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KPMG SHAREHOLDER VALUE AWARD 2010
WEDNESDAY, 6 OCTOBER 2010
VENUE: SIME DARBY CONVENTION CENTRE, KUALA LUMPUR**

A very good afternoon,

Mr. Seow Yoo Lin, Managing Partner of KPMG,

Finalists of the KPMG Shareholder Value Award 2010,

Distinguished guests,

Ladies and gentlemen,

More often than not, the phrase "*to enhance shareholder value*" can be found in most communications material of listed and even non-listed companies. From corporate brochures to annual reports to even press statements, this phrase has become a mainstay in the context of reflecting a company's capabilities and commitment to its shareholders.

The question is, do the Board and management of these companies really know and understand what it means to enhance shareholder value? Is it a matter of delivering good returns in the company's stock price? Or is it more than just giving shareholders fantastic dividends year after year?

In this regard, it bodes well for our country's corporate sector and capital market that one of the world's leading audit, tax and advisory services organisations, is taking the bull-by-its-horns to drive home a greater understanding on the concept of shareholder value creation. In addition, this organisation is also setting clear benchmarks for listed companies and stakeholders to gauge shareholder value creation on a tangible and measurable plane.

On this note, I would like to thank KPMG for giving me the honour to deliver a keynote address in conjunction with the KPMG Shareholder Value Awards 2010. This annual Award is not only relevant to our capital market but also integral in helping Malaysia achieve its aim to become a preferred investment and listing destination for investors and issuers alike.



On the same note, I would also like to congratulate the finalists of the Awards today. Your presence this afternoon is testament to your understanding and commitment towards creating quantifiable improvements in value to your shareholders based on the progressive and sound methodology championed by KPMG. As finalists, you are also setting the standards for your peers in your respective industries. This in turn will help generate a positive shift in corporate mindsets. Listed companies should now look beyond merely the bottom-line when it comes to enhancing shareholder value, and consider necessary traits such as corporate governance, corporate responsibility and investor relations towards sustainable businesses.

Ladies and gentlemen,

Malaysia is on the verge of an unprecedented transformation. To not change is not an option. Despite our country having emerged relatively unscathed from the global economic crisis, let us not kid ourselves but admit to the fact that the operating landscape within the region and beyond has changed considerably.

What was once unappealing destinations for investors have now become the darlings of the global business and investment fraternity. BRIC countries may come immediately to your mind. But today, the list grows longer as we add Vietnam, Indonesia, Thailand, the Philippines and soon, many more within the region. Needless to say, the results are telling. In particular, the level of phenomenal growth achieved in these neighbouring countries compared to Malaysia. Bursa Malaysia, as the operator of the country's only Exchange, is also cognisant of the growing intensity of competition from in and around the region. Singapore and Hong Kong have been successful magnets for investors and issuers. Now, it is also Indonesia, and increasingly Thailand, that are becoming choice locations to list and invest.

Ladies and gentlemen,

Together with the Securities Commission, Bursa Malaysia has undertaken multiple initiatives to address the competition. As managers of successful businesses, most of you here will agree that in order to be competitive we have to find and leverage on our competitive advantage. On this score, we have strived to position the Malaysian capital market as a market of quality.



This means that we must have the best quality companies listed on the Exchange. We desire companies that are not only attractive to investors but are also able to generate sustainable long-term value for its shareholders. We also want companies that are accountable and be responsible of their business actions to its stakeholders. To achieve this, we must offer the right companies products and services of the highest quality. At the same time, quality must also be the essence of our infrastructure as well as in the way we regulate the market. As importantly, quality must also be periodically measured and verified by benchmarking all these elements against global best practices.

Towards creating a market of quality, we have over the years been successful in weeding out non-performing companies, improved corporate governance and disclosure frameworks well as put in place advanced trading infrastructure to enhance accessibility. We have also introduced FTSE methodology to our benchmark KLCI index so that we can encourage free float and liquidity amongst listed issuers.

Testament to our efforts, we are pleased to note that Malaysia has recently been upgraded to *Advanced Emerging* market from *Secondary Emerging* market status in the FTSE Global Equity Index Series. This means that we have successfully progressed to a new classification for our capital market based on our improvements in market efficiency and quality. Listed issuers would appreciate that this new classification may bolster global attention to our market while facilitating foreign investment inflow.

As market regulators, we have also done much to attract investors and issuers by adopting a market-based framework that facilitates greater certainty, efficiency and access. Nevertheless, I must point out that robust investor protection will continue to be the hallmark of the Malaysian capital market.

We have also encouraged our listed issuers to take a more pro-active approach to corporate social responsibility as well as investor relations. As KPMG will agree, these are important elements towards creating value for shareholders. After all, companies today are increasingly being placed under the microscope by investors, customers and communities in which they operate in. Corporate entities can no longer think and operate as islands upon themselves. They are part of a dynamic eco-system where win-win is the order of the day.



Ladies and gentlemen,

Listed companies that are of the highest quality will be integral to making our market globally competitive. Nevertheless, no one party should go at it alone to make this aspiration a reality. It has to be a cohesive effort of all stakeholders in our capital market.

On this note, KPMG's efforts to recognise and award companies' that have shown tangible results in shareholder value creation, is to be lauded. Together with the support of a leading business weekly, The Edge, this Award provides an ideal platform for listed companies to evaluate and improve themselves, thus enhancing their quality and worth on the investment radar screens.

Before I conclude, I would like to thank KPMG once again for inviting me to address all of you this afternoon. I would also like to wish all finalists the very best of luck. By being here today, you have demonstrated your commitment to enhance shareholder value with clear, definitive results. And lastly to the winners, I offer my congratulations. You exemplify many of the qualities I have touched on briefly today. I look forward to witnessing your continuing successes and I hope many others will be inspired to follow suit in increasing the value that shareholders deserve.

Thank you.

**End*