



**LAUNCH OF CALLABLE BULL CERTIFICATE  
BY CIMB INVESTMENT BANK  
THURSDAY, 16 JULY 2010, 11:00AM  
SRIVIJAYA HALL, MENARA BUMIPUTRA COMMERCE  
SPEECH BY DATO' YUSLI MOHAMED YUSOFF  
CHIEF EXECUTIVE OFFICER OF BURSA MALAYSIA**

YBhg Dato' Charon Wardini Mokhzani  
Deputy CEO, Corporate & Investment Banking of the CIMB Group

Honoured guests,

Members of the media,

Thank you to CIMB Investment Bank for giving Bursa Malaysia the opportunity to share this moment with you. Today, CIMB scores a first in launching the Callable Bull Certificate. My congratulations to CIMB for demonstrating its commitment and initiative in issuing these new products under Bursa Malaysia's structured warrants framework.

Globally, equity derivatives products such as structured warrants have experienced exponential growth. We are seeing a variety of these products find greater appeal amongst investors. The rapid growth also signals that there is increased acceptance of such products as a tool to better allocate and manage risks by a wider class of investors. On the issuers' part, they find opportunities to innovate and introduce relevant products to cater for different investors' needs. In the developed markets, these products are seen as fulfilling the risk appetite of sophisticated investors who opt for alternative investments as part of their investment portfolio diversification strategy. The more established markets recognise that diversification of products to include equity-linked derivatives is key to providing alternative investment choices.

The callable bull certificates that have been introduced by CIMB today are an alternative and cost-effective option for investors to gain from the performance of companies listed on Bursa Malaysia. I am pleased to see this product's debut in our market today and this puts us on par with the European and Hong Kong markets which have made available this product for several years now. The callable bull certificates now give investors the opportunity to gain exposure to an underlying instrument by paying only a fraction of the full price of owning the underlying instruments.

Indeed, the introduction of the callable bull certificates go hand in hand with Bursa Malaysia's continuous efforts to offer more investment choices that meet the discerning and sophisticated needs of our investors. This development also stamps the commitment by Malaysian issuers to respond to the changing demands of the investing community, and more importantly, position our equities market as one with diverse offerings.

As a frontline regulator, we support and welcome product development initiatives by issuers as this is an integral part towards enhancing the breadth of offerings of the Malaysian capital market. Product development is essential in view of the growing sophistication in investors' investment needs. On our part, we strive to provide the necessary framework to support the listing of structured warrants and efforts have been put into place to fast-track the time-to-market on listings of these products. In May 2009, Bursa Malaysia launched the market making framework on structured warrants which now enable issuers to list new issues within one day of the launch compared to the previous nine to ten market days via the placement method. Through this framework, investors can be assured of consistent guidelines on market making that ensures liquidity on structured warrants as monitoring of market makers is under the purview of Bursa Malaysia.

Working together with issuers of Structured Warrants and the Securities Commission, Bursa Malaysia had, on 31<sup>st</sup> May of this year, amended a few rules in the Main Market Listing Requirements to support the listings of callable bull/bear certificates. We see this new investment vehicle as providing fresh options in the equities market and adding to greater depth in the structured warrants segment. This development points to a greater maturity of our equities market and also towards the expansion and diversity of the structured products segment.

Ladies and gentlemen,

Our goal for this product category is positive uptake and long term sustainability. The only way to achieve this objective is through informed investors. Given that this is a new warrants product, education is required to ensure informed investments in this new product. Like any financial instruments, callable bull certificates are tools to achieve an outcome. What is crucial is investors must be aware of the features of such instruments and adopt the appropriate investment strategy to address the benefits and risks of investing in this product. They need to equip themselves with the knowledge or skills to adequately understand this sophisticated product and thereafter benefit from the investment opportunities.

This is where it is imperative for issuers and brokers to become the contact points for retail investors to seek professional advice and knowledge, particularly on a new investment journey that investors are about to embark upon.

On that note, I would like to commend CIMB Investment Bank for taking steps in educating the investors and media via various means prior to issuing the callable bull certificates. Its efforts to create awareness on this new product will further speed up the growth potential of this investment choice.

On Bursa Malaysia's part, our commitment has always been on complementing product development roll-outs with investor education programmes that are aimed at tapping opportunities in the capital market. To that end, Bursa Malaysia has worked closely with market participants in investment roadshows and seminars to further increase retail investor awareness in our market opportunities as well as new investment products. We strongly believe that education is one of the ways in stimulating interests in investing in the capital market and we certainly look forward to working with CIMB Investment Bank in exploring measures as to how we can further garner investor interest into this new product.

Ladies and gentlemen,

Moving forward, we hope to introduce more products for listing and trading on the Exchange. Bursa Malaysia is supportive of product and market development initiatives and we have facilitated development by issuers via many means. With the new callable bull certificates, it is hoped that this will encourage more issuance and listing of many variety of structured warrants on the Exchange.

On that note, a big pat on the back to CIMB Investment Bank for introducing this new product to the market.

Thank you.

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