Malaysia's Sustainability Reporting Requirements)	p.40
N/A	Corporate governance performance in independent rankings and benchmarks	The Asian Corporate Governance Association's Corporate Governance Watch Ranking is conducted every two years. The last results were reported in Bursa Malaysia's Sustainability Report 2016 on page 17. The next results will be disclosed in our Sustainability Report 2018.
TECHNOLOGY		
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303-1	Water withdrawal by source	P.64 (Please note, consumption of groundwater, which represents a small and new part of our overall consumption, was not available this year. However, we aim to monitor this in future years)
305-2	Energy indirect (Scope 2) GHG emissions	p.63 (Please note, data for 2017 are calculated based on conversion factors from the MYCarbon GHG Reporting Guidelines)
305-5	Reduction of GHG emissions	p.63 (Please note, data for 2017 are calculated based on conversion factors from the MYCarbon GHG Reporting Guidelines)
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