

<b>Document:</b>	Welcome Speech for Datuk Seri Tajuddin Atan Chief Executive Officer, Bursa Malaysia
<b>Event:</b>	The Official Launch of Bursa Malaysia's New Sector Classification and Sectorial Index Series
<b>Date:</b>	24 September 2018 (Monday)
<b>Time:</b>	3.00 pm - 3.45 pm
<b>Venue:</b>	Listing Gallery, Bursa Malaysia

Assalamualaikum Warahmatullahi Wabarakatuh

**Tan Sri Amirsham A Aziz**

Chairman, Bursa Malaysia Berhad

Distinguished Guests

Industry Partners

Members of the media

Ladies and Gentlemen

1. Good afternoon. Let me start by warmly welcoming you to this occasion that marks the official launch of Bursa Malaysia's new Sector Classification and Sectorial Index Series.
2. Sector Classification is an important component of equity investing, referred to as a framework by investors to help in their investment research, portfolio management and asset allocation.
3. Today, as the global business environment continues to evolve and be disrupted by innovative technology, we are seeing many businesses evolving to stay relevant and drive new growth.
4. As such, the enhancements made to the sector reclassification and the its corresponding sectorial index series at Bursa Malaysia is in recognition of the need to stay abreast of the ever-changing business environment.

Ladies and Gentlemen,

5. The change in sector classification is intended to ensure that Bursa Malaysia's sector and sectorial index continues to appropriately represent the global equity markets that will enable asset owners, asset managers and investment research specialists to make consistent global comparisons by industry.
6. This enhancement also aligns Bursa Malaysia's sector classification with internationally recognized standards, in line with our vision to be a leading, responsible and globally-connected ASEAN Marketplace.
7. Additionally, the new sector classification methodology will be available online at Bursa Malaysia's website and Bursa Marketplace, for increased transparency, visibility and efficiency in the investment process.
8. The restructuring of the sectors on Bursa Malaysia ensures a more comprehensive, accurate and relevant classification of PLCs, and provides increased clarity, better structure and universality to meet the needs of the investment industry.
9. With the introduction of a two-tiered structure, Public Listed Companies or PLCs will now be classified into sectors and sub-sectors that most closely fit its core business. The consideration used will be revenue streams (taken from the PLC's audited accounts) as well as the direction and future plans of the PLC.
10. The key outcome from the change is the introduction of five new sectors, namely:
  - i. Energy;
  - ii. Healthcare;
  - iii. Telecommunications & Media;
  - iv. Transport & Logistics; and
  - v. Utilities

Accordingly, three existing sectors will be broadened and renamed to better reflect the businesses of the PLCs included in it, namely:

- i. Consumer Products will be renamed to Consumer Products & Services;
- ii. Finance will now become Financial Services; and
- iii. Industrial Products will be known as Industrial Products and Services

And finally, four sectors will be removed. They are:

- i. Hotel;
- ii. Infrastructure Project Companies;
- iii. Mining; and
- iv. Trading/Services

Ladies and Gentlemen,

11. What does this change exercise mean for PLCs, investors and fund managers?

For PLCs:

- i. The reclassification will **boost the presence and visibility** of PLCs, inviting better research coverage as a result of categorization according to international standards;
- ii. **It facilitates easier peer comparison**, providing a better measurement of performance between local and global competitors.

For Investors or Fund Managers,

- i. The sector change will **allow refinement of risk assessment** at company, sector and industry level;
- ii. It will also provide investors and fund managers **cost saving benefits** where sector tracking of local classification incurs lower subscription fees compared to tracking of global classification; and

- iii. Last but not least, the new sectors and sectorial indices will provide an **opportunity for the creation of new products** such as ETFs and Unit Trusts.
12. The information on constituents, market capitalization, sector and sub-sector will be made publicly available. Of course, we welcome interest from issuers or asset managers for more detailed information with a view towards introducing new products. This is available for a fee, understandably - we are, after all, in the business of creating opportunities to grow mutual value.

Ladies and Gentlemen,

13. To conclude, I wish to emphasise that this initiative has been undertaken to **strengthen the Exchange's sectorial indices** through a more global reach and more importantly, **staying relevant to investors** by providing the level of granularity that the market prefers and requires.
14. I believe the new Sector Reclassification is timely, given the increased vibrancy in our equity market from investors who are back with renewed confidence in the country's strong economic fundamentals.
15. In closing, ladies and gentlemen, I wish to thank all of you for taking the time to be with us here today to commemorate this important milestone for Bursa Malaysia.
16. It is now my pleasure to invite Tan Sri Chairman to come on stage to officiate today's event.

Tan Sri....