

Document:	Welcome Address for Tan Sri Abdul Wahid Omar Chairman, Bursa Malaysia
Event:	Invest Malaysia 2020 - Virtual Series 1
Date:	7 July 2020
Time:	9.00 am - 12.00 pm
Venue:	Listing Gallery

Thank you Encik Ibrahim Sani for emceeding our event once again

Bismillahirrahmanirrahim

Yang Berhormat Senator Tengku Dato' Sri Zafrul Tengku Abdul Aziz

Minister of Finance

Yang Berbahagia Datuk Syed Zaid Albar

Chairman, Securities Commission Malaysia

Yang Berbahagia Datuk Mohaiyani Shamsudin

Chairman, Maybank

Yang Berbahagia Datuk Abdul Farid Alias

Group President and CEO, Maybank

Yang Berbahagia Datuk Muhamad Umar Swift

Chief Executive Officer, Bursa Malaysia

Our Distinguished Panel of Speakers,

Members of the Media

Ladies and Gentlemen,

Assalamualaikum warahmatullahi wabarakatuh and a very good morning.

1. Welcome to the 16th edition of Invest Malaysia 2020.
2. Let me begin by expressing our sincere appreciation to YB Senator Tengku Dato' Sri Zafrul Tengku Abdul Aziz for taking time out from his busy schedule to be with us today. I understand YB Minister has another engagement with our Prime Minister later this morning, but has given priority to Invest Malaysia first. Thank you YB.
3. To all our participants, I hope you are safe and in good health wherever you may be. Thank you for attending Invest Malaysia 2020. Please allow me to cover three areas in my welcome address. Firstly on the new direction and approach for Invest Malaysia.

Invest Malaysia 2020 - A New Direction

4. Since its launch back in 2004, Invest Malaysia has become synonymous as the platform to discuss, dialogue and debate actions that will inject greater dynamism and vibrancy into our capital market. It is the stage that highlights Malaysia's unique value propositions.
5. This year however, we are convening Invest Malaysia virtually for the first time given the cross border travel restrictions and to ensure everyone's health and safety. We are indeed fortunate that technology has enabled us to broaden our reach globally with close to 1,000 institutional investors, PLCs, and partners across the globe, joining us for this year's Capital Market Conversation. Rest assured, that this virtual platform will still deliver an enhanced and interactive Invest Malaysia experience, providing insights from decision-makers and industry captains to you.
6. The theme for this year's Invest Malaysia, 'Recover, Advance and Sustain', aims to bring out meaningful conversations around Malaysia's economic recovery from COVID-19. In addition, we will share marketplace advances that are being put in place to ensure long-term sustainable growth. Invest Malaysia 2020 will also adopt a more targeted approach by having our Capital Market Conversations in thematic series, enabling us to focus on target sectors. This would be more effective and allow greater clarity on our efforts to ensure the long-term sustainable growth of our marketplace post-COVID-19.
7. To further promote inclusivity amongst the investing community, we will be streaming selected sessions 'live' through the Bursa Marketplace Facebook page. This will enable more retail investors participation and empower next-gen investors, which is a key focus area for the Exchange. These are just some of the new steps we are taking to help transform Bursa Malaysia into a responsible and globally-connected marketplace.

Purpose of Bursa Malaysia as the marketplace for investors, businesses and intermediaries alike

Ladies and Gentlemen,

8. The world is going through an unprecedented healthcare crisis. Assessing the economic impact of COVID-19 has been challenging due to the extreme speed in which this crisis has unfolded. Foreign outflows from the country's capital markets have persisted throughout the period as investors remain cautious. However, this phenomenon is not unique to Malaysia but experienced by all emerging equity markets in Asia.
9. This brings me to the second topic on Bursa Malaysia's purpose as the marketplace for investors, businesses and intermediaries alike. While there were calls to suspend trading, we believe having continued, and reliable access to the Malaysian capital market is vital for immediate and long-term market confidence. To aid in the recovery of the capital market, Bursa Malaysia together with the Securities Commission, introduced relief measures aimed at lessening the financial burden and provide greater flexibility for our stakeholders to navigate through this challenging period.
10. Amidst the many uncertainties, the Malaysian economy has been a success story of perseverance, stability and inclusion spanning over six decades. Our strong fundamentals have provided some resilience against volatility in the global economy. According to the World Bank, while Malaysia, like many other economies, has been deeply affected by COVID-19, its diversified economic structure and sound track record of macroeconomic management are some of the factors that have contributed to our resilience. This makes Malaysia well-placed to recover from this crisis.
11. This is reflected by our benchmark FBMKLCI index being the best performing index among the ASEAN markets declining by only 5.5% for the first half of 2020 to 1,500.97 compared to the 19.6% decline in Singapore's STI and 15.2% decline in Thailand's SET index over the same period. It also outperformed regional peers during this COVID-19 period.
12. The Healthcare index in particular recorded stellar gains of 86.9% for the first half of 2020 as internationally renowned glove manufacturers continue to attract the attention of investors, building upon the strong momentum, even before the pandemic, as a potential beneficiary of the US-China trade diversion.
13. In terms of the top traded sectors at the Exchange, the Healthcare sector has certainly *benefitted* during COVID-19, and currently ranks fifth amongst the top traded sectors. Other top traded sectors were Technology, Consumer Products & Services, and Energy, an indication that investors are adopting a forward-looking strategy. I am therefore confident that our well-developed financial market will continue to attract investments.

The Importance of PLCs to Continue to Perform

Ladies and Gentlemen,

14. Although Malaysia stands out as one of the economic success stories in Asia over the past few decades, there is one pervasive conversation today that needs to be discussed. Will we use this unique period to advance faster, or will we go back to the status quo? Which brings us to the third subject on the importance of PLCs to continue to perform.
15. Over the last five years, our domestic market has been confronted with several challenges, stemming from escalating trade tensions, softer economic growth outlook and lacklustre corporate earnings. Between 2015 to 2019, earnings of Malaysian PLCs have declined by 5.4%. This is something we need to address.
16. Given the rapid changes that have occurred, moving forward with the status quo now seems somewhat inconceivable. We need to re-look and possibly replicate some of the past successes, such as the GLC Transformation Program. Between 2004 to 2015, many GLCs were transformed into companies with better performance, better governance and enhanced nation-building roles.
17. Over the 11 year period, the net profit of 17 GLCs grew by 10.2% per annum from RM9.9 billion to RM26.2 billion, while their combined market capitalisation grew 2.9 times from RM133.8 billion to RM386.0 billion. This represents a total shareholder return of 11.1% per annum. Other non-GLCs similarly performed well over the same period as reflected in the improvement in the FBMKLCI from 907.43 to 1692.51 or a CAGR of 5.8% p.a. over the same period.
18. The time has come for shareholders, including GLICs, to demand more from the Board and management of the PLCs they invest in. So I am looking forward to moderating the second session with the GLIC captains later.

Closing Remarks

Ladies and Gentlemen,

19. Malaysia's capital market has long been recognised as forward-looking, well-regulated and ranks highly in investor protection. Our market is aligned with global best practices in corporate governance that lead to the protection of stakeholders across the "triple bottom line" of social, environmental and financial profits.
20. We hope today's agenda will give you a better understanding of what we are doing as a nation to recover from this crisis. You will hear from our Finance Minister, who will provide clarity to Malaysia's recovery measures. The Prihatin Stimulus package and the Penjana economic recovery plan highlight the swift action taken by the government to alleviate the impact of COVID-19 on businesses. The SC

Chairman will then provide key areas and priorities that our regulators will focus on the journey from recovery to growth.

21. We will then close today's Invest Malaysia conversation with three influential drivers of the economy, namely Khazanah, EPF and KWAP. Collectively, they have RM1.1 trillion in assets under management, that if mandated effectively, can help advance our economy forward confidently and sustainably.

Ladies and gentlemen

22. Before I close, I would like to thank our esteemed partner, the Maybank Group, for their continued support and contribution towards making this impactful forum a success. Our gratitude also goes to our speakers, moderators, participants and the men and women from Maybank, Bursa Malaysia and other partners for making this event possible under challenging circumstances.
23. Now, it gives me great pleasure to invite our Minister of Finance, Yang Berhormat Senator Tengku Dato' Sri Zafrul Tengku Abdul Aziz, to deliver his keynote address.

Thank you.

Wabillahi taufiq wal hidayah wassalamualaikum warahmatullahiwabarakatuh.