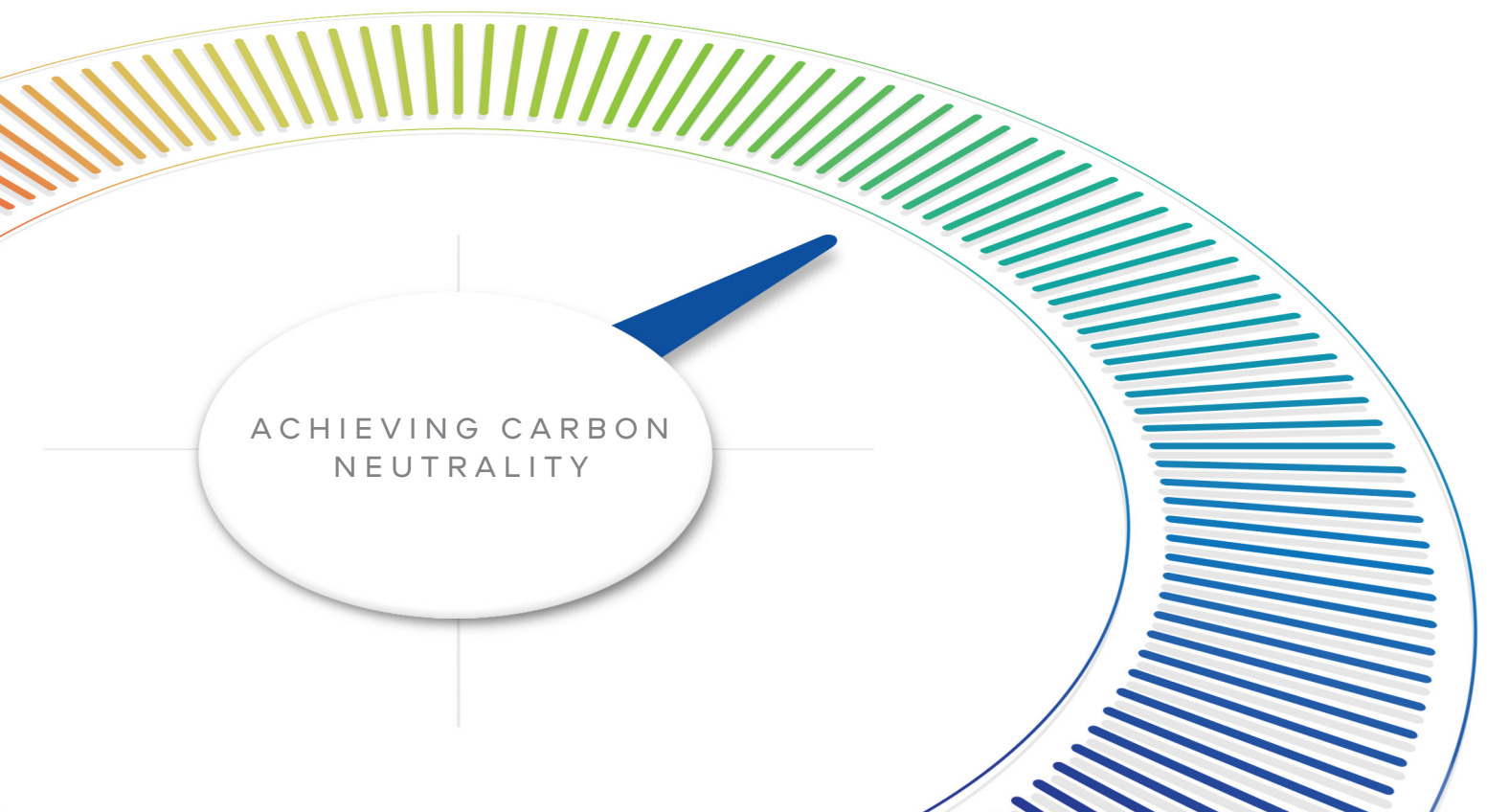


CREATING OPPORTUNITIES, **GROWING VALUE**

INTEGRATED ANNUAL REPORT 2021





The cover for our Integrated Annual Report 2021 reflects Bursa Malaysia's commitment to accelerating our actions to combat climate change while continuing to deliver on our mission of creating opportunities and growing values for our stakeholders. There has been a renewed global urgency in mitigating climate change as the world has been reminded, through regular and frequent occurrences of extreme weather catastrophes, that time is running out for us to make a difference. In doing our part, Bursa Malaysia has announced its commitment to achieving carbon neutrality by 2022 and net zero greenhouse gas emissions by 2050 across its entire operations.

VISION

To be ASEAN's leading, sustainable and globally-connected marketplace

MISSION

Creating Opportunities, Growing Value



Bold

- We are competent, confident and transparent
- We lead by example
- We are committed to growth and excellence



United

- We embrace diversity and inclusion
- We trust, respect and care for each other
- We foster togetherness and teamwork



Responsible

- We act with honesty and integrity
- We think and act sustainably
- We lead with courtesy, humility and empathy



Synergy

- We are engaged
- We collaborate toward common goals
- We drive alliances for greater value



Agile

- We drive and adapt to change
- We are efficient and effective
- We proactively identify opportunities

OUR CORE VALUES

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About This Report

This Integrated Annual Report (IAR) provides a complete illustration of the value creation process of Bursa Malaysia Berhad and its group of companies (collectively known as Bursa Malaysia or the Exchange), from the resources we consume in the implementation of our initiatives to the values that we create for our stakeholders.

This report also describes the trade-offs in our capitals that we make through our value creation activities, and identifies the values created for our stakeholders who are the targeted beneficiaries of these activities. Bursa Malaysia's past, present and future performances are linked together in a continuous narrative within this report. This narrative describes the operating conditions that shaped our past performance, that affect our performance in the present day, and that will have an impact on our activities in the years to come.

Scope and Boundaries

We disclose in full our strategic plans in this IAR alongside the quantitative and qualitative outcomes of our activities implemented during the year under review, which include our financial and non-financial achievements. The latter includes outcomes such as new products and services available at our marketplace, initiatives to secure a wider investor base and new collaborative ties established with strategic partners. Where relevant and possible, the sustainability impact of our initiatives as well as the way in which sustainability considerations are factored into our strategic thinking are disclosed. Additional information about our sustainability practices can be found in our standalone Sustainability Report (SR), which is available on our website.

This report covers the period beginning 1 January 2021 to 31 December 2021 unless otherwise stated. All information within this report has been verified to be accurate as at the time of publication.

Material Matters

Our Material Matters comprise 13 issues that matter most to our business and stakeholders. They were first identified through a comprehensive materiality assessment undertaken in 2020. These Material Matters were validated via an online survey in 2021. They were clustered into five Priority Areas, that guided the development of our Sustainability Roadmap 2021-2023 and formed the basis of our sustainability reporting.

 For more information about our Material Matters as well as our Materiality Assessment process, please turn to pages 48 to 56 of this report and pages 82 to 83 of our SR 2021.

About This Report

Reporting Principles and Framework

Bursa Malaysia's IAR and SR provide a comprehensive and accurate account of our value creation activities. Our IAR and SR have been guided by and developed in line with best international standards and practices. The IAR is a key document and a part of our complete suite of reports for 2021, disclosures and reporting frameworks, which comprise the following:

Integrated Annual Report 2021

Disclosure

- Management Discussion and Analysis
- Financial Review
- Our Approach to Sustainability
- Materiality Assessment and Our Material Matters
- Corporate Governance Overview
- Audit Committee Report
- Statement on Internal Control and Risk Management
- Directors' Report
- Independent Auditors' Report
- Financial Statements

Reporting Framework and Guidance

- Main Market Listing Requirements (MMLR)
- Malaysian Code on Corporate Governance
- International Integrated Reporting Council <IR> Framework
- Companies Act 2016
- Malaysian Financial Reporting Standards
- International Financial Reporting Standards

Sustainability Report 2021

Disclosure

- Governance
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Reporting Framework and Guidance

- MMLR
- Global Reporting Initiative Standards: Core option
- Sustainability Accounting Standards Board disclosure requirements
- Recommendations of the Task Force on Climate-related Financial Disclosures
- Sustainability-related indices criteria such as FTSE4Good Bursa Malaysia Index and Bloomberg Gender Equality Index
- World Federation of Exchanges Sustainability Principles
- The Ten Principles of the United Nations Global Compact

Forward-Looking Statements and Disclaimer

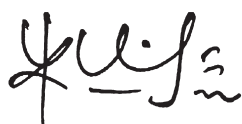
This IAR contains forward-looking statements that are, by nature, contingent and may be rendered inaccurate by changes in underlying assumptions due to emergent risks or unforeseen developments. As such, there could be a variation between actual results and expectations proposed by these statements. Therefore, these statements should not be construed as absolute guarantees or predictions of Bursa Malaysia's future outcomes. Readers of this IAR are advised not to place undue reliance on them.

Assurance

The audited financial statements for the year under review are disclosed in this IAR. As for the SR, Bursa Malaysia has engaged an external consultant to provide limited assurance for selected non-financial indicators. The assurance report can be found on pages 76 to 78 of our SR 2021.

Board of Directors' (Board) Approval

The Board has collectively validated this IAR as being a true and factual account of Bursa Malaysia's performance and activities for the year under review. The Board acknowledges its responsibility in ensuring the integrity of this IAR, through good governance practices and internal reporting procedures.



Tan Sri Abdul Wahid Omar

Chairman
Bursa Malaysia Berhad



Datuk Muhamad Umar Swift

Chief Executive Officer
Bursa Malaysia Berhad



This report is available online at:
https://bursa.listedcompany.com/iar_2021.html

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POSITIONED FOR VALUE CREATION

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Who We Are

Bursa Malaysia Berhad (Bursa Malaysia or the Exchange), is an exchange holding company that was incorporated in 1976 and has been publicly listed since 2005. Bursa Malaysia was classified as a Shariah-compliant company by the Shariah Advisory Council of the Securities Commission Malaysia with effect from May 2019.

Bursa Malaysia is a vibrant and diverse marketplace located in the heart of ASEAN, and is a key enabler and beneficiary of rapid development in the region. The Exchange is home to 949¹ public listed companies, the most among ASEAN exchanges, playing the central role as a listing and fundraising destination equipped with 3 listing platforms namely the Main Market, ACE Market and LEAP Market for companies of all sizes.

The Exchange is an inclusive marketplace that provides easy access to a wide variety of investment products and services, and connects domestic and foreign market participants to help them reach their fundraising and investment goals. Assets traded on our marketplace include equities, derivatives, as well as Exchange Traded Funds (ETFs), Real Estate Investment Trusts (REITs) and Exchange Traded Bonds and Sukuk (ETBS).

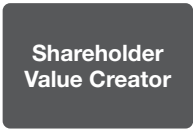
Bursa Malaysia is also a leading player in the areas of palm oil-based derivative products and Islamic capital markets. The Exchange's Crude Palm Oil Futures acts as the global price benchmark for the commodity, while our Islamic platforms—Bursa Suq Al-Sila' (BSAS) and Bursa Malaysia-*i* facilitate a unique end-to-end Shariah-compliant trading experience. These facilities, together with our comprehensive capital market ecosystem, represent unique value propositions for our market participants and stakeholders.

In addition to our role as a market operator, the Exchange is also an advocate for the sustainability agenda, acting both as a role model and as a catalyst for elevating the sustainability practices of our listed issuers. In addition to mandating sustainability reporting in our marketplace, we have introduced our Sustainability Disclosure Framework, which comprises amendments to the Listing Requirements and supported by the issuance of the Bursa Malaysia Sustainability Reporting Guide and Six Toolkits. The Exchange plays a similar role with respect to corporate governance (CG), which we recognise to be crucial for the long-term development of our marketplace.

Note:
¹ as at 31 December 2021

Who We Are

OUR ROLES

 Market Operator We enable secure and easy access to investment and fundraising by building and maintaining a resilient market infrastructure that ensures reliable access to our products and services.	 Influencer We set standards in the areas of CG and sustainability in order to build a strong sustainability culture across the Malaysian capital market. We also strive to serve as an exemplary model of sound CG to our stakeholders.
 Frontline Market Regulator We ensure that our listed issuers, intermediaries and regulated persons act in accordance with the rules of the market and discharge their regulatory obligations to protect the integrity and stability of the market, as well as our investors.	 Shareholder Value Creator We build sustainable value for our shareholders through capital preservation and appreciation.

OUR PRODUCTS AND SERVICES

Bursa Malaysia is an integrated exchange offering a diverse range of products and services, giving our investors and traders the tools required to meet their investing objectives. Our marketplace caters to differing risk appetites and aims to help our investors grow the value of their assets or hedge their portfolios against risk. The following products and services are available on Bursa Malaysia:

Our Platforms

- Main Market, a prime market for listing of established or sizeable corporations as well as other products
- ACE Market, a sponsor-driven regime aimed at corporations with good business prospects
- LEAP Market, an advisor-driven market for small and medium enterprises catered to sophisticated investors
- Bursa Malaysia-i, an end-to-end Shariah-compliant securities trading and investing platform
- BSAS, a Shariah-compliant commodity Murabahah trading platform
- Labuan International Financial Exchange (LFX), an offshore listing platform
- Exempt Regime, a platform to list sukuk and debt securities for profiling

Our Products

- Equity (including foreign listings), Warrants, REITs, ETFs, Special Purpose Acquisition Company (SPAC), ETBS, stapled securities and closed-end fund
- Derivative products covering commodities, equities and financials
- Shariah-compliant assets
- Indices and Indices related to environmental, social and governance (ESG)

Our Services

- Post-trade services including clearing, settlement and depository
- Technology infrastructure and services to support market operations
- Data as a business, e.g. market and ESG data, analytical solutions, and indices which provide greater insight into our marketplace
- BursaMKTPLC, an online platform that provides investors and traders with the information they need to make informed investment and trading decisions
- BURSASUSTAIN, a repository of information on CG, sustainability and responsible investment
- Bursa Academy, a one-stop e-learning platform complementing our education initiatives, offering informal but comprehensive learning experiences on all our markets
- Bursa Anywhere, the first mobile app in ASEAN for retail investors to manage their Central Depository System accounts through their mobile devices

Who We Are

OUR MARKETS (as at 31 December 2021)**Securities Market**

We operate the Securities Market in Malaysia that facilitates the buying and selling of equities and equity-related products. It comprises three markets, covering 21 economic sectors and 50 economic activities. The number of listed issuers on each market is as below:

Main Market	764	ACE Market	141	LEAP Market	44
-------------	------------	------------	------------	-------------	-----------

Market Capitalisation

RM1.8 trillion**Products:**

Structured Warrants	1,008	Foreign Listings	7	ETBS	3	Malaysian Government Securities	37
Warrants ¹	240	ETFs	20	Stapled Securities	1	Malaysian Government Investment Issues	34
REITs	17	SPAC ²	1	Closed-End Fund ²	1	Indices	31

**Derivatives Market**

We offer 17 derivative products covering commodity, equity and financial instruments.

Commodity Derivatives	9	Financial Derivatives	4	Equity Derivatives	4
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**Islamic Markets**

We offer diverse Shariah-compliant products and services. Bursa Malaysia-*i* is a comprehensive end-to-end Shariah-compliant securities exchange platform while the BSAS Platform facilitates Islamic finance transactions, including Shariah-compliant liquidity management activities.

Our Shariah-compliant securities are a subset of our Securities Market and comprise the following:

<i>i</i> -Stocks	750	<i>i</i> -REITs ³	4	<i>i</i> -ETFs	6	Indices	3
------------------	------------	------------------------------	----------	----------------	----------	---------	----------

**Offshore**

We operate the LFX which is based in Labuan.

Market Capitalisation

USD26.32 billion

Bond Listings

19

Sukuk Listings

9

¹ Including one foreign Warrant

² Included in the Main Market PLCs count

³ Including one Stapled Securities

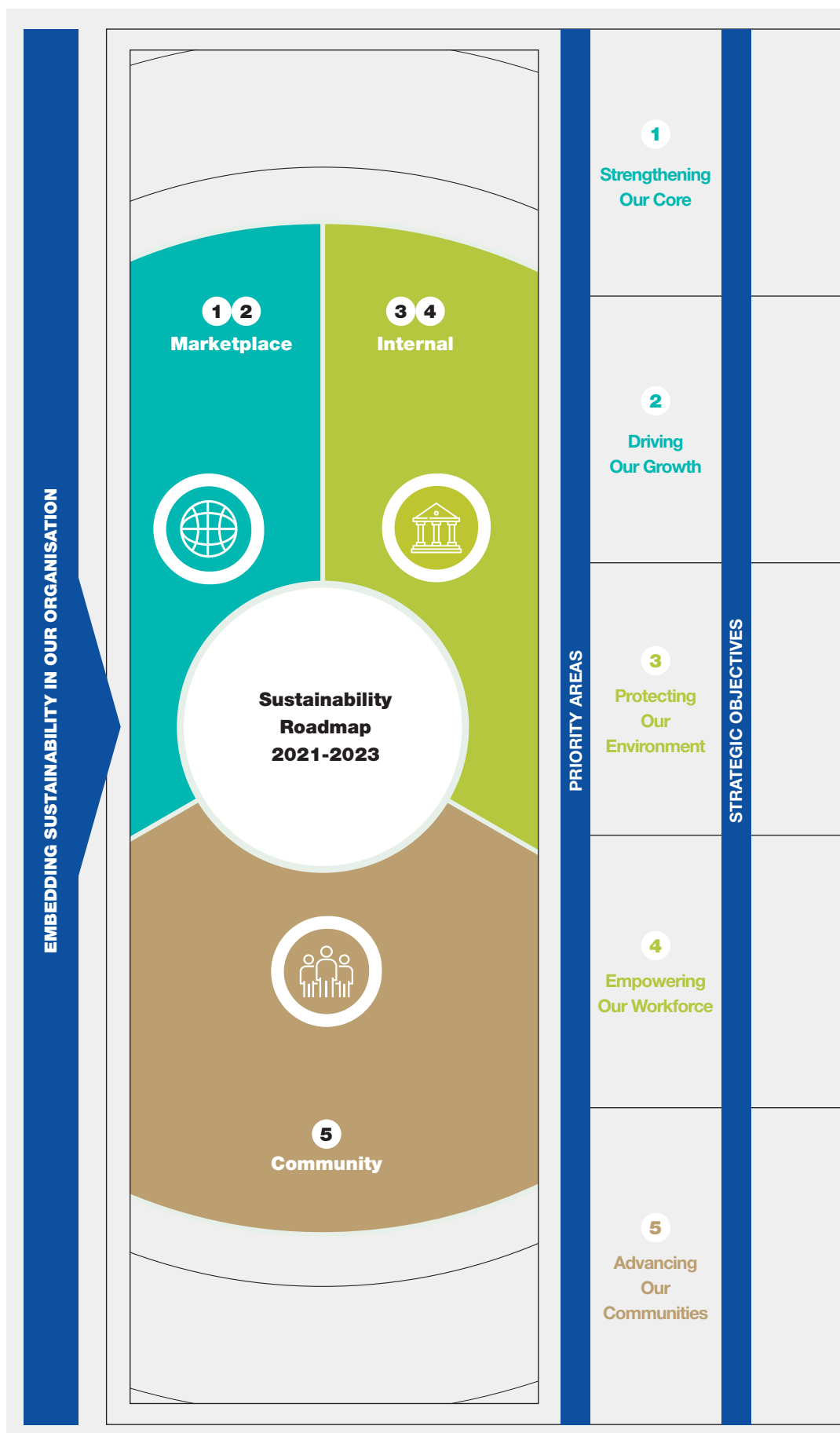
Our Approach to Sustainability

Embedding sustainability into our operations and the capital market is key to driving the organisation forward and ensuring continuous value creation.

Our approach to sustainability is led by our vision to be ASEAN's leading, sustainable and globally-connected marketplace. We aim to be the preferred marketplace for sustainable and responsible investment through integrating sustainability practices and disclosures in our operations and the capital market. Our sustainability approach is anchored on the fifth pillar of our Strategic Roadmap 2021-2023, Embedding Sustainability in Our Organisation, which underpins our new Sustainability Roadmap 2021-2023 that drives our sustainability initiatives.

The Sustainability Roadmap comprises five priority areas which demonstrate our efforts to ingrain sustainability in all aspects of our operations. As the frontline regulator and market operator, we aim to uphold the highest ethical standards and our responsibility to develop the capital market. Given our unique position, we also aim to lead public listed companies by example through the adoption of practices that benefit both our people and the planet.

Going forward, we will continuously enhance our sustainability strategies and manage our environmental, social and governance performance.



Our Approach to Sustainability

Build capacities of market participants to support a vibrant and sustainable capital market

Enhance the sustainable and responsible finance ecosystem through new investment products and high standards of sustainability practices and disclosure

Reduce our ecological footprint and manage climate-related risks as we transition towards a low carbon future

Cultivate an empowered workforce to develop more sustainable approaches

Create positive impacts for society and demonstrate real commitment to support social and environmental issues that are aligned with Bursa Malaysia's mission

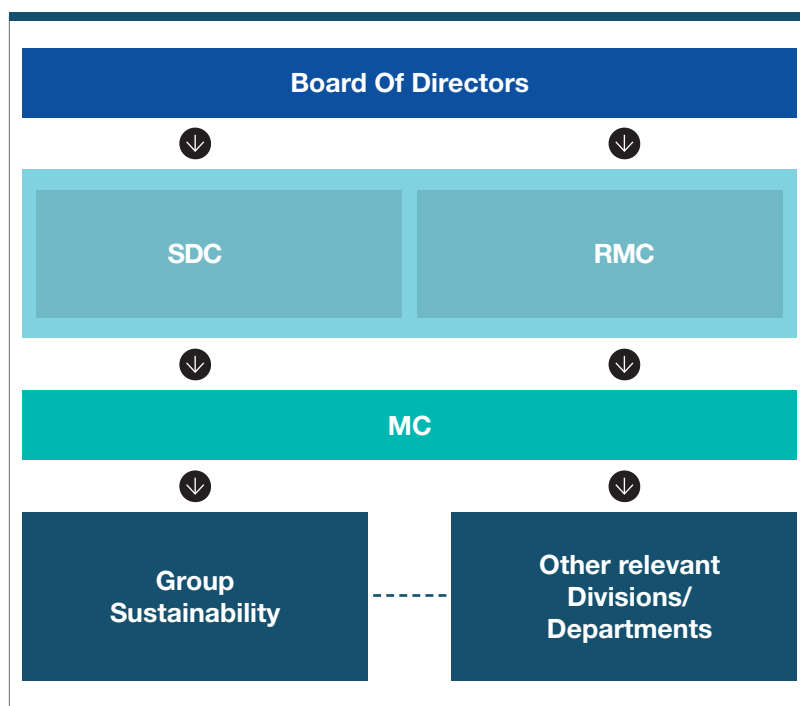
Sustainability Governance

Our Board of Directors holds ultimate responsibility for ensuring sustainability is embedded into Bursa Malaysia's strategic direction and its daily operations. Our sustainability governance is led by the Sustainability and Development Committee (SDC) that was established in 2021 and the Risk Management Committee (RMC).

In line with the updated Malaysian Code of Corporate Governance, the SDC was established to oversee the development and implementation of strategies, ensuring that they have included sustainability considerations. Meanwhile, the RMC is in charge of the risk management framework and policies, including keeping abreast of new or emerging trends. Its responsibility encompasses reviewing, monitoring and assessing the control effectiveness of the key risks including sustainability- and climate-related risks. Additionally, the RMC oversees the Compliance, Business Continuity Management and Integrity and Governance Unit functions of Bursa Malaysia.

The two Committees are supported by the Management Committee (MC), which is chaired by the Chief Executive Officer (CEO) and comprises members from key senior management positions across all divisions and departments. The MC oversees the incorporation of sustainability initiatives into our daily functions and serves as an avenue to ensure that sustainability-related matters are thoroughly discussed.

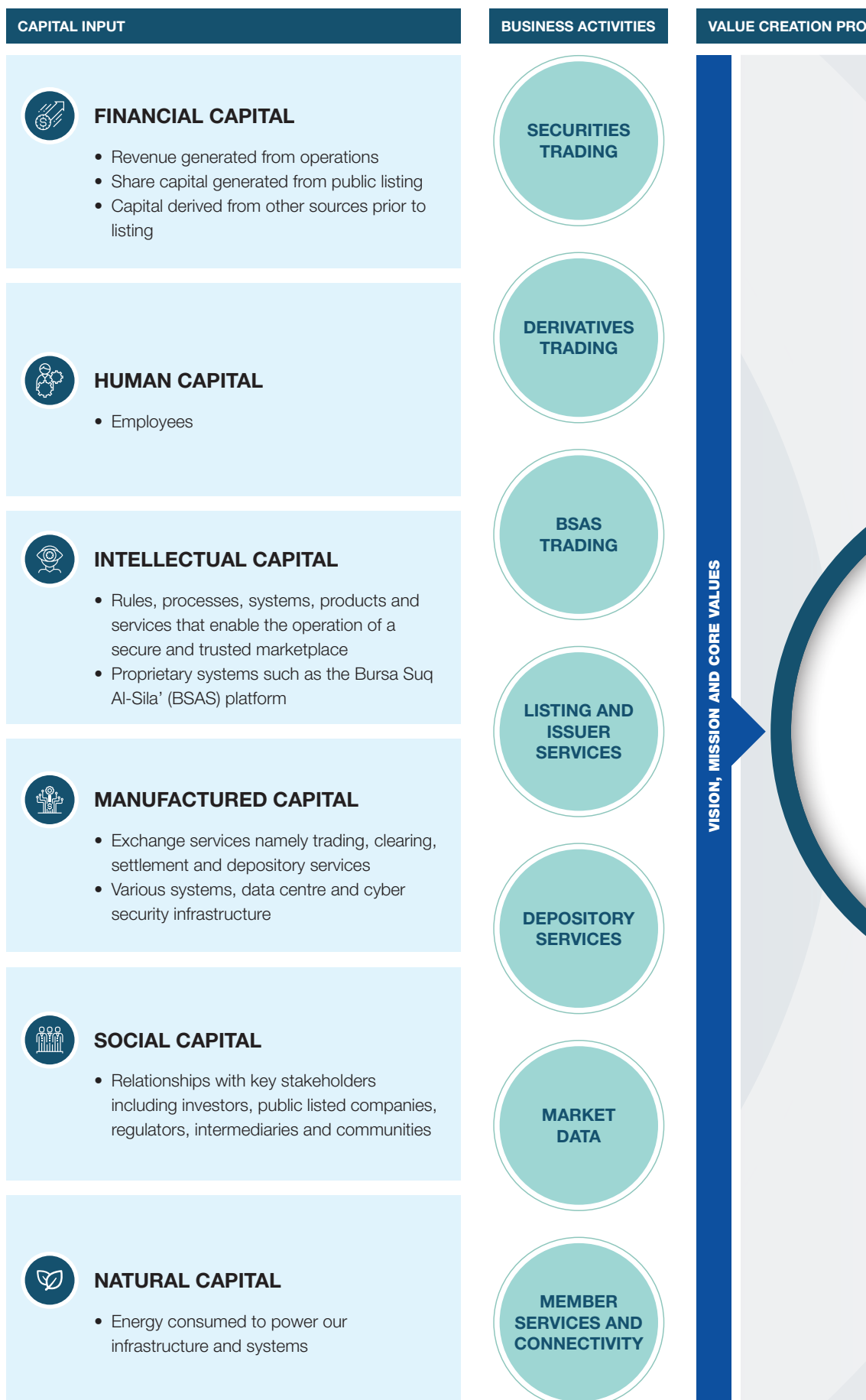
The development and implementation of sustainability strategies across our businesses are undertaken by Group Sustainability, as well as other relevant divisions and departments. Group Sustainability is headed by the Director of Group Sustainability, who reports directly to the CEO.



Our Value Creation Model

Our value creation model illustrates the manner in which capital inputs are used in our business activities to create value for our stakeholders.

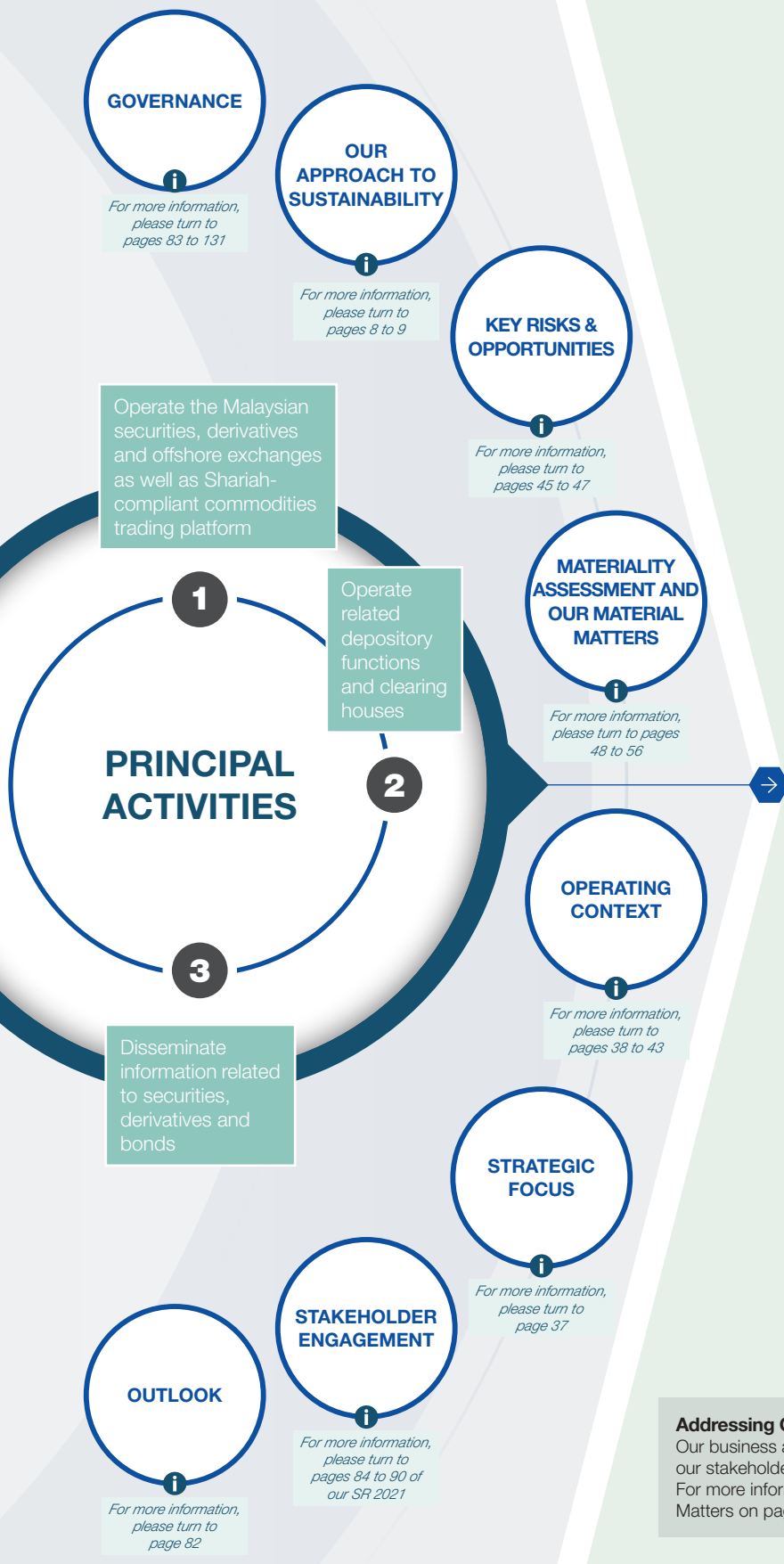
The model also describes the ways in which these inputs are replenished through these activities in a sustainable life cycle. We use the International Integrated Reporting Council's definition of value creation, which defines value as the outcome of an organisation's business activity that transforms capital inputs into value outputs and outcomes. These outputs, over the short, medium and long term, create or destroy value for our stakeholders.



Our Value Creation Model

CESS

MATERIAL MATTERS AND STRATEGIC PILLARS

**1 STRENGTHENING OUR CORE BUSINESS - SECURITIES MARKET**

- Economic Performance
- Market Integrity and Stability
- Education and Capacity Building
- Sustainable Finance
- Innovation and Technology Excellence

2 DIVERSIFYING THE DERIVATIVES BUSINESS

- Economic Performance
- Market Integrity and Stability
- Sustainable Finance
- Education and Capacity Building
- Innovation and Technology Excellence

3 POSITIONING BURSA MALAYSIA AS THE GLOBAL HUB FOR ISLAMIC CAPITAL MARKETS

- Economic Performance
- Market Integrity and Stability
- Sustainable Finance
- Education and Capacity Building
- Innovation and Technology Excellence

4 PROVIDING NEW AND IMPROVED SERVICES TO THE CAPITAL MARKET

- Economic Performance
- Market Integrity and Stability
- Sustainable Finance
- Education and Capacity Building
- Innovation and Technology Excellence

5 EMBEDDING SUSTAINABILITY IN OUR ORGANISATION AND MARKETPLACE

The Sustainability Roadmap 2021-2023 rolled out in 2021 guides our strategy to integrate sustainability in our capital market and our organisation. As the Sustainability Roadmap has an impact on all our sustainability initiatives, each of our identified Material Matters is relevant to this Strategic Pillar.

A complete list of our Material Matters is available on pages 48 to 56 of this report.

Addressing Our Material Matters

Our business activities address our Material Matters which are aligned with our stakeholder expectations, strategic objectives and sustainability goals. For more information, refer to Materiality Assessment and Our Material Matters on pages 48 to 56 of this report.

About
This ReportPositioned for
Value CreationCreating Value in a
Sustainable MannerDelivering Value
to StakeholdersOur
GovernanceAdditional
Information

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Our Value Creation Model

OUTCOMES AND VALUES CREATED

SUSTAINING OUR CAPITALS

Our business activities ensure that the capitals consumed in our value creation cycle are replenished.

FINANCIAL CAPITAL



Share
Capital

RM435.6
million

(2020: RM433.8 million)

Operating
Revenue

RM751.6
million

(2020: RM778.8 million)

HUMAN CAPITAL



Number of
Employees

597

(2020: 592)

Gender Diversity

Male **52%**

(2020: 51%)

Female **48%**

(2020: 49%)

NATURAL CAPITAL



Total Electricity
Consumption

8,990MWh

(2020: 9,090MWh)

Total Greenhouse
Gas Emissions

7,588tCO₂e

(2020: 6,317tCO₂e)

MANUFACTURED CAPITAL



Compliance to the
Prescribed RTO Guideline
for Post-Trade Systems

99.86%

(2020: 100%)

Critical System
Availability
and Reliability

99.97%

(2020: 99.97%)

SOCIAL CAPITAL



No. of PLCs

949

(2020: 936)

Active
CDS Accounts

2.0

million
(2020: 1.7 million)

INTELLECTUAL CAPITAL



Derivative Products

17 products

(2020: 16 products)

BSAS

299 participants

(2020: 264 participants)

Indices Available
Bursa Sector Index

13 (2020: 13)

FTSE Bursa Malaysia
Index Series

17 (2020: 16)

CNI-Bursa Malaysia 50 Index

1 (2020: 1)

CREATING VALUE FOR OUR STAKEHOLDERS

Our business activities are aimed at creating value for our stakeholders in line with their expectations.

DIVIDEND YIELD

6.3% (2020: 6.1%)

INCOME TAX EXPENSES

RM122.4 million (2020: RM128.2 million)

EMPLOYEES TOTAL TRAINING HOURS

20,380 hours (2020: 20,610 hours)

FUNDS RAISED VIA SECONDARY MARKET

RM14.3 billion 2020: (RM8.0 billion)

TOTAL FUNDS RAISED

RM17.1 billion (2020: RM10.0 billion)

F4GBM INDEX CONSTITUENTS

80 (2020: 75)

TOTAL CORPORATE SOCIAL RESPONSIBILITY
(CSR) AMOUNT (INCLUDING ZAKAT)

RM7.1 million (2020: RM3.9 million)

Our Value Creation Model

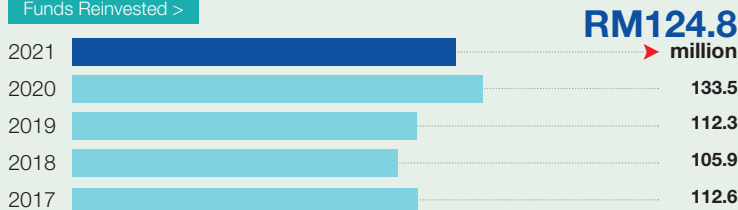
TOTAL FINANCIAL VALUE
CREATED IN 2021:

RM767.5 MILLION

Advancing Our Business

to achieve continued growth and ensure the creation of long-term value.

Funds Reinvested >



Investing in Our Talent Pool

to develop a data-driven High-Performance Organisation which is focused on growth and sustainable, long-term value creation.

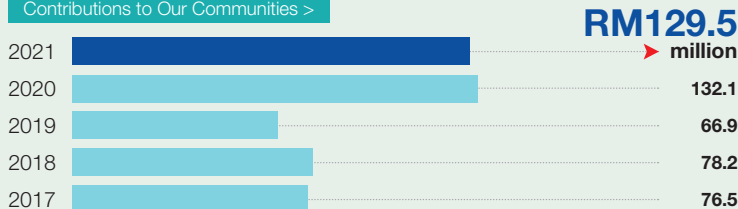
Employee Remuneration and Investment >



Contributing to Society

to continue empowering local communities through taxes, zakat, Yayasan Bursa Malaysia's scholarships, CSR activities including donation and financial aid.

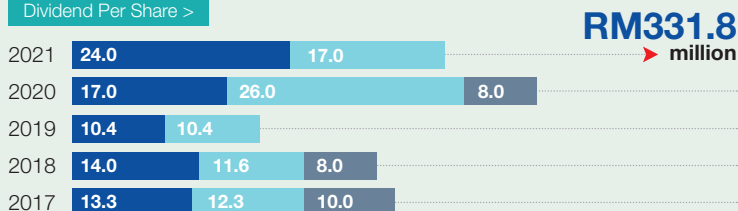
Contributions to Our Communities >



Rewarding Our Shareholders

through regular payment of dividends. Since our listing in 2005, we have returned more than 90% of our annual profits through dividends.

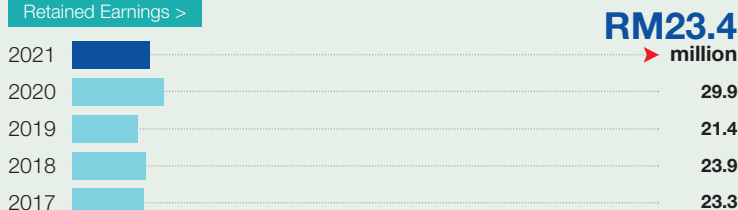
Dividend Per Share >



Sustaining Long-Term Value

for our future investment needs in order to create long-term sustainable value for our stakeholders.

Retained Earnings >



NON-FINANCIAL VALUE

ENHANCING CUSTOMER EXPERIENCE

- Creating a more facilitative trading environment for investors, developing new innovative solutions such as e-services and ensuring sound investor protection and governance
- Offering a wide range of investment options and serving as one of the leading ASEAN destinations for fundraising and Islamic capital market activities

For more information, refer to

- Who We Are on pages 5 to 7
- Management Discussion and Analysis on pages 58 to 82
- Corporate Governance Overview on pages 101 to 110
- Marketplace Report: Fair and Orderly Markets on pages 111 to 116

SUPPORTING COMMUNITIES

Committed to being a responsible corporate citizen by contributing our time, expertise and knowledge to our community

For more information, refer to Advancing Our Communities on pages 68 to 75 of our SR 2021

BUILDING A CULTURE OF EXCELLENCE

- Committed to investing in technology and operational infrastructure to meet our stakeholders' needs and expectations
- Committed to creating a conducive work environment that supports our employees for their personal and professional development, forging a culture that is innovative, engaging and rewarding while investing in their continuous learning

For more information, refer to Towards Operational Excellence in Management Discussion and Analysis on pages 78 to 81 and Empowering Our Workforce on pages 53 to 67 of our SR 2021

MATERIAL TRADE-OFFS IN OUR VALUE CREATION MODEL

Bursa Malaysia's value creation process involves the transformation of capital inputs into value outcomes for our stakeholders. While these capitals may be replenished over time, they are resources that are, at any given moment, finite. When deploying capital in our business activities, certain trade-offs have to be made to ensure the sustainability of our value creation process. This is in turn guided by several factors including:

- The objectives set out in our Strategic Roadmap 2021-2023
- Changes in the operating environment that require immediate attention
- Emergent risks and opportunities that were previously unforeseen

Examples of the trade-offs that we make include:

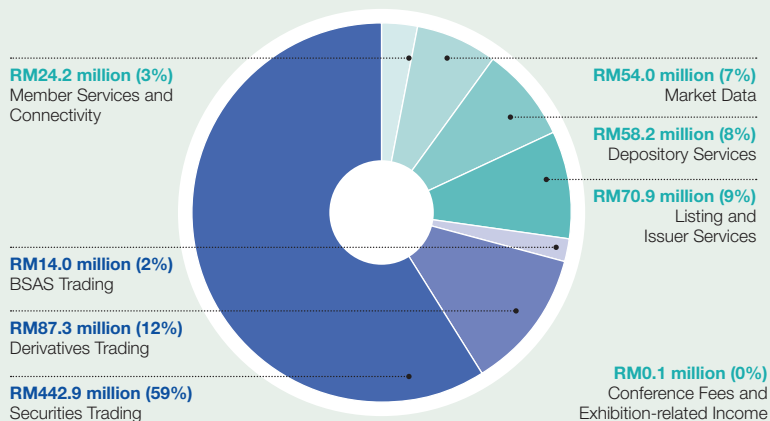
- Reinvesting the revenue generated from our operations in capital expenditure to enhance the ecosystem of our marketplace. This may reduce the amount of financial capital the Exchange has at its disposal for other activities.
- Offering incentives and rebates to companies to list with Bursa Malaysia in order to make our marketplace more attractive and competitive in comparison with peer exchanges, which may see us collecting lower fees.

Our Performance

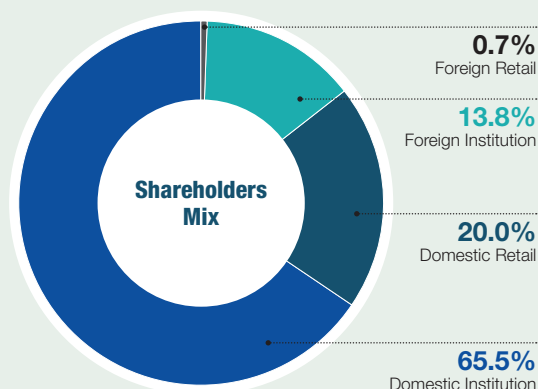
	FIVE-YEAR HIGHLIGHTS				
	2017	2018	2019	2020	2021
Key Operating Results (RM million)					
Operating revenue	522.1	523.3	480.1	778.8	751.6
Operating expenses	250.4	241.3	246.2	291.8	288.6
Earnings before interest, tax, zakat, depreciation and amortisation	295.5	304.0	254.7	508.4	485.1
Profit after tax, zakat and minority interest (PATAMI/PAT)	223.0	224.0	185.9	377.7	355.3
Other Key Data (RM million)					
Total assets	2,224.9	2,434.6	2,321.0	3,232.9	4,342.0
Total liabilities	1,362.4	1,547.1	1,560.2	2,332.1	3,524.9
Shareholders' equity	850.0	875.2	760.8	900.8	817.1
Capital expenditure	13.5	13.5	19.6	14.2	37.2
Financial Ratios (%)					
Operating revenue growth	10.4	0.2	(8.2)	62.2	(3.5)
Cost to income	45.1	44.0	49.1	36.6	37.7
Net profit margin	41.3	41.9	37.7	47.3	46.3
PATAMI/PAT growth	15.2	0.4	(17.0)	103.2	(6.0)
Return on equity	26.0	26.0	22.7	45.5	41.4
Share Information					
Earnings per share (sen)	27.7	27.8	23.0	46.7	43.9
Net dividends per share (sen)	35.7	33.6	20.8	51.0	41.0
Dividend yield (%)	5.3	4.9	3.4	6.1	6.3
Payout ratio (%)	92.8	92.3	90.5	92.1	93.4
Net assets per share (RM)	1.05	1.08	0.94	1.11	1.01
Share price - high (RM)	7.37	8.19	7.41	10.60	9.38
Share price - low (RM)	5.82	6.73	5.92	4.42	6.17
Share price as at 31 December (RM)	6.75	6.84	6.09	8.30	6.55
Price earnings ratio (times)	24	25	26	18	15
Market capitalisation of the Company (RM billion)	5.4	5.5	4.9	6.7	5.3

Our Investment Case

Operating Revenue RM751.6 million

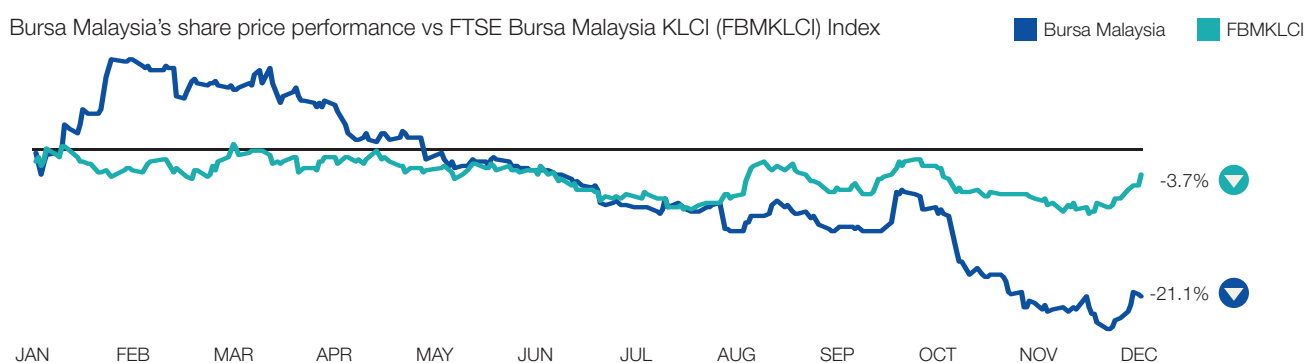


Our public shareholding of 81.38% represents a fair free float of Bursa Malaysia's shares and a healthy level of liquidity. As at 31 December 2021, we had a total of 36,601 shareholders.

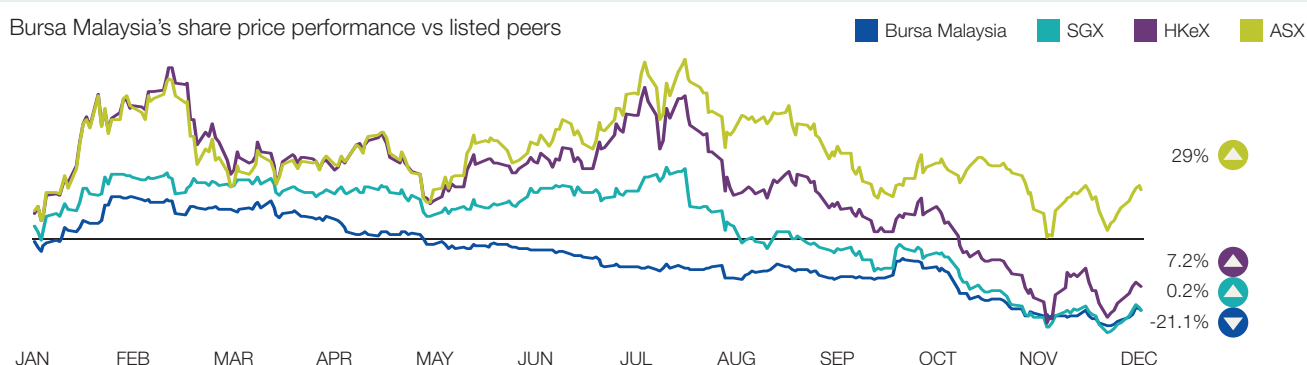


Share Price Performance

Bursa Malaysia's share price performance vs FTSE Bursa Malaysia KLCI (FBM KLCI) Index

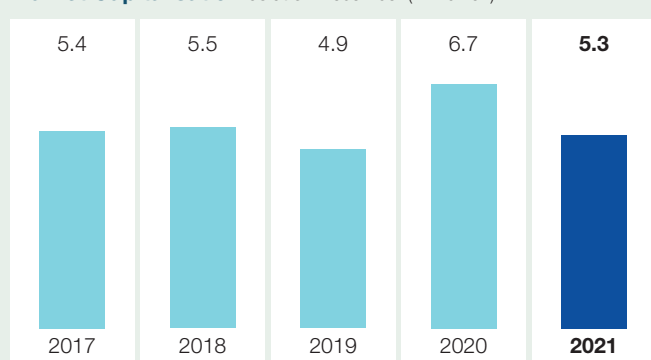


Bursa Malaysia's share price performance vs listed peers

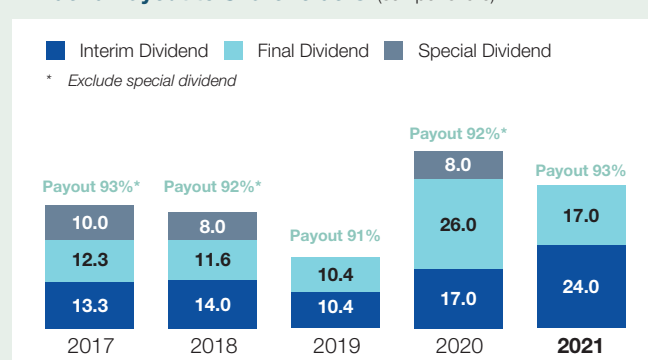


Bursa Malaysia's share price decreased by 21.1% in 2021. Starting the year at RM8.36, it hit an intraday high of RM9.64 on 29 January 2021 and closed at its highest of RM9.38 on 4 and 5 February 2021. The share price closed at RM6.55 on 31 December 2021.

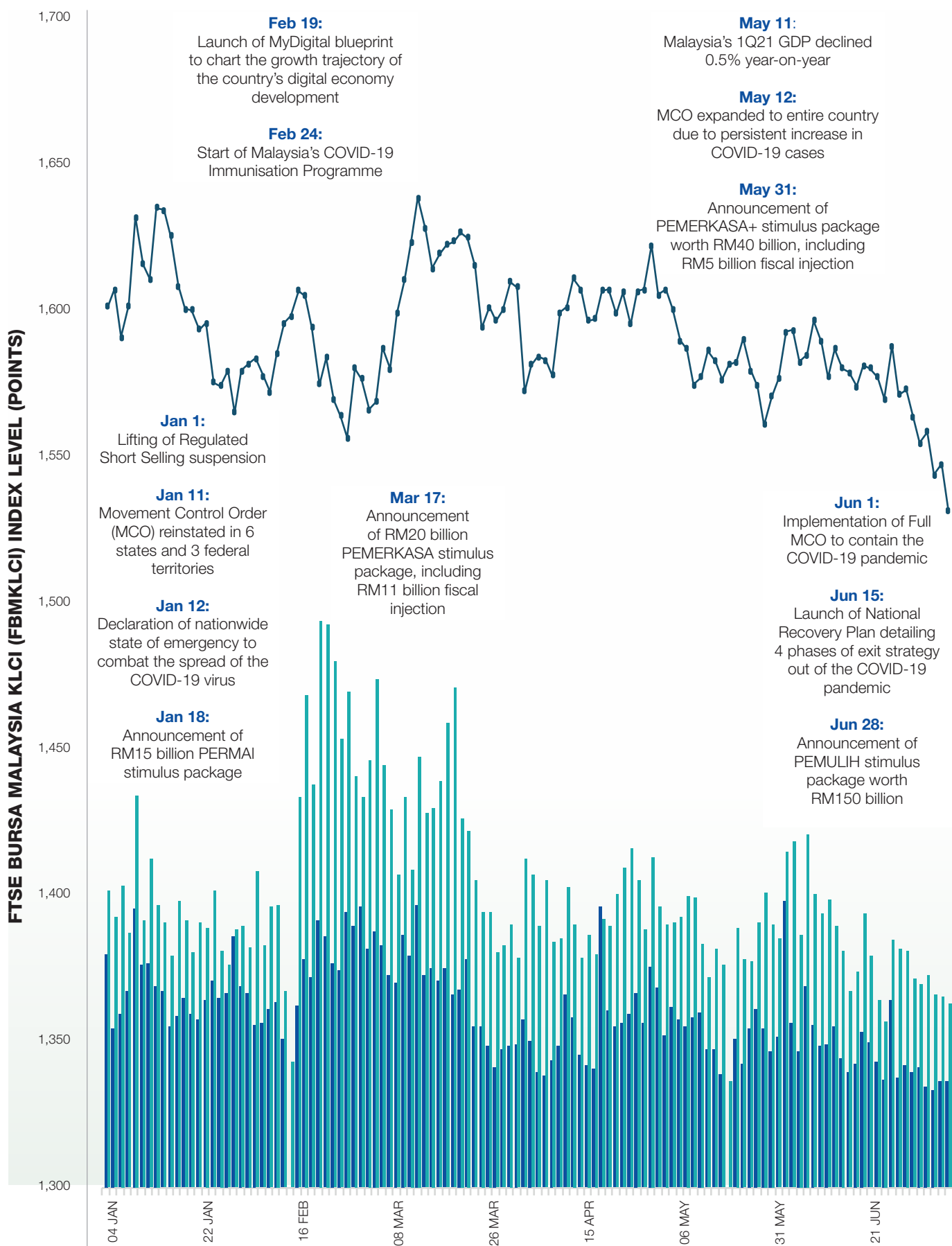
Market Capitalisation as at 31 December (RM billion)



Dividend Payout to Shareholders (sen per share)

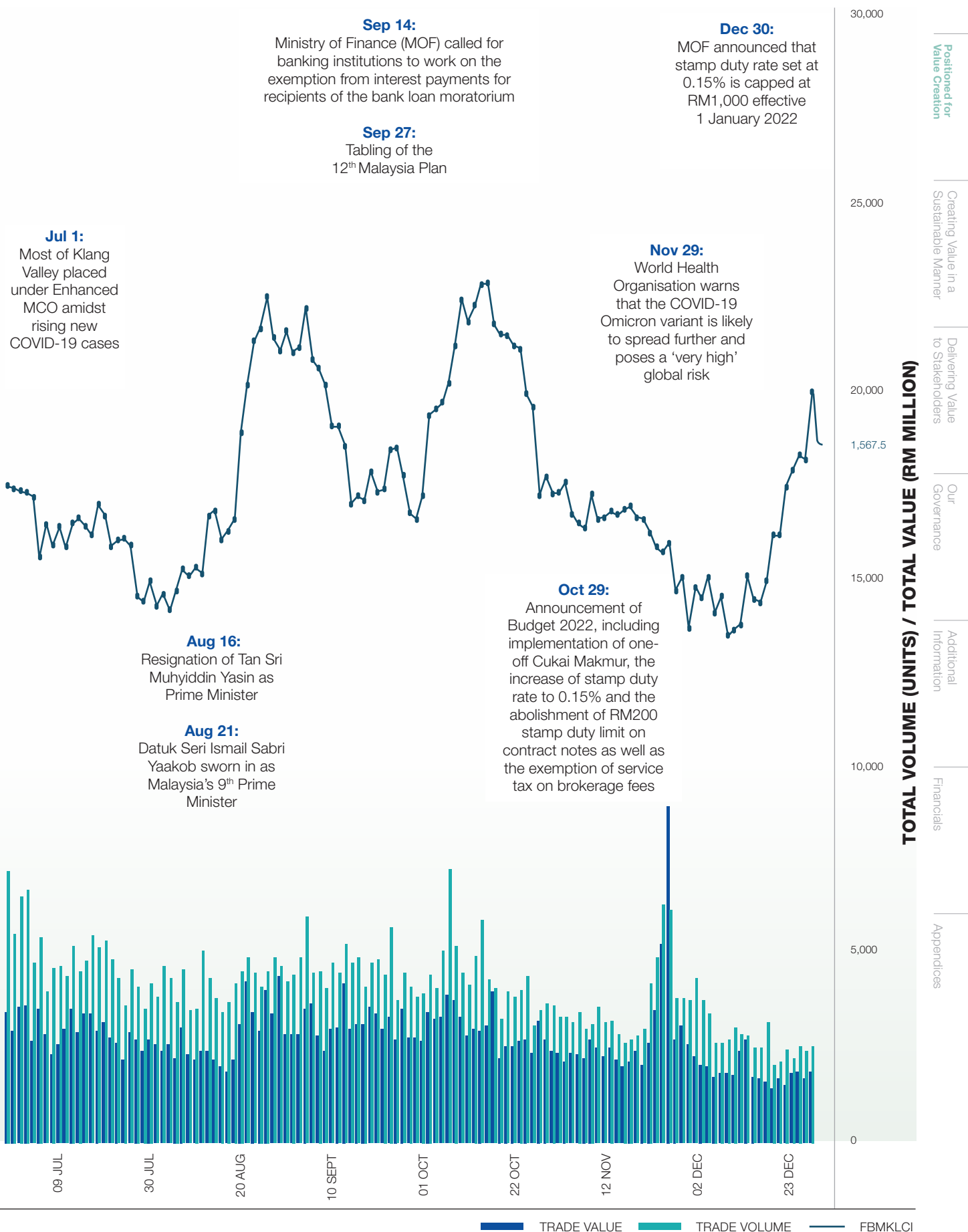


Overall Market Performance



Note: Both Total Volume and Total Value include odd lots and direct business transactions

Overall Market Performance



Market Highlights

	2017	2018	2019	2020	2021
Securities Market					
FBMKLCI	1,796.81	1,690.58	1,588.76	1,627.21	1,567.53
Total Market Capitalisation (RM billion)	1,907	1,700	1,712	1,817	1,789
Velocity (%)	32	32	28	64	49
Average Daily Trading Volume - OMT & DBT (million shares)	2,639	2,647	2,677	7,483	5,850
Average Daily Trading Volume - OMT (million shares)	2,540	2,549	2,515	7,323	5,711
Average Daily Trading Value - OMT & DBT (RM million)	2,530	2,574	2,153	4,306	3,661
Average Daily Trading Value - OMT (RM million)	2,314	2,392	1,930	4,210	3,545
Total Trading Volume - OMT & DBT (billion shares)	641	643	653	1,856	1,433
Total Trading Value - OMT & DBT (RM billion)	615	625	525	1,068	897
Total Funds Raised (RM billion)	21.9	10.2	6.5	10.0	17.1
Total Listed Counters	1,840	1,873	1,971	2,121	2,290
No. of PLCs	905	915	929	936	949
- No. of New Listings	12	22	30	19	29
- No. of Delistings	13	12	16	12	16
No. of Listed REITs*	18	18	18	18	18
- No. of New Listings - REITs	1	-	-	-	1
- No. of Delistings - REITs	-	-	-	-	1
No. of Listed ETFs	9	10	16	20	20
- No. of New Listings - ETFs	1	1	6	4	1
No. of Listed Structured Warrants	606	618	724	891	1,008
- No. of New Listings - Structured Warrants	911	1,034	1,105	1,208	1,451
No. of Rights and Bonus Issue	72	68	33	39	91
No. of New CDS Accounts Opened (Yearly)	141,993	146,590	159,333	423,264	344,542
Total CDS Accounts (million)	2.5	2.5	2.5	2.8	3.0
No. of Trading Days	243	243	244	248	245
No. of Participating Organisations of Bursa Malaysia Securities	30	30	29	29	30
Derivatives Market					
Open Interest as at 31 December	294,856	245,143	283,014	206,837	253,742
• Crude Palm Oil Futures (FCPO)	245,123	213,519	228,997	165,594	208,681
• FBMKLCI Futures (FKLI)	23,190	19,779	28,786	26,493	28,926
• Others	26,543	11,845	25,231	14,750	16,135
No. of Contracts traded					
• FCPO (million)	11.9	10.5	10.7	14.6	15.6
• FKLI (million)	2.0	2.5	2.3	3.5	2.7
• Options on FCPO	38,916	66,066	53,100	63,626	95,205
• Options on FKLI	20,285	10,486	13,243	8,873	6,929
• Other Products (FGLD, FPOL, FM70, FMG5, FEPO, SSFs')	2,551	681,145	458,628	57,189	8,111
Average Daily No. of Contracts Traded	57,677	56,488	55,372	73,523	75,178
Total Contracts Traded (million)	14.0	13.7	13.5	18.2	18.4
No. of Trading Participants of Bursa Malaysia Derivatives	18	18	17	17	16
Islamic Markets					
FBM Hijrah Shariah	14,528.19	13,110.33	13,212.58	14,340.56	12,835.55
Shariah Market Capitalisation (RM billion)	1,154	1,055	1,116	1,257	1,221
Shariah Velocity (%)	32	33	28	72	56
Shariah Average Daily Trading Value - OMT (RM million)	1,443	1,486	1,237	3,237	2,801
Shariah Average Daily Trading Value - OMT & DBT (RM million)	1,568	1,583	1,397	3,313	2,874
Shariah-compliant PLCs	688	689	714	742	750
% of Shariah-compliant PLCs	76	76	77	79	79
% of Shariah-compliant Securities	76	75	75	77	77
% of Shariah-compliant (by Market Capitalisation)					
• PLCs	62	63	67	71	70
• ETFs	24	28	25	25	20
• REITs	41	42	42	43	42
No. of ETBS	4	4	4	4	3
No. of Sukuk Programmes on Bursa Malaysia Securities					
• Corporate	25	24	23	20	19
• Government	-	-	-	2	2
Value of Sukuk Programmes (USD billion)					
• Corporate	56.0	53.5	54.6	55.9	51.8
• Government	-	-	-	-	*
Value of Sukuk Listing (USD billion)					
• Corporate	30.6	33.2	32.8	30.9	29.0
• Government	-	-	-	93.3	101.5
Bursa Suq Al-Sila':					
• Average Daily Value Commodity Traded (RM billion)	19.6	24.3	30.6	32.9	37.3
• Total Accumulated Commodity Trade Value (RM billion)	4,755.5	5,915.0	7,455.7	8,167.5	9,133.5
• Total No. of Matched Contracts	221,584	254,294	300,301	1,386,891	1,994,408
• No. of BSAS Registered Participants					
Total	140	173	222	264	299
- Domestic	107	131	173	208	235
- Foreign	33	42	49	56	64

Notes:

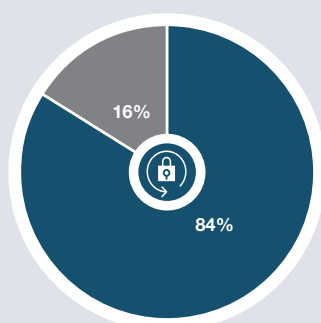
* No specified programme value for Malaysian Government Investment Issues

Market Highlights

SECURITIES MARKET

FUNDS RAISED FROM NEW LISTINGS
AND SECONDARY MARKET

RM17.1 billion
(2020: RM10.0 billion)



■ Secondary Market ■ New IPOs

MARKET CAPITALISATION

RM1,789 billion
(2020: RM1,817 billion)

SHARE OWNERSHIP

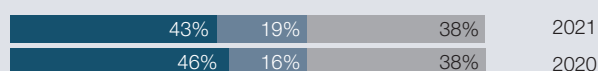
■ Domestic ■ Foreign

TOTAL TRADING VALUE -
ON-MARKET TRANSACTIONS

RM869 billion
(2020: RM1,044 billion)

MARKET DEMOGRAPHIC

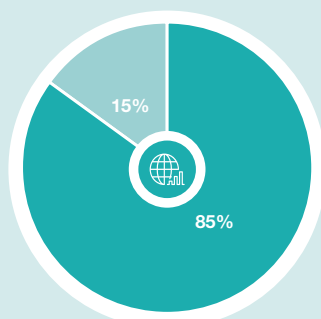
■ Domestic Institutions ■ Foreign Institutions ■ Retail



DERIVATIVES MARKET

AVERAGE DAILY CONTRACTS
BREAKDOWN

75,178 Contracts
(2020: 73,523 Contracts)



■ Crude Palm Oil Futures (FCPO) ■ FBMKLCI Futures (FKLI)

FCPO

TOTAL CONTRACTS TRADED

15.6 million
(2020: 14.6 million)

MARKET DEMOGRAPHICS

■ Foreign Institutions ■ Domestic Institutions
■ Retail ■ Locals



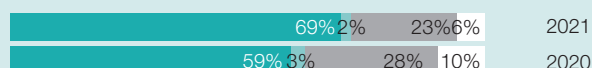
FKLI

TOTAL CONTRACTS TRADED

2.7 million
(2020: 3.5 million)

MARKET DEMOGRAPHICS

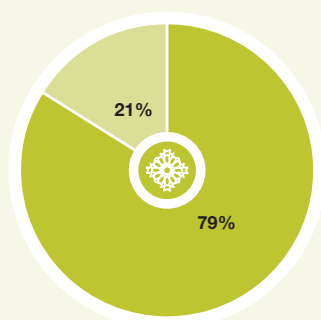
■ Foreign Institutions ■ Domestic Institutions
■ Retail ■ Locals



ISLAMIC MARKETS

RATIO OF SHARIAH-COMPLIANT
AVERAGE DAILY VALUE (ADV)

ADV: **RM3.5 billion**
(2020: RM4.2 billion)



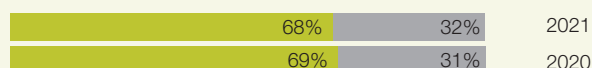
■ Shariah-compliant ■ Shariah Non-compliant

NO. OF SHARIAH-COMPLIANT SECURITIES

763
(2020: 756)

MARKET CAPITALISATION

■ Shariah-compliant ■ Shariah Non-compliant



BSAS

TOTAL COMMODITY TRADING VALUE

RM9.1 trillion
(2020: RM8.2 trillion)

MARKET DEMOGRAPHICS

■ Domestic ■ Foreign



Corporate Events and News

February

17

Issued a joint statement with the Securities Commission Malaysia (SC) on new temporary relief measures for listed issuers, which, in addition to those introduced in 2020, gave listed issuers more time to prepare their financial statements and put in place regularisation plans owing to disruptions caused by the COVID-19 pandemic.

22

Issued a joint statement with the SC to extend the temporary suspension of Intraday Short Selling (IDSS) and intraday short selling by Proprietary Day Traders (PDT Short Sale) until 29 August 2021 from 28 February 2021. The temporary waivers related to Proprietary Day Traders were also extended to 29 August 2021.

23

Reviewed the Main Market Listing Requirements (MMLR) and ACE Market Listing Requirements (ACE LR) allowing listed issuers to submit applications to lower the required public spread of the company's shares from the existing 25% requirement.

March

2

Contributed RM667,000 zakat payment to the Federal Territories Islamic Religious Council Zakat Collection Centre as part of Bursa Malaysia's corporate social responsibility commitment. The Exchange also pledged to contribute 1% of its profit after tax towards community projects that have positive impacts on society.

8

- Launched the revamped Crude Palm Kernel Oil Futures Contract to meet the evolving needs of the industry.
- Held 'Ring the Bell for Gender Equality' virtual event and held the 'Equality for Equity' campaign in conjunction with the International Women's Day.

15

Announced the appointment of Datin Azlina Mahmad as Public Interest Director of Bursa Malaysia effective 16 March 2021.

16

Launched the Derivatives Trading Simulator on BursaMKTPLC.

19

Issued a joint statement with the SC on additional relief measures under the PEMERKASA Strategic Programme, which include a 12-month waiver and rebate on listing-related fees, a reduction of fundraising cost for companies and the provision of additional financial relief to listed issuers.

23 / 24

Held the Palm and Lauric Oils Price Outlook Conference & Exhibition (POC) 2021, which attracted close to 956 participants from 48 countries. This was the second consecutive year that POC was held in a fully virtual format.

April

1

Implemented policy requiring the Malaysian Sustainable Palm Oil Certification for all physical delivery of Crude Palm Oil Futures contracts.

9

Held the 8th Annual Bursa Excellence Awards 2020 ceremony themed 'Rising Together, Achieving Greatness' with 52 awards presented across 22 categories in the securities, derivatives and Islamic capital markets.

Corporate Events and News

▼
May**10**

Issued a joint statement with the SC to restore market management and control mechanisms to their original parameters effective 31 May 2021, such as the dynamic and static price limits for FTSE Bursa Malaysia KLCI (FBMKLCI) Index Component Stocks and the Bursa Malaysia Circuit Breaker trigger levels as the economic outlook starts to improve.

21

Announced an automatic one month extension for the issuance of quarterly and annual reports for the Main and ACE Markets as well as the issuance of semi-annual and audited financial statements for the LEAP Market which were due on 31 May 2021 and 30 June 2021, respectively.

27

- Announced the launch of a Pilot Market Making Program (PMMP) on 1 June 2021 to increase the liquidity and price efficiency of selected mid to large-cap stocks with low velocity. The PMMP is the first market making framework for stocks in Malaysia.
- Recorded highest daily trading volume for FBMKLCI Futures with 66,887 contracts, surpassing previous record of 65,000 contracts that was registered 12 months ago.

▼
June**3**

Announced the results of the FTSE Bursa Malaysia KLCI June 2021 Semi-Annual Review, which saw constituent changes in the following indices:

- FTSE Bursa Malaysia KLCI
- FTSE Bursa Malaysia Mid 70 Index
- FTSE Bursa Malaysia Hijrah Shariah Index
- FTSE Bursa Malaysia EMAS Index

15

Contributed to the National Disaster Relief Trust Fund established by the Ministry of Finance to help disaster victims and cover expenses related to frontliners' efforts in fighting the COVID-19 pandemic. Additionally, Bursa Malaysia's Board members and top management voluntarily pledged to contribute between 10% to 20% of their salaries for a period of three months beginning June 2021 with the Exchange pledging to match their total contributions.

16

Announced additional relief measures for listed issuers, in addition to those introduced in February and May, due to the lingering impact of the Movement Control Order and nationwide lockdown.

30

Recorded highest monthly trading volume for Crude Palm Oil Futures with 1,705,276 contracts on 30 June 2021, surpassing the previous record of 1,661,570 contracts in March 2020.

▼
July**5**

Launched the FTSE4Good Bursa Malaysia Shariah (F4GBMS) Index — a new environmental, social and governance (ESG)-themed index designed to track Shariah-compliant constituents in the FTSE4Good Bursa Malaysia (F4GBM) Index.

10

Held the inaugural Virtual Marketplace Fair aimed at cultivating responsible investing among retail investors. Close to 8,000 participated in the fair.

14

Introduced a new service, eRights on the Bursa Anywhere mobile app which enables investors to subscribe and make payment for their Rights Issue subscription electronically.

Corporate Events and News

21

Issued a consultation paper seeking public feedback on the proposed amendments to the MMLR and ACE LR in relation to director appointments and the independence of directors.

29

Co-hosted the 2nd Edition of Shariah Investing Virtual Conference 2021 with CGS-CIMB Securities Sdn Bhd themed 'Sustainability: Creating New Opportunities in Islamic Finance' and attracted over 2,500 local and international participants.

August
3

Issued a consultation paper seeking public feedback on the proposed amendments to the ACE LR which establishes Bursa Malaysia as the one-stop centre for all approvals relating to ACE Market initial public offerings (IPOs) and prospectus registration.

11

Issued a consultation paper seeking public feedback on the proposed amendments to the MMLR in relation to the enhanced framework for Main Market advisers and the submission of corporate proposals.

26

Issued a joint statement with the SC to further extend the temporary suspension of IDSS and PDT Short Sale to 31 December 2021.

September
8

Implemented e-Negotiated Large Trade Phase 2 for the Derivatives Market.

14

Launched an Investor Relations and Public Relations Incentive Programme to improve the visibility of our Public Listed Companies (PLCs) to the investment community.

22

- Announced the first nationwide Derivatives Virtual Trading Challenge to create awareness and develop interest in the Malaysian derivatives market among the millennial generation.
- Announced Bursa Malaysia's aim to become carbon neutral by 2022 and achieve net zero greenhouse gas emissions by 2050 across its entire operations. Bursa Malaysia will also participate in the 'Business Ambition for 1.5°C' and 'Race to Zero' global campaigns to support the transition to a climate resilient and inclusive economy.

October
4

Launched the East Malaysia Crude Palm Oil Futures (FEPO) Contract to meet the evolving needs of the Sabah and Sarawak palm oil market players by enhancing price transparency and providing an alternative risk management tool. The FEPO Contract was also granted Shariah-compliant status.

6

Held the grand finale of the Investment Quiz Competition in conjunction with World Investor Week 2021 to showcase our support for investor education.

7

Introduced another new service, electronic General Offer on the Bursa Anywhere mobile app, which allows shareholders to electronically accept their General Offers via the app.

13

Named 'Best Stock Exchange for Islamic Listings' by Islamic Finance News (IFN) at the 16th Annual IFN Services Providers, winning the category for the fourth consecutive year.

Corporate Events and News

14

Held the Virtual Invest Malaysia 2021 (VIM 2021) themed 'Rebuilding A Sustainable Economy' which focused on the Malaysian government's strategic roadmap towards building a more resilient, future-proof Malaysia. The VIM 2021 Series 1 themed 'Economic Reform' was held in collaboration with Maybank Investment Bank Berhad.

19

Launched the United Nations (UN) Sustainable Stock Exchange derivatives network with BMD being one of the 12 founding exchange members.

28

Launched the Corporate Sustainability Practitioner Competency Framework and digital self-assessment tool, a joint development with the UN Global Compact Network Malaysia & Brunei to support the development of the credentials of sustainability practitioners and professionals. Simultaneously launched a digital self-assessment tool recommending learning interventions to practitioners to help them improve their knowledge base.

November**1**

Announced the signing of a Memorandum of Understanding (MOU) between BMD and Zhengzhou Commodity Exchange to collaborate in the areas of information exchange, joint-research for product development, training and educational events, and periodic management and working visits between the exchanges.

9

Held the VIM 2021 Series 2 themed 'Reviving Malaysia's Growth Engine' in collaboration with CGS-CIMB Securities Sdn Bhd.

10

Held the VIM 2021 Series 3 themed 'Sustainable Growth' in collaboration with J.P. Morgan Securities (Malaysia) Sdn Bhd.

11

Announced that Bursa Malaysia and Capital Markets Malaysia will work together to engage and work with mid-tier companies seeking to undertake an IPO within the next 24 months.

18

Announced MOU between Bursa Malaysia, Alliance Bank Malaysia Berhad and OCBC Bank (Malaysia) Berhad to establish #financing4ESG, an initiative aimed at improving PLCs' ESG adoption practices and their ESG ratings for inclusion into the F4GBM Index.

19

Appointed Institute of Corporate Directors Malaysia as knowledge partner to conduct the Mandatory Accreditation Programme for directors of PLCs to strengthen corporate governance ecosystem in Malaysia.

23

Held the VIM 2021 Series 4 themed 'Renewable Energy - Decarbonising Malaysia' in collaboration with Macquarie Capital Securities (Malaysia) Sdn Bhd.

26

- Made available Bahasa Malaysia translations for all existing Listing Requirements and Business Rules as part of the Exchange's efforts to promote greater inclusivity.
- Issued a consultation paper seeking public feedback on proposed amendments to the MMLR and ACE LR in relation to conflict of interest and other areas.

Corporate Events and News

December

2

Announced the results of the FTSE Bursa Malaysia KLCI December 2021 semi-annual review, which saw constituents change to the following indices:

- FTSE Bursa Malaysia KLCI
- FTSE Bursa Malaysia Mid 70 Index
- FTSE Bursa Malaysia Hijrah Shariah Index

6

- Launched After-Hours (T+1) Night Trading Session that aims to enhance the competitiveness and attractiveness of the Exchange's products and the overall Malaysian derivatives market.
- Held Invest Malaysia Singapore, a follow through of the Virtual Invest Malaysia series, in collaboration with Citigroup Global Markets Malaysia Sdn Bhd.

9

- Bursa Malaysia won the Exchange of the Year whilst Bursa Anywhere initiative was awarded the Outstanding Project awards by Regulation Asia in the 4th Regulation Asia Awards for Excellence 2021.
- Launched Bursa Digital Research, a multi-faceted research portal giving investors an additional source of research and data analysis with the objective of improving financial literacy and facilitating informed investment decision making, as well as offering PLCs a direct digital touch point to communicate with investors and improving their overall visibility.
- Announced the results of the F4GBM Index December 2021 Semi-Annual Review, which saw seven new additions and three removals from the constituents of the F4GBM Index. The F4GBMS Index, on the other hand, saw seven new additions and four removals.

15

Issued an updated Corporate Governance Guide, providing our PLCs a comprehensive and practical guidance to the various recommended Practices under the Malaysian Code on Corporate Governance, updated and issued by the SC on 28 April 2021.

17

Issued a joint statement with the SC to lift the temporary suspension on IDSS and PDT Short Sale that were set to expire on 31 December 2021. Effective 1 January 2022, the IDSS and PDT Short Sale will resume with enhanced control measures to ensure stability and orderly trading.

20

- Implemented Securities Futures Trading System (SFTS) to host all securities futures.
- Issued a joint statement with the SC that the Exchange will be the sole approving authority for ACE Market IPOs effective 1 January 2022.

23

Announced a further 12-month extension for the temporary relief measures related to the new issue of securities until 31 December 2022. These are the measures pertaining to the increase in the general mandate of 20% for the new issue of securities by way of private placement and the increase in the general mandate of 50% based on a pro rata entitlement for the new issue of securities by way of rights issue.

27

Relaunched the 3-Year and 10-Year Malaysian Government Securities Futures Contracts which would be available for trading on the SFTS.

Peer Comparison

ASEAN Exchanges' Five-Year Index Growth (2017-2021)

FBMKLCI PCOMP STI SET JCI



Index	Benchmark Index Level as at 31 December 2021	Index Dividend Yield (%)
FBMKLCI Bursa Malaysia	1,567.5  -3.7% from 2020	4.5
PCOMP The Philippine Stock Exchange	7,122.6  -0.2% from 2020	1.6
STI The Singapore Exchange	3,123.7  9.8% from 2020	3.2
SET The Stock Exchange of Thailand	1,657.6  14.4% from 2020	2.7
JCI The Indonesia Stock Exchange	6,581.5  10.1% from 2020	2.0

Source: Bloomberg

Peer Comparison

Total Funds Raised from Primary and Secondary Markets in 2021 (in USD million)



Source: World Federation of Exchanges

New Listings in 2021

MAIN MARKET

AURELIUS TECHNOLOGIES BERHAD (5302)

CTOS DIGITAL BERHAD (5301)

IGB COMMERCIAL REAL ESTATE INVESTMENT TRUST (5299)

OM HOLDINGS LIMITED (5298)

SWIFT HAULAGE BERHAD (5303)

TUJU SETIA BERHAD (5297)

YENHER HOLDINGS BERHAD (5300)

ACE MARKET

CEKD BERHAD (0238)

ECOMATE HOLDINGS BERHAD (0239)

FLEXIDYNAMIC HOLDINGS BERHAD (0231)

HPP HOLDINGS BERHAD (0228)

HAILY GROUP BERHAD (0237)

MOBILIA HOLDINGS BERHAD (0229)

NESTCON BERHAD (0235)

PEKAT GROUP BERHAD (0233)

RAMSSOL GROUP BERHAD (0236)

TELADAN SETIA GROUP BERHAD (0230)

VOLCANO BERHAD (0232)

LEAP MARKET

ALPHA OCEAN RESOURCES BERHAD (03051)

BV LAND HOLDINGS BERHAD (03042)

CARZO HOLDINGS BERHAD (03048)

DYNAFRONT HOLDINGS BERHAD (03046)

JISHAN BERHAD (03040)

LIM SEONG HAI CAPITAL BERHAD (03047)

NOVELPLUS TECHNOLOGY BERHAD (03045)

ONETECH SOLUTIONS HOLDINGS BERHAD (03041)

RTS TECHNOLOGY HOLDINGS BERHAD (03039)

STEEL HAWK BERHAD (03049)

SUNMOW HOLDING BERHAD (03050)

UCI RESOURCES BERHAD (03043)

Source: Bursa Malaysia

SECTION

02

CREATING VALUE IN A SUSTAINABLE MANNER

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Materiality Assessment and
Our Material Matters

Chairman's Statement



“ We continued to deliver on our sustainability agenda and introduced innovations to better meet investors’ needs. ”

Dear Shareholders,

Bursa Malaysia remained a reliable anchor of the Malaysian capital market in 2021 even as the greater ecosystem continued to be buffeted by waves of uncertainty.

The ebb and flow in the number of COVID-19 cases proved disruptive to economic recovery and introduced greater volatility into our markets. While economic indicators would gradually recover towards the end of the year, prospects had remained opaque for most of 2021.

As we had done in 2020, Bursa Malaysia responded to the challenges faced in 2021 by amplifying our efforts to ensure operational continuity and adequate support for market participants. Additionally, we continued to deliver on our sustainability agenda and introduced innovations to better meet investors' needs. I am pleased that these efforts were recognised through several accolades Bursa Malaysia received in 2021; particularly, as Exchange of the Year at the Regulation Asia Awards for Excellence 2021.

Tan Sri Abdul Wahid Omar

Chairman

“ Bursa Malaysia ensured that our markets remained accessible, fair and orderly despite relatively high market volatility. ”

MACRO OPERATING LANDSCAPE

While the COVID-19 outbreak worsened during the year, global growth momentum nevertheless improved as compared with the previous year. This is reflected in the World Bank's global growth estimate which puts economic growth at 5.5% for 2021 after global gross domestic product (GDP) contracted 3.4% in 2020. Although this would be the fastest rate of post-recession growth in 80 years, the World Bank warned that recovery will be uneven. Countries that have rolled out substantial fiscal support and aggressive vaccination campaigns are more likely to see quicker recovery, while other countries, particularly low-income nations where a vast majority of the population remained unvaccinated, are expected to lag behind.

In Malaysia, GDP growth in the third quarter contracted 4.5% year-on-year following the imposition of a nationwide lockdown aimed at curbing a resurgence in COVID-19 cases. Nevertheless, the Malaysian economy grew by 3.1% in 2021 as a whole, recovering from the drop of 5.6% in the previous year. The return to positive growth is attributable to three key factors:



Strong external demand driven by the upward global digitalisation trend, as well as the recovery in global growth particularly among our major trade partners.



The high vaccination rate of Malaysians that allowed for the gradual relaxation of mobility restrictions.



The ongoing delivery of policies to support businesses and households, including economic stimulus packages worth RM530 billion and new budgetary measures.

Bank Negara Malaysia also maintained the benchmark Overnight Policy Rate at an accommodative, record low of 1.75% throughout 2021 to encourage and stimulate economic expansion.

Malaysia's Capital Markets Overview

Bursa Malaysia ensured that our markets remained accessible, fair and orderly despite relatively high market volatility. In terms of the performance of the market, the benchmark FTSE Bursa Malaysia KLCI fell 3.7% in 2021, lagging behind other major indices in the region. However, we should note that our benchmark index closed out 2020 as the most resilient index among major ASEAN exchanges, hence starting the year from a relatively higher level.

It is within this context that Bursa Malaysia saw the return of foreign investors, who were net buyers for four consecutive months from August to November 2021. Overall, by the end of 2021, foreign shareholding value remained fairly stable at 20.4% of market capitalisation (2020: 20.7%).

Retail investors remained a significant presence in our market in 2021, continuing their trading momentum from the previous year. Retail investors had accounted for 38% of total average daily value (ADV) in both 2020 and 2021, representing a significant increase from retail ADV prior to the COVID-19 pandemic. The high level of retail participation seen since the COVID-19 pandemic is a positive for us, especially in terms of ensuring the vibrancy of our marketplace in the future.

Meanwhile, almost two-thirds of new accounts opened in 2021 were by millennials, indicating our growing traction with the younger generation of investors. The growth in online trading, which now makes up 52% of overall trades, is another good indication that we are making progress on our strategic initiatives and building the resilience of our market.

OUR PURPOSE AS AN EXCHANGE

As the COVID-19 pandemic crept into the second year, Bursa Malaysia became more aware that we needed to prepare ourselves for difficult operating conditions. In response, we further refined our purpose and discipline of focus to ensure that the implementation of our roles was not compromised.

Bursa Malaysia plays a role in powering a vital, virtuous cycle in the economy by acting as an effective platform for the raising of capital. This role became

Chairman's Statement

As the frontline regulator, we play a crucial role in maintaining the stability of the marketplace

Bursa Malaysia had in 2021 enhanced its governance structure through various changes to the terms of reference and composition of Board Committees, including the establishment of a new Sustainability and Development Committee

We released the 4th edition of our Corporate Governance Guide in December 2021

more defined in 2021 as we helped 30 companies raise RM2.7 billion through initial public offerings and another 256 companies raise RM14.3 billion via secondary fundraising. The capital raised through our platform is crucial in keeping our national economic recovery on track by giving Malaysian companies the necessary funds to grow and stay afloat, and keep Malaysians employed.

As a trusted partner for wealth creation, we remain a relevant and important investment destination for investors. Our products have become important investment assets within the current low interest rate environment to protect and grow wealth for investors. At the same time, the high level of retail participation, despite the widespread availability of alternative financial technology platforms, is a strong endorsement of the level of trust placed in Bursa Malaysia.

Finally, as the frontline regulator, we play a crucial role in maintaining the stability of the marketplace. The COVID-19 pandemic has brought about new risks and heightened existing ones, and we must remain agile in developing new solutions to address them. For instance, we have stepped up the delivery of investor education in view of the rising numbers of retail investors to ensure that our investors have all the information they need to make informed investing decisions. We will continue to take proactive and reactive measures as a regulator to mitigate these possibilities. We carry out this role in consultation with our stakeholders and the Securities Commission Malaysia (SC) to ensure that the regulations in the marketplace are aligned with our goals and take into consideration prevailing market conditions.

These roles that we play as an Exchange are more succinctly captured in our vision statement, which is 'To be ASEAN's leading, sustainable and globally-connected marketplace'. This declaration is not only a statement of our intent but also captures our commitment to our stakeholders in creating opportunities and growing value for them.

SUSTAINABILITY AT THE FOREFRONT

Sustainability continues to be one of the underlying principles encapsulating all our efforts of building resilience in the capital market. Our goals in this area are spelt out in our Sustainability Roadmap 2021-2023, which is comprehensive and covers not only the aims that we have set out for ourselves as an Exchange, but also for our public listed companies (PLCs) and the market at large.

To ensure that the sustainability standards of our marketplace are on par with international best practices, we are constantly looking at ways to further integrate sustainability into our market offerings. In 2021, we developed a joint Corporate Sustainability Practitioner Competency Framework with the United Nations Global Compact Network Malaysia &

Brunei, to support the development of practitioners and professionals working in Malaysia's corporate sustainability space. This framework is designed to build key competencies required by sustainability roles in corporate organisations and thereby drive the transition of these companies to a more sustainable footing.

Bursa Malaysia is proud to have been among the first in Malaysia to issue a clarion call demanding greater accountability from Malaysian PLCs in relation to their sustainability efforts. As a result of our various initiatives, the number of PLCs included as constituents of the FTSE4Good Bursa Malaysia Index - our index that recognises companies with strong environmental, social and governance (ESG) practices - increased to 80 PLCs by the end of 2021 from 75 in 2020.

Corporate Governance

Corporate governance (CG) is a practice and commitment that we hold in the highest regard for both our own organisation and for our marketplace at large. To that end, we commit ourselves to upholding and practising the highest CG standards in our organisation while expecting the same from our PLCs. This, we believe, is necessary to achieving our aim of building a more attractive and sustainable marketplace.

In April 2021, the SC issued the revised Malaysian Code on Corporate Governance (MCCG), introducing new best practices and further guidance to strengthen the CG culture of PLCs. In line with the revised MCCG, as a listed company, Bursa Malaysia had in 2021 enhanced its governance structure through various changes to the terms of reference and composition of Board Committees, including the establishment of a new Sustainability and Development Committee. New committee members have also been added to freshen and diversify the perspectives of the relevant Board Committees.

As for the Malaysian marketplace, we released the 4th edition of our Corporate Governance Guide in December 2021 that provides our PLCs with comprehensive and practical guidance in adherence to the most recent iteration of the MCCG and in line with disclosure requirements under Bursa Malaysia Securities Berhad's Listing Requirements. We believe that these measures will promote the betterment of CG practises in the capital market.

Climate Change Takes Centre Stage

The devastating floods experienced in Peninsular Malaysia in December 2021 was a painful reminder of the consequences of extreme weather patterns resulting from climate change. The loss of lives and property arising from the floods is highly regrettable, but what might be of even greater concern is the likelihood of the recurrence of such extreme weather behaviour. Indeed, the past year has seen such

Chairman's Statement

“ Bursa Malaysia has pledged to be carbon neutral by 2022 and to achieve net zero greenhouse gas emissions across our entire operations by 2050.”

catastrophes occurring more frequently, ranging from wildfires to blizzards and floods around the world.

The imminent danger of climate change strikes right at the heart of sustainability, and is a vivid reminder of the fatal consequences of failing to ensure the sustainability of our actions. Climate change poses a significant threat to our planet and society, and it is in everyone's best interest to work towards a systemic change to prevent a climate catastrophe. Countries around the world had, in 2021, made new pledges to reduce emissions, and develop new solutions, such as carbon trading, to develop true global solutions to the crisis. On the domestic front, Malaysia has pledged to be a net zero greenhouse gas emissions nation as early as 2050, and to gradually phase out the use of coal in our energy generation. These priorities have been embedded into the 12th Malaysia Plan 2021-2025 (12MP) and Budget 2022 initiatives, indicating our readiness to take immediate action on the issue.

Bursa Malaysia is in full support of these initiatives and has pledged to be carbon neutral by 2022 and to achieve net zero greenhouse gas emissions across our entire operations by 2050. In addition, Bursa Malaysia's unique position as the national exchange means that it has a unique opportunity to contribute to the nation's climate aspirations. In September 2021, the Ministry of Environment and Water announced that Bursa Malaysia was entrusted to collaborate with stakeholders to establish a voluntary carbon market (VCM) platform for the country. This is a very meaningful initiative for us as we are wholeheartedly committed to help drive and facilitate a low carbon future.

To that end, we will work on developing the ecosystem and infrastructure in the coming years to ensure that the VCM fulfils market needs while remaining

competitive and viable, and that it supports our national climate actions towards achieving a more climate resilient future. Bursa Malaysia will also look closely at integrating Shariah principles into our climate change platform and agenda. Our ambition is to be the Islamic thought leader in this area and we will work closely with Shariah experts to develop Shariah-compliant carbon credit products, further strengthening Malaysia's leadership position in this space.

NAVIGATING THE ROAD AHEAD

The year ahead promises to be an exciting, albeit a challenging one. While market volatility will remain largely beyond our control, our main priorities in the coming year will be to improve Bursa Malaysia's market competitiveness and to expand our role in nation building in addition to the implementation of various initiatives contained within Bursa Malaysia's Strategic Roadmap 2021-2023. This will be crucial in our efforts and aspiration to be a multi-asset exchange, which is the next step forward in our strategic gameplan.

In addition to the VCM outlined above, the Exchange will be focused on working on the PLC Transformation (PLCT) Programme, which was entrusted to us by the Ministry of Finance. The PLCT Programme aims to nurture the growth of corporate Malaysia and create a more attractive marketplace for both domestic and foreign investors. As our first step, Bursa Malaysia will publish five digital guide books in 2022 for our PLCs. These guidelines will be applicable to PLCs of all sizes and will guide them towards improving their performance and becoming more attractive to global investors. I urge all PLC leaders and industry champions to take part in the PLCT Programme by embracing the aims of the programme and take action to improve performance levels for the mutual benefit of their companies and the nation.

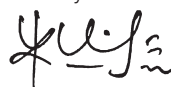
In terms of the outlook for the Malaysian economy, the Malaysian Government has indicated that GDP will expand between 5.5% and 6.5% as the recovery gains traction. Growth will be driven by the 12MP in which over RM400 billion has been allocated to finance projects, making it the largest ever development expenditure allocation in the country's history. A record RM332.1 billion allocation was also announced in Budget 2022 to improve the Rakyat's well-being, make businesses more resilient and develop a prosperous and sustainable economy. Collectively, these allocations should boost private sector demand, which will be key to driving economic growth in the coming years.

ACKNOWLEDGEMENTS

It has been a privilege to have chaired the Exchange this past year. This role would have been impossible without the support and cooperation of my fellow Board members, and I would like to thank them for their contributions and inputs during this past year. Special thanks and gratitude to Puan Uji Sherina who left the Board on 31 December 2021 and to Datuk Karunakaran who will be retiring from the Board at the forthcoming Annual General Meeting for their tremendous contributions to the Board and the Exchange over the years. We wish them well in their future endeavours. I would also like to extend a warm welcome to Datin Azlina Mahmad who joined the Board in March 2021.

On behalf of the Board, I extend our gratitude to our shareholders for their support, and to the Management and employees of Bursa Malaysia for their tireless efforts and dedication in keeping our marketplace resilient amidst a challenging operating environment. We would also like to express our appreciation to our regulators and policy makers who have been accommodative and agile, given the prevailing market environment.

Thank you.



Tan Sri Abdul Wahid Omar
Chairman

Chief Executive Officer's Review

“ Bursa Malaysia remained resilient, and continued to deliver on our priority of growing value for our stakeholders and in meeting all our commitments. ”

Dear Shareholders,

Bursa Malaysia stayed focused on its mission of 'Creating Opportunities, Growing Value' and put in a resilient performance in 2021.

Operating conditions during the year remained challenging due to the ongoing COVID-19 pandemic and its disruptive impact on lives and livelihoods. Nevertheless, Bursa Malaysia stayed true to its course and continued to deliver value to our stakeholders.

I am pleased to report that Bursa Malaysia put in a resilient performance, and progressed on our key initiatives during the year. This was made possible with the dedication of our employees and the cooperation of our stakeholders, including our regulators, who were instrumental in helping us keep our marketplace fair and orderly.

Datuk Muhamad Umar Swift

Chief Executive Officer



Chief Executive Officer's Review

MANAGING THE COVID-19 PANDEMIC

Operating conditions did not return to their pre-pandemic state in 2021 despite initial hopes that the mass roll out of vaccines would catalyse a quick recovery globally and domestically. On the contrary, the COVID-19 pandemic remained the dominant challenge and grew in terms of the number of people infected and lives claimed around the world. Communities and companies continued to bear the brunt of the COVID-19 pandemic's impact which threatened health, warranting strict restrictions on physical movement and cast an uncertain shroud over economic prospects.

To ensure the resilience and accessibility of our market, we introduced a number of measures for our marketplace and market participants aimed at preserving market stability and easing their burden. Among the measures were:

- implementing temporary relief measures for listed issuers, including an automatic one-month extension to submit financial statements and annual reports, as well as a relief period for listed issuers with unsatisfactory financial conditions and inadequate level of operations;
- reinstating market management and control mechanisms, including the dynamic and static price limits for FTSE Bursa Malaysia KLCI Index Component Stocks and the Bursa Malaysia Circuit Breaker trigger levels, to their original parameters;
- further extending the temporary suspension on Intraday Short Selling and Intraday Short Selling by Proprietary Day Traders to shore up market stability; and
- extending the waiver on listing fees introduced in 2020 for eligible companies, to help defray their fundraising cost.

The Exchange was also aware that the COVID-19 pandemic had inflicted a high cost on the community around us and badly impacted some segments of society. As we were well-positioned to help our fellow Malaysians, the Exchange pledged to contribute RM5.8 million towards COVID-19 relief, with assistance ranging from food aid to IT equipment for students, so that they could continue with their studies at home through remote learning. We also made contributions to the medical sector to help them treat the growing number of COVID-19 patients which had hit a peak in August 2021.

Meanwhile, members from Bursa Malaysia's Board of Directors and top management voluntarily contributed between 10% and 20% of their salaries for three months, from June 2021 to August 2021. This total was matched by Bursa Malaysia on a one-for-one basis, and was contributed to the Ministry of Finance's National Disaster Relief Trust Fund to help disaster victims and offset the expenses of frontliners fighting the COVID-19 pandemic. The Exchange also donated 310 oxygen concentrators to the Ministry of Health, and purchased two fully equipped ambulances along with financial support to operate the ambulances for the Malaysian Red Crescent Society.

As for our own operations, we remained focused during this period to ensure our markets stayed open to support and facilitate fundraising, trading and investment. Employees were allocated to work from home and alternative sites as part of our effort to minimise the risk of infection and maintain the health and safety of our employees.

OUR FINANCIAL PERFORMANCE

Bursa Malaysia enjoyed another year of robust performance despite challenging operating conditions. Our performance is attributable to our agility in managing our markets and meeting the evolving needs of our customers. In light of the uncertain operating environment, we adopted a more conservative approach and exercised appropriate cost discipline in 2021.



Chief Executive Officer's Review

The listings raised a total of

RM2.7 billion and contributed

RM10.6 billion to overall market capitalisation

On the derivatives market, Average Daily Contracts increased

2.3%, with **75,178 contracts** traded in 2021

Total Dividend Payout for 2021 of

41 sen per share

Overall, Bursa Malaysia recorded Profit After Tax and Zakat of RM355.3 million for the financial year ended 31 December 2021. This represented a year-on-year (yoy) decrease of 6.0% from 2020 largely due to the softening of trading in the Securities Market which had posted record-high numbers in 2020. Securities trading remained robust on our Exchange with average daily trading value (ADV) for on-market transactions totalling RM3.5 billion, which was 15.9% lower than that recorded in 2020.

On the Derivatives Market, Average Daily Contracts (ADC) increased 2.3%, with 75,178 contracts traded in 2021 compared to 73,523 contracts in the previous year. As for Bursa Suq Al-Sila', the ADV registered an increase of 13.2% to RM37.3 billion. These numbers are suggestive of the strong confidence that companies and investors have in the Malaysian capital market.

The Board of Directors had approved a total dividend payout of 41 sen per share for 2021 (2020: 51 sen per share, inclusive of special dividend of 8 sen).

OUR INITIATIVES IN 2021

The Exchange continues to deliver on its strategic commitments towards becoming ASEAN's leading, sustainable and globally-connected marketplace. These developmental initiatives were guided by our Strategic Roadmap 2021-2023 and focused on achieving outcomes in our core strategic pillars. Some of our key achievements in 2021 included the following:

New product offerings and launches

New listings are essential as they create market liquidity for the long-term sustainability of our securities market. In 2021, the Exchange saw a resurgence in the number of initial public offerings (IPOs). We recorded 30 new listings comprising 7 Main Market listings, 11 ACE Market listings and 12 LEAP Market listings. The listings raised a total of RM2.7 billion and contributed RM10.6 billion to overall market capitalisation, which stood at RM1.8 trillion by the end of the year. Going forward, we anticipate a solid IPO pipeline that will see a steady stream of new listings on our market.

We also expanded our Exchange Traded Fund (ETF) and Structured Warrant (SW) ecosystems during the year. This included the launch of the VP-DJ Shariah China A-Shares 100 ETF and 1,451 new SWs. The latter represents a 20% yoy increase.

In the Derivatives Market, we launched new and revamped products to better meet the needs of our market participants. These included the revamped

Crude Palm Kernel Oil Futures, the East Malaysia Crude Palm Oil Futures Contract and the revamped 3-Year Malaysian Government Securities Futures Contract and 10-Year Malaysian Government Securities Futures Contract with physical delivery mechanism.

Service Enhancements for Improved Accessibility and Market Development

Bursa Malaysia strives to continually improve our accessibility and range of services, as part of our overall efforts to enhance the attractiveness and competitiveness of our markets. In 2021, new features were integrated into our marketplace to improve our market ecosystem and give our investors more tools to manage their portfolios. Services launched included:

- the Derivatives Market After-Hours (T+1) Night Trading Session to improve trading access for our global participants;
- the e-Negotiated Large Trade Phase 2 to offer greater trading efficiencies to our Derivatives Market participants;
- the new e-Rights and e-General Offer features on our Bursa Anywhere app, which enable depositors to subscribe for their rights issue or general offer via the app;
- the Pilot Market Making Program and framework for stocks, to boost trading velocity and liquidity; and
- the Discretionary Trading Framework for securities.

Collaborative and strategic alliances

Bursa Malaysia also forged collaborations with various partners to enhance our capabilities and widen our pool of market participants. This includes technology-based collaborations as well as strategic alliances such as:

- completion of the dematerialisation proof-of-concept (PoC) for structured warrants, to explore the possibility of greater efficiencies in the issuance of structured warrants;
- completion of the Digital Gold Dinar PoC as part of our efforts to make Shariah-compliant gold investments more accessible for investors;
- completion of a PoC held with several financial institutions towards enabling sustainability-linked bonds on a distributed ledger technology lifecycle management solution;
- a strategic agreement signed with Alliance Bank Malaysia Berhad to use data analytics to help small and medium-sized enterprises enhance their business resilience; and
- a Memorandum of Understanding inked with the Institutional Investors Council Malaysia members towards environmental, social and governance (ESG) data standardisation.

Chief Executive Officer's Review

“
We intensified our efforts this past year to further embed sustainability in our marketplace.
”

Rules and Regulatory Framework Enhancements

Our rules and regulatory frameworks are revisited regularly to ensure that the market's regulatory landscape is appropriate to meeting our goal of maintaining a vibrant, fair and orderly market. Our 2021 initiatives in this area included the following:

- issued Bursa Malaysia's updated Corporate Governance Guide (the fourth edition) to promote best governance practices among our public listed companies (PLCs);
- amended the Main and ACE Markets Listing Rules in relation to the public security holding spread; and
- established Bursa Malaysia as the One-Stop Centre for ACE Market IPOs and prospectus registration, to improve the efficiency and efficacy of the listing process effective January 2022.

Education, Marketing and Promotional Programmes

While we were prevented from holding in-person programmes due to the COVID-19 pandemic, our teams leveraged technology platforms to continue reaching out to our stakeholders and conduct our educational, marketing and promotional programmes. For example, in 2021, we hosted the following virtual events in place of physical events:

- Inaugural Virtual Marketplace Fair;
- Invest Malaysia Kuala Lumpur series;
- 2nd Shariah Investing Virtual Conference; and
- 32nd Annual Global Palm And Lauric Oils Price Outlook Conference.

In 2021, the Exchange also initiated a new programme for our PLCs, namely the Investor Relations (IR) and Public Relations (PR) Incentive Programme, which is

designed to help build the IR and PR capabilities of participants. This is in turn expected to improve the accessibility and visibility of these PLCs to the investing community.

For our retail investors, we launched the Derivatives Trading Simulator (DTS), which helps retail investors familiarise themselves with derivatives trading. Through the DTS, we expect our retail investors to gain greater confidence and familiarity with derivative products and their role in an investment portfolio. The DTS was complemented by our first ever Derivatives Virtual Trading Challenge 2021, which was a competition designed to drive greater participation from the retail segment.

In addition, we introduced the Mirror, Learn, Trade (MLT) feature in the BursaMKTPLC mobile app. The MLT is a programme designed to help investors learn trading practices from established traders and become more savvy in recognising emerging risks and opportunities in the market. Finally, we launched our What's Your Interest and Opportunities mass awareness initiatives to encourage retail participation in the Securities Market.

SUSTAINABILITY AT THE FOREFRONT

The Exchange's work on sustainability is focused on both the sustainability practices of our organisation, as well as on those of the broader marketplace. Our work ensures that not only do the value creation activities of the Exchange remain sustainable, but that we actively strengthen the ecosystem to encourage our PLCs and stakeholders to do the same. Our sustainability initiatives are discussed in greater detail in our standalone Sustainability Report, but there are a few achievements I wish to highlight here.

In 2021, we intensified our efforts to further embed sustainability in our marketplace. For example, we introduced the FTSE4Good Bursa Malaysia Shariah Index, which is the Shariah-compliant counterpart of our FTSE4Good Bursa Malaysia (F4GBM) Index introduced in 2018. We also introduced a new requirement for all physical deliveries of Crude Palm Oil Futures contracts to be certified under the Malaysian Sustainable Palm Oil Certification Scheme beginning 1 April 2021. In addition, other initiatives implemented over the past few years have elevated sustainability practices and reporting among our listed issuers. This can be seen in part in the increase of F4GBM Index constituents to 80 in December 2021, from 75 a year ago.

We also scaled up our efforts to demonstrate leadership in advocating good ESG practices and climate action, in line with our Sustainability Roadmap 2021-2023. One such initiative is the development of the Corporate Sustainability Practitioner Competency Framework with the United Nations Global Compact Network Malaysia & Brunei to support credentials building of sustainability practitioners and professionals involved in Malaysia's corporate sustainability space.

In addition, in September 2021, Bursa Malaysia announced its ambitions to become carbon neutral by 2022, and to achieve net zero greenhouse gas emissions by 2050 across our entire operations. We recognise that this is an ambitious goal but an important one if we are to see real and immediate action on climate change and its accompanying consequences. Bursa Malaysia is fully supportive of the national call to take more decisive action on climate change, and we hope that by taking the lead, we will function as a role model for other Malaysian corporates.

Chief Executive Officer's Review

GOING FORWARD

We unveiled our Strategic Roadmap 2021-2023 at the end of 2020. It comprises three core strategies, four key enablers and five strategic pillars, aims to future-proof Bursa Malaysia and secure the long-term sustainability of our marketplace.

Our achievements in 2021 have created a good backdrop to fuel our growth journey in the coming years, and we will make use of this solid foundation to unlock greater value for our stakeholders by introducing new platforms and services (horizontal expansion), and expanding our current and existing business (vertical expansion). This is in line with our fundamental belief that our products and offerings, as well as our areas of influence, should evolve alongside changes in the operating landscape. This would enable us to fully serve our purpose and achieve our potential as an Exchange.

In the second year of our Strategic Roadmap 2021-2023, we will continue to implement initiatives to boost market vibrancy and attractiveness, while creating a more facilitative and supportive ecosystem with the right frameworks. Specifically, we will look to strengthen our leadership in the Islamic capital market space, by further developing novel Shariah-compliant products and services.

In addition, we will proactively build new markets to serve as fresh growth avenues or solutions for our stakeholders. Examples include new products such as asset-backed securities and tokenised assets. Exciting initiatives in 2022 include our work on establishing a Voluntary Carbon Market with the first Shariah-compliant carbon credit product as well as the commercialisation of a Digital Gold Dinar solution. Both new offerings are being developed and designed to fulfil the needs of the real market and drive the sustainability agenda in the capital market.

AWARDS

Bursa Malaysia's Board and Management are well-aware of the efforts that our team has put in to develop our marketplace and make it a more thriving, vibrant and attractive investing and listing destination. It is nevertheless pleasing to know that our achievements have been acknowledged and recognised by external parties. Bursa Malaysia received five awards in 2021:

- Two awards from Regulations Asia Award 2021, namely the Exchange of the Year and another, Outstanding Project: Bursa Anywhere, for our mobile app;
- Best Stock Exchange for Islamic Listings at the 16th Annual Islamic Finance News Awards 2021;
- Digital Transformation and Hybrid Cloud Infrastructure at the Red Hat APAC Innovation Awards 2021; and
- Highest Return on Equity over 3 Years (in the financial services sector: below RM10 billion market capitalisation) at The Edge Billion Ringgit Club Awards 2021.

These awards acknowledge that our efforts to enhance our value creation activities and to innovate are on the right track. We are only at the beginning of our transformational journey and are excited to deliver more in the next few years.

ACKNOWLEDGEMENTS

On behalf of Bursa Malaysia's Management, I would like to express our thanks to our Board of Directors for their guidance, and to all our employees for their efforts during the year. My sincere appreciation too to our industry partners for all your contributions in making Bursa Malaysia a better and more progressive marketplace for all. Without you, we would not have achieved the robust performance that we have seen in 2021. I would also like to recognise the cooperation of our PLCs, investors and market intermediaries who have continued to place their faith in us.

I would also like to thank our regulators, with whom we have been working closely during this time of COVID-19 pandemic to ensure market efficiency, market accessibility and liquidity. While we are on the road to economic recovery, we must remain wary as the COVID-19 pandemic still poses a threat to business normalcy and livelihoods. We need to remain agile and vigilant to ensure the resilience of our markets.

To our customers, I would like to say that we are working on new innovations that will further improve your experience with us, through the use of technology and data, and we will also enhance our services to better serve you. Lastly, I would like to assure our stakeholders that the Exchange remains committed to the continued development of the marketplace and will make further progress on our strategic plans, especially towards widening our product offerings and services as well as becoming a multi-asset exchange.

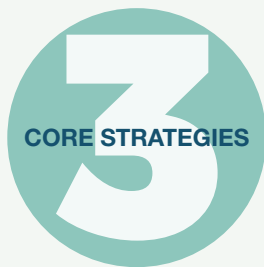
Thank you.



Datuk Muhamad Umar Swift
Chief Executive Officer

Our Strategic Focus

Bursa Malaysia's initiatives are guided by our Strategic Roadmap 2021-2023, which aims to future-proof the Exchange and help us reach our vision of becoming ASEAN's leading, sustainable and globally-connected marketplace. Unveiled in 2020, the Strategic Roadmap 2021-2023 comprises three core strategies, four key enablers and five strategic pillars that pilot the Exchange's growth and transformation.



The aims of each core strategy are described below:



Product Expansion

Our initiatives will expand and diversify the range of our products and services to grow the offerings and opportunities available to market participants so as to expand our investor base and deepen our pool of liquidity



Ecosystem Development

Our initiatives are aimed at integrating improvements into our market ecosystem to better address market needs and create a more conducive, facilitative and competitive marketplace



Capacity and Capabilities Building

Our initiatives under this strategy aim to develop the necessary capacities and capabilities to future-proof our business, especially in the areas of People and Culture as well as our Technology



The four key enablers which will give the Exchange the necessary capabilities to act on our core strategies are:



People and Culture



Technology



Data and Innovation



Ecosystem



Our initiatives will be implemented under five Strategic Pillars, which represent the key areas of growth that will help us achieve our vision. The five Pillars are:



Strengthening Our Core Business – Securities Market

We will further develop our Securities Market ecosystem and expand its product offerings to cater to growth segments. This will apply to all three markets namely the Main Market, ACE Market and LEAP Market.



Diversifying the Derivatives Business

We aim to transform our Derivatives Market into the leading commodities exchange in ASEAN by expanding our range of derivatives products and by internationalising our investor- and partner-base. The ecosystem will also be enhanced to make our market more competitive and attractive to market participants.



Positioning Bursa Malaysia as the Global Hub for Islamic Capital Markets

We aim to make Bursa Malaysia the leading global exchange for Islamic fundraising, hedging and investing by expanding our range of Shariah-compliant products and introducing new innovations that will cement our leadership position in this segment.



Providing New and Improved Services to the Capital Market

We intend to develop new solutions, platforms and tools that support the markets' needs by leveraging on data and technology. The Exchange will continue establishing strategic partnerships to develop innovations that will be beneficial to both our marketplace as well as our organisation.



Embedding Sustainability in Our Organisation and Marketplace

We aim to establish Bursa Malaysia as the preferred marketplace for sustainable and responsible investment by integrating high standards of sustainability and disclosures in our organisation and public listed companies (PLCs). Bursa Malaysia has also made mitigating climate change a foremost priority, and will develop innovations to help our PLCs meet their environmental goals.

Our Operating Context

Bursa Malaysia operates in a highly dynamic environment that is subject to various forces and influences, both internal and external.

These include changes in global financial flows, competitive positions, technological developments, regulatory frameworks and investing trends, all of which may have direct or indirect impact on our ability to conduct business and value creation activities. This section of the report provides an overview of the Exchange's operating environment and the ways in which we manage changing trends in the operational landscape.

OUR RESPONSE TO COVID-19

The COVID-19 pandemic created an unprecedented operating environment that had an impact on businesses worldwide. Specifically, the COVID-19 pandemic has raised the importance of corporate sustainability as key to the resilience and stability of companies. There has subsequently been an acceleration of sustainability considerations in tandem with the growing acceptance and evidence that companies which are more sustainability-focused are more resilient and resistant to adverse changes. This is particularly true in the case of the COVID-19 pandemic, which has had a systemic impact on almost all aspects of life and livelihoods over the past two years.

 Please turn to our Key Risks and Opportunities section on pages 45 to 47 of this report for more analysis of our COVID-19 pandemic risk.

With respect to the workplace, we have seen greater emphasis being placed on issues of workforce health, safety and wellbeing, particularly in relation to mental health. Furthermore, the rapid and large-scale adoption of digital solutions, while important in enabling the continuation of business activities during the COVID-19 pandemic, are bringing about new challenges to workforce and society, some of which may have yet to surface.

The Exchange is aware of the challenges to sustainability brought about by the COVID-19 pandemic, and we have rolled out various initiatives to mitigate their impact on our stakeholders. The following table provides an overview of how we responded to the COVID-19 pandemic during the year.

Securing Operational Excellence

Prioritising Health and Safety

Delivering Our Roles, Responsibilities and Commitment

Our Operating Context

- Established and enhanced our Frameworks, Policies, Manuals and Standard Operating Procedures (SOPs), including Project Implementation Governance and Reporting Framework, Budgeting Policies and Procedures Manual, Media and External Communications Policy and Group Strategic Communications SOP, Corporate Disclosure Policy, Vendor Management Policy, Guidelines for Handling Conflict of Interest, ePurchase Requisition Form as well as Materiality Assessment Form in the Purchasing Policy, among others
- Conducted Employee Engagement Survey 2021

- Revised our Work from Home Policy and enhanced COVID-19 pandemic-related SOPs such as requiring employees to scan the MySejahtera QR Code before entering any divisions on our premises
- Maintained Split Office Operations
- Rolled out free Vaccination Programmes for our employees, their immediate family members as well as our vendors operating on our premises
- Organised Safety and Wellness Campaign 2021 and introduced our fitness and lifestyle App, SWITCH, which aims to build resilience in our workforce and instil a positive state of mind

- Worked together with the Securities Commission Malaysia (SC) to restore market management and control mechanisms in line with the improved economic outlook by uplifting the temporary suspension of Regulated Short Selling (RSS) on 1 January 2021. The temporary suspension on intraday short selling (IDSS) and intraday short selling by Proprietary Day Traders (PDT Short Sale) was however, extended until 31 December 2021
- Worked together with the SC to provide more temporary relief measures for listed issuers such as an automatic one-month extension for periodic reports due by end of February until end of August 2021. Accorded a relief period from complying with the regularisation requirements of the Main Market Listing Requirements (MMLR) and ACE Market Listing Requirements (ACE LR) to public listed companies (PLCs) that announced insignificant business or operations, has triggered certain PN17 or GN3 criteria or ceased all major business or operations
- Accorded a 12-month waiver and rebate on listing-related fees under the PEMERKASA Strategic Programme
- Issued an updated Corporate Governance Guide to provide our PLCs with comprehensive and practical guidance on recommended practices under the revised Malaysian Code on Corporate Governance (MCCG) issued by the SC in April 2021
- Amended the MMLR and ACE LR to lower public spread, encourage board renewal as well as strengthen board independence and quality
- Amended the MMLR to enhance frameworks for advisers and submission of corporate proposals
- Amended the ACE LR to facilitate the Exchange as a one-stop centre for all approvals related to ACE Market initial public offerings (IPOs) and prospectus registration
- Launched new products and services such as the Revamped Crude Palm Kernel Oil Futures Contract, East Malaysia Crude Palm Oil Futures Contract, FTSE4Good Bursa Malaysia Shariah Index, After-Hours (T+1) Night Trading Session for the Derivatives Market, the two-year Pilot Market Making Program for selected mid to large-cap stocks with low velocity, and Bursa Digital Research Portal
- Embarked on Investor Relations and Public Relations Incentive Programme to improve the visibility of our PLCs, and started working with Capital Markets Malaysia to engage with mid-tier companies seeking IPOs in the next two years
- Translated Listing Requirements and Business Rules into Bahasa Malaysia
- Held Virtual Marketplace Fair as well as fully-virtual Invest Malaysia and the Palm and Lauric Oils Price Outlook Conference
- Engaged with our stakeholders virtually and restricted face-to-face marketing and promotional activities
- Reinforced our digital touchpoints to better serve our users such as enabling shareholders to subscribe for their Rights Issue or accept their General Offers on Bursa Anywhere mobile application
- Conducted our fully virtual 44th AGM with shareholders' remote participation and voting

Our Operating Context

Financial Performance

- Decline in operating revenue owing to lower trading revenue contributions from both Securities and Derivatives Markets. Non-trading revenue increased in 2021 to cushion the decline
- Continued to deliver on commitments outlined in the Strategic Roadmap 2021-2023, and met all financial obligations including operating expenses and settlement obligations, in line with our risk and compliance management frameworks

Business and Earnings Prospects

- Reopening of economic sectors is expected to have a positive impact on the performance of PLCs and revive investors' interest
- Volatility will continue to be influenced by COVID-19 pandemic, interest rates and developments in the global economy and markets in 2022
- Tight supply and high demand for palm oil is expected to continue in 2022 driven by the labour shortage and the resumption of economic activities
- Level of supply and demand in the palm oil market will continue to influence the price of palm oil and, correspondingly, palm oil futures
- Trading activity on Bursa Suq Al-Sila' is expected to continue its growth momentum in 2022 through system enhancement and market expansion
- The Exchange anticipates a more challenging and competitive environment in 2022, and its performance is expected to moderate compared to 2021

Sustainability of Our Business

- Set our aim to become carbon neutral by 2022 and achieve net zero greenhouse gas emissions by 2050 across our entire operations. Committed to setting science-based emission reduction targets in accordance with the Science Based Targets initiative's criteria and recommendations
- Continued to improve on our processes to enhance our delivery to stakeholders
- Engaged with our key stakeholders regularly and conducted Materiality Assessment Survey 2021
- Explored new partnership opportunities and investments in innovation and technology
- Completed the dematerialisation proof-of-concept for structured warrants

Our Operating Context

THE COMPETITIVE LANDSCAPE

The emergence of alternative electronic exchange platforms is exerting competitive pressure on Bursa Malaysia's competitive landscape.

These platforms—including funding, trading, wealth management and tokenised securities platforms—leverage on technological innovations to provide investors with easy access to global markets, effectively granting them access to a wider range of investment funds and assets. Driven by a blend of innovative start-ups, these platforms, collectively known as financial technology (fintech), are aggressively competing with traditional fundraising platforms for market share, including Bursa Malaysia.

In addition to fintech platforms, Bursa Malaysia also faces competition from peer stock exchanges who are similarly looking to attract new investors and develop their own ecosystems. As there is a finite pool of investors and resources, the success of our peers may have a direct impact on the development of our own marketplace, particularly in the areas of liquidity, quality of investor base and ecosystem enhancement. Our peers may also challenge our leadership position in niche areas, such as Islamic investing and palm oil trading, through the development of their own platforms in these segments.

Our Response

The Exchange is aware of the challenge of retaining market share in the face of the rapid growth of alternative fintech solutions. Fintech's disruption of traditional fundraising avenues is growing rapidly across most market segments thus validating the Exchange's decision to further connect ourselves with the growing digital ecosystem in order to meet new investment needs. In practice, this means utilising technology where possible without sacrificing our commitment to preserve market stability, as well as developing new technological innovations that can match the breadth offered by fintech platforms while maintaining the highest levels of investor protection.

At the same time, we are introducing enhancements to our ecosystem to make our marketplace more competitive in relation to peer stock exchanges. These measures include enhancing and introducing new products and services, widening our pool of investors, and promoting our PLCs beyond Malaysian borders. The Exchange's initiatives to strengthen sustainability practices in our marketplace and further develop niche specialisations in Islamic markets and palm oil futures are also critical in maintaining our competitive advantage. Meanwhile, our focus on further improving the level of corporate governance practices among our stakeholders will enhance our marketplace, as will our track record of being a trusted, fair, orderly and secure exchange.

Other priorities include:

- Building capacities of market participants to support a vibrant and sustainable capital market
- Enhancing the sustainable and responsible finance ecosystem through new investment products and high standards of sustainability practices and disclosure
- Reducing our environmental footprint and managing climate-related risks as we transition towards a low carbon future
- Cultivating an empowered workforce to develop more sustainable approaches
- Creating positive outcomes for communities and demonstrating commitment to support social and environmental issues that are aligned with our corporate social responsibility pillars

ECONOMIC AND FINANCIAL TRENDS

Economic and financial conditions improved year-on-year in 2021 despite the growing severity of the COVID-19 pandemic.

Global growth has been projected by the World Bank to return to positive territory in 2021, and will do so at the fastest post-recession rate in over 80 years. Meanwhile, Bank Negara Malaysia said that Malaysia's growth for the year came in at 3.1%, due to the reopening of the economy and the re-establishment of global supply chains.

While corporate earnings remained lacklustre during the year, they are expected to recover in tandem with the reopening of the economy. The resumption of economic activities also had a positive impact on the demand for commodities, particularly palm oil, with foreign buyers securing their supply of raw materials required for industrial and manufacturing purposes. Interest rates remained at a record low in 2021 - at 1.75% throughout the year - prompting retail investors to enter the market to seek out alternative investments, including securities, to preserve and grow their wealth.

Our Response

While overall macro trends had improved in comparison to 2020, market sentiments and movements were still very much linked to the COVID-19 pandemic. Malaysia's GDP growth for 3Q21, for example, contracted 4.5% after expanding 16.1% in the second quarter. Prospects improved in the first half of 2021 due to the roll out of the Malaysian COVID-19 vaccination programme, but slid in the third quarter as the new COVID-19 Delta variant proved to be more contagious and deadly than previous variants. The economy was also affected by the imposition of a nationwide lockdown during the year.

Our Operating Context

MARKET TRENDS

The market saw greater volatility in 2021 owing to sudden swings in economic conditions brought about by the COVID-19 pandemic.

While some sectors continued to receive sustained trading interest, including healthcare, technology, renewables and penny stocks, other sectors did not fare as well as the broader market was affected by the disruption to economic activity. Uncertainties fuelling volatility in the capital markets also affected the magnitude of foreign inflows and reshaped foreign institutional investors' perception of Malaysian equities from a risk standpoint. On the Derivatives Market, rising prices of Crude Palm Oil (CPO) due to the recovery in demand and a contraction in production resulted in a thriving trade for CPO futures contracts.

Our Response

The change in the trading landscape caused by the rise of retail participation and heightened volatility in 2021 meant that the Exchange had to keep a careful eye on market developments. To shore up the stability of the market, we took appropriate market management measures, including temporarily suspending the IDSS and the PDT Short Sale. Revisions to market mechanisms, including revising the static price limit and dynamic price limit, and circuit breaker threshold, added greater resilience and helped preserve confidence in our markets.

In addition to market stability, we continued to introduce enhancements to our ecosystem, including our Bursa Anywhere mobile app, to cater to the increased demand for online services. The Exchange also introduced enhancements to our marketplace, such as the After-Hours (T+1) Night Trading Session for the Derivatives Market, to make us more attractive to stakeholders and increase the overall volume of trade. Other enhancements were implemented in a similar vein to build greater resilience and vibrancy into our market and to maintain the current level of retail participation.

Despite the continuing impact of the COVID-19 pandemic and the low interest rate regime, the number of new listings across all three markets in Bursa Malaysia increased in 2021: seven on the Main Market (2020: 2), 11 on the ACE Market (2020: 10) and 12 on the LEAP Market (2020: 7). The anticipated transition of the COVID-19 pandemic to endemic status is also expected to be a catalyst for fundraising and listing exercises moving forward.

CHANGES IN THE REGULATORY ENVIRONMENT

The Exchange is subject to a number of regulatory requirements that may change depending on market trends.

As a PLC and a frontline regulator, Bursa Malaysia is subject to regulatory requirements and also responsible for originating and upholding the capital market's regulatory framework. We work closely with the SC to ensure that these regulations uphold our goals of maintaining a fair and orderly market, but that they are also supportive of capital market growth.

In 2021, the SC issued the updated MCCG which was last revised in 2017. The revised MCCG makes several changes to existing governance frameworks, including enhancing board policies and practices, strengthening board oversight and the integration of sustainability in business operations. Ultimately, the revised MCCG aims to build long-term resilience in the corporate governance (CG) culture of Malaysian PLCs.

Our Response

Bursa Malaysia is supportive of all the efforts aimed at improving CG and sustainability standards, and strives to comply with new regulations as they are announced. To that end, we have already taken steps to ensure that we meet the new standards set in the revised MCCG and have recently added the Sustainability and Development Committee (SDC) to our roster of board committees. The SDC is part of the Exchange's efforts to embed sustainability within its core functions and ensure that sustainability is a key consideration in all business decisions. The SDC oversees the Management Committee (MC), which is made up of members from key senior management positions across all divisions and chaired by the Chief Executive Officer to manage functions previously under the remit of the Corporate Sustainability Committee. The inclusion of the SDC and the redesignation of the MC ensures that deliberations of sustainability-related matters are more inclusive and all-encompassing.

Meanwhile, the development and implementation of sustainability strategies across our businesses are undertaken by all divisions and departments, overseen by Group Sustainability. The Exchange is presently working on identifying other areas that require further work under the revised MCCG guidelines and will make the appropriate announcements when the changes have been made.

Separately, as a frontline regulator, we issued an updated Corporate Governance Guide (CG Guide) on 15 December 2021. The updated CG Guide is aimed at ensuring that our PLCs have comprehensive and practical guidance in terms of adhering to the various recommended Practices under the MCCG issued by the SC as well as enhanced CG disclosure requirements in the Listing Requirements relating to, amongst others, director appointment as well as director independence.

Our Operating Context

NON-FINANCIAL TRENDS

There have been recent developments on the sustainability front, especially in the areas of environmental sustainability and climate change.

Specifically, the Malaysian government has announced its aspiration to achieve net zero greenhouse gas emissions nation as early as 2050. This is in line with a renewed global commitment to cut greenhouse gases and put climate-related issues at the forefront of sustainability initiatives at the Conference of the Parties (COP26) summit held in Scotland in October 2021. COP26 was specifically aimed at accelerating global action on climate change in view of the growing frequency of climate catastrophes around the world.

Meanwhile, there has been a proliferation of sustainability reporting standards and frameworks to guide corporate reporting over the last several years. There is now an effort to develop a harmonised standard, through the establishment of the International Sustainability Standards Board by the International Financial Reporting Standards Foundation, which is a step in the right direction to combat clutter and provide clarity on sustainability reporting. The development of a harmonised standard will fill the need for useful, comparable sustainability information and data that are aligned with expectations of stakeholders, especially investors.

Our Response

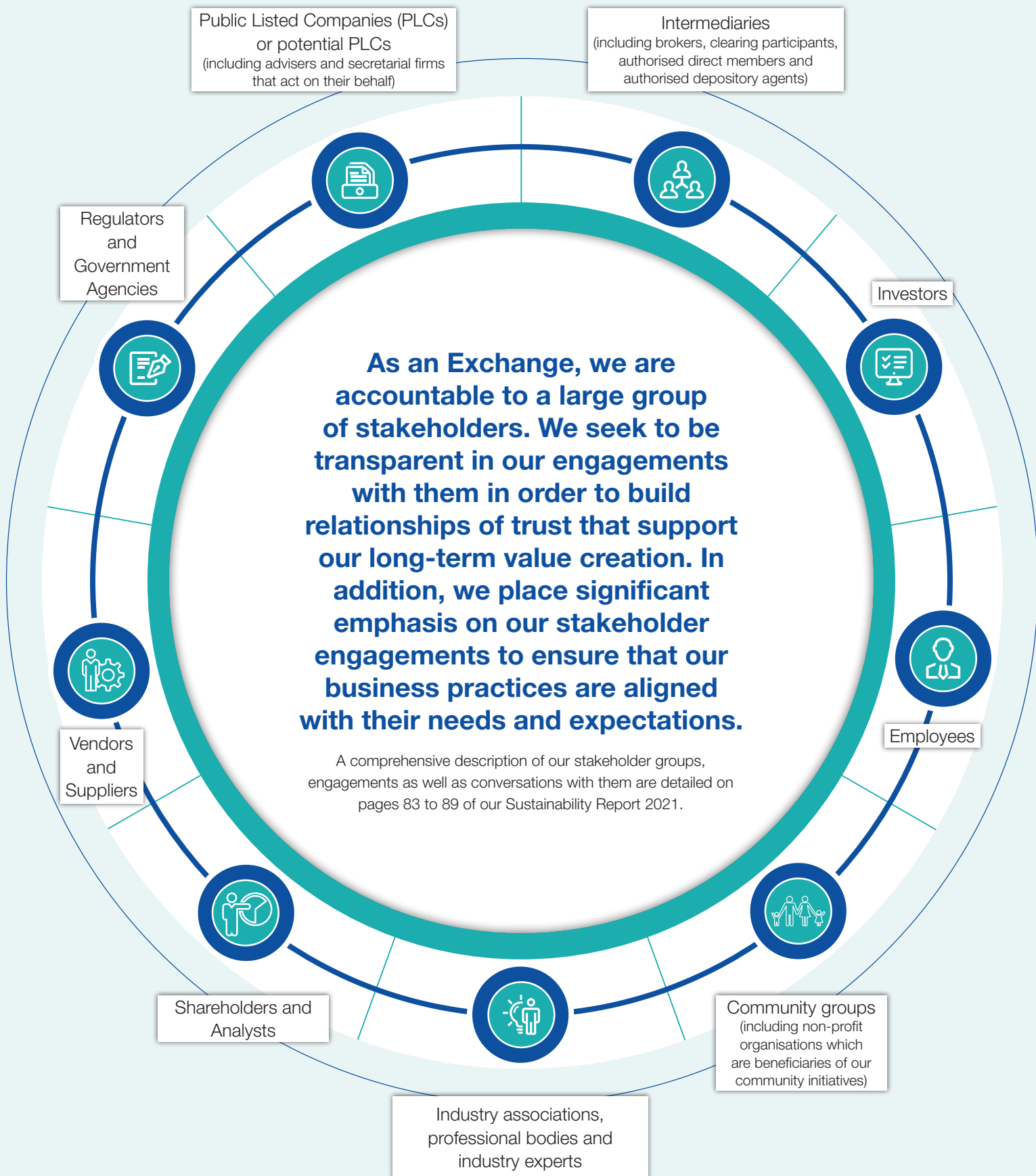
The Exchange has announced its own carbon targets to achieve carbon neutrality by 2022 and net zero greenhouse gas emissions by 2050 in support of the national ambition. To those ends, we have been delivering initiatives aimed at improving our environmental performance, and our progress on this can be found in our standalone Sustainability Report 2021. In addition to our own carbon commitments, we aim to develop a rules-based and transparent carbon market platform to help businesses transition into low carbon operating models. A vibrant carbon market can help scale-up financing towards nature-based solutions and technologies that are critical to achieving our national decarbonisation strategies.

Bursa Malaysia also collaborated with the United Nations Global Compact Network Malaysia & Brunei in 2021 to develop a Corporate Sustainability Practitioner Competency Framework. The Competency Framework supports the credential building of corporate sustainability practitioners and professionals in order to drive the development of sustainability practices. The Competency Framework is supported by a digital self-assessment tool, also released in 2021, which helps practitioners identify skill gaps and build the necessary capacities to fill those gaps.

In relation to the broader marketplace, the Exchange plays a central role in encouraging PLCs to improve their sustainability practices and disclosures. We introduced the FTSE4Good Bursa Malaysia Index as well as sustainability reporting requirements to further drive the sustainability agenda among our PLCs, and have so far seen significant improvements made to the general level of disclosure. We expect disclosure standards to further improve with the development of a harmonised standard, which will streamline the reporting process for PLCs.

The Exchange also actively involves itself in international sustainability initiatives and is a co-founding partner exchange of the Sustainability Stock Exchanges derivatives network launched in 2021. As a global platform, the network seeks to put derivatives exchanges globally on a more sustainable footing by enhancing environmental, social and governance performance and encouraging sustainable investments.

Our Stakeholders



Key Risks and Opportunities

Bursa Malaysia is a part of the overall global market and is exposed to various risks affecting other stock exchanges around the world such as the COVID-19 pandemic, geo-political risk, slow economic growth and interest rate hikes, among others. These risks, should they materialise, may affect the sustainability of our business, the quality of our performance and our ability to achieve our strategic objectives.

These risks may not only affect us as the market operator but could also potentially affect our stakeholders. This is especially true in the current environment where the global financial ecosystem has become increasingly interconnected and more vulnerable to systemic risk. In that regard, Bursa Malaysia must remain vigilant of the development of new and emerging risks to minimise their impact on the Exchange and its surrounding ecosystem.

Bursa Malaysia has continued to evolve and adapt to the fast-changing ways of doing business, maintaining operational resilience, as well as strengthening IT infrastructure and cyber security to make our marketplace more vibrant, grow our investor base, innovate and develop new products and services, whilst ensuring that we remain relevant by keeping up with the latest technological advancements available in the market.

This section discusses key risks and the opportunities they present to the Exchange. More information about our initiatives aimed at leveraging on new opportunities can be found in the Management Discussion and Analysis section of this report.

Risks Related to the COVID-19 Pandemic

We have identified a number of new or heightened risk items related to the COVID-19 pandemic which are:

- Potential delays in the completion of projects and initiatives
- Potential threats to health and well-being of Bursa Malaysia's employees
- Increasing uncertainty and volatility in the prices of securities and commodities

The COVID-19 pandemic, being an unprecedented event, has revealed several opportunities for us to adapt to the new norm of doing business and improve our operational resilience. The Exchange has taken several decisive actions, including bolstering our IT infrastructure, revising policies and procedures to accommodate the government's standard operating procedures (SOPs) and continuing split-office operations to maintain the continuity of critical business functions.

We will continue to closely monitor new developments related to the COVID-19 pandemic as they emerge to ensure that we are sufficiently prepared to mitigate risks as soon as they are identified.

How We Manage Risk

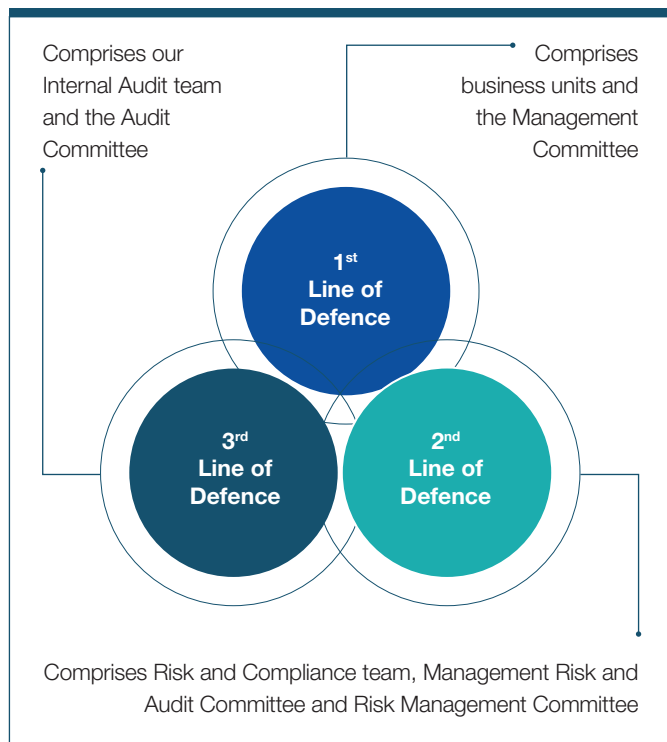
To ensure effective oversight of risks at the enterprise-wide level, we have embedded risk management in all our key processes and activities.

These are guided by our Enterprise Risk Management Framework, which was designed in accordance with ISO 31000:2018 Risk Management – Guidelines. In addition, Bursa Malaysia adopts the Guidelines on Financial Market Infrastructures issued by the Securities Commission Malaysia and Principles for Financial Market Infrastructures issued by the International Organisation of Securities Commissions to manage the risks of our business and operations.

These best practice risk management standards are encapsulated into the overarching risk management and compliance framework known as the Integrated Governance, Risk and Compliance Framework which is supplemented by various guidelines and SOPs within Bursa Malaysia.

Key Risks and Opportunities

One of the key features of the risk management framework is the implementation of the three lines of defence comprising established and clear functional responsibilities and accountabilities for the management of risk.



Our risk management approach accomplishes, inter alia, the following:

Monitor Bursa Malaysia's risk environment, guides business activities to develop a corporate risk profile (CRP) and mitigate risks that may adversely affect Bursa Malaysia's ability to achieve its goals.

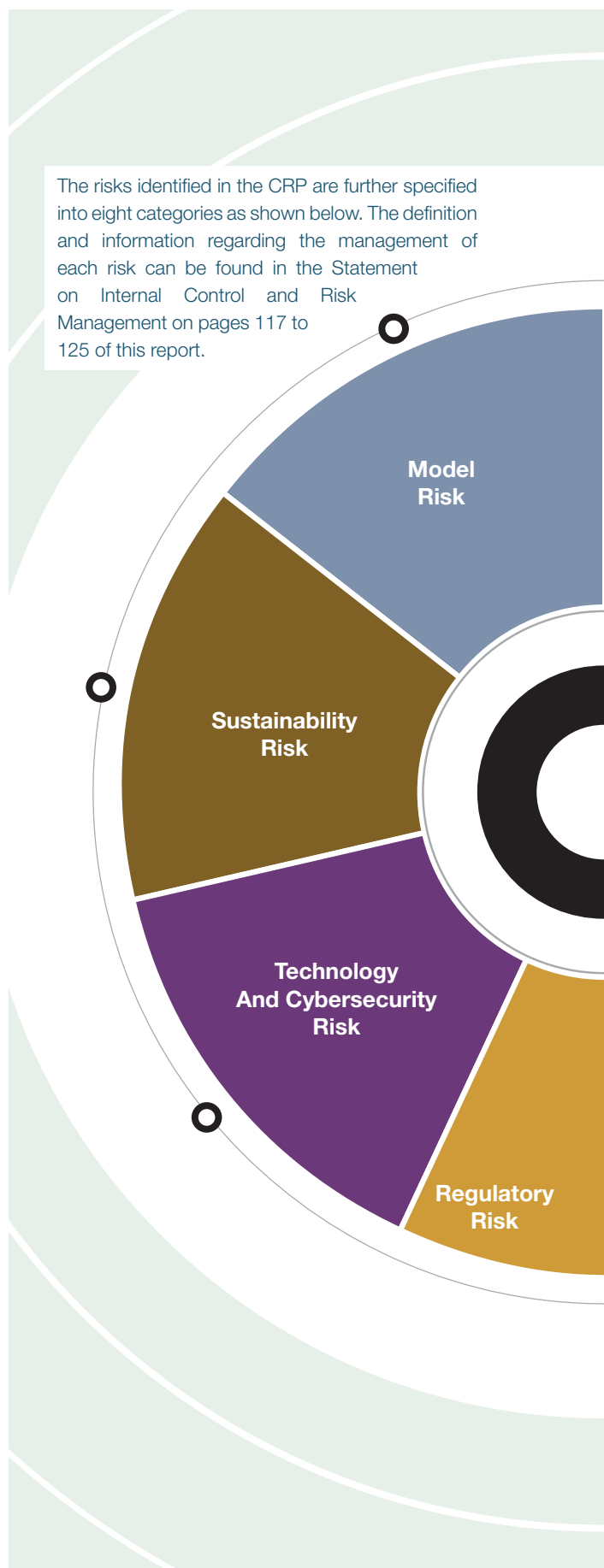
Monitor the evolution in the competitive landscape and key risks noted from the development of competitors, which may potentially support or impede Bursa Malaysia from achieving its objectives.

Monitor the delivery of high-impact projects and assess their implications on Bursa Malaysia's strategic objectives.

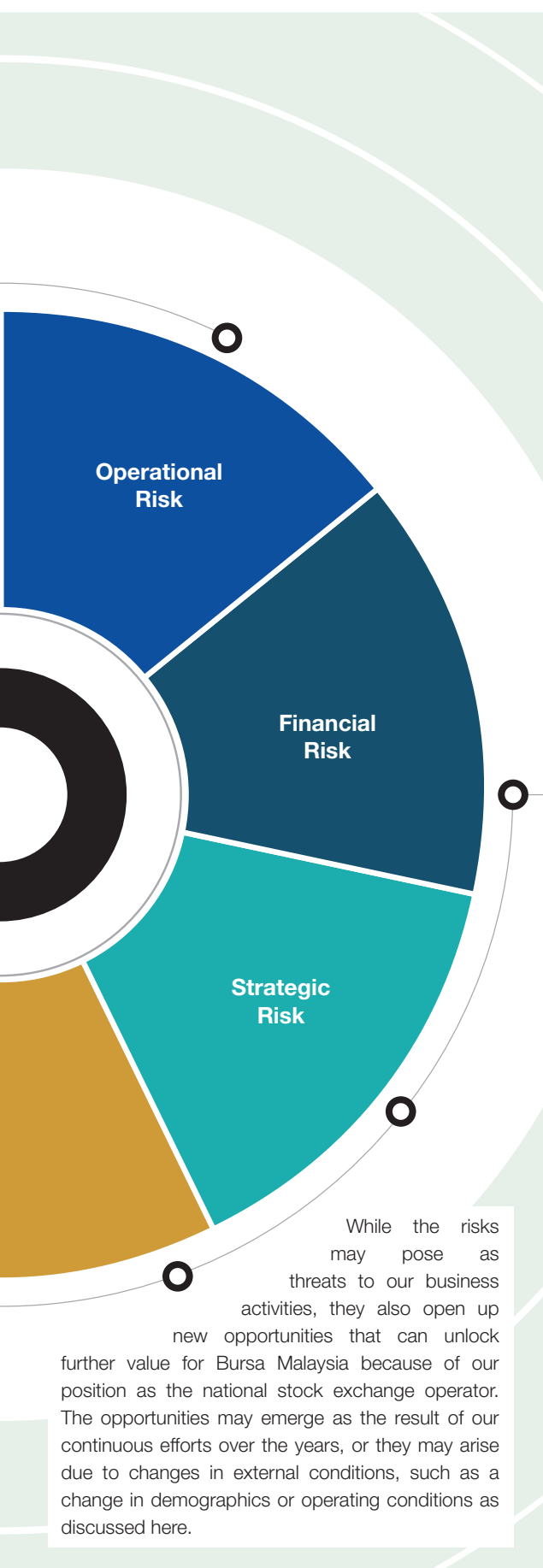
Integrate risk management into our organisational processes to facilitate informed decision-making.

Bursa Malaysia performs an annual risk assessment to review our key risk areas and subsequently develop our CRP. Our CRP describes the severity of risks within key risk areas of Bursa Malaysia at the corporate, division and business case levels based on a set of risk criteria using the measurements of Impact and Likelihood. In each case, our ability to sustainably carry out our business may be affected should these risks materialise into actual risk events, especially if there are no adequate mitigation processes in place to address the fallout from these risk events.

The risks identified in the CRP are further specified into eight categories as shown below. The definition and information regarding the management of each risk can be found in the Statement on Internal Control and Risk Management on pages 117 to 125 of this report.



Key Risks and Opportunities



Putting in place measures to mitigate operational risk will help to build up the operational resilience of the Exchange. By mitigating the risk of business interruptions, physical security and ineffectiveness of policies and procedures, we could strengthen and improve our internal processes and help to avoid disruptions to the business operations.

Mitigating financial risk is crucial for the Exchange to prevent the materialisation of systemic risk as Bursa Malaysia also plays the role of a clearing house. The measures taken will not only ensure that our exposure is within the acceptable limits, but also that we will have sufficient reserves to keep the Exchange operational when faced with uncertain market conditions.

Bursa Malaysia strives to put the Exchange forward to make it more competitive and make our marketplace a more vibrant and attractive investing destination. We have been continuously exploring new strategies, business models, technologies, partners and platforms to increase both our trading and non-trading revenues. We have also been collaborating with technology providers and market data providers, and embarking on key strategic initiatives, some of which are of national interest, to further develop our capabilities in this area.

Changes in the regulatory landscape are opportunities for the Exchange to pivot and make the most of the new developments. Bursa Malaysia strives to meet all of its regulatory obligation and conducts periodic reviews on its internal policies and guidelines to meet the latest regulatory requirements.

Similar to operational risk, mitigating technology and cyber security risk would instil confidence in our markets as we are able to demonstrate the reliability and resilience of our IT infrastructure from business disruption, financial loss, data loss and cyber threat. We have a specialised information security team that formulates various mitigation measures to secure our information and infrastructure.

Bursa Malaysia is developing the country's first voluntary carbon market. The materialisation of this opportunity would be an important step in realising Malaysia's carbon ambition whilst helping our public listed companies meet their climate targets. Bursa Malaysia is working with several government agencies to examine the market design framework and blueprint before developing the trading platform.

Independent model validation helps to ensure that risk models meet a set of minimal requirements and standards in order to increase the efficiency of these models that are being used in daily risk management operations. It is also important to ensure the robustness and adequacy of credit and liquidity risk models.

Materiality Assessment and Our Material Matters

Materiality assessments are an integral part of our value creation as they help us to align our strategies, performance management and reporting. Conducting an in-depth materiality assessment once every three years allows us to understand and prioritise the economic, social and environmental issues that are most important to our business and stakeholders (Material Matters). It also enables us to align with our strategic planning cycle, ensuring the plan that we are developing is holistic and all-encompassing.

We also perform a formal materiality assessment on an annual basis to ensure the identified Material Matters reflect evolving stakeholder priorities and our impact creation potential.

In 2021, we conducted an online survey to validate the importance and relevance of the 13 Material Matters that were identified in a comprehensive materiality assessment conducted in 2020. The results indicated that all the Material Matters were still deemed important by our stakeholders.

 For more information on our materiality assessment, please refer to the pages 82 to 83 of our SR 2021.

Materiality Assessment and Our Material Matters

Our Approach to Managing Our Material Matters

1 Strengthening Our Core



We aim to provide a vibrant and sustainable capital market with a robust support system that ensures smooth operations. Thus, we have in place strategic measures to ensure market integrity and stability, promote capacity building through educational programmes, as well as to safeguard our cyber security and customer privacy. We will continue to strengthen our core while creating value for our stakeholders in our journey to becoming a leading, sustainable and globally-connected marketplace.



Economic Performance

Our Approach

Our economic activities can generate direct and indirect impacts for our stakeholders such as dividends to shareholders, create job opportunities for local communities and contributing to government taxes. We are guided by our dividend policy and are committed to paying our shareholders an annual dividend of no less than 75% of our profit after tax (PAT) and minority interest. We have also pledged to devote 1% of our PAT to corporate social responsibility activities.

Our Key Progress

- Refer to Financial Review chapter on page 58 of this report

Relevant Indicators

- RM355.3 million PAT, decreased by 6.0%
- 41.0 sen per share of total dividend payout for 2021, compared to total dividend of 51.0 sen per share (including special dividend) paid in 2020
- 95.4% of our suppliers were local vendors



Market Integrity and Stability

Our Approach

We remain guided by our three-year Regulatory Plan as well as our statutory obligations to maintain a fair and orderly market and act in the public interest, having particular regard to the need for investor protection.

Our Key Progress

- Enhanced supervisory approach to remain progressive and dynamic, including updating Compliance Guidelines and Listing Requirements, conducting thematic reviews and enforcing the relevant rules for confirmed material breaches
- Extended temporary revisions to market management and control mechanism, as well as the temporary suspension of Intraday Short Selling and intraday short selling by Proprietary Day Traders, to strengthen the integrity of the capital market, promote market stability and preserve immediate and long-term market confidence
- Continued to roll out relief measures to help lessen the financial and compliance burden of public listed companies (PLCs) and market participants due to the COVID-19 pandemic

Relevant Indicators

- 99.6% of submissions of financial information by PLCs received on time
- Only six PLCs had deviations of more than 10% between their unaudited and audited results based on fiscal year-end
- 31 media queries issued to clarify media articles
- 188 queries issued on corporate announcements
- 2.5% of PLCs were classified as financially distressed
- 265 trading halts with average duration of each trading halt at one hour
- No suspension of counter/stock due to/related to volatility of erratic trading

Materiality Assessment and Our Material Matters



Education and Capacity Building

Our Approach

We focus on equipping our stakeholder groups with adequate knowledge and skills to develop our education and capacity building strategies. Our aim is to enable our stakeholders to make informed decisions and participate in various capital market activities by collaborating with key partners to implement initiatives and programmes to suit the needs of our diverse stakeholder groups. We leveraged digital tools and online platforms to reach out to our stakeholders during the pandemic.

Our Key Progress

- Held the inaugural virtual Bursa Marketplace Fair
- Held the Equality for Equity campaign for the second time since 2020
- Launched Sens-Ability, Bursa Malaysia's flagship initiative designed to educate individuals on financial and investment literacy
- Launched the Derivatives Trading Simulator (DTS) to help new investors gain confidence in trading derivatives
- Hosted Derivatives Virtual Trading Challenge (DVTC) to increase awareness on DTS and provide a hands-on trading experience to retail investors
- Partnered with Capital Markets Malaysia on the ELEVATE programme, to help mid-tier companies that seek to undertake initial public offerings
- Launched Bursa Digital Research, a multifaceted research portal that serves to provide investors with an added source of research and data analysis
- Organised the inaugural Bursa Young Investors National Quiz Competition

Relevant Indicators

- 1,539 participants attended our advocacy programmes for PLCs
- 2,163 participants from Participating Organisations, Trading Participants, Clearing Participants and Non-Trading Clearing Participants attended our training sessions
- 263,525 participants attended our investor education programmes on securities, derivatives and Islamic capital markets
- Over 40,000 participants attended the Bursa Marketplace Fair
- Over 14,000 new Central Depository System (CDS) accounts were opened by women during the Equality for Equity campaign period
- Recorded 796,284 page views and 186,406 visitors on the Bursa Academy website
- Attracted 72% more visitors and recorded 53% higher page views on **BURSASUSTAIN**
- Reached more than 1,000,000 viewers on BursaMKTPLC
- Attracted more than 57,000 registered users for the Mirror, Learn & Trade platform
- Attracted more than 6,700 registered users for the DTS
- Garnered more than 4,550 participants for the DVTC
- Organised 38 Sens-Ability sessions, which were attended by 7,930 individuals from non-governmental organisations (NGOs), universities and PLCs
- Attracted over 1,000 participants for the Bursa Young Investors National Quiz Competition



Cyber Security and Customer Privacy

Our Approach

Bursa Malaysia remains proactive and vigilant to ensure the overall robustness and effectiveness of controls on cyber resilience. We strive to maintain independent external audit certification for the ISO 27001 Information Security Management System to ensure that our business processes are in line with recognised standards. The Technology and Cybersecurity Committee, guided by our Cyber Security Strategy Roadmap 2020-2023, oversees our cyber security and customer privacy management.

Our Key Progress

- Completed the re-certification audit for all critical services and achieved the intended outcome to ensure adequate and appropriate information security measures have been implemented to meet the ISO 27001:2013 requirements
- Continued to raise awareness on cyber security among our employees and intermediaries
- Continued to strengthen our security controls and processes

Relevant Indicators

- No material breaches or substantiated complaints concerning cyber security and customer privacy. We continue to remain vigilant in this area

Materiality Assessment and Our Material Matters

2 Driving Our Growth



Pursuing growth is a default setting of any business, the very basis for its existence and the main reason why organisations innovate, adapt and change. We are driven to grow and will do everything we can to ensure this growth is sustainable and executed in a responsible manner.



Sustainable Finance

Our Approach

We are committed to advancing the sustainable finance agenda by adopting a multifaceted approach and focusing on three key areas:

- **Facilitating sustainable and responsible investment (SRI) products and services**

This entails aligning Shariah with environmental, social and governance (ESG) investing, supporting ESG investments, facilitating microfinancing to underbanked communities and promoting the LEAP Market.

- **Enhancing corporate governance and sustainability practices and disclosures**

This includes providing a reporting framework, undertaking disclosure reviews and educating PLCs.

- **Participating in relevant committees, working groups and events**

We aim to work closely with other financial market regulators, peer exchanges around the world and other sustainability proponents in steering the capital markets along more sustainable paths. We also actively engage with our stakeholders for consultation and feedback.

Our Key Progress

- Established an ESG Products Task Force to accelerate ESG product development process
- Launched the FTSE4Good Bursa Malaysia Shariah (F4GBMS) Index to track constituents in the F4GBM that are Shariah-compliant
- Entered into a memorandum of understanding (MOU) with Institutional Investors Council Malaysia (IICM) to collaborate on initiatives to advance the SRI ecosystem and drive ESG data standardisation
- Signed a MOU with Alliance Bank Malaysia Berhad and OCBC Bank (Malaysia) Berhad to help PLCs advance the adoption of ESG practices in their business by offering sustainability-linked financial products
- Required all physical delivery of Crude Palm Oil under the Crude Palm Oil Futures contracts to be sourced from palm oil mills that fulfilled the Malaysian Sustainable Palm Oil Certification Scheme requirements
- Launched the 4th edition of the Corporate Governance (CG) Guide and enhanced CG disclosure requirements in the Listing Requirements
- Expanded the Sustainability Disclosure Review to cover all Main and ACE Market PLCs
- Jointly developed the Corporate Sustainability Practitioner Competency Framework with the UN Global Compact Malaysia & Brunei to support the capacity building of corporate sustainability practitioners in the capital market
- Published thought leadership content through BURSASUSTAIN to advocate sustainable finance and highlight the importance of ESG to organisations
- Continued to actively participate in global and local initiatives to contribute to the development of the sustainable finance ecosystem, and took part in events to contribute to thought leadership conversations

Relevant Indicators

- Recorded an increase in the number of F4GBM Index constituents from 75 in 2020 to 80 in 2021, where 57 of them are Shariah-compliant and have been included in the F4GBMS Index
- 44 one-on-one engagements with PLCs on F4GBM Index
- 12 small and medium enterprises were listed on the LEAP Market, an increase of 71% from the previous year
- RM1.4 billion disbursed by Amanah Ikhtiar Malaysia to the community through Bursa Suq Al-Sila' (BSAS) (down from RM1.7 billion in 2020)
- RM5.2 billion financing by cooperatives on BSAS (up from RM2.0 billion in 2020)
- 101 cooperatives trading on BSAS (increased from 86 in 2020)
- Improved average CG score for the Top 100 Malaysian PLCs from 98.4 in 2019 to 101.73 in 2020 in the Malaysian-ASEAN CG Scorecard by Minority Shareholder Watchdog Group
- Recorded average compliance levels of 98% and average quality scores of 58% for Top 100 Main Market PLCs
- Recorded average compliance levels of 86% and average quality scores of 40% for Main Market PLCs
- Recorded average compliance levels of 100% and average quality scores of 23% for ACE Market PLCs

Materiality Assessment and Our Material Matters



Innovation and Technology Excellence

Our Approach

Data and innovation, as well as technology are among the enablers identified in the pillars of our Sustainability Roadmap 2021-2023. As we seek to develop new solutions, platforms and tools to support evolving stakeholder needs, we remain guided by our Technology Roadmap for principles and guidance to help us adopt, adapt, and unlock potential opportunities through technology and innovation.

Our Key Progress

- Introduced the After-Hours (T+1) Night Trading Session in the Derivatives Market, which strengthens the connection between local and global markets
- Completed three proof-of-concepts (PoC) related to distributed ledger technology (DLT) that enabled sustainability-linked bonds on a DLT lifecycle management, dematerialisation of security certificates and the issuance and trading of digital gold dinar
- Enhanced our Derivatives Clearing System to cater for the launch of East Malaysia Crude Palm Oil Futures Contract and the launch of After-Hours (T+1) Night Trading
- Implemented the Securities Futures Trading Platform to facilitate the development and enhancements of Bursa Malaysia Derivatives' securities futures products in a cost-efficient manner
- Enhanced e-Negotiated Large Trade to promote greater accessibility and efficiency for large trades
- Completed several Straight Through Processing (STP) system integrations with BSAS' participants to increase trading efficiency
- Completed the Bursa Trade Securities 2 refresh to ensure our trading engine for securities market remains reliable and has sufficient capacity for future expansion
- Updated Bursa Anywhere mobile app with electronic Rights Issue and electronic General Offer features to allow depositors to electronically subscribe to rights issues and general offers anytime and anywhere
- Improved our market surveillance capabilities, which included, among others, the development of dashboards that display the total value and volume of selected institutional investors groups and the automation of the monitoring of inter-market movements between the securities and derivatives market

Relevant Indicators

- Recorded an average daily contract of 3,220 contracts traded for After-Hours (T+1) Night Trading Session
- Increased total number of transactions to 1.99 million from 1.39 million in 2020 as a result of the integration of STP system
- Enhancement to Bursa Anywhere attracted 87,915 new users and garnered 245,449 downloads with 225,718 registered users
- Received the Outstanding Project¹ recognition and accolade for Bursa Anywhere from Regulation Asia in its Regulation Asia Awards for Excellence 2021

¹ This category recognises financial institutions and service providers that apply innovative techniques or technology solutions to address specific regulatory requirements, rewarding projects that deliver value in a way that sets them apart from industry peers.

Materiality Assessment and Our Material Matters

3 Protecting Our Environment

Protecting and preserving our environment have become an important part of our agenda in recent years as extreme weather events have increased rapidly and caused major destruction and loss of lives around the world. As a market regulator, we want to walk the talk when it comes to protecting our environment and leading public listed companies by example. We will continue to step up our climate action and improve our environmental management to contribute to the nation's transition to a low-carbon economy.



Climate Risks

Our Approach

Our approach to identifying, mitigating and managing climate-related risks is guided by the adoption of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

Our Key Progress

- Embarked on an exercise to align our processes and disclosures with the core elements of the TCFD recommendations
- Reviewed Bursa Malaysia's exposure to climate-related risks and opportunities
- Expanded the scope of the Enterprise Risk Management Framework to include a risk category for sustainability and climate-related risks

Relevant Indicators

- A detailed value-at stake assessment is expected to be completed in 2022 for identified and priority climate-related risks



Environmental Footprint

Our Approach

We continually review our greenhouse gas (GHG) emissions, energy efficiency, water usage and waste generation to manage our environmental footprint. We also employ the Ten Principles of the United Nations Global Compact and the precautionary principles defined in the Global Reporting Initiative Standards to identify potential environmental impacts, as well as preventive actions and cost-effective measures to mitigate and reduce our negative impacts on the environment and human health. Through our Vendor Code of Conduct, our vendors are also encouraged to adopt eco-friendly business practices.

Our Key Progress

- Announced our commitment to achieving carbon neutrality by 2022 and net zero greenhouse gas emissions by 2050
- Announced commitment to set science-based targets in line with criteria and recommendations of Science Based Targets initiative
- Participated in Carbon Disclosure Project's climate change assessment
- Enhanced the carbon footprint model to include additional sources of emissions from our business activities
- Conducted a building energy audit to evaluate internal energy consumption patterns and key energy-consuming assets and equipment
- Undertook a major refurbishment of the office and incorporated eco-friendly design and furniture
- Continued to drive environmental awareness through various educational initiatives

Relevant Indicators

- Bursa Malaysia's GHG emissions were measured at 7,588 metric tonnes
- 0.23 MWh/m² in building energy intensity
- 10,760 kg of paper recycled from the paper recycling initiative conducted in preparation for the 2022 Office Interior Fit-Out Project

Materiality Assessment and Our Material Matters

4 Empowering Our Workforce



Our employees are our most precious asset and the backbone of our organisation. Hence, we believe in nurturing our employees holistically, from providing upskilling opportunities to taking care of their safety and well-being, in order for the organisation to achieve long-term sustainable growth. We also focus on providing the necessary support to foster a high-performing workforce. Additionally, we focus on building a strong culture of business ethics and integrity through robust policies and guidance for our employees.



Anti-Fraud, Bribery and Corruption

Our Approach

We have a zero-tolerance approach towards fraud, bribery and corruption and we take any allegation of such conduct very seriously. We comply with all relevant laws, including anti-corruption laws, and our Board maintains oversight of our approach to managing fraud, bribery and corruption risks. Our compliance with internal and external policies and regulations is reviewed and assessed by our Integrity and Governance Unit.

We have adopted a Three Lines of Defence model, which addresses the roles of employees and management, risk and compliance, and internal audit, in combatting fraud, bribery and corruption at Bursa Malaysia. Additionally, we are guided by our Anti-Corruption Framework, which includes, among others, the Organisational Anti-Corruption Plan that outlines our three-year programme to strengthen governance, integrity and anti-corruption measures, and a Whistleblower Policy and Procedures that provides an avenue for employees or any external party to report any breach or suspected breach of any law or regulation.

Our Key Progress

- Performed quarterly assessments to detect potential corruption risk

Relevant Indicators

- Conducted four webinars to create awareness on anti-corruption
- Received a total of seven complaints but none were related to our employees

Materiality Assessment and Our Material Matters



Workplace Environment

Our Approach

We are committed to providing a safe and conducive workplace environment by safeguarding fair labour practices and protecting human rights to keep our employees safe from all work-related harm. We remain guided by our Sustainability Policy and Code of Ethics for Bursa Malaysia Group as well as our Group Disciplinary Policy, which is accessible via the internal portal 'MY1818' and provides guidelines for employees to raise grievances. Our employees have the right to freedom of association and collective bargaining, whereby our non-executive employees have been part of the National Union of Commercial Workers since 1990.

To provide a safe and inclusive workplace environment, we are guided by two key tenets:

- Diversity and Inclusion – Ensuring equal treatment for our employees at all levels, regardless of their gender, age, ethnicity, sex, disability, religion and any other status
- Health, Safety and Wellness – Creating a healthy and safe workplace for our employees and supporting their physical, mental and emotional wellness. Our health and safety matters are managed by an Occupational Safety and Health Committee comprising representatives from the management and employees

Our Key Progress

- Established a Diversity, Equity and Inclusion Policy to ensure that the organisation is steered by a diverse group of employees in terms of age, ethnicity and gender
- Continued to raise awareness on diversity and inclusion
- Included in the 2021 Bloomberg Gender-Equality Index
- Remained vigilant in 2021 and continued to put in place proper safety measures and Standard Operating Procedures to minimise exposure to COVID-19 risk
- Enhanced physical security at our main office building
- Conducted an Indoor Air Quality assessment to ensure comfortable settings in the office
- Organised a 'Safety and Wellness Campaign' comprising various awareness programmes
- Introduced SWITCH, a fitness application to help employees sustain a healthy lifestyle

Relevant Indicators

- 42.1% of senior management comprised female employees
- Gender pay ratio between male and female employees was 1 to 1
- 14.8% of female employees promoted and 10.9% of male employees promoted
- 7.7% turnover rate for female employees and 11.8% turnover rate for male employees



Employee Engagement

Our Approach

We anchor our employee engagement approach on the following four objectives:

- Ensuring alignment of internal culture with BURSA values
- Encouraging open and transparent communication
- Promoting social connectedness and a sense of belonging
- Building a culture of recognition

Our Key Progress

- Conducted a series of surveys to gather insights from employees on various matters
- Organised engagement activities to promote better relationship building with employees
- Continued to reward employees' children who excelled in major public examinations
- Launched the Employee Engagement Module, to promote open and positive communication with employees to better meet their needs

Relevant Indicators

- Two virtual townhalls were organised to keep employees updated on development of the organisation
- Achieved 67% score for the Employee Engagement Pulse Survey held between 3 - 12 May 2021, and 70% score for the Employee Engagement Final Survey held between 13 - 24 December 2021

Materiality Assessment and Our Material Matters



Learning and Development

Our Approach

Our learning and development approach is anchored on the 70-20-10 learning model, whereby 70% of knowledge is attained through job experience, 20% through social learning and 10% from formal education. We also require employees to submit an individual development plan or training action plan, which is embedded in their individual performance scorecards. Our learning and development programmes are conducted physically and virtually via digital platforms.

Our Key Progress

- Delivered training programmes as guided by the 2021 Learning Plan

Relevant Indicators

- 20,380 total training hours
- RM1,487,630 invested in the learning and development of employees

5 Advancing Our Communities



We believe that reaching out to the communities around us is the key to a sustainable future. Hence, we aim to create shared value with the communities around us, where our goals, vision and mission are aligned with the needs of the local communities.



Community Investment

Our Approach

We invest in the local communities via our charitable arm, Yayasan Bursa Malaysia, using three strategic approaches:

- Developing targeted long-term programmes that are aligned with the identified strategic priorities of Bursa Malaysia
- Seeking out partnership opportunities to scale up efforts and implement solutions towards common goals
- Continuously improving existing mechanisms and processes to enhance capacities and efficiencies in delivering sustainable impacts

We are also guided by the Corporate Social Responsibility Plan 2021-2023 that is anchored on three pillars to better create sustainable value for the communities and generate long-lasting positive impacts:

- Responsible Consumption and Production
- Financial Literacy
- Poverty Alleviation and Disaster Relief

Our Key Progress

- Launched re.Food, Bursa Malaysia's flagship food waste management programme to reduce food waste disposal to landfills
- Established Bursa VIBE, Bursa Malaysia's official employee volunteer club

Relevant Indicators

- Collected 1,675 kg of food from six participating corporates of our re.Food initiative and donated to various B40 communities
- Contributed RM320,000 to support initiatives related to responsible consumption and production
- 19 scholars supported under Yayasan Bursa Malaysia Scholarship Programme
- Contributed RM5.8 million to various COVID-19 relief efforts, including donations of oxygen concentrators, ambulance units to the Red Crescent Society and digital school equipment under the CERDIK programme
- Contributed RM500,000 to NGOs for disaster relief efforts and benefitted more than 12,000 individuals impacted by floods
- 75 employees volunteered through Bursa VIBE

SECTION

03

DELIVERING VALUE TO STAKEHOLDERS

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Outlook

Management Discussion and Analysis

DELIVERING ON OUR COMMITMENTS

Bursa Malaysia continued to create robust value for our stakeholders in 2021 while delivering on our commitments and plans outlined in our Strategic Roadmap 2021-2023.

Since 2020, the Exchange has been operating under adverse conditions that have proved challenging and introduced additional volatility into our marketplace. Nevertheless, we successfully navigated our way through this past year due to the flexibility and agility of our organisation, as well as the initiatives that were implemented to make us and our marketplace more resilient. We are therefore prepared to handle contingencies such as the COVID-19 pandemic and deliver another year of strong performance.

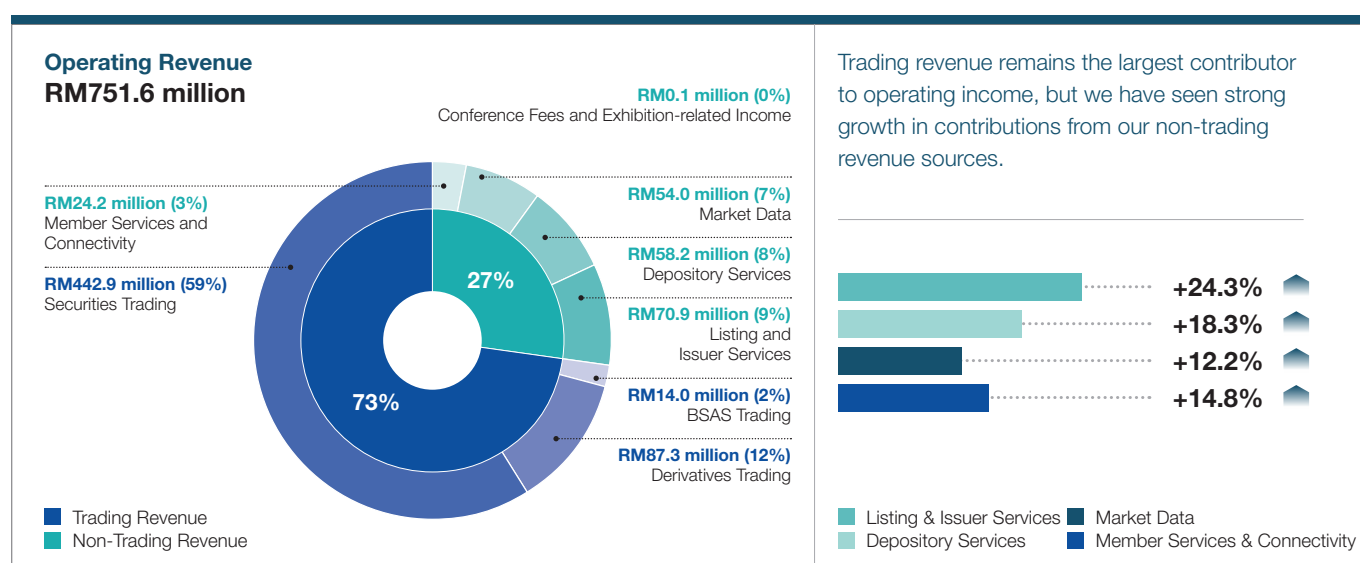
FINANCIAL REVIEW



Bursa Malaysia's Profit After Tax and Zakat (PAT) for the financial year ended 31 December 2021 came in at RM355.3 million, from the record high of RM377.7 million posted in 2020.

This represents a year-on-year (yoy) decline of 6.0% although the performance in 2021 has remained robust relative to the performance in the years prior to 2020.

Operating revenue in 2021 declined 3.5% yoy to RM751.6 million from RM778.8 million due mainly to lower contributions from the Securities Market. Securities trading revenue for the year totalled RM442.9 million, down 11.2% from RM498.9 million in 2020, as trading volume moderated from the record highs seen in 2020. Derivatives trading revenue had similarly decreased, but by a lower quantum of 4.1% yoy to RM87.3 million from RM91.1 million. The decline in revenue contributions from the Securities and Derivatives Markets was partially cushioned by increased contributions from non-trading revenue sources, including listing and issuer services, depository services, market data as well as member services and connectivity, and also by the higher trade fees collected from Bursa Suq Sila' (BSAS).



Operating expenses (opex), meanwhile, moderated 1.1% to RM288.6 million from RM291.8 million in 2020. Although the Exchange had seen an increase in headcount and development expenses, total opex for the year had declined as the spend for 2020 included some large one-off expenses. The Exchange's Management remained prudent in managing expenses, especially during the uncertain operating environment.

Please turn to page 187 of this report for a comparison of our opex for 2021 and 2020.

Management Discussion and Analysis

In 2021, Bursa Malaysia's capital expenditure (capex) spend totalled RM37.2 million, representing an increase of more than 2.6 times from the RM14.2 million spent in 2020. The Exchange's capex spend was funded entirely by internally generated resources, and was focused on the delivery of strategic objectives. These included the continuous refresh of our technology and IT infrastructure, enhancing the Exchange's cyber security measures and the implementation of the After-Hours (T+1) Night Trading Session. Our capex spend is largely determined by identified strategic objectives, and can be expected to fluctuate based on our strategic priorities for any given year.

No significant change to our financial position was registered during the year. Similarly, no significant event had a material impact on Bursa Malaysia's liquidity in 2021.

Rewarding Our Shareholders

Bursa Malaysia's Board of Directors has declared a final dividend of 17 sen per share, amounting to a total of RM137.6 million. Together with the interim dividend of 24 sen per share paid in August 2021, our total dividend payout for 2021 is 41 sen per share or RM331.8 million. This represents 93% of our PAT and is in line with our policy of paying out no less than 75% of our annual profit after tax and minority interest (PATAMI) and our actual practice of paying out more than 90% of PATAMI since listing. Our dividend yield for the year of 6.3% is higher than the FBMKLCI's average yield of 4.5% as at 31 December 2021.

SECURITIES MARKET



The Securities Market put in a strong, resilient performance in 2021 and benefitted from the market volatility arising from the COVID-19 pandemic.

Despite negative news flow during the year, securities trading remained vibrant, driven mainly by the low interest rate environment, ample liquidity and the high level of retail participation in the market. Although the numbers had come off the highs seen in 2020, the performance in 2021 continued to demonstrate the strength of the Exchange and the value that we create for our stakeholders. The FTSE Bursa Malaysia KLCI hit its highest point at 1,640 points in March 2021 and reached its lowest at 1,481 points in December 2021.

The Securities Market reported an operating revenue of RM630.8 million, representing a decline of 3.6% yoy from the RM654.5 million recorded in 2020, and accounting for 83.9% of total Group revenue in 2021. Trading revenue decreased 11.2% to RM442.9 million (2020: RM498.9 million) in tandem with the decline in average daily value (ADV) for on-market transactions (OMT) and direct business transactions, which collectively came to RM3.7 billion (2020: RM4.3 billion), down 15.1% yoy.

Retail investors continued their momentum from 2020, accounting for 38% of ADV in 2021. Total retail ADV had dropped to RM1.3 billion from a record high of RM1.6 billion in 2020. Retail trading velocity was lower at 49% (2020: 64%), although retail investors emerged again as net buyers in 2021 at RM12.2 billion (2020: RM14.3 billion).

Meanwhile, non-trading revenue from the Securities Market increased 20.8% yoy to RM187.9 million (2020: RM155.6 million) due to higher revenue from Listing and Issuer Services, Depository Services, Market Data as well as Member Services and Connectivity.

Segment Revenue

	2021 RM million	2020 RM million	% Change
Trading Revenue	442.9	498.9	-11.2
Listing & Issuer Services	70.8	56.9	+24.3
Depository Services	58.2	49.2	+18.3
Market Data	42.9	36.4	+18.0
Member Services and Connectivity	16.0	13.1	+22.3
Total	630.8	654.5	-3.6

Management Discussion and Analysis

Securities Market

OPERATING ENVIRONMENT

Trading participation remained strong although overall trading levels had come off the highs seen in 2020 especially in the second half of 2021. This was mainly due to the low interest rate environment in Malaysia, which continued to attract investors into the market in search of higher returns.

However, lack of positive drivers, including weak corporate earnings and the fluctuating number of COVID-19 cases had, in 2021, removed some of the lustre from Malaysian equities in the second half of the year and contributed to overall lower trading participation. Although the market did see significant inflow from foreign investors from August to November, coinciding with significant developments in China's capital market, the inflow was not significant enough to offset the total outflow for the year.

DELIVERING OUR STRATEGY

The development of the Securities Market has been identified as a strategic pillar under Bursa Malaysia's Strategic Roadmap 2021-2023.

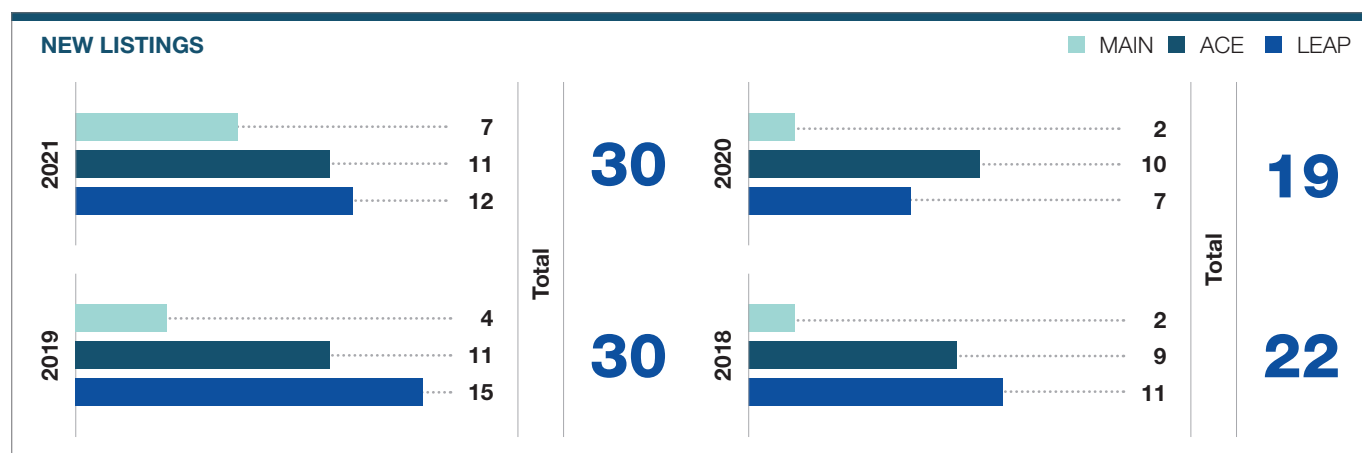
In the following discussion on our initiatives, we indicate the way in which these initiatives relate to two of our three Core Strategies: Product Expansion and Ecosystem Development.

PRODUCT EXPANSION

Initial Public Offerings (IPOs) and New Listings

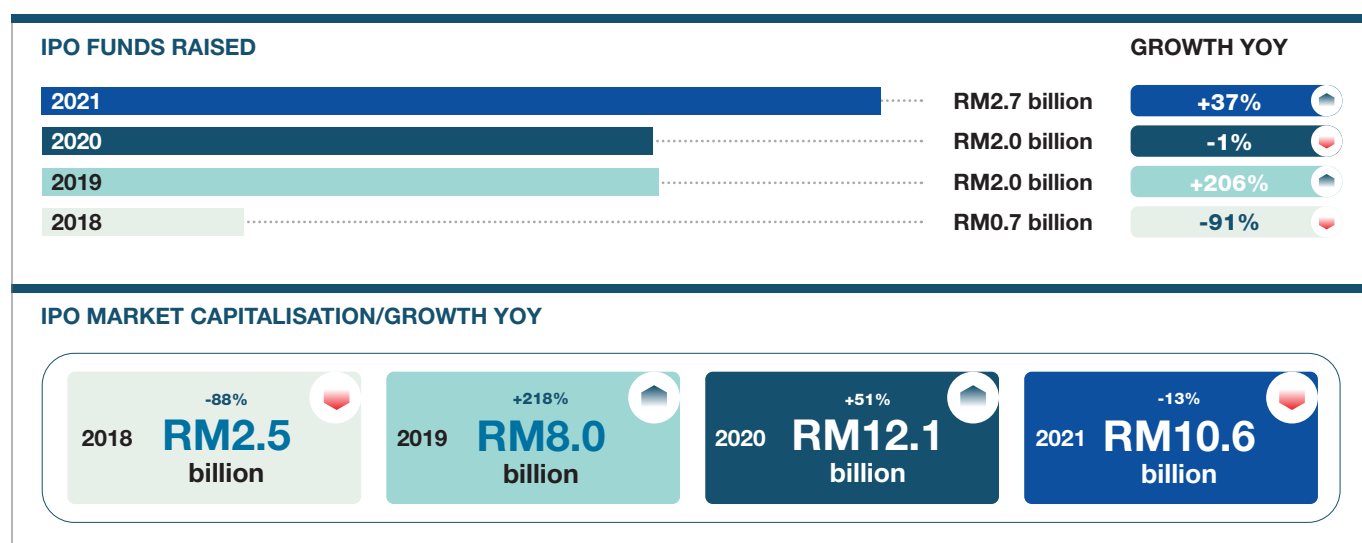
IPOs and new listings are critical to our product expansion strategy as they diversify and deepen the types of securities available on our marketplace, therefore appealing to a wider range of investment strategies and risk appetites. The Exchange recorded 30 new listings in 2021 (2020: 19 listings) which raised a total of RM2.7 billion (2020: RM2.0 billion).

The vibrancy of the IPO market in 2021 is attributable to healthy investor appetite for new listings and the ample liquidity available in both the retail and institutional investor segments. The general investing public also showed keen interest in participating in IPOs and this was particularly evident during the public balloting portion of the IPOs. Over-subscription rates of as high as 176.6 times was recorded during the year, a clear indicator of strong investor demand for new investment opportunities.



Management Discussion and Analysis

Securities Market



Moving forward, we will continue to reach out to potential issuers through our outreach programmes and targeted one-on-one engagement sessions to further build our IPO pipeline. In addition, we will continue working together with other parties including government agencies, trade associations and other capital market intermediaries to promote the merits of listing on Bursa Malaysia.

Secondary Market

There was an increase in the number of secondary issuances in 2021 to 633 (2020: 390), raising a total of RM14.3 billion, which is 79.1% higher than the RM8.0 billion raised in 2020. Public listed companies (PLCs) from the Industrial Products and Services, Consumer Products and Services, and Technology sectors accounted for 71.2% of the 633 issuances. In terms of value, the three sectors collectively contributed to 62.1% of the total amount raised.

Although the Movement Control Order (MCO) procedures had posed challenges on physical meetings, we continued to conduct one-on-one engagement sessions and business development sessions (mostly virtual sessions) with existing PLCs, potential issuers and other market participants to promote secondary fundraising in the form of equity or exchange traded bonds and sukuk. These meetings were also important as they helped us gather valuable feedback to improve the existing fundraising framework.

Alternative Market

Since 18 December 2020, all outstanding Government securities, namely the Malaysian Government Securities and the Malaysian Government Investment Issues have been listed on Bursa Malaysia's Exempt Regime, in addition to corporate sukuk and bonds. Introduced in 2008, the Exempt Regime is a platform to list sukuk and bonds for profiling purposes only, without any quotation or trading taking place. As at end December 2021, the value of outstanding issuance of sukuk and bonds listed on the Exempt Regime stood at USD263.0 billion, an increase of 7.0% from the USD245.8 billion recorded in 2020.

Exchange-Traded Funds (ETFs)

ETFs remain an important growth avenue for our securities market. The vibrancy of the ETF ecosystem will catalyse the development of new innovative products that will in turn attract new classes of investors to further deepen our investor base. Various ETF-related initiatives were implemented in 2021 which include:

- Listing of the VP-DJ Shariah China A-Shares 100 ETF in July 2021.
- Revising the Capital Market Development Fund ETF Incentives to provide subsidies for ETF market makers to develop their ETF market making systems, thereby helping them scale up and improve operational efficiency.
- Increasing the volume of ETF information available on BursaMKTPLC and Bursa Academy, with four research companies supplying research coverage on all ETFs listed on Bursa Malaysia.
- Making available coverage on ETFs on our new Bursa Digital Research platform.
- Working together with ETF issuers and Participating Organisations (POs) to conduct educational and awareness webinars to engage investors.
- Incentivising retail participation in the ETF space through three Rewards Programmes.

Management Discussion and Analysis

Securities Market

We also conducted a retail survey in 2021 to determine the current level of investor understanding and interest in ETFs. The results of the survey will be used to guide our future ETF initiatives. Meanwhile, our engagement with our institutional investors and partners have also revealed some of the challenges faced in the ETF ecosystem. While some of the issues were being addressed through the initiatives implemented in 2021, more steps would be undertaken to address these underlying concerns.

Structured Warrants (SWs)

Our SW ecosystem is another key growth catalyst for the Securities Market. SWs cater to different risk appetites and investment strategies thereby attracting a new segment of investors into the Malaysian marketplace. One of the challenges of SWs is lack of understanding by the investing public who remain relatively unfamiliar with the nature of SWs and their role in investment portfolios.

In response, we continued to work together with SWs issuers and POs to organise educational webinars to generate demand for the asset. These webinars replaced the physical seminars which were interrupted by the imposition of the MCO. We have also stepped up the utilisation of social media to build awareness of SWs, and conducted a free SWs course on Bursa Academy.

Similar to ETFs, we have put in place an incentive programme that ran from November 2021 until January 2022 to encourage greater retail participation in the SWs space. SWs' 2021 ADV totalled RM48.9 million with over 57,900 unique accounts participating in trades during the year. Total SW issuances of 1,451 was at a five-year high. There is also greater variety of SWs covering both local and foreign indices as well as foreign stocks.

ECOSYSTEM DEVELOPMENT

Supporting Our PLCS and Stakeholders

Pursuant to the PEMERKASA Strategic Programme announced by the Prime Minister on 17 March 2021, the Securities Commission Malaysia (SC) and Bursa Malaysia issued a joint press release on 19 March 2021 to grant the following additional relief measures:

- a) A 12-month waiver on listing-related fees for IPOs effective 17 March 2021:
 - A 100% waiver on processing fee for companies submitting an application to list on the ACE and LEAP Markets as well as those companies with less than RM500 million market capitalisation on the Main Market;
 - A 100% waiver on initial listing fee and annual listing fee for companies with less than RM500 million market capitalisation; and
 - A 50% waiver on initial listing fee and annual listing fee for companies of RM500 million market capitalisation and above.
- b) A 50% rebate on annual listing fees for the year 2021 for listed issuers that meet the following criteria:
 - Market capitalisation below RM500 million as of 31 December 2020; and
 - Report financial losses as measured by Group loss after tax in their quarterly report for a quarter ended on any date between 1 February and 30 April 2021 (inclusive) notwithstanding the date of submission of the same.
- c) A waiver on processing, perusal and listing fees on regularisation proposals received by 31 December 2021 from:
 - Listed issuers that have been classified as a PN17/GN3 company;

- Cash companies as set out in para 8.03 of the Main Market Listing Requirements (MMLR) and ACE Market Listing Requirements (ACE LR); and
- Companies with an inadequate level of operations as set out in para 8.03A of the MMLR and ACE LR.

Other measures undertaken to support our PLCs and stakeholders can be found in our Marketplace Report: Fair and Orderly Markets on pages 111 to 116 of this report.

INSTITUTIONAL DEVELOPMENT

Bursa Malaysia's institutional marketing initiatives play an important role in growing our investor base and developing institutional participation in our marketplace. This contributes to overall ecosystem resilience in terms of deepening liquidity and boosting the attractiveness of our market. In addition to our flagship Invest Malaysia Kuala Lumpur (IMKL) event, we focused our effort in 2021 on profiling PLCs, enhancing PLCs' exposure to the investment community by improving their Investor Relations (IR) capabilities, and enhancing the information landscape for all investors.

Targeted Marketing Initiatives

2021 marked the second year of pivoting our IMKL event, a calendar highlight of the Malaysian capital markets industry, to virtual events to overcome restrictions on physical meetings and reduce the risk of exposing our participants to the COVID-19 virus. We held four virtual IMKL events in 2021 covering topics ranging from economic reform, reviving Malaysia's growth engine, 5G & Industry 4.0 to renewable energy. Each event was co-hosted with a different broker. The IMKL events were attended by 1,299 participants from 244 institutions globally and were streamed live on social media. Outside of Malaysia, an IMKL Away event was also held for Singapore participants, which was attended by 18 institutions.

Management Discussion and Analysis

Securities Market

Aside from IMKL, we also held three Exchange marketing collaborations, eight Sectoral Series events, 13 Corporate Series events, and 14 media profiling activities.

Strengthening IR Capabilities among PLCs

Bursa Malaysia launched its IR & Public Relations (PR) Incentive Programme to improve the in-house IR and PR capabilities of participating PLCs and thereby enhance their visibility and accessibility to the investment community. Participants are given a one-year training course, covering ground that ranges from the preparation of corporate presentations and investor briefings, to public relations engagements such as drafting press releases and conducting media interviews.

Enhancing Our Institutional Web Portal

We rebranded our Institutional Insights portal as Bursa Broadcast in November 2021. In addition to the previous content, which includes key takeaways from the Sectoral Series and Corporate Series events, we added a new segment called Briefing Highlight which features the financial results briefings of participating PLCs, including those under the IR & PR Incentive Programme. Through this upgrade, we have improved investors' access to our PLCs, subject matter experts and proceedings of our sectoral and corporate events, thereby giving them greater visibility into our marketplace.

Improving Information Landscape

We launched Bursa Digital Research, a multi-faceted in-house research portal that aims to provide the investment community with an added source of research and data analysis. This is the Exchange's latest initiative to enhance the information landscape, improve data transparency to the market and catalyse participation in emerging themes. In addition, this new platform offers a new digital touch point between PLCs and the market to improve their visibility, complementing our Bursa Broadcast platform.

As part of our effort to improve financial literacy and information accessibility, research works are also published on the Bursa Malaysia website and accessible by the public at no cost. The Bursa Digital Research portal offers four main information categories as follows:

- Market Updates – in-house research analysis offering latest insights within the capital market, covering a wide range of topics including, but not limited to, trading momentum, global and local market trends, compilation of analyst consensus, indices revisions and highlights of investor product segments;
- Bursa Blitz – a series of FAQs touching on matters related to PLCs' businesses and industries, covering latest developments and prospects;
- IPO – factsheets offering quick reads about the latest IPO launches to improve application rate, while quarterly performance reports provide comprehensive performance reviews, key statistics and insights on the trading of new listings; and
- ETF – monthly performance reports from the perspective of trading, fund flow and asset size.

To ensure the research pieces reach the investment community, we leverage our effort further by promoting new content on Bursa Digital Research via our social media platforms. All postings are complemented with infographics to highlight the available research, offering a quick read and understanding to investors, thus ensuring that investors benefit from the research and analytical work.

Enhancing Regional and Global Connectivity

Cross-border visibility of Malaysian PLCs is an important part of the Exchange's efforts of attracting new foreign investors to deepen and diversify our investor base. As part of the ongoing Bursa Malaysia-Shenzhen collaboration, we continue to onboard our PLCs on the V-Next platform, a subsidiary of the Shenzhen Stock Exchange (SZSE), for business connectivity and profiling. Eighteen of our PLCs have been onboarded thus far, with more to come. In addition, we also organised a virtual event in collaboration with SZSE to promote Malaysian PLCs involved in the electric vehicle industry.

RETAIL MARKETING

Retail participation on Bursa Malaysia had surged since the start of the COVID-19 pandemic as investors turned to the equities market in search of higher returns. Retail participation remained high in 2021, accounting for 38% of overall market total trading value (2020: 38%). There was a shift in retail trading trends which saw investors switching their interest from the healthcare sector to the industrial products and technology sectors in early 2021. This was followed by a significant shift towards the banking, travel or leisure and consumer-related sectors after the announcement of the lifting of the MCO in October 2021.

Our efforts to draw younger investors to the market through segmental marketing initiatives have yielded positive results. Overall, investors aged below 35 years old made up for 54% of new accounts opened in 2021 (2020: 52%). In addition, 35% of the new accounts were opened by women. In response to this robust growth in retail participation, we have increased the delivery of our investor education and knowledge dissemination programmes, particularly through digital channels, e.g. through webinars and access to our virtual events such as Bursa Marketplace Fair and Opportunities Series Webinars where we featured PLCs as well as investment and education talks by our broker partners. Our efforts in 2021 have resulted in 223,249 new individual Central Depository System (CDS) accounts opened and a total of 57,586 CDS accounts reactivated.

We have made it a priority to maintain the current level of retail involvement, in line with our strategic goals as this contributes to the overall vibrancy of our marketplace. We are working on several areas to sustain retail trade participation, including:

- Promoting stock awareness and education through BursaMKTPLC and informed investing through our Mirror, Learn and Trade platform. There are now over one million users registered on BursaMKTPLC and 247,000 users on the BursaMKTPLC mobile app.

Management Discussion and Analysis

Securities Market

- Launching of the What's Your Interest campaign at the beginning of 2021 and the Bursa Opportunities awareness and webinar series in November 2021, which contain company insights and market outlooks provided by brokers, analysts and PLCs for retail investors.
- Launching our first virtual Bursa Marketplace Fair in July 2021, which aimed to develop a better understanding of investing in the capital market among Malaysians. The one-day fair was designed to cater to all retail investing segments, from seasoned investors to beginners, women, millennials and inactive investors.
- Enhancing our Bursa Anywhere mobile app with the eRights feature to give investors greater flexibility and convenience to apply for Rights Issues via the app. There are presently 225,718 registered users on the Bursa Anywhere mobile app and the app had received 265,288 CDS applications as at the end of December 2021.
- Consolidating our retail social media channels under the BursaMKTPCLC brand to provide streamlined retail information and a single retail platform on social media for Bursa Malaysia.
- Incentivising our broker partners to promote new CDS account openings and encourage their clients to conduct trades on our market through our new Broker and Salesforce Retail 2021 programme. The nine-month programme, which ended in September 2021, saw 84,645 accounts opened and RM34.1 billion in trades executed, surpassing our targets by 308% and 259% respectively.
- Collaborating with Singapore broker partners to launch regional webinars aimed at increasing foreign retail investors' awareness of our local stock market.

ENHANCING MARKET LIQUIDITY

Bursa Malaysia offers a wide variety of securities-related products and services to encourage trading participation and to give our investors the tools they need to manage and hedge their investment portfolios. This, in turn, enhances the vibrancy of our marketplace and deepens our investor base, resulting in a more sustainable market ecosystem. The following are enhanced or new products and services introduced in 2021:

- Renewing the Volume-Based Incentive Programme (VBIP) in 2021 after taking into consideration prevailing market conditions and the impact of the programme on market liquidity. Introduced in 2018, VBIP encourages traders to transact at higher volumes and entices the entry of new investors such as foreign proprietary trading firms. The higher volumes and new traders are expected to bolster market liquidity and foster greater resilience into our marketplace. Registered VBIP participants contributed an average of 10.0% to total market ADV in 2021 as compared to 12.4% in 2020.
- The Pilot Market Making Program (PMMP) was launched in June 2021 to increase the liquidity and price efficiency of selected mid-to large-cap stocks (Eligible Stocks) with low velocity. PMMP, a sandbox initiative that will be undertaken over a two-year period, will see the entry of eligible Market Makers into the market. The

Exchange will assess the programme's effectiveness based on various factors, including the improvement in velocity, bid-ask spread, as well as the traded value of the Eligible Stocks.

- Resumed Bursa Malaysia's regulated short selling programme in January 2021 after it was suspended on 24 March 2020. This decision was taken to facilitate our investors' risk management capabilities as well as to resume Securities Borrowing and Lending activities, which is integral to promoting product development and market-making activities. However, the suspension of Intraday Short Selling as well as the Proprietary Day Traders intraday short selling programmes remained in effect for the year.

Channel Management

Bursa Malaysia's channel management initiatives are designed to foster more effective, cohesive and collaborative business relationships with our partners. In 2021, we held more than 30 sessions with our broker partners on various topics including:

- Educational programs for retail investors of which 70 virtual workshops were organised for investors;
- Discretionary Trading Programme; and
- Retail initiatives held in collaboration with broker partners, e.g. our ETF and SWs education and campaigns.

A pilot for a series of educational webinars was also developed in collaboration with three broker partners to help investors better leverage on Bursa Malaysia's Data Business Analytics proof-of-concept programme to improve their portfolio returns. The Exchange also provided our brokers with our quarterly Broker Data Factsheets, which provide summaries of the broking landscape. These Factsheets aim to provide our broker partners with business benchmarks to encourage them to further grow their respective market share. This was topped off with the holding of our Broker Sales Force Awards in 2021, which presented over 80 awards to dealers and remisiers in recognition of their contributions to the market.

Bursa Excellence Awards

The Bursa Excellence Awards is held annually to recognise the best performing brokers in the country. Award winners in 2021 were selected through a stringent selection process verified by audit specialists SJ Grant Thornton which takes a holistic view of the business activities of our broker partners. This event brings together the broking fraternity from all three securities, derivatives and Islamic capital markets and recognises their joint contribution in building our capital market together. A total of 52 awards in 22 categories were presented during the ceremony – themed 'Rising Together, Achieving Greatness' – held on 4 April 2021.

Management Discussion and Analysis

DERIVATIVES MARKET



Bursa Malaysia Derivatives (BMD) saw vibrant trading in 2021 with growing volatility and uncertainty spurring higher trading volumes.

A combination of factors—including a decline in palm oil production, recovering demand for edible oils and uncertain prospects in the greater market—saw traders take aggressive positions in derivatives to protect their positions and take advantage of market swings. Total volume for all derivative products traded recorded a historical high in 2021 with 18.4 million contracts exchanging hands, surpassing the previous record of 18.2 million contracts seen in 2020.

Breaking down this figure sees robust trades of our main products, with the trading of Crude Palm Oil Futures (FCPO) contracts reaching a new annual high of 15.6 million contracts (2020: 14.6 million contracts) and a new monthly high in June 2021 of 1,705,276 contracts, superseding the previous record of 1,661,570 contracts set in March 2020. The same was true for our Option on Crude Palm Oil Futures (2021: 95,205 contracts against 2020: 63,626 contracts). Meanwhile, volatility in the Securities Market continued to fuel the trade of the FTSE Bursa Malaysia KLCI Futures (FKLI) during the year. Trading of the FKLI registered a new all-time daily trading volume high on 27 May 2021, with 66,887 contracts exchanging hands, surpassing the previous record of 65,000 contracts in 2020.

Operating revenue contributions from BMD, however, decreased 4.3% yoy to RM98.4 million (2020: RM102.8 million). While total contracts traded hit a record high during the year, trading revenue declined 4.1% yoy to RM87.3 million (2020: RM91.1 million). This was due, in part, to a lower number of FKLI contracts exchanging hands in 2021, which carry a higher trading fee. Additionally, the reduction of the collateral management fee to 0.5% from 1.0% had contributed to the overall decrease in operating revenue.

Segment Revenue

	2021 RM million	2020 RM million	% Change
Trading Revenue	87.3	91.1	-4.1
Market Data	10.9	11.4	-4.3
Member Services and Connectivity	0.1	0.1	+4.2
Conference Fees and Exhibition-related	0.1	0.2	-74.0
Total	98.4	102.8	-4.3

OPERATING ENVIRONMENT

The average price of Crude Palm Oil (CPO) surged by 64.1% to RM4,407.00 per tonne in 2021, its highest in the history of palm oil from the average of RM2,685.50 per tonne in 2020 due to tight supply and high demand from the resumption of economic activities. Labour shortages in Malaysia was the main disruptor of CPO production, which fell 5.3% to 18.12 million tonnes for 2021 as compared to 19.14 million tonnes during the same period in 2020.

As a result of these developments, the price of the global benchmark FCPO contract reached a new historical high of RM5,220.00 on 21 October 2021 which had a corresponding impact on the trading patterns of FCPO. Overall, the average daily contract (ADC) for FCPO increased 8.2% yoy in 2021 as key foreign traders from India and China re-entered the market aggressively to secure supplies of the commodity. A duty cut in India for the import of edible oil also encouraged demand, as did the resumption of operations by local industries and businesses. Demand in Malaysia was similarly spurred by the gradual lifting of the MCO.

Management Discussion and Analysis

Derivatives Market

DELIVERING OUR STRATEGY

We have a vital role to play in the future development of the Exchange, with the diversification of the derivatives business as one of the five strategic pillars outlined in our Strategic Roadmap 2021-2023.

The ultimate goal is to transform BMD into the leading commodities exchange in ASEAN through the internationalisation of our market and expansion of derivative products. As one of the founding derivatives exchange members of the United Nations Sustainable Stock Exchange (SSE) network, BMD will continue to advance the sustainability agenda with the SSE partner exchanges to promote best practices of sustainable development. Our developmental initiatives are grouped under our Core Strategies: Product Expansion and Ecosystem Development.

PRODUCT EXPANSION

East Malaysia Crude Palm Oil Futures (FEPO)

FEPO was introduced to our suite of products on 4 October 2021. Focusing on the needs of our East Malaysia customers, this new contract caters to the evolving needs of Sabah and Sarawak palm oil market players by providing greater price transparency and serves as an alternative risk management tool with Shariah-compliant status. Trading hours of the FEPO contract is aligned with RBD Palm Olein in China's Dalian Commodity Exchange in order to attract attention from commodities desks such as lauric oil traders and arbitrageurs.

Malaysian Sustainable Palm Oil (MSPO) Certification for FCPO Contract Physical Delivery

Effective 1 April 2021, all FCPO physical delivery must be MSPO-certified by certification bodies accredited by the Department of Standards Malaysia. Sellers intending to make physical delivery will need to include the certification number in the traceability document. The implementation of the traceability document provides greater transparency into the supply chain as well as the sustainability-certification of the delivery of palm oil.

Revamped Crude Palm Kernel Oil Futures (FPKO)

The US-Dollar denominated FPKO contract was revamped to better cater to industry's needs as a hedging instrument against the physical market. The enhancements also enabled the FPKO to be used as an alternative instrument for local and international participants to trade. The contract improvements are applied across five main areas: contract grade, delivery points, daily price limits, speculative position limits and imposing traceability document requirements.

Revamped 3-Year and 10-Year Malaysian Government Securities (MGS) Futures (FMG3 and FMGA)

Following the successful relaunch of the 5-year MGS Futures Contract with a revised settlement from cash settlement to physical delivery, a similar enhancement was applied to the FMG3 and FMGA in December 2021. In doing so, we effectively enhanced the function of both contracts as a hedging instrument for MGS holdings and while improving market accessibility and liquidity.

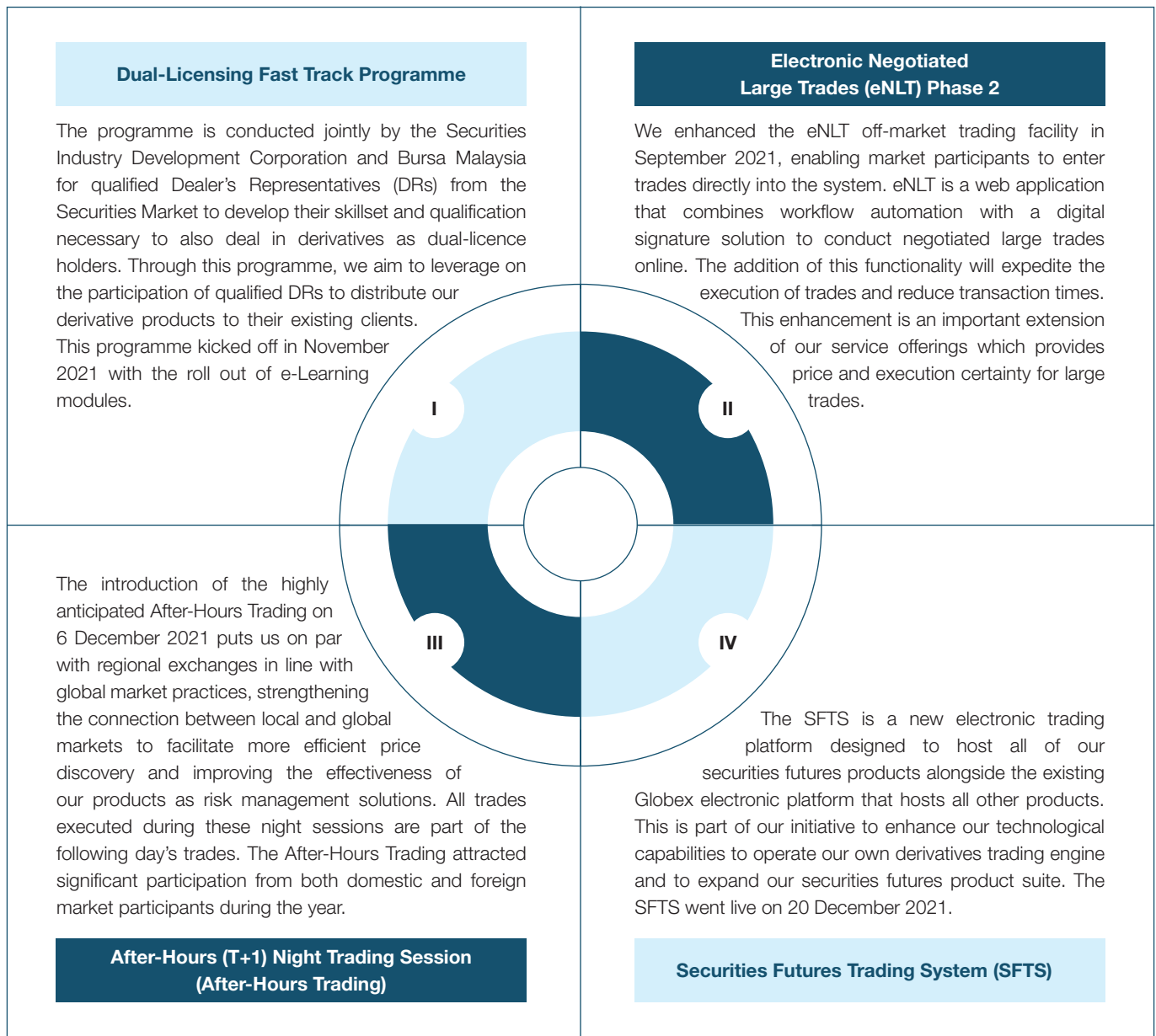
Management Discussion and Analysis

Derivatives Market

ECOSYSTEM DEVELOPMENT

Enhancing the Capabilities of Our Marketplace

Improvements and enhancements are constantly being made to our ecosystem to make our marketplace more attractive and competitive, and to add new trading tools for our market participants.



Management Discussion and Analysis

Derivatives Market

INTERNATIONAL CONFERENCES AND EVENTS

Virtual Palm and Lauric Oils Price Outlook Conference (POC) 2021

Our flagship POC was held virtually for the second consecutive year as COVID-19 pandemic-related disruptions prevented the holding of an in-person event. The virtual POC, which was the 32nd in the series of the conference, was held from 23 - 24 March 2021, generating over 52.9 million impressions over two days. A total of 956 participants from 48 countries participated in the event, which saw an increase in the number of participants from China. The POC remains a significant forum for us to promote product offerings from our palm oil complex and draw new investors.

In addition to the POC, we participated in two international conferences during the year—Globoil India 2021 and Virtual Futures & Options World Trading Singapore—to strengthen our brand visibility in the derivatives and palm oil industry. We also collaborated with foreign brokers to hold virtual events and webinars for their clients as part of our strategy to draw greater foreign investor participation.

We hosted and participated in 23 international events in 2021, reaching out to a total of 10,567 individuals.

Expanding Our Reach in the Region

We conducted a number of collaborations with regional partners, particularly from Greater China, to expand our reach in the region. On 1 November 2021, BMD signed a Memorandum of Understanding (MOU) with the Zhengzhou Commodity Exchange (ZCE) to explore a cross-exchange partnership. The two exchanges aim to collaborate in the areas of information exchange, joint-research for product development, training and educational events. In total, we participated in twelve events in the Greater China region to promote our marketplace, reaching a total of 5,828 attendees.

Other regional events in 2021 include:

- participated in the virtual ZCE International Futures Forum;
- collaborated with financial media companies, Finfo Global and Enmore Infotech, to hold a series of palm oil webinars targeted at Chinese retail investors and institutions;
- supported the Malaysian Palm Oil Board and Malaysian Palm Oil Council at the Malaysian-China Sustainable Palm Oil Forum held in Chongqing, China; and
- collaborated with Yuanta Futures Taiwan to train its sales teams on our products.

Delivering Investor-Focused Strategies

Our investor-focused strategies are designed to attract a new and more diverse group of investors and thereby build a more resilient and vibrant marketplace. The strategies are tailored to accomplish several objectives, which include:

- Raising awareness of our products through marketing and education engagements;
- Promoting products with a low barrier of entry that share characteristics of equity-based products, to encourage greater participation of retail investors in the derivatives space;
- Maintaining the sustainability of our intermediation capacity via recruitment drives and incentives aimed at market intermediaries; and
- Reaching out to more institutional players in China, Hong Kong and Taiwan by working together with peer exchanges.

A total of 8,230 new Derivatives Clearing and Settlement accounts were opened in 2021 representing a 35% yoy increase. We continued to see strong foreign institutional participation, which accounted for 46% of new accounts opened during the year, while retail participation stood at 31%.

Improving Market Visibility and Increasing Investor Engagement

Trading participation on BMD has steadily increased since the end of 2019 due in part to the operating environment caused by the COVID-19 pandemic. Sustaining the level of trade participation in the marketplace is a priority for the Exchange. We conducted a number of initiatives aimed at further improving our visibility and intensify investor engagement. These have yielded positive results, as we received over 494 million total impressions via press releases and media interviews.

We continued to focus our efforts on digital and social media content to widen our reach and increase our product awareness. Our digital content had a total reach of 2.4 million and engagement of 144,901 in 2021. With COVID-19 pandemic conditions continuing to prevent the staging of in-person events, our engagement sessions were held virtually in 2021. We hosted and participated in 83 domestic and international events attended by 44,965 participants. These events were employed to promote new products, raise awareness of existing products and create new leads to expand our investor base.

To further familiarise new retail investors with derivatives trading, we launched the Derivatives Trading Simulator (DTS) on BursaMKTPLC to help them practise and familiarise themselves with the process. In 2021, a total 6,787 users registered on DTS. Supporting this initiative was the launch of our inaugural Derivatives Virtual Trading Challenge, which ran from 15 November 2021 to 14 December 2021. The Challenge was designed to incentivise investors to try the DTS and therefore raise the visibility of the simulator, which saw a total of 4,550 participants.

Management Discussion and Analysis

BURSA DATA BUSINESS



Bursa Data Business (BDB), formerly known as Business Analytics and Information Services, continued its strong growth momentum in 2021 by moving its portfolio of offerings to higher value space and expanding its ecosystem collaborations.

This is a positive development for the Exchange, which has identified the growth of this segment as an important development area that allows us to offer new and improved services based on key themes such as data science as well as environmental, social and governance (ESG) to the capital market.

In 2021, revenue contributions from this segment increased by 12.2% yoy to RM54.0 million (2020: RM48.1 million) owing to growing demand from subscribers for applied trade and ESG-related insights and information, which are then used to generate in-depth insights and analyses to support investment decisions. Additionally, we have implemented an Enterprise Data Transformation programme to steer Bursa Malaysia towards becoming a data-driven organisation. In the segmental report, revenue for BDB is recorded under both the Securities and Derivatives Markets, depending on the type of revenue.

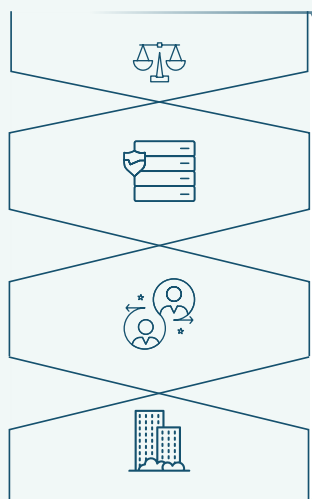
OPERATING ENVIRONMENT

The Malaysian data landscape is dominated by international information service providers, who are focused on companies with large market capitalisations.

The relatively higher costs of these international services continue to drive an informational gap between large institutional investors and smaller investors who may find the cost of information services too high. Nevertheless, the growing interconnectivity of global financial markets and the increasing use of big data in the analysis of financial markets has made information services essential for all investors regardless of size, which is where the opportunity lies for us.

By placing greater focus on the development and delivery of our own market data, we have been able to identify niche areas that have been underserved by existing information providers, yet remain rich veins of value for our market participants. This has contributed to the increase in our market data revenue which has also allowed us to focus greater attention on strategic areas of our marketplace. We are now able to serve a broader segment of market participants, promote greater market transparency and help our subscribers make better investing decisions.

We are also responding to rising investing trends by developing technological solutions to cater to them. For example, the shift to passive investment, quantitative strategies and factor-based investment are trends that we are addressing through the development of our own solutions so as to ensure that we can maintain and grow our base of market participants. Key trends impacting Bursa Malaysia's data and index business are detailed in the table below:



► **Regulation & Compliance**

- Best execution, transparency, reporting and surveillance requirements
- Risk management standards – increased pricing and model accuracy and fair valuation and back-ups

► **Technology and Data Availability**

- Data processing and analytics capabilities: artificial intelligence, machine learning, big data, neural networks and cloud processing
- Availability of new 'alternative' data sets e.g. satellite, social media

► **Investor Behaviours**

- Shift to passive investment, quantitative strategies and factor-based investment
- Increased presence of non-bank principal trading and high-frequency trading
- Pressure to generate alpha and leverage wider data sets and analytics

► **Shifting Definitions of ESG in the Financial Landscape**

- Balancing the need to solve customer problems versus defining ESG products
- The need for standardised taxonomy, data disclosure and investment principles

Management Discussion and Analysis

Bursa Data Business

DELIVERING OUR STRATEGY

We are focused on developing data and innovative solutions to support the execution of Bursa Malaysia's Strategic Roadmap 2021-2023, particularly in regards to Strategic Pillar 4: Providing New and Improved Services to the Marketplace. In doing so, BDB contributes to the Exchange's non-trading revenue, which has shown accelerated growth over the last two years. BDB is also responsible for driving Bursa Malaysia's evolution into becoming a more full-fledged data-driven enterprise.

Among our achievements in 2021 and initiatives carried out under the core strategies namely Product Expansion, Ecosystem Development as well as Capacity and Capabilities Building are as follows:

Highlights

- Expanded **Partnership Ecosystem** to position for next phase of growth via strategic collaboration
- Created **three New Products**, two of which with revenue streams (Advanced Analytics for Participating Organisations (POs), Institutions, PLCs; ESG data)
- Consolidated enterprise-wide data initiatives and commenced **Enterprise Data Platform**
- Expanded **in-house research coverage** around thematic trends (e.g. ESG, Palm Oil)

Information Services	Index & Sustainable Business	Enterprise Data Transformation	Strategic Industry Collaboration
Commercialised WorldVest Base Inc.'s DIBots Analytics Solutions	25% FTSE Bursa Malaysia indices revenue growth	Data Governance Literacy Programme for Bursa Malaysia's employees	Collaborated with 4 POs to create retail insights; standardise dashboards
Expanded channels (web portals & information vendors) to increase retail and institutions' subscriptions	80 F4GBM Index constituents	Data Governance proof-of-concepts (PoCs)	Signed MOU with 2 commercial banks, to serve ESG needs of 103 PLCs
	Achieved overall average ESG score of 2.35 out of 5.00	3 prototypes developed (IPO, retail customer experience and leads)	Formed data exchange collaboration with Department of Statistics Malaysia to expand datasets and create new insights
	Launched F4GBMS Index	Expanded research coverage to include ESG and macro-economic analysis	Established MOU with Institutional Investors Council Malaysia (IIC) to standardise ESG Data
	Supported banks to offer PLCs sustainable financing	Developed 4 internal analytics use cases (SM, BMD and Regulation)	
	Commercialised FTSE4Good ESG data for banks and institutional investors		

PRODUCT EXPANSION

ESG Thematic Index Development

The FTSE4Good Bursa Malaysia Shariah (F4GBMS) Index was launched in 2021 to track constituents in the FTSE4Good Bursa Malaysia (F4GBM) Index that are Shariah-compliant in accordance with the SC's Shariah Advisory Council screening methodology. The index comprised 57 constituents as at the end of 2021. The aim of this index is to provide market participants who are looking to invest in both ESG and Shariah-compliant counters as part of their investment strategy with a list of suitable PLCs.

Management Discussion and Analysis

Bursa Data Business

ECOSYSTEM DEVELOPMENT

Expanding the Usage of ESG Data to Financial Institutions

With ESG issues rapidly climbing up the corporate agenda, there is an urgent need for PLCs to adhere to high standards of ESG practices and disclosures in order to meet investor demands and build resilient businesses. We believe that it is timely to capitalise on the strength of partnerships and tap ecosystem partners' diverse expertise in elevating PLCs' ESG reporting journey to new heights.

To that end, BDB signed an MOU with Alliance Bank Malaysia Berhad and OCBC Bank (Malaysia) Berhad in November 2021 to establish #financing4ESG, an initiative aimed at improving PLCs' ESG adoption practices.

Under the terms of the MOU, we will collaborate with the two banks to develop sustainable financing options that recognise PLCs' ESG credentials in accordance with the FTSE4Good assessment criteria. This will provide PLCs with access to competitive financing options by the banks, as well as the opportunity to improve their visibility through better profiling.

Notably, the #financing4ESG initiative sets the foundation for Bursa Malaysia to collaborate with other ecosystem players to advocate the nation's ESG adoption, which is in line with the Exchange's vision to be a leading sustainable and globally-connected marketplace.

Enhancing Malaysia's Sustainability Practice

To further enhance the sustainability ecosystem in Malaysia, Bursa Malaysia signed an MOU with the IIC to drive ESG data standardisation among institutional investors. Greater access to standardised and quality ESG data will enable greater comparability and visibility into sustainability data thereby enhancing the attractiveness of the Malaysian marketplace. Under the MOU, Bursa Malaysia and IIC will work together to develop a set of quantitative ESG data that will be used by institutional investors for their ESG assessments of PLCs. Implementation will commence in 2022, and will leverage on existing FTSE4Good datasets.

CAPACITY AND CAPABILITIES BUILDING

Enterprise Data Platform Modernisation

The Enterprise Data Platform Modernisation project aims to create a centralised data warehouse that houses high-quality data and is equipped with advanced analytics and self-service capabilities. We will continue to develop new data sources and create new use cases for the platform. Specifically, the platform aims to achieve the following:

- enable new, data-driven business practices such as advanced analytics self-service, and data sharing across functional business areas;
- support the analysis of structured and semi-structured (e.g. XML, data from social media), and unstructured data (e.g. email, Sharepoint documents, web pages, etc.); and
- support data governance and quality management, metadata management, and master data management best practices.

The project is a part of our Enterprise Data Management roadmap designed to drive Bursa Malaysia towards becoming a data-driven organisation and elevate Bursa Malaysia's data management maturity level.

Enhancing ESG Awareness and Practices

We continued to educate and engage PLCs and institutional investors on the FTSE4Good index's methodology as part of the Exchange's effort to raise awareness of the benefits of adopting good ESG practices and be admitted into the index. Additional engagement programmes were held in July to give our stakeholders greater clarity on FTSE Russell's introduction of a minimum Climate Change score requirement as an additional criteria for inclusion into the FTSE4Good indices.

Since the launch of the F4GBM Index in December 2014, we have seen improvements in ESG disclosures and practices among our PLCs with an increase in the number of constituents from 24 in 2014 to 80 in 2021. The average overall ESG rating for PLCs has also improved from 1.31 to 2.35 since the launch of the index.

Supporting the Retention of Retail Investors

One of the main priorities of the Exchange is to support and maintain the high level of participation by retail investors in the market seen over the last two years. We support these efforts by using machine learning and data science to help the Securities Market and our POs segment, analyse and understand the trading behaviour of retail investors. The data generated from the analysis is then used to develop targeted campaigns to support and enhance their investment decisions. BDB has embarked on a PoC with four POs that covers more than half of the active retail investor base and this initiative will carry on through 2022.

Management Discussion and Analysis

ISLAMIC MARKETS



Bursa Malaysia is a leading player in the Islamic capital markets that offers integrated trading solutions to investors seeking a fully Shariah-compliant investing experience.

The Exchange's Islamic offerings comprise Shariah-compliant securities and Shariah-compliant services, as well as two Shariah-compliant platforms: the Bursa Suq Al-Sila' (BSAS) commodity Murabahah trading platform and the Bursa Malaysia-*i* securities trading platform.

Revenue generated from the trading of Shariah-compliant securities is reported under the Securities Market, while revenue generated by BSAS is reported under Islamic Markets for the purposes of segmental reporting.

There was an increase in trading on BSAS in 2021 with ADV growing 13.2% to reach an all-time record high of RM37.3 billion, surpassing the previous record of RM32.9 billion in 2020. Likewise, BSAS trading revenue grew 6.7% to end higher at RM14.0 million against RM13.1 million recorded in 2020, while the number of BSAS participants increased to 299 from 264 in 2020.

OPERATING ENVIRONMENT

Interest in Islamic assets have grown in tandem with the rise of sustainable and responsible investing, and remains a vibrant trading space despite growing volatility in the marketplace.

Trading sentiment for Islamic securities was very much linked to the factors contributing to overall market sentiment and mirrored the trading of the Shariah non-compliant securities. These are disclosed in greater detail in the Securities Market discussion found on pages 59 to 64 of this report.

As for BSAS, higher trading revenue was due to greater activity by participants in tandem with the economic recovery. Trading activity on BSAS is expected to maintain its growth momentum in 2022 as a result of its system enhancements and continuous promotion to its existing and new participants.

DELIVERING OUR STRATEGY

One of our key strategic pillars is to develop Bursa Malaysia into the leading global exchange for Islamic fundraising, hedging and investment. With the Exchange already a leading player in the area of Islamic investing, the next step forward is for us to leverage this position and further cement our role on the global stage.

In doing so, we will focus our initiatives in the three areas of Product Expansion, Ecosystem Enhancement, as well as Capacity and Capabilities Development, with the goal of creating greater synergy between Islamic and responsible investing, and developing new innovations such as a Shariah-compliant carbon trading platform.

Management Discussion and Analysis

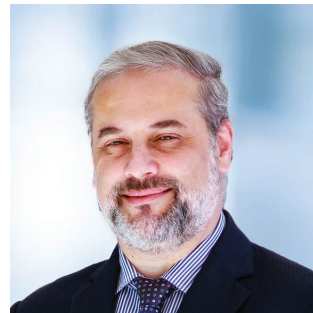
Our Shariah Committee

Bursa Malaysia's Shariah Committee was established to enhance the Exchange's Shariah knowledge base. It also serves to deliberate and advise on new Shariah-related developments and pronouncements, including fatwas, as well as to guide and provide input on the research and development of Shariah-compliant products. Our Shariah Committee also ensures that the Exchange's Shariah governance framework is aligned with Islamic principles so as to meet the needs of Islamic capital investors and fundraisers.



Prof. Dr. Ashraf bin Md Hashim
(Chairman)

54 | Male | Malaysian



Prof. Dr. Younes Soualhi
(Member)

54 | Male | Algerian



Dr. Shamsiah Mohamad
(Member)

55 | Female | Malaysian

Academic/Professional Qualification/Membership(s):

- PhD (Islamic Law), University of Birmingham, United Kingdom (1999)
- Masters in Fiqh and Usul Fiqh, University of Jordan (1995)
- BA in Shariah, Islamic University in Medina, Saudi Arabia (1991)
- Postgraduate Diploma in Shariah Law and Practice (DSLPL), International Islamic University Malaysia (2000)

Present Directorship:

Listed Entity: Nil

Other Public Companies:

- Lembaga Tabung Haji
- Express Rail Link (ERL)
- ISRA International Consulting (ISRA Consulting)

Present Appointment(s):

- Deputy Chairman, Shariah Advisory Council, Bank Negara Malaysia
- Member, Shariah Advisory Council, Securities Commission Malaysia (SC)
- Member, International Islamic Liquidity Management Cooperation (IILM)
- Chairman, Shariah Committee, Bursa Malaysia
- Member, National Fatwa Council of Malaysia (Muzakarah Kebangsaan Hal Ehwal Agama Islam)
- Registered Shariah Adviser, SC, advising a few REIT companies particularly in Singapore
- Chairman, Shariah Board, Lembaga Tabung Haji (Pilgrimage Fund)
- Member, Shariah Board, Abu Dhabi Islamic Bank (ADIB), the United Arab Emirates
- Chairman, Advisory Council of Experts, Noor Takaful Nigeria
- Member, Shariah Board, Islamic Bank of Australia (Project)
- Member, Shariah Board, IMON International, Tajikistan
- Member, Panel of Shariah Experts, Islamic Development Division, Prime Minister's Department, Malaysia
- Member, Shariah Committee, Yayasan Waqf Malaysia (Malaysia Waqf Foundation)
- Member, Shariah Committee, State Development Cooperation of Kelantan (SEDC)
- Member, Waqf Committee, Kelantan Religious Council and Finance (MAIK)
- Member, Investment Committee, Selangor Religious Council (MAIS)

Academic/Professional Qualification/Membership(s):

- PhD in Shariah, Universiti Malaya
- MA in Shariah, International Islamic University Malaysia
- BA in Shariah, Emir Abdul Qadir University for Islamic Sciences (Algeria)
- Diploma in Human Sciences
- Registered Financial Planner (RFP, MFPC-Malaysia)
- Certified Trainer (CIBAFI)

Present Directorship:

Listed Entity: Nil

Other Public Companies: Nil

Present Appointment(s):

- Member, Shariah Committee, Bursa Malaysia
- Chairman, Shariah Board, Munich Re Retakaful
- Shariah Advisor, Kuwait Retakaful (Labuan, Malaysia)
- Chairman, Shariah Council of Experts, Salam Takaful (Nigeria)
- Deputy Chairman, Shariah Committee, Al Rajhi Bank Malaysia
- Deputy Chairman, Shariah Committee, ABC Bahrain Bank, Algeria
- Deputy Chairman, Shariah Committee, Karamah Takaful window, Algeria
- Chairman, Shariah Committee, Osol for Shariah Consultancy, Kuwait
- Member, AAI OFI Shariah Sub-Committee

Academic/Professional Qualification/Membership(s):

- PhD in Fiqh and Usul Fiqh, University of Jordan
- Master's Degree of Shariah, University of Malaya
- Bachelor's Degree of Shariah, University of Malaya

Present Directorship:

Listed Entity: Nil

Other Public Companies: Nil

Present Appointment(s):

- Member, Shariah Advisory Council, Securities Commission Malaysia
- Member, Shariah Committee, Bursa Malaysia
- Member, AIBIM Shariah Committee
- Member, TH-JAKIM Hajj Advisory Committee (AJPIH)
- Member, BIMB Shariah Committee
- Member, Shariah Committee, BIMB Invest
- Member, Shariah Committee, SME Bank
- Member, Group Shariah Committee, MNRB
- Member, Shariah Advisory Committee, Selangor Zakat Board
- Member, Shariah Advisory Committee, Pertubuhan Peladang Kebangsaan
- Member, Shariah Advisory Committee, Medic IG Sdn Bhd

Management Discussion and Analysis

Islamic Markets

PRODUCT EXPANSION

Hibah for CDS Accounts

The Hibah Initiative was developed in collaboration with Wasiyyah Shoppe Berhad (Wasiyyah Shoppe), a Shariah-compliant trust company, as part of our objective of creating and developing new Islamic products and services to meet specific needs of investors. The Hibah initiative is aimed at the Exchange's depositors to give them greater flexibility in estate planning in relation to securities ownership. This is also a part of wealth distribution under the Islamic wealth cycle value chain. The Hibah service enables the efficient and seamless transfer of securities from the depositor to his or her beneficiary in the event of the demise of the depositor.

A Shariah Pronouncement by Wasiyyah Shoppe on the Hibah method was presented at Bursa Malaysia's 35th Shariah Committee Meeting on 18 August 2021. The said Shariah Pronouncement was recognised and respected by Bursa Malaysia's Shariah Committee and the initiative was subsequently launched by Wasiyyah Shoppe on 17 November 2021. Moving forward, Bursa Malaysia will evaluate other trust companies that are looking to provide similar Hibah services and further develop the ecosystem.

ECOSYSTEM DEVELOPMENT

BURSA SUQ AL-SILA' (BSAS)

BSAS is a commodity Murabahah trading platform facilitating Islamic finance transactions and liquidity management for Islamic financial institutions. BSAS supports industry players by providing a regulated environment that enables the execution of Islamic financial and capital market transactions including:

- Islamic interbank transactions,
- Shariah-compliant financing and deposit-taking activities,
- sukuk issuances,
- profit rate and cross-currency swaps,
- trading of debt instruments via Bai' Al-Dayn Bi Al-Sila',
- Shariah-compliant factoring transactions, and
- Ar-Rahnu transactions through Tawarruq contracts.

In 2021, the BSAS platform increased its trading hours from 22 hours a day to 23.5 hours in order to facilitate a longer trading session. The extension of trading hours will be especially beneficial to our members who are located in different time zones across the globe.

As at the end of 2021, BSAS had 299 registered participants (2020: 264) comprising 266 Commodity Trading Participants (CTP) made up of 204 local and 62 foreign participants, 28 Commodity Supplying Participants comprising 26 local and two foreign, and five Commodity Executing Participants. In 2021, BSAS admitted 36 new CTPs made up of 28 local and eight foreign participants from Turkey, the Maldives, Saudi Arabia, Kenya and Nigeria. At present, BSAS is directly accessed by and facilitates trades from over 23 countries globally.

To support greater adoption of digital banking and Islamic fintech by our participants, we continued to conduct system integrations with them, enabling them to automate their transactions in real-time. The systems integration features a straight through processing mechanism that improves the speed of transactions and enables a more efficient and reliable trading experience. In total, BSAS had facilitated a total of 28 systems integrations with local and global participants, with 12 successfully completed in 2021.

BURSA MALAYSIA-i

Bursa Malaysia-i is the Exchange's end-to-end Shariah-compliant securities trading and investing platform that offers a variety of exchange-related facilities including listing, trading, clearing, settlement and depository services. Investors looking to invest in Shariah-compliant securities listed on the Exchange can access the services of Bursa Malaysia-i through the interfaces of Islamic POs. The platform also offers access to a large number of Shariah-compliant securities including stocks, ETFs, REITs and exchange-traded bonds and sukuk (ETBS).

As at 31 December 2021, 763 or 77.0% of securities listed on Bursa Malaysia with a total market capitalisation of RM1,221 billion are Shariah-compliant and are available to trade through Bursa Malaysia-i. The breakdown is as follows:

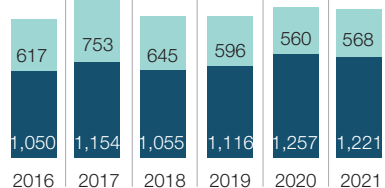
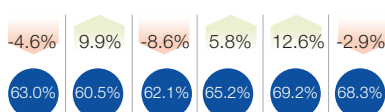
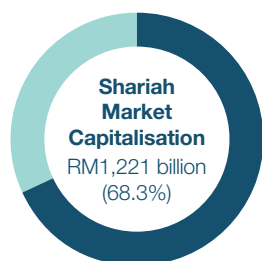
- Shariah-compliant Stocks: 750
- Shariah-compliant ETFs: 6
- Shariah-compliant REITs: 4
- ETBS: 3

Management Discussion and Analysis

Islamic Markets

MARKET CAPITALISATION

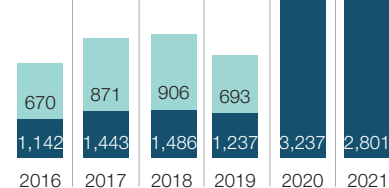
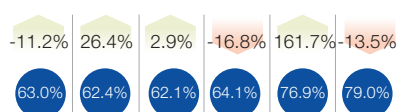
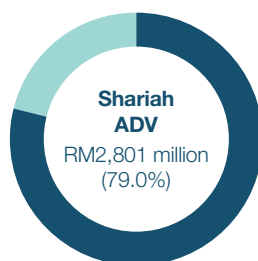
(as at 31 December 2021)



Non-Shariah Market Capitalisation (RM billion)
 Shariah Market Capitalisation (RM billion)
 Year-on-Year (yoy) Growth of Shariah Market Capitalisation

AVERAGE DAILY TRADING VALUE (ADV)

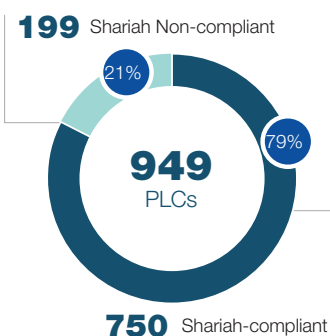
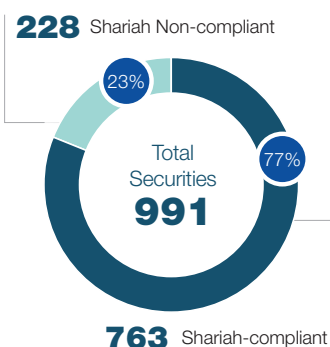
(as at 31 December 2021)



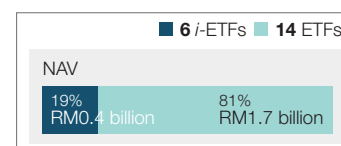
Non-Shariah ADV OMT (RM million)
 Shariah ADV OMT (RM million)
 yoy Growth of Shariah ADV

SECURITIES LISTED AND TRADED

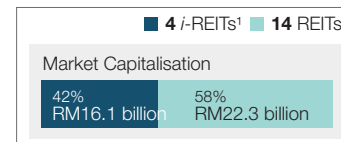
(as at 31 December 2021)



20 Exchange Traded Funds (ETFs)

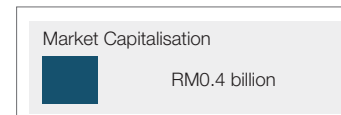


18 Real Estate Investment Trusts¹ (REITs)



¹ Including one Stapled Securities

3 Exchange Traded Bonds and Sukuk (ETBS)

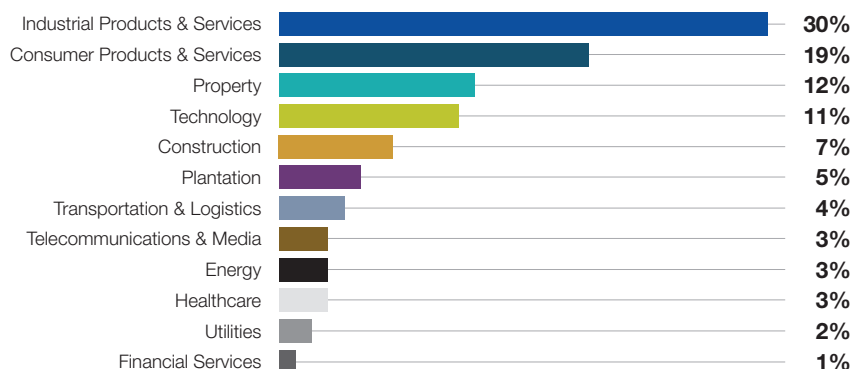


SHARIAH-COMPLIANT LISTED COMPANIES

Shariah-compliant
 Shariah Non-compliant



Breakdown by Sector



Management Discussion and Analysis

Islamic Markets

CAPACITY AND CAPABILITIES BUILDING

One of our strategies is to develop the next generation of investors by building greater literacy among the youth. We include Shariah investing awareness as part of this programme to educate them on the unique advantages of investing in products and using appropriate investing tools which meet Shariah requirements.

As for BSAS in 2021, we conducted an education townhall for International Islamic University Malaysia entitled, 'Tawarruq through BSAS' as part of our efforts in this area.

RETAIL MARKETING

The Exchange delivers initiatives aimed at retaining retail investors in the Islamic space as part of our overall strategy to enhance our ecosystem. The following are some of the key initiatives on principles-based investing aimed at Shariah retail investors.

Bursa Malaysia-i Retail Outreach and Engagement

Retail investors are a key target market segment for our Islamic Capital Markets. This is due to the fact that Shariah investments, which focus on long-term value creation better suit the investing profile and temperament of many retail investors. Growing our retail investor base is also an important part of our overall strategy to secure the sustainability of our Shariah marketplace as a larger and more diverse base contributes to overall market resilience.

As part of our efforts to reach out to retail investors, we work closely with our Islamic brokers and other industry partners to promote Shariah investing to the investing community and retail public, and educate them about the merits of Shariah investing. In 2021, we conducted 275 Shariah Investing Retail Programmes through our virtual platform, which saw the participation of over 188,000 individuals.

SHARIAH INVESTING PROGRAMMES

	2020		2021		Year-on-Year Change (%)	
	Number of Sessions	Attendees	Number of Sessions	Attendees	Number of Sessions	Attendees
Shariah Investing Seminar	29	61,762	38	58,509	31	-5
Shariah Investing Workshop	99	79,272	216	130,298	118	64
Other Engagements*	73	62,798	21	75	-71	-100
Total	201	203,832	275	188,882	37	-7

*Including Shariah Investing Roadshow, Shariah Investing Education

As a result of these efforts, we saw 56,319 new Shariah trading accounts opened in 2021 (2020: 66,086), with Shariah Retail ADV traded on Bursa Malaysia-i platform contributing to 8.9% of total retail ADV of RM1.3 billion in 2021.

Shariah Investing Retail Campaign 2021 (SIRC)

To drive greater retail trading of Shariah-compliant securities on the Bursa Malaysia-i platform, and in collaboration with Islamic brokers, we organised our inaugural SIRC. The SIRC lasted three months, from 1 April to 30 June 2021, coinciding with the holy months of Ramadhan and Syawal. The SIRC rewarded retail investors who amassed the highest total traded value on Bursa Malaysia-i platform, with 15 winners taking home prizes worth up to RM29,700.

Management Discussion and Analysis

Islamic Markets

INSTITUTIONAL MARKETING

Bursa Malaysia also engages with institutional investors to secure greater liquidity and vibrancy in the Islamic space. These initiatives are aimed at promoting the values of Islamic investing and securing higher levels of institutional participation. We held the following Shariah investing institutional programmes in 2021:

Shariah Investing Corporate Conversation Series 2021 (SICC)

Bursa Malaysia, in partnership with CGS-CIMB Securities Sdn Bhd (CGS-CIMB Securities), held its inaugural SICC on 8 February 2021 with the theme 'Navigating Malaysia from a Shariah Perspective'. Through this event, CGS-CIMB Securities shared its market and sectoral outlooks, as well as its market insights to an audience of institutional investors and analysts. Shariah-compliant PLCs were also featured at the event to highlight their corporate performance and going forward strategies in order to increase their visibility and their value proposition as an investment asset. The event was attended by 312 local and foreign participants, and by an additional 6,321 viewers via Facebook Live.

Shariah Investing Virtual Conference 2021 (SIVC)

We held our second SIVC in July 2021 in collaboration with CGS-CIMB Securities. Themed 'Sustainability: Creating New Opportunities in Islamic Finance', SIVC discussed the impact of the COVID-19 pandemic and climate change on the Islamic finance sector, and also looked at the evolution of sustainability and ESG, and its benefits to the Islamic finance industry in the areas of product innovation and technology. The virtual event saw the participation of 2,570 individuals from all over the world including the United States, Africa, the Middle East, Europe and Asia.

Shariah Investing Dialogue Series 2021 (SID)

Bursa Malaysia organised four SID in partnership with the Association of Shariah Advisors in Islamic Finance and the International Shari'ah Research Academy for Islamic Finance. The SID functions as a venue for subject matter experts to discuss trends and topics related to the Islamic capital market. All four series of the SID, held virtually via our partner's IslamicMarkets.com platform, were attended by 3,930 participants from all over the world including South East Asia, South Asia, Middle East and Africa, Europe and Americas.

Engaging with our PLCs

Bursa Malaysia had in the past organised dialogue events with PLCs to raise awareness and educate them on the opportunities available in the Shariah investing space. These events covered various discussion topics addressing the Shariah-compliant classification and the way such classification benefits PLCs and the investing community. We revived these discussions and held an event in March 2021 as part of our overall effort to increase the number of Shariah-compliant PLCs listed on Bursa Malaysia. Themed 'Opportunities for Public Listed Companies in Shariah-compliant Landscape', the event was aimed at:

- PLCs dropped from the list of Shariah-compliant securities issued by the Shariah Advisory Council of the SC
- PLCs with principal activities in line with Shariah principles but were not Shariah-compliant due to holding its assets and liabilities in conventional instruments

The event was attended by 136 total participants from 40 registered PLCs.

Management Discussion and Analysis

TOWARDS OPERATIONAL EXCELLENCE



Bursa Malaysia's ability to create value, deliver on our roles and achieve our strategic vision is directly linked to the performance level of our operations.

Our operational performance is subsequently determined by the performance levels of two key components of the Exchange, namely the performance of our operational infrastructure and the performance levels of our employees. From this perspective, our pursuit of operational excellence is focused on the betterment of our operational infrastructure through the incorporation of more efficient and innovative technology solutions, as well as ensuring that our employees perform at the highest level possible. Collectively, this helps create a facilitative platform that enables us to deliver on our purpose as a market operator and frontline regulator.

TECHNOLOGY

Bursa Malaysia has identified technology as one of four key enablers under its Strategic Roadmap 2021-2023 that will aid the Exchange's growth and transformation. Technology plays a vital role in our value creation activities, from providing the support required in our day-to-day operations to implementing developmental initiatives. Technology ensures the effectiveness and performance of our systems, their availability and their reliability based on agreed Service Level Agreements and the agreed Recovery Time Objectives (RTOs). The following discussion details some of the enhancements made to our technology infrastructure in 2021.

CYBER SECURITY

The development of our cyber security capabilities is guided by our Cyber Security Strategy Roadmap 2020-2023 which aims to improve our overall cyber security posture in line with the evolving cyber security threats. The following initiatives have been implemented in 2021:

Areas of Control	Initiatives
Governance	The 2021 ISO27001 – Information Security Management System re-certification audit for all critical services was completed and achieved its intended outcome of ensuring that adequate and appropriate information security measures have been implemented in accordance with the ISO requirements.
Protection	• Cyber Security Services and Solutions project to improve our cyber security posture by further enhancing the monitoring of end points and network devices, implementation of an enhanced secure email gateway and enhancing coverage of Security Operations Centre to provide constant monitoring of threats. • Improved protection and control of privileged accounts with enhanced Privilege Access Management solution. • Vulnerability assessment and penetration testing were conducted on all critical and public-facing applications and systems. • A compromise assessment was conducted to assess historical issues and to identify cyber hygiene issues.
Testing - Capital Market Cyber Drill Simulation and Internal Cyber Drill	Conducted Capital Market Cyber Drill and internal cyber drill to identify potential gaps in technology capabilities and incident response and escalation processes.

Management Discussion and Analysis

Towards Operational Excellence

TECHNOLOGY MODERNISATION

The table below provides a summary of technology upgrades implemented in 2021, all of which were designed to facilitate more efficient operations and security:

Project	Goal	Outcomes
Securities Market: BTS2 Trading Platform Refresh	To bring the technology stack up to date for better availability and performance	Secures sustainable performance, reliability and stability of the systems and increases the resilience of the Trading Platform.
Derivatives Market: Derivatives Clearing System (DCS) Refresh	To bring the technology stack up to date for better availability and performance	Secures sustainable performance, reliability and stability of the systems, and increases the resilience of the Derivatives Clearing System.
Disaster Recovery (DR) Automation and Closure of DR Gaps	To close the IT gap for critical systems and surrounding systems at Disaster Recovery Data Centre to ensure the continuation of business operations.	Improve recovery time through automation, provide greater consistency in the execution of recovery plans and closure of infrastructure gaps in our disaster recovery infrastructure.
Modernised Common Backup Infrastructure	Faster resumption of business in the event of data loss.	Synchronise backup data between Main Data Center and Disaster Recovery Data Center to improve RTOs and Recovery Point Objectives.
Critical Internet Infrastructure Refresh	Faster resumption of system in the event of a failure.	Safeguard business operations continuity (i.e. no single point of failure) with improvement in robustness of infrastructure for customer facing services.
Main Data Centre Upgrade Project	To upgrade data centre mechanical and electrical infrastructure.	Enhanced the availability, reliability and resilience of the data centre leading to better compliance with standards.

PEOPLE AND CULTURE

We have identified our People and Culture as another key enabler under our Strategic Roadmap 2021-2023. As with technology, our people are directly involved in every aspect of our value creation activities and business processes.

The Exchange continues to invest substantial resources in developing its human capital towards becoming a high performance organisation. This is in recognition of the critical role that our talent plays in our value creation activities on a day-to-day basis. Our People and Culture Strategy is aimed at improving business processes in order to enhance efficiency and promote innovation aimed at supporting organisational transformation. It entails five objectives:

Management Discussion and Analysis

Towards Operational Excellence

As part of our journey towards culture transformation, we conducted an assessment of our achievements thus far through a Pulse Employee Engagement Survey (EES) held in the middle of 2021 and a complete EES in the fourth quarter of the year. The aim of the surveys were to determine the extent to which we have been successful in driving culture alignment towards accomplishing the necessary behavioural change. With the response rate of 96% Bursa Malaysia-wide for the full survey, we achieved a score of 70% which increased Bursa Malaysia Engagement Index from the mid-year EES and is in line with market and industry norms. The EES generated high-quality information that helps us understand how our employees feel at work, where we need to improve our employee experience and the resolutions to be implemented. The responses we received, enable us to initiate fruitful conversations and lead to concrete positive changes in the workplace.

**Culture
Journey**

**Capability
Development**

In 2021, we continued with the implementation of our 5-year learning plan towards building an Adaptive Learning Organisation in Bursa Malaysia by 2025. Fifteen critical learning practices were piloted, and their implementation will intensify over the next two years. Industrial Revolution 4.0 skills development remained a key development area in 2021, as were enhancing leadership and Microsoft applications skills, and personal effectiveness learning plans. Leadership sharing events by renowned and successful speakers were conducted to provide leadership tips and encourage discussions with participants. Awareness and education programmes were also held in collaboration with other divisions.

Bursa Malaysia's e-Learning platform continues to serve as an additional learning avenue, delivering short courses and recorded webinars enabling employees to learn at their own pace. Blended learning remains a key strategy in advancing employee development. Professional certifications were also offered as another platform to encourage employees to acquire certification and necessary skills, while an Internal Trainer Faculty was created to build a ready pool of subject-matter experts.

Management Discussion and Analysis

Towards Operational Excellence

A new Human Resource (HR) solution, HRWiz, was launched to replace the existing Human Capital Management System in 2021 covering both HR core and strategic modules.

HRWiz also comes with a mobile application, released in November 2021, for both Android and iOS users. The application enables employees to manage their leave application and work attendance more conveniently, and provides other useful features such as Things To Do, checking of Request Status, Reach HR, Notice Board and Activity Feed at their fingertips.

With the COVID-19 pandemic changing work trends, the Exchange has similarly adapted to better support our employees under the new norm. We emphasise the need to become a more responsive organisation, and have started designing roles and structures around outcomes to increase agility and flexibility. This will foster resilience within our workforce and give our employees more varied, adaptive and flexible roles so that cross-functional knowledge and training can be acquired.

We are also simultaneously transforming our workplace to better adapt to the new way of working, living and communicating. With the evolution of the digital economy, we now have an around-the-clock, remote way of working which brings with it the stresses of not having sufficient work-life balance. As such, supporting and assisting employees with their wellbeing has never been more crucial. Bursa Malaysia has placed a renewed focus on employee wellbeing, and we strive to make that a cornerstone of our programme for the foreseeable future.

To help us establish a safe and healthy workplace, we implemented two engagement activities during the year. We strive to enhance the work culture by cultivating an open and positive communication within the Exchange. The two activities were as follows:

- **Employee Engagement Feedback Tool (Employee Engagement Module on HRWiz)**

A tool for our Employee Listening Strategy, which is an integrated approach to understanding the employee experience. It is designed to involve employees, harness their ideas and feedback, and respond to them to deliver the organisation's mission and objectives.

- **Wellness and Resilience Tool (SWITCH Fitness App)**

An interactive app designed to help our employees maintain healthy lifestyles. It provides education and awareness, and aims to motivate healthy and balanced lifestyle.

In 2021, rewards philosophy was set to a competitive level to motivate employees to drive towards business strategy and long-term objectives. The revised philosophy will reposition our employees to compete effectively for business transformation. The initiative to bring targeted employees to competitive market pay is planned for our Strategic Roadmap 2021-2023. Annual reviews on compensation competitiveness are conducted to ensure Bursa Malaysia stays competitive.

Despite initial communication issues owing to the COVID-19 pandemic, HR continued to strengthen its communication on existing rewards-related policies by establishing customised communication and engagement initiatives to improve employee awareness of specific policies.

2021 saw greater emphasis on further developing and consolidating our succession bench strength. Our methodologies were strengthened to drive a more results-focused conversation in the Talent Council, which continually monitors the readiness of identified successors, as well as their development plans, to take on targeted roles.

A revamped successors development programme was designed and launched focusing on accelerating their development from experiential learning via masterclass programmes, executive coaching and feedback, job rotation and involvement in projects and stretch assignments.

Management Discussion and Analysis

OUTLOOK



The World Bank, in its January 2022 Global Economic Prospects report, forecasted that the global economy would expand by 4.1% in 2022, slowing from the estimated 5.5% growth for 2021.

Factors weighing into the projection include continued COVID-19 flare-ups, diminished fiscal support and lingering supply bottlenecks. The World Bank also warned that while output and investment in advanced economies are expected to return to pre-pandemic trends, emerging market and developing economies will not fare as well, owing to lower vaccination rates, tighter fiscal and monetary policies, and more persistent scarring from the COVID-19 pandemic.

The World Bank had also projected that Malaysia's economy would grow by 5.8% in 2022, anchored by a rebound in domestic demand and continued expansion in exports. Meanwhile, Bank Negara Malaysia has projected Malaysia's growth in 2022 to be between 5.5% and 6.5% due to the resumption of economic activities, higher private sector expenditure, continued policy support and expansion in global demand.

The reopening of the economy is expected to have a positive impact on the performance of our PLCs and generate investors' interest. However, the Securities Market will continue to be influenced by ongoing developments surrounding the COVID-19 pandemic, interest rates movement, as well as developments in the global economy and markets. The Derivatives Market will be affected by the price of palm oil and its volatility, which will in turn be influenced by the level of supply and demand in the palm oil market. The tight supply and high demand for palm oil is expected to continue in 2022 driven by the labour shortage and the resumption of economic activities.

OUR STRATEGY IN 2022

The completion of the first year of our Strategic Roadmap 2021-2023 has created a solid base for us to unlock greater value for our stakeholders through the introduction of new platforms and services, and expansion of our current and existing business. The next year will see us commence work or continue working on several projects for the Exchange including:

- A voluntary carbon trading platform to facilitate the trading of carbon credits,
- The PLC Transformation Programme to enhance the performance and quality of our PLCs, and
- The commercialisation of Digital Gold Dinar.

We will work towards achieving our goal of carbon neutrality by 2022 and net zero greenhouse gas emissions by 2050 across our entire operations.

In addition, the Exchange will continue delivering initiatives to further enhance the vibrancy and attractiveness of our markets. This includes initiatives aimed at sustaining retail and institutional participation via Bursa Digital Research, as well as increasing efforts to secure listings on the ACE Market, as Bursa Malaysia has been designated as the sole approving authority for ACE Market IPOs as of 1 January 2022. We will also continue to explore new products and revamp existing ones in the Derivatives Market to better meet the needs of the market and further develop our ecosystem.

The Exchange expects that developments in the global and domestic markets will continue to influence the performance of both the Securities and Derivatives Markets in 2022. We expect a more challenging and competitive environment in 2022 and for our overall performance to moderate as compared against 2021.

SECTION

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OUR GOVERNANCE

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Who Governs Us



Tan Sri Abdul Wahid Omar

Chairman, Public Interest Director* and Independent Non-Executive Director

Board Meeting Attendance in 2021:
11/11

Board Committees Membership(s) Δ:

- Nomination and Remuneration Committee (until 30 November 2021)
- Sustainability and Development Committee (Chairman)
- Regulatory and Conflicts Committee (until 30 September 2021)

Gender:
Male

Age:
58

Nationality:
Malaysian

Date of Appointment:
1 May 2020

Length of Service (as at 31 January 2022):
1 year 9 months

Academic/Professional Qualification/Membership(s):

- Association of Chartered Certified Accountants (ACCA), United Kingdom (UK) (Fellow)
- Institute of Chartered Accountants in England & Wales (ICAEW) (Member)
- Malaysian Institute of Accountants (MIA) (Member)
- Diploma in Advanced Accountancy, Luton College of Higher Education, UK
- Honorary Doctorate in Economy & Muamalat Administration, Islamic Science University of Malaysia
- Honorary Doctorate in Economy, Multimedia University, Malaysia

Present Directorship(s):

Listed entity:
Nil

Other public company:
Nil

Present Appointment(s):

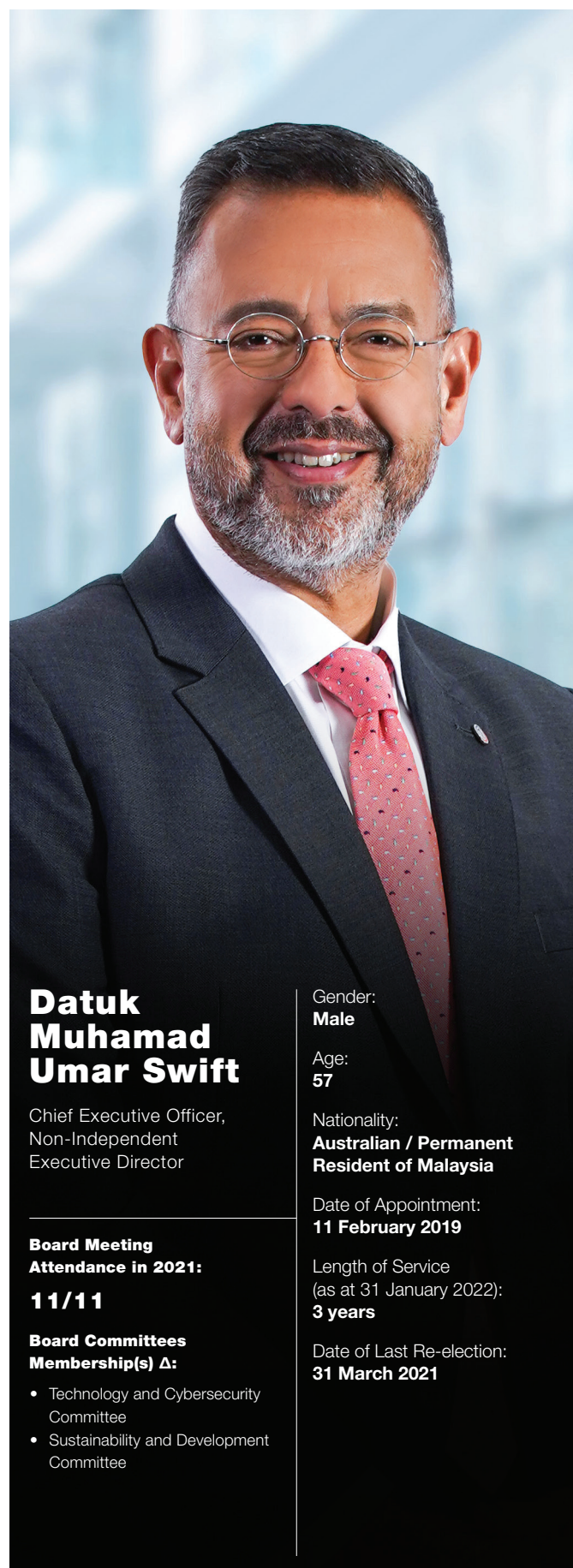
- Chairman, Board of Trustees, Yayasan MySDG
- Trustee, World Wide Fund for Nature, Malaysia
- Professor of Practice, International Centre for Education in Islamic Finance (INCEIF)
- Visiting Fellow, Oxford Centre for Islamic Studies, UK
- Adviser, NS Corporation
- Chairman, Advisory Council, Economic Club Kuala Lumpur
- Member, Advisory Council, Malaysian Chamber of Commerce, Hong Kong & Macau
- Member, Economic Action Council

Past Directorship(s) and/or Appointment(s):

- Chairman of the Board of Directors, Universiti Kebangsaan Malaysia (November 2018 - October 2021)
- Group Chairman, Permodalan Nasional Berhad (August 2016 - June 2018)
- Minister in the Prime Minister's Department in charge of Economic Planning (June 2013 - June 2016)
- President & Chief Executive Officer, Malayan Banking Berhad (May 2008 - June 2013)
- Independent Non-Executive Director, Bursa Malaysia Berhad (April 2004 - May 2011)
- Group Chief Executive Officer, Telekom Malaysia Berhad (July 2004 - April 2008)
- Managing Director/Chief Executive Officer, UEM Group (October 2001 - June 2004)
- Group Chief Financial Officer, Telekom Malaysia Berhad (March 2001 - September 2001)
- Divisional Director, Capital Market & Securities/Director, Group Corporate Services, Amanah Capital Group (August 1994 - February 2001)
- Senior Vice President, Finance, Administration & Secretarial, Kumpulan FIMA Berhad (April 1991 - July 1994)
- Deputy Manager, Corporate Banking, Bumiputra Merchant Bankers Berhad (January 1988 - April 1991)

* appointed by the Minister of Finance pursuant to Section 10(1)(a) of the Capital Markets and Services Act 2007 (CMSA) in consultation with the Securities Commission Malaysia

Who Governs Us



Datuk Muhamad Umar Swift

Chief Executive Officer,
Non-Independent
Executive Director

Board Meeting Attendance in 2021:

11/11

Board Committees Membership(s) Δ:

- Technology and Cybersecurity Committee
- Sustainability and Development Committee

Gender:
Male

Age:
57

Nationality:
**Australian / Permanent
Resident of Malaysia**

Date of Appointment:
11 February 2019

Length of Service
(as at 31 January 2022):
3 years

Date of Last Re-election:
31 March 2021

Academic/Professional Qualification/Membership(s):

- Bachelor of Economics, Monash University, Australia
- Graduate Diploma in Applied Finance and Investment, Securities Institute of Australia
- Certified Practising Accountant (CPA) Australia (Fellow)
- Taxation Institute of Australia (Fellow)
- Financial Services Institute of Australasia, Australia (Fellow)
- Chartered Accountants Australia and New Zealand (Fellow)
- Malaysian Institute of Accountants (MIA) (Member)
- Malaysian Financial Planning Council (Member)

Present Directorship(s):

Listed entity:
Nil

Other public companies:

- Bursa Malaysia Berhad Group
- Yayasan Bursa Malaysia
- Securities Industry Development Corporation
- Capital Market Development Fund

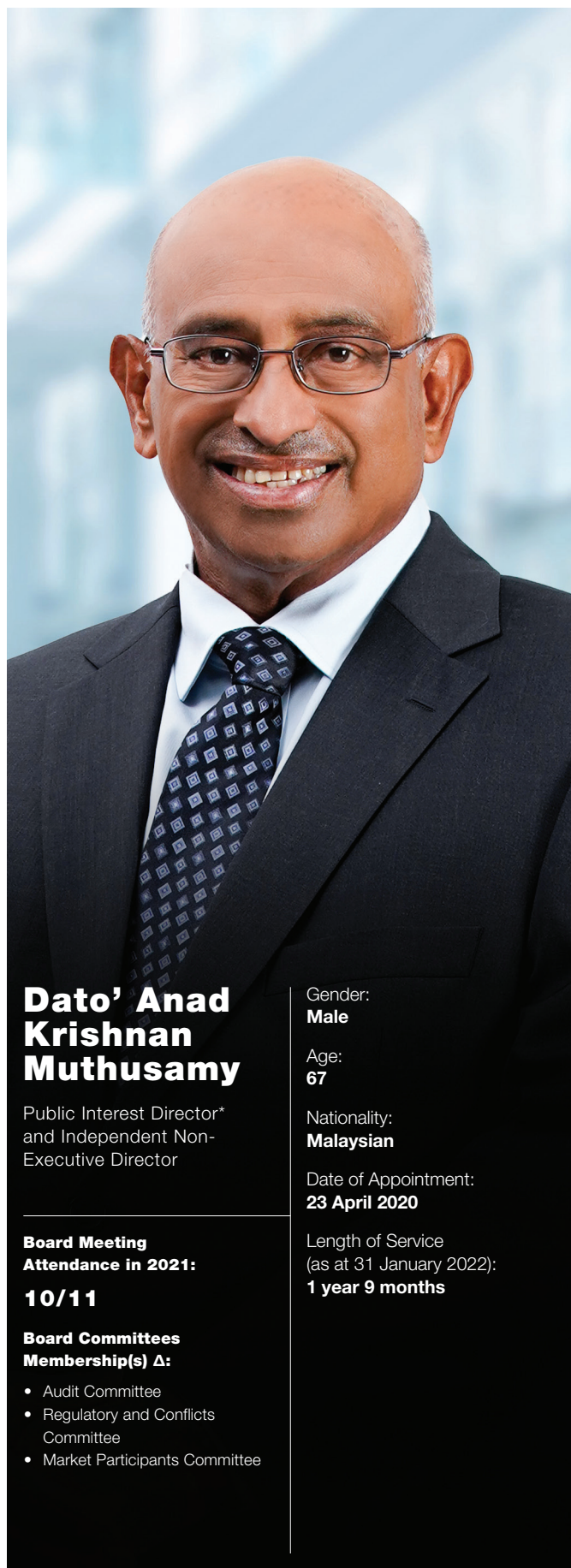
Present Appointment(s):

- Ex-Officio, Financial Reporting Foundation
- Member, Corporate Governance Council, Securities Commission Malaysia
- Member, United Nations Global Compact Network Malaysia & Brunei Advisory Panel
- Adjunct Professor, Universiti Utara Malaysia

Past Directorship(s) and/or Appointment(s):

- Chief Executive Officer (CEO)/ Group Managing Director, MAA Group Berhad (September 2006 - February 2019)
- Director, Columbus Capital Pty Limited (October 2006 - December 2018)
- Director, MAA General Assurance Philippines, Inc (March 2015 - February 2019)
- Director, MAA International Group (March 2017 - February 2019)
- Director, MCIS Insurance Berhad (October 2018 - January 2019)
- Member, Board of Trustees, MAA Medicare Charitable Foundation (July 2006 - February 2019)
- Member, Board of Trustees, The Budimas Charitable Foundation (April 2013 - February 2019)
- Member, Board of Trustees, Anaho Foundation (November 2013 - February 2019)
- Non-Independent Non-Executive Director, MAA Takaful Berhad (May 2007 - June 2016)
- Director, MAAKL Mutual Berhad (March 2008 - December 2013)
- Director, Federation of Investment Managers Malaysia (2012 - 2014)
- CEO, Malaysian Assurance Alliance Berhad (August 2008 - September 2011)
- Deputy CEO, Malaysian Assurance Alliance Berhad (June 2006 - July 2008)
- Head, Enterprise Financial Services Group, Malayan Banking Berhad (April 2004 - May 2006)
- Director, Maybank Allied Credit & Leasing Sdn Bhd (August 2005 - April 2006)
- Director, Mayban Ventures Sdn Bhd (2004 to December 2005)
- Practice Leader, Utilities Business, Deloitte Consulting in Malaysia (September 2003 - March 2004)
- CEO, Gas Malaysia Sdn Bhd (July 1997 - December 2002)

Who Governs Us



Dato' Anad Krishnan Muthusamy

Public Interest Director*
and Independent Non-Executive Director

Board Meeting Attendance in 2021:
10/11

Board Committees Membership(s) Δ:

- Audit Committee
- Regulatory and Conflicts Committee
- Market Participants Committee

Gender:
Male

Age:
67

Nationality:
Malaysian

Date of Appointment:
23 April 2020

Length of Service
(as at 31 January 2022):
1 year 9 months

Academic/Professional Qualification/Membership(s):

- Bachelor of Law (Hons), National University of Singapore

Present Directorship(s):

Listed entity:

Nil

Other public company:

Nil

Present Appointment(s):

- Managing Partner, Anad & Noraini

Past Directorship(s) and/or Appointment(s):

- Independent Non-Executive Director, Bina Puri Holdings Berhad (May 2005 - May 2013)
- Partner, Anad & Associates
- Partner, James Foong & Anad
- Legal Assistant, James Foong & Associates

* appointed by the Minister of Finance pursuant to Section 10(1)(a) of the CMSA in consultation with the Securities Commission Malaysia

Who Governs Us



Sharifatu Laila Syed Ali

Public Interest Director*
and Independent Non-Executive Director

Board Meeting Attendance in 2021:
11/11

Board Committees Membership(s) Δ:

- Risk Management Committee
- Regulatory and Conflicts Committee
- Listing Committee

Gender:
Female

Age:
59

Nationality:
Malaysian

Date of Appointment:
1 October 2020

Length of Service
(as at 31 January 2022):
1 year 4 months

Academic/Professional Qualification/Membership(s):

- Bachelor of Science (Hons), Universiti Kebangsaan Malaysia
- Master of Business Administration, University Malaya
- Advanced Management Programme, Harvard Business School

Present Directorship(s):

Listed entity:

- RHB Bank Berhad

Other public companies:

- RHB Insurance Berhad
- Badan Pengawas Pemegang Saham Minoriti Berhad (Minority Shareholders Watch Group)

Present Appointment(s):

- Member, Investment Committee, University Malaya
- Senior Advisor, Think3associates Sdn Bhd

Past Directorship(s) and/or Appointment(s):

- Director, RHB Investment Bank Berhad (March 2019 - March 2021)
- Director, RHB Islamic International Asset Management Bhd (October 2018 - May 2020)
- Director, RHB Asset Management Sdn Bhd (October 2018 - May 2020)
- Council Member, Institutional Investors Council (May 2016 - July 2018)
- Advisor to the Board, ValueCap Sdn Bhd (August 2018)
- Group Chief Executive Officer (CEO)/ Managing Director, ValueCap Sdn Bhd (January 2015 - July 2018)
- Director, VCAP Asset Managers Sdn Bhd (December 2013 - July 2018)
- Director, i-VCAP Management Sdn Bhd (October 2007 - July 2018)
- CEO, ValueCap Sdn Bhd (2002 - 2014)
- Head, Investments, Lembaga Tabung Haji (July 2002 - September 2002)
- Head, Equities Investment Division/Senior Portfolio Manager, Employees Provident Fund (EPF), Malaysia (1997 - June 2002)
- Head, Treasury Division, EPF, Malaysia (1994 - 1996)
- Senior Investment Officer, EPF, Malaysia (1988 - 1994)
- Investment Operations Executive, Permodalan Nasional Berhad (1985 - 1987)

* appointed by the Minister of Finance pursuant to Section 10(1)(a) of the CMSA in consultation with the Securities Commission Malaysia

Who Governs Us



Datin Azlina Mahmad

Public Interest Director*
and Independent
Non-Executive Director

Board Meeting Attendance in 2021:

9/9

Board Committees Membership(s) Δ:

- Nomination and Remuneration Committee
- Sustainability and Development Committee
- Regulatory and Conflicts Committee

Gender:
Female

Age:
54

Nationality:
Malaysian

Date of Appointment:
16 March 2021

Length of Service
(as at 31 January 2022):
10 ½ months

Academic/Professional Qualification/Membership(s):

- Bachelor of Science in Economics, The Wharton School of Business, University of Pennsylvania, Philadelphia, USA
- Bachelor of Arts, The College of Arts and Sciences, University of Pennsylvania, Philadelphia, USA

Present Directorship(s):

Listed entity:
Nil

Other public company:
Nil

Present Appointment(s):

- General Committee Member, Persatuan Makanan Ehsan (Free Food Society)

Past Directorship(s) and/or Appointment(s):

- Executive Director, Global Corporate Bank, J.P. Morgan Chase Bank Berhad (November 2010 - March 2021)
- Chief Executive Officer and Executive Director, J.P. Morgan Chase Bank Berhad (August 2009 - July 2011)
- Vice President, Global Credit Risk Management, J.P. Morgan Chase Bank Berhad (March 2006 - August 2009) and other positions including:
 - Corporate Banking and Treasury Services Sales (February 2004 - March 2006)
 - Associate, Corporate and Investment Banking (July 1995 - February 2004)
 - Assistant Treasurer (February 1991 - July 1995)
 - Credit Analyst (July 1989 - February 1991)

* appointed by the Minister of Finance pursuant to Section 10(1)(a) of the CMSA in consultation with the Securities Commission Malaysia

Who Governs Us



Datuk Karownakaran @ Karunakaran Ramasamy

Senior Independent
Non-Executive Director

Board Meeting Attendance in 2021:

11/11

Board Committees Membership(s) Δ:

- Nomination and Remuneration Committee (Chairman)
- Risk Management Committee
- Regulatory and Conflicts Committee (until 30 September 2021)

Gender:
Male

Age:
71

Nationality:
Malaysian

Date of Appointment:
28 March 2013

Length of Service
(as at 31 January 2022):
8 years 10 months

Date of Last Re-election:
29 April 2020

Academic/Professional Qualification/Membership(s):

- Bachelor of Economics (Hons) in Accounting, University of Malaya

Present Directorship(s):

Listed entities:

- Malayan Banking Berhad
- IOI Corporation Berhad
- Chairman, Integrated Logistics Berhad

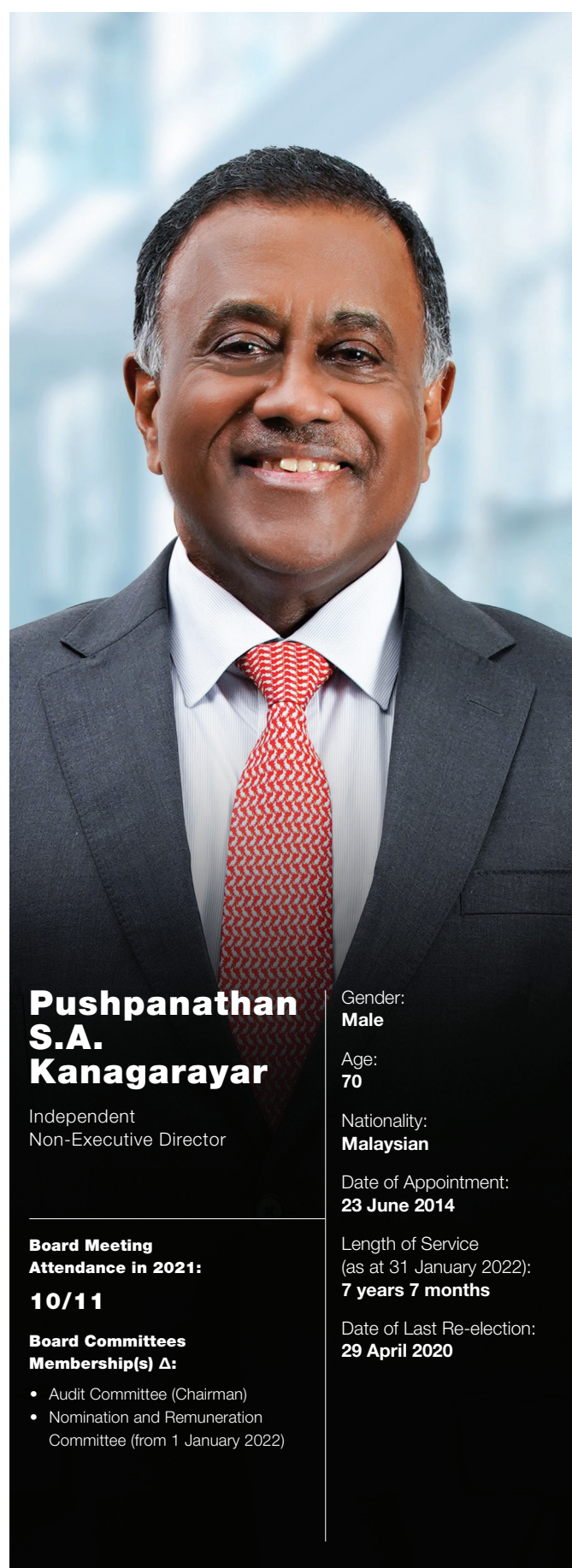
Other public companies:

- Chairman, Etiqa International Holdings Berhad
- Chairman, Maybank Ageas Holdings Berhad
- Chairman, Maybank Singapore Limited

Past Directorship(s) and/or Appointment(s):

- Chairman, Etiqa Life Insurance Berhad (January - December 2018)
- Chairman, Etiqa General Insurance Berhad (formerly known as Etiqa Insurance Berhad) (March 2016 - December 2018)
- Chairman, Etiqa Family Takaful Berhad (formerly known as Etiqa Takaful Berhad) (2016 - 2017)
- Director, Maybank (Cambodia) PLC (2012 - 2017)
- Director, Maybank Asset Management Group Berhad (2012 - 2016)
- Director, Chemical Company of Malaysia Berhad (2011 - 2014)
- Director, Maybank Investment Bank Berhad (2009 - 2014)
- Director-General, Malaysian Investment Development Authority (MIDA) (2004 - 2008)
- Deputy Director-General, MIDA (2001 - 2003)
- Director, Industrial Promotion Division (1996 - 2000)
- Director, MIDA in Singapore, Germany and London (1978 - 1995)

Who Governs Us



Pushpanathan S.A. Kanagarayar

Independent
Non-Executive Director

**Board Meeting
Attendance in 2021:**
10/11

Board Committees Membership(s) Δ:

- Audit Committee (Chairman)
- Nomination and Remuneration Committee (from 1 January 2022)

Gender:
Male

Age:
70

Nationality:
Malaysian

Date of Appointment:
23 June 2014

Length of Service
(as at 31 January 2022):
7 years 7 months

Date of Last Re-election:
29 April 2020

Academic/Professional Qualification/Membership(s):

- Institute of Chartered Accountants of Scotland (Member)
- Malaysian Institute of Certified Public Accountants (MICPA) (Member)
- Malaysian Institute of Accountants (MIA) (Member)

Present Directorship(s):

Listed entity:

- IJM Corporation Berhad

Other public company:

- Sun Life Malaysia Assurance Berhad

Present Appointment(s):

- Council Member, MICPA
- Director, Malaysian Community Education Foundation
- Chairman, Malaysian Financial Reporting Standards (MFRS) Application & Implementation Committee of the Malaysian Accounting Standards Board (MASB)
- Project Chairman, Insurance Standards Working Group of the MASB on MFRS 17

Past Directorship(s) and/or Appointment(s):

- Director, IJM Plantations Berhad (2012 - 2021)
- Director, Asian Institute of Finance Berhad (27 February 2014 until its dissolution via Members' Voluntary Winding-up on 7 January 2022)
- Trustee, World Wide Fund for Nature, Malaysia (2013 - 2021)
- Director, Sun Life Malaysia Takaful Berhad (2010 - 2019)
- Board Member, MASB (2009 - 2015)
- Honorary Secretary, Financial Reporting Foundation (2010 - 2015)
- President, MICPA (2012 - 2014)
- Council Member, MIA (2012 - 2014)
- Partner, Messrs Ernst & Young (1983 - 2009)
- Chairman, Adjudication and/or Organising Committees, National Annual Corporate Report Awards (2003 - 2009)
- Chairman, MICPA's Financial Statements Review Committee and Project Chairman, the Insurance Standards Working Group of MASB on Financial Reporting Standard 4 (2003 - 2007)
- Member, International Federation of Accountants' Developing Nations Permanent Taskforce (2004 - 2005)

Who Governs Us



Chong Chye Neo

Independent
Non-Executive Director

Board Meeting Attendance in 2021:

11/11

Board Committees Membership(s) Δ:

- Nomination and Remuneration Committee
- Risk Management Committee
- Technology and Cybersecurity Committee (Chairman)

Gender:
Female

Age:
59

Nationality:
Malaysian

Date of Appointment:
21 December 2018

Length of Service
(as at 31 January 2022):
3 years 1 month

Date of Last Re-election:
31 March 2021

Academic/Professional Qualification/Membership(s):

- Bachelor of Science (Hons) in Computer Science, Universiti Sains Malaysia
- Executive Education, Harvard Business School

Present Directorship(s):

Listed entities:

- Hong Leong Financial Group Berhad
- KLCC Property Holdings Berhad

Other public company:
Nil

Present Appointment(s):

- Director, KLCC REIT Management Sdn Bhd
- Honorary Member, American Malaysian Chamber of Commerce

Past Directorship(s) and/or Appointment(s):

- Director, Hong Leong Bank Berhad (February 2019 - February 2022)
- Managing Director/Chief Executive Officer, IBM Malaysia Sdn Bhd (October 2015 - December 2018)
- Director, Kenexa Technologies Sdn Bhd (September 2015 - December 2018)
- Director, IBM Global Delivery Centre (Malaysia) Sdn Bhd (September 2015 - December 2018)
- Client Director, Financial Services Sector, IBM Malaysia Sdn Bhd (2014 - 2015)
- Director, Intellectual Property – ASEAN, IBM Research (2011 - 2012)
- Director, Business Partners & Alliances, IBM ASEAN (2009 - 2010)
- Director, Mid Market, IBM ASEAN/ South Asia (2007 - 2008)
- General Manager, Storage Systems Group, IBM ASEAN/ South Asia (2005 - 2006)
- Regional Leader, Marketing, IBM ASEAN (2004)
- Country Head, Enterprise Systems Group, IBM Malaysia Sdn Bhd (2002 - 2003)
- Regional Marketing Manager, Enterprise Systems Group, IBM ASEAN (2001)
- Various roles in IBM (engineering, sales, marketing and operations in Malaysia). Asia Pacific sales roles covering Japan, Korea, Greater China Group, ASEAN/South Asia, Australia/New Zealand (1989 - 2001)
- Software Development Engineer, Hewlett Packard Malaysia (1986 - 1989)

Who Governs Us



Datuk Bazlan Osman

Independent
Non-Executive Director

Board Meeting Attendance in 2021:

11/11

Board Committees Membership(s) Δ:

- Audit Committee
- Risk Management Committee (until 31 December 2021)
- Nomination and Remuneration Committee (from 1 January 2022)
- Technology and Cybersecurity Committee

Gender:
Male

Age:
57

Nationality:
Malaysian

Date of Appointment:
16 November 2020

Length of Service
(as at 31 January 2022):
1 year 2 months

Date of Last Re-election:
31 March 2021

Academic/Professional Qualification/Membership(s):

- Association of Chartered Certified Accountants (ACCA), United Kingdom (UK) (Fellow)
- Malaysian Institute of Accountants (MIA) (Member)
- Diploma in Accounting, Polytechnic of North London, United Kingdom

Present Directorship(s):

Listed entities:

- Chairman, Fima Corporation Berhad
- Glomac Berhad
- Syarikat Takaful Malaysia Keluarga Berhad
- Bank Islam Malaysia Berhad

Other public company:
Nil

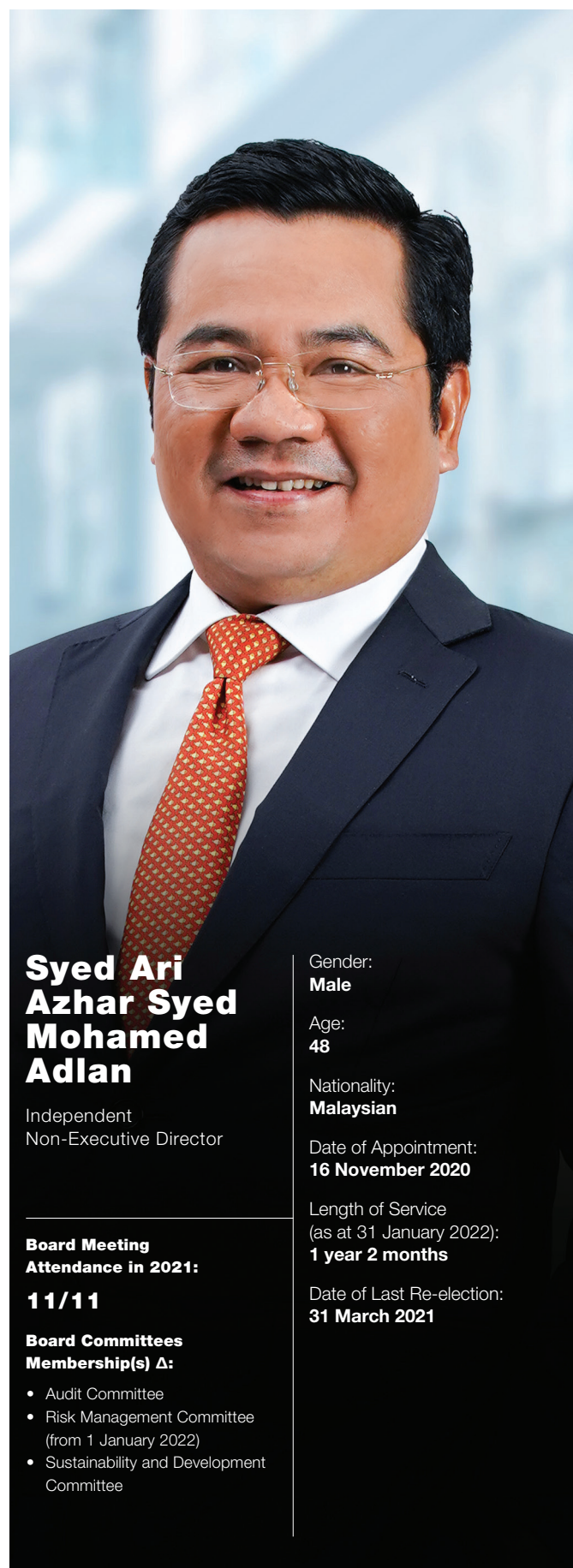
Present Appointment(s):

- Chairman, GITN Sdn Bhd (wholly-owned subsidiary of Telekom Malaysia Berhad (TM))
- Director, Malaysia Professional Accountancy Centre
- Vice President, MIA
- Chair, ACCA Malaysia Advisory Committee

Past Directorship(s) and/or Appointment(s):

- Director, Citibank Berhad (1 July 2019 - 3 January 2022)
- Board Member, Universiti Utara Malaysia (2020)
- Executive Director, TM (2008 - 2019)
- Acting Group Chief Executive Officer (CEO), TM (2018)
- Deputy Group CEO, TM (2017 - 2018)
- Group Chief Financial Officer (CFO), TM (2005 - 2017)
- Director, Malaysia Digital Economy Corporation Sdn Bhd (2018)
- Director, Labuan Reinsurance (L) Ltd (2005 - 2008)
- Board Commissioner, PT XL Axiata Tbk (2005 - 2008)
- CFO, Celcom Malaysia Berhad (2002 - 2005)
- Senior Vice President, Corporate Finance & Treasury, Celcom Malaysia Berhad (2001 - 2002)
- Director, Nationwide Express Holdings Berhad (1994 - 2005)
- Senior Vice President, Finance and Company Secretary, Kumpulan Fima Berhad (1994 - 2001)
- Manager, Accounting & Financial Control, American Express (M) Sdn Bhd (1993 - 1994)
- Finance at Corporate Office, Kuala Lumpur, Melaka and Singapore, Sime Darby Group (1989 - 1993)
- Auditor, Messrs. Hanafiah Raslan & Mohamad (1986 - 1989)

Who Governs Us



Syed Ari Azhar Syed Mohamed Adlan

Independent
Non-Executive Director

Board Meeting Attendance in 2021:

11/11

Board Committees Membership(s) Δ:

- Audit Committee
- Risk Management Committee (from 1 January 2022)
- Sustainability and Development Committee

Gender:
Male

Age:
48

Nationality:
Malaysian

Date of Appointment:
16 November 2020

Length of Service
(as at 31 January 2022):
1 year 2 months

Date of Last Re-election:
31 March 2021

Academic/Professional Qualification/Membership(s):

- Bachelor of Arts, Economics (Hons), Trinity College, Cambridge University

Present Directorship(s):

Listed entity:

Nil

Other public company:

Nil

Past Directorship(s) and/or Appointment(s):

- Founder and Director, Abacus ib Sdn Bhd, Malaysia (2017 - 2020)
- Country Head, CLSA Securities Sdn Bhd, Malaysia (2015 - 2016)
- Senior Portfolio Manager, Global Emerging Markets, APG Asset Management Asia, Hong Kong (2012 - 2015)
- Executive Director and Portfolio Manager, UBS AG, Fundamental Investment Group, Hong Kong (2010 - 2012)
- Portfolio Manager, Asian Equities, Millennium Capital Management, Singapore (2008 - 2009)
- Portfolio Manager, Asian Equities, Citigroup Tribeca Global Investments, Singapore (2006 - 2007)
- Portfolio Manager and Co-Founder, Binjai Hill Asset Management, Singapore (2004 - 2006)
- Fund Manager, Asian Equities, Deutsche Asset Management, London, New York, Singapore (1997 - 2004)
- Senior Executive, Investment Operations and Financial Market Department, Bank Negara Malaysia (1996 - 1997)

Δ The Directors' meeting attendance record for 2021 is provided in the Corporate Governance Overview on page 103 of this report.

Save as disclosed, the above Directors have no family relationship with any Director and/or major shareholder of Bursa Malaysia, have no conflict of interest with Bursa Malaysia, have not been convicted of any offence within the past five years and have not been imposed any penalty by the relevant regulatory bodies during the financial year 2021.

Save for the Chief Executive Officer and Executive Director, all the Non-Executive Directors satisfy the criteria of an independent director as defined under Bursa Malaysia Securities Berhad Main Market Listing Requirements, which include being independent of management, free from any business or other relationship which could interfere with the exercise of independent judgement, objectivity or the ability to act in the best interests of the Company, and also being independent of its major shareholders.

Who Oversees Our Regulatory Function



Dato' Feizal Mustapha

Chairman and Independent Member,
Regulatory and Conflicts Committee (RACC)

55 | Male
Malaysian

Academic/Professional Qualification/Membership(s):

- Bachelor of Arts (Economics), University of Stirling, United Kingdom
- Master of Business Administration (Finance), Cardiff Business School, Cardiff University, United Kingdom
- Honorary Doctorate of Philosophy (Financial Management), Widad University College
- Certified Practising Accountant (CPA) Australia (Fellow)
- Malaysian Institute of Accountants (Member)
- Insolvency Practitioners Association of Malaysia (Member)
- Chartered Valuer and Appraiser, Institute of Valuers and Appraisers Singapore

Present Directorship:

Listed entity: Nil

Other public companies: Nil

Present Appointment(s):

- Senior Advisor and Director, BDO Malaysia
- Board Member, UPM Holdings Sdn Bhd
- Chairman, Newman Trust Investment Bank Ltd, Labuan
- Chairman, Listing Committee, Bursa Malaysia

Past Directorship(s) and/or Appointment(s):

- Chairman, Export-Import Bank of Malaysia Berhad (EXIM Bank Malaysia) (April 2019 - March 2021)
- Executive Chairman, Widad Group Berhad (November 2018 - November 2020)
- Board Member, Perbadanan Kemajuan Filem Nasional (FINAS) (May 2019 - May 2020)
- Chairman, BDO Malaysia (July 2015 - February 2019)
- Executive Director, Advisory, BDO Malaysia (May 2012 - June 2015)
- Senior General Manager and Head, Market Development Department, Securities Commission Malaysia (SC) (January 2011 - April 2012)
- General Manager/Senior General Manager and Head, Corporate Finance Group, SC (July 2007 - December 2010)
- Group Head, Securities Issues Department, SC (January 2006 - June 2007)
- Executive Director, Corporate Finance, KPMG Corporate Advisory Malaysia (seconded by the SC to KPMG) (July 2004 - December 2005)



Kuok Wee Kiat @ Kuck Wee Kiat

Independent Member, RACC

68 | Male
Malaysian

Academic/Professional Qualification/Membership(s):

- Institute of Chartered Accountants in England & Wales (ICAEW) (Fellow)

Present Directorship:

Listed entity: Nil

Other public companies:

- Berjaya Capital Berhad

Present Appointment(s):

- Chairman, Market Participants Committee, Bursa Malaysia

Past Directorship(s) and/or Appointment(s):

- Director, Bursa Malaysia Securities Berhad (February 2016 - September 2020)
- Director, Bursa Malaysia Securities Clearing Sdn Bhd (February 2016 - September 2020)
- Executive Director, Inter-Pacific Securities Sdn Bhd (2000 - 2013)
- Senior General Manager, Inter-Pacific Securities Sdn Bhd (1994 - 2000)
- President, Association of Stockbroking Companies Malaysia (ASCM) (1999 - 2000)
- Member (Independent), Appeals Committee, Bursa Malaysia (July 2014 to December 2020)

Who Oversees Our Regulatory Function



Salwah Abdul Shukor

Independent Member, RACC

53 | Female
Malaysian

Academic/Professional Qualification/Membership(s):

- LLB (Hons), University of Bristol, United Kingdom
- Diploma in Shariah Law and Practice, International Islamic University Malaysia
- Advocate and Solicitor, High Court of Malaya
- Registered Patent, Trade Mark and Design agent, Malaysia

Present Directorship:

Listed entity:

- UMW Holdings Berhad

Other public companies: Nil

Present Appointment(s):

- Partner/Senior Partner and Head of Corporate, Technology, Media and Telecommunications Practice Groups, Zain & Co.
- Member, Malaysian Bar
- Member, Disciplinary Committee Panel, Malaysian Advocates and Solicitors Disciplinary Board
- Member, Global Advisory Committee, Dentons
- Malaysian Representative, ASEAN Advisory Committee, Dentons
- Founder Trustee, Pink Ribbon Deeds Foundation
- Trustee, Generating Opportunities for Learning Disabled (GOLD)
- Member, Advisory Board, Charity Right

Past Directorship(s) and/or Appointment(s):

- Legal Assistant, Zain & Co. (February 1994 - December 1999)
- Member (Independent), Listing Committee, Bursa Malaysia (May 2013 - December 2020)



Rashid Ismail

Independent Member, RACC

62 | Male
Malaysian

Academic/Professional Qualification/Membership(s):

- Certified Practising Accountant (CPA) Australia
- Chartered Accountant (CA), Malaysian Institute of Accountants
- Bachelor of Business (Accounting), Edith Cowan University, Australia
- Diploma in Accountancy, Universiti Teknologi MARA

Present Directorship:

Listed entity: Nil

Other public companies: Nil

Present Appointment(s):

- Islamic Banking and Finance Institute Malaysia (IBFIM) Panel of Subject Matter Expert (15 June 2020)

Past Directorship(s) and/or Appointment(s):

- Chief Executive Officer (CEO) and Executive Director, BIMB Securities Sdn Bhd (January 2011 - January 2020)
- Member, Board of Trustee, Bumiputera Dealers' Representative Education Fund, Securities Industry Development Corporation (SIDC) (January 2012 - January 2020)
- Chairman, Association of Stockbroking Companies Malaysia (ASCM) (December 2015 - December 2017)
- CEO, MIDF Property Berhad (July 2007 - July 2010)
- Director, Amanah Butler Malaysia Sdn Bhd (July 2006 - July 2010)
- Director, Amanah Scotts Properties (KL) Sdn Bhd, Amanah Scotts Sdn Bhd, Amanah Ascott Management Sdn Bhd (July 2006 - July 2010)
- Director, MIDF Consultancy and Corporate Services (MIDFCCS) (July 2006 - April 2010)
- Director, Amanah Ventures Sdn Bhd and Amanah Property Trust Manager Sdn Bhd (July 2006 - March 2010)
- Member (Independent), Market Participants Committee, Bursa Malaysia (July 2015 - June 2018)

The RACC comprises seven members in total of which, four are external independent individuals (Independent Member) and three are Public Interest Directors (PIDs) of Bursa Malaysia. The three PIDs not pictured here are Dato' Anad Krishnan a/l Muthusamy, Puan Sharifatu Laila Syed Ali and Datin Azlina Mahmad. Their profiles are disclosed on pages 86 to 88 of this report.

Who Leads Us



Datuk Muhamad Umar Swift

Chief Executive Officer

Leads Bursa Malaysia Berhad
Group of Companies



Rosidah Baharom

Chief Financial Officer

- Finance
- Corporate Planning and Investor Relations
- Strategic Procurement
- Facility and Administration
- Security Services



Azhar Mohd Zabidi

Director, Securities Market

- Listing Development
- Islamic Product and Market Development
- Institutional Development
- Product and Market Development
- Retail and Digital Development
- Alternative & Secondary Market
- Labuan International Financial Exchange (LFX)



Samuel Ho Hock Guan

Chief Executive Officer,
Bursa Malaysia Derivatives

- Product and Market Development
- Investor Development
- International Development



Tay Yu Hui

Director, Market Operations

- Trading Operations and Market Control
- Clearing & Settlement
- Depository
- Reference Data Management
- Governance & Standards



Ashish Jaywant Rege

Director, Group Technology

- Information Security
- Information Technology Infrastructure
- Information Technology Governance and Standards
- Trading Solutions
- Application
- Information Technology Services
- Data Management
- Cloud
- Project Management

Who Leads Us


Julian Mahmud Hashim

Chief Regulatory Officer

- Corporate Surveillance & Governance
- Participants Supervision
- Market Surveillance
- Listing
- Enforcement
- Investigation
- Regulatory Policy & Advisory


Mohd Zulkifli Mustafa

Director, Corporate Strategy

- Strategic Alliances & Stakeholder Management
- Strategic Planning & Intelligence
- Strategic Innovation & Business Development
- Strategic Business & Industry Development
- Customer Experience
- Strategic Project & Performance Monitoring


Azman A. Khalid

Director, Group Human Resources

- HR Development
- HR Engagement & Governance
- Rewards & Performance Management


Mazliana Mohamad

Director, Internal Audit

- Regulation and Operations Audit
- Business and Support Audit
- IT Audit and Project Assurance
- Strategic Planning and Quality Review


Yong Hazadurah Md Hashim

Group Company Secretary, Corporate Governance & Secretarial

- Corporate Governance & Conflicts Management
- Regulatory Secretarial & Conflicts Operations
- Corporate Secretarial & Governance Operations


Siew Sze Yih

Acting Director, Risk & Compliance

- Enterprise Risk Management
- Business Continuity Management
- Integrity & Governance
- Risk Model Validator


Emilia Tee Yoke Hoong

Director, Sustainability

- Sustainability Management
- Community Investment
- Education


Shamsul Akmal Ahmad

Chief Executive Officer, Bursa Suq Al-Sila'

- BSAS Development
- BSAS Operation
- Shariah & Governance
- Treasury


Wong Chiun Chiek

Head, Bursa Data Business

- Index & Sustainable Business
- Information Services & Channels
- Data Analytics Platform & Solutions
- Enterprise Data Management
- Enterprise Analytics & Reporting


Nurini Kassim

Head, Group Strategic Communications

- Media & Public Relations
- Brand Management

Note:

The Chief Executive Officer also directly oversees the Group Corporate Legal.
Gender Diversity: 9 Male; 7 Female

Key Senior Management

Rosidah Baharom

Chief Financial Officer

53 | Female
Malaysian

Date of Appointment
12 August 2014

Academic/Professional Qualification(s):

- Association of Chartered Certified Accountants (ACCA), United Kingdom (UK) (Fellow)
- Bachelor of Science (Hons) Accountancy, University of East Anglia, UK
- Malaysian Institute of Accountants (MIA) (Member)

Present Directorship:
Listed entity: Nil

Working Experience:

- More than 25 years of experience in the financial industry with a focus in areas of finance covering corporate finance, corporate planning and strategic corporate affairs - with 6 years of senior management roles, helming the finance and corporate services division in Bursa Malaysia

Azhar Mohd Zabidi

Director,
Securities Market

52 | Male
Malaysian

Date of Appointment
12 October 2020

Academic/Professional Qualification(s):

- BA (Hons) Accounting and Finance, South Bank University, London

Present Directorship:
Listed entity: Nil

Working Experience:

- Over 20 years of investment banking experience, serving various domestic and international financial institutions. Held key management roles in the global and regional investment companies prior to joining Bursa Malaysia

Samuel Ho Hock Guan

Chief Executive Officer,
Bursa Malaysia Derivatives

51 | Male
Singaporean

Date of Appointment
1 January 2019

Academic/Professional Qualification(s):

- GCE 'A' levels, Certificate in Private Banking

Present Directorship:
Listed entity: Nil

Working Experience:

- Close to 30 years of capital markets experience, globally. Held key management roles for ten years in regional capital markets and exchanges prior to joining Bursa Malaysia

Tay Yu Hui

Director,
Market Operations

51 | Female
Malaysian

Date of Appointment
11 November 2019

Academic/Professional Qualification(s):

- Bachelor of Accounting and Finance (Hon), Middlesex University, UK

Present Directorship:
Listed entity: Nil

Working Experience:

- More than 20 years of industry experience including roles in compliance, and in broking and international investment banking operations. Was a pioneer at an international bank as the head of operations for cash equities, with exposure to regional businesses. Was also the Malaysian head of operations for the securities business of a leading Fortune 500 global investment bank prior to joining Bursa Malaysia

Ashish Jaywant Rege

Director,
Group Technology

56 | Male
Indian

Date of Appointment
6 January 2020

Academic/Professional Qualification(s):

- Master of Management Studies, University of Mumbai, India
- Bachelor of Engineering in Mechanical, University of Pune, India

Present Directorship:
Listed entity: Nil

Working Experience:

- Close to 30 years of information technology experience in a wide range of areas, among others - the internet and mobile banking, eCommerce transaction infrastructure and information technology strategy. Served numerous multinational banking and financial services company worldwide, prior to joining Bursa Malaysia

Julian Mahmud Hashim

Chief Regulatory Officer

51 | Male
Malaysian

Date of Appointment
8 September 2021

Academic/Professional Qualification(s):

- LLB (Hons), University of Wolverhampton
- Certificate of Legal Practice, University Malaya

Present Directorship:
Listed entity: Nil

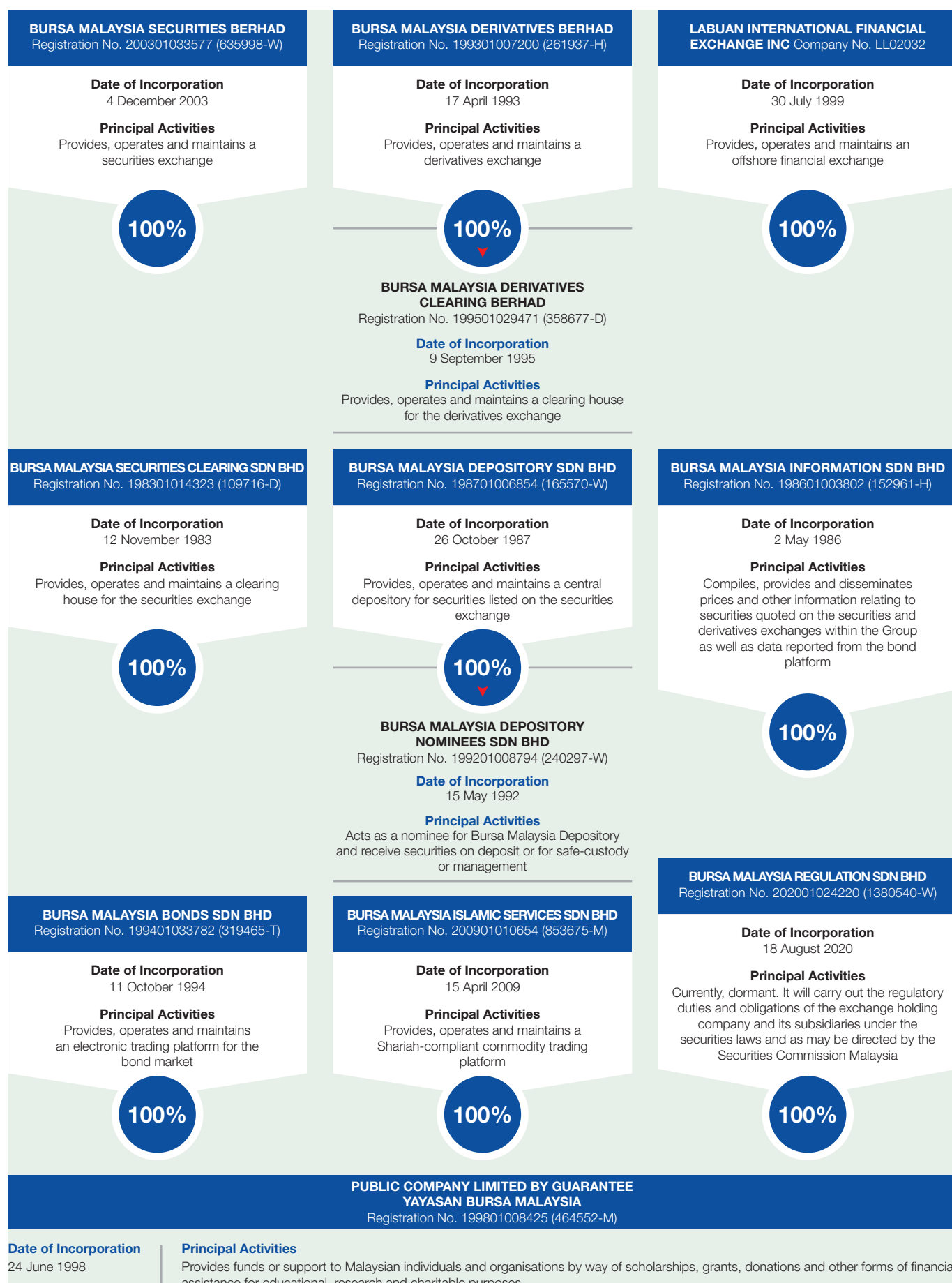
Working Experience:

- More than 25 years of legal practise as an advocate and solicitor of the High Court of Malaysia. Advised on all facets of corporate transactional work and capital market transactions, among others. A former founding partner of a leading law firm in Kuala Lumpur prior to assuming all regulatory functions of Bursa Malaysia and its licensed subsidiaries ranging from regulatory strategies and policies, listing, market and corporate surveillance, corporate governance, participant supervision, investigation and enforcement

Save as disclosed, the above Key Senior Management (KSM) members have no family relationship with any Director and/ or major shareholder of Bursa Malaysia, have no conflict of interest with Bursa Malaysia, have not been convicted of any offences within the past five years and have not been imposed any penalty by the relevant regulatory bodies during the financial year 2021 and/or to date.

The disclosure on the particulars of the KSM of Bursa Malaysia as at 24 February 2022, is made in compliance with the requirements under Appendix 9C of Bursa Malaysia Securities Berhad Main Market Listing Requirements.

Corporate Structure



Other Corporate Information

Senior Independent Non-Executive Director Datuk Karownikaran @ Karunikaran Ramasamy

Tel : 03-2297 2101
E-mail : karu.kr@gmail.com

Company Secretaries

Yong Hazadurah Md. Hashim, LS0006674
Practising Certificate No. 202008003707

Suzanne Hong Soo Yong, MAICSA 7026744
Practising Certificate No. 201908003801

Registered Office

15th Floor, Exchange Square
Bukit Kewangan, 50200 Kuala Lumpur
Tel : 03-2034 7000
Fax : 03-2732 6437
E-mail : enquiries@bursamalaysia.com
Web : www.bursamalaysia.com

Form of Legal Entity

Incorporated on 14 December 1976 as a public company limited by guarantee. Converted to a public company limited by shares on 5 January 2004 pursuant to the Demutualisation (Kuala Lumpur Stock Exchange) Act 2003

Stock Exchange Listing

Listed on Main Board of Bursa Malaysia Securities Berhad on 18 March 2005
Stock Code : 1818
Stock Name : BURSA

Customer Service

Bursa Malaysia Berhad

Registration No. 197601004668 (30632-P)
3rd Floor, Exchange Square
Bukit Kewangan, 50200 Kuala Lumpur
Tel : 03-2026 5099
Fax : 03-2026 4122
E-mail : customerservice@bursamalaysia.com

Investor Relations

Rasmona Abdul Rahman

13th Floor, Exchange Square
Bukit Kewangan, 50200 Kuala Lumpur
Tel : 03-2034 7175
Fax : 03-2026 3687
E-mail : ir@bursamalaysia.com

Registrar

Tricor Investor & Issuing House Services Sdn Bhd

Registration No. 197101000970 (11324-H)
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur
Tel : 03-2783 9299
Fax : 03-2783 9222
E-mail : is.enquiry@my.tricorglobal.com
Web : www.tricorglobal.com

Tricor's Customer Service Centre

Unit G-3, Ground Floor, Vertical Podium
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

Auditors

Ernst & Young PLT

Registration No. 202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants
Level 23A, Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
50490 Kuala Lumpur

Principal Bankers

CIMB Bank Berhad

Registration No. 197201001799 (13491-P)
5th Floor, Bangunan CIMB
Jalan Semantan
Damansara Heights
50490 Kuala Lumpur

Malayan Banking Berhad

Registration No. 196001000142 (3813-K)
Menara Maybank
100, Jalan Tun Perak
50050 Kuala Lumpur

Corporate Governance Overview

The Board of Directors of Bursa Malaysia Berhad (Bursa Malaysia or the Company) presents this statement to provide shareholders and investors with an overview of the corporate governance (CG) practices of the Company during the financial year 2021. This overview takes guidance from the three (3) key CG principles and the practices as set out in the Malaysian Code on Corporate Governance (MCCG), which are:

The Board leadership and effectiveness [30 practices]

Effective audit and risk management [10 practices]

Integrity in corporate reporting and meaningful relationship with stakeholders [8 practices]

This statement is prepared in compliance with Bursa Malaysia Securities Main Market Listing Requirements (MMLR)¹ and it is to be read together with the CG Report 2021 of the Company (CG Report) which is available on the Company's website. The CG Report provides the details on how the Company has applied each Practice as set out in the MCCG during the financial year 2021.

 The CG Report is available at https://www.bursamalaysia.com/about_bursa/about_us/corporate_governance/cg_report

EMBRACING THE CG CULTURE

In building a sustainable business and discharging its regulatory role, the Board is mindful of its accountability to the shareholders and various stakeholders of Bursa Malaysia. Towards this, the Board is committed to ensuring that it provides effective leadership and promotes uncompromising ethical standards in the organisation. One of the ways in which the Board achieves this is by requiring that good governance principles and practices are adhered to throughout the Company.

To ensure the Company continues to adopt the best CG practices, regular reviews of the internal practices are conducted with reference to the MCCG, the ASEAN CG Scorecard and other relevant guidelines issued by the regulators as well as the international standards on CG and Sustainability. In addition, the Board also considers benchmark studies on the practices at other comparable exchanges or organisations to identify potential areas for enhancement, to raise the bar in the Company's CG standards.

In June 2021, the Board considered the gap analysis report prepared by the CG & Secretarial Division on the Company's level of adherence to the CG practices and guidance as set out in the revised MCCG which was issued by the Securities Commission Malaysia (SC) on

28 April 2021. In its review, the Board was mindful of the need to embrace the best practices in form as well as in substance, to further strengthen the CG culture in the Company. The Board then, agreed on an action plan for implementation during the year, to close the identified gaps and to refine certain internal practices for alignment with the new practices in the revised MCCG. The action plan includes reviewing/amending the internal CG practices and processes, setting an effective governance framework for sustainability and establishing a Diversity, Equity and Inclusion Policy for the employees.

The implementation of the above action plan as well as the Board's ongoing effort to put in place an optimum governance arrangement for Bursa Malaysia as an Exchange Holding Company (EHC)², were among the Board's key focus areas in CG for 2021.

As at 31 December 2021, Bursa Malaysia complied in all material aspects with the principles as set out in the MCCG. The Company also adopted all the 48 recommended practices in the MCCG including the five (5) Step Up practices. A summary of the CG practices of Bursa Malaysia as well as the Board's key focus areas and future priorities in relation to the CG practices are described below under each CG principle.

¹ Compliance with paragraphs 15.08A(3) and 15.25 as well as Practice Note 9 of the MMLR on the preparation of the Nomination Committee statement and disclosure of CG related information

² Bursa Malaysia is an EHC approved under Section 15 of the Capital Markets and Services Act 2007

Corporate Governance Overview

PRINCIPLE A:

BOARD LEADERSHIP AND EFFECTIVENESS

Discharging Board Responsibilities

The Board is always mindful of its responsibilities to the Company's shareholders and various stakeholders for creating and delivering sustainable value and long-term success through its leadership and management of the Company's businesses, in pursuing the commercial and regulatory objectives and goals of Bursa Malaysia.

For the foregoing, the Board determines the strategic objectives and policies of the Group for delivery of such long-term value. It ensures effective leadership through oversight on management and robust monitoring of the activities, performance, conformance capabilities and control in the organisation. In setting the strategic direction, the Board also ensures that there is an appropriate balance between promoting long-term growth and meeting short-term objectives, having regard to the public interest responsibilities of Bursa Malaysia as an EHC.

In order to ensure orderly and effective discharge of the above functions and responsibilities of the Board, the Board has in place a Governance Model for the Group where specific powers of the Board are delegated to the relevant Board Committees and the Chief Executive Officer (CEO). The Governance Model of Bursa Malaysia as at 31 December 2021 is as depicted below.

BOARD OF DIRECTORS

Governance Committees

- Audit Committee
- Risk Management Committee
- Nomination and Remuneration Committee

Development Committees

- Technology and Cybersecurity Committee
- Sustainability and Development Committee

Regulatory Committees

- Regulatory and Conflicts Committee
- Appeals Committee 
- Market Participants Committee 
- Listing Committee 

Consultative Panels

- Securities Market Consultative Panel
- Derivatives Market Consultative Panel

    Matches the corresponding committees to the relevant companies

CHIEF EXECUTIVE OFFICER

MANAGEMENT GOVERNANCE FRAMEWORK

- Management Committee
- Management Regulatory Committee

WHOLLY-OWNED SUBSIDIARY COMPANIES

Bursa Malaysia Securities Berhad  

Bursa Malaysia Securities Clearing Sdn Bhd  

Bursa Malaysia Derivatives Berhad  
 • Bursa Malaysia Derivatives Clearing Berhad  

Bursa Malaysia Regulation Sdn Bhd

Bursa Malaysia Depository Sdn Bhd  

• Bursa Malaysia Depository Nominees Sdn Bhd

Labuan International Financial Exchange Inc. (LFX) 

- LFX Exchange Committee 
- Listing Committee 
- Disciplinary Committee 
- Licensing Committee 

Bursa Malaysia Information Sdn Bhd

Bursa Malaysia Bonds Sdn Bhd  

Bursa Malaysia Islamic Services Sdn Bhd 

- Shariah Committee 
- Disciplinary Committee 
- Appeals Committee 

PUBLIC COMPANY LIMITED BY GUARANTEE
Yayasan Bursa Malaysia

Corporate Governance Overview

In 2021, the members of the Governance, Development and Regulatory Committees have discharged their roles and responsibilities in accordance with the Terms of Reference (TOR) of the respective Committees. The attendance of the Directors and Committee members at the meetings of the Company during the year are as set out in the table below:

	*Board of Directors	NED∞	Governance Committees			Development Committees		Regulatory Committees					
Name			**AC	RMC	***NRC	TCC	#SDC	+RACC	LC	MPC	APC		
Public Interest and Independent Non-Executive Directors													
Tan Sri Abdul Wahid Omar (Chairman) ^[1]	11/11	1/1			8/8		4/4	4/4					
Dato’ Anad Krishnan a/l Muthusamy ^[2]	10/11	1/1	6/6					7/7		5/5			
Sharifatu Laila Syed Ali ^[3]	11/11	1/1		7/7				7/7	13/13				
Datin Azlina Mahmud ^[4]	9/9	1/1			6/6		3/3	5/5					
Independent Non-Executive Directors													
Datuk Karowwakaran @ Karunakaran a/l Ramasamy ^[5]	11/11	1/1		5/5	9/9			4/4					
Pushpanathan a/l S.A. Kanagarayar ^[6]	10/11	1/1	5/6										
Chong Chye Neo ^[7]	11/11	1/1		7/7	6/6	5/5							
Datuk Bazlan Osman ^[8]	11/11	1/1	6/6	7/7		5/5							
Syed Ari Azhar Syed Mohamed Adlan	11/11	1/1	6/6				4/4						
Uji Sherina Abdullah ^[9]	11/11	1/1			9/9	5/5							
Datin Grace Yeoh Cheng Geok ^[10]	3/3	-		2/2	3/3								
Non-Independent Executive Director													
Datuk Muhamad Umar Swift (CEO)	11/11					5/5	4/4						
Independent individuals with significant and relevant industry experience													
Dr. Reto Gruenfelder						5/5							
Michael John Warren ^[11]						4/4							
William Francis Herder							4/4						
Kuok Wee Kiat ^[12]							1/1	3/3		5/5			
Datuk Chay Wai Leong ^[13]							3/3						
Puan Shareen Shariza Dato’ Abdul Ghani ^[14]							1/1						
Dato’ Feizal Mustapha ^[15]								3/3	13/13				
Rashid Ismail ^[16]								3/3					
Salwah Abdul Shukur ^[16]								3/3					
Lee Kha Loon									13/13				
Hijah Arifakh Othman									13/13				
Jalalullail Othman									10/13				
Iskandar Abdullah @ Sim Kia Miang									13/13				
Dato’ Abdul Shukor Ahmad ^[17]									12/13				
Jerry Ong Kok Wah ^[17]									13/13				
Raymond Tang Chee Kin ^[17]									12/13				
Dato’ Wan Asmadi Wan Ahmad										5/5			
Tai Siew Moi										5/5			
Chew Sing Guan										5/5			
Datin Yon See Ting ^[18]										5/5			
Prof. Dr. Aiman @ Nariman Mohd Sulaiman ^[18]										4/5			
Azura Azman ^[18]										5/5			
Tan Chee Siong ^[18]										5/5			
Datuk Seri Dr. Nik Norzrul Thani Nik Hassan Thani ^[19]											5/5		
Cheah Tek Kuang											5/5		
Ooi Giap Ch’ng											5/5		
Dato’ Azmi Mohd Ali											5/5		
Datuk Dr. Prasad Sandhosam Abraham											4/5		
Dato’ Sri Abdul Hamidy Abdul Hafiz ^[20]											5/5		
Dato’ Dr. Zaha Rina Zahari ^[20]											5/5		
Wong Yoke Weng ^[20]											4/5		
Total number of meetings for 2021			11	1	6	7	9	5	4	7	13	5	5
Chairman Member Non-member	AC	Audit Committee	TCC	Technology and Cybersecurity Committee				RACC	Regulatory and Conflicts Committee				
	RMC	Risk Management Committee	SDC	Sustainability and Development Committee (which replaced the former Market and Development Committee (MDC))				LC	Listing Committee				
	NRC	Nomination and Remuneration Committee						MPC	Market Participants Committee				
								APC	Appeals Committee				

Notes:

- [1] Ceased to be NRC member with effect from (w.e.f.) 1 December 2021 in compliance with Practice 1.4 of the Malaysian Code on Corporate Governance; and ceased to be RACC Chairman w.e.f. 1 October 2021
- [2] Was MPC Chairman until the re-designation as MPC member w.e.f. 1 October 2021
- [3] Appointed as LC member w.e.f. 1 January 2021
- [4] Appointed as Public Interest Director (PID) of Bursa Malaysia w.e.f. 16 March 2021; and appointed as member of the NRC, MDC (and subsequently SDC) and RACC w.e.f. 1 April 2021
- [5] Appointed as RMC member w.e.f. 1 April 2021; and ceased to be RACC member w.e.f. 1 October 2021
- [6] Was on medical leave for the AC and Board of Directors meetings which were held on 26 July 2021 and 28 July 2021 respectively
- [7] Appointed as NRC member w.e.f. 1 April 2021
- [8] Was RMC member until the re-designation as RMC Chairman w.e.f. 1 April 2021
- [9] Resigned as Independent Non-Executive Director (INED) of Bursa Malaysia w.e.f. 1 January 2022
- [10] Retired as INED of Bursa Malaysia at the 44th Annual General Meeting held on 31 March 2021; she therefore ceased to be RMC Chairman and NRC member on the same date
- [11] Appointed as TCC member w.e.f. 1 May 2021
- [12] Ceased to be MDC member w.e.f. 1 May 2021; appointed as MPC Chairman w.e.f. 1 January 2021 and as RACC member w.e.f. 1 October 2021
- [13] Appointed as MDC (and subsequently SDC) member w.e.f. 1 May 2021
- [14] Appointed as SDC member w.e.f. 1 October 2021
- [15] Appointed as LC Chairman w.e.f. 1 January 2021 and as RACC Chairman w.e.f. 1 October 2021
- [16] Appointed as RACC member w.e.f. 1 October 2021
- [17] Appointed as LC member w.e.f. 1 January 2021
- [18] Appointed as MPC member w.e.f. 1 January 2021
- [19] Re-designated as APC Chairman w.e.f. 1 January 2021
- [20] Appointed as APC member w.e.f. 1 January 2021

* There were 10 scheduled and 1 special Board meetings in 2021

∞ 1 Non-Executive Directors (NED) session was held on 16 December 2021

** 2 private meetings were held between the AC and the external auditors, Ernst & Young PLT i.e. on 27 January 2021 and 26 October 2021 respectively

*** NRC was established w.e.f. 1 January 2021 in place of the Governance and Nomination Committee (GNC) and Remuneration Committee (RC). The GNC members continued to serve as NRC members from 1 January 2021 whilst the membership of the RC ceased accordingly on the same date.

SDC was established w.e.f. 1 August 2021, in place of the former MDC

+ W.e.f. 1 October 2021, a revamp of the RACC structure which comprised Chairman and 3 new members who are independent individuals and 3 existing members who are PIDs of Bursa Malaysia

Corporate Governance Overview

The Governance Model and processes are built upon the TOR of the Board and its respective Committees as set out in the Governance Model Document (GMD) and complemented by the Corporate Authority Manual (CAM). The CAM clearly delineates relevant matters and applicable limits, including those reserved for the Board's approval, and those which the Board may delegate to the Board Committees, the CEO and Management. Key matters reserved for the Board's approval include the annual business plan and budget, dividend policy, business continuity plan, new issues of securities, business restructuring, expenditure above a certain pre-determined limit, disposals of significant fixed assets and the acquisition or disposal of companies within the Group.

The GMD and the CAM are reviewed as and when required, to ensure an optimum structure for efficient and effective decision-making in the organisation. In this respect, a comprehensive review of the Governance Model and TOR of the Board Committees was conducted in 2021 with a view to reflect the enhanced roles and responsibilities of the Board Committees arising from the introduction of new practices and processes as set out in the MCGG.

In 2020, the Board had considered the establishment of a Regulatory Subsidiary (RegSub) with the objective to enhance the Group's governance arrangement in particular, to address any potential or perceived conflict of interest (COI) between the regulatory function and the commercial objectives of Bursa Malaysia. A new legal framework would need to be in place for the RegSub to be operationalised. Pending the issuance of the relevant laws/regulations for the operationalisation of the RegSub, the Board at its strategy meeting in September 2021, approved the implementation of an enhanced governance model to strengthen the independence of the regulatory function of the Group in addressing the above potential or perceived COI. The changes include a revamp of the structure of the Board Regulatory and Conflicts Committee (RACC) in terms of its roles, responsibilities and composition, with effect from 1 October 2021. The RACC is given the mandate to oversee the regulatory function of the Group, and in the performance of its regulatory duties, it shall exercise its judgement independently of Bursa Malaysia's business functions. Accordingly, the new RACC comprises four (4) members who are external independent individuals and three (3) members who are Public Interest Directors (PIDs) of Bursa Malaysia. The independent individuals were appointed by the Board in consultation with the SC, and one of them is the RACC Chairman. The profiles of the RACC members are disclosed on pages 94 to 95 of this report. The Chief Regulatory Officer reports exclusively to the RACC in relation to the performance of the regulatory function of the Group. This direct line of reporting further strengthens the independence of the RACC.

Board Leadership

In fostering a strong CG culture in the organisation, the Board has always strived for the highest standard of CG practices in the Company and adopting the same as a "way of life" in every aspect of the organisation. The Chairman leads the Board by setting the tone at the top, and managing the Board effectiveness by focusing on strategy, governance and compliance.

The positions of the Chairman and CEO are held by different individuals with clear and distinct roles which are formally documented in the Board Charter of Bursa Malaysia (Board Charter). The Board Charter is a comprehensive reference document for Directors on matters relating to the Board and its processes. The Board Charter also sets out the roles and responsibilities of the Board, the individual Directors as well as the Senior Independent Director. It can be found at Bursa Malaysia's website:

 https://www.bursamalaysia.com/about_bursa/about_us/corporate_governance/board_charter

Following Practice 1.4 of the MCGG whereby the Chairman of the Board should not be a member of the Audit Committee (AC), Nomination Committee or Remuneration Committee, Tan Sri Abdul Wahid Omar relinquished his membership of the Nomination and Remuneration Committee (NRC) effective 1 December 2021.

Board Administration

The Board members have full access to the two (2) Company Secretaries, both of whom have legal qualifications and are qualified to act as company secretaries under the Companies Act (CA) 2016. The Company Secretaries ensure the Directors are provided with sufficient information and time to prepare for Board meetings. To this, the meeting materials are made accessible to the Directors on their devices within reasonable periods prior to the meetings. The Company Secretaries also prepare the minutes of meetings in a timely manner and provide advisory services to the Board on corporate administration and governance matters including compliance with the relevant laws, rules and regulations.

Promoting Good Business Conduct

Bursa Malaysia takes a stance against the use of corrupt practices in relation to its activities and promotes a culture of integrity within the organisation by ensuring there are adequate policies and procedures which are implemented appropriately in line with the principles under the Guidelines for Adequate Procedures³. In this respect, the Board has put in place comprehensive Code of Conduct and Ethics (COCE) for Bursa Malaysia which sets out the acceptable practices and guide the behaviour of Directors and employees of the Company. In 2021, the Board further approved the establishment of the COCE for Members of the Regulatory Committees of Bursa Malaysia, to reflect their commitment to high standards of professional and ethical behaviours in the performance of their responsibilities. The COCE can be found at Bursa Malaysia's website:

 https://www.bursamalaysia.com/about_bursa/about_us/corporate_governance/code_of_conduct_and_ethics_for_directors

The Board has also put in place the Whistleblower Policy and Procedures (WPP) for Directors which may be used for reporting any individual director's improper conduct or organisational malpractice within the organisation. The WPP for Directors can be found at Bursa Malaysia's website:

 https://www.bursamalaysia.com/about_bursa/about_us/corporate_governance/whistleblower_policy_and_procedure

³ Issued by the Prime Minister's Department on 10 December 2018 pursuant to Section 17A(5) of the MACC Act 2009

Corporate Governance Overview

Bursa Malaysia has zero tolerance on any conduct that constitutes a wrongdoing or malpractice which may include any breach of ethics as described in the COCE or conflict of interest and/or any fraudulent act as may be described in the Anti-Fraud, Bribery and Corruption (AFBC) Policy and Guidelines. To this, Bursa Malaysia has in place the WPP for its employees to facilitate the exposure of any violations or improper conduct or wrongdoing within the Group. The WPP for Bursa Malaysia group can be found at Bursa Malaysia's website:

 https://www.bursamalaysia.com/about_bursa/about_us/corporate_governance/whistleblower_policy_and_procedure

To ensure that good standards of behaviour permeate throughout all levels of the Group, Bursa Malaysia has in place the COCE, AFBC Policy and WPP for Bursa Malaysia group, to strengthen the integrity, governance and anti-corruption framework for Bursa Malaysia. These policies serve as control measures to address and manage the risk of fraud, bribery, corruption, misconduct and unethical practices for the benefit of long-term success of the Company. The Anti-Corruption Policy is published⁴ on Bursa Malaysia's website:

 https://www.bursamalaysia.com/about_bursa/sustainability/social

In January 2022, the Board established the Directors' Fit and Proper Policy (FPP), to ensure that any person to be appointed or elected/re-elected as a Director of Bursa Malaysia Group shall possess the necessary quality and character as well as integrity, competency and commitment to enable the discharge of the responsibilities required of the position in the most effective manner. The Directors' FPP is incorporated in the Board Charter which is available on Bursa Malaysia's website. The Board Charter also includes a provision which prohibits an "active politician" as defined in the MCCG, to be a Director on the Board of the Company.

Governing Sustainability

The Board is ultimately accountable for ensuring that sustainability is integrated into the strategic direction of Bursa Malaysia and its operations. To achieve this, the Board continuously ensures that there is an effective governance framework for sustainability within the Group.

In July 2021, the Board together with the Management, conducted a review of the Governance Model of Bursa Malaysia with the view to further strengthen the framework for sustainability within the organisation having regard to the new Practices and Guidance under the revised MCCG. Among the changes approved by the Board, was the establishment of a new Board Committee i.e. the Sustainability and Development Committee (SDC) in place of the former Market and Development Committee under the Governance Model. The primary purpose of the SDC is to assist the Board in its oversight responsibilities in particular, to ensure the strategic plan for the Group supports long term value creation and sustainability goals as well as to ensure the development and implementation of the strategic plan for the Group is effective and takes into account sustainability considerations.

In view of its purpose, the Board agreed that the composition of the SDC would include an independent member who is an expert in sustainable development or sustainable finance. The Board also

approved changes to the TOR of the Risk Management Committee (RMC) to provide explicitly the RMC's responsibilities in overseeing the Group's various risks including sustainability and climate-related risks. The CEO, through the Management Committee, continues to be responsible for the strategic management of material sustainability matters of Bursa Malaysia Group.

Bursa Malaysia's sustainability strategies, priorities and targets as well as performance against these targets are developed and broadly monitored against a 3-year Sustainability Roadmap after a careful review of outcomes from the materiality assessment exercise and engagements with key internal and external stakeholders. The Sustainability Roadmap is aligned with Bursa Malaysia's 2021-2023 Strategic Roadmap. The comprehensive description of Bursa Malaysia's stakeholder groups, engagements and targets as well as the performance against these targets are as set out in Bursa Malaysia's standalone Sustainability Report which can be found on Bursa Malaysia's website.

In order to ensure the Board is kept abreast on sustainability issues which are relevant to Bursa Malaysia's business and operations, several training programmes had been organised internally for the Board and Management during the year. In addition, the Enterprise Analytic & Reporting Unit provides weekly updates to the Board on Sustainability and Environmental, Social and Governance (ESG) matters such as news articles or reports, to ensure the Board is kept abreast on the latest developments and trends, in the local and global scene.

Board Size, Composition and Diversity

The Board believes that a truly diverse and inclusive Board will leverage the differences of its members, to achieve effective stewardship and in turn, retains its competitive advantage. In this respect, the Board through its NRC conducts an annual review of its size and composition, to determine if the Board has the right size and sufficient diversity with independence elements that fit the Company's objectives and strategic goals.

During the year, there have been several changes to the composition of the Board of Bursa Malaysia with the appointment of Datin Azlina Mahmad as a new PID in March 2021, the retirement of Datin Grace Yeoh Cheng Geok as an Independent Non-Executive Director (INED) at the 44th Annual General Meeting (AGM) in March 2021 and the resignation of Puan Uji Sherina Abdullah as an INED in December 2021 which took effect on 1 January 2022. In 2021, the Board maintained at least 30% women directors on the Board in accordance with its Diversity Policy as set out in the Board Charter.

Based on the Board's annual review of its size and composition in conjunction with the Board Effectiveness Evaluation (BEE) exercise, it was agreed that the Board size of 11 members as at 30 September 2021 was appropriate and adequate to effectively govern the organisation. In light of the revamp of the RACC structure under the enhanced governance model effective 1 October 2021, an optimum Board size is being reviewed by the NRC having regard to the relevant factors, including the Board Skills Matrix and the distribution of Directors' membership on the Board Committees.

⁴ Paragraph 15.29(1)(a) and (2)(a) and (b) of the MMLR

Corporate Governance Overview

The Board Skills Matrix has also been developed based on the Directors' self-assessment, and used as reference for refreshing the Board and succession planning to complement one another. As at 1 January 2022, the Board Diversity for Bursa Malaysia is depicted in the charts below.

BOARD DIVERSITY			
Composition	Independent Non-Executive Director (including PID)		9
	Non-Independent Executive Director		1
Experience and Skills*	Capital Markets Experience		80%
	International Business Experience		87%
	Other Exchanges Experience		62%
	Corporate CEO/Managing Director		92%
	Breadth of Business Experience		90%
	Accounting/Financial Management		77%
	Human Capital Management Experience		87%
	Technology Experience		71%
	Corporate Governance		92%
	Government Experience		82%
	Legal/Regulatory		70%
Tenure	Up to 1 year		1
	More than 1 year and up to 3 years		6
	More than 3 years and up to 6 years		1
	More than 6 years and up to 9 years		2
Age	46-50		1
	51-55		1
	56-60		5
	61-65		0
	66-70		2
	71 and above		1
Gender	Male		7
	Female		3
Race/Ethnicity	Malay/Bumiputera		5
	Chinese		1
	Indian		2
	Others		2
Nationality	Malaysian		9
	Foreigner		1

* Individual Directors may fall into one or more categories

Corporate Governance Overview

Board Succession Planning and Appointments

Appointments of Directors to the Board of Bursa Malaysia (other than the PID) are subject to a formal, rigorous and transparent process. In carrying out its review, the NRC takes into account the existing Board composition such as the optimum size and diversity in terms of gender, race/ethnicity and mix of skills/experience. For this purpose, the NRC also considers the strategic direction of the Company as well as the Board compositions of other comparable exchanges or organisations. Based on its review, the NRC determines the selection criteria for the new appointment with the view to close any gap or to strengthen the Board composition. The NRC shall review potential candidates from internal and external sources and conduct engagement sessions with shortlisted candidates before its final recommendation to the Board. Upon the Board's approval of the shortlisted candidate, the SC's concurrence will be sought in accordance with Section 10 of the Capital Markets and Services Act 2007 (CMSA).

In 2021, there was no new appointment of a Director (other than the PID) on the Board of Bursa Malaysia. However, the NRC had conducted a review of the Board composition and identified the selection criteria for a new appointment in due course. In this respect, the NRC had refreshed its pool of potential candidates (Pool) by obtaining new profiles of potential candidates from internal and external sources.

Section 21 of the CMSA provides that in performing its duties, the EHC shall act in the public interest, having regard to the need for protection of investors. In this regard, Section 10 of the CMSA requires that one-third of the Board shall comprise PIDs who are appointed by the Minister of Finance in consultation with the SC. In March 2021, a new PID, Datin Azlina Mahmad was appointed to the Board. The induction programmes were conducted for Datin Azlina Mahmad on 19, 22 and 23 March 2021.

In conjunction with the BEE exercise, the NRC considered the eligibility of a Director to stand for re-election at the 45th AGM of the Company through an assessment of Mr. Pushpanathan a/l S.A. Kanagarayar (Mr. Pushpanathan)'s performance, contribution and independence. Based on the outcome of the NRC's review, Mr. Pushpanathan's performance and contribution in the discharge of his duties during the assessment period had been satisfactory. The NRC was satisfied that Mr. Pushpanathan had contributed effectively to the Board's deliberations. He had demonstrated his diligence and commitment, particularly as AC Chairman.

In November 2021, the Board approved Mr. Pushpanathan's re-election as recommended by the NRC, and the same was concurred by the SC in accordance with Section 10(1)(b) of the CMSA. Mr. Pushpanathan had also made the fit and proper declaration in the prescribed form in accordance with the Directors' FPP, and submitted the same to the Company prior to the issuance of the Notice of the 45th AGM of the Company.

During the year, the NRC had also carried out the appointment process for the new independent members of the Development Committees of Bursa Malaysia, namely the Technology and Cybersecurity Committee (TCC) and SDC in view of the need to strengthen the subject matter expertise residing within these committees. Engagement sessions were held with several candidates who were identified from the Pool. The appointment of the TCC and SDC members were subsequently approved by the Board in March and September 2021 respectively.

With the impending retirement of the Senior Independent Director (SID) who is the NRC Chairman at the 45th AGM in March 2022, the NRC at its meeting held in November 2021 also reviewed the proposed appointment of a new SID having regard to the roles and responsibilities of a SID and the selection criteria for such appointment. In this respect, the NRC agreed on the appointment of Datuk Bazlan Osman as the next SID of the Company given his vast corporate experience serving on the Board of various public listed companies, and that he also fits the skillset and calibre expected of a SID. The Board subsequently approved the recommendation of the NRC at its meeting in November 2021.

Management Succession Planning

During the year, the NRC (together with the CEO) reviewed the detailed succession plans and talent management updates for the mission critical roles in the organisation as presented by the Director, Group Human Resources (GHR) on a half-yearly basis i.e. in July and December 2021 respectively. The NRC also considered the succession bench strength of each senior critical role and operational critical role. As guided by the 9-box grid, the successors' development plans were developed based on their current readiness levels to increase their leadership capabilities and potential. Talents were also identified by GHR to cultivate their leadership skills and prepare them to be successors to critical roles.

At its meetings held in January, March and June 2021, the NRC considered the proposed renewal / confirmation of appointment for three (3) key senior management personnel. All these three (3) appointments were approved by the Board in February, March and June 2021, respectively based on the NRC's recommendations.

⁵ Paragraph 15.08A(3)(c) of the MMLR

Corporate Governance Overview

Board Effectiveness

The NRC carries out the BEE exercise annually⁵. An external consultant is engaged once every three (3) years to assist the NRC to facilitate an objective and candid board evaluation as set out in the Board Charter. For 2021, the NRC had conducted the BEE exercise internally and facilitated by the Company Secretaries for the period from 1 October 2020 to 30 September 2021 (2020/2021).

The BEE 2020/2021 questionnaires comprised the Board and Board Committee Effectiveness Assessments, Directors and Board Committee members' Self and Peer Assessments, were issued to the Board/Committee members and the 360 degrees questionnaires were issued to the Senior Management in October 2021 respectively. In November 2021, the analysis of the BEE 2020/2021 results and feedback from the Board/Committee members were presented by the Company Secretary for the NRC/Board's consideration in developing action plans for enhancing its overall effectiveness.

The overall average ratings for the areas of assessments were above 3.5, based on a 4-scale rating. The Board resolved to adopt the BEE 2020/2021 results and the action plan as recommended by the NRC. The results of the BEE 2020/2021 indicated that the performance of the Board, the Board Committees, the individual Directors and members of the Board Committees during the assessment period had been satisfactory (3.00 < average rating ≤ 4.00) on a 4-scale rating, and therefore, they had been effective in their overall discharge of functions, roles and duties. The Board was satisfied with each of the Directors' level of performance, and that they had also met the performance criteria in the prescribed areas of assessments. The results of these assessments form the basis of the NRC's recommendations to the Board for the re-election of a Director at the 45th AGM in March 2022.

In accordance with the TOR of the NRC, the NRC Chairman (who is the SID) led the annual review of Board effectiveness, ensuring that the performance of each individual director and Chairman of the Board are independently assessed. The NRC deliberated at length on each comment/feedback given based on the BEE 2020/2021 exercise and noted that there was no item with the rating of 2 [Needs Improvement] or below, and therefore there was no key weakness area which required any specific step/enhancement to be undertaken in relation to the functioning of the Board and its committees. Nevertheless, the NRC requested that the Board and Board Committee members' feedback be shared with the relevant members for notation and further action, where applicable.

With the view to raise the bar on the Board's governance practices and overall effectiveness, the enhancement areas were considered based on items with rating below 3.7 and the Board members' comments/feedback. In this respect, the NRC had derived from the above BEE 2020/2021 results, the areas requiring ongoing attention for continuous improvement which were categorised as below:

- Human capital development and succession management;
- Communication with stakeholders and investor relations;
- Sustainability in ESG; and
- Innovation and products development.

The details of the activities of the NRC in 2021 are described in the CG Report. It embraces Principle A of the MCCG in relation to the Board composition.

Remuneration Policy

The Board has established a formal and transparent process for approving the remuneration of the Board and Board Committees, the CEO and the Senior Management of Bursa Malaysia. The NRC is responsible to formulate and review the remuneration policies for the Board and Board Committees as well as the Senior Management of the Company to ensure the same remain competitive, appropriate, and in alignment with the prevalent market practices.

The NRC conducts the Board remuneration review (BRR) on annual basis and an external consultant is engaged for this exercise once in every three (3) years, to provide the NRC with an objective and independent perspective. The current Board Remuneration Policy was approved by the shareholders at the 44th AGM of the Company held in March 2021. An external consultant was appointed to conduct a BRR in July 2020.

Hence, a BRR was conducted internally by the NRC in November 2021, to ascertain the competitiveness of the Board remuneration having regard to various factors including the Board remuneration of comparator companies in the financial services sector, dominant providers and those with similar market capitalisation in Malaysia as well as comparable stock exchanges. The NRC also took into consideration the demands, complexities and performance of the Exchange Group particularly, the core activities and responsibilities of the Board/Board Committees as well as having regard to the responsibilities and contribution levels of individual members in terms of statutory duties, fiduciary duties, risk, intensity/complexity of work, time commitment and effort.

The NRC also considered the proposed remuneration for the new RACC members under the enhanced governance model based on their roles and responsibilities as well as the obligations and restrictions imposed on the RACC members as set out under the RACC Charter, which was developed in consultation with the SC, and the same were akin to those proposed to be applicable to the RegSub Directors. In this respect, the Board at its meeting held in November 2021 approved the proposed benefits for the new RACC members which would also be applicable to the PIDs who are members of the RACC, subject to the shareholders' approval at the 45th AGM in accordance with Section 230 of the CA 2016.

The Board approved the NRC's recommendation to seek the shareholders' approval that the Directors' benefits payable to the Non-Executive Directors shall remain the same as the previous year, i.e. up to an amount of RM2,000,000 from 31 March 2022 until the next AGM of the Company in accordance with Section 230 of the CA 2016 and Paragraph 7.24 of the MMLR. The Board also approved the NRC's recommendation for the Directors' fees in respect of financial year 2021 to remain unchanged, as they are still competitive and at par with the prevalent market rate.

Corporate Governance Overview

PRINCIPLE B:

EFFECTIVE AUDIT AND RISK MANAGEMENT

The Audit Committee

The AC of the Company comprises four (4) members who are INEDs, one of whom is also a PID. The AC is chaired by an INED, Mr. Pushpanathan. None of the AC members were former audit partners who are required to observe a cooling-off period of at least three (3) years before being appointed in accordance with the TOR of the AC. In the annual assessment on the suitability, objectivity and independence of the external auditors, the AC is guided by the factors as prescribed under Paragraph 15.21 of the MMLR as well as the Auditor Independence Policy which was approved by the Board in November 2019.

In March 2021, the NRC reviewed the composition of the AC together with other Governance and Development Committees based on the distribution of the Directors on the Board Committees. As three (3) of the AC members have been appointed upon their appointment as Directors of Bursa Malaysia, the NRC recommended that the membership of the AC shall remain unchanged until the next annual review before the expiry of the term of appointment in June 2022. The results of the AC Effectiveness Assessment 2020/2021 also showed that the AC members' contributions to the functioning of the AC was satisfactory. To maintain an independent and effective AC, INEDs who are financially literate, possess the appropriate level of expertise and experience, and have the strong understanding of the Company's business were considered for membership on the AC. The performance and contribution of each of the Committee members based on their Self and Peer Assessment results of BEE 2020/2021 shall be used for determining their re-appointment for the next term.

Risk Management and Internal Control Framework

The RMC of the Company comprises four (4) members who are INEDs, one of whom is also a PID. As at 31 December 2021, the RMC was chaired by an INED, Datuk Bazlan Osman who assumed the chairmanship upon the retirement of Datin Grace Yeoh Cheng Geok after the conclusion of the 44th AGM. Subsequent to this, following the review of the composition of the Board and Board Committees in December 2021, Puan Sharifatu Laila Syed Ali was appointed as the Chairman of the RMC effective 1 January 2022. The RMC is responsible to oversee the Company's risk management framework and policies. The RMC is also responsible for overseeing business continuity management, compliance and Integrity & Governance unit functions of the Group. Risk Control Self-Assessments are conducted on a quarterly basis which include assessment of the exposure to corruption risk⁶. The implementation of the relevant initiatives under the Organisational Anti-Corruption Plan (OACP) had been ongoing in 2021 to strengthen governance, integrity and raise awareness on anti-fraud, bribery and corruption. The OACP can be found at Bursa Malaysia's website:

 https://www.bursamalaysia.com/about_bursa/sustainability/social

The AC is responsible to assist the Board in ensuring the adequacy and effectiveness of internal controls. The Board is of the view that the system of internal control and risk management in place during 2021, is sound and sufficient to safeguard the Group's assets, as well as shareholders' investments, and the interests of customers, regulators, employees and other stakeholders.

In this respect, the details of the Risk Management and Internal Control Framework are set out in the Statement on Internal Control and Risk Management on pages 117 to 125 of this report.

⁶ Paragraph 15.29(1)(c) of the MMLR

Corporate Governance Overview

PRINCIPLE C:

INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Communication with Stakeholders

Bursa Malaysia ensures that its communication with the shareholders and various stakeholders is transparent, timely and with quality disclosure. Bursa Malaysia also actively engages all its stakeholders through various platforms including the announcements via Bursa LINK, disclosures on its website and engagements through the investor relations function. In 2021, a number of events were held during the year to maintain an open communication with the issuers, investors, shareholders, intermediaries, regulators, employees and other communities. Details of the stakeholder engagements in 2021 are provided on pages 84 to 90 of the SR 2021.

In 2021, Bursa Malaysia issued its third Integrated Annual Report (IAR) for the financial year 2020, based on the International Integrated Reporting Council's Integrated Reporting Framework. Through this IAR 2021, the Company demonstrates its continuous commitment to improve the quality of information disclosures to stakeholders and promote greater transparency and accountability on Bursa Malaysia.

Conduct of General Meetings

The Company had conducted a virtual 44th AGM which was held on 31 March 2021 at the Conference Room of the Exchange Square (Broadcast Venue) by leveraging technology in accordance with Section 327(1) and (2) of the CA 2016, Article 15.4 of the Constitution of the Company and the SC's *Guidance and FAQs on the Conduct of General Meetings for Listed Issuer*. All 12 members of the Board including the Executive Director/CEO were physically present at the Broadcast Venue together with the Joint Company Secretaries and the Chief Financial Officer. The other members of senior management were in attendance virtually via video conferencing.

In line with best CG practice, the notice of the 44th AGM was issued 28 days before the AGM date. At the same time, shareholders were advised to take advantage of the remote participation and voting (RPV) facilities as a precautionary measure in view of the ongoing COVID-19 pandemic. To further encourage engagement between the Directors and shareholders, shareholders were also invited to send questions before the meeting to Tricor's TIH Online website at <https://tiih.online> in relation to the agenda items for the 44th AGM.

The shareholders, corporate representatives and proxies attended the 44th AGM via RPV facilities which were available on Tricor's TIH Online website. The proceedings of the 44th AGM at the Broadcast Venue included the CEO's presentation of the Company's operating and financial performance for 2020, the presentation of the external auditors' unqualified report to the shareholders, and a Questions & Answers session during which the Chairman invited shareholders to use the query box facility to submit questions (real time) during the meeting, pertaining to the Company's financial statements and other items for adoption at the meeting, before putting a resolution to vote.

The Scrutineers, Deloitte Risk Advisory Sdn Bhd verified and announced the poll results for each resolution, which include votes in favour and against, upon which the Chairman of the 44th AGM declared that all the resolutions were carried. The poll results were also announced by Bursa Malaysia via Bursa LINK on the same day for the benefit of all shareholders. The Minutes of the 44th AGM (including all the Questions raised at the meeting and the Answers thereto) were also made available on Bursa Malaysia's website at About Us-Investor Relations-Financial Information-AGM and EGM:

 https://bursa.listedcompany.com/misc/Minutes_of_44AGM-31032021.pdf

Compliance Statement

This Statement was approved by the Board on 23 February 2022.

Marketplace Report: Fair and Orderly Markets

Bursa Malaysia continued to implement measures designed to maintain and enhance the stability and resilience of the market, as well as to offer relief for our listed issuers that were significantly affected by the ongoing COVID-19 pandemic.

Even as measures were introduced to give our public listed companies (PLCs) and market participants greater flexibility in navigating the challenging period posed by the COVID-19 pandemic, the Exchange also took steps to mitigate potential risks arising from the heightened volatility in the capital markets and global uncertainties. Meanwhile, we continued to enhance our rules framework, as well as our surveillance and enforcement capabilities, in our role as a market regulator responsible for maintaining market integrity.

Development of the Rule Framework

In 2021, our rule changes focused on increasing clarity and transparency in the rules, enhancing market vibrancy, fostering efficiency and streamlining our regulatory framework, particularly in respect of initial public offerings (IPO) and compliance obligations among our market participants.

We continue to maintain an open, transparent and consultative approach when undertaking major rule changes, as well as strive to ensure that our rules remain fit for purpose and that we continue to strengthen governance and transparency in the market. Our rule framework was enhanced this past year through several rule amendments including:

- Amendments to the Bursa Malaysia Securities Berhad (BMS) Main Market Listing Requirements (MMLR) and ACE Market Listing Requirements (ACE LR) to promote transparency, clarity and certainty on the policy requirements pertaining to lower public spread. The amendments, among others, codify the policy considerations (including the quantitative and qualitative criteria to be met) for the acceptance of a lower public security holding spread.
- Amendments to the ACE LR to facilitate the Exchange as a one-stop centre for all approvals in relation to ACE Market IPOs and prospectus registration. Enhancements were also made to ensure quality submissions to the Exchange and disclosures to the market through a more effective and value-added sponsorship regime with quality and responsible sponsors and officers.
- Amendments to the MMLR to ensure parity of regulation by streamlining the eligibility requirement of a Principal Adviser in line with the Securities Commission Malaysia's (SC) recognised principal adviser framework and strengthening the accountability of such adviser and its key officers involved in submitting significant proposals to the Exchange.
- Introduced a new Directive of BMS in relation to the Pilot Market Making Program (PMMP) for Eligible Stocks which is a 2-year pilot programme to allow eligible Market Makers for the PMMP that are registered with BMS to carry out market making activities on the eligible PMMP stocks with the key objective of improving the liquidity and price efficiency of these stocks.
- Amendments to the Rules and Directives of BMS and the Rules and Directives of Bursa Malaysia Derivatives Berhad (BMD) in relation to discretionary trading to, among others, allow a Participating Organisation (PO) and Trading Participant (TP) to apply different fee models for the service of operating a discretionary trading account on behalf of a client based on the following models i.e. profit sharing or fee which is charged on the value of assets or portfolio under management; and introduced the eligibility criteria for a Dealer's Representative (DR) or Registered Representative (RR) (as the case may be) carrying out discretionary trading and the requirements pertaining to trading in a discretionary account.
- Amendments to the Rules and Directives of BMD and Directives of Bursa Malaysia Derivatives Clearing Berhad (BMDC) in relation to the Revamped Crude Palm Kernel Oil Futures (FPKO) Contract, with the aim to meet the market needs for an effective instrument to hedge against the fluctuation in prices of Crude Palm Kernel Oil, provide an alternative instrument for local and international participants to trade, and attract lauric oils traders and users to hedge against changes in market value.

Marketplace Report: Fair and Orderly Markets

- Amendments to the Rules and Directives of BMD and Directives of BMDC in relation to the introduction of Ringgit Malaysia Denominated East Malaysia Crude Palm Oil Futures (FEPO) Contract, to recognise the importance of the East Malaysian crude palm oil market that has grown continuously and significantly over the years, to further strengthen the palm complex of BMD and to boost the overall crude palm oil market in Malaysia.
 - Amendments to BMD's List of Specified Exchanges to clarify the assessment criteria for a foreign exchange to be prescribed as a Specified Exchange, to update the names of the prescribed exchanges in the List of Specified Exchanges and to include ICE Futures Singapore in the list of Specified Exchanges.
 - Amendments to the Directives of BMS, BMD and BMDC in relation to compliance guidelines and reporting to re-organise and enhance the current compliance guidelines to streamline with the current rules, directives and market practices, to synchronise the compliance guidelines and compliance reports between POs, TPs and Clearing Participants (CP) where appropriate, and to enhance the reporting of critical areas in the compliance reports. The Rules of BMDC were amended to clarify the obligation of the compliance function of a CP.
 - Amendments to the Rules and Directives of BMD and BMDC in relation to the introduction of an After-Hours (T+1) Night Trading session for all existing BMD products, except for security-based contracts. The introduction of the After-Hours (T+1) Night Trading session aims to, amongst others, provide a hedging and risk management tool for investors to hedge or adjust their positions to manage their risks when the European and U.S. markets are trading, increase market efficiency by facilitating better price discovery and additional access to trading; and lastly enhance the appeal of the Malaysian derivatives market to both local and foreign investors.
 - Amendments to the Rules and Directives of BMD and Directives of BMDC in relation to the revitalisation of the 3-Year and 10-Year Malaysian Government Securities Futures Contracts to align with the revised settlement method of the 5-Year Malaysian Government Securities Futures Contract relaunched in September 2020. Amendments were made to change from the cash settlement method to physical delivery. Such alignment aims to further enhance the appeal of Malaysian Government Securities Futures contracts as industry players prefer the physical delivery settlement method.
 - Amendments to the Rules and Directives of BMS to remove the prohibition to execute short selling if a person or any person on behalf of whom the first mentioned person is executing the short selling, is associated with the body corporate that issued or made available the securities (Associated Person Rule) from the regulated short selling and intraday short selling frameworks. The amendments were made after taking into consideration that there are adequate safeguards against market manipulation, and the challenges faced by the POs in operationalising the Associated Person Rule.
 - Amendments to the Directives of BMS in relation to Market Makers and Derivatives Specialists (Directive 4-001) under the BMS Rules to revise the market making obligations for structured warrants. The amendments were made to enhance the requirements pertaining to the entry of the bid and offer prices for the market making of structured warrants.
 - Amendments to the Rules of BMSC to clarify that Securities Borrowing and Lending (SBL) Central Lending Agency, SBL Negotiated Transaction and Islamic Securities Selling and Buying may be used to facilitate the settlement of securities in relation to Intraday Short Selling undertaken in accordance with the Rules of BMS, when such short sale fails to be closed within the same day.
- We also sought to ensure clear, easily accessible and transparent rules and requirements by making available all Listing Requirements and Business Rules in Bahasa Malaysia. This is part of our efforts to promote inclusivity, given the diverse backgrounds and needs of our stakeholders, as well as for better understanding and compliance with our rules.
- Bursa Malaysia continued to implement measures designed to maintain and enhance the stability and resilience of the market, as well as to offer relief for our listed issuers that were significantly affected by the ongoing COVID-19 pandemic.**
- The SC and Bursa Malaysia also took steps to mitigate potential risks arising from heightened volatility in capital markets and global uncertainties. Details of the market control and relief measures extended from 2020 to 2021 are as follows:
- Uplifted the suspension on Regulated Short Selling (RSS) effective from 1 January 2021, whilst the temporary suspension of intraday short selling (IDSS) and short sale of day trading eligible securities (PDT Short Sale) was extended to 28 February 2021, 29 August 2021 and subsequently to 31 December 2021. The temporary suspension of IDSS and PDT Short Sale has been uplifted effective from 1 January 2022 with additional temporary control measures.
 - Accorded greater flexibility for POs to manage margin accounts including removing the requirement to automatically liquidate a client's account beyond the 130% threshold for outstanding balances, and expanding the types of collateral which may be accepted by a PO. These flexibilities ended on 30 June 2021 as the market has stabilised.
 - Extended the temporary waiver of the requirement for a Proprietary Day Trader to close off buy positions in relation to day trading (PDT Temporary Waivers) which were first implemented on 15 June 2020, then extended to 28 February 2021, 29 August 2021 and subsequently to 31 December 2021. With the temporary suspension of PDT Short Sale uplifted effective from 1 January 2022 (with additional temporary control measures), the PDT Temporary Waivers have been repealed effective 1 January 2022.

Marketplace Report: Fair and Orderly Markets

- Provided a one-month extension of time for the issuance of periodic reports (i.e. quarterly or semi-annual reports and annual reports together with annual audited financial statements) due by end of February 2021 until end of August 2021.
- Accorded a 12-month relief to a PLC that had announced between 1 January 2021 and 31 December 2021 that it had an insignificant business or operations, from complying with the regularisation requirements in paragraph/Rule 8.03A of the MMLR and ACE LR.
- Accorded an 18-month relief period to a PLC that had triggered certain PN17 or GN3 criteria (PN17/GN3 Suspended Criteria) between 17 April 2020 to 31 December 2021, from complying with the regularisation requirements in paragraph/Rule 8.04 of the MMLR and ACE LR. Such PLC would not be classified as a PN17/GN3 PLC during this period and would be allowed to reassess its financial condition at the end of the relief period before making the requisite announcement.
- Accorded a 24-month regularisation timeline (instead of 12 months under the MMLR and ACE LR) to a PLC that had announced between 1 January 2021 and 30 June 2021 that it had ceased all or major business or operations, or had been classified as a PN17/GN3 PLC.
- Provided a 12-month extension for the increased general mandate of 20% for new issue securities by way of private placement (20% General Mandate) and the general mandate of 50% based on pro-rata entitlement for new issue of securities by way of rights issue (Pro-Rata 50% General Mandate). PLCs that had not raised funds using the 20% General Mandate in 2020 or 2021 would have up to 31 December 2022 to do so using the 20% General Mandate. Additionally, eligible PLCs could also issue rights securities on a pro rata basis using the Pro-Rata 50% General Mandate up to 31 December 2022.

Surveillance of the Market

Bursa Malaysia conducts real-time surveillance of trading activities in both the securities and derivatives markets. Trading in the marketplace remained fair and orderly as we continued to enhance our detection of abusive trading and our market management measures to ensure that irregular trading and abusive conduct are quickly acted upon.

When there is an unexplained significant fluctuation of a share price and/or volume traded in a PLC's securities, an Unusual Market Activity (UMA) Query is issued to the PLC to determine if there is any material development that has yet to be announced to the market. Such queries serve to prompt PLCs to ensure all material information is disclosed, including information which may have been withheld, in accordance with Paragraph/Rule 9.05 of the Listing Requirement (LR) to facilitate informed investment decision-making by investors and shareholders. The response from the PLC would be assessed and monitored to determine if there had been non-disclosures, delays in the disclosure of material information or non-compliance with the standards of disclosure.

In cases where irregular and/or abusive trading activities are detected and where the facts warrant action, we will conduct market management measures guided by our market surveillance framework, which includes the escalation of breaches for further investigation and enforcement actions.

In 2021, after the change in trading landscape since COVID-19 pandemic last year, we continued to see active retail participation, driven largely by interest in healthcare, technology and oil & gas related counters. We have embarked on initiatives towards continuous education of the industry as well as assessing the industry's sentiment towards issues pertinent to Market Surveillance. We are also strengthening our surveillance capabilities through the usage of sophisticated data mining and analytical tools.

Hosting the Market Inter Surveillance Group (MISG)

- The MISG was hosted on 26 October 2021 for us to update the industry on the latest surveillance practices through the presentation of case studies.
- Several topics on market manipulation activities were covered with emphasis on concerns, possible motivations on questionable activities, red flags and our expectations when POs detect these activities.

Market Surveillance Survey on Market Abuse and Issuance of Report

- The survey was to gauge the industry's sentiment of market surveillance issues including issuance of UMA Query, market management measures issued, surveillance approaches and brokers' level of internal control.
- The survey report reflected the underlying issues/concerns which will create a meaningful base and provide a more focused discussion/conversation with the brokers in our engagement sessions in 2022.

Data Mining/Analytical Tools for Market Surveillance

- To enhance the surveillance process and improve turnover time, we have subscribed to a data visualization software (Tableau) which will allow us to conduct more rigorous data mining activities and produce better reporting via dashboards.
- We have initiated a project to create dashboards on trading activities by selected parties during relevant periods. Through integration of various data sets, we will be able to view their trading pattern, aggregation and possible links. This in turn will provide better understanding of their modus operandi, counters involved and span of networks across the market all in one platform.

Marketplace Report: Fair and Orderly Markets

Surveillance of PLCs

In our continued effort to uphold market integrity and stability, we undertake corporate surveillance to detect corporate irregularities and in-depth analyses of issues and circumstances which may give rise to breaches of the LR.

Our comprehensive corporate surveillance framework remains steadfast in ensuring the timely detection of irregularities and taking the necessary pre-emptive actions and regulatory responses, where appropriate.

When a breach of LR is detected, a referral is made to our investigation department to determine and assess whether enforcement action is to be taken. If an offence under the law has been committed, the case will be referred to the relevant regulatory authority for further action.

Our corporate surveillance framework is regularly assessed and improved upon to ensure its robustness and effectiveness. Our regulatory/pre-emptive actions have resulted in PLCs undertaking various actions to improve their compliance with the LR and corporate governance (CG), including establishing an internal audit function as required under the LR and conducting Annual General Meetings virtually, to enable greater participation amongst shareholders, especially during the COVID-19 pandemic.

To encourage continuous improvement amongst PLCs, we regularly engage them and other intermediaries and provide training in key areas of concern identified through our surveillance activities.

Quality and Timely Disclosures

Timely, complete and accurate disclosure of information is of paramount importance for shareholders and investors looking to make informed investment decisions, and is a requirement in line with Bursa Malaysia's objective of maintaining a fair and orderly market.

In reaffirming our commitment to enhancing market quality and transparency, we implemented the following initiatives to provide guidance and clarity in the market:

1. We conducted one-on-one engagements with advisers to improve and promote higher standards in the quality of disclosures in circulars and submissions by the advisers. We shared findings on areas of improvement and provided guidance for enhanced quality of disclosure to develop a culture of embracing disclosure requirements in substance and not just in form and to promote transparency to aid informed investment decisions

2. To promote greater awareness of and clarity in disclosure obligations as well as their underlying principles and objectives, we designed education programmes to cater for the specific needs of various stakeholders such as the PLCs in the ACE Market. We conducted a structured advocacy session for the directors and senior management of 125 ACE PLCs in 2021.

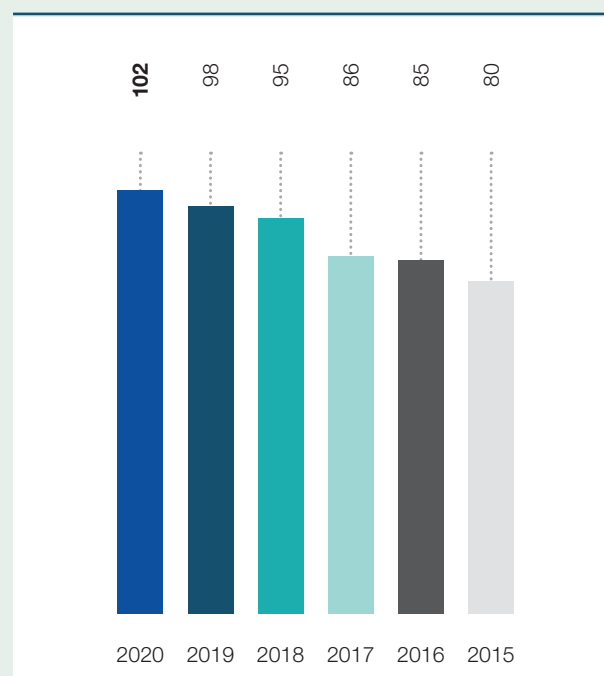
We continued to leverage on the Listing Advisory Desk and our online enquiry portal to respond to enquiries from our PLCs and their advisers on LR interpretation.

Corporate Governance Standards

To further inculcate good CG practices as well as disclosures by our PLCs, Bursa Malaysia conducted a number of CG-related advocacy programmes throughout 2021 which focused on key areas such as board governance for company secretaries and fraud risk management. Some of our CG achievements in 2021 include:

Malaysia-ASEAN Corporate Governance Scorecard: Continuous Improvement in Average CG Score

The latest average CG Score for the Top 100 Malaysian PLCs is 101.7 points. We observed a continued uptrend in the Malaysia-ASEAN Corporate Governance Scorecard published by the Minority Shareholders Watch Group (MSWG) which signals the continuous commitment towards improvement in CG practices by our Top 100 PLCs.



The SC's CG Review 2020: General Trend of Adherence to Malaysian Code on Corporate Governance (MCCG)

Based on the SC's latest assessment of CG-related practices as well as disclosures of our PLCs via their CG Reports (as detailed in their CG Monitor Report 2021), we note that there is a general trend of increasing adherence to the various Practices and Intended Outcomes as detailed within the latest MCCG.

Marketplace Report: Fair and Orderly Markets

Measures to Promote Sustainability

In line with Bursa Malaysia's goal of becoming a leading exchange for sustainability in ASEAN, all PLCs on our Main and ACE Markets have now embarked on their respective sustainability journeys.

Key initiatives and processes undertaken by PLCs to manage their material sustainability matters are disclosed via sustainability statements within their annual reports or standalone sustainability reports.

In 2021, we undertook a comprehensive review of our Sustainability Reporting Framework with a view to improve the availability, quality and comparability of sustainability disclosures. As part of this review exercise, we have undertaken initial consultations with PLCs and key capital market stakeholders. The proposed amendments will be subjected to public consultation in 2022.

We continued to devote significant resources towards capacity building by providing sustainability reporting workshops for practitioners in addition to thematic advocacy programmes on areas such as climate change and human rights.

Human Rights

During the year, we held a series of workshops addressing human rights issues in businesses.

The workshops focused on implementation gaps and how human rights due diligence may be used as a practical tool to anticipate, prevent, and mitigate human rights impacts in a company's operations.

Climate change

In addition to advocacy programmes for PLCs, we are also contributing to the advancement of climate change reporting practices by Malaysian financial institutions via our role as the Chair of Sub-Committee 2 on Governance and Disclosure (Sub-Committee 2) of the Joint Committee on Climate Change (JC3). Specifically, the Sub-Committee 2 is working towards the finalisation of an Application Guide on Climate-Related Disclosures as part of JC3's initiatives to improve the quality of disclosures vis-à-vis the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD).

Separately, through collaborations with the United Nations Sustainable Stock Exchanges (UN SSE), we also contributed to the development of guidance documents to facilitate the adoption of TCFD Recommendations amongst listed issuers. These guidance documents are accessible on BURSASUSTAIN:

- "Action Plan To Make Markets Climate Resilient: How Stock Exchanges Can Integrate The TCFD Recommendations"
- "Model Guidance On Climate Disclosure: A Template For Stock Exchanges To Guide Issuers On TCFD Implementation"

Sustainability Disclosure Review

In expanding our annual Sustainability Disclosure Review exercise, we collaborated with the MSWG to review the sustainability statements of Main and ACE Market PLCs with financial year ends falling within the period of 1 April 2020 to 31 March 2021.

 For the results of the review, please refer to page 33 of our SR 2021.

Findings from the Sustainability Disclosure Review are shared with our PLCs in order to facilitate further improvements especially in terms of quality of disclosures apart from adherence to our sustainability disclosure requirements. In addition, the trends that we observed from the said review exercise also form part of the basis for determining future advocacy or outreach programmes.

Standards of Business Conduct of Intermediaries

We are committed to ensuring that the high standards of business conduct and compliance with the Business Rules and other regulatory requirements amongst intermediaries are maintained through a progressive supervisory approach.

As a result of our continuous supervision, our intermediaries have achieved a satisfactory standard of business conduct and self-regulation with adequate safeguards to protect investors and establish risk management measures to manage their counterparty risks and exposure, as well as to mitigate against incidences which pose systemic risk to the market. Based on our on-site and off-site supervision activities, we noted that there were no industry-wide breaches or findings which affected the fairness and orderliness of the market or misuse of clients' assets by intermediaries over the last few years. Our intermediaries are also in compliance with the prescribed minimum financial requirements with no default to the clearing house.

We also continue to enhance and modify our methodologies and processes to ensure that our supervisory approach remains progressive and dynamic. To effectively monitor our intermediaries, we adopt a risk-based approach in supervising the conduct of intermediaries and their registered persons to determine the level of attention needed in our onsite and offsite supervision activities across the industry. Throughout the years, we have also rolled out rules and regulatory framework as well as provided guidance through various industry communication and advocacy programmes, in consultation and collaboration with industry associations, for intermediaries and their registered persons which facilitated the ease of doing business and enhanced the intermediaries' standard of business conduct and self-regulation.

Marketplace Report: Fair and Orderly Markets

In 2021, we have implemented several initiatives to that end, including the following:

- Issuance of updated guidelines for Compliance Function for POs, TPs and CPs. The updated guidelines are intended to achieve, amongst others, the following objectives:
 - a) to re-organise and enhance the current compliance guidelines to streamline with the current rules, directives and market practices;
 - b) to synchronise the compliance guidelines and compliance reports between POs, TPs and CPs, where appropriate; and
 - c) to enhance the reporting of critical areas in the compliance reports.
- Thematic review on brokers' cyber security arrangements and preparedness to ensure business continuity. The review was conducted to gauge the state of brokers' readiness in addressing cyber security risk and their preparedness in detecting, preventing, containing and responding to the evolving and growing complexity of cyber risks and cyber threats.

In conducting the review, the brokers were engaged to provide their feedback by responding to questionnaires relating to cyber security and business continuity management (BCM). Based on our analysis of the brokers' responses, overall, the brokers have robust BCM framework with sound governance structure and practices. Notwithstanding, whilst the overall landscape of the cyber security preparedness and BCM among brokers appear to be positive, there are opportunities for improvement for some of the brokers in certain areas in order to be more aligned with industry practices. The relevant brokers have been advised accordingly.

- Liberalisation of post-reporting of Central Depository System Transfer of Securities where the requirement of monthly submission of supporting documents from the Authorised Depository Agents (ADAs) has been removed with effect from 1 July 2021. In order to ensure compliance thereof, checks on the supporting documents have been included in the routine inspections carried out on the POs.

Enforcement Activities

As part of our vigilant monitoring of compliance with our rules, we take action against breaches of our rules.

Depending on the materiality of the breach, enforcement actions for material breaches or management actions such as warnings, cautions or reminders for less serious breaches may be taken.

We will take enforcement actions when material breaches are detected and established after thorough investigations and due process.

This due process includes giving the defaulting parties an opportunity to explain their actions prior to the determination of the breach and imposition of appropriate sanctions by our independent regulatory committees, which comprise the Listing Committee and Market Participants Committee. These independent regulatory committees are tasked to deliberate and decide on material breaches of the LR and Business Rules respectively. In addition, the defaulting parties are accorded a right of appeal which is escalated for hearing by another independent regulatory committee, namely the Appeals Committee.

In 2021, enforcement actions were taken against 14 PLCs, three advisers and 12 directors (of four PLCs) for various breaches of the LR. As part of enforcement, we also issued directives against defaulting parties including, where relevant, directives for directors to undergo mandatory training as well as for PLCs to conduct limited reviews on quarterly reports. BMS also took 64 management actions via issuance of reminders for less serious breaches mainly relating to requirements on dealings by directors and principal officers, delays in making immediate announcements, CG breaches, etc.

As for breaches of the Business Rules, in 2021, actions (which include management actions) were taken against 13 intermediaries (i.e. POs, TPs, Derivatives CPs, ADA and Authorised Direct Member) and seven individuals who are subject to the Business Rules e.g. DRs/RRs/Registered Persons for various breaches. In an effort to improve the conduct of errant parties, similar to the approach under the LR, mandatory training requirements were imposed when the misconduct showed ignorance or lack of understanding of the rules and requirements.

As a result of our enforcement actions, we note a continued declining trend in certain breaches of our rules, in particular breaches relating to financial reporting obligations by PLCs.

Education and Advocacy Programmes under the Capital Market Education and Integrity Fund (CMEIF)

The CMEIF is funded by fines collected from errant parties by Bursa Malaysia as well as fees collected from the transfer of DR from one PO to another.

It was set up with the clear provision for the monies to be utilised primarily for market education and advocacy programmes. In 2021, with funding from CMEIF, we conducted 36 sessions of advocacy programmes for directors of PLCs, compliance/risk/integrity officers, sustainability practitioners, company secretaries, advisers and intermediaries. These programmes were well received and attended by more than 1,787 participants.

CMEIF Programmes

1

Sustainability reporting workshops for practitioners

2

Programme to strengthen the competencies of company secretaries in raising the standards of board governance

3

Thematic sustainability workshops on human rights and climate change

4

Fraud risk management workshops for directors and Chief Internal Auditors of PLCs

Statement on Internal Control & Risk Management

The Board of Directors of Bursa Malaysia (Board) is committed to maintaining a sound internal control and risk management system.

Each business / functional unit has implemented its own control processes under the leadership of the Chief Executive Officer (CEO), who is responsible for good business and regulatory governance. The following statement outlines the nature and scope of the Group's internal control and risk management in 2021.

BOARD'S RESPONSIBILITY

The Board affirms its overall responsibility for the Group's system of internal control and risk management and for reviewing the adequacy and integrity of the system. The system of internal control covers governance, risk management, financial, strategy, organisational, operational, regulatory and compliance control matters. The Board recognises that this system is designed to manage, rather than eliminate, the risks of not adhering to the Group's policies and achieving goals and objectives within the risk tolerance established by the Board and Management. Therefore, the system provides reasonable, but not absolute, assurance against the occurrence of any material misstatement, loss or fraud.

In 2021, the adequacy and effectiveness of internal controls were reviewed by the Audit Committee (AC) in relation to the audits conducted by Internal Audit (IA) during the year. Audit issues and actions taken by Management to address the issues tabled by IA were deliberated on during the AC meetings. Minutes of the AC meetings which recorded these deliberations were presented to the Board.

The Risk Management Committee (RMC) provides oversight on risk management matters relating to the activities of Bursa Malaysia as an Exchange holding company and of its subsidiaries in accordance with Section 22 of the Capital Markets and Services Act 2007 (CMSA), to ensure prudent risk management over Bursa Malaysia's business and operations. At its meetings in 2021, the RMC had reviewed, appraised and assessed the efficacy of the controls and progress of action plans taken to mitigate, monitor and manage the overall risk exposure of the Group. The RMC also reviewed proposals for new products, monitored the progress and status of risk management activities, as well as raised issues of concern and provided feedback for Management's actions.

Internal control and risk-related matters which warranted the attention of the Board were recommended by the AC and RMC to the Board for its deliberation and approval and matters or decisions made within the AC's and RMC's purview were escalated to the Board for its notation.

KEY INTERNAL CONTROL PROCESSES

The Group's internal control system comprises the following key processes:

1. Separation of Commercial and Regulatory Functions

- a. The Group's commercial and regulatory functions are segregated to ensure the proper discharge of Bursa Malaysia's regulatory duties. Both these functions operate independently of each other to ensure that business units are not in a position to unduly influence any regulatory decision made by the Regulation unit. It is Bursa Malaysia's statutory duty to always act in the public interest, with particular regard for the need to protect investors. As such, the Board which includes Public Interest Directors is responsible for upholding public interest in its decision making.

To this end, Regulatory Committees have been set up to deliberate and decide on regulatory matters to ensure Bursa Malaysia upholds its obligation to safeguard public interest. These committees namely, the Regulatory and Conflicts Committee (RACC), Listing Committee, Market Participants Committee and Appeals Committee, comprise mostly independent individuals with significant and relevant industry experience.

Pending issuance of the relevant laws / regulations for the operationalisation of the Regulatory Subsidiary, the governance model had been enhanced with a revamp of the RACC structure to strengthen the independence of the regulatory function of the Group. Further details are provided in the Corporate Governance Overview.

Statement on Internal Control & Risk Management

- b. Processes are established and set out in the Guidelines for Handling Conflicts of Interest (COI) to deal with any possible COI which may arise in the course of Bursa Malaysia performing its commercial or regulatory role.

2. Authority and Responsibility

- a. Certain responsibilities are delegated to the Board Committees through clearly defined Terms of Reference (TOR) which are reviewed annually.
- b. The Corporate Authority Manual is reviewed to reflect the authority and authorisation limits of the Board Committees and Management in all aspects of the Group's major business operations and regulatory functions.
- c. As at 31 December 2021, the Group's Management Governance Framework, comprised two committees, namely the Management Committee (MC) and Management Regulatory Committee, which have clearly defined TOR to enable good business and regulatory governance.

3. Planning, Monitoring and Reporting

- a. An annual planning and budgetary exercise is undertaken requiring all divisions to prepare business plans and budgets for the forthcoming year. These are deliberated and approved by the Board before being implemented.
- b. The Board is updated on the Group's performance at the scheduled meetings where the Group's business plan and actual versus budget performance for the year are reviewed and deliberated by the Board on a half-yearly basis. However, financial performance variances are presented to the Board on a quarterly basis and overall status of key initiatives are updated to the Board in the CEO's report at every Board meeting.
- c. There is a regular and comprehensive flow of information to the Board and Management on all aspects of the Group's operations to facilitate the monitoring of performance against the Group's corporate strategy, business and regulatory plans. The Board also reviews and approves the Annual Regulatory Report, which informs the Securities Commission Malaysia (SC), under Section 16 of the CMSA, of the extent to which Bursa Malaysia and its subsidiaries have complied with their duties and obligations under Sections 11 and 21 of the CMSA.
- d. The Chief Financial Officer (CFO) is required to provide assurance to the AC that appropriate accounting policies have been adopted and applied consistently, the going concern basis applied in the Annual Financial Statements and Condensed Consolidated Financial Statements of the Group are appropriate, and that prudent judgements and reasonable estimates have been made in accordance with the requirements set out in the Malaysian Financial

Reporting Standards (MFRSs) and the International Financial Reporting Standards (IFRSs). The CFO also assures that adequate processes and controls are in place for effective and efficient financial reporting and disclosure under the requirements of the MFRSs, IFRSs, Companies Act 2016 and Bursa Malaysia Securities Berhad Main Market Listing Requirements (MMLR), and that the Annual Financial Statements and the quarterly Condensed Consolidated Financial Statements of the Group give a true and fair view of the financial position and financial performance of the Group and do not contain any material misstatement.

- e. Sustainability is one of the important value creation drivers to ensure business resilience and future organisational success. It is integrated into our long-term corporate strategies, policies and planning processes as we aim to translate sustainability aspirations into business practices. In order to meet the expectations of our various stakeholder groups, we constantly evaluate our sustainability efforts through regular engagements with our stakeholders. For instance, our annual materiality assessment, where we gather feedback from our stakeholders and report material issues that are relevant to them as well as our value creation activities. Our Sustainability Report is aligned with the MMLR and relevant international standards and guidelines to enable us to effectively communicate our sustainability progress and strive for higher levels of transparency. In addition, the Sustainability Report is verified by IA for quality assurance and data accuracy prior to submission to the AC. This year, we also subjected our carbon footprint disclosure in the Sustainability Report 2021, being Scope 1, 2 and 3 emissions, to independent external assurance.

 Further details can be found in Bursa Malaysia's Sustainability Report.

4. Policies and Procedures

Clear, formalised and documented internal policies, standards and procedures are in place to ensure compliance with internal controls and relevant laws and regulations. A list of identified laws and regulations applicable to Bursa Malaysia are documented and maintained to facilitate compliance. Regular reviews are performed to ensure that documentation remains current and relevant. Common Group policies are available on Bursa Malaysia's intranet for easy access by employees.

5. Audits

- a. Audit engagements are carried out based on the annual audit plan approved by the AC and takes into consideration feedback from the Management. IA assesses the selected areas under the internal audit scope in relation to risk exposures, compliance with the approved policies and procedures and relevant laws and regulations and where relevant, benchmarked against available best practices. For any significant gaps identified in the governance, risk management and internal control processes during

Statement on Internal Control & Risk Management

the engagements, IA provides recommendations to Management on how to improve the design and effectiveness of the processes where applicable.

In addition, IA assesses and reports the adequacy and effectiveness of the Group's governance, risk management and internal control processes to the AC based on the engagements carried out within the financial year including review reports prepared by external consultants, if any. The AC takes note of the review results (which include the state of internal controls, exceptions, and root cause analysis) and such results are subsequently shared with the Senior Management to ensure continuous enhancement of the internal control system of the Group. The Board is updated on the results of the review of the Group's internal control framework.

- b. The yearly certification for the Information Security Management System (ISMS), MS ISO/IEC 27001:2013 was carried out by CyberSecurity Malaysia. The ISMS scope covered the management, operation and maintenance of the information system assets and information systems of Bursa Malaysia and its subsidiaries. ISMS internal audits are also conducted by a qualified team of personnel prior to the yearly certification.
- c. The External Auditors' annual plan which comprises planned audit services (inclusive of other assurance-related services), recurring non-audit services and non-recurring non-audit services is tabled annually to the AC for deliberation and approval.
- d. In addition to the annual audit of the financial statements of the Group, the External Auditors are engaged to conduct reviews on all of the condensed financial statements for the quarter and cumulative quarters in accordance with the International Standard on Review Engagements 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'.
- e. The IA team is required to conduct quarterly assessments of the internal control system pertaining to the processes of the relevant business / functional units which have a bearing on the financial information of the Group, to ensure the reliability and integrity of such information.

The Director of IA, who is also the Head of IA, is required to confirm the effective operation of process controls which support the preparation of the financial statements.

- f. IA conducts system readiness reviews to assess the progress of project implementations according to the pre-determined timelines, milestones and objectives of selected key projects and also to ensure that due process has been complied with prior to the implementation or launch of significant systems development and enhancement projects. Post Implementation Reviews are also conducted

after a predefined period of time to assess the effectiveness of the systems / initiatives and that the implementations are in accordance with their objectives.

- g. IA will govern itself by adherence to the mandatory elements of The Institute of Internal Auditors' International Professional Practices Framework (IPPF), including the Core Principles for the Professional Practice of Internal Auditing, the Definition of Internal Auditing, the International Standards for the Professional Practices of Internal Auditing, and the Code of Ethics.

6. Risk Management

- a. The Risk and Compliance (RC) division oversees the risk and compliance management functions for the Group at the enterprise level. RC has put in place the necessary risk and compliance management frameworks to enhance the Group's governance structure, aligned the initiatives of RC to support the overall aspirations of the Group, integrated the various risk and compliance processes, as well as conducted risk and compliance engagement awareness programmes across the Group.
- b. The Group adopts the Guidelines on Financial Market Infrastructures issued by the SC and best practices such as the ISO 31000:2018 Risk Management – Guidelines, and International Organisation of Securities Commissions (IOSCO)'s Principles for Financial Market Infrastructures (PFMI) framework to manage the risks of its business and operations. These best practice risk management standards are encapsulated into the overarching risk management and compliance framework known as the Integrated Governance, Risk and Compliance (IGRC) Framework which is supplemented by the Enterprise Risk Management Framework (ERMF) and various guidelines and standard operating procedures (SOP) within Bursa Malaysia.
- c. One of the key features of the risk management framework is the implementation of the three lines of defence comprising of established and clear functional responsibilities and accountabilities for the management of risk.
- d. The Group adopts the three lines of defence model for risk management based on the ERMF, whereby the Senior Management, who consist of the MC members and Divisional Heads, are accountable for all risks assigned under their respective areas of responsibility. This group of personnel is also responsible for the continuous development of the risk management capabilities of employees and ensures that risk management is embedded in all key processes and activities.

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- e. The second line of defence comprises of the RC team who are responsible for monitoring the enterprise risk management for the Group and approving matters within its authority for implementation across the Group with oversight by the RMC.
- f. AC and IA as the third line of defence are responsible for providing objective and independent assurance on the adequacy and effectiveness of the enterprise risk governance framework.
- g. Within the framework, the Group has an established and structured process for the identification, assessment, communication, monitoring as well as continual review of risks and effectiveness of risk mitigation strategies and controls at the divisional and enterprise levels. The analysis and evaluation of our risks are guided by approved risk criteria. The Group also has risk management tools to support the risk management process and reporting.
- h. As part of RC's commitment to ensure that the risk management models remain robust and relevant, an annual independent validation of Central Counterparties (CCPs) risk management model were undertaken for the two CCPs within the Group, which conform to the requirements of the PFMI as well as the SC's Guidelines on Financial Market Infrastructure (FMI). The review showed that the two CCPs generally observed the requirements of the PFMI for Credit and Liquidity Risk Management.
- i. The Group's risk appetite and risk tolerance which documented the overarching parameters of the Group for the management of risk are reviewed on a periodic basis to provide clarity on the limits and thresholds determined by Key Risk Indicators (KRI) at the enterprise level so that the optimum allocation of resources can be determined to protect and enhance the Group's business and operations.
- j. The management and reporting of risks in the Group have been structured and organised to align with the established risk categories based on ERMF as outlined below:

i. Management of Operational Risk

The management of operational risk is guided by Principle 17 of the SC's Guidelines on FMI. Operational risk is identified as the risk that deficiencies in information systems or internal processes, human errors, management failures, or disruptions from external events that will result in the reduction, deterioration, or breakdown of services provided by Bursa Malaysia.

The management of some of the significant operational risks faced by the Group for the Financial Year (FY) 2021 are outlined below:

• COVID-19

The COVID-19 crisis has resulted in a nearly two-year shift in the way businesses across all industries and regions conduct business. Robust risk management policies and controls have enabled Bursa Malaysia's business operations to continue seamlessly.

It is imperative for the Group to take the relevant risk mitigation measures to ensure a safe working environment while safeguarding the business operations.

The Split Operations arrangement, which was implemented in early 2020, where segments of employees were assigned to work from the alternate site of Bursa Malaysia, or work from home is ongoing. In addition, all corporate events, physical meetings, interstate and overseas travels were tracked and monitored to minimise the risk of COVID-19 spread among Bursa Malaysia employees.

• Business interruption

The critical systems within Bursa Malaysia have adequate capacity, physical and information security arrangements, facilities and resilient infrastructure in place to mitigate business interruption risks. The Group has comprehensive Business Continuity Plan (BCP) and Disaster Recovery Plan in place which are tested annually to ensure continuity of the critical business functions and technology operations.

In 2021, three technical incidents were reported to the RMC with regard to the Central Depository System (CDS), Equities Post Trade (EPT) system and the dissemination of index data. However, these incidents did not affect the normal trading in the securities, derivatives and Islamic markets. The incident response, system recovery and communication processes were promptly carried out to ensure timely escalation and business resumption without any further operational impact. Actions had also been taken to prevent recurrence of similar incidents.

In 2021, the Group had conducted six industry-wide BCP tests for the securities and derivatives market. The tests aimed to ensure the market

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participants' backup site / systems were able to connect to Bursa Malaysia's production site / systems as well as market participants' production site / systems able to connect to Bursa Malaysia's backup systems in the event of a disruption.

- Physical Security

Bursa Malaysia has put in place controls to mitigate physical breaches covering the main Bursa Malaysia building as well as its Disaster Recovery site. To ensure that Bursa Malaysia is sufficiently prepared to meet any eventuality, there are plans that have been developed and exercised to address multiple possible scenarios which can impact the physical security at its premises.

To improve the protection of the building, Bursa Malaysia has implemented new security fencing surrounding the building, expanding the coverage of the pedestrian barriers, installed metal detectors at the lobby, and installed new security barrier at the Annex carpark.

Procedures on Managing High Risk Roles were established to manage situations of threats directed at and / or safety concerns arising from Bursa Malaysia employees carrying out high risk job functions or roles in their work place. The procedures outlined the incident reporting and response procedures to be carried out in those situations.

- Policies & Procedures

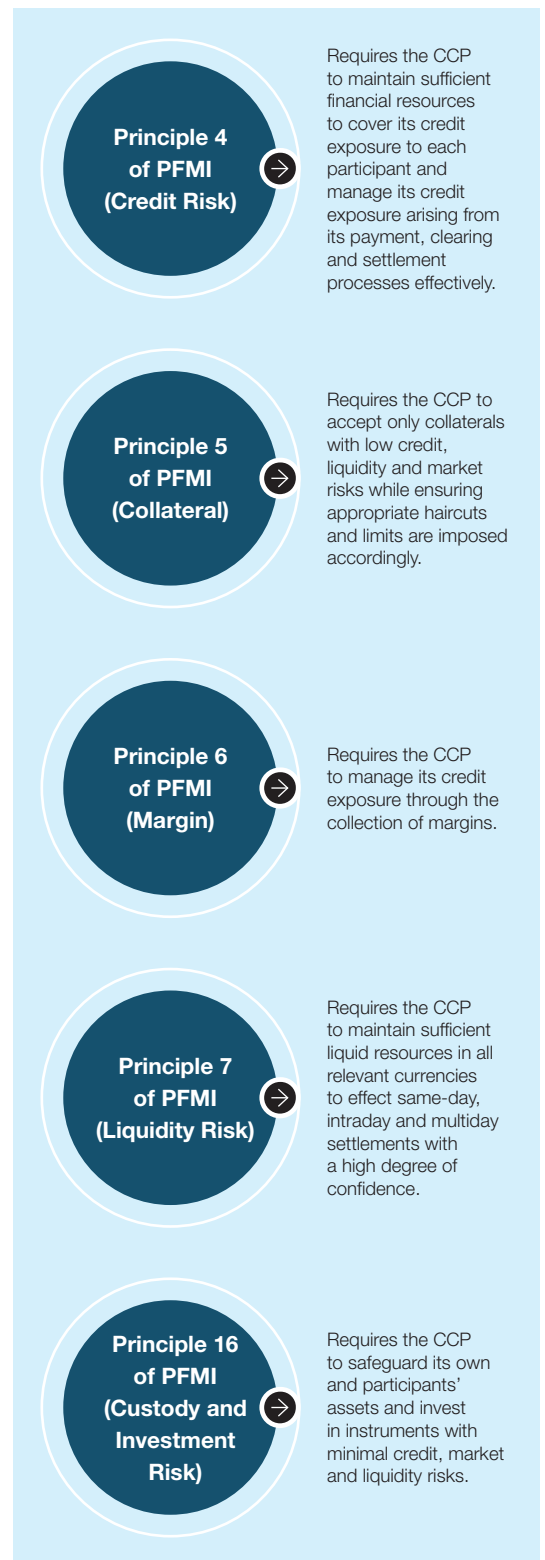
The effective operation of Bursa Malaysia is dependent to a significant extent on the availability, adequacy and effectiveness of its frameworks, policies, processes and procedures.

The key frameworks, policies and procedures will continue to be reviewed regularly to ensure that the effectiveness and adequacy of the implementation are in accordance with global best practices and standards.

ii. Management of Financial Risk

The Group has in place robust risk management processes and procedures to manage counterparty / settlement risks and prevent a systemic impact on the market. Bursa Malaysia Securities Clearing Sdn Bhd (BMSC) and Bursa Malaysia Derivatives Clearing Berhad (BMDC) (collectively referred to as 'Clearing Houses') act as the central counterparty for equities and derivatives trades, respectively, and thus are

subject to counterparty credit risk. The processes and procedures of these two Clearing Houses are in line with the PFMI issued by the Committee on Payments and Market Infrastructures (CPMI), a Technical Committee of the IOSCO. The management of financial risk is guided by the following principles:



Statement on Internal Control & Risk Management

The risk mitigation measures that have been put in place to manage Financial Risk are outlined below:

- Daily margining and mark-to-market of outstanding positions with an additional routine intraday margin collection for BMDC following the introduction of the night trading session;
- Initial and variation margin requirements as mitigation against current and potential future exposures; as well as prudent cash and collateral management;
- Monitor Trading Clearing Participants' (TCP) and Clearing Participants' (CP) capital adequacy ratios and adjusted net capital levels;
- Monitor settlement flows for both BMSC and BMDC and manage clearing house' exposure vis-a-vis other financial institutions;
- Perform daily stress tests on adequacy of the Clearing Guarantee Fund (CGF) of BMSC and the Clearing Fund (CF) of BMDC respectively, to ensure that they are sufficient to protect the Clearing Houses under extreme but plausible market scenarios;
- Perform daily stress tests on adequacy of liquid resources of the Clearing Houses to ensure that there are sufficient liquid resources to meet their settlement obligations in a timely manner under both normal and stressed market circumstances; and
- Conduct annual default drill exercises by simulating default scenarios to test the effectiveness of the Default Management Procedures to ensure they remain robust and relevant in the face of the uncertain market environment.

In 2021, there were no settlement defaults by any TCP or CP and neither the CGF nor the CF needed to be called upon. However, Management will continue to be prudent in monitoring financial resources for its adequacy to cater for higher volatility in the market.

iii. Management of Strategic Risk

Strategic risk refers to Bursa Malaysia's exposure to internal and external events that can either support or prevent it from achieving its objectives. In accordance with Bursa Malaysia's Corporate Risk Profile for 2021, the key areas monitored under Strategic Risk are business performance and competition risk, high impact projects and innovation of new business risk.

The business performance and competition risks monitored from market developments are assessed for their impact on Bursa Malaysia's current business plan such as economic trends and potential entry of market disrupters which can challenge its aspiration to become the key regional player with global reach.

In addition, high impact projects are monitored to assess the risk implications to Bursa Malaysia based on the project life cycles, their progress status against the objectives outlined in the current business plan, as they are the key drivers to support Bursa Malaysia's attainment of strategic objectives. Finally, the risk of failure to embrace new ways of doing business or new technologies can potentially leave Bursa Malaysia to become uncompetitive amongst its peers.

iv. Management of Legal Risk

Legal Risk in Bursa Malaysia refers to any action with a potentially significant legal consequence, such as risk of facing litigation that could result in reputational and material impact to Bursa Malaysia. Management of legal risk aims to ensure that Bursa Malaysia's exposure to potential legal liabilities such as rule implementation or product liability are well mitigated to avoid disruption to its business and operations. If not properly mitigated, legal liabilities can have a big impact on Bursa Malaysia's reputation which in turn can affect confidence in our market.

As such, any new or on-going litigation cases against Bursa Malaysia or actions by Bursa Malaysia that involve counter-claims will be monitored to assess the possible outcomes and potential adverse impact to Bursa Malaysia's reputation and financial standing, in the unlikely event these cases are not decided in Bursa Malaysia's favour.

One of the factors contributing to Bursa Malaysia's potential exposure to legal liabilities is the nature of the contracts entered between Bursa Malaysia and third parties, which should not be lopsided or unfair to Bursa Malaysia. Hence, it is important to ensure that the terms and conditions contained in any contractual agreements are fair and reasonable vis-a-vis Bursa Malaysia. If there are any litigations or suits that arise due to the inconsistencies across contractual agreements, these are highlighted and reported to the RC team for further action and monitoring.

The assessments of all the legal risks are reported to the RMC on a quarterly basis.

v. Management of Regulatory Risk

Regulatory Risk refers to risks or losses to the Group arising from non-compliance and failure to comply with any contractual or regulatory obligations that are imposed upon Bursa Malaysia.

Due to the dynamic and increasingly complex regulatory landscape and the increased cost of compliance as well as the fast pace of regulatory changes, there is an

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ever-present risk that Bursa Malaysia may breach new regulations and face reprimands or hefty fines from regulators. Thus, it is important for Bursa Malaysia to be vigilant and keep abreast of new regulations so that it is mindful of the potential implications on its business operations.

vi. Management of Technology and Cybersecurity Risk

Technology and cybersecurity risk is defined as potential detrimental events occurring from the use of Information Technology platforms, systems, applications and infrastructure, which could result in financial loss, disruption of business operations, or reputational harm to Bursa Malaysia.

Cybersecurity, in general terms, refers to the ability or process of protecting information by preventing, detecting and responding against cyber threats and to recover from them.

vii. Management of Sustainability Risk

Sustainability Risk refers to environmental, climate, social or governance events or conditions that could cause an actual or a potential material negative impact on the value of Bursa Malaysia. This also includes reputational risk that may arise from impact, damage and / or benefits to the environment that Bursa Malaysia's activities may incur and risks arising for the organisation from not exploring or developing green products or promoting Environmental, Social & Governance (ESG) initiatives.

viii. Management of Model Risk

Model risk is defined as statistical risk models (the models) developed by RC that are being routinely used to quantify risks associated with CCP and other risk models for enterprise-wide application, whereas the use of models invariably presents model risk which may manifest itself in the form of losses resulting from incorrect underlying assumptions, errors in model implementation or incorrect model use that give rise to inaccurate decision making with potential compliance and reputational implications.

The Model Risk Management Guidelines (MRMG) establish the minimal requirements and standards for model risk management. MRMG contains high level description of processes in effectively managing model risk from the day-to-day use of 'the models' to make risk management decisions in Bursa Malaysia. The document specifies the minimum requirements and standards pertaining to model development, model validation and on-going model monitoring, among others.

Independent model validation is integral for ensuring that a model is robust, achieves planned objectives and performs as intended. As such, credit and liquidity risk models must be independently validated to ensure their robustness and adequacy, in accordance with the SC's Guidelines on FMI.

7. Integrity, Governance & Compliance Management

i. Compliance

The Group's compliance management covers compliance to all legal obligations imposed on Bursa Malaysia, in particular laws, regulations, rules and major identified guidelines or legal requirements. It also covers risk-based compliance to internal policies and procedures, code of ethics and business conduct.

In managing the compliance function, a Compliance Management Framework is in place to ensure that the conduct of the compliance function is governed by internationally recognised standards and provide structured processes for establishing, implementing, evaluating, maintaining and improving the compliance management system for the Group.

The Compliance Management Framework which was developed based on the ISO 19600 Compliance Management System – Guidelines, has been enhanced to include anti-corruption frameworks and renamed as Integrity, Governance & Compliance Management Framework.

In 2021, there were no major non-compliance issues encountered.

ii. Integrity & Governance Unit (IGU)

Pursuant to the Prime Minister's Directive (No. 1 of 2018), Bursa Malaysia is committed towards upholding integrity and pursuing a corrupt free business environment. Accordingly, an Integrity and Governance Unit (IGU) was established to safeguard integrity and institutionalise good governance in Bursa Malaysia.

As such, given the insertion of Section 17A of the Malaysian Anti-Corruption Commission (MACC) Act 2009, which became effective in June 2020 and as well as the establishment of Integrity and Governance function in October 2020, key focus for Bursa Malaysia in 2021 was the enhancement of existing anti-corruption frameworks i.e. Integrity, Governance and Compliance Management Framework to outline the responsibilities, operating principles & structure, scope of coverage and its reporting requirements with regards to the integrity, governance and compliance management of Bursa Malaysia Group. This framework adopts zero tolerance towards any non-

Statement on Internal Control & Risk Management

compliance with relevant laws, regulations, industry standards / best practices, as well as standards of good governance, integrity, ethics, accountability, and community expectations by establishing, developing, implementing, evaluating, maintaining and improving the anti-bribery and compliance management systems for the Group.

Bursa Malaysia Group has adopted the five principles of the Guidelines of Adequate Procedures (GAP), pursuant to Section 17A (5) of the MACC Act 2009, as stated in the MACC Amendment Act 2018 (Amendment 2018). As part of the Organisation's Anti-Corruption Plan, RC conducted the corruption risk assessment via the Risk Control Self-Assessment (RCSA) process. This is an on-going effort by RC to strengthen the internal controls and ensure compliance with best practices.

In addition, compliance reviews were carried out on the departments which have higher exposure to corruption risk. Overall, these departments had substantiated their anti-corruption controls with supporting processes and procedures.

8. Performance Measurement

- a. In supporting the 3-year strategic roadmap for Bursa Malaysia, where one of its strategies involves Capacity & Capabilities Building, the Performance Management framework and processes were revisited to ensure sustained transformation and to strengthen performance implementation. FY 2021 involved strengthening alignment of strategic objectives in leverage at more levels such as the Senior Management to have direct contributions to corporate goals. Continuous performance check ins were made in place to inculcate constructive performance feedback across all levels.
- b. Group Human Resources continues to strengthen its performance communication via customised communication and engagement initiatives to improve employees' understanding.

9. Employees' Competency

An organization wide Competency Development and Assessment exercise was conducted where core competencies have been reviewed and amended, as well as development of functional / technical competencies for each function to shape Bursa Malaysia workforce to meet Bursa Malaysia strategic objectives and market demands. Employees are assessed on competencies proficiency levels to ascertain their competent level to each competency and development interventions are identified to close the gaps. The employee Individual Development Plan is created to focus on the gaps with development activities planned for a specified duration.

Bursa Malaysia Learning Plan will be created based on the learning structure identified from the competencies developed and mapped against employee development needs. Targeted development programmes are provided to employees to address the gaps identified in their Individual Development Plans.

10. Conduct of Employees

- a. The following core values support Bursa Malaysia and shape the culture.

	- We are competent, confident and transparent - We lead by example - We are committed to growth and excellence
	- We embrace diversity and inclusion - We trust, respect and care for each other - We foster togetherness and teamwork
	- We act with honesty and integrity - We think and act sustainably - We lead with courtesy, humility and empathy
	- We are engaged - We collaborate toward common goals - We drive alliances for greater value
	- We drive and adapt to change - We are efficient and effective - We proactively identify opportunities

- b. As part of our efforts to further shape our culture, B-U-R-S-A core values have gone through an enhancement. The values embody what we want Bursa Malaysia to stand for and for our employees to not only embrace these values, but to also be able to demonstrate these behaviours on a regular basis, both as we engage our own colleagues and in our conduct with external stakeholders. As we urge our employees to embrace these core values, it will also be the guiding principles that help define Bursa Malaysia and its employees.

Statement on Internal Control & Risk Management

c. A Code of Ethics sets out the policy stand on the conduct of business and the standards of behaviour / ethical conduct expected of Bursa Malaysia employees.

d. Bursa Malaysia has a Whistleblower Policy and Procedures (WPP) which provides an avenue for any persons namely employees, directors or external parties to report any improper conduct as defined in the WPP against any employee or director, in a safe and confidential manner. An employee who makes a report of improper conduct in good faith shall not be subject to unfair dismissal, victimisation, demotion, suspension, intimidation or harassment, discrimination, any action causing injury, loss or damage or any other retaliatory actions by the Group. There are two separate policies that govern the whistleblowers in Bursa Malaysia i.e. for Directors and Bursa Malaysia Group. The Board has the responsibility in overseeing the implementation of the WPP for Directors. The AC has the overall responsibility in overseeing the implementation and monitoring of the WPP for Bursa Malaysia Group, and ensuring effective administration thereof by the Director of IA.

e. A Securities Transaction Policy is established to govern the securities transactions of the Group's employees. The policy prohibits employees from using unpublished price sensitive information obtained during the course of their work for personal gain or for the gain of other persons. All employees (including principal officers) are also not allowed to trade in the securities of Bursa Malaysia during the closed period, which is 30 calendar days preceding the announcement of the Group's quarterly and annual financial results.

f. Anti-fraud bribery and corruption is a material matter to Bursa Malaysia. Bursa Malaysia has reviewed its Anti-Fraud, Bribery and Corruption Policy and Guidelines (previously the Anti-Fraud, Bribery and Corruption Policy) to comply with the Guidelines on Adequate Procedures issued by the Prime Minister's department. The Policy and Guidelines set out the Exchange's stance on areas relevant to anti-fraud, bribery and corruption; expected conduct by employees in adhering to the highest levels of integrity and ethics; and guidelines pertaining to governance, risk assessment, prevention, detection, incident reporting, investigation and corrective action, and monitoring. Employees are also provided with training on anti-corruption policies. IGU as the owner of the Anti-Fraud, Bribery and Corruption Policy and Guidelines is responsible for implementing Adequate Procedures initiatives as issued by the Prime Minister's department.

g. An Information Management Policy and Information Management Matrix and Handling Guide have been established to provide direction and guidance for the classification, management and control of information used by the Group, so as to protect and preserve the security of information from being wrongly disseminated or distributed to unauthorised parties.

h. Management and employees at Grade E6 and above are required to annually declare and provide an update on assets acquired or disposed of during the year.

i. Segregation of duties is practised whereby conflicting tasks are assigned to different employees to reduce the scope for error and fraud.

11. Insurance

Sufficient insurance coverage and physical safeguards on major assets are in place to ensure that the Group's assets are adequately covered against any mishap that could result in material loss. A yearly policy renewal exercise is undertaken by Management to review the coverage of the assets as recorded in the current fixed assets register and their respective net book values and 'replacement values', that are the prevailing market prices for the same or similar items, where applicable. There is also a yearly exercise to ensure the adequacy and renewal of the Group's insurance coverage of financial lines (i.e. Directors' and Officers' Liability, Crime and Professional Indemnity, Financial Institution Crime, Cyber Liability, Financial Institution Professional Indemnity).

REVIEW OF THIS STATEMENT

Pursuant to paragraph 15.23 of the MMLR, the External Auditors have reviewed this Statement for inclusion in the 2021 Annual Report, and have reported to the Board that nothing has come to their attention that causes them to believe that the Statement is not prepared, in all material aspects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control Guidelines for Directors of Listed Issuers, nor is the Statement factually inaccurate. This Statement was approved by the Board on 23 February 2022.

IA has also reviewed this Statement and reported to the AC that, while it has addressed certain individual lapses in internal control during the course of its internal audit assignments for the year, it has not identified any circumstances which suggest any fundamental deficiencies in the Group's internal control and risk management system.

CONCLUSION

The Board is of the view that the system of internal control and risk management in place for the year under review, and up to the date of approval of this Statement, is sound and sufficient to safeguard the Group's assets, as well as the shareholders' investments, and the interests of customers, regulators, employees and other stakeholders.

The Board has received assurance from the CEO and CFO that the Company's internal control and risk management system is operating adequately and effectively, in all material aspects, based on the framework adopted by the Group.

Audit Committee Report

The Board presents the Audit Committee Report which provides insights into the manner in which the Audit Committee discharged its functions for the Group in 2021.

COMPOSITION AND ATTENDANCE

The Audit Committee (AC) comprises four members who are all Independent Non-Executive Directors (NEDs) including one who is also a Public Interest Director. All of the Independent NEDs satisfy the test of independence under Bursa Malaysia Securities Berhad Main Market Listing Requirements (MMLR). The AC meets the requirements of paragraph 15.09(1)(a) and (b) of the MMLR and Practice 9.4 under Principle B of the revised Malaysian Code on Corporate Governance (MCCG). The AC members' attendance records are outlined in the Corporate Governance Overview section on page 103 of this Integrated Annual Report.

The AC Chairman, Mr. Pushpanathan a/l S.A. Kanagarayar is a member of the Institute of Chartered Accountants of Scotland, the Malaysian Institute of Accountants (MIA) and the Malaysian Institute of Certified Public Accountants (MICPA). Accordingly, Bursa Malaysia complies with paragraph 15.09(1)(c)(i) of MMLR.

The Board reviews the terms of office of the AC members and assesses the performance of the AC and its members through an annual Board Committee effectiveness evaluation. The Board is satisfied that the AC and its members discharged their functions, duties and responsibilities in accordance with the AC's Terms of Reference (TOR) which is available on Bursa Malaysia's website.

MEETINGS

The AC held six meetings in 2021 without the presence of other Directors and employees, except in situations when the AC requested for their attendance. The Chief Executive Officer (CEO) was invited to all AC meetings to facilitate direct communication and provide clarification on audit issues and Bursa Malaysia Group's operations. The Director of Internal Audit (IA), who is also the Head of IA, and departmental heads of the respective IA functions attended all AC meetings to table the respective IA reports. The relevant responsible Management members of the respective auditees were invited to brief the AC on specific issues arising from the audit reports or on any matters of specific interest.

As part of the AC's efforts to ensure the reliability of Bursa Malaysia's quarterly financial statements and their compliance with applicable Financial Reporting Standards, the External Auditors, Ernst & Young PLT (EY) were engaged to conduct a limited review of Bursa Malaysia's quarterly financial statements before their presentation to the AC for review and recommendation for the Board's approval and adoption.

Minutes of each AC meeting were recorded and tabled for confirmation at the following AC meeting and subsequently presented to the Board for notation. In 2021, the AC Chairman conveyed to the Board matters of significant concern as and when raised by the External Auditors or Internal Auditors in the respective quarterly presentations.

For the declaration of the final and special dividends in respect of Financial Year (FY) 2020, the AC at its first meeting held on 27 January 2021 reviewed the solvency tests undertaken by the Management and was satisfied with the results of these solvency tests which showed that adequate funds were available to pay debts within 13 months from the date of declaration (including 12 months from the payment date). In view of the proposal to declare an interim dividend for the FY 2021, the AC at its fourth meeting on 26 July 2021 reviewed the solvency tests performed by Management on Bursa Malaysia and its seven subsidiaries to ensure Bursa Malaysia is solvent, that is able to pay its debts as and when the debts become due within 12 months after the distribution of dividends, pursuant to Section 132(3) of the Companies Act 2016. Based on the Chief Financial Officer (CFO)'s representation that the surplus funds of Bursa and its subsidiary companies within the Group would remain adequate, the AC resolved to recommend for the Board's approval of the said interim dividend under the single-tier system for the FY 2021.

Audit Committee Report

On 26 January 2022, the Management presented a proposal for a final dividend, including the proposal for final dividends to be declared by its five subsidiaries for the FY 2021. At the same meeting, the AC reviewed the solvency tests undertaken by the Management and was satisfied with the results of these solvency tests which showed that adequate funds were available to pay debts within 13 months from the date of declaration (including 12 months from the payment date), pursuant to Section 132(3) of the Companies Act 2016. The CFO has presented that Bursa and its subsidiary companies within the Group have surplus funds, adequate for its operations and development of the market and based on this, the AC resolved to recommend for the Board's approval of the final dividend under the single-tier system for the FY 2021.

The AC is responsible for overseeing the implementation of the Whistleblower Policy and Procedures (WPP) for the Group's employees and external parties. During the year, the Director of IA had reported to the AC for its notation of one complaint received via the whistleblowing email address and another six via Aduan Bursa, CEO's Office, Board of Directors and AC Chairman. Arising from IA's reviews, IA had taken the necessary steps to reach out to the complainants and to address the complaints made.

SUMMARY OF WORK

The AC's work during 2021 comprised the following:

1. Financial Reporting

- a. In overseeing Bursa Malaysia's financial reporting, the AC reviewed the quarterly financial statements for the fourth quarter of 2020 and the annual audited financial statements for 2020 at its meeting on 27 January 2021.

The quarterly financial statements for the first, second and third quarters of 2021, which were prepared in compliance with the Malaysian Financial Reporting Standard (MFRS) 134: Interim Financial Reporting, International Accounting Standard (IAS) 34: Interim Financial Reporting and paragraph 9.22, including Appendix 9B of the MMLR, were reviewed at the AC meetings on 23 April 2021, 26 July 2021 and 26 October 2021, respectively.

On 26 January 2022, the AC reviewed the quarterly financial statements for the fourth quarter of 2021 and the annual audited financial statements for 2021.

The AC's recommendations were presented for approvals at the immediately following Board meetings.

- b. To safeguard the integrity of information, the CFO had on 23 April 2021, 26 July 2021, 26 October 2021 and 26 January 2022, had given assurance to the AC that:
 - i. appropriate accounting policies had been adopted and applied consistently;
 - ii. the going concern basis applied in the annual financial statements and quarterly condensed consolidated financial statements was appropriate;
 - iii. prudent judgements and reasonable estimates had been made in accordance with the requirements set out in the MFRSs and the International Financial Reporting Standards (IFRSs);
 - iv. adequate processes and controls were in place for effective and efficient financial reporting and disclosures under the MFRSs, IFRSs, IASs and MMLR; and
 - v. the annual financial statements and quarterly condensed consolidated financial statements did not contain material misstatements and gave a true and fair view of the financial position of Bursa Malaysia Group for the FY 2021.

2. External Audit

- a. The AC deliberated on EY's Report at its first meeting on 27 January 2021 in relation to the relevant disclosures in the audited financial statements for 2020.

At the same meeting, the lead audit engagement partner, Dato' Megat Iskandar Shah bin Mohamad Nor of EY confirmed that EY was and had been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements, including the By-Laws (on Professional Ethics, Conduct and Practice) of the MIA as well as the International Code of Ethics for Professional Accountants ("IESBA Code"). He further highlighted to the AC the key audit matters, as set out in the report on the audit of the financial statements for the FY 2020.

- b. At the same meeting, the AC took note of the audit services rendered by EY in the FY 2020 which included all the subsidiaries within Bursa Malaysia Group which are classified as public interest entities and subject to the quality control partner's review. The subsidiary companies mentioned are the securities and derivatives exchanges and their respective clearing houses, the central depository, Shariah-compliant trading platform and information services company.

The CFO presented to the AC the audit fees incurred with reference to the FY 2020 Audit Plan.

Audit Committee Report

- c. On 27 January 2021, the CFO further sought the AC's approval for the proposed audit and non-audit services to be provided by the External Auditors for the FY 2021 (2021 Annual Plan). The AC reviewed the list of services in the 2021 Annual Plan to be provided by EY which comprised the audit services, including, among others, the quarterly limited reviews and the annual review of the Statement on Internal Control and Risk Management (SICRM), recurring non-audit services and non-recurring non-audit services. The main recurring non-audit services were in respect of tax compliance and transfer pricing documentation reviews while the non-recurring non-audit services were mainly for assurance or advisory services.

The AC reviewed EY's performance having regard to several factors including the service quality, adequacy of experience and non-recurring non-audit services, and was satisfied with the overall performance and that such services to be sought from EY would not impair their audit independence as the External Auditors of Bursa Malaysia. The AC was also satisfied with EY's technical competency and reasonableness of fees. The AC resolved to approve the FY 2021 Annual Plan including the Management's proposal for EY's fees comprising, the recurring non-audit and non-recurring non-audit services, and audit services subject to the re-appointment of EY as the External Auditors of Bursa Malaysia for the FY 2021 at the 44th Annual General Meeting.

- d. In line with the Auditor Independence Policy, the AC carried out an annual review of the performance of the External Auditors including the assessment of their suitability, objectivity and independence. The AC was satisfied with EY's performance for FY 2020 in relation to three areas, namely, quality of audit services provided, sufficiency of audit resources, communication and interaction, and recommended to the Board the re-appointment of EY as the External Auditors of Bursa Malaysia Group for FY 2021.

With the shareholders' approval of the appointment of EY as the External Auditors for FY 2021 on 31 March 2021, Dato' Megat Iskandar Shah bin Mohamad Nor of EY, being the lead engagement partner for the seventh year in 2021, presented the auditors' review reports on the unaudited quarterly financial statements together with that of the relevant cumulative quarters in accordance with the International Standard on Review Engagements (ISRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" at the quarterly AC meetings in 2021 and January 2022.

- e. On 26 October 2021, the AC reviewed the External Auditors' FY 2021 Audit Plan Memorandum which outlined, among others, EY's scope of work and the proposed fees for the statutory audit, together with assurance-related fees for limited reviews of the four quarterly condensed consolidated financial statements, and review of the SICRM in accordance with the International Standard on Assurance Engagements (ISAE) 3000, "Assurance Engagements other than Audits or Reviews of Historical Financial Information" and Audit and Assurance Practice Guide 3 – Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report as issued by the MIA. The AC recommended the proposed audit fees for the Board's approval and the same was approved by the Board on 29 October 2021.

EY in its FY 2021 Audit Plan Memorandum also presented to the AC the names of its engagement team, audit timeline, the areas of audit emphasis, and their focus on key audit matters with reference to the International Standard on Auditing 701. The AC upon due deliberation approved the FY 2021 Audit Plan Memorandum for implementation in accordance with the audit timeline.

- f. In 2021, the AC had two private meetings with the External Auditors on 27 January 2021 and 26 October 2021, without the presence of the CEO, Management and Internal Auditors.
- g. With reference to the Auditor Independence Policy, the lead engagement partner and quality control review partner who are responsible for the financial statements of Bursa Malaysia Group will be subject to a seven-year rotation with a five-year and three-year cooling-off periods respectively. Dato' Megat Iskandar Shah bin Mohamad Nor who became the lead engagement partner in 2015 is due for rotation in 2022. The quality control review partner, Mr. Yeo Beng Yean appointed in 2016 will be due for rotation in 2023.
- h. In accordance with the Auditor Independence Policy, the AC had on 26 January 2022, undertaken an annual assessment of the quality of audit which encompassed the performance of EY, the quality of EY's communications with the AC and Bursa Malaysia, and EY's independence, objectivity and professionalism.

Assessment questionnaires were used as a tool to obtain input from Bursa Malaysia personnel who had substantial contact with the external audit team throughout the year. EY's performance was rated using a four-point scale on their ability to provide advice, suggestions or clarifications relating to the presentation of financial statements, ability to provide realistic analysis of issues using technical knowledge and independent judgment, and maintain active engagement, through both verbal and written communication during the audit process, as well as their responsiveness to issues.

Audit Committee Report

With regard to the observations by Bursa Malaysia's personnel on the external audit team, the AC also took into account the assessment of the lead engagement partner and engagement team's performance based on their quarterly presentations and the private meetings held between the AC and the External Auditors. The AC was satisfied with the openness in communication and interaction with the lead engagement partner and engagement team, which demonstrated their independence, objectivity and professionalism.

- i. Further information on the assessment of suitability, objectivity and independence of the External Auditors by the AC are provided in the Corporate Governance (CG) Report in accordance with Practice 9.3 of the revised MCGG.
- j. On 26 January 2022, the AC reviewed the audit services and non-audit services provided by the external auditor and its affiliate, and their corresponding incurred fees in FY 2021. The AC approved the actual fees, including the total recurring non-audit and non-recurring non-audit services fees which constituted less than 50% of their total remuneration for 2021 with reference to the Auditor Independence Policy. The non-recurring non-audit services rendered was in relation to the agreed upon procedures for verification of utilisation of grant by the Capital Market Development Fund provided for the Exchange Traded Funds initiative, tax advisory services for the indirect tax and Inland Revenue Board (IRB) audit.
- k. The CFO also sought the AC's concurrence for the proposed audit and non-audit services to be provided for FY 2022.
- l. On 26 January 2022, EY in its presentation of the External Auditors' report to the AC provided a written assurance that they had been independent throughout the audit engagement in respect of the audited financial statements of Bursa Malaysia Group for FY 2021 in accordance with the terms of all relevant professional and regulatory requirements.
- m. On 17 February 2022, the AC had engaged with the External Auditors on matters related to the EY's 2021 Transparency Report and took note of the same.

3. Internal Audit

- a. The IA team conducted the audit work as per the 2021 Annual Audit Plan approved by the AC on 26 November 2020. The Head of IA, Mazliana Mohamad, and departmental heads of the respective IA functions presented the IA reports at each of the AC meetings during the year. The 2021 Annual Audit Plan was reviewed on a quarterly basis or as required to reflect any changes that have had an impact on its coverage. A total of 73 audit engagements were completed in 2021.
- b. The annual plan was developed through a comprehensive planning process that identifies and prioritises possible auditable areas to be part of the audit coverage for the year. The identified key audit areas in 2021 were as follows:
 - Commercial;
 - Operations;
 - Regulation;
 - Group Technology;
 - Business Support Units – Group Human Resources, Group Finance and Corporate Services, Risk and Compliance, Group Strategic Communications and Corporate Strategy;
 - Project Assurance Reviews, which includes reviews of project implementations and system readiness; and
 - Outsourcing and third-party service providers.
- c. In addition to the engagement reports, IA updated the AC on its work done at every AC meeting comprising the progress of the 2021 Annual Audit Plan and its key initiatives for 2021 which included project assurance, quality assurance and continuous improvement programmes.
- d. At the first AC meeting on 27 January 2021, the AC had deliberated on IA's proposed 2021 Scorecard which was developed in accordance with the Human Resources' framework in relation to the Scorecard's perspectives and weightages. Among the matters deliberated in the course of review included the enhancement of certain existing Key Performance Indicators. The 2021 IA Scorecard was subsequently approved by the AC after due deliberation.
- e. The AC at its second meeting on 18 February 2021 had deliberated on the 2020 IA Divisional Scorecard results which included the results of IA's Customer Satisfaction Survey (Survey) for 2020, based on the responses received from the AC members and Senior Management via questionnaires. Such Survey is conducted annually and aims to gauge the level of satisfaction of IA's stakeholders with IA's services, competency, professionalism as well as its independence and objectivity in discharging its roles and responsibilities. The AC resolved that IA's performance for 2020 met the AC's expectations.

Audit Committee Report

- f. At the second AC Meeting held on 18 February 2021, IA had presented to the AC the results of its verification of the Integrated Annual Report (IAR) 2020 and Sustainability Report (SR) 2020. All information and statistics provided in the reports were appropriate. The SR 2020 verification was conducted with reference to the Global Reporting Initiative Standards and the relevant supporting documents as well as engagements with the Sustainability Department.
- g. At the same meeting, the AC had reviewed the performance of the Head of IA taking into consideration the performance evaluations per the Corporate Scorecard, IA Divisional Scorecard and behavioural competencies. The outcome was subsequently submitted to the Nomination and Remuneration Committee for determination of performance rewards.
- h. At the third AC Meeting held on 23 April 2021, IA presented to the AC the proposed revisions to the Information Technology (IT) Audit Plan 2021 for Bursa Malaysia Group. Such revisions were necessary to ensure the key technology initiatives were conducted before the relevant IT audit engagements could take place.
- i. The AC at its third meeting on 23 April 2021 reviewed the results of IA's verification exercise of share grants under Bursa Malaysia's Share Grant Plan (SGP), which comprise of two components, namely, the Restricted Share Plan (RSP) for employees at Grade E7 and above, and the Performance Share Plan (PSP) for key management personnel. The AC concurred that the vesting of shares under the SGP had complied with the criteria approved by the Nomination and Remuneration Committee, which included the following:
 - the adjustments of the unvested Bursa Malaysia shares pursuant to the bonus issue was based on one bonus share for every two existing Bursa Malaysia shares as approved by the shareholders during the Extraordinary Annual General Meeting of Bursa Malaysia held on 28 March 2018;
 - The vesting of Plan Shares for the 2018 RSP and PSP Grants on 13 April 2021.

In addition, the AC also concurred that the Plan Shares granted under the 2018 PSP Grant were not vested and forfeited as Bursa Malaysia did not meet the performance qualifier.

- j. At the fifth AC Meeting held on 26 October 2021, the AC approved the revised IA Project Assurance Framework. The framework was designed to provide guidance, consistent approach and methodology for IA to conduct project assurance engagements which include system readiness reviews and post implementation reviews for selected projects based on pre-set criteria approved by the AC.
- k. At the sixth AC Meeting held on 25 November 2021, the AC reviewed the 2021 achievement of the IA's Strategic Roadmap 2021 to 2023 which aligns with Bursa Malaysia's Corporate Strategic Roadmap 2021 – 2023 and aims to enhance the IA function in terms of its capabilities, scope and coverage, value-delivery and stakeholder management.
- l. At the same meeting, the AC also approved IA's Annual Audit Plan 2022 covering identified auditable areas using risk-based audit planning focusing on key areas such as Commercial, Operations and Support functions, Regulation, IT application, IT functional areas and Project Assurance Reviews. Thematic reviews such as anti-fraud / bribery, data governance, cloud and cybersecurity assessments and information security management are also included as part of the Annual Audit Plan 2022.

In accordance with the TOR of the AC, the AC further deliberated and approved the plan and budget for the IA function for 2022.

- m. At the same meeting, the AC also approved the revised IA Charter and the IA's Framework on Advisory Services having regard to the purpose of advisory services which was rendered upon the CEO request.
- n. At the same meeting, the AC had one private meeting with the Internal Auditors without the presence of the CEO and Management.

Audit Committee Report

- o. At the first AC Meeting held on 26 January 2022, IA confirmed its organisational independence to the AC, where all the Internal Auditors had signed the annual declaration that they were and had been independent, objective and in compliance with the Code of Ethics of Bursa Malaysia and The Institute of Internal Auditors (Global) Standards in carrying out their duties for the FY 2021. This annual declaration includes the non-financial conflict of interest declaration of each individual IA employees. The AC resolved that the IA function is effective, provides value add to the organisation and is able to function independently.
- p. On 26 January 2022, the AC reviewed and recommended the SICRM for Board's approval and publication in the IAR 2021.
- q. At the same meeting, the AC had deliberated on the 2021 IA Divisional Scorecard results which included the results of IA's Customer Satisfaction Survey (Survey) for 2021, based on the responses received from the AC members and Senior Management via questionnaires. Such Survey is conducted annually and aims to gauge the level of satisfaction of IA's stakeholders with IA's services, competency, professionalism as well as its independence and objectivity in discharging its roles and responsibilities. The AC resolved that IA's performance for 2021 met the AC's expectations.
- r. At the same meeting, the AC had considered IA's proposed 2022 Scorecard which was developed in accordance with the Corporate Strategy and Human Resources' framework in relation to the Scorecard's perspectives and weightages. The 2022 IA Scorecard was subsequently approved by the AC after due deliberation.
- s. At the second AC Meeting held on 17 February 2022, the AC reviewed and recommended the IAR 2021 and SR 2021 for Board's approval and adoption.

IA had presented to the AC the results of its verification of the IAR 2021 and SR 2021. All information and statistics provided in the reports were appropriate. The SR 2021 verification was conducted with reference to the Global Reporting Initiative Standards and the relevant supporting documents.
- t. At the same meeting, the AC reviewed and recommended the CG Overview Statement and CG Report 2021 for Board's approval and adoption.

INTERNAL AUDIT FUNCTION

The mission of IA is to enhance and protect the organizational value of Bursa Malaysia Group by providing risk-based and objective assurance, advice and insight. IA helps Bursa Malaysia to accomplish its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, internal controls, and governance processes.

IA reports functionally to the AC and administratively to the CEO. To ensure that the responsibilities of IA are fully discharged in accordance with the International Standards for the Professional Practice of Internal Auditing, the AC reviews the adequacy of the scope and resources of the IA function as well as the competency and experience of the Internal Auditors.

Further information on the resources, objectivity and independence of the Director of IA and Internal Auditors are provided in the CG Report in accordance with Practice 11.2 of the revised MCCG.

The IA engagements were carried out based on an annual audit plan approved by the AC. The results of the audits in the IA reports were reviewed by the AC. The relevant Management members were made responsible for ensuring that corrective actions on reported weaknesses were taken within the required timeframes. IA conducted follow-up audits on key engagements to ensure that the corrective actions were implemented appropriately.

IA also leverages on the report received annually from the Chicago Mercantile Exchange Group's (CME) Independent Service Auditor (RSM US LLP) – System and Organizational Controls (SOC) 1 Report on Controls Placed in Operation and Tests of Operating Effectiveness relevant to the CME Globex Trading, CME ClearPort and CME Clearing Services. This report is received annually due to the listing of all of Bursa Malaysia Derivatives' products on the CME's Globex Trading Platform and it is also shared with the External Auditors, EY. The CME's independent service auditors examine and express their opinion on CME's description of its trade matching and clearing services system for processing transactions for user entities and the suitability of the design and operating effectiveness of controls in achieving the related control objectives. IA communicates and engages with CME's independent service auditor for further information if necessary.

The total costs incurred by IA in discharging its functions and responsibilities in 2021 amounted to RM4,430,473 as compared to RM4,087,086 in 2020.

SECTION

05

ADDITIONAL INFORMATION

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List of Properties Owned by Bursa Malaysia Group

As at 31 December 2021

No.	Location	Postal address	Description	Current use	Tenure	Remaining lease period (expiry date)	Age of building	Land area/ Built-up area (sq. metres)	Date of acquisition	Net book value as at 31 December 2021 RM'000
1.	Geran No. 28936 Lot No. 520 (formerly P.T.8) Section 19, Town and District of Kuala Lumpur	Exchange Square, Bukit Kewangan, 50200 Kuala Lumpur	16-storey office building with 5-level basement car park and a lower level car park known as the Main Building	Office	Leasehold*	71 years (14 April 2092)	24 years	7,144 / 71,347	August 1997	99,722
2.	Geran No. 28938 Lot No. 522 (formerly P.T.10) Section 19, Town and District of Kuala Lumpur	Exchange Square, Bukit Kewangan, 50200 Kuala Lumpur	2-storey office cum exposition building with 2-level basement car park known as the Annexe Building	Office	Leasehold*	74 years (28 February 2095)	23 years	9,314 / 38,609	March 1998	34,596
3.	Lot 5.0 to 8.0, No. Berdaftar Geran 17768/ M1/4/5 to 8 Bangunan No. M1 Lot No. 51452, Mukim of Kuala Lumpur Daerah Wilayah Persekutuan	4 th Floor, Wisma Chase Perdana, Off Jalan Semantan, Damansara Heights, 50490 Kuala Lumpur	Four office units on the 4 th Floor of a 12-storey office building	Office	Freehold	N/A	38 years	N/A / 3,355	May 1998	7,156

* The buildings are on freehold land which has been leased to Bursa Malaysia Berhad by the Federal Land Commissioner for a period of 99 years.

Statistics of Shareholdings

As at 31 January 2022

A. ISSUED SHARES OF THE COMPANY

The total number of issued shares of the Company stands at 809,299,121 ordinary shares, with voting rights of one vote per ordinary share.

The changes in the number of issued shares of the Company from 809,026,821 ordinary shares since 31 December 2020 to 809,299,121 ordinary shares as at 31 January 2022 are as set out in the table below:

Date of Allotment	Number of Shares Allotted	Consideration	Total Number of Issued Shares
9 April 2021	9,900	Subscription by the Trustee at RM6.22 per share under the SGP	809,036,721
	7,800	Subscription by the Trustee at RM6.89 per share under the SGP	809,044,521
	254,600	Subscription by the Trustee at RM6.62 per share under the SGP	809,299,121

B. ANALYSIS BY SIZE OF SHAREHOLDINGS

Size of Shareholdings	No. of Shareholders		Total No. of Shareholders		No. of Issued Shares		Total No. of Issued Shares	
	Malaysian	Foreigner	No.	%	Malaysian	Foreigner	No.	%
1 – 99	606	10	616	1.61	8,981	136	9,117	0.00
100 – 1,000	12,515	148	12,663	33.04	8,310,395	90,178	8,400,573	1.04
1,001 – 10,000	20,254	389	20,643	53.85	72,651,399	1,631,825	74,283,224	9.18
10,001 – 100,000	3,712	275	3,987	10.40	95,184,410	9,278,018	104,462,428	12.91
100,001 – less than 5% of issued shares	310	108	418	1.09	209,111,682	105,989,615	315,101,297	38.93
5% and above of issued shares	3	0	3	0.01	307,042,482	0	307,042,482	37.94
Total	37,400	930	38,330	100.00	692,309,349	116,989,772	809,299,121	100.00

C. ANALYSIS OF EQUITY STRUCTURE

No.	Category of Shareholders	No. of Shareholders		No. of Issued Shares		% of Issued Shares	
		Malaysian	Foreigner	Malaysian	Foreigner	Malaysian	Foreigner
1.	Individual	29,419	499	167,432,642	5,780,680	20.69	0.71
2.	Body Corporate						
	a. Banks/finance companies	50	1	70,414,787	130,000	8.70	0.02
	b. Investment trust/ foundation/ charities	6	0	201,300	0	0.02	0.00
	c. Industrial and commercial companies	342	13	19,976,293	1,362,350	2.47	0.17
3.	Government agencies/institutions	4	0	243,935,351	0	30.14	0.00
4.	Nominees	7,577	417	190,278,976	109,716,742	23.51	13.56
5.	Others	2	0	70,000	0	0.01	0.00
6.	Trustee	0	0	0	0	0.00	0.00
	Total	37,400	930	692,309,349	116,989,772	85.54	14.46

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As at 31 January 2022

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This Report**D. TOP 30 SECURITIES ACCOUNT HOLDERS**

No.	Name	No. of Issued Shares	% of Issued Shares
1.	Capital Market Development Fund	150,300,001	18.57
2.	Kumpulan Wang Persaraan (Diperbadankan)	* 90,619,350	11.20
3.	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board	68,897,941	8.51
4.	Amanahraya Trustees Berhad Amanah Saham Bumiputera	17,000,000	2.10
5.	Cartaban Nominees (Tempatan) Sdn Bhd PAMB for Prulink Equity Fund	10,879,150	1.34
6.	Citigroup Nominees (Tempatan) Sdn Bhd Exempt AN for AIA Bhd.	10,670,100	1.32
7.	The Nomad Group Bhd	9,109,092	1.13
8.	HSBC Nominees (Asing) Sdn Bhd JPMCB NA for Vanguard Emerging Markets Stock Index Fund	7,796,300	0.96
9.	Cartaban Nominees (Asing) Sdn Bhd SSBT Fund KG33 for Invesco Asia Pacific Growth Fund	7,666,250	0.95
10.	Amanahraya Trustees Berhad Amanah Saham Malaysia 3	7,436,800	0.92
11.	HSBC Nominees (Asing) Sdn Bhd JPMCB NA for Vanguard Total International Stock Index Fund	7,275,408	0.90
12.	Pertubuhan Keselamatan Sosial	7,152,700	0.88
13.	HSBC Nominees (Asing) Sdn Bhd JPMBL SA for JPMORGAN Funds	7,031,600	0.87
14.	Cartaban Nominees (Asing) Sdn Bhd Exempt AN for State Street Bank & Trust Company (WEST CLT OD67)	6,853,050	0.85
15.	Citigroup Nominees (Tempatan) Sdn Bhd Great Eastern Life Assurance (Malaysia) Berhad (PAR 1)	6,722,000	0.83
16.	Cartaban Nominees (Asing) Sdn Bhd SSBT Fund WTAU for Wisdomtree Emerging Markets Smallcap Dividend Fund	6,526,850	0.81
17.	Maybank Nominees (Tempatan) Sdn Bhd Maybank Trustees Berhad for Public Ittikal Fund (N14011970240)	6,082,000	0.75
18.	Permodalan Nasional Berhad	5,750,500	0.71
19.	Cartaban Nominees (Tempatan) Sdn Bhd PAMB for Prulink Equity Focus Fund	5,625,400	0.69
20.	Citigroup Nominees (Asing) Sdn Bhd CBNY for Norges Bank (FI 17)	4,626,755	0.57
21.	Amanahraya Trustees Berhad Public Ittikal Sequel Fund	4,055,000	0.50
22.	Amanahraya Trustees Berhad Public Islamic Select Enterprises Fund	3,295,200	0.41
23.	Citigroup Nominees (Tempatan) Sdn Bhd Great Eastern Life Assurance (Malaysia) Berhad (PAR 3)	3,227,900	0.40
24.	Amanahraya Trustees Berhad Public Islamic Select Treasures Fund	3,135,600	0.39

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D. TOP 30 SECURITIES ACCOUNT HOLDERS (cont'd.)

No.	Name	No. of Issued Shares	% of Issued Shares
25.	Amanahraya Trustees Berhad Public Islamic Dividend Fund	3,073,700	0.38
26.	Citigroup Nominees (Tempatan) Sdn Bhd Great Eastern Life Assurance (Malaysia) Berhad (SHF)	3,000,000	0.37
27.	Chia Choon Kwang @ Chai Choon Kwang	2,806,000	0.35
28.	Cartaban Nominees (Asing) Sdn Bhd GIC Private Limited for Government of Singapore (C)	2,774,500	0.34
29.	Cartaban Nominees (Tempatan) Sdn Bhd PBTB for Takafulink Dana Ekuiti	2,759,300	0.34
30.	HSBC Nominees (Asing) Sdn Bhd JPMBL SA for Robeco Capital Growth Funds	2,740,200	0.34
Total		474,888,647	58.68

**E. SUBSTANTIAL SHAREHOLDERS ACCORDING TO THE REGISTER OF SUBSTANTIAL SHAREHOLDERS
AS AT 31 JANUARY 2022**

No.	Name	No. of Issued Shares	% of Issued Shares
1.	Capital Market Development Fund	150,300,001	18.57
2.	Kumpulan Wang Persaraan (Diperbadankan) (KWAP)	* 90,619,350	11.20
3.	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board	68,897,941	8.51

Note: This includes * 737,110 ordinary shares placed by KWAP under the Securities Borrowing and Lending Arrangement

F. DIRECT AND DEEMED INTERESTS IN THE COMPANY AND/OR ITS RELATED CORPORATIONS**1. DIRECTORS**

The interests of the Directors in the shares of the Company as at 31 January 2022 including those of his/her spouse and child/children which are deemed interests of the Directors by reference to Section 59(11)(c) of the Companies Act 2016 are maintained by the Company in the Register of Directors' Shareholdings pursuant to Section 59 of the Companies Act 2016, details of which are as follows:

Name of Directors	Direct Interest		Deemed Interest		
	No. of Issued Shares	% of Issued Shares	Spouse	Child	% of Issued Shares
			No. of Issued Shares	No. of Issued Shares	
Tan Sri Abdul Wahid bin Omar	15,000	0.002	-	-	-
Datuk Muhamad Umar Swift	0	0	-	-	-
Dato' Anad Krishnan a/l Muthusamy	0	0	-	-	-
Sharifatu Laila binti Syed Ali	0	0	-	-	-
Datin Azlina binti Mahmad	0	0	-	-	-
Datuk Karownikaran @ Karunakaran a/l Ramasamy	0	0	-	-	-
Pushpanathan a/l S.A. Kanagarayar	0	0	-	-	-
Chong Chye Neo	0	0	-	-	-
Datuk Bazlan bin Osman	0	0	-	-	-
Syed Ari Azhar bin Syed Mohamed Adlan	0	0	-	-	-
Total	15,000	0.002	-	-	-

2. KEY SENIOR MANAGEMENT

The changes in interests of the Key Senior Management are due to the vesting of the Plan Shares granted under the Share Grant Plan of Bursa Malaysia. Their shareholdings in the Company as at 31 January 2022 including their indirect/deemed interests, are as follows:

Name of Key Senior Management	Number of Bursa Shares held as at 01.01.2021	Vesting of Restricted Share Plan ("RSP") Grants on 13.04.2021	Direct Interest		Deemed Interest		
			No. of Issued Shares	% of Issued Shares	Spouse	Child	% of Issued Shares
					No. of Issued Shares	No. of Issued Shares	
Rosidah binti Baharom	58,400	4,000	62,400	0.008	-	175,000	0.022
Samuel Ho Hock Guan	0	0	0	0.000	-	-	0.000
Azhar bin Mohd Zabidi	0	0	0	0.000	-	-	0.000
Ashish Jaywant Rege	0	0	0	0.000	-	-	0.000
Tay Yu Hui	44,500	2,000	46,500	0.006	-	-	0.000
Julian Mahmud Hashim [^]	0	0	0	0.000	-	-	0.000
Total			108,900	0.014		175,000	0.022

Note: [^] Joined Bursa Malaysia on 11 January 2021 and was appointed as Chief Regulatory Officer on 8 September 2021

Statistics of Shareholdings

As at 31 January 2022

G. SHARE GRANT PLAN (SGP)

Under the SGP which is the only share issuance scheme of Bursa Malaysia in the financial year (FY) 2021, a maximum of 10% of the issued and paid-up share capital of Bursa Malaysia (excluding treasury shares) comprising ordinary shares of the Company (Plan Shares) are available at any point in time during the tenure of the SGP (Maximum Plan Shares Available). Further information on the SGP is set out in the Directors' Report and Note 30(b) of the Audited Financial Statements for FY 2021 in this report.

Brief details on the number of Plan Shares granted, vested and outstanding during the 10 years from the commencement of the SGP on 18 April 2011 until its expiry on 17 April 2021 (with the exception of no share grant in FY 2019, FY 2020 and until its expiry) are set out in the tables below:

For the period from 18 April 2011 to 31 December 2011	Type of Grant	Total	Executive Director/CEO	Senior Management	Other Selected Employees
Number of Plan Shares granted	2011 RSP Grant	778,200	-	34,900	743,300
Number of Plan Shares vested	2011 RSP Grant	(199,800)	-	(9,000)	(190,800)
Number of Plan Shares forfeited	2011 RSP Grant*	(37,300)	-	(5,200)	(32,100)
Number of Plan Shares outstanding as at 31 December 2011	2011 RSP Grant	541,100	-	20,700	520,400

For the period from 1 January 2012 to 31 December 2012	Type of Grant	Total	Executive Director/CEO	Senior Management	Other Selected Employees
Number of Plan Shares granted	2012 RSP Grant	829,200	270,200	29,200	529,800
	2012 PSP Grant	397,400	59,400	146,000	192,000
	Total	1,226,600	329,600	175,200	721,800
Number of Plan Shares vested	2011 RSP Grant	(174,700)	-	(6,600)	(168,100)
	2012 RSP Grant	(250,000)	(250,000)	-	-
	Total	(424,700)	(250,000)	(6,600)	(168,100)
Number of Plan Shares forfeited	2011 RSP Grant*	(59,400)	-	(1,700)	(57,700)
	2012 RSP Grant*	(30,500)	-	-	(30,500)
	2012 PSP Grant*	(17,800)	-	(17,800)	-
	Total	(107,700)	-	(19,500)	(88,200)
Number of Plan Shares outstanding as at 31 December 2012	2011 RSP Grant	307,000	-	12,400	294,600
	2012 RSP Grant	548,700	20,200	29,200	499,300
	2012 PSP Grant	379,600	59,400	128,200	192,000
	Total	1,235,300	79,600	169,800	985,900

Statistics of Shareholdings

As at 31 January 2022

G. SHARE GRANT PLAN (SGP) (cont'd.)

For the period from 1 January 2013 to 31 December 2013	Type of Grant	Total	Executive Director/CEO	Senior Management	Other Selected Employees
Number of Plan Shares granted	2013 RSP Grant	1,374,700	278,800	100,300	995,600
	2013 PSP Grant	475,000	63,600	200,600	210,800
	Total	1,849,700	342,400	300,900	1,206,400
Number of Plan Shares vested	2011 RSP Grant	(154,500)	-	(6,200)	(148,300)
	2012 RSP Grant	(183,500)	(6,800)	(10,000)	(166,700)
	2013 RSP Grant	(250,000)	(250,000)	-	-
	Total	(588,000)	(256,800)	(16,200)	(315,000)
Number of Plan Shares forfeited	2011 RSP Grant*	(12,600)	-	-	(12,600)
	2012 RSP Grant*	(33,900)	-	-	(33,900)
	2012 PSP Grant [∞]	(155,800)	-	(63,400)	(92,400)
	2013 RSP Grant*	(28,500)	-	-	(28,500)
	Total	(230,800)	-	(63,400)	(167,400)
Number of Plan Shares outstanding as at 31 December 2013	2011 RSP Grant	139,900	-	6,200	133,700
	2012 RSP Grant	331,300	13,400	19,200	298,700
	2012 PSP Grant	223,800	59,400	64,800	99,600
	2013 RSP Grant	1,096,200	28,800	100,300	967,100
	2013 PSP Grant	475,000	63,600	200,600	210,800
	Total	2,266,200	165,200	391,100	1,709,900

Note:

* These Plan Shares were forfeited as they were granted to employees who resigned subsequent to the grant date(s), but prior to vesting date(s).

[∞] A portion of 2012 PSP Grant was forfeited, as the performance targets in respect of performance period from 2011 to 2013 were not achieved.

Statistics of Shareholdings

As at 31 January 2022

G. SHARE GRANT PLAN (SGP) (cont'd.)

For the period from 1 January 2014 to 31 December 2014	Type of Grant	Total	Executive Director/CEO	Senior Management	Other Selected Employees
Number of Plan Shares granted	2014 RSP Grant	1,478,000	278,800	100,300	1,098,900
	2014 PSP Grant	449,600	63,600	200,600	185,400
	Total	1,927,600	342,400	300,900	1,284,300
Number of Plan Shares vested	2011 RSP Grant	(134,800)	-	(4,800)	(130,000)
	2012 RSP Grant	(166,800)	(6,700)	(8,400)	(151,700)
	2013 RSP Grant	(356,400)	(9,600)	(27,600)	(319,200)
	2014 RSP Grant	(250,000)	(250,000)	-	-
	Total	(908,000)	(266,300)	(40,800)	(600,900)
Number of Plan Shares forfeited	2011 RSP Grant*	(5,100)	-	(1,400)	(3,700)
	2012 RSP Grant*	(15,900)	-	(2,500)	(13,400)
	2012 PSP Grant*	(8,400)	-	(8,400)	-
	2013 RSP Grant*	(78,700)	-	(17,700)	(61,000)
	2013 PSP Grant*	(35,400)	-	(35,400)	-
	2014 RSP Grant*	(44,700)	-	-	(44,700)
	Total	(188,200)	-	(65,400)	(122,800)
Number of Plan Shares outstanding as at 31 December 2014	2011 RSP Grant	-	-	-	-
	2012 RSP Grant	148,600	6,700	8,300	133,600
	2012 PSP Grant	215,400	59,400	56,400	99,600
	2013 RSP Grant	661,100	19,200	55,000	586,900
	2013 PSP Grant	439,600	63,600	165,200	210,800
	2014 RSP Grant	1,183,300	28,800	100,300	1,054,200
	2014 PSP Grant	449,600	63,600	200,600	185,400
	Total	3,097,600	241,300	585,800	2,270,500

Note:

- * These Plan Shares were forfeited as they were granted to employees who resigned subsequent to the grant date(s), but prior to vesting date(s).

Statistics of Shareholdings

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G. SHARE GRANT PLAN (SGP) (cont'd.)

For the period from 1 January 2015 to 31 December 2015	Type of Grant	Total	Executive Director/CEO	Senior Management	Other Selected Employees
Number of Plan Shares granted	2015 RSP Grant	1,369,200	269,200	106,200	993,800
	2015 PSP Grant	464,600	42,400	212,400	209,800
	Total	1,833,800	311,600	318,600	1,203,600
Number of Plan Shares vested	2012 RSP Grant	(145,700)	(6,700)	(8,300)	(130,700)
	2013 RSP Grant	(322,000)	(9,600)	(27,500)	(284,900)
	2014 RSP Grant	(376,800)	(9,600)	(33,400)	(333,800)
	2015 RSP Grant	(250,000)	(250,000)	-	-
	Total	(1,094,500)	(275,900)	(69,200)	(749,400)
Number of Plan Shares forfeited	2012 RSP Grant*	(2,900)	-	-	(2,900)
	2012 PSP Grant [□]	(215,400)	(59,400)	(56,400)	(99,600)
	2013 RSP Grant*	(28,900)	-	(3,900)	(25,000)
	2013 PSP Grant*	(23,600)	-	(23,600)	-
	2014 RSP Grant*	(65,200)	-	(7,900)	(57,300)
	2014 PSP Grant*	(23,600)	-	(23,600)	-
	2015 RSP Grant*	(23,200)	-	(11,800)	(11,400)
	2015 PSP Grant*	(23,600)	-	(23,600)	-
	Total	(406,400)	(59,400)	(150,800)	(196,200)
Number of Plan Shares outstanding as at 31 December 2015	2012 RSP Grant	-	-	-	-
	2012 PSP Grant	-	-	-	-
	2013 RSP Grant	310,200	9,600	23,600	277,000
	2013 PSP Grant	416,000	63,600	141,600	210,800
	2014 RSP Grant	741,300	19,200	59,000	663,100
	2014 PSP Grant	426,000	63,600	177,000	185,400
	2015 RSP Grant	1,096,000	19,200	94,400	982,400
	2015 PSP Grant	441,000	42,400	188,800	209,800
	Total	3,430,500	217,600	684,400	2,528,500

Note:

- * These Plan Shares were forfeited as they were granted to employees who resigned subsequent to the grant date(s), but prior to vesting date(s).
- The remaining portion of 2012 PSP Grant was forfeited, as the performance targets in respect of performance period from 2012 to 2014 were not achieved.

Statistics of Shareholdings

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G. SHARE GRANT PLAN (SGP) (cont'd.)

For the period from 1 January 2016 to 31 December 2016	Type of Grant	Total	Executive Director/CEO	Senior Management	Other Selected Employees
Number of Plan Shares granted	2016 RSP Grant	1,317,300	269,200	92,000	956,100
	2016 PSP Grant	312,200	42,400	184,000	85,800
	Total	1,629,500	311,600	276,000	1,041,900
Number of Plan Shares vested	2013 RSP Grant	(298,700)	(9,600)	(23,600)	(265,500)
	2013 PSP Grant	(416,000)	(63,600)	(141,600)	(210,800)
	2014 RSP Grant	(350,500)	(9,600)	(29,500)	(311,400)
	2015 RSP Grant	(342,900)	(6,400)	(31,400)	(305,100)
	2016 RSP Grant	(250,000)	(250,000)	-	-
	Total	(1,658,100)	(339,200)	(226,100)	(1,092,800)
Number of Plan Shares forfeited	2013 RSP Grant*	(11,500)	-	-	(11,500)
	2014 RSP Grant*	(44,800)	-	-	(44,800)
	2015 RSP Grant*	(68,700)	-	-	(68,700)
	2016 RSP Grant*	(25,900)	-	-	(25,900)
	Total	(150,900)	-	-	(150,900)
Number of Plan Shares outstanding as at 31 December 2016	2013 RSP Grant	-	-	-	-
	2013 PSP Grant	-	-	-	-
	2014 RSP Grant	346,000	9,600	29,500	306,900
	2014 PSP Grant	426,000	63,600	177,000	185,400
	2015 RSP Grant	684,400	12,800	63,000	608,600
	2015 PSP Grant	441,000	42,400	188,800	209,800
	2016 RSP Grant	1,041,400	19,200	92,000	930,200
	2016 PSP Grant	312,200	42,400	184,000	85,800
	Total	3,251,000	190,000	734,300	2,326,700

Note:

- * These Plan Shares were forfeited as they were granted to employees who resigned subsequent to the grant date(s), but prior to vesting date(s).

Statistics of Shareholdings

As at 31 January 2022

G. SHARE GRANT PLAN (SGP) (cont'd.)

For the period from 1 January 2017 to 31 December 2017	Type of Grant	Total	Executive Director/CEO	Senior Management	Other Selected Employees
Number of Plan Shares granted	2017 RSP Grant	979,300	269,200	73,100	637,000
	2017 PSP Grant	228,800	42,400	146,200	40,200
	Total	1,208,100	311,600	219,300	677,200
Number of Plan Shares vested	2014 RSP Grant	(334,600)	(9,600)	(29,500)	(295,500)
	2015 RSP Grant	(319,400)	(6,400)	(31,400)	(281,600)
	2016 RSP Grant	(324,500)	(6,400)	(30,500)	(287,600)
	2017 RSP Grant	(250,000)	(250,000)	-	-
	Total	(1,228,500)	(272,400)	(91,400)	(864,700)
Number of Plan Shares forfeited	2014 RSP Grant*	(11,400)	-	-	(11,400)
	2014 PSP Grant♦	(426,000)	(63,600)	(177,000)	(185,400)
	2015 RSP Grant*	(43,900)	-	(4,000)	(39,900)
	2015 PSP Grant*	(46,200)	-	(23,600)	(22,600)
	2016 RSP Grant*	(86,700)	-	(7,900)	(78,800)
	2016 PSP Grant*	(23,600)	-	(23,600)	-
	2017 RSP Grant*	(49,000)	-	(15,800)	(33,200)
	2017 PSP Grant*	(31,600)	-	(31,600)	-
	Total	(718,400)	(63,600)	(283,500)	(371,300)
Number of Plan Shares outstanding as at 31 December 2017	2014 RSP Grant	-	-	-	-
	2014 PSP Grant	-	-	-	-
	2015 RSP Grant	321,100	6,400	27,600	287,100
	2015 PSP Grant	394,800	42,400	165,200	187,200
	2016 RSP Grant	630,200	12,800	53,600	563,800
	2016 PSP Grant	288,600	42,400	160,400	85,800
	2017 RSP Grant	680,300	19,200	57,300	603,800
	2017 PSP Grant	197,200	42,400	114,600	40,200
	Total	2,512,200	165,600	578,700	1,767,900

Note:

- * These Plan Shares were forfeited as they were granted to employees who resigned subsequent to the grant date(s), but prior to vesting date(s).
- ♦ 2014 PSP Grant was forfeited as the performance targets in respect of performance period from 2014 to 2016 were not achieved.

Statistics of Shareholdings

As at 31 January 2022

G. SHARE GRANT PLAN (SGP) (cont'd.)

For the period from 1 January 2018 to 31 December 2018	Type of Grant	Total	Executive Director/CEO	Senior Management	Other Selected Employees
Number of Plan Shares granted	2018 RSP Grant	1,022,800	19,200	94,400	909,200
	2018 PSP Grant	287,600	42,400	188,800	56,400
	Total	1,310,400	61,600	283,200	965,600
Additional number of Plan Shares (when bonus issue takes effect)	2015 RSP Grant	155,350	3,200	11,800	140,350
	2015 PSP Grant	185,600	21,200	70,800	93,600
	2016 RSP Grant	301,800	6,400	22,850	272,550
	2016 PSP Grant	132,500	21,200	68,400	42,900
	2017 RSP Grant	326,150	9,600	24,700	291,850
	2017 PSP Grant	90,700	21,200	49,400	20,100
	Total	1,192,100	82,800	247,950	861,350
Number of Plan Shares vested	2015 RSP Grant	(464,550)	(9,600)	(35,400)	(419,550)
	2016 RSP Grant	(442,650)	(9,600)	(34,050)	(399,000)
	2017 RSP Grant	(310,500)	(9,600)	(24,450)	(276,450)
	2018 RSP Grant	(5,700)	-	-	(5,700)
	Total	(1,223,400)	(28,800)	(93,900)	(1,100,700)
Number of Plan Shares forfeited	2015 RSP Grant*	(11,900)	-	(4,000)	(7,900)
	2015 PSP Grant♦	(580,400)	(63,600)	(236,000)	(280,800)
	2016 RSP Grant*	(42,050)	-	(13,900)	(28,150)
	2016 PSP Grant*	(59,000)	-	(59,000)	-
	2017 RSP Grant*	(56,800)	-	(15,850)	(40,950)
	2017 PSP Grant*	(39,500)	-	(39,500)	-
	2018 RSP Grant*	(38,500)	-	(11,800)	(26,700)
	2018 PSP Grant*	(23,600)	-	(23,600)	-
	Total	(851,750)	(63,600)	(403,650)	(384,500)
Number of Plan Shares outstanding as at 31 December 2018	2015 RSP Grant	-	-	-	-
	2015 PSP Grant	-	-	-	-
	2016 RSP Grant	447,300	9,600	28,500	409,200
	2016 PSP Grant	362,100	63,600	169,800	128,700
	2017 RSP Grant	639,150	19,200	41,700	578,250
	2017 PSP Grant	248,400	63,600	124,500	60,300
	2018 RSP Grant	978,600	19,200	82,600	876,800
	2018 PSP Grant	264,000	42,400	165,200	56,400
	Total	2,939,550	217,600	612,300	2,109,650

Note:

* These Plan Shares were forfeited as they were granted to employees who resigned subsequent to the grant date(s), but prior to vesting date(s).

♦ 2015 PSP Grant was forfeited as the performance targets in respect of performance period from 2015 to 2017 were not achieved.

Statistics of Shareholdings

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G. SHARE GRANT PLAN (SGP) (cont'd.)

For the period from 1 January 2019 to 31 December 2019	Type of Grant	Total	Executive Director/CEO	Senior Management	Other Selected Employees
Number of Plan Shares vested	2016 RSP Grant	(422,850)	(9,600)	(23,700)	(389,550)
	2017 RSP Grant	(290,700)	(19,200)	(17,400)	(254,100)
	2018 RSP Grant	(314,900)	(19,200)	(23,400)	(272,300)
	Total	(1,028,450)	(48,000)	(64,500)	(915,950)
Number of Plan Shares forfeited	2016 RSP Grant*	(24,450)	-	(4,800)	(19,650)
	2016 PSP Grant*	(362,100)	(63,600)	(169,800)	(128,700)
	2017 RSP Grant*	(42,450)	-	(6,300)	(36,150)
	2017 PSP Grant*	(82,500)	(63,600)	(18,900)	-
	2018 RSP Grant*	(81,000)	-	(11,800)	(69,200)
	2018 PSP Grant*	(66,000)	(42,400)	(23,600)	-
	Total	(658,500)	(169,600)	(235,200)	(253,700)
Number of Plan Shares outstanding as at 31 December 2019	2016 RSP Grant	-	-	-	-
	2016 PSP Grant	-	-	-	-
	2017 RSP Grant	306,000	-	18,000	288,000
	2017 PSP Grant	165,900	-	105,600	60,300
	2018 RSP Grant	582,700	-	47,400	535,300
	2018 PSP Grant	198,000	-	141,600	56,400
	Total	1,252,600	-	312,600	940,000

Note:

* These Plan Shares were forfeited as they were granted to employees who resigned subsequent to the grant date(s), but prior to vesting date(s).

◆ 2016 PSP Grant was forfeited as the performance targets in respect of performance period from 2016 to 2018 were not achieved.

For the period from 1 January 2020 to 31 December 2020	Type of Grant	Total	Executive Director/CEO	Senior Management	Other Selected Employees
Number of Plan Shares vested	2017 RSP Grant	(273,300)	-	(4,050)	(269,250)
	2018 RSP Grant	(250,400)	-	(9,800)	(240,600)
	Total	(523,700)	-	(13,850)	(509,850)
Number of Plan Shares forfeited	2017 RSP Grant*	(18,750)	-	-	(18,750)
	2017 PSP Grant*	(165,900)	-	(105,600)	(60,300)
	2018 RSP Grant*	(53,600)	-	(11,900)	(41,700)
	2018 PSP Grant*	(118,000)	-	(118,000)	-
	Total	(356,250)	-	(235,500)	(120,750)
Number of Plan Shares outstanding as at 31 December 2020	2017 RSP Grant	13,950	-	13,950	-
	2017 PSP Grant	-	-	-	-
	2018 RSP Grant	278,700	-	25,700	253,000
	2018 PSP Grant	80,000	-	23,600	56,400
	Total	372,650	-	63,250	309,400

Note:

* These Plan Shares were forfeited as they were granted to employees who resigned subsequent to the grant date(s), but prior to vesting date(s).

◆ 2017 PSP Grant was forfeited as the performance targets in respect of performance period from 2017 to 2019 were not achieved.

Statistics of Shareholdings

As at 31 January 2022

G. SHARE GRANT PLAN (SGP) (cont'd.)

For the period from 1 January 2021 to 17 April 2021	Type of Grant	Total	Executive Director/CEO	Senior Management	Other Selected Employees
Number of Plan Shares vested	2017 RSP Grant	(9,900)	-	(9,900)	-
	2018 RSP Grant	(262,400)	-	(17,800)	(244,600)
	Total	(272,300)	-	(27,700)	(244,600)
Number of Plan Shares forfeited	2017 RSP Grant *	(4,050)	-	(4,050)	-
	2018 RSP Grant *	(16,300)	-	(7,900)	(8,400)
	2018 PSP Grant ♦	(80,000)	-	(23,600)	(56,400)
	Total	(100,350)	-	(35,550)	(64,800)
Number of Plan Shares outstanding as at 17 April 2021	2017 RSP Grant	-	-	-	-
	2018 RSP Grant	-	-	-	-
	2018 PSP Grant	-	-	-	-
	Total	-	-	-	-

Note:

* These Plan Shares were forfeited as their vesting conditions were not fulfilled prior to vesting date(s).

♦ 2018 PSP Grant was forfeited as the performance targets in respect of performance period from 2018 to 2020 were not achieved.

With regards to the Plan Shares granted to the Executive Director/CEO and Senior Management since the commencement of the SGP, and that there was no share grant in 2019, 2020 and until its expiry on 17 April 2021:

- (1) The aggregate maximum allocation is 50% of the Maximum Plan Shares Available; and
- (2) The actual percentage of Plan Shares granted to them as at its expiry on 17 April 2021 was 33.32% of the total number of Plan Shares granted i.e. the same percentage as at 31 December 2018, 31 December 2019, and 31 December 2020.

The Non-Executive Directors were not eligible to participate in the SGP.

Additional Compliance Information Disclosures

1. UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

There were no proceeds raised from corporate proposals during the financial year.

2. MATERIAL CONTRACTS

There were no material contracts entered into by the Group involving the interest of Directors and major shareholders, either still subsisting at the end of the financial year ended 31 December 2021 or entered into since the end of the previous financial year.

3. RELATED PARTY TRANSACTIONS

An internal compliance framework exists to ensure that Bursa Malaysia meets its obligations under Bursa Malaysia Securities Berhad Main Market Listing Requirements and other applicable guidelines/standards in connection with related party transactions (RPT).

In this respect, the relevant processes and procedures are in place to ensure all transactions including the RPT, are monitored and conducted in a manner that is fair and at arms' length basis, with the terms not more favourable to the related parties than to the public, not to the detriment of minority shareholders and in the best interest of Bursa Malaysia.

A Director who has an interest in a transaction abstains himself/herself from deliberation and voting on the relevant resolution in respect of such transaction at Board meetings and/or other meetings of the Company.

SECTION

06

FINANCIALS

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Directors' Responsibility Statement

For the Audited Financial Statements

The Directors are required by the Companies Act 2016 (CA) to prepare the financial statements for each financial year which have been made out in accordance with applicable Malaysian Financial Reporting Standards (MFRSs), the International Financial Reporting Standards (IFRSs), and the requirements of the CA in Malaysia.

The Directors are responsible to ensure that the financial statements give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year, and of the results and cash flows of the Group and of the Company for the financial year.

In preparing the financial statements, the Directors ensured that the Management has:

- adopted appropriate accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent; and
- prepared the financial statements on a going concern basis.

The Directors are responsible to ensure that the Group and the Company keep accounting records which disclose the financial position of the Group and of the Company with reasonable accuracy, enabling them to ensure that the financial statements comply with the CA.

The Directors are responsible for taking such steps as are reasonably open to them to safeguard the assets of the Group and of the Company, and to detect and prevent fraud and other irregularities.

Directors' Report

The Directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2021.

PRINCIPAL ACTIVITIES

The Company is an exchange holding company, whose principal activities are treasury management and the provision of management and administrative services to its subsidiaries.

The principal activities of the subsidiaries are to operate the Malaysian securities, derivatives and offshore exchanges and the Shariah-compliant commodity trading platform, to operate the related clearing houses, depository function and regulatory function, and to disseminate information relating to securities quoted on the exchanges. Other information relating to the respective subsidiaries are disclosed in Note 17 to the financial statements.

RESULTS

	Group RM'000	Company RM'000
Profit for the year	355,254	487,973

There were no material transfers to or from reserves or provisions during the financial year, other than those disclosed in the financial statements.

In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

DIVIDENDS

The dividends paid by the Company since 31 December 2020 were as follows:

	RM'000
In respect of the financial year ended 31 December 2021:	
Single-tier interim dividend of 24.0 sen per share, on 809,299,000 ordinary shares, declared on 28 July 2021 and paid on 27 August 2021	194,232
In respect of the financial year ended 31 December 2020, as reported in the Directors' report of that financial year:	
Single-tier final dividend of 26.0 sen per share, on 809,027,000 ordinary shares, approved on 2 February 2021 and paid on 3 March 2021	210,347
Single-tier special dividend of 8.0 sen per share, on 809,027,000 ordinary shares, approved on 2 February 2021 and paid on 3 March 2021	64,722
Total dividends paid since 31 December 2020	469,301

On 28 January 2022, the Board of Directors approved and declared a single-tier final dividend of 17.0 sen per share in respect of the financial year ended 31 December 2021. The final dividend amounting to approximately RM137,581,000 will be payable on 25 February 2022. The dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2022.

Directors' Report

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DIRECTORS

The names of the Directors of the Company in office since the beginning of the current financial year to the date of this report are:

Tan Sri Abdul Wahid bin Omar	
Datuk Muhamad Umar Swift	
Datuk Karownakaran @ Karunakaran a/l Ramasamy	
Pushpanathan a/l S.A. Kanagarayar	
Chong Chye Neo	
Dato' Anad Krishnan a/l Muthusamy	
Sharifatu Laila binti Syed Ali	
Syed Ari Azhar bin Syed Mohamed Adlan	
Datuk Bazlan bin Osman	
Datin Azlina binti Mahmad	(appointed on 16 March 2021)
Uji Sherina binti Abdullah	(resigned on 1 January 2022)
Datin Grace Yeoh Cheng Geok	(retired on 31 March 2021)

The names of the directors of the Company's subsidiaries in office since the beginning of the current financial year to the date of this report are:

Datuk Muhamad Umar Swift
Rosidah binti Baharom

DIRECTORS' BENEFITS

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the Directors might acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate, other than those arising from the shares awarded under the Share Grant Plan ("SGP").

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of remuneration received or due and receivable by the Directors or the fixed salary of a full-time employee of the Company as disclosed in Note 9 to the financial statements) by reason of a contract made by the Company or a related corporation with any Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

During the financial year, the total amount of indemnity coverage and insurance premium paid for the Directors and the officers of the Group and of the Company was RM55,000,000 and RM104,960 respectively.

DIRECTORS' INTERESTS

According to the register of Directors' shareholdings, the interests of Directors in office at the end of the financial year in the shares of the Company during the financial year were as follows:

	Number of ordinary shares		
	At 1.1.2021 '000	Purchased/ Sold '000	At 31.12.2021 '000
Direct interests			
Tan Sri Abdul Wahid bin Omar	15	-	15

Other than the above, the Directors in office at the end of the financial year did not have any interest in the shares of the Company or its related corporations during the financial year.

Directors' Report

ISSUE OF SHARES

During the financial year, the Company increased its issued and paid-up share capital from 809,027,000 ordinary shares to 809,299,000 ordinary shares by way of the issuance of 272,000 new ordinary shares amounting to RM1,801,000 arising from the Company's SGP, as disclosed in Note 30(b) to the financial statements.

The new ordinary shares issued during the financial year ranked pari passu in all respects with the existing ordinary shares of the Company.

SHARE GRANT PLAN ("SGP")

The Company's SGP is governed by the By-Laws approved by the shareholders at an Extraordinary General Meeting held on 14 April 2011. The SGP was implemented on 18 April 2011 and is made up of two plans - the Restricted Share Plan ("RSP") and the Performance Share Plan ("PSP"). The SGP which was in force for a maximum period of ten years from the date of implementation, expired on 17 April 2021.

The salient features, terms and details of the SGP are as disclosed in Note 30(b) to the financial statements.

OTHER STATUTORY INFORMATION

- (a) Before the statements of profit or loss, statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps:
 - (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that all known bad debts had been written off and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their values as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.
- (b) At the date of this report, the Directors are not aware of any circumstances which would render:
 - (i) the amount written off for bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and
 - (ii) the values attributed to current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the Directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) At the date of this report, there does not exist:
 - (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability in respect of the Group or of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the Directors:
 - (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

AUDITORS AND AUDITORS' REMUNERATION

The auditors, Ernst & Young PLT, have expressed their willingness to continue in office.

The auditors' remuneration of the Group and of the Company are disclosed in Note 7 to the financial statements.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 28 January 2022.



Tan Sri Abdul Wahid bin Omar



Datuk Muhamad Umar Swift

Statement by Directors

Pursuant to Section 251(2) of the Companies Act 2016

We, Tan Sri Abdul Wahid bin Omar and Datuk Muhamad Umar Swift, being two of the Directors of Bursa Malaysia Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 159 to 239 are drawn up in accordance with the Malaysian Financial Reporting Standards, the International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021 and of their financial performance and cash flows for the year then ended.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 28 January 2022.



Tan Sri Abdul Wahid bin Omar



Datuk Muhamad Umar Swift

Statutory Declaration

Pursuant to Section 251(1)(b) of the Companies Act 2016

I, Rosidah binti Baharom, being the Officer primarily responsible for the financial management of Bursa Malaysia Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 159 to 239 are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the
abovenamed Rosidah binti Baharom
at Kuala Lumpur in the Federal Territory
on 28 January 2022.



Rosidah binti Baharom

Before me,




205, Bangunan Loke Yew
4, Jln Mahkamah Persekutuan
50050 Kuala Lumpur (W.P.)

Independent Auditors' Report to the Members of Bursa Malaysia Berhad (Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

We have audited the financial statements of Bursa Malaysia Berhad, which comprise the statements of financial position as at 31 December 2021 of the Group and of the Company, and the statements of profit or loss, statements of other comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages 159 to 239.

In our opinion, the accompanying financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2021, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the key audit matters below, our description of how our audit addressed the matters are provided in that context.

We have fulfilled the responsibilities described in the *Auditors' responsibilities for the audit of the financial statements* section of our report, including in relation to these matters.

Independent Auditors' Report to the Members of Bursa Malaysia Berhad
(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D.)

Key audit matters (cont'd.)

Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

Description	Responses
The risk that (i) goodwill and (ii) investment in subsidiaries may be impaired. (i) Goodwill The Group's and Company's goodwill balances as at 31 December 2021 stood at RM42,957,000 and RM29,494,000, respectively. (ii) Investment in subsidiaries As at 31 December 2021, the carrying amount of investment in subsidiaries in the statement of financial position of the Company stood at RM298,618,000. On an annual basis, management is required to perform impairment assessments for goodwill and investment in subsidiaries with impairment indicators. These assessments are significant to our audit as they involve significant management judgement and are based on assumptions that are affected by expected future market and economic conditions. This risk is also described in Note 2.5 to the financial statements.	Our audit procedures included, among others, evaluating the assumptions and methodologies used by the Group and the Company in performing the impairment assessments. We examined the cash flow forecasts which support management's impairment assessments. We evaluated the evidence supporting the underlying assumptions in those forecasts, by comparing revenue and expenses to approved budgets, considering prior budget accuracy, and comparing expected growth rates to relevant market expectations. We tested the weighted-average cost of capital discount rates assigned to the cash generating units, as well as the long-term growth rates, with reference to our understanding of the business. We performed sensitivity analyses on the key inputs to impairment models, to understand the impact that reasonable alternative assumptions would have on the overall carrying value. We also reviewed the adequacy of the Group's and the Company's disclosures about those assumptions to which the outcome of the impairment test is most sensitive.

Information other than the financial statements and auditors' report thereon

The directors of the Company are responsible for the other information. The other information comprises the annual report, but does not include the financial statements of the Group and of the Company and our auditors' report thereon, which we obtained prior to the date of this auditors' report, and the remaining other information expected to be included in the annual report, which is expected to be made available to us after the date of this auditors' report.

Our opinion on the financial statements of the Group and of the Company does not cover the other information and we do not and will not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements of the Group and of the Company, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements of the Group and of the Company or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the remaining other information expected to be included in the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the directors of the Company and take appropriate action.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D.)

Responsibilities of the directors for the financial statements

The directors of the Company are responsible for the preparation of financial statements of the Group and of the Company that give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of the financial statements of the Group and of the Company that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements of the Group and of the Company, the directors are responsible for assessing the Group's and the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Company or to cease operations, or have no realistic alternative but to do so.

Auditors' responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements of the Group and of the Company as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with approved standards on auditing in Malaysia and International Standards on Auditing will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements of the Group and of the Company, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements of the Group and of the Company or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group or the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements of the Group and of the Company, including the disclosures, and whether the financial statements of the Group and of the Company represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the financial statements of the Group. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

Independent Auditors' Report to the Members of Bursa Malaysia Berhad
(Incorporated in Malaysia)

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS (CONT'D.)

Auditors' responsibilities for the audit of the financial statements (cont'd.)

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

OTHER MATTERS

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Kuala Lumpur, Malaysia
28 January 2022



Dato' Megat Iskandar Shah Bin Mohamad Nor
No. 03083/07/2023 J
Chartered Accountant

Statements of Profit or Loss

For the financial year ended 31 December 2021

		Group		Company	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Operating revenue	3	751,626	778,805	713,224	472,938
Other income	4	15,911	20,168	5,249	7,122
		767,537	798,973	718,473	480,060
Staff costs	5	(157,949)	(155,596)	(150,451)	(149,034)
Depreciation and amortisation	6	(21,994)	(21,395)	(20,005)	(19,568)
Other operating expenses	7	(108,617)	(114,807)	(60,654)	(69,079)
Profit from operations		478,977	507,175	487,363	242,379
Finance costs	8	(533)	(538)	(533)	(538)
Profit before tax and zakat		478,444	506,637	486,830	241,841
Taxation and zakat	10	(123,190)	(128,890)	1,143	3,457
Profit for the year		355,254	377,747	487,973	245,298
Earnings per share attributable to owners of the Company (sen per share):					
Basic	11(a)	43.9	46.7		
Diluted	11(b)	43.9	46.7		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Comprehensive Income

For the financial year ended 31 December 2021

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Profit for the year	355,254	377,747	487,973	245,298
Other comprehensive income:				
Items that may be subsequently reclassified to profit or loss:				
Gain/(Loss) on foreign currency translation	123	(62)	-	-
Net fair value changes in unquoted bonds at fair value through other comprehensive income ("FVTOCI")	(1,325)	508	(179)	3
Income tax effects relating to unquoted bonds at FVTOCI (Note 20)	238	(137)	-	-
	(964)	309	(179)	3
Items that will not be subsequently reclassified to profit or loss:				
Actuarial gain/(loss) on defined benefit obligations (Note 30(a))	303	(456)	303	(456)
Net fair value changes in quoted shares at FVTOCI	31,063	(17,091)	31,063	(17,091)
Income tax effects relating to actuarial (gain)/loss on defined benefit obligations (Note 20)	(73)	109	(73)	109
	31,293	(17,438)	31,293	(17,438)
Total other comprehensive income/(loss) for the year, net of income tax	30,329	(17,129)	31,114	(17,435)
Total comprehensive income for the year	385,583	360,618	519,087	227,863

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Financial Position

As at 31 December 2021

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Assets					
Non-current assets					
Property, plant and equipment	13	173,718	164,104	173,039	164,102
Computer software	14	38,988	33,331	32,951	28,851
Right-of-use assets	15(a)	7,963	8,074	7,963	8,074
Goodwill	16	42,957	42,957	29,494	29,494
Investment in subsidiaries	17	-	-	298,618	318,618
Investment securities	18	40,049	196,076	4,825	144,453
Staff loans receivable	19	970	1,329	707	1,023
Deferred tax assets	20	17,323	14,957	11,912	10,828
		321,968	460,828	559,509	705,443
Current assets					
Trade receivables	21	48,098	87,431	604	694
Other receivables	22	14,034	17,203	11,241	12,494
Amount due from subsidiaries	23	-	-	25,464	31,485
Tax recoverable		15,334	8,582	2,100	1,655
Investment securities	18	20,173	-	-	-
Cash for equity margins, derivatives trading margins, security deposits and eDividend and eRights distributions	24	3,265,387	2,069,956	-	-
Cash and bank balances of Clearing Funds	25	157,899	149,903	-	-
Cash and bank balances of the Group/Company	26	499,149	438,971	285,396	88,569
		4,020,074	2,772,046	324,805	134,897
Total assets		4,342,042	3,232,874	884,314	840,340

Statements of Financial Position

As at 31 December 2021

		Group		Company	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Equity and liabilities					
Equity					
Share capital	27	435,621	433,820	430,371	428,570
Other reserves	28	30,778	130,868	(175)	99,130
Retained earnings	29	350,740	336,107	340,708	193,356
Total equity		817,139	900,795	770,904	721,056
Non-current liabilities					
Retirement benefit obligations	30(a)	13,365	15,387	13,365	15,387
Deferred income	31	3,938	4,102	958	1,710
Lease liabilities	15(b)	7,451	7,456	7,451	7,456
Deferred tax liabilities	20	557	845	-	-
		25,311	27,790	21,774	24,553
Current liabilities					
Trade payables	24(a)	3,263,791	2,068,705	-	-
Participants' contributions to Clearing Funds	25	62,899	54,903	-	-
Other payables	32	167,714	162,435	91,131	94,090
Amount due to subsidiary	23	-	-	-	136
Lease liabilities	15(b)	505	505	505	505
Provision for zakat		787	667	-	-
Tax payable		3,896	17,074	-	-
		3,499,592	2,304,289	91,636	94,731
Total liabilities		3,524,903	2,332,079	113,410	119,284
Total equity and liabilities		4,342,042	3,232,874	884,314	840,340

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Changes in Equity

For the financial year ended 31 December 2021

Group	Note	Non-distributable					Distributable	
		Share capital	Foreign currency translation reserve	Share grant reserve	Clearing fund reserves	FVTOCI reserve	Retained earnings	Total equity
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2021		433,820	504	1,739	30,000	98,625	336,107	900,795
Profit for the year		-	-	-	-	-	355,254	355,254
Other comprehensive income for the year		-	123	-	-	29,976	230	30,329
Total comprehensive income for the year		-	123	-	-	29,976	355,484	385,583
Issuance of ordinary shares pursuant to SGP	30(b)	1,801	-	(1,801)	-	-	-	-
SGP expense (Note a)	5	-	-	62	-	-	-	62
Dividends paid	12	-	-	-	-	-	(469,301)	(469,301)
Total transactions with owners		1,801	-	(1,739)	-	-	(469,301)	(469,239)
Transfer of gain on disposal of quoted shares at FVTOCI	18(a)	-	-	-	-	(128,450)	128,450	-
At 31 December 2021		435,621	627	-	30,000	151	350,740	817,139
At 1 January 2020		430,395	566	4,133	30,000	115,345	180,326	760,765
Profit for the year		-	-	-	-	-	377,747	377,747
Other comprehensive income for the year		-	(62)	-	-	(16,720)	(347)	(17,129)
Total comprehensive income for the year		-	(62)	-	-	(16,720)	377,400	360,618
Issuance of ordinary shares pursuant to SGP	30(b)	3,425	-	(3,425)	-	-	-	-
SGP expense (Note a)	5	-	-	1,031	-	-	-	1,031
Dividends paid	12	-	-	-	-	-	(221,619)	(221,619)
Total transactions with owners		3,425	-	(2,394)	-	-	(221,619)	(220,588)
At 31 December 2020		433,820	504	1,739	30,000	98,625	336,107	900,795

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Statements of Changes in Equity

For the financial year ended 31 December 2021

Company	Note	Non-distributable			Distributable	
		Share capital RM'000	Share grant reserve RM'000	FVTOCI reserve RM'000	Retained earnings RM'000	Total equity RM'000
At 1 January 2021		428,570	1,739	97,391	193,356	721,056
Profit for the year		-	-	-	487,973	487,973
Other comprehensive income for the year		-	-	30,884	230	31,114
Total comprehensive income for the year		-	-	30,884	488,203	519,087
Issuance of ordinary shares pursuant to SGP	30(b)	1,801	(1,801)	-	-	-
SGP expense (Note a)		-	62	-	-	62
Dividends paid	12	-	-	-	(469,301)	(469,301)
Total transactions with owners		1,801	(1,739)	-	(469,301)	(469,239)
Transfer of gain on disposal of quoted shares at FVTOCI	18(a)	-	-	(128,450)	128,450	-
At 31 December 2021		430,371	-	(175)	340,708	770,904
At 1 January 2020		425,145	4,133	114,479	170,024	713,781
Profit for the year		-	-	-	245,298	245,298
Other comprehensive income for the year		-	-	(17,088)	(347)	(17,435)
Total comprehensive income for the year		-	-	(17,088)	244,951	227,863
Issuance of ordinary shares pursuant to SGP	30(b)	3,425	(3,425)	-	-	-
SGP expense (Note a)		-	1,031	-	-	1,031
Dividends paid	12	-	-	-	(221,619)	(221,619)
Total transactions with owners		3,425	(2,394)	-	(221,619)	(220,588)
At 31 December 2020		428,570	1,739	97,391	193,356	721,056

Note a

SGP expense comprises share grant expense of RM58,000 (2020: RM1,010,000) relating to shares granted to the employees of the Company (as disclosed in Note 5), and RM4,000 (2020: RM21,000) relating to shares granted to the employees of its subsidiaries.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Statements of Cash Flows

For the financial year ended 31 December 2021

	Note	Group		Company	
		2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Cash flows from operating activities					
Profit before taxation and zakat		478,444	506,637	486,830	241,841
Adjustments for:					
Amortisation of premium	7	3	2	-	-
Depreciation and amortisation	6	21,994	21,395	20,005	19,568
Dividend income from:					
- investment securities	4	(973)	(3,249)	(973)	(3,249)
- subsidiaries	3	-	-	(510,147)	(269,376)
Grant income	4	(883)	(950)	(752)	(819)
Interest expense on lease liabilities	8	533	538	533	538
Interest/profit income	4	(13,148)	(14,436)	(2,618)	(1,523)
Lease of equipment	7	220	219	212	210
Net gain on disposal of:					
- motor vehicles	4	-	(69)	-	(69)
- computer hardware	4	(165)	-	(165)	-
Net impairment losses/(reversal of impairment losses) on:					
- investment securities	7	75	(51)	-	1
- trade and other receivables	7	(96)	563	(25)	124
- amount due from subsidiary	7	-	-	10	4
Equipment written off	7	3	-	3	-
(Reversal)/Provision for short-term accumulating compensated unutilised leave	5	(20)	191	(9)	146
Retirement benefit obligations	5	457	652	457	652
SGP expense	5	62	1,031	58	1,010
Unrealised loss on foreign exchange differences		39	106	-	25
Operating profit/(loss) before working capital changes		486,545	512,579	(6,581)	(10,917)
Decrease/(Increase) in receivables		39,716	(44,201)	335	(3,332)
(Decrease)/Increase in payables		(1,626)	72,875	(7,270)	37,490
Changes in amount due from/(to) subsidiaries		-	-	5,879	(14,657)
Cash generated from/(used in) operations		524,635	541,253	(7,637)	8,584
Interest paid	15(b)	(533)	(538)	(533)	(538)
Repayment of lease of equipment		(220)	(219)	(212)	(210)
Repayment of staff loans, net of disbursements		371	536	366	451
Contributions to defined benefit retirement scheme	30(a)	(2,150)	(3,666)	(2,150)	(3,666)
Zakat paid		(667)	-	-	-
Net tax paid		(144,822)	(120,128)	(459)	(425)
Net cash from/(used in) operating activities		376,614	417,238	(10,625)	4,196

Statements of Cash Flows

For the financial year ended 31 December 2021

		Group		Company	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Cash flows from investing activities					
Capital repayment of subsidiaries		-	-	30,000	-
Dividends received		2,788	3,180	512,935	272,556
Increase in deposits not for short-term funding requirements		(31,031)	(86,169)	(101,137)	(17,529)
Interest/profit income received		14,210	13,628	1,760	1,394
Proceeds from disposal of:					
- investment securities		175,512	10,000	170,512	-
- motor vehicles and computer hardware		165	69	165	69
Purchases of:					
- additional ordinary shares in existing subsidiary		-	-	(10,000)	-
- investment securities		(9,974)	(15,000)	-	(5,000)
- property, plant and equipment and computer software		(29,899)	(16,219)	(28,614)	(14,773)
Net cash from/(used in) investing activities		121,771	(90,511)	575,621	236,717
Cash flows from financing activities					
Additional cash resource to derivatives clearing fund	25(a)	-	(5,000)	-	-
Dividends paid	12	(469,301)	(221,619)	(469,301)	(221,619)
Grant received	31(a)	-	1,000	-	1,000
Repayment of lease liabilities	15(b)	(5)	(5)	(5)	(5)
Net cash used in financing activities		(469,306)	(225,624)	(469,306)	(220,624)
Net increase in cash and cash equivalents					
Effects of exchange rate changes		68	(60)	-	-
Cash and cash equivalents at beginning of year		286,534	185,491	62,410	42,121
Cash and cash equivalents at end of year	26	315,681	286,534	158,100	62,410

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Notes to the Financial Statements

31 December 2021

1. CORPORATE INFORMATION

The Company is a public limited company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at the 15th Floor, Exchange Square, Bukit Kewangan, 50200 Kuala Lumpur, Malaysia.

The Company is an exchange holding company, whose principal activities are treasury management and the provision of management and administrative services to its subsidiaries. The principal activities of the subsidiaries are to operate the Malaysian securities, derivatives and offshore exchanges and the Shariah-compliant commodity trading platform, to operate the related clearing houses, depository function and regulatory function, and to disseminate information relating to securities quoted on the exchanges. Other information relating to the respective subsidiaries are disclosed in Note 17.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors dated 28 January 2022.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with the Malaysian Financial Reporting Standards ("MFRSs") as issued by the Malaysian Accounting Standards Board ("MASB"), the International Financial Reporting Standards ("IFRSs") as issued by the International Accounting Standards Board ("IASB") and the requirements of the Companies Act 2016 in Malaysia.

The financial statements, other than for certain financial instruments and retirement benefit obligations, have been prepared on a historical cost basis. Certain financial instruments are measured at fair value in accordance with MFRS 9 *Financial Instruments*, and the retirement benefit obligations, including actuarial gains and losses are measured in accordance with MFRS 119 *Employee Benefits*.

The financial statements are presented in Ringgit Malaysia ("RM") and all values are rounded to the nearest thousand (RM'000 or '000), unless otherwise indicated.

2.2 Adoption of Amendments to Standards

The accounting standards adopted by the Group and the Company are consistent with those adopted in the previous year, except for the following:

Amendments to MFRS 16 Leases - *Covid-19 - Related Rent Concessions*

Amendments to MFRS 9 Financial Instruments, MFRS 139 Financial Instruments: Recognition and Measurement, MFRS 7 Financial Instruments: Disclosures, MFRS 4 Insurance Contracts and MFRS 16 Leases - *Interest Rate Benchmark Reform - Phase 2*

The above pronouncements are either not relevant or do not have any impact on the financial statements of the Group and of the Company.

2.3 Standards issued but not yet effective

As at the date of authorisation of these financial statements, the following Standards and amendments to Standards have been issued by the MASB but are not yet effective. These pronouncements are either not relevant or do not have any material impact on the financial statements of the Group's and of the Company's current financial year:

Effective for financial periods beginning on or after 1 April 2021

Amendment to MFRS 16 Leases - *Covid-19 - Related Rent Concessions beyond 30 June 2021*

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.3 Standards issued but not yet effective (cont'd.)

Effective for financial periods beginning on or after 1 January 2022

Amendments to MFRS 3 Business Combinations - *Reference to the Conceptual Framework*

Amendments to MFRS 116 Property, Plant and Equipment - *Proceeds before Intended Use*

Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets - *Onerous Contracts - Cost of Fulfilling a Contract*

Annual Improvements to MFRS Standards 2018 - 2020:

- Amendment to MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards
- Amendment to MFRS 9 Financial Instruments
- Amendment to MFRS 141 Agriculture

Effective for financial periods beginning on or after 1 January 2023

MFRS 17 Insurance Contracts ("MFRS 17") and amendments to MFRS 17

Amendments to MFRS 101 Presentation of Financial Statements - *Classification of Liabilities as Current or Non-current and Disclosure of Accounting Policies*

Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors - *Definition of Accounting Estimates*

Amendments to MFRS 112 Income Taxes - *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

Effective date of these Amendments to Standards has been deferred, and yet to be announced

Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures - *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

2.4 Summary of significant accounting policies

(a) Subsidiaries and basis of consolidation

(i) Subsidiaries

Subsidiaries are entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is recognised in profit or loss.

(ii) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the financial year end. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same financial year end as the Company. Consistent accounting policies are applied to like transactions and events of similar circumstances.

Subsidiaries are consolidated from the date on which control exists. They are deconsolidated from the date that control ceases.

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)**2.4 Summary of significant accounting policies (cont'd.)****(a) Subsidiaries and basis of consolidation (cont'd.)****(ii) Basis of consolidation (cont'd.)**

Acquisition of subsidiaries are accounted for using the purchase method except for business combinations arising from common control transfers. Business combinations involving entities under common control are accounted for by applying the pooling of interest method. The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company. Any difference between the consideration paid and the share capital of the "acquired" entity is reflected within equity as merger reserve or merger deficit. Merger deficit is adjusted against suitable reserves of the entity acquired to the extent that laws or statutes do not prohibit the use of such reserves. The consolidated financial statements reflect the results of the combining entities for the full year, irrespective of when the combination takes place. Comparatives are presented as if the entities have always been combined since the date the entities had come under common control.

Under the purchase method of accounting, identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the date of acquisition. Adjustments to those fair values relating to previously held interests are treated as a revaluation and recognised in other comprehensive income. The cost of a business combination is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the business combination.

Any excess of the cost of business combination over the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities is recorded as goodwill on the statements of financial position. The accounting policy for goodwill is set out in Note 2.4(c)(i). Any excess of the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognised as income in profit or loss on the date of acquisition.

(b) Property, plant and equipment and depreciation

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and to the Company and the cost of the item can be measured reliably.

Subsequent to the initial recognition, costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised in profit or loss as incurred.

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Projects-in-progress are not depreciated as these assets are not yet available for use. Depreciation of other property, plant and equipment is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings and office lots	Fifty years
Renovation	Five to seven years
Office equipment, furniture and fittings	Three to five years
Computers and office automation	Three to ten years
Motor vehicles	Five years

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(b) Property, plant and equipment and depreciation (cont'd.)

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful lives and depreciation methods are reviewed at each financial year end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

(c) Intangible assets

(i) Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Group's and of the Company's Cash-Generating Units ("CGUs") that are expected to benefit from the synergies of the combination.

Where goodwill forms part of a CGU and part of the operations within that CGU is disposed off, the goodwill associated with the operations disposed of is included in the carrying amount of the operations when determining the gain or loss on disposal of the operations. Goodwill disposed off in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the CGU retained.

(ii) Computer software

Computer software is initially measured at cost. Costs recognised are costs (including staff costs) directly associated with identifiable software controlled by the Group and the Company that will generate probable future economic benefits. Following initial recognition, computer software is measured at cost less accumulated amortisation and accumulated impairment losses.

The useful lives of computer software are assessed to be finite. Computer software is amortised over their estimated useful lives of five to ten years and assessed for impairment whenever there is an indication that they may be impaired.

The amortisation periods and methods are reviewed at least at each financial year end. Changes in the expected useful lives or the expected pattern of consumption of future economic benefits embodied in the assets are accounted for by changing the amortisation periods or methods, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on computer software with finite lives is recognised in profit or loss. Projects-in-progress are not amortised as these computer software are not yet available for use.

Gains or losses arising from derecognition of computer software are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)**2.4 Summary of significant accounting policies (cont'd.)****(d) Leases****(i) The Group and the Company as lessee**

The Group and the Company recognise a right-of-use asset and a lease liability at the commencement date of the contracts for all leases excluding short-term leases or leases for which the underlying asset is of low value, conveying the right to control the use of an identified asset for a period of time.

The right-of-use assets are initially recorded at cost, which comprises:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date of the lease, less any lease incentives received;
- any initial direct costs incurred by the Group and the Company; and
- an estimate of costs to be incurred by the Group and the Company in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the lessor.

Subsequent to the initial recognition, the right-of-use assets are measured at cost less any accumulated depreciation and accumulated impairment losses, and adjusted for any remeasurement of the lease liability.

Depreciation is computed on a straight-line basis over the estimated useful lives of the right-of-use assets.

If the lease transfers ownership of the underlying asset to the Group and the Company by the end of the lease term or if the cost of the right-of-use asset reflects that the Group and the Company will exercise a purchase option, the Group and the Company depreciate the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Group and Company depreciate the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the Group's and the Company's incremental borrowing rate. Subsequent to the initial recognition, the Group and the Company measure the lease liability by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect lease payments made, and remeasuring the carrying amount to reflect any reassessment or lease modifications.

(ii) The Group and the Company as lessor

The Group and the Company classified its leases as either operating leases or finance leases. Leases where the Group and the Company retain substantially all the risks and rewards of ownership of the leased assets are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

If the Group and the Company transfer substantially all the risks and rewards incidental to ownership of the leased assets, leases are classified as finance leases and are capitalised at an amount equal to the net investment in the lease.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(e) Impairment of non-financial assets

The Group and the Company assess at each financial year end whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group and the Company make an estimate of the asset's recoverable amount.

For goodwill and computer software that are not yet available for use, the recoverable amount is estimated at each financial year end or more frequently when indicators of impairment are identified.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value-in-use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (i.e. CGUs). In assessing value-in-use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss except for assets that were previously revalued and where the revaluation was taken to other comprehensive income. In this case, the impairment loss is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each financial year end as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss for an asset, other than goodwill, is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised, in which case, the carrying amount of the asset is increased to its revised recoverable amount. The increase cannot exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

(f) Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are initially recognised, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss ("FVTPL"), directly attributable transaction costs.

The Group and the Company determine the classification of financial assets upon initial recognition. The measurements for each classification of financial assets are as below:

(i) Financial assets measured at amortised cost

Financial assets that are debt instruments are measured at amortised cost if they are held within a business model whose objective is to collect contractual cash flows, and have contractual terms which give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss through the amortisation process and when the financial assets are impaired or derecognised.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)**2.4 Summary of significant accounting policies (cont'd.)****(f) Financial assets (cont'd.)****(ii) Financial assets measured subsequently at fair value**

Financial assets that are debt instruments are measured at FVTOCI if they are held within a business model whose objectives are both to collect contractual cash flows and selling the financial assets, and have contractual terms which give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets that are debt instruments are measured at fair value. Any gains or losses arising from the changes in fair value are recognised in other comprehensive income, except for impairment losses, exchange differences and interest/profit income which are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

Financial assets that are debt instruments which do not satisfy the requirements to be measured at amortised cost or FVTOCI, are measured at FVTPL. The Group and Company do not have any financial assets measured at FVTPL as at the current and previous financial year ends.

Equity instruments are classified as financial assets measured at FVTPL if they are held for trading or are designated as such upon initial recognition. Equity instruments are classified as held for trading if they are acquired principally for sale in the near term or are derivatives that do not meet the hedge accounting criteria (including separated embedded derivatives). The Group and the Company had elected an irrevocable option to designating its equity instruments (i.e. quoted shares outside Malaysia) on initial recognition as financial assets measured at FVTOCI as the said equity instruments are not held for trading.

Subsequent to initial recognition, financial assets that are equity instruments are measured at fair value. For financial assets classified at FVTOCI, any gains or losses arising from the changes in fair value are recognised in other comprehensive income and are not subsequently transferred to profit or loss. Dividends on equity instruments are recognised in profit or loss when the Group's or the Company's right to receive payment is established.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the settlement date, i.e. the date that the asset is delivered to or by the Group and the Company.

(g) Impairment of financial assets

At each financial year end, the Group and the Company assess whether there has been a significant increase in credit risk for financial assets by comparing the risk of default occurring as at the financial year end with the risk of default since initial recognition.

In determining whether credit risk on a financial asset has increased significantly since initial recognition, the Group and the Company use external credit rating and other supportive information to assess deterioration in credit quality of a financial asset. The Group and the Company assess whether the credit risk on a financial asset has increased significantly on an individual or collective basis. For collective basis evaluation, financial assets are grouped on the basis of similar risk characteristics.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(g) Impairment of financial assets (cont'd.)

The Group and the Company consider past loss experience and observable data such as current changes and future forecasts in economic conditions to estimate the amount of expected impairment loss. The methodology and assumptions including any forecasts of future economic conditions are reviewed regularly.

The amount of impairment loss is measured as the probability-weighted present value of all cash shortfalls over the expected life of the financial asset discounted at its original effective interest rate. The cash shortfall is the difference between all contractual cash flows that are due to the Group and the Company and all the cash flows that the Group and the Company expect to receive.

The Group and the Company measure the allowance for impairment loss on unquoted bonds, staff loans receivable and cash and bank balances based on the two-step approach as follows:

(i) 12-months expected credit loss

For a financial asset for which there is no significant increase in credit risk since initial recognition, the Group and the Company measure the allowance for impairment loss for that financial asset at an amount based on the probability of default occurring within the next 12-months considering the loss given default of that financial asset.

(ii) Lifetime expected credit loss

For a financial asset for which there is a significant increase in credit risk since initial recognition, a lifetime expected credit loss for that financial asset is recognised as the allowance for impairment loss by the Group and the Company. If, in a subsequent period the significant increase in credit risk since initial recognition is no longer evident, the Group and the Company revert the allowance for impairment loss measurement from lifetime expected credit loss to 12-months expected credit loss.

For trade and other receivables which are financial assets, the Group and the Company apply the simplified approach in accordance with MFRS 9 *Financial Instruments* and measure the allowance for impairment loss based on a lifetime expected credit loss from initial recognition.

The carrying amount of the financial asset is reduced through the use of an allowance for impairment loss account and the amount of impairment loss is recognised in profit or loss. When a financial asset becomes uncollectible, it is written off against the allowance for impairment loss account.

(h) Cash and cash equivalents

Cash and cash equivalents consist of cash at banks and on hand, and short-term deposits used by the Group and the Company in the management of short-term funding requirements of their operations.

(i) Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definition of a financial liability.

Financial liabilities are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instruments. Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)**2.4 Summary of significant accounting policies (cont'd.)****(i) Financial liabilities (cont'd.)****(i) Financial liabilities at FVTPL**

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition at FVTPL.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This includes derivatives entered into by the Group and the Company that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

The Group and the Company do not have any financial liabilities at FVTPL as at the current and previous financial year ends.

(ii) Other financial liabilities

Other financial liabilities are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished.

When an existing financial liability is replaced by another instrument from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amount is recognised in profit or loss.

(j) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group and the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants act in their economic best interest when pricing the asset or liability.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the financial year end.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(k) Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each financial year end and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as finance cost.

(l) Deferred grants

Grants are recognised at their fair value when there is reasonable assurance that the grant will be received and all conditions will be met. Where the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. Where the grant relates to an asset, the fair value is recognised in the statements of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by its related depreciation or amortisation charges.

(m) Ordinary shares

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs, and are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

(n) Revenue recognition

The Group and the Company recognise revenue from contracts with customers for the provision of services and sale of information based on the five-step model as set out below:

- (i) Identify contract(s) with a customer. A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria that must be met.
- (ii) Identify performance obligations in the contract. A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
- (iii) Determine the transaction price. The transaction price is the amount of consideration to which the Group and the Company expect to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
- (iv) Allocate the transaction price to the performance obligations in the contract. For a contract that has more than one performance obligation, the Group and the Company allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group and the Company expect to be entitled in exchange for satisfying each performance obligation.
- (v) Recognise revenue when (or as) the Group and the Company satisfy a performance obligation.

The Group and the Company satisfy a performance obligation and recognise revenue over time if the Group's and the Company's performance:

- (i) Do not create an asset with an alternative use to the Group and the Company, and have an enforceable right to payment for performance completed to-date; or
- (ii) Create or enhance an asset that the customer controls as the asset is created or enhanced; or
- (iii) Provide benefits that the customer simultaneously receives and consumes as the Group and the Company perform.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)**2.4 Summary of significant accounting policies (cont'd.)****(n) Revenue recognition (cont'd.)**

For performance obligations where any one of the above conditions is not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

When the Group and the Company satisfy a performance obligation by delivering the promised goods or services, it creates a contract based asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised, this gives rise to a contract liability.

Revenue is measured at the fair value of consideration received or receivable. The following describes the performance obligations in contracts with customers:

(i) Trade fees

Trade fees on securities traded on the securities exchange and derivatives contracts are recognised net of rebates on a trade date basis. Trade fees on commodities are recognised on a trade date basis net of amount payable to commodities suppliers and brokers, whenever applicable.

(ii) Clearing fees

Fees for clearing and settlement between clearing participants for trades in securities transacted on the securities exchange are recognised net of the Securities Commission levy and rebates when services are rendered. Clearing fees on derivatives contracts are recognised net of rebates on the clearing date.

(iii) Other Securities trading revenue

Other Securities trading revenue mainly comprises Institutional Settlement Services ("ISS") fees. ISS fees from the securities exchange are recognised in full when services are rendered at the point in time.

(iv) Other Derivatives trading revenue

Other Derivatives trading revenue mainly comprises collateral management services fees, guarantee and tender fees. Collateral management services fees are recognised on an accrual basis. Guarantee fees are recognised on a daily basis on day end margin requirements for open contracts. Tender fees are recognised on per contract tendered.

(v) Listing and issuer services

Listing and issuer services revenue comprise:

- Initial listing fees**

Initial listing fees are recognised over a period of time when the services are rendered.

- Other listing fees**

Annual and additional listing fees are recognised when the services are rendered.

- Issuer services fees**

Perusal fees for circulars or notices issued are recognised when the services are rendered at a point in time. Processing fees for corporate related exercises on securities traded on the securities exchange are recognised when the related services are rendered.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)**2.4 Summary of significant accounting policies (cont'd.)****(n) Revenue recognition (cont'd.)****(vi) Depository services**

Fees from depository services are recognised when the services are rendered.

(vii) Market data

Fees from sale of information are recognised when the services are rendered.

(viii) Member services and connectivity

Member services and connectivity mainly comprise:

- **Access fees**

Access fees are recognised over the period that access to the required services is being provided.

- **Participants' fees**

Initial application fees are recognised upon registration or admission into the securities or derivatives exchange. Annual subscription fees are recognised when the services are rendered.

- **Broker services**

Fees from broker services are recognised when the services are rendered.

(ix) Other operating revenue

Other operating revenue represents conference fees and exhibition-related income and are recognised when the events are held.

(x) Other income

- Accretion of discount or amortisation of premium on investment is recognised on an effective yield basis.
- Dividend income is recognised when the right to receive payment is established.
- Interest/profit income is recognised on an accrual basis that reflects the effective yield of the asset.
- Management fees are recognised when services are rendered.
- Rental income from the letting of office space and equipment is recognised on a straight-line basis over the terms of the rental agreements.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)**2.4 Summary of significant accounting policies (cont'd.)****(o) Employee benefits****(i) Short-term benefits**

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees. Short-term accumulating compensated absences such as paid annual leave are recognised as a liability when they accrue to the employees. The estimated liability for paid annual leave is recognised for services rendered by employees up to the reporting date. Short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group and the Company pay fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the period in which the related service is performed. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund ("EPF").

(iii) Defined benefit plan

The Group and the Company operate a funded, defined benefit retirement scheme (the "Scheme") for its eligible employees. The Scheme was closed to new entrants effective 1 September 2003.

The Group's and the Company's obligation under the Scheme, calculated using the Projected Unit Credit Method, is determined based on actuarial computations by an independent actuary, through which the amount of benefit that employees have earned in return for their services up to 1 September 2003 is estimated.

The amount recognised in the statements of financial position represents the present value of the defined benefit obligation at each financial year end less the fair value of plan assets. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds and that have terms to maturity approximating to the terms of the pension obligation.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Net interest is recognised in profit or loss. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

(iv) Share-based compensation

The SGP is governed by the By-Laws approved by the shareholders at an Extraordinary General Meeting held on 14 April 2011. The SGP was implemented on 18 April 2011 and was in force for a maximum period of ten years. The SGP expired on 17 April 2021.

The Company's SGP, an equity-settled, share based compensation plan, allows eligible employees of the Group to be entitled to ordinary shares of the Company. The total fair value of shares granted to employees are recognised as an employee cost with a corresponding increase in the share grant reserve within equity over the vesting period while taking into account the probability that the shares will vest. The fair value of shares are measured at grant date, taking into account, if any, the market vesting conditions upon which the shares were granted but excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in the assumptions in respect of the number of shares that are expected to be granted on vesting date.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(o) Employee benefits (cont'd.)

(iv) Share-based compensation (cont'd.)

At each financial year end, the Group and the Company revise the estimate of the number of shares that are expected to be granted on vesting date. The impact of revision of original estimates, if any, is recognised in profit or loss, and a corresponding adjustment made to equity over the remaining vesting period. The equity amount is recognised in the share grant reserve.

(v) Other long term employee benefits

The cost of long term employee benefits is accrued to match the rendering of the services by the employees concerned using a basis similar to that for defined benefit plans for the liability which is not expected to be settled within 12 months, except that remeasurements are recognised immediately in profit or loss.

(vi) Separation benefits

Separation benefits are payable when employment ceases before the normal retirement date or expiry of employment contract date due to the Company's decision. The Group and the Company recognise separation benefits as a liability and an expense when it is demonstrably committed to cease the employment of current employees according to a detailed plan without possibility of withdrawal. Benefits falling due more than 12-month after the financial year end are discounted to present value.

(p) Borrowing costs

Borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds or the lease liabilities.

(q) Income taxes

(i) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the financial year end.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, and accounted for either in other comprehensive income or directly in equity.

(ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the financial year end between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except for the deferred tax liability that arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, unutilised tax losses and unused tax credits, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unutilised tax losses and unused tax credits can be utilised except where the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)**2.4 Summary of significant accounting policies (cont'd.)****(q) Income taxes (cont'd.)****(ii) Deferred tax (cont'd.)**

The carrying amount of deferred tax assets are reviewed at each financial year end and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised.

Unrecognised deferred tax assets are reassessed at each financial year end and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled based on tax rates and tax laws that have been enacted or substantively enacted at the financial year end.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(r) Foreign currency**(i) Functional and presentation currency**

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The consolidated financial statements are presented in RM, which is also the Company's functional currency.

(ii) Foreign currency transactions

In preparing the financial statements of the individual entities, transactions in foreign currencies are measured in the respective functional currencies at the exchange rates approximating those ruling at the transaction dates. At each financial year end, monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the financial year end. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the dates when the fair value was determined.

Exchange differences arising from the settlement of monetary items, or on translating monetary items at the financial year end are recognised in profit or loss, except exchange differences arising on monetary items that form part of the Group's net investment in foreign operations which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Exchange differences arising from the translation of non-monetary items carried at fair value are not included in profit or loss for the period until their impairment or disposal.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(r) Foreign currency (cont'd.)

(iii) Subsidiary with foreign currency as its functional currency

The results and financial position of a subsidiary that has a functional currency different from the presentation currency of the consolidated financial statements are translated into RM as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate prevailing at the financial year end;
- Income and expenses for each statement of comprehensive income or separate statement of profit or loss presented are translated at average monthly exchange rates, which approximate the exchange rates at the dates of the transactions; and
- All resulting exchange differences are recognised directly in other comprehensive income. On disposal of a subsidiary with foreign currency as its functional currency, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve relating to that particular subsidiary is recognised in profit or loss.

(s) Zakat

The Group recognises its obligation towards the payment of zakat on business income in the statements of profit or loss. Zakat is an obligation under the Shariah principle and is calculated based on "Profit and Loss with adjustments method", as recommended by the Shariah Committee of Bursa Malaysia Islamic Services Sdn Bhd and approved by the Board of Directors of the Company.

2.5 Significant accounting judgements and estimates

Key sources of estimation uncertainty

The preparation of financial statements in accordance with MFRSs requires the use of certain accounting estimates and exercise of judgement. Estimates and judgements are continually evaluated and are based on past experience, reasonable expectations of future events and other factors.

The key assumptions concerning the future and other key sources of estimation uncertainty at the financial year end that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below:

(a) Impairment of computer hardware, computer software, right-of-use assets and investment in subsidiaries

The Group and the Company review their computer hardware, computer software, right-of-use assets and investment in subsidiaries at each financial year end to determine if there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss. The Group and the Company carry out the impairment test based on a variety of estimations including value-in-use of the CGUs to which the computer hardware, computer software, right-of-use assets and investment in subsidiaries are allocated to. Estimating the value-in-use requires the Group and the Company to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amounts of computer hardware, computer software, right-of-use assets and investment in subsidiaries as at the financial year end are disclosed in Notes 13, 14, 15(a) and 17 respectively.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)**2.5 Significant accounting judgements and estimates (cont'd.)****Key sources of estimation uncertainty (cont'd.)****(b) Impairment of goodwill**

The Group and the Company determine whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of the CGUs to which goodwill is allocated. Estimating a value-in-use amount requires the Group and the Company to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill as at the financial year end is disclosed in Note 16.

(c) Impairment of investment securities - debt securities

Investment securities - debt securities are reviewed and assessed at each financial year end on whether there is sufficient allowance for impairment loss provided.

The impairment review shall determine whether there is significant increase in credit risk since initial recognition of the investment securities - debt securities, such as from deterioration of the credit quality of the issuers or obligors and significant financial difficulties of the issuers or obligors.

The carrying amount of investment securities - debt securities as at the financial year end is disclosed in Note 18.

(d) Depreciation/amortisation of computer hardware, computer software and right-of-use assets

The cost of computer hardware, computer software and right-of-use assets is depreciated and amortised on a straight-line basis over the assets' useful lives. The Group and the Company estimate the useful lives of these assets to be between three to ten years. Technological advancements could impact the useful lives and the residual values of these assets, therefore future depreciation and amortisation charges could be revised. The carrying amounts of computer hardware, computer software and right-of-use assets as at the financial year end are disclosed in Notes 13, 14 and 15(a) respectively.

(e) Deferred tax assets

Deferred tax assets are recognised for all unutilised tax losses and unused capital allowances to the extent that it is probable that taxable profit will be available against which the tax losses and capital allowances can be utilised. Significant judgement is required to determine the amounts of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits together with tax planning strategies. The unutilised tax losses and unused capital allowances as at the financial year end are disclosed in Note 20.

(f) Defined benefit plan

The cost of the defined benefit plan and the present value of the defined benefit obligation is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rate of salary increases and mortality rates. All assumptions are reviewed at each financial year end.

In determining the appropriate discount rate, the valuation is based on market yield of high quality corporate bonds with AA ratings and above with terms similar to the terms of the liabilities.

Notes to the Financial Statements

31 December 2021

3. OPERATING REVENUE

	Group	
	2021	2020
	RM'000	RM'000
Trade fees	43,425	51,377
Clearing fees (Note a)	368,040	421,440
Others	31,461	26,087
Total Securities trading revenue	442,926	498,904
Trade fees	52,755	55,767
Clearing fees	24,188	24,274
Others	10,371	11,050
Total Derivatives trading revenue	87,314	91,091
Bursa Suq Al-Sila ("BSAS") trading fees	13,959	13,083
Listing and issuer services	70,875	57,026
Depository services	58,221	49,226
Market data	54,035	48,142
Member services and connectivity	24,239	21,114
Conference fees and exhibition-related income	57	219
	221,386	188,810
Total operating revenue (Note b)	751,626	778,805

	Company	
	2021	2020
	RM'000	RM'000
Broker services	7,955	7,741
Income from subsidiaries (Note 36(a)):		
- dividends	510,147	269,376
- management fees	180,161	180,258
- office space rental	4,921	4,918
- lease of computer equipment	10,040	10,645
Total operating revenue (Note c)	713,224	472,938

(a) Securities clearing fees of the Group are stated net of the amount paid and payable to the Securities Commission Malaysia of RM108,549,000 (2020: RM125,407,000).

(b) The following tables illustrate the Group's revenue as disaggregated by major services or products and provide a reconciliation of the disaggregated revenue with the Group's four major market segments as disclosed in Note 41. The table also includes the timing of revenue recognition.

3. OPERATING REVENUE (CONT'D.)

	Securities Market RM'000	Derivatives Market RM'000	Exchange Holding Company RM'000	Others RM'000	Total RM'000
2021					
Major services or products:					
Securities trading revenue	442,926	-	-	-	442,926
Derivatives trading revenue	-	87,314	-	-	87,314
BSAS trading fees	-	-	-	13,959	13,959
Listing and issuer services	70,762	-	-	113	70,875
Depository services	58,221	-	-	-	58,221
Market data	42,876	10,872	-	287	54,035
Member services and connectivity	16,050	148	7,955	86	24,239
Conferences fees and exhibition-related income	-	57	-	-	57
	630,835	98,391	7,955	14,445	751,626
Timing of revenue recognition:					
- at a point in time	557,991	91,714	-	14,038	663,743
- over time	72,844	6,677	7,955	407	87,883
	630,835	98,391	7,955	14,445	751,626
2020					
Major services or products:					
Securities trading revenue	498,904	-	-	-	498,904
Derivatives trading revenue	-	91,091	-	-	91,091
BSAS trading fees	-	-	-	13,083	13,083
Listing and issuer services	56,912	-	-	114	57,026
Depository services	49,226	-	-	-	49,226
Market data	36,343	11,362	-	437	48,142
Member services and connectivity	13,122	142	7,741	109	21,114
Conferences fees and exhibition-related income	-	219	-	-	219
	654,507	102,814	7,741	13,743	778,805
Timing of revenue recognition:					
- at a point in time	592,667	95,204	-	13,185	701,056
- over time	61,840	7,610	7,741	558	77,749
	654,507	102,814	7,741	13,743	778,805

- (c) The Company recognises all of its revenue over time upon satisfaction of performance obligations, except for dividend income from subsidiaries which are recognised at a point in time.

Notes to the Financial Statements

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4. OTHER INCOME

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Interest/profit income from:				
- deposits with licensed financial institutions	10,639	12,207	2,414	1,459
- investment securities	2,464	2,165	162	4
- others	45	64	42	60
Dividend income	973	3,249	973	3,249
Grant income (Note 31(a))	883	950	752	819
Net gain on disposals of:				
- motor vehicles	-	69	-	69
- computer hardware	165	-	165	-
Rental income	483	1,189	483	1,189
Miscellaneous income	259	275	258	273
	15,911	20,168	5,249	7,122

5. STAFF COSTS

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Wages and salaries	92,935	86,569	88,157	82,085
Bonus	35,267	38,061	33,253	36,648
Contributions to a defined contribution plan - EPF	17,409	17,833	16,918	17,342
Social security contributions	542	539	523	521
(Reversal)/Provision for short-term accumulating compensated unutilised leave	(20)	191	(9)	146
Retirement benefit obligations (Note 30(a))	457	652	457	652
SGP expense	62	1,031	58	1,010
Separation benefits	2,971	3,840	2,971	3,840
Other benefits	8,326	6,880	8,123	6,790
	157,949	155,596	150,451	149,034

Included in staff costs of the Group and of the Company are the remuneration expenses for the Executive Directors' remuneration of RM2,664,000 (2020: RM2,117,000), as disclosed in Note 9.

6. DEPRECIATION AND AMORTISATION

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Depreciation of property, plant and equipment (Note 13)	12,738	12,256	12,701	12,254
Amortisation of computer software (Note 14)	9,145	9,028	7,193	7,203
Depreciation of right-of-use assets (Note 15(a))	111	111	111	111
	21,994	21,395	20,005	19,568

7. OTHER OPERATING EXPENSES

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Administrative expenses	7,261	6,981	6,923	6,656
Amortisation of premium	3	2	-	-
Auditors' remuneration:				
- statutory audit	460	412	122	96
- assurance-related services (Note a)	97	103	97	103
- other services (Note b)	335	169	275	109
Building management costs:				
- office rental	271	83	271	83
- upkeep and maintenance	11,166	11,390	11,164	11,388
Central Depository System ("CDS") consumables	4,914	3,572	4,914	3,572
Net impairment losses/(reversal of impairment losses) on:				
- investment securities (Note 37(e))	75	(51)	-	1
- trade and other receivables	(96)	563	(25)	124
- amount due from subsidiary	-	-	10	4
Marketing and development expenses	8,666	5,796	6,305	3,357
Net (gain)/loss on foreign exchange differences	(1,370)	993	(1,498)	137
Professional fees	3,802	13,732	2,832	12,212
Equipment written off	3	-	3	-
Lease of equipment	220	219	212	210
Technology charges:				
- information technology maintenance	23,499	23,821	21,302	21,624
- service fees	20,216	22,506	-	-
Others (Note c)	29,095	24,516	7,747	9,403
	108,617	114,807	60,654	69,079

- (a) Assurance-related services rendered are in respect of annual review of the statement on internal control and risk management, quarterly limited reviews performed for the Group and agreed-upon-procedures.
- (b) Other services rendered are in respect of tax compliance and tax advisory services.
- (c) Others include Non-executive Directors' remuneration as disclosed in Note 9, donations, sponsorships and sales and service tax.

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8. FINANCE COSTS

	Group and Company	
	2021	2020
	RM'000	RM'000
Interest expense on lease liabilities (Note 15(b))	533	538

9. DIRECTORS' REMUNERATION

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Executive Directors' remuneration:				
- salaries and other emoluments	2,419	1,903	2,419	1,903
- defined contribution plan - EPF	245	214	245	214
	2,664	2,117	2,664	2,117
- estimated monetary value of benefits-in-kind	35	35	35	35
	2,699	2,152	2,699	2,152
Non-executive Directors' remuneration:				
- fees	2,108	1,789	2,108	1,789
- other emoluments	1,782	1,915	1,782	1,893
	3,890	3,704	3,890	3,682
- estimated monetary value of benefits-in-kind	4	-	4	-
	3,894	3,704	3,894	3,682
Total Directors' remuneration	6,593	5,856	6,593	5,834
Total Directors' remuneration excluding benefits-in-kind	6,554	5,821	6,554	5,799
Estimated monetary value of benefits-in-kind	39	35	39	35
Total Directors' remuneration including benefits-in-kind	6,593	5,856	6,593	5,834

9. DIRECTORS' REMUNERATION (CONT'D.)

Group	2021		2020	
	Directors' fees RM'000	Other allowances (Note a)/ salaries RM'000	Directors' fees RM'000	Other allowances (Note a)/ salaries RM'000
Tan Sri Abdul Wahid bin Omar ⁽¹⁾	300	755	200	579
Datuk Muhamad Umar Swift	-	2,699	-	2,152
Datuk Karownikaran @ Karunakaran a/l Ramasamy	200	125	200	182
Pushpanathan a/l S.A. Kanagarayar	200	65	200	157
Chong Chye Neo	200	128	200	121
Dato' Anad Krishnan a/l Muthusamy ⁽²⁾	200	120	138	84
Sharifatu Laila binti Syed Ali ⁽³⁾	200	150	50	30
Syed Ari Azhar bin Syed Mohamed Adlan ⁽⁴⁾	200	87	25	11
Datuk Bazlan bin Osman ⁽⁴⁾	200	129	25	12
Datin Azlina binti Mahmad ⁽⁵⁾	158	96	-	-
Uji Sherina binti Abdullah ⁽⁶⁾	200	99	200	165
Datin Grace Yeoh Cheng Geok ⁽⁷⁾	50	32	200	172
Johari bin Abdul Muid ⁽⁸⁾	-	-	50	34
Professor Joseph Cherian ⁽⁹⁾	-	-	67	13
Datuk Shireen Ann Zaharah binti Muhiudeen ⁽¹⁰⁾	-	-	100	277
Datin Mariam Prudence binti Yusof ⁽¹⁰⁾	-	-	67	44
Dato' Wan Kamaruzaman bin Wan Ahmad ⁽¹¹⁾	-	-	67	34
	2,108	4,485	1,789	4,067

⁽¹⁾ Appointed on 1 May 2020.⁽⁷⁾ Retired on 31 March 2021.⁽²⁾ Appointed on 23 April 2020.⁽⁸⁾ Retired on 1 April 2020.⁽³⁾ Appointed on 1 October 2020.⁽⁹⁾ Retired on 29 April 2020.⁽⁴⁾ Appointed on 16 November 2020.⁽¹⁰⁾ Retired on 1 May 2020.⁽⁵⁾ Appointed on 16 March 2021.⁽¹¹⁾ Appointed on 1 September 2020 and resigned on 31 December 2020.⁽⁶⁾ Resigned on 1 January 2022.

- (a) Other allowances comprise the Chairman's allowances and meeting allowances which vary from one Director to another, depending on the number of committees they sit on and the number of meetings attended by them during the financial year.

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9. DIRECTORS' REMUNERATION (CONT'D.)

Company	2021		2020	
	Directors' fees RM'000	Other allowances (Note a)/ salaries RM'000	Directors' fees RM'000	Other allowances (Note a)/ salaries RM'000
Tan Sri Abdul Wahid bin Omar ⁽¹⁾	300	755	200	579
Datuk Muhamad Umar Swift	-	2,699	-	2,152
Datuk Karownakaran @ Karunakaran a/l Ramasamy	200	125	200	182
Pushpanathan a/l S.A. Kanagarayar	200	65	200	157
Chong Chye Neo	200	128	200	121
Dato' Anad Krishnan a/l Muthusamy ⁽²⁾	200	120	138	84
Sharifatu Laila binti Syed Ali ⁽³⁾	200	150	50	30
Syed Ari Azhar bin Syed Mohamed Adlan ⁽⁴⁾	200	87	25	11
Datuk Bazlan bin Osman ⁽⁴⁾	200	129	25	12
Datin Azlina binti Mahmad ⁽⁵⁾	158	96	-	-
Uji Sherina binti Abdullah ⁽⁶⁾	200	99	200	165
Datin Grace Yeoh Cheng Geok ⁽⁷⁾	50	32	200	158
Johari bin Abdul Muid ⁽⁸⁾	-	-	50	26
Professor Joseph Cherian ⁽⁹⁾	-	-	67	13
Datuk Shireen Ann Zaharah binti Muhiudeen ⁽¹⁰⁾	-	-	100	277
Datin Mariam Prudence binti Yusof ⁽¹⁰⁾	-	-	67	44
Dato' Wan Kamaruzaman bin Wan Ahmad ⁽¹¹⁾	-	-	67	34
	2,108	4,485	1,789	4,045

⁽¹⁾ Appointed on 1 May 2020.⁽⁷⁾ Retired on 31 March 2021.⁽²⁾ Appointed on 23 April 2020.⁽⁸⁾ Retired on 1 April 2020.⁽³⁾ Appointed on 1 October 2020.⁽⁹⁾ Retired on 29 April 2020.⁽⁴⁾ Appointed on 16 November 2020.⁽¹⁰⁾ Retired on 1 May 2020.⁽⁵⁾ Appointed on 16 March 2021.⁽¹¹⁾ Appointed on 1 September 2020 and resigned on 31 December 2020.⁽⁶⁾ Resigned on 1 January 2022.

- (a) Other allowances comprise the Chairman's allowances and meeting allowances which vary from one Director to another, depending on the number of committees they sit on and the number of meetings attended by them during the financial year.

10. TAXATION AND ZAKAT

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Income tax:				
Current year provision	124,504	133,836	-	439
Under provision of tax in previous years	388	66	14	-
	124,892	133,902	14	439
Deferred tax (Note 20):				
Relating to origination and reversal of temporary differences	(2,462)	(5,868)	(1,438)	(4,070)
(Over)/Under provision of tax in previous year	(27)	189	281	174
	(2,489)	(5,679)	(1,157)	(3,896)
Total taxation	122,403	128,223	(1,143)	(3,457)
Zakat	787	667	-	-
Total taxation and zakat	123,190	128,890	(1,143)	(3,457)

Income tax is calculated at the Malaysian statutory tax rate of the estimated assessable profit for the year. A reconciliation of income tax expense applicable to profit before tax and zakat at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company are as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Accounting profit before tax and zakat	478,444	506,637	486,830	241,841
Taxation at Malaysian statutory tax rate of 24% (2020: 24%)	114,827	121,593	116,839	58,042
Deferred tax assets not recognised in respect of current year's:				
- tax losses	3,074	-	3,072	-
- capital allowances	109	863	109	863
Deferred tax assets recognised on previous year's unutilised tax losses	-	(134)	-	(134)
Effects of:				
- expenses not deductible for tax purposes	4,346	6,363	1,210	3,028
- income not subject to tax	(314)	(717)	(122,668)	(65,430)
Under/(Over) provision of tax in previous years:				
- income tax	388	66	14	-
- deferred tax	(27)	189	281	174
Total taxation	122,403	128,223	(1,143)	(3,457)

During the current financial year, the Group and the Company have tax savings of RM2,717,000 (2020: Nil) arising from the utilisation of current year tax losses.

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11. EARNINGS PER SHARE ("EPS")**(a) Basic EPS**

Basic EPS is calculated by dividing the profit for the year attributable to owners of the Company by the weighted average number of ordinary shares in issue during the financial year.

	Group 2021	2020
Profit for the year attributable to owners of the Company (RM'000)	355,254	377,747
Weighted average number of ordinary shares in issue ('000)	809,226	808,749
Basic EPS (sen)	43.9	46.7

(b) Diluted EPS

For the purpose of calculating diluted EPS, the weighted average number of ordinary shares in issue during the financial year has been adjusted for the dilutive effects of ordinary shares issued to employees under the SGP and potential ordinary shares which may arise from the SGP grants which have not been vested as at the end of the year.

	Group 2021	2020
Profit for the year attributable to owners of the Company (RM'000)	355,254	377,747
Weighted average number of ordinary shares in issue ('000)	809,226	808,749
Effects of dilution of share grants ('000)	74	586
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	809,300	809,335
Diluted EPS (sen)	43.9	46.7

12. DIVIDENDS

	Dividends in respect of the year		Dividends recognised in year	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Special dividend:				
- 8.0 sen per share on 809,027,000 ordinary shares	-	64,722	64,722	-
Single-tier interim dividends:				
- 24.0 sen per share on 809,299,000 ordinary shares	194,232	-	194,232	-
- 17.0 sen per share on 809,027,000 ordinary shares	-	137,535	-	137,535
Single-tier final dividends:				
- 26.0 sen per share on 809,027,000 ordinary shares	-	210,347	210,347	-
- 10.4 sen per share on 808,503,000 ordinary shares, in respect of the year 2019	-	-	-	84,084
	194,232	412,604	469,301	221,619

On 28 January 2022, the Board of Directors approved and declared a single-tier final dividend of 17.0 sen per share in respect of the financial year ended 31 December 2021. The final dividend amounting to approximately RM137,581,000 will be payable on 25 February 2022. The dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2022.

13. PROPERTY, PLANT AND EQUIPMENT

Group	Note	Buildings and office lots (Note a) RM'000	Office equipment, furniture and fittings RM'000	Computers and office automation RM'000	Motor vehicles RM'000	Projects- in- progress RM'000	Total RM'000
As at 31 December 2021							
Cost							
At 1 January 2021		331,137	36,307	54,836	1,160	3,418	426,858
Additions		11,328	1,838	7,968	-	2,016	23,150
Reclassifications		(2)	6	2,331	(4)	(3,126)	(795)
Disposals		-	(28)	(2,434)	-	-	(2,462)
Write-offs		-	(844)	(1)	-	-	(845)
Exchange rate differences		9	3	55	-	-	67
At 31 December 2021		342,472	37,282	62,755	1,156	2,308	445,973
Accumulated depreciation							
At 1 January 2021		180,994	33,799	47,309	652	-	262,754
Depreciation charge for the year	6	7,277	1,136	4,167	158	-	12,738
Reclassifications		(2)	3	-	(1)	-	-
Disposals		-	(28)	(2,434)	-	-	(2,462)
Write-offs		-	(841)	(1)	-	-	(842)
Exchange rate differences		9	3	55	-	-	67
At 31 December 2021		188,278	34,072	49,096	809	-	272,255
Net carrying amount at 31 December 2021		154,194	3,210	13,659	347	2,308	173,718
As at 31 December 2020							
Cost							
At 1 January 2020		330,262	35,691	50,642	1,414	-	418,009
Additions		879	888	4,225	-	3,418	9,410
Disposals		-	-	(3)	(254)	-	(257)
Write-offs		-	(271)	-	-	-	(271)
Exchange rate differences		(4)	(1)	(28)	-	-	(33)
At 31 December 2020		331,137	36,307	54,836	1,160	3,418	426,858
Accumulated depreciation							
At 1 January 2020		173,631	32,937	43,743	748	-	251,059
Depreciation charge for the year	6	7,367	1,134	3,597	158	-	12,256
Disposals		-	-	(3)	(254)	-	(257)
Write-offs		-	(271)	-	-	-	(271)
Exchange rate differences		(4)	(1)	(28)	-	-	(33)
At 31 December 2020		180,994	33,799	47,309	652	-	262,754
Net carrying amount at 31 December 2020		150,143	2,508	7,527	508	3,418	164,104

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13. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

Company	Note	Buildings and office lots (Note a) RM'000	Office equipment, furniture and fittings RM'000	Computers and office automation RM'000	Motor vehicles RM'000	Projects-in-progress RM'000	Total RM'000
As at 31 December 2021							
Cost							
At 1 January 2021		330,824	35,864	54,844	982	3,418	425,932
Additions		11,328	1,838	7,254	-	2,016	22,436
Reclassifications		(2)	6	2,331	(4)	(3,126)	(795)
Disposals		-	(28)	(2,410)	-	-	(2,438)
Write-offs		-	(844)	(1)	-	-	(845)
At 31 December 2021		342,150	36,836	62,018	978	2,308	444,290
Accumulated depreciation							
At 1 January 2021		180,681	33,357	47,317	475	-	261,830
Depreciation charge for the year	6	7,277	1,135	4,131	158	-	12,701
Reclassifications		(2)	3	-	(1)	-	-
Disposals		-	(28)	(2,410)	-	-	(2,438)
Write-offs		-	(841)	(1)	-	-	(842)
At 31 December 2021		187,956	33,626	49,037	632	-	271,251
Net carrying amount at 31 December 2021		154,194	3,210	12,981	346	2,308	173,039
As at 31 December 2020							
Cost							
At 1 January 2020		329,945	35,247	50,622	1,236	-	417,050
Additions		879	888	4,225	-	3,418	9,410
Disposals		-	-	(3)	(254)	-	(257)
Write-offs		-	(271)	-	-	-	(271)
At 31 December 2020		330,824	35,864	54,844	982	3,418	425,932
Accumulated depreciation							
At 1 January 2020		173,314	32,495	43,724	571	-	250,104
Depreciation charge for the year	6	7,367	1,133	3,596	158	-	12,254
Disposals		-	-	(3)	(254)	-	(257)
Write-offs		-	(271)	-	-	-	(271)
At 31 December 2020		180,681	33,357	47,317	475	-	261,830
Net carrying amount at 31 December 2020		150,143	2,507	7,527	507	3,418	164,102

13. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)**(a) Buildings and office lots**

Group	Buildings RM'000	Office lots RM'000	Renovations RM'000	Total RM'000
As at 31 December 2021				
Cost				
At 1 January 2021	285,960	19,862	25,315	331,137
Additions	-	-	11,328	11,328
Reclassifications	-	-	(2)	(2)
Exchange rate differences	-	-	9	9
At 31 December 2021	285,960	19,862	36,650	342,472
Accumulated depreciation				
At 1 January 2021	146,400	12,425	22,169	180,994
Depreciation charge for the year	5,242	281	1,754	7,277
Reclassifications	-	-	(2)	(2)
Exchange rate differences	-	-	9	9
At 31 December 2021	151,642	12,706	23,930	188,278
Net carrying amount at 31 December 2021	134,318	7,156	12,720	154,194
As at 31 December 2020				
Cost				
At 1 January 2020	285,960	19,862	24,440	330,262
Additions	-	-	879	879
Exchange rate differences	-	-	(4)	(4)
At 31 December 2020	285,960	19,862	25,315	331,137
Accumulated depreciation				
At 1 January 2020	141,158	12,144	20,329	173,631
Depreciation charge for the year	5,242	281	1,844	7,367
Exchange rate differences	-	-	(4)	(4)
At 31 December 2020	146,400	12,425	22,169	180,994
Net carrying amount at 31 December 2020	139,560	7,437	3,146	150,143

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13. PROPERTY, PLANT AND EQUIPMENT (CONT'D.)

(a) Buildings and office lots (cont'd.)

Company	Buildings RM'000	Office lots RM'000	Renovations RM'000	Total RM'000
As at 31 December 2021				
Cost				
At 1 January 2021	285,960	19,862	25,002	330,824
Additions	-	-	11,328	11,328
Reclassifications	-	-	(2)	(2)
At 31 December 2021	285,960	19,862	36,328	342,150
Accumulated depreciation				
At 1 January 2021	146,400	12,425	21,856	180,681
Depreciation charge for the year	5,242	281	1,754	7,277
Reclassifications	-	-	(2)	(2)
At 31 December 2021	151,642	12,706	23,608	187,956
Net carrying amount at 31 December 2021	134,318	7,156	12,720	154,194
As at 31 December 2020				
Cost				
At 1 January 2020	285,960	19,862	24,123	329,945
Additions	-	-	879	879
At 31 December 2020	285,960	19,862	25,002	330,824
Accumulated depreciation				
At 1 January 2020	141,158	12,144	20,012	173,314
Depreciation charge for the year	5,242	281	1,844	7,367
At 31 December 2020	146,400	12,425	21,856	180,681
Net carrying amount at 31 December 2020	139,560	7,437	3,146	150,143

14. COMPUTER SOFTWARE

Group	Note	Implemented projects RM'000	Projects-in- progress RM'000	Total RM'000
As at 31 December 2021				
Cost				
At 1 January 2021		136,715	4,619	141,334
Additions		13,848	159	14,007
Reclassifications		1,137	(342)	795
At 31 December 2021		151,700	4,436	156,136
Accumulated amortisation and impairment loss				
At 1 January 2021		104,703	3,300	108,003
Amortisation charge for the year	6	9,145	-	9,145
At 31 December 2021		113,848	3,300	117,148
Net carrying amount at 31 December 2021		37,852	1,136	38,988
As at 31 December 2020				
Cost				
At 1 January 2020		133,287	7,376	140,663
Additions		1,643	774	2,417
Reclassifications		3,531	(3,531)	-
Write-offs		(1,746)	-	(1,746)
At 31 December 2020		136,715	4,619	141,334
Accumulated amortisation and impairment loss				
At 1 January 2020		97,421	3,300	100,721
Amortisation charge for the year	6	9,028	-	9,028
Write-offs		(1,746)	-	(1,746)
At 31 December 2020		104,703	3,300	108,003
Net carrying amount at 31 December 2020		32,012	1,319	33,331

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14. COMPUTER SOFTWARE (CONT'D.)

Company	Note	Implemented projects RM'000	Projects-in- progress RM'000	Total RM'000
As at 31 December 2021				
Cost				
At 1 January 2021		117,611	4,619	122,230
Additions		10,339	159	10,498
Reclassifications		1,137	(342)	795
At 31 December 2021		129,087	4,436	133,523
Accumulated amortisation and impairment loss				
At 1 January 2021		90,079	3,300	93,379
Amortisation charge for the year	6	7,193	-	7,193
At 31 December 2021		97,272	3,300	100,572
Net carrying amount at 31 December 2021		31,815	1,136	32,951
As at 31 December 2020				
Cost				
At 1 January 2020		114,960	7,376	122,336
Additions		866	774	1,640
Reclassifications		3,531	(3,531)	-
Write-offs		(1,746)	-	(1,746)
At 31 December 2020		117,611	4,619	122,230
Accumulated amortisation and impairment loss				
At 1 January 2020		84,622	3,300	87,922
Amortisation charge for the year	6	7,203	-	7,203
Write-offs		(1,746)	-	(1,746)
At 31 December 2020		90,079	3,300	93,379
Net carrying amount at 31 December 2020		27,532	1,319	28,851

15. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES**(a) Right-of-use assets**

	Group and Company	
	2021	2020
	RM'000	RM'000
Cost		
At 1 January/31 December	8,518	8,518
Accumulated depreciation		
At 1 January	444	333
Depreciation charge for the year (Note 6)	111	111
At 31 December	555	444
Net carrying amount at 31 December	7,963	8,074

The Group and the Company had entered into two non-cancellable operating lease agreements for the use of land. The leases are for a period of 99 years with no renewal or purchase option included in the agreements. The leases do not allow the Group and the Company to assign, transfer or sublease or create any charge, lien or trust in respect of or dispose of the whole or any part of the land. Tenancy is, however, allowed with the consent of the lessor.

(b) Lease liabilities

	Group and Company	
	2021	2020
	RM'000	RM'000
Lease liabilities:		
- non-current	7,451	7,456
- current	505	505
Total lease liabilities	7,956	7,961

The movements of lease liabilities during the financial year are as follows:

	Group and Company	
	2021	2020
	RM'000	RM'000
At 1 January	7,961	7,966
Interest charge (Note 8)	533	538
Payments of:		
- principal	(5)	(5)
- interest	(533)	(538)
At 31 December	7,956	7,961

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16. GOODWILL

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
At 1 January/31 December	42,957	42,957	29,494	29,494

Goodwill is in respect of acquisitions of subsidiaries by the Group and the Company, and has been allocated to the CGUs in the following market segments:

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Securities market	33,273	33,273	29,494	29,494
Derivatives market	9,684	9,684	-	-
	42,957	42,957	29,494	29,494

Key assumptions used in value-in-use calculations

The following describes the key assumptions on which the Group and the Company have based their cash flow projections to undertake impairment assessment of goodwill:

(a) Securities and Derivatives markets

The recoverable amount of this CGU has been determined based on value-in-use calculations using the financial projections covering a five-year period and extrapolated in perpetuity. Revenue growth is assumed to be capped at 5% per annum (2020: 4% per annum), while expenses have been assumed to grow at an average of 2% per annum (2020: average of 2% per annum), which is in line with the expected inflation rate. In determining the terminal values, no revenue and expense growth was projected from the sixth year to perpetuity.

(b) Discount rate

A discount rate of 12% (2020: 11%) was applied in determining the recoverable amount of the respective CGU. The discount rate was based on the Group's weighted average cost of capital.

Sensitivity to changes in assumptions

The Group and the Company believe that any changes to the key assumptions above would not result in the carrying values of the CGUs to materially exceed their recoverable amounts.

17. INVESTMENT IN SUBSIDIARIES

	Company	
	2021 RM'000	2020 RM'000
Unquoted shares, at cost	318,836	338,836
Less: Accumulated impairment losses	(20,218)	(20,218)
	298,618	318,618

(a) The details of the subsidiaries are as follows:

Name of subsidiaries	Proportion of ownership interest		Share capital		Principal activities
	2021 %	2020 %	2021 RM'000	2020 RM'000	
Bursa Malaysia Securities Berhad ("Bursa Malaysia Securities") (Note d)	100	100	10,250	25,250	Provides, operates and maintains a securities exchange.
Bursa Malaysia Securities Clearing Sdn Bhd ("Bursa Malaysia Securities Clearing")	100	100	50,000	50,000	Provides, operates and maintains a clearing house for the securities exchange.
Bursa Malaysia Derivatives Berhad ("Bursa Malaysia Derivatives")	100	100	50,000	50,000	Provides, operates and maintains a derivatives exchange.
Bursa Malaysia Depository Sdn Bhd ("Bursa Malaysia Depository") (Note c)	100	100	15,000	30,000	Provides, operates and maintains a central depository for securities listed on the securities exchange.
Bursa Malaysia Islamic Services Sdn Bhd ("Bursa Malaysia Islamic Services")	100	100	2,600	2,600	Provides, operates and maintains a Shariah compliant commodity trading platform.
Bursa Malaysia Information Sdn Bhd ("Bursa Malaysia Information")	100	100	250	250	Compiles, provides and disseminates prices and other information relating to securities quoted on the securities and derivatives exchanges within the Group, as well as data reported from the bond platform.

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17. INVESTMENT IN SUBSIDIARIES (CONT'D.)

(a) The details of the subsidiaries are as follows: (cont'd.)

Name of subsidiaries	Proportion of ownership interest		Share capital		Principal activities
	2021 %	2020 %	2021 RM'000 (in USD'000)	2020 RM'000 (in USD'000)	
Labuan International Financial Exchange Inc ("LFX")*	100	100	5,500	5,500	Provides, operates and maintains an offshore financial exchange.
Bursa Malaysia Bonds Sdn Bhd ("Bursa Malaysia Bonds")	100	100	2,600	2,600	Provides, operates and maintains an electronic trading platform for the bond market.
Bursa Malaysia Regulation Sdn Bhd ("Bursa Malaysia Regulation") (Note b)	100	100	10,000	~	Performs regulatory functions for the Group and the Company.
Subsidiary held through Bursa Malaysia Derivatives					
Bursa Malaysia Derivatives Clearing Berhad ("Bursa Malaysia Derivatives Clearing")	100	100	20,000	20,000	Provides, operates and maintains a clearing house for the derivatives exchange.
Subsidiary held through Bursa Malaysia Depository					
Bursa Malaysia Depository Nominees Sdn Bhd ("Bursa Malaysia Depository Nominees")	100	100	^	^	Acts as a nominee for Bursa Malaysia Depository and receives securities on deposit or for safe-custody or management.

* Incorporated in the Federal Territory of Labuan, Malaysia.

~ Denotes RM1.

^ Denotes RM2.

All subsidiaries are consolidated. The proportion of the voting rights in the subsidiaries held directly by the parent company does not differ from the proportion of ordinary shares held.

17. INVESTMENT IN SUBSIDIARIES (CONT'D.)

- (b) On 18 August 2020, the Company had incorporated a wholly owned subsidiary, Bursa Malaysia Regulation. On 8 January 2021, the Company subscribed for 10,000,000 ordinary shares in Bursa Malaysia Regulation at an issue price of RM1.00 each for a total cash consideration of RM10,000,000. Bursa Malaysia Regulation remained dormant since its incorporation.
- (c) On 21 September 2021, a wholly owned subsidiary, Bursa Malaysia Depository, reduced its issued and fully paid-up share capital from RM30,000,000 divided into 25,000,000 ordinary shares to RM15,000,000 divided into 10,000,000 ordinary shares for the purpose of distributing its excess funds to the Company.
- (d) On 29 October 2021, a wholly owned subsidiary, Bursa Malaysia Securities, reduced its issued and fully paid-up share capital from RM25,250,000 divided into 25,000,000 ordinary shares to RM10,250,000 divided into 10,000,000 ordinary shares for the purpose of distributing its excess funds to the Company.

18. INVESTMENT SECURITIES

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
FVTOCI				
- Non-current				
Quoted shares (outside Malaysia) (Note a)	-	139,451	-	139,451
Unquoted bonds	40,049	56,625	4,825	5,002
	40,049	196,076	4,825	144,453
- Current				
Unquoted bonds	20,173	-	-	-
Total investment securities	60,222	196,076	4,825	144,453

- (a) During the current financial year, the Group and the Company had disposed all of the remaining balance of its investment in quoted shares accounted for at FVTOCI totaling 190,250 ordinary shares of CME Group Inc ("CME Group") Class A common stock at a cost of RM42,064,000 for RM170,514,000. The Group and the Company had transferred the realised gain of RM128,450,000 from the FVTOCI reserve to retained earnings accordingly.

19. STAFF LOANS RECEIVABLE

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Housing loans	1,108	1,524	831	1,200
Vehicle loans	67	52	67	52
Computer loans	57	53	55	51
	1,232	1,629	953	1,303
Less: Receivable within 12 months, included in other receivables (Note 22)	(262)	(300)	(246)	(280)
	970	1,329	707	1,023

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20. DEFERRED TAX ASSETS/(LIABILITIES)

Presented after appropriate offsetting as follows:

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
At 1 January	14,112	8,461	10,828	6,823
Recognised in profit or loss (Note 10)	2,489	5,679	1,157	3,896
Recognised in other comprehensive income	165	(28)	(73)	109
At 31 December	16,766	14,112	11,912	10,828
Deferred tax assets (before offsetting)	29,191	26,832	23,567	22,361
Offsetting	(11,868)	(11,875)	(11,655)	(11,533)
Deferred tax assets (after offsetting)	17,323	14,957	11,912	10,828
Deferred tax liabilities (before offsetting)	(12,425)	(12,720)	(11,655)	(11,533)
Offsetting	11,868	11,875	11,655	11,533
Deferred tax liabilities (after offsetting)	(557)	(845)	-	-
Net deferred tax assets	16,766	14,112	11,912	10,828

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set-off current tax assets against current tax liabilities and when the deferred taxes relate to the same authority.

Deferred tax assets of the Group:

	Provision for retirement benefits RM'000	Other provisions and payables RM'000	Allowance for impairment losses RM'000	Depreciation in excess of capital allowances RM'000	Unused capital allowances RM'000	Unutilised tax losses RM'000	Total RM'000
As at 31 December 2021							
At 1 January 2021	3,693	18,038	159	58	4,743	141	26,832
Recognised in profit or loss	(413)	(979)	5	-	3,573	246	2,432
Recognised in other comprehensive income	(73)	-	-	-	-	-	(73)
At 31 December 2021	3,207	17,059	164	58	8,316	387	29,191

As at 31 December 2020

At 1 January 2020	4,308	7,526	205	48	10,353	215	22,655
Recognised in profit or loss	(724)	10,512	(46)	10	(5,610)	(74)	4,068
Recognised in other comprehensive income	109	-	-	-	-	-	109
At 31 December 2020	3,693	18,038	159	58	4,743	141	26,832

20. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D.)**Deferred tax liabilities of the Group:**

	Right-of-use assets RM'000	Accelerated capital allowances RM'000	Investment securities - unquoted bonds RM'000	Total RM'000
As at 31 December 2021				
At 1 January 2021	(27)	(12,298)	(395)	(12,720)
Recognised in profit or loss	25	130	(98)	57
Recognised in other comprehensive income	-	-	238	238
At 31 December 2021	(2)	(12,168)	(255)	(12,425)

As at 31 December 2020

At 1 January 2020	(52)	(13,887)	(255)	(14,194)
Recognised in profit or loss	25	1,589	(3)	1,611
Recognised in other comprehensive income	-	-	(137)	(137)
At 31 December 2020	(27)	(12,298)	(395)	(12,720)

Deferred tax assets of the Company:

	Provision for retirement benefits RM'000	Other provisions and payables RM'000	Allowance for impairment losses RM'000	Depreciation in excess of capital allowances RM'000	Unused capital allowances RM'000	Unutilised tax losses RM'000	Total RM'000
As at 31 December 2021							
At 1 January 2021	3,693	13,714	14	56	4,743	141	22,361
Recognised in profit or loss	(413)	(2,118)	(9)	-	3,573	246	1,279
Recognised in other comprehensive income	(73)	-	-	-	-	-	(73)
At 31 December 2021	3,207	11,596	5	56	8,316	387	23,567

As at 31 December 2020

At 1 January 2020	4,308	4,782	16	46	10,353	215	19,720
Recognised in profit or loss	(724)	8,932	(2)	10	(5,610)	(74)	2,532
Recognised in other comprehensive income	109	-	-	-	-	-	109
At 31 December 2020	3,693	13,714	14	56	4,743	141	22,361

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20. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D.)

Deferred tax liabilities of the Company:

	Right-of-use assets RM'000	Accelerated capital allowances RM'000	Investment securities - unquoted bonds RM'000	Total RM'000
As at 31 December 2021				
At 1 January 2021	(27)	(11,506)	-	(11,533)
Recognised in profit or loss	25	(105)	(42)	(122)
At 31 December 2021	(2)	(11,611)	(42)	(11,655)

As at 31 December 2020

At 1 January 2020	(52)	(12,845)	-	(12,897)
Recognised in profit or loss	25	1,339	-	1,364
At 31 December 2020	(27)	(11,506)	-	(11,533)

As disclosed in Note 2.4(q)(ii), the tax effects of deductible temporary differences, unutilised tax losses and unused tax credits which would give rise to net deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences, unutilised tax losses and unused tax credits can be utilised. At the financial year end, the amounts of unutilised tax losses and unused capital allowances which are not recognised in the financial statements due to uncertainty of their realisation are as follows:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Unutilised tax losses:				
- expiring within five years	-	8,935	-	772
- expiring more than five years	28,658	6,914	20,482	6,908
	28,658	15,849	20,482	7,680
Unused capital allowances	11,914	11,461	11,914	11,461
	40,572	27,310	32,396	19,141

The availability of unutilised tax losses for offsetting against future taxable profits of a subsidiary in Malaysia is subject to there being no substantial changes in the shareholding of the subsidiary under the Income Tax Act 1967 and compliance to the guidelines issued by the tax authority. The unutilised tax losses which were previously allowed to be utilised for seven (7) consecutive years of assessments ("YAs") effective from YA2019 was extended to ten (10) consecutive YAs during the financial year. The unused capital allowances are allowed to be carried forward indefinitely.

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21. TRADE RECEIVABLES

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Trade receivables	49,779	89,317	726	845
Less: Allowance for impairment losses	(1,681)	(1,886)	(122)	(151)
	48,098	87,431	604	694

22. OTHER RECEIVABLES

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Deposits	767	742	643	619
Prepayments	8,647	8,940	8,631	8,908
Interest/profit income	3,800	4,886	1,304	488
Staff loans receivable within 12 months (Note 19)	262	300	246	280
Sundry receivables	6,264	8,041	2,693	4,475
	19,740	22,909	13,517	14,770
Less: Allowance for impairment losses	(5,706)	(5,706)	(2,276)	(2,276)
	14,034	17,203	11,241	12,494

23. AMOUNT DUE FROM/(TO) SUBSIDIARIES

	Company	
	2021 RM'000	2020 RM'000
Amount due from subsidiaries		
Bursa Malaysia Securities	8,579	9,359
Bursa Malaysia Securities Clearing	1,152	3,594
Bursa Malaysia Derivatives	1,884	5,798
Bursa Malaysia Derivatives Clearing	10,183	8,528
Bursa Malaysia Depository	2,375	2,127
Bursa Malaysia Regulation	82	-
Bursa Malaysia Islamic Services	627	-
Bursa Malaysia Information	561	2,062
LFX	21	17
Bursa Malaysia Bonds	11,905	11,895
	37,369	43,380
Less: Allowance for impairment losses	(11,905)	(11,895)
	25,464	31,485
Amount due to subsidiary		
Bursa Malaysia Islamic Services	-	136

The amounts due from/(to) subsidiaries are unsecured, receivable/(repayable) within a month and bear late payment interest charges of 7.4% (2020: 7.4%) per annum.

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24. CASH FOR EQUITY MARGINS, DERIVATIVES TRADING MARGINS, SECURITY DEPOSITS AND eDIVIDEND AND eRIGHTS DISTRIBUTIONS

	Group	
	2021	2020
	RM'000	RM'000
Equity margins	200,124	206,260
Derivatives trading margins	3,035,847	1,835,211
Security deposits from Clearing Participants ("CPs") of Bursa Malaysia Derivatives Clearing	27,820	27,234
Trade payables (Note a)	3,263,791	2,068,705
Cash received for eDividend and eRights distributions (included in other payables (Note 32(a)))	1,596	1,251
	3,265,387	2,069,956

- (a) Trade payables comprise derivatives trading margins and security deposits which are derived from cash received from CPs of Bursa Malaysia Derivatives Clearing for their open interests in derivatives contracts as at the financial year end. Trade payables also comprise collaterals lodged by Trading Clearing Participants ("TCPs") of Bursa Malaysia Securities Clearing for equity margins and for borrowings under the Securities Borrowing and Lending ("SBL") framework. There are no cash collaterals lodged by TCPs for borrowings under the SBL framework as at the financial year end.
- (b) The cash received from CPs and TCPs are placed in interest-bearing deposits and interest earned is credited to the CPs' and TCPs' accounts net of collateral management service fees levied by Bursa Malaysia Derivatives Clearing and Bursa Malaysia Securities Clearing respectively. Cash received for eDividend and eRights distributions are placed in interest-bearing deposits until such time when these payments are due. The details of the cash received are as follows:

	Group	
	2021	2020
	RM'000	RM'000
Cash on hand and at banks	170,615	186,086
Deposits with licensed financial institutions	3,094,772	1,883,870
	3,265,387	2,069,956

- (c) Non-cash collaterals for equity margins, derivatives trading margins and security deposits held by, but not belonging to, the Group and which are not included in the Group's statement of financial position as at the financial year end are as follows:

	Group	
	2021	2020
	RM'000	RM'000
Collaterals in the form of letters of credit for:		
- equity margins	11,000	7,000
- derivatives trading margins	687,848	609,785
- security deposits from CPs of Bursa Malaysia Derivatives Clearing	16,000	16,000
	714,848	632,785
Collaterals in the form of shares for derivatives trading margins	784	531
	715,632	633,316

25. CASH AND BANK BALANCES OF CLEARING FUNDS

Group	Participants' contributions RM'000	Cash set aside by the Group RM'000	Total RM'000
As at 31 December 2021			
Contributions from:			
- TCPs of Bursa Malaysia Securities Clearing	19,678	-	19,678
- Bursa Malaysia Securities Clearing	-	85,000	85,000
Clearing Guarantee Fund ("CGF") balance	19,678	85,000	104,678
Contributions from:			
- CPs of Bursa Malaysia Derivatives Clearing	43,221	-	43,221
- Bursa Malaysia Derivatives Clearing (Note a)	-	10,000	10,000
Derivatives Clearing Fund ("DCF") balance	43,221	10,000	53,221
Total cash and bank balances of Clearing Funds as at 31 December 2021	62,899	95,000	157,899
As at 31 December 2020			
Contributions from:			
- TCPs of Bursa Malaysia Securities Clearing	19,145	-	19,145
- Bursa Malaysia Securities Clearing	-	85,000	85,000
CGF balance	19,145	85,000	104,145
Contributions from:			
- CPs of Bursa Malaysia Derivatives Clearing	35,758	-	35,758
- Bursa Malaysia Derivatives Clearing (Note a)	-	10,000	10,000
DCF balance	35,758	10,000	45,758
Total cash and bank balances of Clearing Funds as at 31 December 2020	54,903	95,000	149,903

(a) In the previous financial year, the Group had increased the DCF balance by an additional cash resource of RM5,000,000.

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26. CASH AND BANK BALANCES OF THE GROUP/COMPANY

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Cash on hand and at banks	3,522	3,356	772	426
Deposits with:				
Licensed banks	462,674	421,756	263,658	83,103
Licensed investment banks	32,953	13,859	20,966	5,040
	495,627	435,615	284,624	88,143
Total cash and bank balances	499,149	438,971	285,396	88,569

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the financial year end:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Total cash and bank balances	499,149	438,971	285,396	88,569
Less: Deposits not for short-term funding requirements	(183,468)	(152,437)	(127,296)	(26,159)
	315,681	286,534	158,100	62,410

27. SHARE CAPITAL

	2021		2020	
	Number of ordinary shares '000	Amount RM'000	Number of ordinary shares '000	Amount RM'000
Issued and fully paid				
Group				
At 1 January	809,027	433,820	808,503	430,395
Issued during the year pursuant to SGP (Note 30(b))	272	1,801	524	3,425
At 31 December	809,299	435,621	809,027	433,820
Company				
At 1 January	809,027	428,570	808,503	425,145
Issued during the year pursuant to SGP (Note 30(b))	272	1,801	524	3,425
At 31 December	809,299	430,371	809,027	428,570

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regards to the Company's residual assets.

28. OTHER RESERVES

		Group		Company	
	Note	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Foreign currency translation reserve	(a)	627	504	-	-
Share grant reserve	(b)	-	1,739	-	1,739
Clearing fund reserves	(c)	30,000	30,000	-	-
FVTOCI reserve	(d)	151	98,625	(175)	97,391
		30,778	130,868	(175)	99,130

(a) Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of a subsidiary whose functional currency differs from the Group's presentation currency.

(b) Share grant reserve

The share grant reserve represents the value of equity-settled shares granted to employees under the SGP. This reserve is made up of the cumulative value of services received from employees recorded on grant of shares. The share grant plan had expired on 17 April 2021 as disclosed in Note 2.4(o)(iv).

(c) Clearing fund reserves

		Group	
	Note	2021 RM'000	2020 RM'000
Amount set aside for:			
CGF, in accordance with the Rules of Bursa Malaysia Securities Clearing	(i)	25,000	25,000
DCF, in accordance with the Rules of Bursa Malaysia Derivatives Clearing	(ii)	5,000	5,000
		30,000	30,000

(i) CGF reserve

The CGF reserve is an amount set aside following the implementation of the CGF. The minimum size of the CGF shall be at RM100,000,000 and may increase by the quantum of interest arising from investments of contributions from the TCPs. The CGF comprises contributions from the TCPs and appropriation from Bursa Malaysia Securities Clearing resources. The CGF composition is disclosed in Note 25.

(ii) DCF reserve

Pursuant to the Rules of Bursa Malaysia Derivatives Clearing, Bursa Malaysia Derivatives Clearing set up a DCF for derivatives clearing and settlement. The DCF comprises contributions from CPs and appropriation of certain amounts from Bursa Malaysia Derivatives Clearing's retained earnings. The DCF composition is disclosed in Note 25.

(d) FVTOCI reserve

FVTOCI reserve represents the cumulative fair value changes, net of tax, of investment securities until they are disposed or impaired. The movement is disclosed in the statements of changes in equity.

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29. RETAINED EARNINGS

The Company is able to distribute dividends out of its entire retained earnings under the single-tier tax system.

30. EMPLOYEE BENEFITS**(a) Retirement benefit obligations**

Contributions to the Scheme are made to a separately administered fund. Under the Scheme, eligible employees are entitled to a lump sum, upon leaving service, calculated based on the multiplication of two times the final scheme salary, pensionable service and a variable factor based on service years, less EPF offset.

The amounts recognised in the statements of financial position were determined as follows:

	Group and Company	
	2021	2020
	RM'000	RM'000
Present value of funded defined benefit obligations	14,492	16,929
Fair value of plan assets	(1,127)	(1,542)
Net liability arising from defined benefit obligations	13,365	15,387

(i) The movements in the net defined benefit liabilities were as follows:

	Group and Company		
	Present value of funded defined benefit obligations RM'000	Fair value of plan assets RM'000	Total RM'000
At 1 January 2021	16,929	(1,542)	15,387
Interest expense/(income) (Note 5)	506	(49)	457
Contributions by employer	-	(2,150)	(2,150)
Payments from defined plan	(2,594)	2,568	(26)
	14,841	(1,173)	13,668
Remeasurements:			
- return on plan assets	-	46	46
- financial assumptions	(260)	-	(260)
- experience gain	(89)	-	(89)
	(349)	46	(303)
At 31 December 2021	14,492	(1,127)	13,365

30. EMPLOYEE BENEFITS (CONT'D.)**(a) Retirement benefit obligations (cont'd.)**

- (i) The movements in the net defined benefit liabilities were as follows: (cont'd.)

	Group and Company		
	Present value of funded defined benefit obligations RM'000	Fair value of plan assets RM'000	Total RM'000
At 1 January 2020	18,923	(978)	17,945
Interest expense/(income) (Note 5)	691	(39)	652
Contributions by employer	-	(3,666)	(3,666)
Payments from defined plan	(3,115)	3,115	-
	16,499	(1,568)	14,931
Remeasurements:			
- return on plan assets	-	26	26
- financial assumptions	466	-	466
- experience gain	(36)	-	(36)
	430	26	456
At 31 December 2020	16,929	(1,542)	15,387

- (ii) The plan assets comprise the following:

	Group and Company	
	2021 RM'000	2020 RM'000
Investment securities:		
- Malaysian Government Securities	562	558
Cash and bank balances	1,043	992
Other receivables	8	1
Other payables	(486)	(9)
	1,127	1,542

- (iii) Principal actuarial assumptions used for determination of the defined benefits obligation are as follows:

	Group and Company	
	2021 %	2020 %
Discount rate	3.8	3.2
Expected rate of salary increase	5.0	5.0

The discount rate is determined based on the values of AA-rated corporate bond yields with 3 to 15 years maturity.

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30. EMPLOYEE BENEFITS (CONT'D.)**(a) Retirement benefit obligations (cont'd.)**

- (iv) The sensitivity analysis below has been derived based on changes to individual assumptions, with all other assumptions held constant:

	Group and Company			
	Discount rate		Salary increment rate	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
	RM'000	RM'000	RM'000	RM'000
At 31 December 2021				
(Decrease)/Increase in defined benefit obligations	(429)	453	387	(374)
At 31 December 2020				
(Decrease)/Increase in defined benefit obligations	(579)	614	536	(516)

The sensitivity analysis presented above may not be representative of the actual change in defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation to one another as some assumptions may be correlated.

No changes were made to the methods and types of assumptions used in preparing the sensitivity analysis for the current and previous financial years.

(b) SGP

The SGP was governed by the By-Laws approved by the shareholders at an Extraordinary General Meeting held on 14 April 2011. The SGP was implemented on 18 April 2011 and was in force for a maximum period of 10 years, which expired on 17 April 2021.

The SGP comprised two types of performance-based awards, namely RSP and PSP.

The salient features and terms of the SGP were as follows:

- (i) The Committee (appointed by the Board of Directors to administer the SGP) may, at its discretion where necessary, direct the implementation and administration of the plan. The Committee may, at any time within the duration of the plan, offer RSP and PSP awards under the SGP to eligible employees and/or Executive Directors of the Group, wherein such offers shall lapse should the eligible employees or Executive Directors of the Group fail to accept the same within the periods stipulated.
- (ii) To facilitate the implementation of the SGP, a Trust to be administered in accordance to the Trust Deed by the Trustee appointed by the Company was established. The Trustee shall subscribe for new ordinary shares in the Company and transfer the shares to eligible employees and/or Executive Directors of the Group participating in the SGP. The Trustee will obtain financial funding from the Company and/or its subsidiaries and/or third parties for purposes of administering the Trust.

30. EMPLOYEE BENEFITS (CONT'D.)**(b) SGP (cont'd.)**

- (iii) The total number of shares to be issued under the SGP shall not exceed, in aggregate, 10% of the issued and paid-up share capital (excluding treasury shares) of the Company at any point of time during the tenure of the SGP and out of which not more than 50% of the maximum shares available shall be allocated, in aggregate, to Executive Directors and senior management of the Group. In addition, not more than 10% of the maximum shares available under the SGP shall be allocated to any individual employee or Executive Director who, either individually or collectively through persons connected with him/her, holds 20% or more in the issued and paid-up capital of the Company.
- (iv) All new ordinary shares issued pursuant to the SGP will rank pari passu in all respects with the then existing ordinary shares of the Company, except that the new ordinary shares so issued will not be entitled to any rights, dividends or other distributions declared, made or paid to shareholders prior to the date of allotment of such new ordinary shares, and will be subject to all the provisions of the Constitution of the Company relating to transfer, transmission or otherwise.
- (v) Unless otherwise determined by the Committee in accordance with the By-Laws, the shares granted will only be vested to the eligible employees and/or Executive Directors of the Group who have duly accepted the offer of awards under the SGP, on their respective vesting dates, provided the following vesting conditions are fully and duly satisfied:
- Eligible employees and/or Executive Directors of the Group must remain in employment with the Group and shall not have given notice of resignation or received notice of termination of service as at the vesting dates.
 - In respect of the PSP, eligible employees and/or Executive Directors of the Group having achieved his/her performance targets as stipulated by the Committee and as set out in their offer of awards.

The following table illustrates the movement of shares under the SGP during the financial years:

	Group and Company			
	At 1 January '000	Vested '000	Forfeited '000	At 31 December '000
2021				
2017 grants:				
RSP	14	(10)	(4)	-
2018 grants:				
RSP	279	(262)	(17)	-
PSP	80	-	(80)	-
	373	(272)	(101)	-
2020				
2017 grants:				
RSP	306	(273)	(19)	14
PSP	166	-	(166)	-
2018 grants:				
RSP	583	(251)	(53)	279
PSP	198	-	(118)	80
	1,253	(524)	(356)	373

As disclosed in Note 27, the share grants vested during the financial year resulted in the issuance of 272,000 (2020: 524,000) new ordinary shares. The weighted average share price at the date of vesting for the financial year was RM6.61 (2020: RM6.54). There is no new SGP granted in the current and previous financial years.

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31. DEFERRED INCOME

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Deferred grants (Note a)	1,498	2,381	958	1,710
Deferred revenue (Note b)	2,440	1,721	-	-
	3,938	4,102	958	1,710

- (a) The deferred grants of the Group refer to grants from the Capital Market Development Fund ("CMDF") for the development of the bond trading platform, the construction of an Environmental, Social and Governance ("ESG") index and the development of the Exchange Traded Funds ("ETFs") market, and grant from the Securities Commission Malaysia for the development of the derivatives clearing facilities. The deferred grants of the Company refers to the grant from the CMDF for the development of the bond trading platform, the construction of an ESG index and the development of the ETFs market. There are no conditions or contingencies attached to these grants. The movements in the deferred grants are as below:

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
At 1 January	2,381	2,331	1,710	1,529
Grant income (Note 4)	(883)	(950)	(752)	(819)
Received during the year	-	1,000	-	1,000
At 31 December	1,498	2,381	958	1,710

- (b) The deferred revenue refers to the initial listing fees earned from initial public offerings for which the Group recognises the revenue over a period of time when the services are provided. The movements in the deferred revenue are as below:

	Group	
	2021	2020
	RM'000	RM'000
At 1 January	3,250	1,923
Deferred revenue during the year	14,746	7,966
Income recognised in profit or loss	(11,843)	(6,639)
At 31 December	6,153	3,250
Deferred revenue:		
- non-current	2,440	1,721
- current (Note 32)	3,713	1,529
	6,153	3,250

32. OTHER PAYABLES

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
Accruals	61,532	44,651	26,323	22,569
Amount due to Securities Commission Malaysia	6,694	18,182	-	-
Capital Market Education and Integrity Fund	12,980	15,064	12,980	15,064
Deferred revenue (Note 31(b))	3,713	1,529	-	-
Provision for employee benefits	45,649	46,843	43,474	44,882
Receipts in advance	9,373	5,922	549	530
Sundry payables	27,773	30,244	7,805	11,045
	167,714	162,435	91,131	94,090

- (a) Included in sundry payables of the Group is cash received for eDividend and eRights distributions amounting to RM1,596,000 (2020: RM1,251,000) as disclosed in Note 24.
- (b) The receipts in advance of the Group and of the Company represent contract liabilities to customers. The movements in the receipts in advance are as below:

	Group		Company	
	2021 RM'000	2020 RM'000	2021 RM'000	2020 RM'000
At 1 January	5,922	4,873	530	524
Received during the year	6,192	3,526	268	252
Income recognised in profit or loss	(2,741)	(2,477)	(249)	(246)
At 31 December	9,373	5,922	549	530

33. BURSA MALAYSIA DEPOSITORY - COMPENSATION FUND ("DEPOSITORY - CF")

In 1997, pursuant to the provisions of Section 5(1)(b)(vii) of the Securities Industry (Central Depositories) Act 1991, Bursa Malaysia Depository established a scheme of compensation for the purpose of settling claims by depositors against Bursa Malaysia Depository, its authorised depository agents and Bursa Malaysia Depository Nominees. The scheme comprises monies in the Depository - CF and insurance policies. Bursa Malaysia Depository's policy is to maintain the balance in the Depository - CF at RM50,000,000. In consideration for the above, all revenue accruing to the Depository - CF's deposits and investments are to be credited to Bursa Malaysia Depository and all expenses incurred for and on behalf of the Depository - CF will be paid for by Bursa Malaysia Depository.

The net assets of the fund are as follows:

	2021 RM'000	2020 RM'000
Depository - CF	50,000	50,000

The assets of the fund are segregated from the financial statements of the Group and are accounted for separately.

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34. OPERATING LEASE ARRANGEMENTS**(a) The Group and the Company as lessor of building**

The Company has entered into operating lease agreements as the lessor, for the rental of office space in its building. The lease period is three years, with renewal option for another three years included in the agreements. The leases have a fixed rental rate for the existing lease period with an upward revision to the rental rate for the renewed lease period.

The future aggregate minimum lease payments receivable under operating leases contracted for as at the financial year end but not recognised as receivables are as follows:

	Group and Company	
	2021	2020
	RM'000	RM'000
Not later than one year	72	438
Later than one year and not later than five years	8	62
	80	500

The rental income for the financial years are disclosed in Note 4.

(b) The Company as lessor of building

The Company has entered into an operating lease arrangement with its subsidiaries for the use of office space. The lease is for a period of three years and shall be automatically renewed for further periods of three years for each renewal unless terminated.

The future aggregate minimum lease payments receivable under the operating leases contracted for as at the financial year end but not recognised as receivables are as follows:

	Company	
	2021	2020
	RM'000	RM'000
Not later than one year	4,921	4,918
Later than one year and not later than five years	14,764	19,672
	19,685	24,590

Office space rental income earned by the Company for the current and previous financial years are disclosed in Notes 3 and 36(a).

34. OPERATING LEASE ARRANGEMENTS (CONT'D.)**(c) The Company as lessor of computer equipment**

The Company has entered into an operating lease arrangement with its subsidiaries for the use of computer equipment. The computer equipment is leased between three to ten years with no purchase option included in the contract.

The future aggregate minimum lease payments receivable under the operating leases contracted for as at the financial year end but not recognised as receivables are as follows:

	Company	
	2021	2020
	RM'000	RM'000
Not later than one year	11,230	10,645
Later than one year and not later than five years	20,719	28,428
Later than five years	3,408	3,123
	35,357	42,196

Income from the lease of computer equipment for the current and previous financial years are disclosed in Notes 3 and 36(a).

35. CAPITAL COMMITMENTS

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Approved and contracted for:				
Computers and office automation	2,619	2,107	2,237	2,107
Office equipment and renovation	6,785	78	6,785	78
	9,404	2,185	9,022	2,185
Approved but not contracted for:				
Computers and office automation	2,560	2,955	1,599	2,820
Office equipment and renovation	4,170	10	4,170	10
	6,730	2,965	5,769	2,830

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36. SIGNIFICANT RELATED PARTY DISCLOSURES**(a) Transactions with subsidiaries**

Significant transactions between the Company and its subsidiaries are as follows:

	2021 RM'000	2020 RM'000
Management fees income from:		
Bursa Malaysia Securities	98,152	96,398
Bursa Malaysia Derivatives	16,803	18,031
Bursa Malaysia Securities Clearing	13,666	13,937
Bursa Malaysia Derivatives Clearing	14,800	14,374
Bursa Malaysia Depository	21,960	22,351
Bursa Malaysia Information	7,189	7,270
Bursa Malaysia Islamic Services	7,492	7,880
Bursa Malaysia Regulation	82	-
Bursa Malaysia Bonds	2	2
LFX	15	15
	180,161	180,258
Office space rental income from:		
Bursa Malaysia Securities	1,797	1,795
Bursa Malaysia Derivatives	1,218	1,212
Bursa Malaysia Securities Clearing	357	357
Bursa Malaysia Depository	992	997
Bursa Malaysia Information	295	295
Bursa Malaysia Islamic Services	262	262
	4,921	4,918
Lease of computer equipment from:		
Bursa Malaysia Securities	6,415	7,005
Bursa Malaysia Derivatives	765	784
Bursa Malaysia Securities Clearing	880	849
Bursa Malaysia Derivatives Clearing	196	194
Bursa Malaysia Depository	723	696
Bursa Malaysia Information	177	175
Bursa Malaysia Islamic Services	884	942
	10,040	10,645
Dividend income from:		
Bursa Malaysia Securities	252,500	105,000
Bursa Malaysia Derivatives	15,147	40,176
Bursa Malaysia Securities Clearing	104,000	50,000
Bursa Malaysia Depository	104,000	52,000
Bursa Malaysia Information	30,000	20,000
Bursa Malaysia Islamic Services	4,500	2,200
	510,147	269,376

36. SIGNIFICANT RELATED PARTY DISCLOSURES (CONT'D.)**(a) Transactions with subsidiaries (cont'd.)**

Management fees charged to subsidiaries are in respect of operational and administrative functions of the subsidiaries which are performed by employees of the Company.

Information regarding the amount due from/(to) subsidiaries arising from the related party transactions as at the financial year end are disclosed in Note 23.

The Directors are of the opinion that the above transactions have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

(b) Transactions with other related parties

Government-linked and other entities are related to the Company by virtue of the substantial shareholding of a government body corporate in the Company. The transactions entered into with these entities have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

(c) Compensation of key management personnel

Key management personnel refers to the Directors and the management committee of the Group and of the Company. The remuneration of Directors is disclosed in Note 9, and the remuneration of the management committee during the current and previous financial years are as follows:

	Group and Company	
	2021	2020
	RM'000	RM'000
Short-term employee benefits	10,582	9,241
Contributions to defined contribution plan - EPF	831	730
SGP	4	50
	11,417	10,021

Included in total remuneration of the management committee are:

	Group and Company	
	2021	2020
	RM'000	RM'000
Executive Directors' remuneration (Note 9)	2,664	2,117
Benefits-in-kind (Note 9)	35	35
	2,699	2,152

The movements of outstanding shares under the SGP for the management committee are as follows:

	Group and Company	
	2021	2020
	'000	'000
At 1 January	65	313
Forfeited during the year	(35)	(236)
Vested during the year	(30)	(12)
At 31 December	-	65

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36. SIGNIFICANT RELATED PARTY DISCLOSURES (CONT'D.)**(c) Compensation of key management personnel (cont'd.)**

The remuneration of each key senior management personnel during the current and previous financial years are as follows:

	Salary RM'000	Bonus RM'000	Defined contribution plan - EPF RM'000	Other emoluments RM'000	Benefits- in-kind RM'000	Total RM'000
2021						
Datuk Muhamad Umar Swift	1,402	600	245	417	35	2,699
Rosidah binti Baharom	711	296	172	178	-	1,357
Samuel Ho Hock Guan	1,166	508	-	674	-	2,348
Azhar bin Mohd Zabidi	672	280	126	110	-	1,188
Ashish Jaywant Rege	824	344	-	173	-	1,341
Tay Yu Hui	553	231	137	152	-	1,073
Julian Mahmud Hashim ⁽¹⁾	817	340	151	103	-	1,411
2020						
Datuk Muhamad Umar Swift	1,296	594	214	13	35	2,152
Rosidah binti Baharom	623	323	157	248	-	1,351
Samuel Ho Hock Guan	1,160	532	-	631	-	2,323
Azhar bin Mohd Zabidi ⁽²⁾	148	-	20	22	-	190
Ashish Jaywant Rege ⁽³⁾	813	378	-	102	-	1,293
Tay Yu Hui	551	254	134	113	-	1,052
Inderjit Singh Sohan Singh ⁽⁴⁾	518	262	133	200	-	1,113
Mahdzir bin Othman ⁽⁵⁾	346	-	72	129	-	547

⁽¹⁾ Joined the Company on 11 January 2021 and appointed as Chief Regulatory Officer on 8 September 2021.

⁽²⁾ Appointed on 12 October 2020.

⁽³⁾ Appointed on 6 January 2020.

⁽⁴⁾ Appointed on 24 February 2020 and ceased as acting Chief Regulatory Officer on 8 September 2021.

⁽⁵⁾ Non-renewal of fixed term contract with effect from 14 August 2020.

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to market risk (which comprises equity price risk, interest/profit rate risk and foreign currency risk), liquidity risk and credit risk arising from their business activities.

The Group and the Company ensure that the above risks are managed in order to minimise the effects of the unpredictability of the financial markets on the performance of the Group and of the Company. There has been no change in the nature of the risks which the Group and the Company are exposed to, nor to the objectives, policies and processes to manage those risks compared to the previous financial year.

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)**(a) Market risk: Equity price risk**

Equity price risk is the risk that the value of an equity instrument will fluctuate as a result of changes in market prices. The Group and the Company were exposed to equity price risk through the Company's holding of shares in the CME Group. The shares were obtained as part of the purchase consideration in the strategic alliance forged with the CME Group.

The Group and the Company monitored the value of the equity holding by considering the movements of the quoted price and the potential future value to the Group and the Company.

During the current financial year, the Group and the Company disposed off the remaining balance of its investment in quoted shares in the CME Group as disclosed in Note 18. Hence, the Group and the Company have no exposure to equity price risk as at the current financial year end. As at the previous financial year end, an increase/decrease of 1% in the quoted price of the instrument would result in an increase/decrease in equity of the Group and of the Company of RM1,395,000.

(b) Market risk: Interest/profit rate risk

Interest/profit rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest/profit rates. The Group's and the Company's deposits with licensed financial institutions are carried at a fixed rate and therefore are not affected by the movements in market interest/profit rates.

Interest/profit rate risk sensitivity

The Group is exposed to interest/profit rate risk through the holding of unquoted bonds and commercial paper.

The following table demonstrates the sensitivity of the Group's equity to a 25 basis points (2020: 25 basis points) increase/decrease in interest/profit rates with all other variables held constant:

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Effects on equity if:				
- increase by 25 basis points	(275)	(327)	(48)	(58)
- decrease by 25 basis points	275	327	48	58

The sensitivity is the effect of the assumed changes in interest/profit rates on changes in fair value of investment securities for the year, based on revaluing fixed rate financial assets as at the financial year end.

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37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)**(b) Market risk: Interest/profit rate risk (cont'd.)****Interest/profit rate exposure**

The following table analyses the Group's and the Company's interest/profit rate exposure. The unquoted bonds and deposits with licensed financial institutions are categorised by maturity dates.

	Less than one year RM'000	Maturity One to five years RM'000	More than five years RM'000	Total RM'000	Effective interest/ profit rate %
Group					
As at 31 December 2021					
Investment securities:					
- unquoted bonds	20,173	25,446	14,603	60,222	4.14
Deposits with licensed financial institutions:					
- cash set aside by the Group for Clearing Funds	95,000	-	-	95,000	1.92
- cash and bank balances	495,627	-	-	495,627	1.90
As at 31 December 2020					
Investment securities:					
- unquoted bonds	-	46,637	9,988	56,625	4.17
Deposits with licensed financial institutions:					
- cash set aside by the Group for Clearing Funds	95,000	-	-	95,000	2.09
- cash and bank balances	435,615	-	-	435,615	2.06
Company					
As at 31 December 2021					
Investment securities:					
- unquoted bonds	-	-	4,825	4,825	3.24
Deposits with licensed financial institutions:					
- cash and bank balances	284,624	-	-	284,624	1.90
As at 31 December 2020					
Investment securities:					
- unquoted bonds	-	-	5,002	5,002	3.24
Deposits with licensed financial institutions:					
- cash and bank balances	88,143	-	-	88,143	2.04

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)**(c) Market risk: Foreign currency risk**

Foreign currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates such as that in the United States Dollar ("USD"), Singapore Dollar ("SGD") and Japanese Yen ("JPY"). The Group and the Company are exposed to foreign currency risk primarily through the holding of CME Group shares, trade receivables, cash and bank balances and transactions between the Group and CME Group which are denominated in USD. As at the current financial year end, the Group and the Company have no foreign currency risk exposure on the holding of CME Group shares as the entire investment securities were disposed off during the current financial year as disclosed in Note 18(a).

The Group and the Company do not hedge their currency exposures. The following table shows the accumulated amount of material financial assets and liabilities which are unhedged:

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Financial assets - denominated in USD				
Investment securities:				
- shares quoted outside Malaysia	-	139,451	-	139,451
Trade receivables	3,361	3,380	-	-
	3,361	142,831	-	139,451
Financial liabilities				
Other payables:				
- denominated in USD	4,704	5,226	-	-

The Group is not exposed to foreign currency risk from the holding of margins and collaterals as the risks are borne by the participants. The following table depicts this through the netting off of monies held as margins and collaterals against the corresponding liabilities.

Group	USD	SGD	JPY	Total
	RM'000	RM'000	RM'000	RM'000
As at 31 December 2021				
Financial assets				
Cash for equity margins, derivatives trading margins and security deposits	382,959	7,318	4,823	395,100
Financial liabilities				
Trade payables	(382,959)	(7,318)	(4,823)	(395,100)
	-	-	-	-
As at 31 December 2020				
Financial assets				
Cash for equity margins, derivatives trading margins and security deposits	327,568	218	2,383	330,169
Financial liabilities				
Trade payables	(327,568)	(218)	(2,383)	(330,169)
	-	-	-	-

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)**(c) Market risk: Foreign currency risk (cont'd.)**

The following table demonstrates the sensitivity of the Group's and of the Company's profit after tax and equity to a reasonable possible change in the exchange rates against the respective functional currencies of the Group and of the Company, with all other variables held constant.

	Group		Company	
	Profit after tax RM'000	Equity RM'000	Profit after tax RM'000	Equity RM'000
As at 31 December 2021				
USD - strengthens by 5% against RM	(51)	(51)	-	-
As at 31 December 2020				
USD - strengthens by 5% against RM	(70)	6,903	-	6,973

An equivalent weakening of the foreign currencies as shown above would have resulted in an equivalent, but opposite, impact.

(d) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting their financial obligations due to a shortage of funds.

(i) Liabilities related risk

The Group and the Company maintain sufficient levels of cash and cash equivalents to meet working capital requirements. The Group and the Company also maintain a reasonable level of banking facilities for contingency requirements.

The table below summarises the maturity profile of the Group's and of the Company's liabilities at the financial year end based on contractual undiscounted repayment obligations.

	Maturity				
	On demand	Less than one year	One year to five years	More than five years	Total
Group	RM'000	RM'000	RM'000	RM'000	RM'000
As at 31 December 2021					
Other payables which are financial liabilities*	22,885	11,582	-	-	34,467
Lease liabilities**	-	505	2,188	35,410	38,103
	22,885	12,087	2,188	35,410	72,570
As at 31 December 2020					
Other payables which are financial liabilities*	21,775	26,651	-	-	48,426
Lease liabilities**	-	505	2,188	35,949	38,642
	21,775	27,156	2,188	35,949	87,068

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)**(d) Liquidity risk (cont'd.)****(i) Liabilities related risk (cont'd.)**

Company	Maturity				Total RM'000
	On demand RM'000	Less than one year RM'000	One year to five years RM'000	More than five years RM'000	
As at 31 December 2021					
Other payables which are financial liabilities*	3,574	4,231	-	-	7,805
Lease liabilities**	-	505	2,188	35,410	38,103
	3,574	4,736	2,188	35,410	45,908
As at 31 December 2020					
Other payables which are financial liabilities*	3,448	7,597	-	-	11,045
Amount due to subsidiary	-	136	-	-	136
Lease liabilities**	-	505	2,188	35,949	38,642
	3,448	8,238	2,188	35,949	49,823

* Other payables which are financial liabilities include amount due to the Securities Commission Malaysia and sundry payables as disclosed in Note 32.

** The amounts refer to the undiscounted repayment obligations on the two non-cancellable operating lease agreements for the use of land for a period of 99 years, as disclosed in Note 15.

(ii) Clearing and settlement related risk

The clearing house subsidiaries of the Group act as a counterparty to eligible trades concluded on the securities and derivatives markets through the novation of obligations of the buyers and sellers. The Group mitigates this exposure by establishing financial criteria for admission as participants, monitoring participants' position limits and requiring that margins and collaterals on outstanding positions be placed with the clearing houses. CGF and DCF, as disclosed in Note 25, were set up to further mitigate this risk.

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)**(d) Liquidity risk (cont'd.)****(ii) Clearing and settlement related risk (cont'd.)**

The liabilities and corresponding assets in relation to clearing and settlement risk as at the financial year end are shown below:

		Group On demand	
	Note	2021 RM'000	2020 RM'000
Current assets			
Cash for equity margins, derivatives trading margins and security deposits	24	3,263,791	2,068,705
Cash and bank balances of Clearing Funds:			
- participants' contribution	25	62,899	54,903
Current liabilities			
Trade payables	24(a)	(3,263,791)	(2,068,705)
Participants' contribution to Clearing Funds	25	(62,899)	(54,903)
		-	-

(e) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group and the Company are exposed to credit risk primarily from their investment securities, staff loans receivable, trade receivables, other receivables which are financial assets, amount due from subsidiaries and cash and bank balances.

As at the current and previous financial year ends, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial asset recognised on the statements of financial position.

For investment securities and cash and bank balances, the Group and the Company minimise credit risk by adopting an investment policy which only allows dealing with counterparties with good credit ratings. The Group and the Company closely monitor the credit worthiness of their counterparties by reviewing their credit ratings and credit profiles on a regular basis. Receivables are monitored to ensure that exposure to bad debts is minimised.

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)**(e) Credit risk (cont'd.)****Investment securities and cash and bank balances**

The counterparty credit rating of the Group's and of the Company's investment securities and cash and bank balances rated by credit rating agencies (RAM Holdings Berhad and Malaysian Rating Corporation Berhad) as at the financial year end is as follows:

	Government Guaranteed RM'000	Counterparty credit rating			Total RM'000
		AAA RM'000	AA RM'000	A RM'000	
Group					
As at 31 December 2021					
Investment securities:					
- unquoted bonds	10,167	19,884	30,171	-	60,222
Cash and bank balances*	-	2,574,876	1,225,130	122,429	3,922,435
As at 31 December 2020					
Investment securities:					
- unquoted bonds	10,392	15,334	30,899	-	56,625
Cash and bank balances*	-	1,631,263	903,193	124,374	2,658,830
Company					
As at 31 December 2021					
Investment securities:					
- unquoted bonds	-	4,825	-	-	4,825
Cash and bank balances	-	85,532	199,864	-	285,396
As at 31 December 2020					
Investment securities:					
- unquoted bonds	-	5,002	-	-	5,002
Cash and bank balances	-	11,663	70,458	6,448	88,569

* Cash and bank balances of the Group include cash for equity margins, derivatives trading margins, security deposits and eDividend and eRights distributions, cash and bank balances of Clearing Funds, and the Group's cash and bank balances.

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)**(e) Credit risk (cont'd.)****Investment securities and cash and bank balances (cont'd.)**

The Group's and the Company's investment securities are rated as investment grade and the allowance for impairment losses are measured on the basis of 12-months expected credit losses ("ECL"). As at the financial year end, there is no significant increase in credit risk for investment securities since initial recognition. The movements in the allowance for impairment losses on investment securities are as follows:

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
At 1 January	10	61	1	-
Charge/(Reversal) for the year (Note 7)	75	(51)	-	1
At 31 December	85	10	1	1

Receivables

The ageing analysis of the Group's and of the Company's gross receivables (before deducting allowance for impairment losses) are as follows:

		Not credit impaired								
		Past due								
				Not	< 30	31-60	61-90	91-180	> 181	Total
		Total	Credit	past	days	days	days	days	days	past
Group	Note	RM'000	impaired	due	RM'000	RM'000	RM'000	RM'000	RM'000	due
			RM'000	RM'000						RM'000
At 31 December 2021										
Staff loans receivable	19	1,232	-	1,232	-	-	-	-	-	-
Trade receivables	21	49,779	1,093	41,351	3,805	1,903	772	89	766	7,335
Other receivables which are financial assets*	22	10,831	5,700	5,131	-	-	-	-	-	-
At 31 December 2020										
Staff loans receivable	19	1,629	-	1,629	-	-	-	-	-	-
Trade receivables	21	89,317	1,279	79,559	3,394	2,652	1,217	552	664	8,479
Other receivables which are financial assets*	22	13,669	5,700	7,969	-	-	-	-	-	-

* Other receivables which are financial assets include deposits, interest/profit income and sundry receivables.

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)**(e) Credit risk (cont'd.)****Receivables (cont'd.)**

The ageing analysis of the Group's and of the Company's gross receivables (before deducting allowance for impairment losses) are as follows: (cont'd.)

		Not credit impaired								
		Past due								
			Credit	Not						Total
		Total	impaired	past	< 30	31-60	61-90	91-180	> 181	past
Company	Note	RM'000	RM'000	due	days	days	days	days	days	due
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
As at 31 December 2021										
Staff loans receivable	19	953	-	953	-	-	-	-	-	-
Trade receivables	21	726	109	204	232	27	56	52	46	413
Other receivables which are financial assets*	22	4,640	2,270	2,370	-	-	-	-	-	-
Amount due from subsidiaries	23	37,369	11,905	25,464	-	-	-	-	-	-
As at 31 December 2020										
Staff loans receivable	19	1,303	-	1,303	-	-	-	-	-	-
Trade receivables	21	845	136	88	292	82	98	24	125	621
Other receivables which are financial assets*	22	5,582	2,270	3,312	-	-	-	-	-	-
Amount due from subsidiaries	23	43,380	11,895	31,485	-	-	-	-	-	-

* Other receivables which are financial assets include deposits, interest/profit income and sundry receivables.

Receivables that are neither past due nor credit impaired are creditworthy debtors with good payment records with the Group and with the Company. The credit terms for trade receivables range from 7 days to 30 days, except for trade receivables relating to fees due from clearing participants for clearing and settlement services whereby the payments are due two market days from the month end.

None of the Group's and the Company's receivables that are neither past due nor credit impaired have been renegotiated during the current and previous financial years.

The Group and the Company have no significant concentration of credit risk that may arise from exposures to a single clearing participant or counterparty.

Receivables are not secured by any collaterals or credit enhancements other than as disclosed in Note 24.

Notes to the Financial Statements

31 December 2021

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)**(e) Credit risk (cont'd.)****Impairment on receivables**

The Group and the Company apply the simplified approach whereby allowance for impairment losses are measured at lifetime ECL. The movements of the allowance for impairment losses on receivables are as follows:

Group	Trade receivables			Other receivables			Amount due from subsidiary
	Lifetime ECL allowance	Credit impaired	Total allowance	Lifetime ECL allowance	Credit impaired	Total allowance	Credit impaired
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2021	607	1,279	1,886	6	5,700	5,706	-
Reversal for the year	(19)	(77)	(96)	-	-	-	-
Write-offs	-	(109)	(109)	-	-	-	-
At 31 December 2021	588	1,093	1,681	6	5,700	5,706	-
At 1 January 2020	664	1,654	2,318	88	5,700	5,788	-
(Reversal)/Charge for the year	(57)	702	645	(82)	-	(82)	-
Write-offs	-	(1,077)	(1,077)	-	-	-	-
At 31 December 2020	607	1,279	1,886	6	5,700	5,706	-
Company							
At 1 January 2021	15	136	151	6	2,270	2,276	11,895
(Reversal)/Charge for the year	(2)	(23)	(25)	-	-	-	10
Write-offs	-	(4)	(4)	-	-	-	-
At 31 December 2021	13	109	122	6	2,270	2,276	11,905
At 1 January 2020	12	195	207	17	2,270	2,287	11,891
Charge/(Reversal) for the year	3	132	135	(11)	-	(11)	4
Write-offs	-	(191)	(191)	-	-	-	-
At 31 December 2020	15	136	151	6	2,270	2,276	11,895

- (a) Receivables that are individually determined to be credit impaired at the financial year end relate to debtors who are in significant financial difficulties and have defaulted on payments.
- (b) The Group's allowance for impairment losses on trade and other receivables during the current financial year decreased by RM205,000 mainly due to the recovery of bad debts and the write-offs of debts that cannot be recovered. In the previous financial year, the Group's allowance for impairment losses on trade and other receivables decreased by RM514,000 mainly due to the write-offs of bad debts as these debts could not be recovered.
- (c) The Company's allowance for impairment losses on trade and other receivables during the current financial year decreased by RM29,000 mainly due to the recovery of bad debts. In the previous financial year, the Company's allowance for impairment losses on trade and other receivables decreased by RM67,000 mainly due to the write-offs of bad debts as the debts could not be recovered.

38. CLASSIFICATION OF FINANCIAL INSTRUMENTS

The Group's and the Company's financial assets and financial liabilities are measured on an ongoing basis at either fair value or at amortised cost based on their respective classification. The significant accounting policies in Note 2.4 describe how the classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised. The following table analyses the financial assets and financial liabilities of the Group and of the Company in the statements of financial position by the classes and categories of financial instruments to which they are assigned by their measurement basis.

	Group		Company	
	2021	2020	2021	2020
	RM'000	RM'000	RM'000	RM'000
Assets				
Financial assets at FVTOCI				
Investment securities:				
- quoted shares (outside Malaysia)	-	139,451	-	139,451
- unquoted bonds	60,222	56,625	4,825	5,002
	60,222	196,076	4,825	144,453
Financial assets at amortised cost				
Staff loans receivable	1,232	1,629	953	1,303
Trade receivables	48,098	87,431	604	694
Other receivables which are financial assets*	5,125	7,963	2,364	3,306
Amount due from subsidiaries	-	-	25,464	31,485
Cash for equity margins, derivatives trading margins, security deposits and eDividend and eRights distributions	3,265,387	2,069,956	-	-
Cash and bank balances of Clearing Funds	157,899	149,903	-	-
Cash and bank balances of the Group/Company	499,149	438,971	285,396	88,569
	3,976,890	2,755,853	314,781	125,357
Total financial assets	4,037,112	2,951,929	319,606	269,810
Liabilities				
Financial liabilities at amortised cost				
Trade payables	3,263,791	2,068,705	-	-
Participants' contributions to Clearing Funds	62,899	54,903	-	-
Other payables which are financial liabilities**	34,467	48,426	7,805	11,045
Amount due to subsidiary	-	-	-	136
Lease liabilities	7,956	7,961	7,956	7,961
Total financial liabilities	3,369,113	2,179,995	15,761	19,142

* Other receivables which are financial assets include deposits, interest/profit income and sundry receivables, net of allowance for impairment losses, as disclosed in Note 22.

** Other payables which are financial liabilities include amount due to the Securities Commission Malaysia and sundry payables as disclosed in Note 32.

Notes to the Financial Statements

31 December 2021

39. FAIR VALUE**(a) Financial instruments that are carried at fair value**

Investment securities are measured at fair value at different measurement hierarchies (i.e. Levels 1, 2 and 3). The hierarchies reflect the level of objectiveness of inputs used when measuring the fair values.

- (i) Level 1: Quoted prices (unadjusted) of identical assets in active markets

Shares quoted outside Malaysia are measured at Level 1 and during the current financial year, the Group and the Company had disposed all of the remaining balance of its investment in quoted shares as disclosed in Note 18(a). The fair value of quoted shares in the previous financial year was determined directly by reference to its published market bid price.

- (ii) Level 2: Inputs other than at quoted prices included within Level 1 that are observable for the asset, either directly (i.e. prices) or indirectly (i.e. derived from prices)

Unquoted bonds are measured at Level 2. The fair value of unquoted bonds is determined by reference to the published market bid price of unquoted fixed income securities based on information provided by Bond Pricing Agency Malaysia Sdn Bhd.

- (iii) Level 3: Inputs for the asset that are not based on observable market data (unobservable inputs)

The Group and the Company do not have any financial instruments measured at Level 3 in the current and previous financial years.

	Level 1 RM'000	Level 2 RM'000	Total RM'000
Group			
As at 31 December 2021			
Investment securities:			
- unquoted bonds	-	60,222	60,222
As at 31 December 2020			
Investment securities:			
- quoted shares (outside Malaysia)	139,451	-	139,451
- unquoted bonds	-	56,625	56,625
	139,451	56,625	196,076
Company			
As at 31 December 2021			
Investment securities:			
- unquoted bonds	-	4,825	4,825
As at 31 December 2020			
Investment securities:			
- quoted shares (outside Malaysia)	139,451	-	139,451
- unquoted bonds	-	5,002	5,002
	139,451	5,002	144,453

39. FAIR VALUE (CONT'D.)**(a) Financial instruments that are carried at fair value (cont'd.)**

There were no transfers between Level 1 and Level 2 during the current and previous financial years.

The Group and the Company do not have any financial liabilities carried at fair value as at 31 December 2021 and 31 December 2020.

(b) Financial instruments that are not carried at fair value

The carrying amount of the financial instruments carried at amortised cost, other than staff loans receivable, are reasonable approximation of their fair values due to their short-term nature.

	Note
Trade receivables	21
Other receivables which are financial assets (except staff loans receivable within 12 months)	22
Amount due from/(to) subsidiaries	23
Cash for equity margins, derivatives trading margins, security deposits and eDividend and eRights distributions	24
Cash and bank balances of Clearing Funds	25
Cash and bank balances of the Group/Company	26
Trade payables	24(a)
Participants' contributions to Clearing Funds	25
Other payables which are financial liabilities	32

The carrying amount of staff loans receivable approximates its fair value, and is estimated by discounting the expected future cash flows using the current interest rates for loans with similar risk profiles. The staff loans receivable are measured at Level 3 under the measurement hierarchy.

	Group		Company	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
As at 31 December 2021				
Staff loans receivable (Note 19)	1,232	1,215	953	935
As at 31 December 2020				
Staff loans receivable (Note 19)	1,629	1,629	1,303	1,286

Notes to the Financial Statements

31 December 2021

40. CAPITAL MANAGEMENT

The Group manages its capital with the objective of maximising shareholders' returns. To achieve this, the Group takes into consideration and ensures the sufficiency of funds for operations, risk management and development. Although the Group's policy is to distribute at least 75% of its profits to shareholders, it has been thus far paying at least 90% of its profits every year whilst ensuring that its pool of funds for future development is at a sufficient level.

The Group is not subject to any externally imposed capital requirements. However, the Group is required to set aside funds for the CGF and DCF in accordance with the business rules of its clearing house subsidiaries. The Group also takes into consideration the guidance under the Principles for Financial Market Infrastructures when determining the sufficiency of funds held by the Group.

Total capital managed at Group level, which comprises shareholders' funds and deferred capital grants, stood at RM818,637,000 (2020: RM903,176,000) as at the end of the financial year.

There has been no change in the above capital management objectives, policies and processes compared to the previous year.

41. SEGMENT INFORMATION**(a) Reporting format**

For management reporting purposes, the Group is organised into operating segments based on market segments as the Group's risks and rates of return are affected predominantly by the macro environment of the different markets.

The securities, derivatives and others market segments are managed by the respective segment divisional heads responsible for the performance of the respective segments under their charge.

(b) Market segments

The four major market segments of the Group are as follows:

- (i) The securities market mainly comprises the provision and operation of the listing, trading, clearing, depository services and provision and dissemination of information relating to equity securities quoted on the securities exchange.
- (ii) The derivatives market mainly comprises the provision and operation of the trading, clearing, depository services and provision and dissemination of information relating to derivative products quoted on the derivatives exchange.
- (iii) The exchange holding business refers to the operation of the Company which functions as an investment holding company.
- (iv) Others mainly comprise the provision of a Shariah compliant commodity trading platform, a reporting platform for bond traders and the provision of an exchange for the offshore market.

(c) Allocation basis and transfer pricing

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets and liabilities, overheads and income tax expenses.

The Group monitors the operating results of its market segments separately for the purpose of making decisions about resource allocation and performance assessment.

Transfer prices between the market segments are set on an arm's length basis in a manner similar to transactions with third parties.

41. SEGMENT INFORMATION (CONT'D.)**Market segments**

Group	Securities market RM'000	Derivatives market RM'000	Exchange holding company RM'000	Others RM'000	Total RM'000
As at 31 December 2021					
Operating revenue	630,835	98,391	7,955	14,445	751,626
Other income	9,363	1,223	5,249	76	15,911
Direct costs	(106,753)	(54,064)	(30,300)	(7,540)	(198,657)
Segment profit/(loss)	533,445	45,550	(17,096)	6,981	568,880
Overheads					(90,436)
Profit before tax and zakat					478,444
Segment assets					
Assets	380,870	114,003	369,377	21,849	886,099
Clearing Funds	104,678	53,221	-	-	157,899
Cash for equity margins, derivatives trading margins, security deposits and eDividend and eRights distributions	201,720	3,063,667	-	-	3,265,387
Segment assets	687,268	3,230,891	369,377	21,849	4,309,385
Unallocated corporate assets					32,657
Total assets					4,342,042
Segment liabilities					
Liabilities	67,716	27,384	80,383	15,894	191,377
Participants' contribution to Clearing Funds	19,678	43,221	-	-	62,899
Equity margins, derivatives trading margins, security deposits and eDividend and eRights distributions	201,720	3,063,667	-	-	3,265,387
Segment liabilities	289,114	3,134,272	80,383	15,894	3,519,663
Unallocated corporate liabilities					5,240
Total liabilities					3,524,903

Notes to the Financial Statements

31 December 2021

41. SEGMENT INFORMATION (CONT'D.)**Market segments (cont'd.)**

Group	Securities market RM'000	Derivatives market RM'000	Exchange holding company RM'000	Others RM'000	Total RM'000
As at 31 December 2021					
Other information					
Depreciation and amortisation in:					
- segments	5,202	1,998	145	767	8,112
- overheads	-	-	-	-	13,882
Other significant non-cash expenses:					
Net impairment losses/(reversal of impairment losses) on:					
- investment securities	75	-	-	-	75
- trade and other receivables	(77)	(1)	(25)	7	(96)
Retirement benefit obligations in overheads	-	-	-	-	457
SGP expense in:					
- segments	27	17	(15)	-	29
- overheads	-	-	-	-	33

As at 31 December 2020

Operating revenue	654,507	102,814	7,741	13,743	778,805
Other income	11,205	1,701	7,122	140	20,168
Direct costs	(109,495)	(56,037)	(29,768)	(7,632)	(202,932)
Segment profit/(loss)	556,217	48,478	(14,905)	6,251	596,041
Overheads					(89,404)
Profit before tax and zakat					506,637

Segment assets

Assets	550,887	106,365	311,295	20,929	989,476
Clearing Funds	104,145	45,758	-	-	149,903
Cash for equity margins, derivatives trading margins, security deposits and eDividend and eRights distributions	207,511	1,862,445	-	-	2,069,956
Segment assets	862,543	2,014,568	311,295	20,929	3,209,335
Unallocated corporate assets					23,539
Total assets					3,232,874

41. SEGMENT INFORMATION (CONT'D.)**Market segments (cont'd.)**

Group	Securities market RM'000	Derivatives market RM'000	Exchange holding company RM'000	Others RM'000	Total RM'000
As at 31 December 2020					
Segment liabilities					
Liabilities	73,791	20,430	78,506	15,907	188,634
Participants' contribution to Clearing Funds	19,145	35,758	-	-	54,903
Equity margins, derivatives trading margins, security deposits and eDividend and eRights distributions	207,511	1,862,445	-	-	2,069,956
Segment liabilities	300,447	1,918,633	78,506	15,907	2,313,493
Unallocated corporate liabilities					18,586
Total liabilities					2,332,079
Other information					
Depreciation and amortisation in:					
- segments	5,438	1,866	209	788	8,301
- overheads	-	-	-	-	13,094
Other significant non-cash expenses:					
Net (reversal of impairment losses)/impairment losses on:					
- investment securities	(51)	-	1	-	(50)
- trade and other receivables	582	(80)	124	12	638
Retirement benefit obligations in overheads	-	-	-	-	652
SGP expense in:					
- segments	593	120	43	22	778
- overheads	-	-	-	-	253

SECTION

07

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Notice of 45th Annual General Meeting

BURSA MALAYSIA BERHAD

Registration No. 197601004668 (30632-P)

(Incorporated in Malaysia under the Companies Act 2016)

NOTICE IS HEREBY GIVEN THAT the 45th Annual General Meeting (AGM) of Bursa Malaysia Berhad (the Company) will be held virtually from Bursa Malaysia Berhad, Conference Room 1, Ground Floor, Exchange Square, Bukit Kewangan, 50200 Kuala Lumpur, Malaysia as the **Broadcast Venue** and via the TIH Online website at <https://tiah.online> on Wednesday, 30 March 2022 at 10.00 a.m. for the transaction of the following Ordinary Business:

1. To receive the Audited Financial Statements for the financial year ended 31 December 2021 and the Reports of the Directors and Auditors thereon.

2. To re-elect Mr. Pushpanathan a/l S.A. Kanagarayar who retires by rotation in accordance with Article 18.4 of the Company's Constitution and who being eligible offers himself for re-election.

Datuk Karownikaran @ Karunikaran a/l Ramasamy who also retires by rotation in accordance with Article 18.4 of the Company's Constitution, will retire in accordance with the Board's 9-year policy. Hence, he will retain office until the close of the 45th AGM.

3. To approve the payment of Directors' fees amounting to RM300,000 per annum for the Non-Executive Chairman and RM200,000 per annum for each of the Non-Executive Directors in respect of the financial year ended 31 December 2021.

4. To approve the payment of benefits payable to the Non-Executive Chairman and Non-Executive Directors up to an amount of RM2,000,000 from 31 March 2022 until the next AGM of the Company.

5. To appoint Ernst & Young PLT as Auditors of the Company for the financial year ending 31 December 2022 and to authorise the Board of Directors to determine their remuneration.

6. To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016 and the Company's Constitution.

FURTHER NOTICE IS HEREBY GIVEN THAT for the purpose of determining a member who shall be entitled to attend this 45th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Article 15.9 of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 23 March 2022. Only a depositor whose name appears on the Record of Depositors as at 23 March 2022 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.

BY ORDER OF THE BOARD

Yong Hazadurah binti Md Hashim
Suzanne Hong Soo Yong
Company Secretaries

(LS 0006674) SSM PC No. 202008003707
(MAICSA 7026744) SSM PC No. 201908003801

Kuala Lumpur
1 March 2022

Notice of 45th Annual General Meeting

BURSA MALAYSIA BERHAD

Registration No. 197601004668 (30632-P)

(Incorporated in Malaysia under the Companies Act 2016)

Notes:

1. Registration for Remote Participation and Voting (RPV) Facilities

- 1.1 The Company's virtual 45th AGM will be conducted online from the Broadcast Venue. Members can attend, participate and vote in the meeting remotely (online) via TIIH Online website at <https://tiih.online> by using the RPV facilities. At the Broadcast Venue, only the essential individuals are physically present to organise the virtual 45th AGM.
- 1.2 Registration for RPV is open from the date of the Notice of the 45th AGM on **Tuesday, 1 March 2022** until such time before the voting session ends at the 45th AGM on **Wednesday, 30 March 2022**.
- 1.3 Member(s), proxy(ies), corporate representative(s) or attorney(s) are required to register as a user with TIIH Online first and then pre-register their attendance for the 45th AGM for verification of their eligibility to attend the 45th AGM using the RPV based on the General Meeting Record of Depositors as at 23 March 2022.

2. Submission of questions before and during the meeting

- 2.1 Members may submit questions in relation to the agenda items for the 45th AGM prior to the meeting via TIIH Online at <https://tiih.online> by selecting 'e-Services' to login, pose questions and submit electronically not later than **10.00 a.m. on Tuesday, 29 March 2022**. The responses to these questions will be shared at the 45th AGM.
- 2.2 Members may use the **Query Box** facility to ask questions real time (in the form of typed text) during the meeting. The Board and senior management will be in attendance either at the Broadcast Venue or remotely to provide responses accordingly.

3. Proxy

- 3.1 Every Member including authorised nominees as defined under the Securities Industry (Central Depositories) Act 1991 (SICDA), and Exempt Authorised Nominees who hold ordinary shares in the Company for multiple owners in one securities account (Omnibus Account), is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote instead of him at the AGM, and that such proxy need not be a Member.
- 3.2 Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his shareholding to be represented by each proxy.
- 3.3 The instrument appointing a proxy shall be in writing under the hand of the Member or of his attorney duly authorised in writing, or if the Member is a corporation, shall either be executed under its common seal or under the hand of two (2) authorised officers, one of whom shall be a director, or its attorney duly authorised in writing.
- 3.4 Pursuant to Paragraph 8.29A of Bursa Malaysia Securities Berhad Main Market Listing Requirements, all resolutions set out in the Notice of the 45th AGM will be put to vote on a poll.
- 3.5 As approved by the Board with reference to Article 17.2 of the Company's Constitution, proxy forms and/or documents relating to the appointment of proxy for the 45th AGM shall be deposited or submitted in the following manner not later than **10.00 a.m. on Tuesday, 29 March 2022** in accordance with Article 17.3 of the Company's Constitution:
 - (a) In hard copy:
 - (i) By hand or post: to the office of the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn Bhd (TIIH) at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur;
 - (ii) By fax at 03-2783 9222 or e-mail to is.enquiry@my.tricorglobal.com
 - (b) In electronic form via TIIH Online.

The detailed requirements and procedures for the submission of proxy forms are set out in the Administrative Guide.

Notice of 45th Annual General Meeting**BURSA MALAYSIA BERHAD**

Registration No. 197601004668 (30632-P)

(Incorporated in Malaysia under the Companies Act 2016)

4. Audited Financial Statements for financial year ended 31 December 2021

The audited financial statements are laid in accordance with Section 340(1)(a) of the Companies Act (CA) 2016 for discussion only under Agenda 1. They do not require shareholders' approval and hence, will not be put for voting.

5. Ordinary Resolution 1: Re-election of Director who retires in accordance with Article 18.4 of the Company's Constitution

5.1 Article 18.4 of the Constitution provides that one-third (1/3) of the Directors of the Company excluding the Public Interest Directors (PIDs) for the time being or if their number is not a multiple of three (3), then the number nearest to one-third (1/3) shall retire by rotation at an AGM of the Company and be eligible for re-election. Out of the current Board size of ten (10), four (4) are PIDs. Hence, two (2) out of six (6) Directors are to retire in accordance with Article 18.4 of the Company's Constitution.

(a) For the purpose of determining the eligibility of the Director to stand for re-election at the 45th AGM, the Board through its Nomination and Remuneration Committee (NRC) had assessed the retiring Director, and considered the following:

- (i) The Director's performance and contribution based on the Self and Peer Assessment (SPA) results of the Board Effectiveness Evaluation (BEE) 2020/2021;
- (ii) The Director's level of contribution to the Board deliberations through his skills, experience and strength in qualities; and
- (iii) The level of independence demonstrated by the Independent Director, and his ability to act in the best interests of the Company in decision-making.

(b) In line with Practice 6.1 of the Malaysian Code on Corporate Governance (MCCG), the Board had conducted an assessment of the Directors of the Company based on the relevant performance criteria which include the following:

- (i) Will and ability to critically challenge and ask the right questions;
- (ii) Character and integrity in dealing with potential conflict of interest situations;
- (iii) Commitment to serve the company, due diligence and integrity;
- (iv) Confidence to stand up for a point of view;
- (v) Fit and properness;
- (vi) Calibre and personality;
- (vii) Board dynamics and participation;
- (viii) Competency and capability;
- (ix) Independence and objectivity; and
- (x) Contribution and performance.

Based on the Directors' SPA results of the BEE 2020/2021, the individual Directors (including the retiring Director) met the performance criteria required of an effective and a high-performance Board. In addition, all the Non-Executive Directors (NEDs) have also provided annual declaration/confirmation of independence in December 2021 respectively.

(c) Based on the above, the Board approved the NRC's recommendation that Mr. Pushpanathan a/l S.A. Kanagarayar who retires in accordance with Article 18.4 of the Constitution is eligible to stand for re-election. He had abstained from deliberation and decision on his own eligibility to stand for re-election at the relevant Board meeting.

5.2 Section 10(1)(b) of the Capital Markets and Services Act 2007 (CMSA) provides that the appointment, re-appointment, election or re-election as a Director of the Company is subject to concurrence by the Securities Commission Malaysia (SC). In this respect, the SC's concurrence had been obtained via its letter dated 11 February 2022 on the proposed re-election of the Director under **Resolution 1** pursuant to Section 10(1)(b) of the CMSA.

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6. Directors' remuneration - fees and benefits payable to the NEDs

6.1 Section 230(1) of the CA 2016 provides amongst others, that 'the fees' of the directors and 'any benefits' payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. In this respect, the Board agreed that the shareholders' approval shall be sought at the 45th AGM on the Directors' remuneration in two (2) separate resolutions as below:

- (a) **Resolution 2** on payment of Directors' fees in respect of the preceding financial year (FY) 2021; and
- (b) **Resolution 3** on payment of Directors' benefits from 31 March 2022 to the next AGM in 2023.

6.2 Ordinary Resolution 2: Directors' fees

The NRC is responsible to conduct an annual review of the Board remuneration policy with the view to ensure that the current remuneration for the members of the Board and Board Committees of Bursa Malaysia group remain competitive and appropriate to attract, retain and motivate individuals with strong credentials and high calibre to serve on the Board of the Company. In this respect, an external consultant is engaged for the Board remuneration review (BRR) once in every three (3) years, to provide the NRC with an objective and independent perspective. The last engagement of an independent consultant was in 2020.

In November 2021, the NRC conducted a BRR to ascertain the competitiveness of the same having regard to various factors including the Board remuneration of comparator companies in the financial services sector, dominant providers and those with similar market capitalisation in Malaysia as well as comparable stock exchanges. The Board subsequently approved the NRC's recommendation for the Directors' fees in respect of FY 2021 to remain unchanged, as they are still competitive and at par with the prevalent market rate as set out in the table below:

Directors' Fees (as approved at AGMs)	FY 2017	FY 2018	FY 2019	FY 2020	Approval sought for FY 2021
Non-Executive Chairman	RM300,000	RM300,000	RM300,000	RM300,000	RM300,000
Non-Executive Director	RM200,000	RM200,000	RM200,000	RM200,000	RM200,000

The exact amounts which are receivable by each individual NED are provided in Note 9 of the Audited Financial Statements for the FY 2021.

The payment of the NEDs' fees in respect of the preceding FY 2021 will only be made if the proposed **Resolution 2** has been passed at the 45th AGM pursuant to Article 19.1 of the Company's Constitution and Section 230(1)(b) of the CA 2016.

6.3 Ordinary Resolution 3: Benefits payable to the NEDs

The benefits payable to the NEDs comprise the allowances and other emoluments payable to the Chairman and members of the Board, Board of subsidiaries, Board Committees and such other committees as may be established by the Board.

- (a) At the 44th AGM of the Company held on 31 March 2021, the benefits payable to the NEDs of the Company from 1 April 2021 until the 45th AGM of the Company was approved for an amount of up to RM2,000,000. The utilisation of this approved amount as at 31 December 2021 is RM1,175,000. Based on the schedule of meetings in the first quarter of 2022, an amount of RM448,000 is expected to be utilised for payment of meeting allowance, fixed allowance and other benefits to the NEDs. Hence, the expected total utilised amount would be approximately 81% of the approved amount.

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- (b) Based on the BRR conducted in 2021, the Directors' benefits payable to the NEDs are proposed to be the same for the period from 31 March 2022 to the next AGM in 2023 (Current Period), except for a proposed variation to the monthly fixed allowance with regards to the Regulatory and Conflicts Committee (RACC) as set out in the table below:

Description	Chairman	NEDs / Member
Meeting Allowance (per meeting)		
• Board of Bursa Malaysia	RM3,000	RM3,000
• Board of Subsidiary	RM3,000	RM3,000
• Bursa Malaysia Group Committees	RM3,000	RM3,000
Fixed Allowance		
• Bursa Malaysia Group Committees (except for RACC)	RM20,000 per annum	RM12,000 per annum (RM1,000 per month)
• RACC members (who are Directors of Bursa Malaysia) [as explained in paragraph (c) below]	Not Applicable	RM60,000 per annum (RM5,000 per month)
Monthly Fixed Allowance – Chairman of Bursa Malaysia [Note 1]	RM52,000	Not Applicable
Other Benefits for NEDs of Bursa Malaysia only	Club membership, medical coverage, travel and other claimable benefits	Medical coverage, travel and other claimable benefits

Notes:

- Monthly fixed allowance to the Chairman of Bursa Malaysia being an Exchange Holding Company and listed entity is made, in recognition of the significant roles in leadership and oversight, and the wide-ranging scope of responsibilities expected of him, as well as the fact that he does not serve on the boards of any other listed companies or market participants regulated by Bursa Malaysia.
 - The Chief Executive Officer/Executive Director does not receive any Directors' remuneration.
- (c) Under the enhanced Governance Model of Bursa Malaysia group, the NRC at its meeting held in November 2021, considered the proposed remuneration for the new RACC members based on their roles and responsibilities coupled with the duties, obligations and restrictions imposed on the RACC members. Since 1 October 2021, the RACC comprised four (4) new members who are external independent individuals apart from the existing three (3) RACC members who are PIDs of the Company. The Board at its meeting held in November 2021 approved the proposed revision to the benefits in the form of monthly fixed allowance subject to the shareholders' approval on the payment of Directors' benefits at the 45th AGM.
- (d) The total amount of benefits payable to the NEDs is estimated to be up to RM2,000,000 for the Current Period, based on the above Board Remuneration Policy and taking into account various factors including the number of scheduled meetings for the Board/Board Committees as well as the number of NEDs involved in these meetings. This amount is the same as the approved amount at the 44th AGM which was up to RM2,000,000.

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- (e) The approved amount and the current proposal in respect of the payment of benefits to the NEDs at the following AGMs are as below:

Directors' Benefits (as approved at AGMs)	41st AGM on 28 March 2018	42nd AGM on 28 March 2019	43rd AGM on 29 April 2020	44th AGM on 31 March 2021	Approval sought at 45th AGM
Up to an amount of	RM2,400,000 (from 29 March 2018 to 28 March 2019)	RM2,200,000 (from 29 March 2019 to 29 April 2020)	RM2,200,000 (from 30 April 2020 to 31 March 2021)	RM2,000,000 (from 1 April 2021 to 30 March 2022)	RM2,000,000 (from 31 March 2022 to 46th AGM in 2023)

Payment of benefits to the NEDs will be made by the Company on a monthly basis and/or as and when incurred, if the proposed **Resolution 3** has been passed at the 45th AGM. The Board is of the view that it is just and equitable for the NEDs to be paid the Directors' remuneration (excluding Directors' fees) on a monthly basis and/or as and when incurred, particularly after they have discharged their responsibilities and rendered their services to the Company throughout the Current Period.

- 6.4 Any NEDs who are shareholders of the Company will abstain from voting on **Resolutions 2 and 3** concerning remuneration to the NEDs at the 45th AGM.

7. Ordinary Resolution 4: Appointment of Auditors

- 7.1 The Audit Committee (AC) at its meeting held on 26 January 2022 undertook an annual assessment of the suitability and independence of the external auditors, Ernst & Young PLT (EY) in accordance with the revised Auditor Independence Policy of the Group which was approved by the Board in November 2019. In its assessment, the AC considered several factors which include the following as well as the information in EY's 2021 Transparency Report with reference to Guidance 9.3 of the MCCG:

- (a) Quality of EY's performance and their communications with the AC and Bursa Malaysia group, based on feedback obtained via assessment questionnaires from Bursa Malaysia personnel who had substantial contact with the external audit team and EY throughout the year;
- (b) Adequacy of experience and resources provided to the Group by EY, in terms of the firm and the professional staff assigned to the audit; and
- (c) Independence of EY and the level of non-audit services to be rendered by EY to the Company for the FY 2022.

The AC also took into account the openness in communication and interaction with the lead audit engagement partner and engagement team through discussions at the private meetings, which demonstrated their independence, objectivity and professionalism.

- 7.2 The AC was satisfied with the suitability of EY based on the quality of audit, performance, competency and sufficiency of resources the external audit team provided to the Group. The AC was also satisfied in its review that the provisions of non-audit services by EY to the Company for the FY 2021 did not in any way impair their objectivity and independence as external auditors of Bursa Malaysia.
- 7.3 The Board at its meeting held on 28 January 2022 approved the AC's recommendation for the shareholders' approval to be sought at the 45th AGM on the appointment of EY as external auditors of the Company for the FY 2022 under **Resolution 4** in accordance with Section 340(1)(c) and Section 274(1)(a) of the CA 2016.

Statement Accompanying Notice of 45th Annual General Meeting

(pursuant to Paragraph 8.27(2) of Bursa Malaysia Securities Berhad Main Market Listing Requirements)

The profile of the Director who is standing for re-election as per Agenda 2 of the Notice of 45th AGM is as follows:

Resolution 1	
	Pushpanathan a/l S.A. Kanagarayar Independent Non-Executive Director
Nationality/ Age/ Gender:	Malaysian/ 70/ Male
Date of Appointment:	23 June 2014
Length of Service (as at 31 January 2022):	7 years 7 months
Date of Last Re-election:	29 April 2020
Academic/ Professional Qualification/ Membership(s):	• Institute of Chartered Accountants of Scotland (Member) • Malaysian Institute of Certified Public Accountants (MICPA) (Member) • Malaysian Institute of Accountants (MIA) (Member)
Present Directorship(s):	Listed entity: • IJM Corporation Berhad Other public company: • Sun Life Malaysia Assurance Berhad
Present Appointment(s):	• Council Member, MICPA • Director, Malaysian Community Education Foundation • Chairman, Malaysian Financial Reporting Standards (MFRS) Application & Implementation Committee of the Malaysian Accounting Standards Board (MASB) • Project Chairman, Insurance Standards Working Group of the MASB on MFRS 17
Past Directorship(s) and/or Appointment(s):	• Director, IJM Plantations Berhad (2012 - 2021) • Director, Asian Institute of Finance Berhad (27 February 2014 until its dissolution via Members' Voluntary Winding-up on 7 January 2022) • Trustee, World Wide Fund for Nature, Malaysia (2013 - 2021) • Director, Sun Life Malaysia Takaful Berhad (2010 - 2019) • Board Member, MASB (2009 - 2015) • Honorary Secretary, Financial Reporting Foundation (2010 - 2015) • President, MICPA (2012 - 2014) • Council Member, MIA (2012 - 2014) • Partner, Messrs Ernst & Young (1983 - 2009) • Chairman, Adjudication and/or Organising Committees, National Annual Corporate Report Awards (2003 - 2009) • Chairman, MICPA's Financial Statements Review Committee and Project Chairman, the Insurance Standards Working Group of MASB on Financial Reporting Standard 4 (2003 - 2007) • Member, International Federation of Accountants' Developing Nations Permanent Taskforce (2004 - 2005)

Mr. Pushpanathan a/l S.A. Kanagarayar does not hold any shares in Bursa Malaysia, has no family relationship with any Director and/or major shareholder of Bursa Malaysia, has no conflict of interest with Bursa Malaysia and has not been convicted of any offence within the past five (5) years and has not been imposed any penalty by the relevant regulatory bodies during the FY 2021.

Mr. Pushpanathan a/l S.A. Kanagarayar satisfies the criteria of an independent director as defined under Bursa Malaysia Securities Berhad Main Market Listing Requirements, which include being independent of management, free from any business or other relationship which could interfere with the exercise of independent judgement, objectivity or the ability to act in the best interests of the Company, and also being independent of its major shareholders.

Upcoming Financial Calendar Events

2022	28 Jan	Announcement of the audited consolidated results for the 4 th quarter and financial year ended 31 December 2021
	30 Mar	45 th Annual General Meeting
	28 Apr	Announcement of the consolidated results for the 1 st quarter ending 31 March 2022
	28 Jul	Announcement of the consolidated results for the 2 nd quarter ending 30 June 2022
	31 Oct	Announcement of the consolidated results for the 3 rd quarter ending 30 September 2022
2023	Jan/Feb	Announcement of the audited consolidated results for the 4 th quarter and financial year ending 31 December 2022

Navigation Icons

Six Capitals



Financial Capital



Human Capital



Intellectual Capital



Manufactured Capital



Social Capital



Natural Capital

Three Core Strategies



Product Expansion



Ecosystem Development



Capacity and Capabilities Building

Stakeholders



Public Listed Companies



Investors



Intermediaries



Regulators and Government Agencies



Employees



Bursa Malaysia's Shareholders and Analysts

Industry Associations, Professional
Bodies and Industry Experts

Community Groups



Vendors and Suppliers

Five Strategic Pillars

Strengthening Our Core Business -
Securities MarketDiversifying the Derivatives
BusinessPositioning Bursa Malaysia as the Global
Hub for Islamic Capital MarketsProviding New and Improved Services to
the Capital MarketEmbedding Sustainability in Our
Organisation and Marketplace

Material Matters



Economic Performance



Market Integrity and Sustainability



Education and Capacity Building



Cyber Security and Customer Privacy



Sustainable Finance



Innovation and Technology Excellence



Climate Risks



Environmental Footprint



Anti-Fraud, Bribery and Corruption



Workplace Environment



Employee Engagement



Learning and Development



Community Investment

Link to Information Stated in This Report

Description	Link
Bursa Academy	https://www.bursaacademy.bursamarketplace.com/
Bursa Anywhere	https://www.bursamarketplace.com/anywhere/
Bursa Broadcast	https://www.bursamalaysia.com/reference/insights/bursa_broadcast/sectorial_series
Bursa Digital Research	https://www.bursamalaysia.com/reference/bursa_digital_research/market_updates
Bursa Malaysia Securities Berhad Main Market Listing Requirements	https://www.bursamalaysia.com/regulation/listing_requirements/main_market/listing_requirements
Bursa Marketplace (BursaMKTPLC)	https://www.bursamarketplace.com
Bursa Malaysia Berhad	https://www.bursamalaysia.com
Bursa Malaysia Berhad Sustainability Reports	https://www.bursamalaysia.com/about_bursa/sustainability/sustainability_reports
Bursa Malaysia Derivatives Market	https://www.bursamalaysia.com/trade/market/derivatives_market
Bursa Malaysia Islamic Markets	https://www.bursamalaysia.com/trade/market/islamic_market
Bursa Malaysia Securities Market	https://www.bursamalaysia.com/trade/market/securities_market
BURSA SUSTAIN	https://bursasustain.bursamalaysia.com
Companies Act 2016	https://www.ssm.com.my
FTSE Bursa Malaysia Index Series	https://www.ftserussell.com/products/indices/bursa-malaysia
FTSE Bursa Malaysia Indices	https://www.bursamalaysia.com/trade/our_products_services/indices/ftse_bursa_malaysia_indices/overview
FTSE4Good Bursa Malaysia Index	https://www.bursamalaysia.com/reference/insights/institutional_insights/sectorial_series/ftse-russell-esg-index-methodology-and-trends
Global Reporting Initiative	https://www.globalreporting.org
Integrated Annual Report	https://bursa.listedcompany.com/ar.html
International Financial Reporting Standards	https://www.ifrs.org/
International Integrated Reporting Council	https://integratedreporting.org
International Organization of Securities Commissions	https://www.iosco.org/
Labuan International Finance Exchange Inc	https://www.bursamalaysia.com/trade/our_products_services/lfx/about_the_exchange
Malaysian Code on Corporate Governance	https://www.sc.com.my/regulation/corporate-governance
Malaysian Financial Reporting Standards	https://www.masb.org.my/
Ministry of Finance Malaysia Annual Budget 2022	https://budget.mof.gov.my/2022/index-en.html
Ministry of Finance Malaysia Economic Outlook 2022	https://budget.mof.gov.my/pdf/2022/economy/economy-2022.pdf
Principles for Financial Market Infrastructure	https://www.bis.org/cpmi/info_pfm.html
Rules of Bursa Malaysia Bonds	https://www.bursamalaysia.com/regulation/bonds/rules_of_bursa_malaysia_bonds
Rules of Bursa Malaysia Derivatives	https://www.bursamalaysia.com/regulation/derivatives/rules_of_bursa_malaysia_derivatives
Rules of Labuan International Financial Exchange	https://www.bursamalaysia.com/regulation/lfx/rules_of_lfx
Rules of Bursa Malaysia Suq Al-Sila'	https://www.bursamalaysia.com/regulation/islamic_market/rules_of_bursa-suq_al_sila
Rules of Bursa Malaysia Securities	https://www.bursamalaysia.com/regulation/securities/rules_of_bursa_malaysia_securities
Sustainability Accounting Standards Board	https://www.sasb.org/
Task Force on Climate-related Financial Disclosures	https://www.fsb-tcf.org/
The Securities Commission Malaysia	https://www.sc.com.my
The Ten Principles of the United Nations Global Compact	https://www.unglobalcompact.org/what-is-gc/mission/principles
World Federation of Exchanges (WFE)	https://www.world-exchanges.org/
WFE Sustainability Principles	https://www.world-exchanges.org/our-work/articles/wfe-sustainability-principles

Abbreviation

ADA	Authorised Depository Agent	IOSCO	International Organisation of Securities Commissions
ADC	Average Daily Contract	IPO	Initial Public Offering
ADV	Average Daily Trading Value	ISMS	Information Security Management System
AGM	Annual General Meeting	JC3	Joint Committee on Climate Change
BCP	Business Continuity Plan	KPI	Key Performance Indicator
BMD	Bursa Malaysia Derivatives Berhad	LEAP	Leading Entrepreneur Accelerator Platform
BMDC	Bursa Malaysia Derivatives Clearing Berhad	LFX	Labuan International Financial Exchange
BMS	Bursa Malaysia Securities Berhad	LR	Listing Requirements
BMSC	Bursa Malaysia Securities Clearing Sdn Bhd	MACC	Malaysian Anti-Corruption Commission
BNM	Bank Negara Malaysia	MCCG	Malaysian Code on Corporate Governance
BSAS	Bursa Suq Al-Sila'	MCO	Movement Control Order
CA 2016	Companies Act 2016	MFRS	Malaysian Financial Reporting Standards
Capex	Capital Expenditure	MIA	Malaysian Institute of Accountants
CCP	Central Counterparty	MLT	Mirror, Learn and Trade
CDS	Central Depository System	MMLR	Bursa Malaysia Securities Berhad Main Market Listing Requirements
CF	Clearing Fund	MOU	Memorandum of Understanding
CG	Corporate Governance	MSWG	Minority Shareholders Watch Group
CGF	Clearing Guarantee Fund	OCPO	Options on Crude Palm Oil Futures
CMDF	Capital Market Development Fund	OMT	On-Market Transaction
CME	Chicago Mercantile Exchange Inc	OPOL	USD RBD Palm Olein Options
CMEIF	Capital Market Education and Integrity Fund	OPR	Overnight Policy Rate
CMSA	Capital Markets and Services Act 2007	OSH	Occupational Safety and Health
COI	Conflict of Interest	PAT	Profit after Tax
CP	Clearing Participant	PATAMI	Profit after Tax and Minority Interest
DBT	Direct Business Transaction	PFMI	Principles for Financial Market Infrastructure
DCF	Derivatives Clearing Fund	PLC	Public Listed Company
DRC	Disaster Recovery Centre	PMMP	Pilot Market Making Program
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation	PO	Participating Organisation
EPS	Earnings per Share	PoC	Proof-of-concept
ESG	Environmental, Social and Governance	POC	Palm and Lauric Oils Price Outlook Conference & Exhibition
ETBS	Exchange-Traded Bonds and Sukuk	PSP	Performance Share Plan
ETF	Exchange-Traded Fund	RBD	Refined, Bleached and Deodorised
ERMPF	Enterprise Risk Management Principles and Framework	REIT	Real Estate Investment Trust
F4GBM Index	FTSE4Good Bursa Malaysia Index	ROE	Return on Equity
F4GBMS Index	FTSE4Good Bursa Malaysia Shariah Index	RSP	Restricted Share Plan
FBMKLCI	FTSE Bursa Malaysia KLCI	RTO	Recovery Time Objectives
FCPO	Crude Palm Oil Futures	SBL	Securities Borrowing and Lending
FEPO	East Malaysia Crude Palm Oil Futures	SC	Securities Commission Malaysia
FGLD	Gold Futures	SDG	Sustainable Development Goal
FKB3	3-month Kuala Lumpur Interbank Offered Rate (KLIBOR) Futures	SFTS	Securities Futures Trading System
FKLI	FTSE Bursa Malaysia KLCI Futures	SGP	Share Grant Plan
FM70	Mini FTSE Bursa Malaysia Mid 70 Index Futures	SME	Small and Medium Enterprise
FMG3	3-Year Malaysian Government Securities Futures	SOP	Standard Operating Procedure
FMG5	5-year Malaysian Government Securities Futures	SPAC	Special Purpose Acquisition Company
FMGA	10-Year Malaysian Government Securities Futures	SR	Sustainability Report
FPKO	Crude Palm Kernel Oil Futures	SRI	Sustainable and Responsible Investment
FPOL	USD RBD Palm Olein Futures	SSF	Single Stock Futures
FY	Financial Year	STP	Straight-Through Processing
GRI	Global Reporting Initiative	SW	Structured Warrant
IAR	Integrated Annual Report	TCFD	Task Force on Climate-related Financial Disclosure
IAS	International Accounting Standard	TCP	Trading Clearing Participant
IDSS	Intraday Short Selling	TP	Trading Participant
IFRS	International Financial Reporting Standards	UMA	Unusual Market Activity
IIRC	International Integrated Reporting Council	VBIP	Volume-based Incentive Programme
		WPP	Whistleblower Policy and Procedure

Glossary

A

ACE Market

The ACE Market is a sponsor-driven market designed for companies with growth or business prospects. It replaced the formerly known MESDAQ (Malaysian Exchange of Securities Dealing and Automated Quotation) Market in 2009.

B

Bursa Anywhere

A mobile application for retail investors to access a wide range of Central Depository System (CDS) account services and conduct permitted CDS transactions electronically through their personal gadget with no physical forms.

Bursa Malaysia-i

A fully integrated Islamic securities exchange platform with a comprehensive range of Shariah-compliant exchange-related facilities including listing, trading, clearing, settlement and depository services.

BursaMKTPLC

An online portal that provides investors and traders with the information they need to conduct analysis, investing and trading.

Bursa Suq Al-Sila' (BSAS)

A Shariah-compliant commodity Murabahah trading platform dedicated to facilitate Islamic liquidity management and financing by Islamic Financial Institutions (IFI). BSAS is a world's first platform that aims to provide industry players with a regulated framework with defined codes of conduct governing commodity trade in support of Islamic interbank placement, client deposit taking, financing, profit rate swap and cross currency swap, as well as sukuk issuances using the concept of Murabahah and Tawarruq. It undertakes contracts in various currencies to facilitate cross-border trades between IFIs and commodity players worldwide.

Bursa Digital Research

A multifaceted in-house research portal that serves to provide investors with an added source of research and data analysis with the objective of improving financial literacy and facilitating informed investment decision making.

BURSASUSTAIN

A one-stop repository of information on corporate governance, sustainability and responsible investment.

C

Capital

The capitals are stocks of value that are increased, decreased or transformed through the activities and outputs of the organisation.

Capital Market Education and Integrity Fund (CMEIF)

The fund was set up on 1 January 2013 to account for all fines and transfer fees imposed and collected by Bursa Malaysia Berhad (Bursa Malaysia or Exchange). These monies are segregated and used to educate market participants and investors as well as to defray legal or court expenses relating to Bursa Malaysia's regulatory actions.

Central Depository System (CDS)

The CDS is a system that is fully owned and operated by Bursa Malaysia Depository Sdn Bhd (formerly known as Malaysian Central Depository Sdn Bhd), a wholly owned subsidiary of Bursa Malaysia.

Investors can use the CDS to transfer securities from one CDS account to another, provided the transfers are within the reasons approved by Bursa Malaysia Depository Sdn Bhd. Other transactions that depositors can perform via the CDS include registration of bank account information, updating of account particulars, reactivation of dormant CDS account, reactivation of inactive CDS account, deposit of share certificate, withdrawal of shares of delisted company and closing of CDS account.

Clearing Participant (CP)

A participant as defined in the Capital Markets and Services Act 2007, in relation to the relevant clearing house of Bursa Malaysia.

Closed-End Fund

A closed-end fund involves a listed company which invests in shares of other companies. A closed-end fund company has a fixed number of shares in issue at any point of time, the price of which will fluctuate according to net asset value and market forces.

Glossary

Coronavirus Disease (COVID-19)

Coronavirus disease (COVID-19) is a mild to severe respiratory disease that is caused by a newly discovered coronavirus strain. It is transmitted chiefly by contact with infectious material such as respiratory droplets or with objects or surfaces contaminated by the causative virus, and is characterised by fever, cough, and shortness of breath, among others, and may progress to pneumonia and respiratory failure.

Corporate Liability Provision

This refers to the new section 17A of the Malaysian Anti-Corruption Commission (MACC) Act 2009, which came into force on 1 June 2020. This provision states that a commercial organisation commits an offence if any individual associated with the organisation commits a corrupt act to obtain or retain business or an advantage for the commercial organisation. Commercial organisations can raise a defence if they can show that they have 'adequate procedures' in place.

D**Data Intelligent Robots (DiBots)**

DiBots is an analytics platform comprising a rich global database that has been collecting data since 1994. The universe of data includes reference and fundamental data of public listed companies across the globe, financial data from private companies in India, Malaysia, Thailand and Vietnam as well as non-financial data from private companies in 11 other countries, among others.

Derivatives

A derivative is a contract whose value derives from and is dependent on the value, delivery or payment obligations are derived from or referenced to one or more underlying assets, such as commodities, securities, indices or any of its combination. Derivative products available on Bursa Malaysia Derivatives include equity, interest rate, bond, agricultural (crude palm oil and palm kernel oil) and metal (gold and tin).

E**Equities**

An instrument that signifies an ownership position, or equity, in a corporation, and represents a claim on its proportionate share in the corporation's assets and profits. A person holding such an ownership in the company does not enjoy the highest claim on the company's earnings. Instead, an equity holder's claim is subordinated to a creditor's claims, and the equity holder will only enjoy distributions from earnings after these higher priority claims are satisfied.

Exempt Regime

A regime under which the sukuk or debt securities are listed but not quoted for trading on the Exchange.

Exchange Traded Fund (ETF)

An open-ended investment fund listed and traded on a stock exchange. ETF combines the features of an index fund and a stock. The liquidity of an ETF reflects the liquidity of the underlying basket of shares. Generally, there are three types of ETFs: equity ETFs, fixed income ETFs and commodity ETFs. These ETFs consist of baskets of stocks, bonds or commodities based on an index which instantly offers broad diversification and avert the risk involved in owning stocks of a single company. With units in an ETF, investors can gain exposure to a geographical region, market, industry or sector, commodity such as gold or oil or even a specific investment style such as growth or value.

F**FTSE4Good Bursa Malaysia (F4GBM) Index**

F4GBM Index measures the Environmental, Social and Governance (ESG) performance of public listed companies (PLCs) and was launched in December 2014. The constituents are drawn from companies on the FTSE Bursa Malaysia Emas Index and are reviewed every June and December against international benchmarks developed in collaboration with FTSE Russell.

FTSE4Good Bursa Malaysia Shariah (F4GBMS) Index

F4GBMS Index is the ESG themed index designed to track constituents in the F4GBM Index that are Shariah-compliant, according to the Securities Commission Malaysia Shariah Advisory Council screening methodology.

G**Global Reporting Initiative (GRI) Standards**

The GRI standards are the first global standards for sustainability. They feature a modular, interrelated structure, and represent the global best practice for reporting on a range of economic, environmental and social impacts.

I

Integrated Reporting Framework

The International Integrated Reporting Council's Integrated Reporting (<IR>) Framework was designed to improve disclosure of financial and non-financial performance, while enhancing the way organisations articulate and report on value creation. The <IR> Framework was issued in 2013. Revisions to the <IR> Framework were published in January 2021.

Intraday Short Selling (IDSS)

Under the IDSS framework, investors are able to sell securities first and buy the securities later within the trading day itself. IDSS can be carried out on a selected list of eligible securities.

Initial Public Offering (IPO)

An IPO refers to the process of offering the shares and/or securities of an unlisted entity to the public on a recognised stock exchange for the first time. The shares and/or securities then become publicly listed and traded.

L

Leading Entrepreneur Accelerator Platform (LEAP) Market

The LEAP Market is an alternative market for SMEs and companies to raise funds. It brings together potential SMEs and companies, intermediaries and sophisticated investors onto a single platform to create a conducive marketplace for fundraising.

Listing Requirements (LR)

The respective requirements which govern the admission and post listing obligations of an issuer listed on the Main Market, ACE Market or LEAP Market of the Exchange.

M

Material Matters

Material Matters refer to matters that are of most importance to Bursa Malaysia, based on our significant economic, environmental, and social impacts and which substantively influence the assessments and decisions of our key stakeholders. They are also determined based on how they impact or are impacted by our value creation activities.

Main Market

The Main Market is a prime market for listing by established companies that have achieved certain minimum profit track record or size. It is also a platform to list other capital market products which includes debt securities, exchange-traded funds, REITs and structured warrants.

Market Surveillance System (MSS)

The market surveillance system is a system that facilitates real-time and post trade monitoring and analysis of both equities and derivatives trading activities as well as facilitates the detection of a wide range of possible market misconduct on real-time basis.

Movement Control Order (MCO)

A cordon sanitaire implemented as a preventive measure by the federal government of Malaysia in response to the COVID-19 pandemic in the country.

Murabahah

An Islamic financing structure. Murabahah refers to a sale contract with a disclosure of the asset cost price and profit margin to the buyer.

Musawamah

A sale between seller and buyer who negotiate the terms (price) of the subject matter i.e. commodity to be traded without any preconditions.

O

On-Market Transactions (OMT)

OMT is a transaction that is concluded by way of automated matching of orders entered into the order book maintained in the Automated Trading System or an On-Market Married Transaction.

Glossary

P**Participating Organisation (PO)**

A company that carries on the business of trading in securities on the Exchange's stock market and is admitted as a Participating Organisation under Rules of Bursa Malaysia Securities.

Islamic PO is a PO which conducts its stockbroking business in accordance with Shariah principles whether on a full-fledged basis or 'window' basis.

Primary Market

A part of the capital market that deals with issuance of new securities for the first time.

Public Listed Company (PLC)

A public company or corporation listed on the Exchange.

R**Real Estate Investment Trust (REIT)**

A REIT is a unit trust scheme that invests or proposes to invest primarily in income-generating real estate.

S**Secondary Market**

The public market on which securities, once issued, are traded.

Shares

An arrangement in which different classes of securities are listed and traded as one security. Stapled securities may involve different classes of securities issued by an issuer or different issuers.

Stapled Securities

An arrangement in which different classes of securities are listed and traded as one security. Stapled securities may involve different classes of securities issued by an issuer or different issuers.

Structured Warrants

Structured warrants are proprietary instruments issued by a third-party issuer, namely an eligible broker or financial institution that give holders the right, but not the obligation, to buy or sell the underlying instrument in the future for a fixed price. Essentially, one makes a 'reservation' to buy or sell a pre-determined number of the underlying instrument at a certain price in the future when investing in a structured warrant. Structured warrants can be issued over an underlying asset such as equity, ETF, index or a basket of stocks.

Sustainable Development Goals (SDGs)

The United Nations (UN) SDGs are the blueprint to achieve a better and more sustainable future for all. They address the global challenges we face, including those related to poverty, inequality, climate, environmental degradation, prosperity as well as peace and justice.

Sustainability Reporting Framework

The Sustainability Reporting Framework (Framework) comprises of the LRs pertaining to sustainability disclosure where PLCs are required to provide a narrative statement on the management of material economic, environmental and social risks and opportunities in their Annual Reports. The Framework also includes a comprehensive Sustainability Reporting Guide and six Toolkits to aid PLCs in embedding and reporting on sustainability practices.

Sustainable and Responsible Investment (SRI)

SRI is an approach to investing that aims to incorporate ESG factors into investment decisions, to better manage risk and generate sustainable, long-term returns.

Sustainable Stock Exchanges (SSE) Initiative

The SSE Initiative is a peer-to-peer learning platform for exchanges, in collaboration with investors, regulators, and companies, to explore how corporate transparency and performance on ESG issues can be enhanced and to further encourage the uptake of sustainable investment. The SSE is a project of the UN, co-organised by the UN Conference on Trade and Development, the UN Global Compact, the UN Environment Programme Finance Initiative and the UN-supported Principles for Responsible Investment.

T

Task Force on Climate-related Financial Disclosures (TCFD)

The TCFD seeks to develop recommendations for voluntary climate-related financial disclosures that are consistent, comparable, reliable, clear, and efficient, and provide decision-useful information to lenders, insurers, and investors.

Tawarruq

An Islamic financing structure. A Tawarruq involves purchasing a commodity on a deferred price either in the form of Murabahah or Musawamah, later selling it to a third party with the objective of obtaining cash.

Trading Participant

A company that carries on the business of dealing in derivatives on the Exchange and is admitted as a Trading Participant under Rules of Bursa Malaysia Derivatives.

V

Value

Value is not created by or within an organisation alone. It is influenced by the external environment, created through relationships with stakeholders and dependent on various resources.

W

Warrants

Warrants are issued by a company and give the holder the right, but not an obligation, to subscribe for new ordinary shares at a specified price during a specified period of time. Warrants have a maturity date (up to 10 years) after which they expire and are worthless unless the holder exercises the right to subscribe for the new shares before the maturity date.

The World Federation of Exchanges (WFE)

Established in 1961, the WFE is the global industry association for exchanges and clearing houses. Headquartered in London, it represents over 250 market infrastructure providers, including standalone central counterparty (CCP) clearers that are not part of exchange groups.

Z

Zakat

Zakat is an obligation in Islam to make contributions towards the less fortunate. It is one of the five pillars of Islam and it is a systematic form of redistribution of income towards social justice and better income equality between the rich and the poor section of the community as well as to cleanse the wealth of those who pay zakat.

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