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| Document: | Welcome Address by Datuk Seri Tajuddin Atan Chief Executive Officer, Bursa Malaysia |
| Event: | 4 th Bursa Excellence Awards 2016 |
| Date: | 3 May 2017 (Wednesday) |
| Time: | 7.00pm - 10.00pm |
| Venue: | Shangri La Hotel Kuala Lumpur |

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| 1) | Yang Berhormat Datuk Seri Johari Abdul Ghani Finance Minister II |
| 2) | Tan Sri Dato' Seri Ranjit Ajit Singh Chairman of Securities Commission Malaysia |
| 3) | Yang Berbahagia Tan Sri Amirsham A Aziz Chairman of Bursa Malaysia Berhad |
| 4) | Yang Mulia Tengku Dato' Paduka Noor Zakiah Tengku Ismail Chairman of Kenanga Holdings Berhad |

Tan Sri-Tan Sri, Dato' Sri-Dato' Sri, Dato'-Dato', Datin - Datin,
Distinguished Guests,
Members of the media,
Ladies and Gentlemen.

1. A very good evening and welcome to Bursa Malaysia Excellence Awards 2016 Gala Nite.
2. I would like to begin this evening by saying thank you to Yang Berhormat Datuk Seri Johari, for spending your evening with us, in honouring contributions made by our brokers and market intermediaries to the growth of the capital market. Thank you, sir.

Excellence Awards 2016

3. Into its fourth year, the Awards is now known as the “Bursa Malaysia Excellence Awards 2016”, to reflect the changing dynamics of the capital market today.

4. The Excellence Awards, with the theme this year of “Recognising Malaysia’s Best”, serves as a platform to recognise deserving brokers and participants of the equities, derivatives and Islamic market for their unending contribution and significant achievements in the sustainability and growth of the Malaysian capital market.

5. This year, we are granting awards for 19 categories, to recognise a wide range of participants in the capital market including Brokers, Remisiers and Proprietary Day Traders (PDTs), in appreciation of their positive contributions and efforts, which have significantly led towards the growth and development of the Malaysian capital market throughout 2016.

6. The Awards this year are granted based on a robust and rigorous selection process. Unlike previous years where the awards were granted based on trading value, this year the selection is based on a **holistic view of the entire business spectrum** of the brokers.

7. Whilst trading value remains a key component in the selection criteria, this year, due consideration has also been given to **regulatory aspects and business growth** of the brokers. This was done to recognise market participants' achievements from a more holistic perspective.

8. Additionally, this year the award selection process was subjected to verification by an independent external auditor. In this regard, we are pleased to announce that **SJ Grant Thornton** verified the award selection process to ensure that the awards granted are in line with the established selection criteria.

9. As one of the leading and reputable organisations known for the quality of assurance services it provides, we are confident that the independent verification by SJ Grant Thornton lends added credence and credibility to the awards granted.

10. Further to this, I believe that the recognition of efforts and talent by the exchange will give the brokers and intermediaries a boost to strive further; encouraging the players to innovate, improve and improvise business. This will create a healthy competitive spirit which will produce talent that can run parallel with the dynamism of capital market, in line with our mission to be a developed market.

The year that was 2016

Ladies and Gentlemen,

11. Looking back at the year that was 2016, I think it is fair to say that it was a challenging year for all of us, with episodes of pronounced volatility affecting the markets. Despite external

factors beyond our control such as Brexit and Trump, we managed to maintain a fair and orderly market. In the face of all the challenges in 2016, our market continued to grow, albeit at a slower pace, in the following aspects:

- In the securities market, the listing of **11 new companies** in 2016 despite challenging market conditions, with funds raised through the primary and secondary market reaching a total of **RM12.85 billion**;
- Also in the securities market, maintaining foreign shareholdings at **16.5% in 2016**, only marginally lower than **16.6% in 2015** despite the volatile market conditions;
- In the Derivatives Market, recording an Average Daily Contracts (ADC) of **57,829 contracts**, an increase of **1.2%**; and

- In the Islamic Capital Market, the increase in Average Trading Value on BSAS by **7.2% to RM16.3 billion**.

12. The Islamic Capital Market inspired one of the key initiatives achieved in 2016, which was the launch of the **world first end-to-end Shariah investing platform, Bursa Malaysia-i**. The introduction of Bursa Malaysia-i further cements the Exchange's role as a key Islamic Capital Market hub in the ASEAN region and beyond.

13. The platform is the culmination of Bursa Malaysia's long standing commitment to making Malaysia a **comprehensive Islamic investing hub** that offers a broad suite of Islamic financial market instruments.

14. There are currently 11 Islamic POs carrying out Islamic stockbroking services, of which one is on a full-fledged basis and 10 are on a 'window' basis. Trading commenced last year and it is on-going on this Shariah compliant platform.

Collaboration with Brokers

Ladies and Gentlemen,

15. Today, our brokers are well capitalised and have excelled not only domestically but also regionally. Supported by a robust regulatory framework, our brokers have demonstrated a high degree of professionalism and compliance.

16. As competition grows, it is important that we keep up the pace in promoting what we have in the local, regional and

global space. That is why in 2016 Bursa Malaysia collaborated with our brokers on a total of 448 educational & marketing events nationwide, reaching 24,000 Malaysians.

17. In 2017 we have already organised 97 events with our brokers, attended by 13,000 people. Rest assured, we will continue to collaborate and work very closely with our brokers to grow and promote our marketplace locally, regionally and globally via targeted initiatives.

18. With a total of 342 events planned for 2017, we will intensify and expand our educational programme to cater to the needs of all investor segments covering beginners, intermediate and advanced, to ensure investors are making informed

investment decisions. Growing **financial literacy among our retail investors** is one of the important developmental goals we are pursuing for the capital market.

19. In this regard, I would like to take this opportunity to **commend the efforts of our brokers and intermediaries** who have been organising various initiatives to promote our marketplace here and abroad. Our market has many offerings for investors with various risk appetite and together with the brokers we will **step up the promotion of informed investment.**

Malaysian Capital Market

Ladies and Gentlemen,

20. In comparison to other emerging markets, our performance has been encouraging. FBMKLCI outperformed the

MSCI EM index, producing a steady 10-year CAGR of 4.4% compared to MSCI EM's return of -0.6%. FBMKLCI 2016 dividend yield of 3.2% is also higher against MSCI EM yield of 2.55%.

21. I must again acknowledge that this commendable performance of the Malaysian capital market is attributed to our brokers and market intermediaries whose continuous effort has helped develop a vibrant and exciting market, thus attracting foreign capital inflow. Year-to-date, the cumulative net foreign inflow into Malaysian equities stands at RM7.02 billion, highest within the emerging ASEAN market. The strong foreign liquidity inflow into local equity is a positive development the market has been waiting for.

22. Foreign investors have been enticed by our strong growth prospects, steadier ringgit and attractive fundamentals. Along with the vibrancy of our capital market, foreign investors were indeed waiting for the right time to return and this is what we are experiencing currently.

23. I hope the trend will continue throughout 2017 and the current active trading activities will further heighten, with strong participation from both retail and domestic institutions. Our Average Daily Trading Value touched RM2.44 billion year-to-date as at end April while our Market Capitalisation increased by 10.4% YTD to RM1.84 trillion.

24. We witnessed six new listings in the first four months of 2017 including two big IPOs listed on Bursa Malaysia. We also have a healthy number of IPOs in the

pipeline this year, testament of the fact that investors are up beat in raising funds through the equity market. With this, I encourage brokers to take the opportunity to boost activity in the local capital market which is currently enjoying the influx of foreign capital.

Ladies and Gentlemen,

25. On our part, we will **further intensify our efforts to improve the market ecosystem and investor's experience.** We are fully committed to elevate our marketplace to a **developed market status** by:

- Increasing securities and other product related offerings;
- Developing and growing diverse investor base;

- Improving and providing enabling ecosystem; and last but not least to
- To expand regionally.

26. We look forward to working closely together and supporting each other in this journey towards a developed market. Brokers and market intermediaries are an **integral part of the capital market ecosystem** and will continue to play an important role in supporting the exchange and the marketplace.

27. In closing:

- Thank you for the year that was;
- All the best for the latter part of the evening; and
- Let us work together for a better and exciting 2017!

Thank you.
