



At the
HEART of
ASEAN'S
GROWTH



40th Annual General Meeting

29 March 2017



FTSE4Good

Welcome Remarks by the Chairman, Tan Sri Amirsham A Aziz



Demand for Poll

- **Pursuant to Paragraph 8.29A of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.**
- **Poll is demanded by the Chairman of the meeting in accordance with Article 54(a) of the Company's Articles of Association.**

Poll Administrator and Scrutineers

Poll Administrator : **Tricor Investor & Issuing House
Services Sdn Bhd**

Scrutineers : **Deloitte Enterprise Risk
Services Sdn Bhd**

AGENDA 1

To receive the Audited Financial Statements for the financial year ended 31 December 2016 and the Reports of the Directors and Auditors thereon.



40th Annual General Meeting

Presentation to Shareholders

29 March 2017

Datuk Seri Tajuddin Atan
Chief Executive Officer



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At the
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GROWTH



- **YEAR IN REVIEW**
- **FINANCIAL PERFORMANCE**
- **MOVING FORWARD**



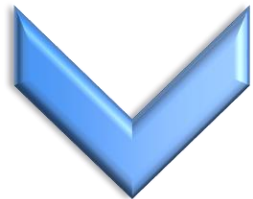
- 2016 - PERFORMANCE OVERVIEW
- SECURITIES MARKET DEVELOPMENTS
- DERIVATIVES MARKET DEVELOPMENTS
- ISLAMIC CAPITAL MARKET DEVELOPMENTS

2016 - PERFORMANCE OVERVIEW

Global and domestic events continue to impact investors' sentiments

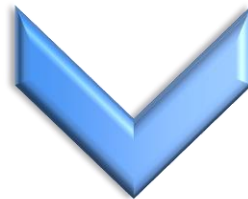
Continuous efforts undertaken to develop and grow the Exchange despite challenges

We remain focused in our agenda towards becoming the key regional player in
ASEAN



**SECURITIES
MARKET ADV**

RM1.812 billion



**DERIVATIVES
MARKET ADC**

57,829 contracts



BSAS ADV

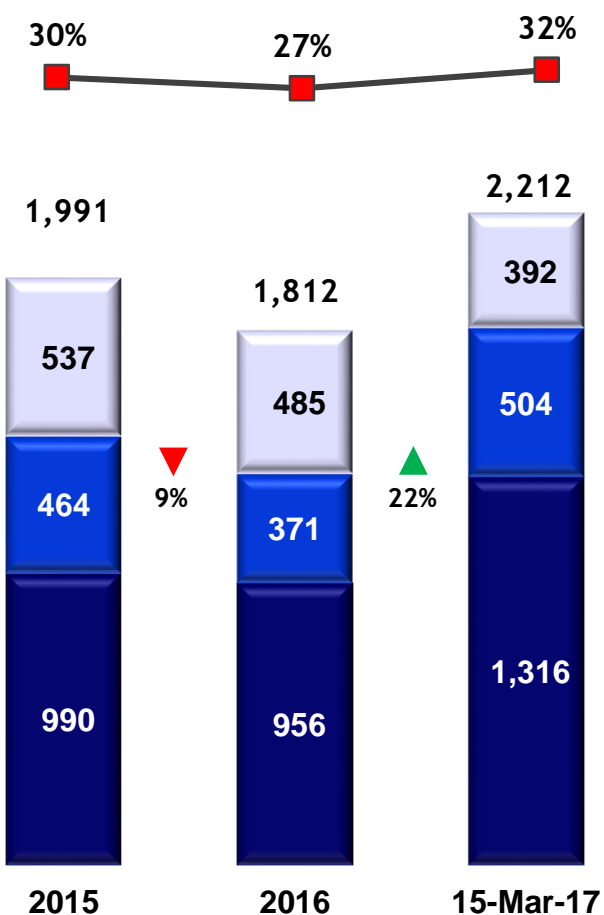
RM16.3 billion

Securities Market Developments

Key Initiatives and Milestones



Average Daily Value (OMT) (RM mil)



24 Mar

Issued various amendments to the Main Market and Ace Market Listing Requirements to raise the standard of disclosures and Corporate Governance practices.

20 June

Launched five additions to the constituents of the FTSE4Good Bursa Malaysia (F4GBM) index, the number of constituents now stands at 38.

28 Jun

Signed MOU with Taiwan Stock Exchange to jointly study the potential of cross-border co-operation.

2 Sep

Issued a concept consultation paper to seek feedback on the business model for the proposed New Market which aims at providing small and medium sized enterprises greater access to the capital market.

8 Nov

Released a rules consultation paper on the proposed rule framework for the proposed New Market.

19 Dec

Six additions to the constituents of the F4GBM Index bringing the number of constituents to a total of 42.

—■— Velocity

■ ADV of Foreign Institutions

■ ADV of Retail

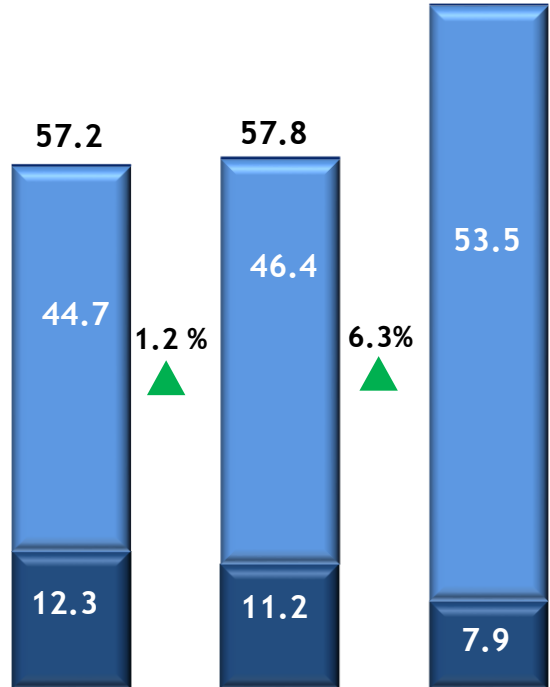
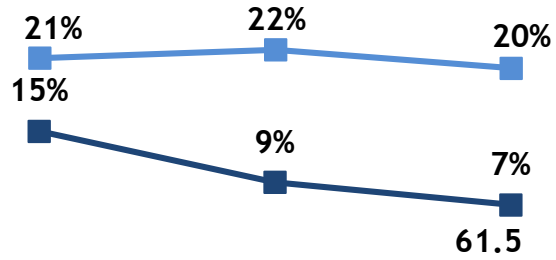
■ ADV of Domestic Institutions

Derivatives Market Developments

Key Initiatives and Milestones



Average Daily Contracts ('000) & Volatility



2015 2016 15-Mar-17



17-19 Apr

Hosted the 33rd IOMA: World Federation of Exchanges' Clearing and Derivatives Conference.

16 June

Introduced the 'Green Lane Policy' to eligible futures brokers and general clearing participants.

19 Sep

Launched the enhanced 3-year, 5-year and 10-year Malaysian Government Securities Futures Contracts.

31 Oct

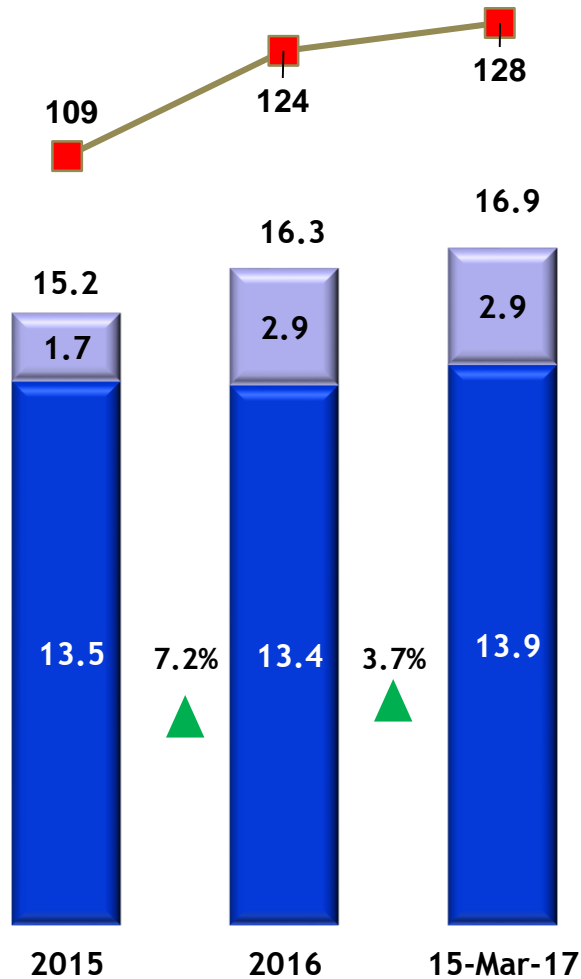
Launched the US Dollar denominated Tin Futures Contracts.

Islamic Capital Market Developments

Key Initiatives and Milestones



Bursa Suq Al-Sila' ADV (RM bil)



5 July

Named the 'Best Islamic Finance Facilitation Platform Asia 2016' and 'Best Islamic Exchange Asia 2016' by the Global Banking and Finance Review.

2 Aug

Signed MOU with Indonesia Stock Exchange to explore potential areas for collaboration in the development of the Islamic capital market.

15 Aug

Enabled multi-currency fixed income instruments in web-based Electronic Trading Platform.

5 Sep

Introduced Bursa Malaysia-i, the world's first end-to-end Shariah investing platform.

11 Oct

Awarded the 'Best Islamic Exchange 2016' at the Global Islamic Finance Awards.

—■— No. of Trading Participants

■ Domestic

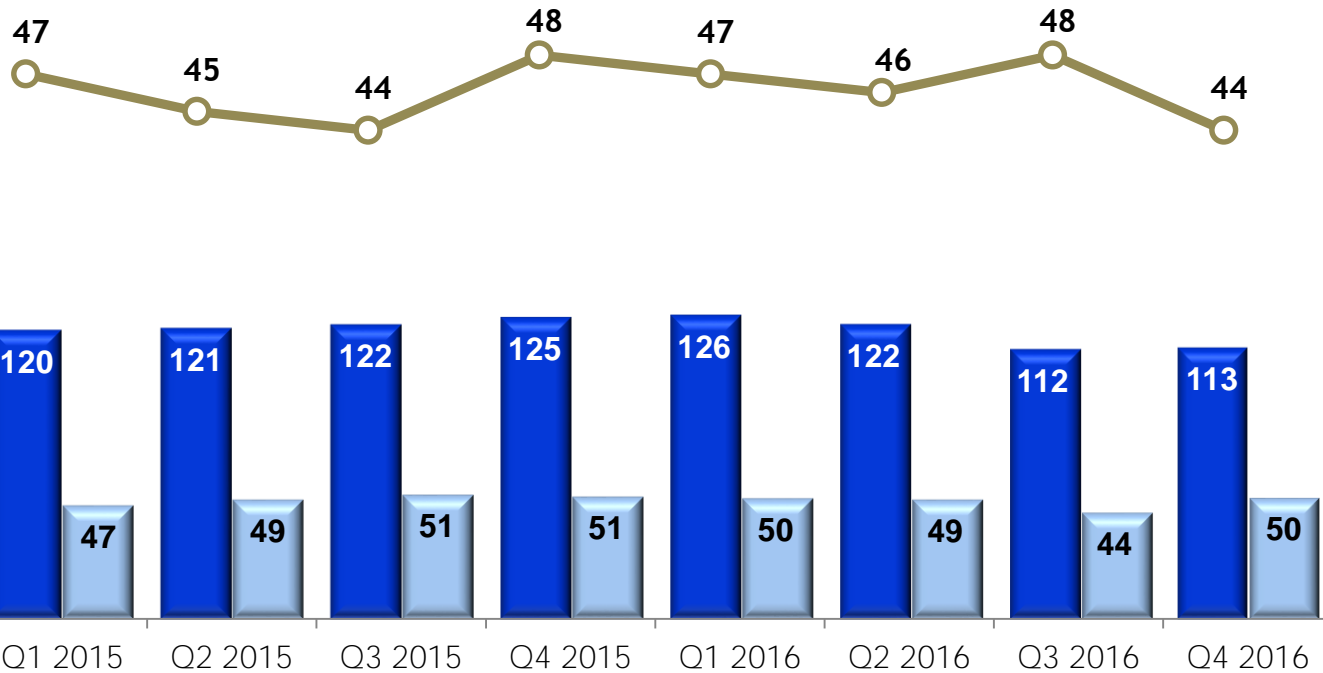
■ Foreign






- FINANCIAL TRENDS
- GROWING SHAREHOLDER VALUE

Financial Trends

Commendable PATAMI delivered despite a challenging year



 Cost to Income Ratio (%)
  Operating Revenue (RM mil)
  PATAMI (RM mil)

FY2016 IN BRIEF

OPERATING REVENUE
RM473 million

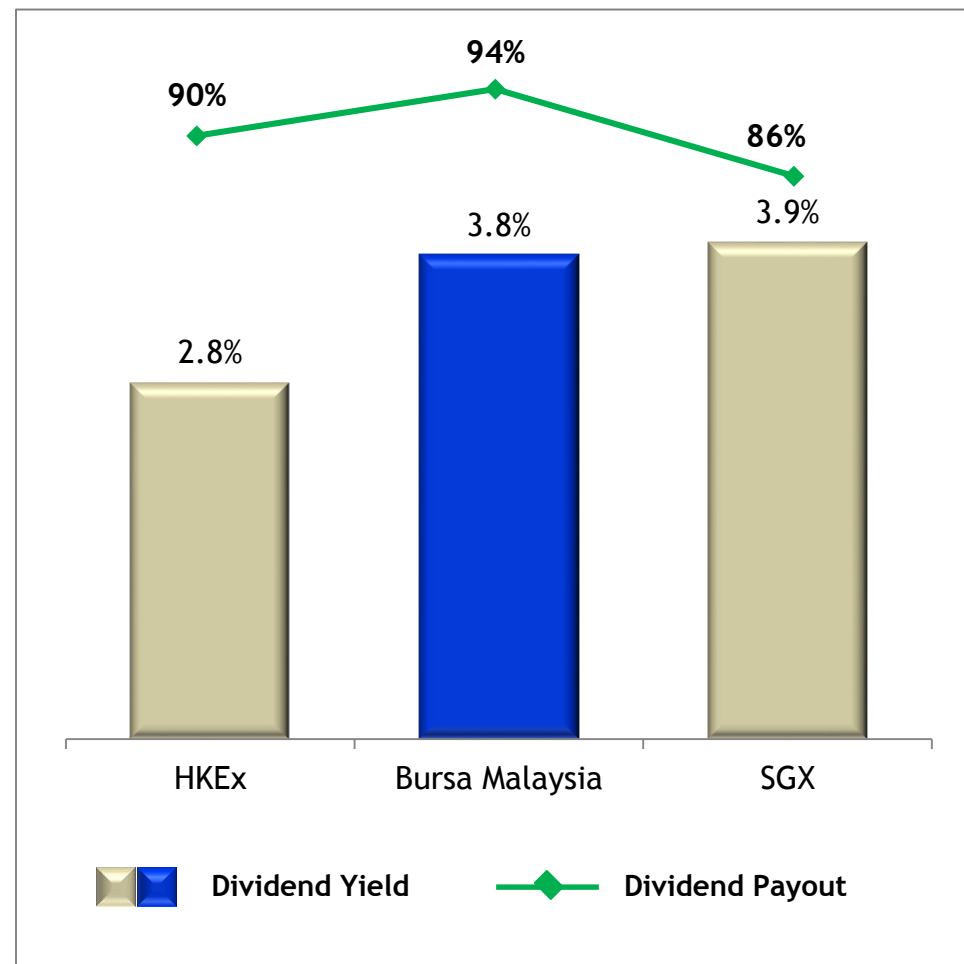
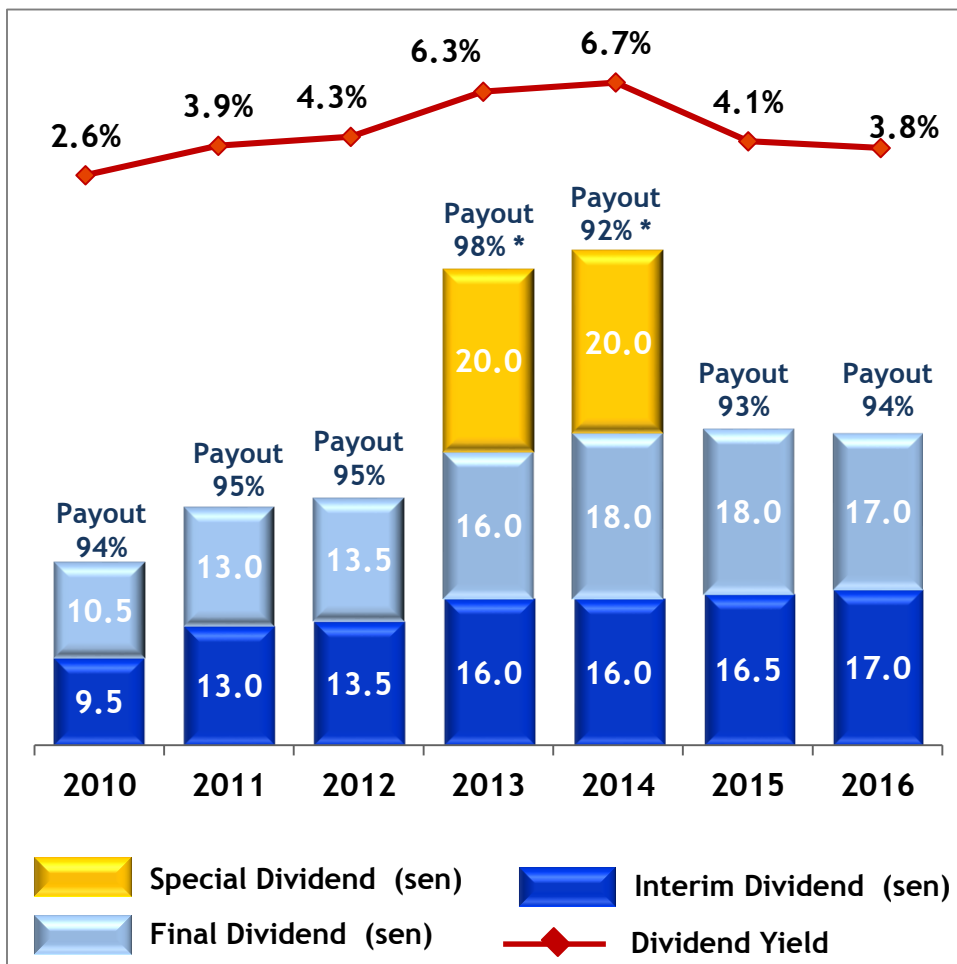
PATAMI
RM194 million

COST TO INCOME
47%

RETURN ON EQUITY
23%

Growing Shareholder Value

Maintaining high dividend payout for our shareholders



- Proposed final dividend of 17.0 sen. The entitlement and payment dates for the final dividend are 5 April 2017 and 18 April 2017 respectively.
- Bursa Malaysia's dividend payout ratio of 94% in 2016 is the highest among listed peers regionally. The dividend yield of 3.8% is higher than FBMKLCI average dividend yield of 3.2% for 2016.
- Total shareholders' return since listing stood at 340%.



- MOVING FORWARD

MOVING FORWARD

Developed Market's Characteristics by 2020



SECURITIES MARKET

DERIVATIVES MARKET

**ISLAMIC CAPITAL
MARKET**

Continuous improvements to the market ecosystem

Development of product suite and services

Expansion of regional footprint

Differentiated supervisory approach - towards greater self-regulation

Committed in driving the sustainability agenda

HIGH PERFORMANCE ORGANISATION



At the
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ASEAN's
GROWTH

Thank you





40th Annual General Meeting

Auditors' Report by Messrs. Ernst & Young

Dato' Megat Iskandar Shah



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Question 1

As a front line market regulator, the role of Bursa Malaysia is to ensure that listed entities and intermediaries meet their regulatory obligations to uphold investor protection, market integrity and stability. In line with this role, kindly explain or share on the following concerns:-

- 1(a) Monitoring process and significant actions taken against listed entities, in particular China-based companies.
- 1(b) Non-compliance with the recommendations of the Malaysian Code on Corporate Governance 2012 by listed entities.
- 1(c) Non-compliance with regulatory requirements in respect of audited financial statements, regularisation plan, public shareholding spread, etc.
- 1(d) New provision under Section 230(1) on tabling of “any benefits payable” to directors of a listed company and its subsidiaries for approval at a general meeting.

Question 1 - *Cont'd*

- 1(e) Bursa's "surveillance system" to detect unusual market activity and the effectiveness in addressing insider trading issues.
- (i) What is the key role of Bursa in this vis-a-vis Securities Commission?
 - (ii) Kindly elaborate and explain the measures, sanctions and penalties taken against the PLCs for the last three (3) years and the results.
 - (iii) Is there a mechanism in place to bar directors primarily responsible for ensuring governance and minority interest from continuing serving as directors in PLCs?
- 1(f) Elaborate on its recent communication letter on manipulation activities via "pump and dump".
- 1(g) Monitoring of unfair dissemination of non-public material information.

Question 2

Bursa Malaysia was ranked 4th among 138 economies for Strength of Investor Protection and 30th Best Regulated Securities Market as reported in the World Economic Forum - Global Competitiveness Report 2016-2017. It was also ranked 3rd among 190 economies for Protecting Minority Investors based the World Bank-Doing Business 2017 Report

- 2(a) Could the Board brief on the key criteria or scorings that has enabled Bursa Malaysia to be ranked well, particularly in the areas of investor protection.
- 2(b) Are these rankings in sync or in line with the perception of local investors, particularly minority investors?
- 2(c) Have all these good rankings translated into greater interest shown by foreign investors and increased participation in our Exchange?

Questions Raised by MSWG



Question 3

As at December 2016, the FTSE4Good Bursa Malaysia (F4GBM) Index constituents stood at 42, an increase of 17 from its launch in 2014.

- 3(a) Could the board enlighten the shareholders whether the criteria to be a constituent of the Index also include any threshold/minimum performance indicators? If so, what are the indicators, thresholds and weightage?
- 3(b) Has there been an apparent increase in trading of shares of the constituents due to their admission into the Index? Was there any study undertaken on the correlation between these constituents with good sustainability practices and the creation of shareholder value?

Question 4

It was stated on page 13 of the Annual Report that Bursa is also exploring potential collaboration with FinTech companies in the areas of innovation and expansion of capabilities. Could the Board share the latest developments on this and what are the specific areas of focus?

Question 5

The segmental revenues for the securities on page 35 of the Annual Report showed that the trading revenue declined by 8.7%. The trading by retail investors under the “Market Demography by Trading Value” was the lowest among the three categories of traders.

- 5(a) What measures have been taken to address the drop in securities trading revenue and what is the outlook for 2017?
- 5(b) What were the main reasons for the declining trend in the trading by retail investors?
- 5(c) Apart from investor education, what other measures were taken to increase retail participation?

Question 6

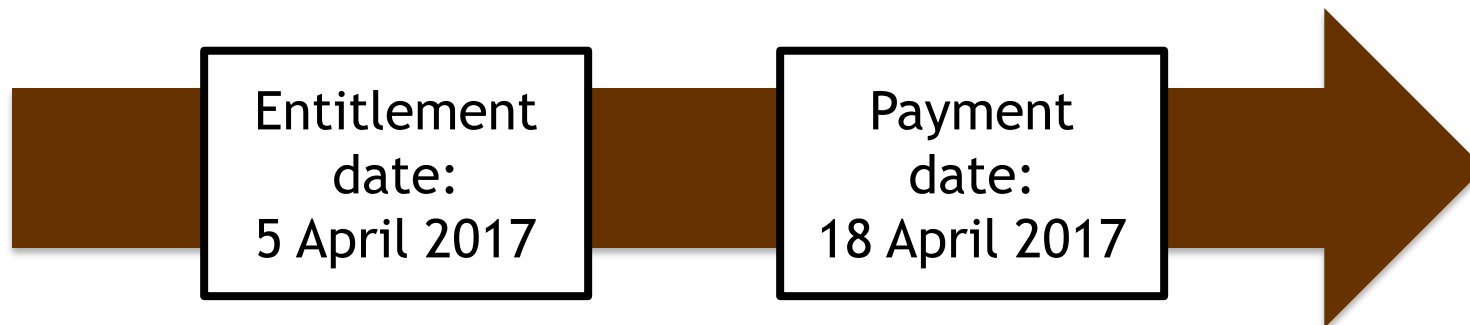
In Note 5 on page 157 of the Annual Report, there is an impairment of RM22 million under the investment in subsidiaries. What was the reason for the impairment and which are the affected subsidiaries?

AGENDA 1

To receive the Audited Financial Statements for the financial year ended 31 December 2016 and the Reports of the Directors and Auditors thereon.

AGENDA 2 (Resolution 1)

To approve the payment of final dividend of 17.0 sen per share under the single-tier system in respect of the financial year ended 31 December 2016.



AGENDA 3 (Resolutions 2, 3 and 4)

To re-elect the following Directors who retire by rotation in accordance with Article 69 of the Company's Articles of Association and who being eligible offer themselves for re-election:

- 1) Datuk Chay Wai Leong
- 2) Encik Ghazali bin Haji Darman
- 3) Datuk Seri Tajuddin bin Atan



Re-election of Datuk Chay Wai Leong

Re-election of Encik Ghazali bin Haji Darman





Re-election of **Datuk Seri Tajuddin bin Atan**

To re-elect **Datin Grace Yeoh Cheng Geok** who retires in accordance with Article 76 of the Company's Articles of Association and who being eligible offers herself for re-election.



AGENDA 5 (Resolution 6)

To approve the payment of Directors' fees amounting to RM150,000 per annum for the Non-Executive Chairman and RM100,000 per annum for each of the Non-Executive Directors in respect of the financial year ended 31 December 2016.

AGENDA 6 (Resolution 7)

To approve the payment of Directors' remuneration (excluding Directors' fees) to the Non-Executive Chairman and Non-Executive Directors up to an amount of RM2,343,750, from 1 January 2017 until the next AGM of the Company.

[This payment is in respect of the benefits payable to the Non-Executive Directors, details of which are as set out in Note 14 of the Notice of 40th AGM]

AGENDA 7 (Resolution 8)

To appoint Messrs. Ernst & Young as Auditors of the Company for the financial year ending 31 December 2017 and to authorise the Board of Directors to determine their remuneration.

Any Other Business



40th Annual General Meeting

Briefing on Electronic Voting

29 March 2017



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Tutorial on E-Voting System



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POLL VOTING

29 March 2017



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POLL RESULTS

29 March 2017



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Conclusion of the 40th Annual General Meeting

Thank You!

29 March 2017



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