

Document:	Keynote Address for Datuk Seri Tajuddin Atan, Chief Executive Officer, Bursa Malaysia Berhad
Event:	Focus Malaysia's Best Under Billion Awards 2018
Date:	9 November 2018 (Friday)
Time:	7.30 pm - 10.15 pm
Venue:	Ballroom A & B, Hilton Kuala Lumpur

1)	Yang Bahagia Dato' Michael Yip Chairman of Focus Malaysia
2)	Mr Dan Loh Chief Executive Officer of Focus Malaysia
3)	Mr Charles Raj Editor-in-Chief, Focus Malaysia

Distinguished Guests

Ladies and Gentlemen

1. Good evening. It is once again an honour to be here at **Focus Malaysia's fourth annual Best Under Billion Awards 2018.**
2. Let us first applaud and commend Focus Malaysia for taking the initiative in giving due recognition and shining the spotlight on the best of our PLCs that have so often been left under the radar.
3. As Alibaba's Jack Ma pointed out, "**Small is beautiful. Small is powerful. Small is wonderful.**"
4. Tonight, we celebrate your achievements. I am deeply honoured to be in the illustrious company of the best of the best Under Billion listed PLCs on Bursa Malaysia. Having once come from humble beginnings, today, you have established yourselves as the lifeblood of our economy, **driving innovation, job creation, growth and new opportunities.**

5. We are heartened and encouraged to observe that recipients of tonight's awards have successfully distinguished themselves with exceptional levels of business excellence in terms of financial results, shareholder value, good governance and strong business sustainability.
6. In fact, I make it a point to attend BUBA every year. SME development has always been important to me, tracing back to the days when I was in RHB, having set up a dedicated SME team to help promote SME growth. Hearing stories of your ascend beams me with pride and I hope the success stories of tonight's winners can motivate you to strive for greater heights in excellence.

Ladies and Gentleman

7. Bursa Malaysia is fortunate enough to sit in a unique position that gives us a good vantage point to observe both the areas of excellence and challenges in our markets, allowing us to recommend solutions that improve conditions for issuers, investors and our economy.
8. Today, we are clearly more than just a stock market operator, but a national institution entrusted with the role to act as a catalyst and unlock the competitive potential that exists in our economy.
9. It gives me great pleasure to be standing here today to share your joy and excitement of your achievements. I also see a common thread among you in your desire of elevating your businesses to the next level. With that, please allow me this opportunity to share with you 3 key areas of importance, that gives a sense of what we need to do to bring our companies forward. These are:
 - i. "Institutionalisation" of organisations;
 - ii. Innovation; and finally
 - iii. A focus on Sustainability
10. Firstly, let's talk about 'institutionalisation of organisations'.

11. Over the years, we have come to realise that while each business can be entirely different in nature, SMEs tend to display similar growth patterns during their stages of growth.

12. As companies progressively move along its business lifecycle and reaching a point of the need to scale-up, they will realise that it takes much more than just pure funding and great ideas to see successful growth. A company looking to scale-up needs to focus on resource planning, people management and building a robust business model that can strengthen its foundations. It involves dealing with both tangibles and intangibles side of the business.

13. If you look at any successful organization, you will find them having to consistently change in how they operate and in some cases completely re-inventing their organizational structures as they get bigger to incorporate the critical functions needed to grow. These companies would have created a solid footing by having all the fundamentals firmly in place and institutionalizing these processes with best practices and corporate governance to achieve the necessary efficiencies. In the end, it's all about institutionalizing people, processes and even technology.

14. I am happy to share that we at the Exchange are always ready to help our PLCs to embrace best practices, especially in the areas of integrated reporting and corporate governance so that they can continuously focus to improve their overall transparency and one day become a major global player with vital roles in the global value chain.

15. The funding platforms on Bursa Malaysia, not only provides businesses the ability to access capital and raise funds to grow, but serves to also ensure that companies remain competitive and well managed in accordance with good

corporate governance practices that will give greater visibility and enhanced credibility.

16. Beginning with the LEAP Market for SMEs at the early stage of their business, these companies are slowly encouraged to adopt the necessary systems and processes that will enhance their governance and put them in a better position to operate as a listed company. In time, as they continue to grow, the Exchange will continue to give guidance along the way for them to grow their value until they eventually graduate to the ACE or even the Main Market.
17. I believe the institutionalization of core fundamentals has had a positive effect. As at end October, all companies listed on LEAP have seen their share prices grow between 15% to 133% since their listing. These companies come from a wide range of industries which include IT Solutions, Healthcare, Engineering Solutions and Manufacturing.
18. For the ACE Market, our initiatives to streamline regulatory functions and liberalise rules in areas where standard of conduct have improved are aimed towards improving efficiency and elevate standards. The enhancements to the ACE Market listing framework in 2015 has managed to incentivize and attract eligible SMEs to consider IPOs, as we continue to see a consistent growth in companies accessing the ACE Market in their pursuit of growth.

Ladies and Gentleman

19. It's a brave new world out there and things have changed so much that we need to continuously re-examine and review outdated models to progress.
20. This brings us to the next important need - having to innovate to adapt to the changing world. How this links to the first is that having the necessary fundamentals firmly in place provides you the needed capacity and platform to

incubate innovative solutions and ensure your company remains relevant as it enters the next phase of rapid growth.

21. The many rapid developments unfolding in our markets have witnessed a period of considerable change impacting all dimensions of our value chain of markets and participants. In many ways, today's inter-connected and technology-driven marketplace bears little resemblance to those of just over a decade ago.
22. As your businesses grow and progress, you will need to keep adapting your strategy to overcome new challenges. What works right now may not continue to work at different stages of your business development.
23. Many have approached me and asked "How do you plan to compete with much larger and developed markets?" My answer is simple. **"There is no better catalyst of success than those who can initiate change. Without change, there is no innovation, creativity or incentive for improvement."** We do not need to re-invent the wheel. There is always an **opportunity to make a difference**. There is an **opportunity to refine something, eliminate unnecessary steps, or look at something from a different angle**. Be persistent and adapt to change, stand on the shoulders of giants who came before you, and it will give you a better view to see even further ahead.
24. For example, it is through innovation and delivery of unique propositions, such as **Bursa's fully integrated Islamic securities exchange platform which offers a comprehensive range of exchange-related facilities called *Bursa Malaysia-i*; our Shariah compliant alternative to Securities Borrowing Lending and Negotiated Transaction Framework called *Islamic Securities Selling and Buying Negotiated Transactions*; as well as our commodity trading platform that is dedicated to facilitate Islamic liquidity management called *Bursa Suq al-Sila'***, that we in Bursa Malaysia have successfully taken steps forward to build our strength and give us the competitive edge in the Islamic capital market

space. These developments have managed to earn us numerous global recognitions, having served to broaden the market and successfully growing the number of participants which include issuers, investors and intermediaries.

25. Finally, let me touch on the third area which is '**Sustainability**'. Once businesses have successfully scaled up, what defines great companies and sets them apart is not through their ability to get immediate returns but one that has the ability to **create and transform itself into sustainable institutions**.
26. Sustainability in the capital market is a focus that has always been close to my heart. With the rapid rise of socially responsible investing, embracing sustainability through sustainable business models will help our companies stay ahead of the competition as businesses shift into the next century.
27. Our initiatives such as the **Sustainability Reporting Framework** aims to inculcate a strong culture that delivers on sustainability across the capital market. Through this framework, PLCs are required to consider a holistic approach to business management, addressing the economic, environment and social risks and opportunities as a measure to generate long term benefits and business continuity.
28. This serves to not only strengthen your commitment to growth responsibly, but will also earn you **higher brand recognition, building trust amongst investors**, all of which will have a positive effect on your company's profitability.
29. Today, I believe our efforts to instill these **3 key areas** has placed the market in a much stronger position to maintain its competitive advantage for long-term value creation.
30. **A testament to this is the resilience that PLCs have demonstrated amidst the recent headwinds** that have been affecting global markets.

31. Listed PLCs on Bursa Malaysia have displayed good long-term prospects stemming from their inherent strong foundations. For example, FBMKLCI companies have over the years consistently delivered positive growth in dividend yield compared to their regional peers. In addition, these companies also have the highest dividend payout ratio of over 50% in the last 2 years compared to their peers in Singapore, Thailand, Philippines and Vietnam.
32. As at YTD August, the FBMKLCI had risen by 1.3%. In contrast, the performance of the MSCI Emerging Markets index had fallen by 8.8%, MSCI ASEAN index down by 7.5% and MSCI Asia Pacific Index down by 4.7%.
33. Furthermore, despite the sell-down by foreigners, foreign shareholdings in our markets by market capitalization between April and September 2018 has remained stable, ranging between 22.6% and 24.1%, an indication that foreign investor confidence remains intact.

Ladies and Gentlemen,

34. **Your success is our success!** We at Bursa Malaysia have pledged to ensure that we continue to invest in your long-term success by looking for ways to serve you, where and when you need us.
35. Stay rest assured, that Bursa Malaysia will always be there along the way to help you through your journey. **My team is always here to help!** We believe in building long-term relationships and seek to collaborate and serve the greater interest of the market and its participants. We strive to be the **region's most trusted partner** for companies to access dependable capital and investors to choose our market as a venue for long-term wealth creation.

36. We are a true believer of advocating reforms or liberalizing our regulatory infrastructure to reflect the modern and evolving practices of the market, and enable the efficient capital formation and flow to support the economic growth engine.
37. Looking ahead, I am hopeful that recent changes in government and the institutional reforms especially at regulatory front will see further progress of our capital market in today's dynamic and changing world.
38. Each of us have a role to play in creating the future that we want and the future that we need to defend by developing a strong foundation to help drive innovation that will enable Malaysian companies to boost the economy towards long-term sustainable growth. It may not always be an easy journey, but can be made easier if we work as a collective. As such, let's take this opportunity to partner with each other, "Creating Opportunities, Growing Value" and advance the development of our capital markets.
39. On that note, let me end by once again thanking the organisers at Focus Malaysia, for having me for the third year in a row.
40. To all the nominees, I want to wish you all the very best of luck, and to the winners, congratulations!

Thank you.