37th Annual General Meeting

27 March 2014
Welcome Remarks
By The Chairman,
Tun Mohamed Dzaiddin Haji Abdullah
Demand for Poll

Article 54 provides that a poll can be demanded by:

• The Chairman of the meeting; or

• At least 2 members present in person or proxy; or

• Any member or members representing not less than 1/10 of total voting rights of all members attending this 37th AGM; or

• Any member or members holding shares conferring a right to vote at this 37th AGM, being shares on which an aggregate sum has been paid up equal to or not less than 1/10 of the total sum paid up on all the shares conferring that right
Poll Administrator and Scrutineers

Poll Administrator: Tricor Investor Services Sdn Bhd

Scrutineers: Ernst & Young
To receive the Audited Financial Statements for the financial year ended 31 December 2013 and the Reports of the Directors and Auditors thereon.
37th Annual General Meeting

Presentation to Shareholders

27 March 2014

Dato’ Tajuddin Atan, CEO
AGENDA

- ROBUST GROWTH
- STRENGTHENED MARKETPLACE
- STRONGER COLLABORATION
ROBUST GROWTH

FINANCIAL PERFORMANCE
- Stellar Financial Performance
- Growing Shareholder Value
- Progressive Rise in ROE
- 2013 Total Shareholders Return = 41%

MARKET PERFORMANCE
- Key Drivers
- Securities Market Trending High
- Derivatives Market Scaling New Heights
- Rapid Growth in Islamic Market
Stellar Financial Performance
Best financial performance in 6 years

- 2008 - 2010 PATAMI CAGR: 4%
- 2010 - 2013 PATAMI CAGR: 16%

Operating revenue (RM mil)
Operating expenses (RM mil)
PATAMI (RM mil)
Stellar Financial Performance (Continued…)

Improving cost to income ratio

- 2009: 56%
- 2010: 55%
- 2011: 51%
- 2012: 49%
- 2013: 48%
Growing Shareholder Value
Highest dividend payout among ASIAN listed peers

Dividend Payout in 2013

- SGX: 89%
- ASX: 90%
- HKEx: 90%
- Bursa Malaysia: 98%

Special Dividend: (sen)
Interim Dividend: (sen)
Final Dividend: (sen)
Dividend yield
ROE Breaks 20%
On the back of strong financial performance
2013 Total Shareholders Return = 41%
Outperformed Listed Asian Peers and FBM KLCI

Bursa Malaysia Share Price Performance vs. FBMKLCI

Bursa Malaysia Share Price Performance vs. Listed Asian Peers
### Key Drivers

**Improved performance across all markets**

<table>
<thead>
<tr>
<th>Key Drivers</th>
<th>2012</th>
<th>2013</th>
<th>% Change</th>
</tr>
</thead>
<tbody>
<tr>
<td>Securities Market ADV OMT+DBT (RM mil)</td>
<td>2,137</td>
<td>2,137</td>
<td>28%</td>
</tr>
<tr>
<td>Derivatives Market ADC ('000)</td>
<td>43</td>
<td>43</td>
<td>10%</td>
</tr>
<tr>
<td>BSAS ADV (RM bil)</td>
<td>3.9</td>
<td>3.9</td>
<td>69%</td>
</tr>
</tbody>
</table>

#### Average Daily Value (OMT) (RM mil)
- **2012**: 1,666
- **2013**: 2,137
- **Velocity (%)**: 28%

#### Average Daily Contracts ('000)
- **2012**: 39.39
  - Crude Palm Oil Futures: 22%
  - FBMKLCI Futures: 77%
- **2013**: 43.49
  - Crude Palm Oil Futures: 25%
  - FBMKLCI Futures: 75%
- **Velocity (%)**: 10%

#### Bursa Suq Al-Sila’ ADV (RM bil)
- **2012**: 2.30
- **2013**: 3.88
- **Velocity (%)**: 69%
Securities Market Trending High
Dynamic growth in market key drivers

- Our Market capitalisation achieved record high at RM1.71 trillion on 30 December 2013.
- Our benchmark index FBM KLCI have hit all-time-high 73 times since 2008 with 26 times in 2013.
FCPO, the global benchmark contract, is the highest contributor to the growth in total contracts traded.
Rapid Growth in Islamic Market
Continue to gain recognition as a market leader

Our one-of-a-kind Bursa Suq Al-Sila’ ADV commodity traded is gaining traction by growing rapidly over the years.

Note* - Bursa Suq Al-Sila’ was launched in August 2009.
STRENGTHENED MARKETPLACE

- Internationally benchmarked
- Resilient securities market
- Derivatives growing from strength to strength
- Islamic market continues to grow
- Leading in ASEAN
Internationally Benchmarked
Building market quality and ensure sustainability

Malaysia ranked by:

4th among 148 countries for Strength of Investor Protection

13th for Efficacy of Corporate Boards

4th among 189 countries for Investor Protection

Malaysia ranked by:

Bursa Malaysia is “Top 50 CG ranking of mid/small caps in Asia Pacific”

Bursa Malaysia ranked by:

Bursa Malaysia as recipient of the awards from:

Best Conduct of AGM

Top 3 Corporate Governance (CG) Transparency Award

Top 5 Overall CG Award

Malaysia ranked by:

Bursa Malaysia ranked by:

Malaysia ranked by:

ACGA

MSWG
Resilient Securities Market
Outpaced the growth of global trade value

- Over the last 5 years, the global trade value has gone up 12% while ours has grown by 84%.

Source: World Federation of Exchanges
Derivatives Growing from Strength to Strength
Continue to grow ahead of global trade volume

- Over the last 5 years, the growth of our Derivatives Market has outpaced the global trade volume.
- Last year global trade volume was up 2%; ours was up 11%.

Source: Futures Industry Association and Bursa Malaysia Berhad
Islamic Market Continue to Grow
With stricter revised Shari’ah screening methodology

- Market Capitalisation grew despite the reduction of number of Shari’ah compliant stocks due to the revised Shari’ah Screening Methodology - a testament to investors’ confidence in our Shari’ah-compliant stocks.
Leading in ASEAN
Outperformed peers in fund raised, index & market cap growth

**Highest Fund Raised in ASEAN**
- Malaysia: 7,047 USD mil
- Singapore: 6,043 USD mil
- Indonesia: 4,843 USD mil
- Philippines: 2,771 USD mil
- Thailand: 2,164 USD mil

**FBM KLCI Outperformed ASEAN Peers**
- FBM KLCI: 10.5%
- PCOMP (Philippine Stock Exchange): 1.3%
- FSSTI (Singapore Stock Exchange): 0.0%
- JCI (Indonesia Stock Exchange): -1.0%
- SET Index (Thailand Stock Exchange): -6.7%

**Strongest Market Capitalisation Growth**
- Malaysia: 15%
- Philippines: 2%
- Indonesia: 2%
- Singapore: 1%
- Thailand: -2%

*Source: World Federation of Exchanges*
RECAP OF 2011 - 2012 KEY INITIATIVES

2013 KEY INITIATIVES AND MILESTONES

OUR DELIVERIES IN 2013

FOCUS IN 2013 AND BEYOND

2014 KEY DELIVERIES
Recap of 2011-2012 Key Initiatives
Building blocks for stronger collaboration

<table>
<thead>
<tr>
<th>2011</th>
<th>2012</th>
</tr>
</thead>
<tbody>
<tr>
<td>Promoted to Advanced Emerging Market from Secondary Emerging Market in the FTSE Global Equity Index Series</td>
<td>Launch of ASEAN Trading Link connecting Bursa Malaysia, Singapore Exchange and The Stock Exchange of Thailand</td>
</tr>
<tr>
<td>In collaboration with FTSE, introduced New Sector Indices and refine ground rules on free float</td>
<td>Launch of New Trading Features for Bursa Trade Securities</td>
</tr>
<tr>
<td>Introduced Fast Track Dual Licensing to facilitate the admission of additional licencees</td>
<td>Launch of New Derivatives Clearing System</td>
</tr>
<tr>
<td>Launch of ASEAN Brand Identity, Exchanges Website and ASEAN Stars</td>
<td>Launch of new Market Surveillance System</td>
</tr>
</tbody>
</table>
Unlocked potential of our marketplace

Launch of new trading engine, **Bursa Trade Securities 2**

- **Launch of new products**
  - $ETBS
  - $FGLD
  - $Stapled Securities

Enhanced **Regulated Short Selling (RSS)** and **Securities Borrowing & Lending** widened the eligible RSS stocks from 100 to 219

**Investors Outreach Programme - Invest ASEAN Programme**
Our Deliveries in 2013
Initiatives completed to build a competitive marketplace

4 Strategic Intents

1. Create a More Facilitative TRADING ENVIRONMENT
   - E-Rights
   - E-Statement
   - Establishment of futures-only branch offices
   - Retail Engagement
   - BTS Replacement

2. Facilitate More TRADABLE ALTERNATIVES
   - ETBS
   - Stapled Securities
   - Business Trusts framework
   - Gold Futures Contract

3. Reshape MARKET STRUCTURE & FRAMEWORK
   - Revamp of Business Rules for Securities Brokers
   - NLT for derivatives options
   - Establishment of CMTF
   - Widening coverage of RSS & SBL

4. REGIONAL MARKETPLACE with Global Access (Centre of ASEAN)
   - PLCs profiling
   - ASEAN Exchanges
   - Investors Outreach Programme
Focus Area in 2013 and Beyond
To establish strong regional presence

Focus 1: Value Extraction
- Leverage on ASEAN Growth
- Leverage on Domestic Liquidity
- Improving Microstructure

Focus 2: Build for the Future
- Review Macro-Structure
- Review Market Framework
- Develop Regional Presence & New Business
2014 Key Deliveries
To strengthen our position as ASEAN’s Multinational Marketplace

- E-initiative to grow retail participation - with Bursa MarketPlace
  THERE’S SOMETHING FOR EVERYONE ON BURSAMKTPLC

- Creating a distinct and trustworthy marketplace - the first in the region
  ESG Index

Continue to strengthen Bursa Malaysia as ASEAN MULTINATIONAL MARKETPLACE
Thank you
Presentation by Encik Chan Hooi Lam, partner from Messrs Ernst & Young
Reply to MSWG

Bursa’s Answers to the Questions Raised by MSWG
Replied to MSWG

QUESTION 1

a) The listing of Small Medium Enterprises ("SMEs") in the ACE Market in the Exchange remains low with three companies in 2012 and only one company last year.

b) Has Bursa carried out a study to ascertain the reasons for this and what additional measures would the Exchange introduce to make the ACE Market more vibrant and attractive?

RESPONSE

Bursa is currently undertaking a review in enhancing the ACE Market framework. In this respect, we have engaged the ACE Market sponsors, non-principal advisers as well as other stakeholders to gather feedback on the existing ACE Market framework and the areas which can be enhanced going forward. Thorough study of the findings is being undertaken. Amendments, if any, to the framework will take into consideration these findings, competitiveness compared to other jurisdictions as well as investors protection. Our aim is to build a market of quality companies that are able to provide growth and returns to shareholders.

In terms of number of listings, we have approved two applications which are currently pending implementations. Further, we have received several requests for pre-consultations which indicate that there are potential issuers which are at various stage of listing preparation by their respective sponsors. Essentially, we will strive to provide greater clarity and certainty to the market.
QUESTION 1

The listing of Small Medium Enterprises ("SMEs") in the ACE Market in the Exchange remains low with three companies in 2012 and only one company last year.
Has Bursa carried out a study to ascertain the reasons for this and what additional measures would the Exchange introduce to make the ACE Market more vibrant and attractive?

RESPONSE

As the policy is to have more SMEs to be listed, on 24 March 2014, Bursa, together with SME Corporation and MIDF Amanah Investment Bank Berhad ("MIDF") held an IPO Seminar titled “Stairway to Listing” which targets the SMEs. The seminar was supported by TERAJU and Cradle Fund Sdn Bhd. The programme, among others, included a dialogue with YB Dato’ Sri Mustapa Mohamed. 119 representatives from 62 companies had attended the seminar. The seminar is a platform for private companies, particularly SMEs in Malaysia to grow and to prepare them for listing on Bursa. In addition to the seminar, ‘clinics’ were set up to enable SMEs to engage with MIDF on a one-on-one basis.

The most notable outcome of the 2014 Seminar is the commitment from SME Corporation, MIDF and Bursa to facilitate and minimise the cost towards listing a company as the future of growth is in our SMEs.
QUESTION 2

Bursa has dual roles i.e. as a business entity and market regulator.
(i) Could Bursa explain how it balances the contrasting market roles?
(ii) We also noted that about half of the directors also sit on the boards of other PLCs which could give rise to the perception of tilting towards commercial vs regulatory considerations. We hope that the Board would consider this aspect when appointing future directors.

RESPONSE (Question 2(i))

The Board and Management of Bursa are always mindful of Bursa’s dual roles as a business entity and a regulator. As both a market regulator and a business-oriented entity, Bursa may be faced with situations where its business interests may conflict with its regulatory interests (“COI”).

Under Section 21 of the Capital Markets and Services Act 2007 (“CMSA”), Bursa is obliged to ensure that where Bursa’s own or any other interests conflicts with public interest and in particular the need for public protection, the latter shall prevail.

Amongst the measures that Bursa has put in place to address its COI, include:-

(a) Separation of the regulatory functions from commercial functions, to ensure independence, and no influence in any supervisory or regulatory decisions made by Regulation;

(b) The appointment of public interest directors by the Minister of Finance pursuant to Section 10 of the CMSA, in line with the public interest and regulatory responsibilities of Bursa as an Exchange Holding Company;
Reply to MSWG (cont...)

QUESTION 2

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RESPONSE (Question 2(i))

(c) Establishment of a robust framework of checks and balances; the COI guidelines in place stipulate the framework and appropriate controls and measures to ensure systematic identification and management of COI; submission of COI reports to the Securities Commission (“SC”) and Listing Committee for notation;

(d) Establishment of Regulatory Committees to make significant regulatory decisions, the members of which are appointed by the Board and includes independent individuals from various professional and industry participants;

(e) Establishment of the Regulatory and Conflicts Committee (“RACC”) to oversee the regulatory function of Bursa and review all COI situations. The annual regulatory plan, regulation financial budget and manpower resources are subject to RACC and the Board’s approval;

(f) External oversight by the SC of Bursa as a listed issuer, which includes monitoring compliance and taking enforcement action, if required.
QUESTION 2

Bursa has dual roles i.e. as a business entity and market regulator.
(i) Could Bursa explain how it balances the contrasting market roles?
(ii) We also noted that about half of the directors also sit on the boards of other PLCs which could give rise to the perception of tilting towards commercial vs regulatory considerations. We hope that the Board would consider this aspect when appointing future directors.

RESPONSE (Question 2(ii))

Adequate checks, balances and safeguards within Bursa’s governance arrangement and internal processes to manage, mitigate or avoid any perceived or actual conflicts of interests (COI) arising from Bursa’s regulation of listed companies.

Audit Committee is responsible to review any related party transaction that may arise. Related Party must disclose interest to the Chairman of the Board or Board Committee and abstain from deliberation and voting accordingly.

Hence, directorship(s) held by them in other PLCs should not affect the decision-making process by the Board or Board Committee. Any commercial or regulatory decision is to be made in the best interest of Bursa with public interest as priority.

To exclude the directors of PLCs from sitting on Bursa Board could drastically limit the size of talent pool from which Bursa could source for capable individuals.

Take note and appreciate the view of MSWG; will explore the same when considering the appointment of future directors in due course.
QUESTION 3
Bursa Malaysia launched e-Rights services on 28 March 2013. How many PLCs with rights issues during 2013 have used the said eRights services? Was there any lack of response? What were the reasons for the lack of response and participation from PLCs and if so why?

RESPONSE
In 2013, there were five Public Listed Companies (“PLCs”) that offered eRights to their shareholders. This is about 15% of the total PLCs that offered rights issue after the launched of eRights in 2013. For those PLCs that have offered eRights, the take up rate by their shareholders have been encouraging with an average of 25% rights issues subscribed through eRights.

The lack of response from the PLCs was due to eRights being an optional facility for them to offer to their shareholders, and rights issue is not a frequent corporate exercise event. The lack of participating banks was also one of the reasons commonly cited by the PLCs.

Bank Negara Malaysia has facilitated a meeting between Bursa Malaysia Depository and the participating banks who are currently supporting Electronic Shares Application for Initial Public Offering (“ESA”). The outcome of the meeting has been positive and most of the banks with ESA features are working towards including eRights as part of the services to their depositors.
QUESTION 4
What were the measures taken to increase the level of retail participation of share trading in the Exchange, and has there been any significant improvement over the years?

RESPONSE
Aside to local retail, domestic retail participation includes those under the categories of local nominees and Proprietary Day Traders. The statistics on domestic retail over the years are as follows:

<table>
<thead>
<tr>
<th>Year To Date Feb 2014</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>Undated</td>
<td>37.2%</td>
<td>36.4%</td>
<td>31.2%</td>
<td>31.4%</td>
</tr>
<tr>
<td>2014</td>
<td>36.7%</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

Note: Proprietary Day Traders (PDTs) - Introduced in Jan 2007. Trade for their own account and allowed to short sell but position to be closed within the same market day.

From the statistics, domestic retail did increase marginally from 2012 to 2013 but more significantly in 2014. We are beginning to realise the efforts which we have put in place since 2011.

Coupled with providing a facilitative trading environment through a refresh of our Bursa Trade Securities 2, e-rights, widening coverage of Regulated Short Selling and Securities Borrowing & Lending, in addition to providing a variety of products such as Stapled Securities, Business Trusts and encouraging more Exchange Traded Funds to be listed, Bursa has adopted a Retail Strategy that is sustainable through conventional and game changing programmes.
QUESTION 4

What were the measures taken to increase the level of retail participation of share trading in the Exchange, and has there been any significant improvement over the years?

RESPONSE

Four broad programmes have been identified to continuously address retail participation:

(1) To widen access and visibility of Bursa marketplace and to tap onto new investors, Bursa will continue with its investor engagement through Invest Retail, participation in exhibitions and roadshows;

(2) To increase trading from current retail investors, Bursa will increase its efforts in investor education by continuously supporting the efforts of Participating Organisations, conducting product centric workshops for remisiers and ensure that investors have access to information such as research reports;

(3) To build Bursa’s future investors, Bursa will tap onto the younger potential investors by creating educational videos, supporting investors’ club and enterprise programmes to encourage young entrants into the marketplace;

(4) To penetrate the ASEAN market, Bursa will leverage on ASEAN Exchanges collaboration with enhancing visibility to the marketplace.
QUESTION 5
The holding of investment securities is about 25% of shareholders’ funds. Thus can the Board provide the risk management policy as regards to this?

RESPONSE
Our investment securities comprise:-

(1) Equity strategic shareholding (collaboration between CME and Bursa) (12% of shareholders’ funds); and

(2) Investment in debt instruments which include bonds and commercial papers (14% of shareholders’ funds).

Our investment in debt instruments is guided by an Investment Policy approved by the Board which takes into consideration the investment risks and exposures. This policy will consider the following areas before any investment are being placed:-

(a) Type of investments;
(b) Diversification of assets allocation;
(c) Minimum credit rating; and
(d) Restriction on tenure of placement.

In addition, our Risk Management Policy has established parameters and process for assessing and mitigating risks which could have a financial impact on Bursa.
AGENDA 1

To receive the Audited Financial Statements for the financial year ended 31 December 2013 and the Reports of the Directors and Auditors thereon.
Agenda 2 (Resolution 1)

To approve the payment of final dividend of 16 sen per share under single-tier system in respect of the financial year ended 31 December 2013.

Entitlement date: 3 April 2014

Payment date: 16 April 2014
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) Dato’ Saiful Bahri bin Zainuddin
(2) Tan Sri Ong Leong Huat @ Wong Joo Hwa
(3) Dato’ Tajuddin bin Atan
(4) Encik Ghazali bin Haji Darman
Re-election of Dato’ Saiful Bahri bin Zainuddin
Re-election of
Tan Sri Ong Leong Huat
@ Wong Joo Hwa
Agenda 3 (Resolution 4)

Re-election of Dato’ Tajuddin bin Atan
Agenda 3 (Resolution 5)

Re-election of Encik Ghazali bin Haji Darman
Agenda 4 (Resolution 6)

To approve the payment of Directors’ fees amounting to RM90,000 per annum for the Non-Executive Chairman and RM60,000 per annum for each of the Non-Executive Directors in respect of the financial year ended 31 December 2013.
To appoint Messrs. Ernst & Young as Auditors of the Company for the financial year ending 31 December 2014 and to authorise the Board of Directors to determine their remuneration.
To consider and if thought fit, to pass the following Ordinary Resolutions in accordance with Section 129(6) of the Companies Act 1965:
“THAT Tun Mohamed Dzaididin bin Haji Abdullah, a Public Interest Director who retires pursuant to Section 129(2) of the Companies Act 1965 be and is hereby re-appointed as Director of the Company to hold office until the conclusion of the next annual general meeting of the Company.”
“THAT Tan Sri Datuk Dr. Abdul Samad bin Haji Alias, an Independent Non-Executive Director who retires pursuant to Section 129(2) of the Companies Act 1965 be and is hereby re-appointed as Director of the Company to hold office until the conclusion of the next annual general meeting of the Company.”
Any Other Business
Briefing on Poll Process by Poll Administrator
Meeting Adjourned for Poll Vote Calculation
37th Annual General Meeting

27 March 2014
Announcement of Poll Results
Conclusion of 37th AGM