



PIVOTING INTO A MULTI-ASSET EXCHANGE

INTEGRATED ANNUAL REPORT **2022**

Creating Opportunities, Growing Value

ABOUT THIS REPORT

This Integrated Annual Report (IAR) aims to provide detailed insight into the value created by Bursa Malaysia Berhad and its group of companies (collectively known as Bursa Malaysia or the Exchange). The report covers our material issues, risks and opportunities, key strategies and the value created for our diverse stakeholder groups.

At Bursa Malaysia, we adopt an integrated and holistic approach to value creation. Our focus is to balance the interest of all stakeholders, covering financial and non-financial outcomes. A key component of this is the integration of environmental, social and governance (ESG) considerations into every decision made, thus delivering long-term value that benefits current and future generations.

SCOPE AND BOUNDARIES

This report covers our strategic plans alongside the quantitative and qualitative outcomes of our activities implemented during the year under review, including our financial and non-financial achievements. Where relevant and possible, the sustainability context of our decisions are disclosed.

This report covers the period beginning 1 January 2022 to 31 December 2022 across all our entities and operations in Malaysia unless otherwise stated. All information within this report has been verified to be accurate as at the time of publication.

MATERIAL MATTERS

Material Matters are defined as topics and issues that can significantly impact our ability to create sustainable value for both our business and stakeholders.

 For more information about our Material Matters as well as our Materiality Assessment process, please turn to page 53 of this report as well as page 8 and pages 102 to 104 of our SR 2022.

FORWARD-LOOKING STATEMENTS AND DISCLAIMER

This report contains certain forward-looking statements concerning our future priorities, strategies and growth opportunities. These are based on our expectations for the future, which may change due to unforeseen or unexpected developments. Therefore, these statements should not be construed as guarantees or projections of Bursa Malaysia's future outcomes. Readers 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 Sustainability Report (SR), Bursa Malaysia has engaged an external verifier to provide limited assurance for selected non-financial indicators. The assurance report can be found on page 112 of our SR 2022.

BOARD OF DIRECTORS' (BOARD) APPROVAL

The Board has collectively validated the accuracy of this IAR. It is the Board's opinion that this report contains a fair and factual account of Bursa Malaysia's performance 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.



**Online
Integrated Annual Report 2022**
The entire suite of our Integrated Annual Report 2022 can be found online at https://bursa.listedcompany.com/iar_2022.html

Tan Sri Abdul Wahid Omar
Chairman
Bursa Malaysia Berhad

Datuk Muhamad Umar Swift
Chief Executive Officer
Bursa Malaysia Berhad

REPORTING PRINCIPLES AND FRAMEWORK

Bursa Malaysia's IAR and SR have been developed in line with the following international standards and practices:

IAR

INTEGRATED ANNUAL REPORT

Disclosure

- Management Discussion and Analysis
- Sustainability Progress
- Corporate Governance Overview
- Marketplace Report: Fair and Orderly Markets
- Audit Committee Report
- Statement on Internal Control and Risk Management
- Directors' Report
- Independent Auditors' Report
- Financial Statements

SR

SUSTAINABILITY REPORT

Disclosure

- Governance
- Reporting Scope and Boundaries
- Assessment of Material Matters and Stakeholder Engagement
- Management Approach of Material Matters

KEY FRAMEWORKS APPLIED	IAR	SR
Main Market Listing Requirements (Main LR or MMLR)	✓	✓
Malaysian Code on Corporate Governance	✓	✓
International Integrated Reporting <IR> Framework	✓	
Companies Act 2016	✓	
Malaysian Financial Reporting Standards	✓	
International Financial Reporting Standards	✓	
Sustainability-related indices criteria such as FTSE4Good Bursa Malaysia Index and Bloomberg Gender Equality Index	✓	✓
GRI Universal Standards 2021		✓
Sustainability Accounting Standards Board Reporting Standards		✓
Recommendations of the Task Force on Climate-related Financial Disclosures		✓
World Federation of Exchanges Sustainability Principles		✓
The Ten Principles of the United Nations Global Compact		✓

The United Nations Sustainable Development Goals

The United Nations Sustainable Development Goals (UN SDGs) define global sustainable development priorities and aspirations for 2030. Bursa Malaysia's business strategies and activities are aimed at contributing towards the UN SDGs. To ensure that our outcomes make the biggest impact on sustainable development, we identify SDGs that our activities can contribute to the most, and focus our efforts on them.



Our Capitals



Core Strategies



Key Risks



Material Matters



Stakeholders



What's INSIDE THIS REPORT

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01

Overview of Bursa Malaysia

Who We Are

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Group Corporate Structure

2022 Corporate Events and News

WHO WE ARE

Incorporated in 1976 and listed in 2005, Bursa Malaysia operates and regulates a fully integrated exchange offering a comprehensive range of exchange-related facilities. We provide easy access to a wide variety of investment products and services – connecting domestic and foreign market participants to help them achieve their fundraising and investment goals.

We are one of the largest bourses in the region with 972 companies listed across three markets. Bursa Malaysia is a leading destination for fundraising, and a key enabler of progress and growth.

The Exchange is also a vocal advocate of sustainability, and is the first emerging market to introduce the globally benchmarked FTSE4Good Bursa Malaysia Index (F4GBM). We also act as a catalyst for elevating the sustainability practices of our public listed companies (PLCs), and have mandated sustainability reporting in our PLCs' annual disclosures. The Exchange plays a similar role with respect to enhancing corporate governance (CG), which is crucial for the long-term development of our marketplace.

VISION

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

MISSION

Creating Opportunities, Growing Value

OUR CORE VALUES

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 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.

➔ 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.

➔ 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.

➔ Shareholder Value Creator

We build sustainable value for our shareholders through capital preservation and appreciation.

WHO WE ARE

WHAT WE OFFER

Bursa Malaysia offers a diverse range of products and services that enable our investors and traders to achieve their investment objectives. Our offerings cater to varying risk appetites and aim to create value for our stakeholders. The following products and services are available on Bursa Malaysia:

OUR PLATFORMS

SECURITIES MARKET



Prime market for listing of established or sizeable corporations as well as other products



Sponsor-driven regime aimed at corporations with good business prospects



Adviser-driven market for small and medium enterprises catered to sophisticated investors

DERIVATIVES MARKET

Futures and Options Exchange comprising commodity, financial and equity derivative products

SHARIAH-COMPLIANT



Shariah-compliant commodity Murabahah trading platform



End-to-end Shariah-compliant securities trading and investing platform

BURSA CARBON EXCHANGE

Malaysia's pioneer voluntary carbon market and first Shariah-compliant carbon exchange in the world

OTHERS



Labuan International Financial Exchange (LFX), an offshore listing platform based in Labuan

EXEMPT REGIME

A platform to list sukuk and debt securities for visibility and profiling purposes

BURSA FUND PLATFORM

An interactive information platform for unit trusts and wholesale funds

OUR PRODUCTS

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.

MARKET
CAPITALISATION
RM1.74
trillion

MAIN Market **766**
Companies

ACE Market **159**
Companies

LEAP Market **47**
Companies

OTHER PRODUCTS

Structured Warrants **966** | Foreign Listings¹ **7**

Stapled Securities¹ **1** | Real Estate Investment Trusts (REITs)² **19** | Indices **33** | Exchange-Traded Funds (ETFs) **20**

Special Purpose Acquisition Company¹ **1** | Exchange-Traded Bonds and Sukuk (ETBS) **3** | Closed-End Fund¹ **1** | Warrants³ **232**

Malaysian Government Securities **37** | Malaysian Government Investment Issues **33**

Note:

This information is as at 31 December 2022.

¹Included in the Main Market PLCs count

²Including one Stapled Securities

³Including one foreign Warrant

WHO WE ARE

OUR PRODUCTS

DERIVATIVES MARKET

We offer 18 derivative products covering commodities, equity and financial instruments

Commodity
Derivatives

9

Financial
Derivatives

4

Equity
Derivatives

5

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

i-Stocks

789

i-ETFs

6

i-REITs¹

5

ETBS

3

Note: ¹Including one Stapled Securities

OFFSHORE

We operate the LFX, which is based in Labuan.

LFX Market Capitalisation

→ **USD23.5**
billion

Bond
Listings

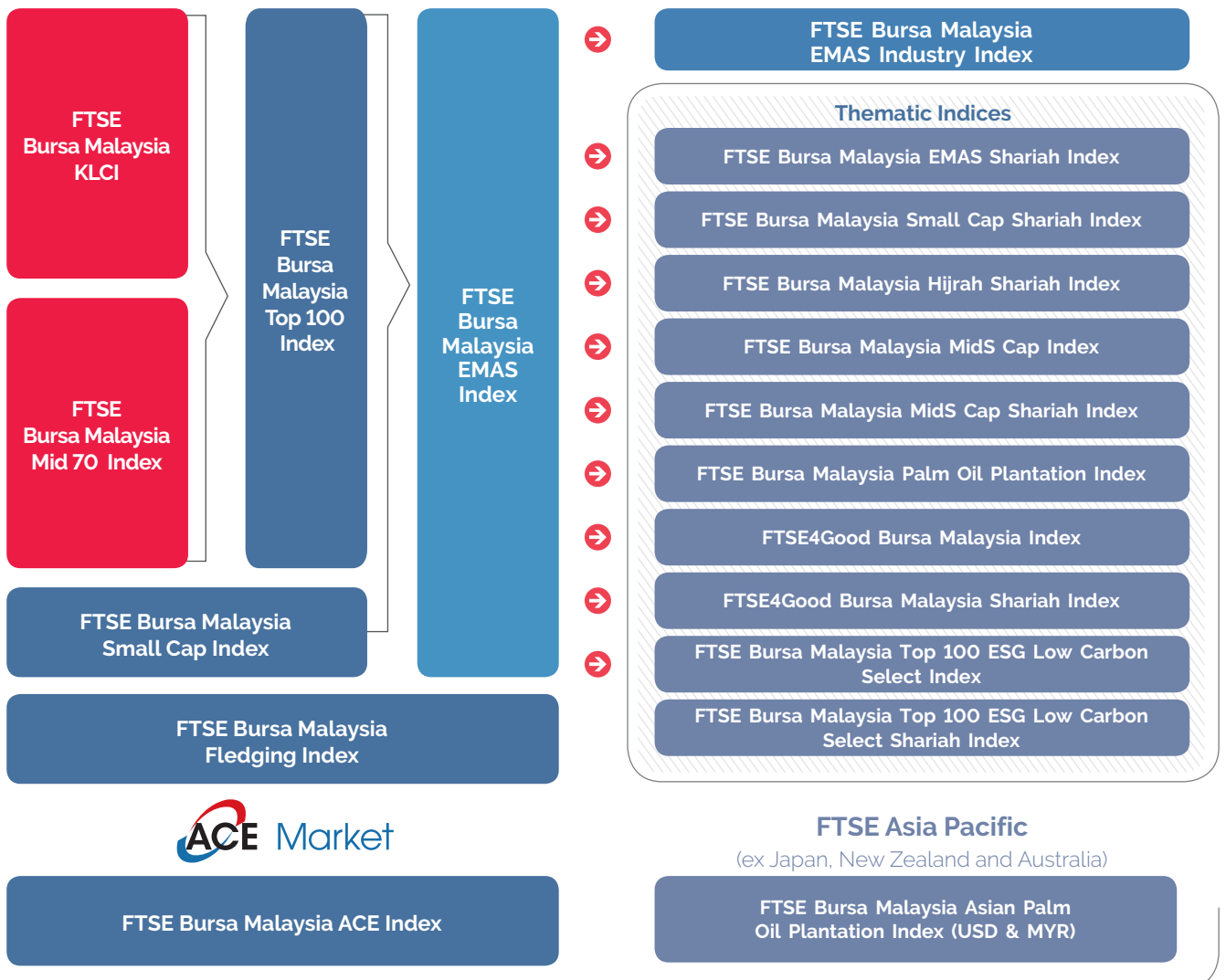
17

Sukuk
Listings

9



OUR INDICES



OUR SERVICES

01	02	03	04	05	06	07
Trade and post-trade services including trading, clearing, settlement and depository	Technology infrastructure and services to support our markets and the Exchange's operations	Data as a business , e.g. market and ESG data, analytical solutions, and indices which provide greater insight into our marketplace	Bursa Marketplace , an online platform that provides investors and traders with the information they need to make informed investment and trading decisions	Bursa Sustain , a repository of information on CG, sustainability and responsible investment	Bursa Academy , a one-stop e-learning platform offering informal educational programmes on our markets, products and services	Bursa Anywhere , the first mobile application in ASEAN for retail investors to manage their CDS accounts through their mobile devices

OUR INVESTMENT PROPOSITION

2022 KEY HIGHLIGHTS

Financial	Business	Sustainability
OPERATING REVENUE RM585.3 million (2021: RM751.6 million)	Launch of PLC Transformation Programme, publishing five digital guidebooks under the programme, to steer Corporate Malaysia towards higher performance levels.	TOTAL ELECTRICITY CONSUMPTION* 9,252 MWh (2021: 8,990 MWh)
SHAREHOLDERS' EQUITY RM784.3 million (2021: RM817.1 million)	Launch of Bursa Research Incentive Scheme to improve trading velocity and corporate profile of participating PLCs.	TOTAL GREENHOUSE GAS EMISSIONS* 8,944[#] tCO₂e (2021: 7,588 tCO₂e)
PROFIT AFTER TAX RM226.6 million (2021: RM355.3 million)	Launch of Bursa Carbon Exchange, the first Shariah-compliant carbon exchange in the world.	NUMBER OF EMPLOYEES 614 (2021: 600)
MARKET CAPITALISATION RM5.4 billion (2021: RM5.3 billion)	Launch of two new ESG-themed indices namely the FTSE Bursa Malaysia Top 100 ESG Low Carbon Select Index and the FTSE Bursa Malaysia Top ESG Low Carbon Select Shariah Index, which track companies based on their ESG and carbon intensity performance.	GENDER DIVERSITY Male 53% (2021: 52%) Female 47% (2021: 48%)
DIVIDEND PAYOUT RATIO 94.7% (2021: 93.4%)	Bursa Malaysia Derivatives Clearing received recognition as a Third-Country Central Counterparty by the European Securities and Markets Authority under the European Market Infrastructure Regulation.	FTSE4GOOD BURSA MALAYSIA INDEX CONSTITUENTS 98 (2021: 80)

*Excluding our LFX office as we operate with a small team from shared office space. The figures, if included, will likely be immaterial.

*The increase in our GHG emissions is largely contributed by the return to normalcy of our operations as well as our ongoing office interior fit-out project. For more information about our GHG emissions footprint, please turn to page 59 of our SR 2022.

OUR STRATEGIC ALLIANCES



OUR VALUE PROPOSITION

01

Highest number of listed companies on the exchange in ASEAN

The Exchange is home to 972 PLCs, the highest among ASEAN exchanges.

03

We are the global pioneer in Islamic capital markets

Bursa Malaysia is globally recognised as the most diverse and innovative exchange in Shariah-compliant trading and investment, a distinction earned from pioneering various innovations in Islamic finance. These include Bursa Malaysia-*i* and Bursa Suq Al-Sila', respectively the world's first end-to-end Shariah investing platform and end-to-end Shariah-compliant commodity Murabahah trading platform.

02

Our Crude Palm Oil Futures (FCPO) acts as the global price benchmark for the commodity

Bursa Malaysia is the world's biggest palm oil futures trading hub. Our FCPO contract has long been recognised and referenced as the global price benchmark for the palm oil industry.

04

Bursa Carbon Exchange is the world's first Shariah-compliant carbon exchange

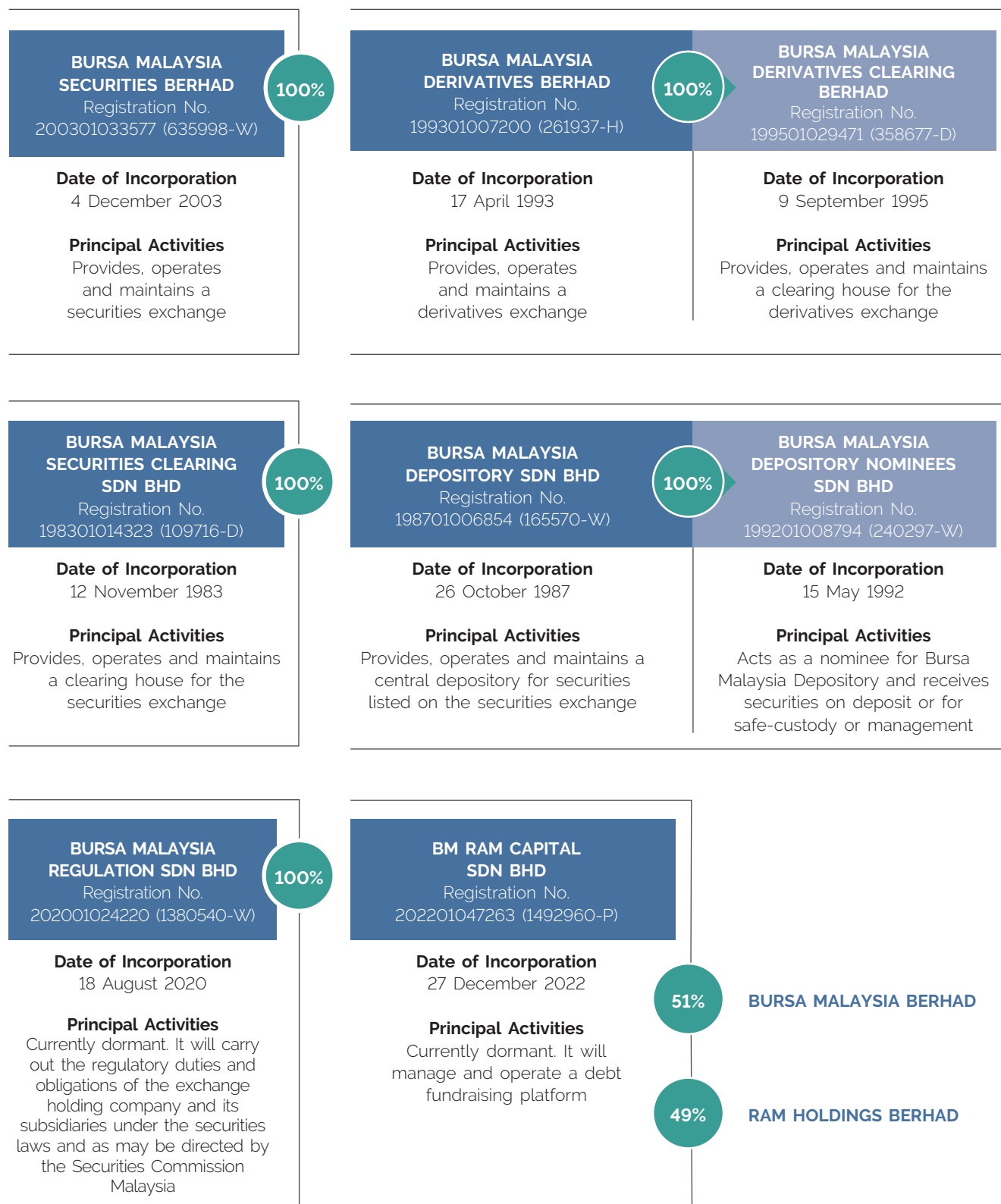
We established the first Shariah-compliant carbon exchange in the world, continuing our journey to diversify the product universe for ESG and Shariah-compliant products.

OUR AWARDS AND RECOGNITION

- ➔ 'Best Stock Exchange for Islamic Listings' by Islamic Finance News Awards 2022
- ➔ 'Exchange of The Year – Commodities' and 'Exchange of The Year – Sustainability' by The Asia Capital Market Awards 2022
- ➔ 'Highest Return on Equity Over Three Years in the Financial Services Sector (below RM10 billion Market Capitalisation)' by The Edge Billion Ringgit Club 2022
- ➔ ASEAN Corporate Governance Scorecard Awards 2021
 - Top 20 ASEAN Publicly Listed Companies
 - ASEAN Asset Class Award
 - Top 3 Publicly Listed Companies (Malaysia)



GROUP CORPORATE STRUCTURE



**BURSA MALAYSIA
INFORMATION SDN BHD**

Registration No.
198601003802 (152961-H)

Date of Incorporation
2 May 1986

Principal Activities

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

100%

**BURSA MALAYSIA BONDS
SDN BHD**

Registration No.
199401033782 (319465-T)

Date of Incorporation
11 October 1994

Principal Activities

Provides, operates and maintains an electronic trading platform for the bond market

100%

**BURSA MALAYSIA ISLAMIC
SERVICES SDN BHD**

Registration No.
200901010654 (853675-M)

Date of Incorporation
15 April 2009

Principal Activities

Provides, operates and maintains a Shariah-compliant commodity trading platform

100%

**BM CARBON MARKET
SDN BHD**

Registration No.
202201039635 (1485332-M)

Date of Incorporation
26 October 2022

Principal Activities

Provides, operates and maintains a voluntary carbon market exchange

100%

**BM CARBON MARKET
NOMINEES SDN BHD**

Registration No.
202201039730 (1485427-M)

Date of Incorporation
26 October 2022

Principal Activities

Provides, operates and maintains custodian services for the voluntary carbon market exchange

**PUBLIC COMPANY LIMITED
BY GUARANTEE****YAYASAN BURSA MALAYSIA**

Registration No.
199801008425 (464552-M)

Date of Incorporation
24 June 1998

Principal Activities

Provides funds or support to Malaysian individuals and organisations by way of scholarships, grants, donations and other forms of financial assistance for educational, research and charitable purposes

**LABUAN INTERNATIONAL
FINANCIAL
EXCHANGE INC**

Company No. LL02032

Date of Incorporation
30 July 1999

Principal Activities

Provides, operates and maintains an offshore financial exchange

100%

BM DIGITAL SDN BHD

Registration No.
202201039636 (1485333-H)

Date of Incorporation
26 October 2022

Principal Activities

Currently dormant. It will provide, operate and maintain a market for precious metals and commodities

100%

2022 CORPORATE EVENTS AND NEWS

JANUARY

14

Bursa Malaysia Derivatives Berhad (BMD) signed a Memorandum of Understanding (MOU) with the Malaysian Palm Oil Certification Council to promote sustainability and responsible practices amongst palm oil players across the supply chain.

19

Enhanced the Main Market Listing Requirements (Main LR) and ACE Market Listing Requirements (ACE LR) to further strengthen board independence, quality and diversity.

20

Held Invest Shariah Corporate Conversation (ISCC) 2022 – Series 1 themed 'Every Dark Cloud Has a Silver Lining – Shariah Perspective' in partnership with CGS-CIMB Securities Sdn Bhd (CGS-CIMB) to provide market and sectoral outlook and insights.

7-9

Held the 33rd Annual Palm & Lauric Oils Price Outlook Conference & Exhibition 2022.

8

Celebrated International Women's Day to raise awareness of gender equality in the capital markets. To celebrate the day, we held a bell ringing ceremony at market opening, hosted a virtual dialogue on women's participation in the Malaysian equity markets and launched our #MyFirstTrade# Campaign for female investors where they were invited to share first-time trading experiences.

21

Rolled out a new feature, the electronic Dividend Reinvestment Plan (eDRP), on the Bursa Anywhere mobile application, enabling investors to participate in the Dividend Reinvestment Plan electronically.

FEBRUARY

7

Recognised the achievements and contributions of Malaysian broker partners and market intermediaries' in growing the capital market over the past year based on the results of the Retail Investor Campaign 2021.

8

Signed an MOU with HSBC Amanah Malaysia Berhad to collaborate on #financing4ESG to encourage improved ESG adoption by Malaysian PLCs.

17

Completed the first physical delivery of East Malaysia Crude Palm Oil Futures Contract (FEPO) in Sabah.

23

Collaborated with CGS-CIMB in the Invest Malaysia London 2022 conference titled 'Rebuilding a Sustainable Economy', which focused on the challenges, recovery and reform of the Malaysian economy.

Issued a consultation paper seeking public feedback on the proposed amendments to the Main LR and the ACE LR with the aim of elevating the sustainability practices and disclosures of PLCs.

25

Disbursed Zakat Wakalah totalling RM250,125 to six charities focused on high impact projects aligned with the United Nations Sustainable Development Goals.

Launched Bursa Research Incentive Scheme, to improve the trading velocity and corporate profile of participating PLCs by increasing research coverage.

MARCH

2

Launched Bursa Malaysia's PLC Transformation (PLCT) Programme to enhance the performance of Malaysian corporates. The first guidebook (Guidebook 1) titled 'Creating Purpose & Performance Driven Public Listed Companies' was released on the same day.

28

Received endorsement from the Shariah Advisory Council (SAC) of the Securities Commission Malaysia (SC) to introduce the Shariah Discretionary Trading Framework.

29

Held ISCC 2022 – Series 2 themed 'Islamic Investment Options' in partnership with Maybank Investment Bank Berhad (Maybank) aimed at identifying opportunities for investors to explore Shariah-compliant investment options beyond traditional investments.

30

Held Bursa Malaysia's 45th Annual General Meeting virtually.

Named 'Best Stock Exchange for Islamic Listings' by Islamic Finance News (IFN) at the 15th and 16th Annual IFN Service Providers Poll.

31

Held the 9th Annual Bursa Excellence Awards 2021 Ceremony themed 'Driving Possibilities, Elevating Excellence' where a total of 52 awards across 22 categories in the Securities, Derivatives and Islamic Capital Markets were presented to winners.

APRIL

1

Launched Kempen Saham Aidilfitri 2022 to raise awareness and trading activity of Shariah listed shares and investment products on Bursa Malaysia-i.

12

Held Invest Shariah Industry Dialogue 2022 in partnership with SC and Halal Development Corporation themed 'Empowering the Halal Industry in the Islamic Capital Market' to build awareness among companies in the Halal industry about the benefits of fundraising by listing on Bursa Malaysia.

13

Held Invest Shariah Dialogue 2022 themed 'Millennials & Gen Z: Embracing the Future of Investing' to discuss the impact of the next generation of investors on Islamic fintech and sustainable value creation.

26

Issued the enhanced Best Practices in the Islamic Stockbroking Services Undertaken by Participating Organisations document.

MAY

12

Signed an MOU with Verra to further strengthen the voluntary carbon market ecosystem in Malaysia.

JUNE

2

Announced the results of the FTSE Bursa Malaysia KLCI (FBMKLCI) June 2022 Semi-Annual Review, which saw constituent changes to the following indices:

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

9

Announced the results of the FTSE4Good Bursa Malaysia (F4GBM) Index and FTSE4Good Bursa Malaysia Shariah (F4GBMS) Index June 2022 Semi-Annual Review, which saw 10 companies added and two removed from the F4GBM Index, bringing the total number of constituents to 87. Nine new companies were added to the F4GBMS Index, which increased the index's number of constituents to 65.

10

Launched the second guidebook (Guidebook 2) of the PLCT Programme entitled 'Sustainable, Socially Responsible and Ethical PLCs', which emphasises the need for PLCs to develop a well-defined ESG approach.

13-15

Held Invest Malaysia UK and Invest Malaysia US conference in collaboration with CLSA Securities Malaysia Sdn Bhd.

14

Completed the first physical delivery of FEPO in Sarawak.

2022 CORPORATE EVENTS AND NEWS

JULY

1

Onboarded Malacca Securities Sdn Bhd as the first Islamic Participating Organisation to offer Shariah discretionary trading service.

7

Announced the appointment of Tan Sri Abdul Farid Alias as an Independent Non-Executive Director of Bursa Malaysia effective 8 July 2022.

14

BMD signed an MOU with the Shanghai Futures Exchange and the Shanghai International Energy Exchange to strengthen existing business partnerships, share information and best practices pertaining to product development and market operations.

23

Held the 2nd Virtual Marketplace Fair themed 'Progress with Opportunities' to provide insights and better understanding of investing in the capital market among Malaysians.

AUGUST

8

Held a three-month virtual stock trading competition, 'Bursa Inter-Varsity Stock Challenge 2022' challenging university students to build a portfolio with good returns through trading and investing.

10

Issued a consultation paper seeking public feedback on the proposed amendments to the ACE LR in relation to the transfer of the listing framework from the LEAP Market to the ACE Market and Recognised Approved Adviser Framework.

18

Onboarded CGS-CIMB and Kenanga Investment Bank Berhad as an Approved Supplier and User Representatives under the Islamic Securities Selling and Buying – Negotiated Transaction (ISSBNT) Framework to create a facilitative trading environment and improve trading liquidity and velocity of Shariah-compliant securities assets.

19

Launched the third guidebook (Guidebook 3) of the PLCT Programme entitled 'Strengthening Stakeholder Management and Investor Relations', which emphasises the need for PLCs to enhance their engagement levels and customise their communication approach to better connect and build relationships, trust and confidence with all stakeholders.

29

Launched two new ESG-themed indices under the FTSE Bursa Malaysia Index Series namely the FTSE Bursa Malaysia Top 100 ESG Low Carbon Select Index, which tracks companies in the FBM Top 100 Index based on their ESG and carbon intensity performance, and the FTSE Bursa Malaysia Top 100 ESG Low Carbon Select Shariah Index.

Launched Phase 1 of the Market Sentiment Analyser, a new feature in Bursa Marketplace to help investors by providing a measure of market sentiment.

SEPTEMBER

3

Organised 'Karnival Saham Bersama Bursa Malaysia' with Yayasan Pahang themed 'Labur Hari Ini Untuk Mampai Masa Hadapan' to educate the public about investing early, responsibly and confidently in the stock market.

5

Held the second Bursa Malaysia Derivatives Virtual Trading Challenge from 5 September to 6 December 2022 to raise awareness in and interest of our Derivatives Market among millennials and undergraduates through experiential learning.

Onboarded Maybank as an Approved Supplier and User under the ISSBNT Framework.

14

Held Invest Malaysia Series 1 conference themed 'Building Resilience Amidst Volatility' in collaboration with J.P. Morgan Securities (Malaysia) Sdn Bhd.

17-18

Partnered with SC in the flagship event InvestSmart @Kuching to educate the public on a range of investment-related topics.

19

Launched our enhanced Gold Futures contract, providing investors with immediate exposure to the international gold price movements and greater trading opportunities amidst gold market volatility.

26

BMD was named 'Exchange of the Year – Commodities' and 'Exchange of the Year – Sustainability' by the London-based Futures & Options World Global Investor Group at The Asia Capital Markets Awards 2022.

OCTOBER

7

Hosted a Ring the Bell ceremony for financial literacy in conjunction with World Investors Week to demonstrate our support on education initiatives throughout the month.

10

Listed Inter-Commodity Spreads for Crude Palm Oil Futures-FEPO.

11

Named 'Best Stock Exchange for Islamic Listings' at the 17th Annual Islamic Finance News (IFN) Service Providers Poll.

12-13

Hosted the inaugural East Malaysia Palm & Lauric Oils Price Outlook Conference & Exhibition 2022.

14-16

Participated in SC's flagship event 'InvestSmart Fest 2022' to educate the public on a range of investment-related topics.

17

Received approval from the SAC of the SC on the enhancement of the ISSBNT Framework.

19

Issued a consultation paper seeking public feedback on the proposed amendments to the Main LR in relation to listed REITs and ETFs with waqf features.

2

Signed an MOU with the London Stock Exchange Group to explore new opportunities in ESG.

7

Bursa Malaysia Derivatives Clearing Berhad (BMDC) received recognition as a Third-Country Central Counterparty by the European Securities and Markets Authority under the European Market Infrastructure Regulation, enabling the Exchange to have greater access to the European investment communities while European counterparties will find it easier and more cost-effective to do business with BMDC.

9

Held Invest Malaysia Series 2 conference themed 'The Road to Electric Vehicles' in collaboration with Macquarie Capital Securities (Malaysia) Sdn Bhd.

15

Launched the Bursa Fund Platform, an interactive information platform to provide the investing public comprehensive information on unit trusts and wholesale funds.

16

Signed an MOU with the Companies Commission of Malaysia to undertake a three-year collaboration with three core initiatives to benefit small and medium enterprises (SMEs) and support Corporate Malaysia's digital economy growth as guided by the Malaysia Digital Economy Blueprint.

29

Launched Shares2share, a securities donation scheme that provides a platform for investor donors to donate their listed securities or proceeds from the sale of the listed securities towards charity through Yayasan Bursa Malaysia. The donation can be made via Bursa Anywhere mobile application.

30

Held the grand finale of 'Bursa Inter-Varsity Stock Challenge 2022' where participants were required to present their trading strategies throughout the three-month challenge.

NOVEMBER

2022 CORPORATE EVENTS AND NEWS

DECEMBER

1

Announced the results of the FBMKLCI December 2022 Semi-Annual Review, which resulted in a change in the total number of constituents for the following indices:

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

2

Extended BMD's After-Hours (T+1) trading session for selected derivative contracts.

5

Launched the final two digital guidebooks of the PLCT Programme. Guidebook 4 is entitled 'Being Digitally Enabled' and highlights the necessity, opportunities, benefits, and tools for companies to become more digitally enabled. Guidebook 5 is entitled 'Contributing Towards Nation Building' and emphasises the way that businesses can accelerate their growth, while enhancing their value creation to the economy and nation.

9

Launched Bursa Carbon Exchange, the first Shariah-compliant carbon exchange in the world.

12

Launched the cash settled FTSE4Good Bursa Malaysia Index futures contract amidst growing demand from Malaysian investors for sustainable investment assets.

13

Announced the results of the F4GBM Index and F4GBMS Index December 2022 Semi-Annual Review, which saw one new company added and 10 removed from the F4GBM Index, bringing the total number of constituents to 98. Meanwhile, 21 new companies were added and seven removed from the F4GBMS Index, which increased the index's total number of constituents to 79.

22

Entered into a shareholders' agreement with RAM Holdings Berhad to jointly develop a debt fundraising platform* to facilitate listed and unlisted small to mid-sized companies tap into a new pool of capital outside of the traditional wholesale markets by offering a new avenue and greater flexibility to these companies to raise funds.

**Subject to its obtaining the operating licenses from the relevant regulatory authorities.*

02

Key Messages

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CHAIRMAN'S STATEMENT

PROFIT
AFTER TAX
(PAT)

RM226.6
million

(2021: RM355.3 million)

-36.2%

*2022 PAT is 21.9% higher
than pre-pandemic 2019
Profit After Tax and
Minority Interest (PATAMI)
of RM185.9 million.*

Dear Stakeholders,

In 2022, Bursa Malaysia continued to play a key role in fostering market integrity and stability, as well as facilitating Malaysia's financial and economic growth. This was a challenge, given the global macroeconomic uncertainties and volatility in capital markets.

CHAIRMAN'S STATEMENT

As a society, we can no longer delay the transition towards a sustainable and inclusive economy. As the world faces challenges emerging from deep-rooted issues within global systems, from rising climate change threats to economic dampening exacerbated by the lingering effects of the COVID-19 pandemic, it is crucial for us to move from intention to real action.

As one of the largest bourses in ASEAN, we play a critical role in ensuring a fair and orderly market, and contributing to the nation's development. With this in mind, I am pleased to report on the tangible progress made by Bursa Malaysia in contributing to the stability of our capital markets. We ensured our markets remained fair, accessible and orderly, while building the environmental, social and governance (ESG) ecosystem.

A REVIEW OF 2022

Global gross domestic product (GDP) is estimated to grow by 2.9% in 2022 (2021: 5.9%) amid challenges arising from geopolitical tensions, trade conflicts, supply chain disruptions and rising interest rates.¹ We fared better on the home front, with Malaysian GDP expanding by 8.7% in 2022 (2021: 3.1%). Recovery in our domestic economy was supported by robust domestic demand, underpinned by steady recovery in labour market conditions and ongoing policy support. Exports were also supported by continued demand for electrical and electronic products. Importantly, our domestic capital market and financial system remained resilient and continued to support businesses' financing needs, as economic activities resumed and returned towards normalcy.

Despite macroeconomic volatility during the year, we continued to play our role in safeguarding the stability of the Malaysian capital market. As we marched forward in our pursuit to becoming ASEAN's leading, sustainable and globally-connected marketplace, we stepped up efforts to ensure the competitiveness of our marketplace.

Following the surge in securities trading in 2020 and 2021, the average daily trading value (ADV) gradually moderated towards pre-COVID-19 pandemic levels to RM2,068 million in 2022 (2021: RM3,545 million). This had been anticipated, as COVID-19 pandemic-induced factors, such as the low-interest rate environment and exceptional appeal of the healthcare sector, had gradually diminished as COVID-19 impact and fears receded. Encouragingly, the Malaysian equity market saw a return of RM4.4 billion in net foreign funds inflow in 2022 (2021: -RM3.2 billion), reversing the outflow trend seen in the past four years. Foreign shareholding level, however, remained low at 20.6% of market capitalisation at the end of 2022 (2021: 20.4%). Fundraising activities improved with 35 new listings in 2022 (2021: 30).

Our Derivatives Market did well, recording a 4.6% year-on-year (yoy) increase in average daily contracts (ADC) to 78,621 contracts (2021: 75,178 contracts). Similarly, trading momentum on Bursa Suq Al Sila' (BSAS) remained robust, with a 22.3% growth in ADV to RM45.6 billion (2021: RM37.3 billion). These numbers reflect investors' continued confidence in our markets.

“

The Malaysian equity market saw a return of RM4.4 billion in net foreign funds inflow in 2022 (2021: -RM3.2 billion), reversing the outflow trend seen in the past four years.

”

¹ Source: Global Economic Prospects, World Bank (January 2023).

OUR PURPOSE AS AN EXCHANGE

The COVID-19 pandemic and ongoing external macro headwinds reminded us of how intertwined our markets are with the global economy and broader society. The proliferation in technology, the emergence of new business models, and the shift towards a greener economy are creating new possibilities for more inclusive and sustainable financial-related services. In an increasingly dynamic environment, our focus is to remain a trusted and reliable platform for fundraising, investment and risk management, while meeting the evolving needs of our stakeholders. These developments have presented an opportunity for us to reflect, rethink and reengineer ourselves to generate long-term value for all stakeholders while staying true to our purpose as an Exchange:



Our emphasis on stakeholders is at the core of our business strategy and ingrained into our mission of **'Creating Opportunities, Growing Value'**. Throughout the year, we proactively engaged with our stakeholders to better understand their concerns and expectations. By focusing on long-term value creation for our stakeholders, we were poised to grow our marketplace, and deliver sustainable returns for our shareholders. On that note, the Board has declared a final dividend of 11.5 sen per share, bringing the total dividend for the year to 26.5 sen per share, representing a dividend payout ratio of 95% (2021: total dividend of 41.0 sen).

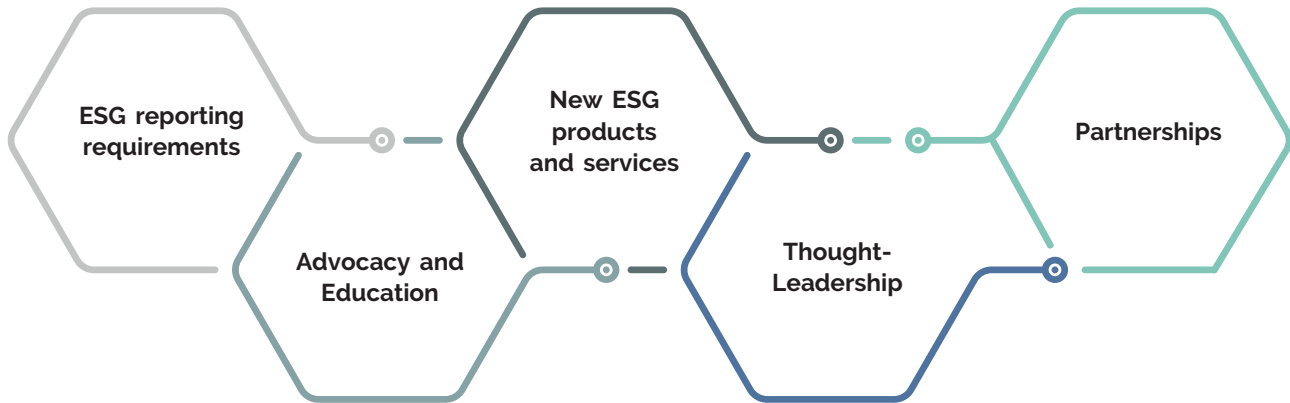
“
Our focus is to ensure that we remain a trusted and reliable platform for fundraising, investment and risk management, while meeting the evolving needs of our stakeholders.
”

“
Our emphasis on stakeholders is at the core of our business strategy and ingrained into our mission of Creating Opportunities, Growing Value.
”

CHAIRMAN'S STATEMENT

A SUSTAINABILITY THOUGHT LEADER

Our approach to driving a sustainable marketplace is multi-faceted, as indicated in the diagram below:



In September 2022, we issued the enhanced Sustainability Reporting Framework under the Main Market Listing Requirements (Main LR) and ACE Market Listing Requirements (ACE LR). The enhanced disclosures include a common set of prescribed sustainability matters and indicators deemed material for all listed issuers, and climate change-related disclosures aligned with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations for the Main Market public listed companies (PLCs). For the ACE Market PLCs, it also includes a basic plan to transition towards a low-carbon economy.

The enhanced reporting requirements will be implemented in a phased manner to support PLCs' transition towards more sustainable and ESG-aligned enterprises in our capital market, by allowing them a sufficient grace period to adopt the changes made. We will continue to guide our listed issuers in ESG reporting via advocacy and education.

We also created new ESG products and services that drive sustainability. We launched two new ESG-themed indices under the FTSE Bursa Malaysia Index Series – the FTSE Bursa Malaysia Top 100 ESG Low Carbon Select Index (FBM100LC) and the FTSE Bursa Malaysia Top 100 ESG Low Carbon Select Shariah Index (FBM100LS). The FBM100LC index tracks companies in the FBM Top 100 Index based on their ESG performance and carbon intensity reduction.



The FBM100LC index tracks companies in the FBM Top 100 Index based on their ESG performance and carbon intensity reduction.



During the year, we developed Malaysia's voluntary carbon market. We are especially proud to demonstrate thought-leadership by holding claim to be the world's first Shariah-compliant carbon exchange. Through the recently launched Bursa Carbon Exchange, we become more diversified. As awareness on the need and vast opportunities arising from carbon project development and carbon offsets increases, we expect this new marketplace to be increasingly relevant to our nation's low carbon aspiration.

In November 2022, we signed a Memorandum of Understanding (MOU) with the London Stock Exchange Group to explore new opportunities in ESG. The partnership aims to significantly expand FTSE Russell's ESG scoring coverage to include all PLCs listed on the Main and ACE Markets.

All of the aforementioned product launches and standards enhancements aim to widen the breadth and quality of ESG-aligned and Shariah-aligned solutions for our customers.

STRENGTHENING CORPORATE GOVERNANCE

Strong corporate governance (CG) is fundamental to the continued credibility, attractiveness and sustainability of Corporate Malaysia, especially with pivotal roles in contributing to the nation's long-term economic growth. With this in mind, we strive to continuously enhance the governance practices of our PLCs through amendments to the Listing Requirements and advocacy programmes.

In 2022, we enhanced the Main LR and ACE LR to further strengthen board independence, quality and diversity. Amendments include, among others, limiting the tenure of an independent director to not more than a cumulative tenure of 12 years in a PLC and its group of companies, as well as mandating the appointment of at least one female director onto the Board.

Our PLCs continued to show commitment towards improving their CG practices. The Malaysia-ASEAN CG Scorecard published by the Minority Shareholders Watch Group (MSWG) showed further improvements with the latest average CG Score for the Top 100 Malaysian PLCs rising to 104.6 points in 2021 from 101.7 points in 2020. Meanwhile, based on the Securities Commission Malaysia's CG Monitor 2022 Report, our PLCs continue to observe high adoption levels of CG best practices as recommended in the Malaysian Code on Corporate Governance (MCCG), including the new best practices introduced in the 2021 revision of the MCCG.

As a PLC, Bursa Malaysia is also proud to have won three awards in the MSWG ASEAN Corporate Governance Award 2021 for Top 20 ASEAN Publicly Listed Companies, ASEAN Asset Class award and Top 3 Publicly Listed Companies (Malaysia).

LOOKING INTO THE YEARS AHEAD

2023 looks to be a challenging yet exciting year ahead. The World Bank in their report "Global Economic Prospects (January 2023)" is projecting global GDP growth to slow further to 1.7% in 2023. This outlook reflects expectations for synchronous policy tightening to contain high inflation and continued disruptions arising from geopolitical developments. Meanwhile, Malaysia's economy will likely remain on its recovery trajectory. However, growth is projected to occur at a more moderate pace circa 4% amid the softening global environment.

Nonetheless, in line with the practices promoted in the PLC Transformation Programme, I am pleased to share that in 2023, Bursa Malaysia has begun to share five headline Key Performance Indicators (KPIs) with our investors and stakeholders. These Headline KPIs are tightly aligned to Bursa Malaysia's 2023 Corporate Scorecard, and reflect the Exchange's focus on development and growth. In terms of financial performance, we have two Headline KPIs – Profit Before Tax and Non-Trading Revenue growth. We also target to offer innovative products, and to welcome more IPOs than in 2022.

Beyond the macro factors that can affect our markets in the short term, we are cognisant of broader trends and developments shaping the risks and opportunities for our marketplace. For instance, the changing global economic dynamics will continue to bring uncertainties. Changes arising from the COVID-19 pandemic, geopolitical tensions and trade conflicts are causing potential reorientation in global supply chains. Nevertheless, Malaysia is well-positioned, with many competitive advantages and underpinned by a supportive capital market, to seize new opportunities arising from these changes.

Furthermore, the rise of emerging technologies like artificial intelligence, distributed ledger technology and cloud computing could reshape the future landscape of capital markets. This, among others, could shift investors' behaviour and transform fundraising, intermediation and capital market infrastructures. At the same time, competition is more entrenched as innovation and technology can catalyse new models for fundraising and investment.

Finally, climate action will continue to remain at the forefront of the business landscape. Based on the November 2021 study by World Wide Fund for Nature (WWF) and Boston Consulting Group (BCG), some RM350 million-RM400 million investments will be required over the 2030-2050 period to achieve Malaysia's commitment to being a net zero greenhouse gas (GHG) emissions nation as early as 2050. The potential role of capital markets in supporting this transition towards a greener and more climate-resilient economy cannot be understated. It is expected that around 60% of the GHG emissions reduction needed to achieve net zero stems from the private sector. As a strong advocate of a greener economy, Bursa Malaysia will continue to promote innovative solutions that support our market's shift towards achieving a low-carbon future.

All these megatrends and emerging developments are poised to set an exciting backdrop for Bursa Malaysia as we go into the final year of our Strategic Roadmap 2021-2023 and embark towards developing our medium to longer term strategies going forward.

FINAL REMARKS

The support, co-operation and inputs from my fellow Board members, as well as Bursa Malaysia's Management have been valuable in navigating the Exchange's progress during the year. Special thanks and gratitude to Datuk Karownikaran @ Karunakaran a/l Ramasamy, who served on the Board for nine years and retired as Senior Independent Non-Executive Director on 30 March 2022. We wish him well in his future endeavours. I would also like to extend a warm welcome to Tan Sri Abdul Farid Alias, who joined the Board as an Independent Non-Executive Director on 8 July 2022.

On behalf of the Board, I extend our gratitude to all our shareholders for their support, especially to the Management and employees of Bursa Malaysia for their unrelenting efforts and dedication in keeping our marketplace resilient amidst a challenging operating environment. We would also like to express our appreciation to our regulator, the Securities Commission Malaysia, and policymakers who have been accommodative and agile, in working with us towards building Bursa Malaysia as ASEAN's leading, sustainable and globally-connected marketplace.



Tan Sri Abdul Wahid Omar
Chairman



CHIEF EXECUTIVE OFFICER'S REVIEW

Dear Stakeholders,

For Bursa Malaysia, 2022 has been a year of continued challenges and opportunities. Despite gradually returning to pre-pandemic normalcy, we continue to live in a state of constant change. Rising climate change concerns, inflation, supply chain disruptions and the tightening of global financial conditions created challenges across global economies and financial markets. Nevertheless, we view the increasingly complex business environment as an opportunity to transform and drive value.

During the year, we made strategic progress in empowering Malaysian businesses and integrating sustainability into the market. We enhanced our Sustainability Reporting Framework and introduced innovative solutions to help businesses become more resilient and competitive, while ensuring a better future for our stakeholders. Our ability to manage the markets and adapt to the evolving needs of stakeholders is reflected in Bursa Malaysia's performance in 2022, where we enjoyed another year of resilient performance.

CHIEF EXECUTIVE OFFICER'S REVIEW

THE EVOLVING LANDSCAPE

Overall, our business environment remained challenging in 2022. On the one hand, domestic economic activities gained stronger momentum as Malaysia entered the endemic phase and reopened international borders. On the other hand, we faced multiple headwinds from geopolitical tensions, global supply chain disruptions, inflationary pressures, monetary policy tightening and global financial market volatility.

Despite the global macroeconomic uncertainties and financial market volatility, we ensured the resilience and stability of our markets. We strengthened our fundamentals to deliver value to our market participants and society at large. We also stayed on course towards our sustainability goals, in line with efforts to pivot Malaysia towards a low-carbon economy.

A RESILIENT PERFORMANCE

We continued to fulfil our obligations as a market operator, frontline market regulator, influencer and creator of shareholder value. The year saw softer market momentum despite the progressive return of economic activities, with the FTSE Bursa Malaysia KLCI ending the year lower by 4.6% at 1,495.49 points (2021: 1,567.53 points). Total market capitalisation also declined by 3.0% to RM1,736 billion (2021: RM1,789 billion).

We recorded a Profit After Tax and Zakat (PAT) of RM226.6 million for the financial year ended 31 December 2022 (2021: RM355.3 million), representing a year-on-year (yoy) decrease of 36.2% from 2021 on the back of lower securities trading revenue. The Securities Market's average daily trading value (ADV) for on-market transactions of RM2.1 billion was 41.5% lower than RM3.5 billion recorded in 2021.

Better performance, however, was recorded by our Derivatives Market. The average daily contracts (ADC) increased 4.6% to a new record high of 78,621 contracts in 2022 (2021: 75,178 contracts). Total contracts for all Derivatives Market's products were the highest on record at 19,105,019 contracts (2021: 18,418,718 contracts). Similarly, trading volume for Crude Palm Oil Futures (FCPO) of 16,206,958 contracts in 2022 was also at a record high (2021: 15,608,075 contracts, which was the previous record high). The Derivatives Market saw more foreign participation, with foreign institutions making up 54% of the ADC (2021: 46%). We are pleased that the physical Palm Oil and Lauric Oils Price Outlook Conference and Exhibition (POC) resumed in 2022. In further meeting the needs of our stakeholders, we launched the inaugural East Malaysia POC 2022.

Similarly, Bursa Suq Al-Sila' saw strong trading activities by its participants in 2022. Its ADV increased 22.3% to RM45.6 billion (2021: RM37.3 billion) with 83% of the trades contributed by local participants.

Meanwhile, higher number of subscribers boosted revenue for our Market Data segment, which increased 12.5% to RM60.8 million (2021: RM54.0 million).

We are proud that Bursa Malaysia was named 'Exchange of the Year – Commodities' and 'Exchange of the Year – Sustainability' by the London-based Futures & Options World Global Investor Group at The Asia Capital Markets Awards 2022. This is a testament to the Exchange's commitment towards continuously developing and enhancing our products and services to meet the hedging and trading needs of industry players and traders. In addition, Bursa Malaysia was recognised for offering the 'Highest Return on Equity Over Three Years' in the Financial Services sector (for companies below RM10 billion market capitalisation) at The Edge Billion Ringgit Club Awards 2022.

Bursa Malaysia's Board of Directors has declared a final dividend of 11.5 sen per share, amounting to a total of RM93.1 million. Together with the interim dividend of 15.0 sen per share paid on 26 August 2022, our total dividend payout for 2022 is 26.5 sen per share or RM214.5 million. This represents 95% 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). The payout ratio is also in line with our actual practice of paying out more than 90% of PATAMI since listing.

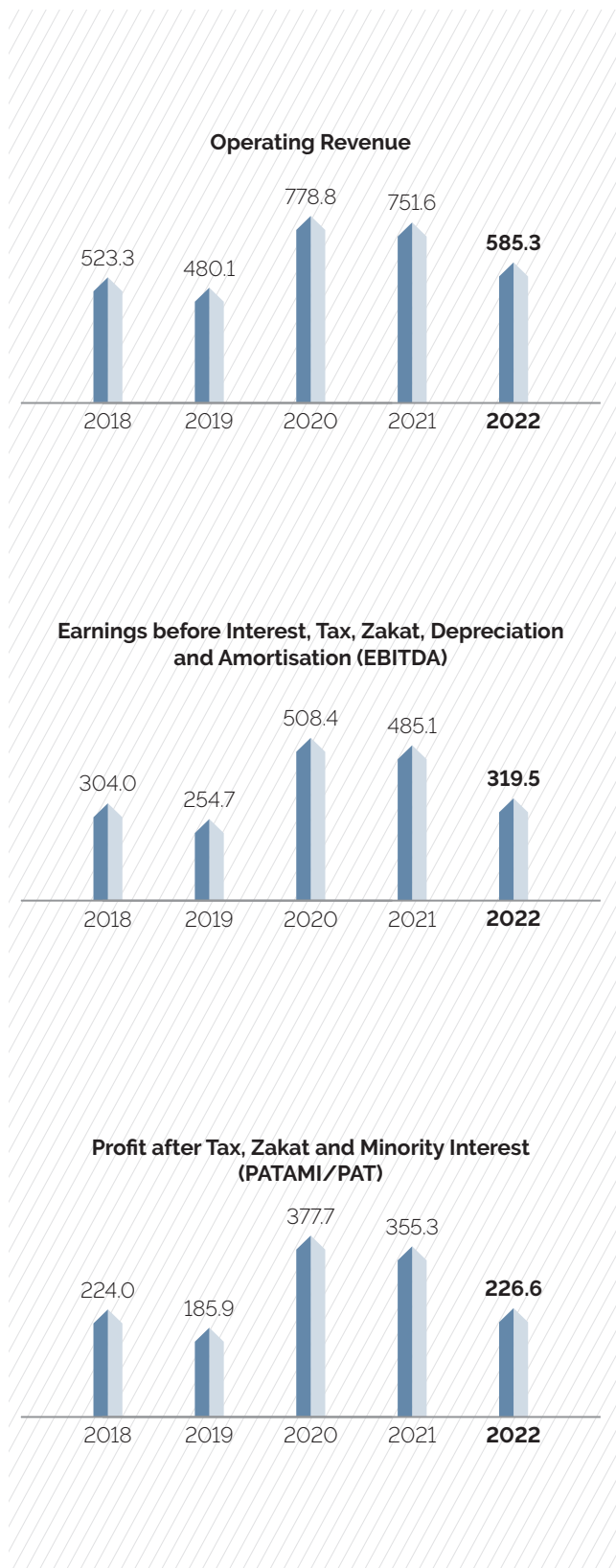
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Bursa Suq Al-Sila' saw strong trading activities by its participants in 2022. The ADV increased 22.3% to RM45.6 billion (2021: RM37.3 billion) with 83% of the trades contributed by local participants.

”

KEY OPERATING RESULTS

(RM million)



MAKING STRATEGIC HEADWAY

Under Bursa Malaysia's Strategic Roadmap 2021-2023, we focus on delivering and executing our three core strategies as we pursue our aspiration to be a multi-asset exchange amid a changing market landscape.

01

Product Expansion:

To continuously expand the depth and breadth of our products and services.

In 2022, we expanded the suite of products in our core businesses. This includes launching the enhanced Gold Futures and FTSE4Good Bursa Malaysia Index Futures for the Derivatives Market. We also launched two new ESG-themed indices, paving the way for more sustainability products in the capital market. Our initial public offerings' (IPOs) performance was strong, with a total of 35 IPOs in 2022 compared to 30 in 2021.

We also made significant progress towards offering new asset classes. We launched the Bursa Carbon Exchange, the world's first Shariah-compliant carbon exchange, to support the private sector's voluntary climate commitments and decarbonisation journey. The inaugural transaction, by way of an auction of carbon credits, is anticipated to be held in March 2023.

We progressed on our efforts to develop new innovative products and solutions targeted for 2023, such as the Bursa Gold Dinar and a debt fundraising platform. We also launched the Bursa Fund Platform to provide comprehensive information on unit trusts and wholesale funds.

“We progressed on our efforts to develop new innovative products and solutions, such as the Bursa Gold Dinar and a debt fundraising platform.”

CHIEF EXECUTIVE OFFICER'S REVIEW

02

Ecosystem Development:

To strengthen the market ecosystems and create a more conducive, facilitative and competitive marketplace.

We launched the Public Listed Companies Transformation (PLCT) Programme (2022-2025) in an effort to improve the performance and attractiveness of Malaysian PLCs. Five digital guidebooks were published to serve as references for our PLCs, which contain guiding frameworks, case studies from local and international companies, and tools to help corporate leaders identify best practices to adopt.

The five guidebooks published under the PLCT Programme were:



We introduced various initiatives to facilitate an enhanced retail investor's journey. For instance, we implemented a more seamless account opening process on Bursa Marketplace by facilitating brokers' account opening forms that enable Central Depository System (CDS) account and trading account openings in one place. We also launched Phase 1 of the Market Sentiment Analyser tool within Bursa Marketplace as a one-stop information hub for retail investors to analyse trending stocks and market sentiment from news sources.

As part of our digitalisation journey, we launched two more features on the Bursa Anywhere mobile application – the eDRP that allows investors to participate in the Dividend Reinvestment Plan electronically and the Shares2share Donation Scheme that provides investors with an avenue to donate listed securities to charitable organisations. We also stepped up our efforts in profiling our PLCs through the Bursa Research Incentive Scheme. A total of 60 PLCs participated in the Bursa RISE programme last year. Over the June to December 2022 period, being the six months post-research initiation of Bursa RISE, RISE companies' velocity outperformed the overall market velocity by 19%.

Meanwhile, Bursa Malaysia Derivatives extended its After-Hours (T+1) trading session for selected derivative contracts. This offers market participants the opportunity to narrow price gaps and adjust their risk exposure when trading derivative contracts that are sensitive to international market news and events.

03

Capacity and Capabilities Building:

To strengthen in-house expertise to future-proof our business.

We are putting our customers at the heart of our business. Building capacity and capabilities in customer data and analytics enable us to better understand our customers' needs. This will allow us to develop seamless and customised solutions for our customers. Our Retail Customer Experience (CX) Analytics proof-of-concept (PoC), completed in 2022, in collaboration with our participating organisations (POs) was one of our key initiatives towards providing enhanced experiences to our customers.

We also forged collaborations with our strategic partners to strengthen our value proposition and increase our agility. We partnered with banking institutions on a #financing4ESG initiative to develop sustainability-linked financial products that recognise PLCs' ESG credentials in accordance with the FTSE4Good assessment criteria. We signed a Memorandum of Understanding (MOU) with the Companies Commission of Malaysia to undertake a three-year collaboration until 2025

with initiatives to benefit small and medium enterprises in Malaysia.

We also recognised that the quality of human capital is critical to unlocking long-term value. We strive to create a nurturing and productive work environment that allows our people to excel and grow. In 2022, we rolled out programmes to better inculcate our BURSA core values of Bold – United – Responsible – Synergy – Agile, designed to fuel employees towards realising our ambition of becoming a truly multi-asset exchange.

The introduction of our 360° Recognition Programme, is aimed at creating a culture of appreciation among Warga Bursa – top-down, bottom-up and even peer-to-peer, to help build a culture of recognition at the workplace.

For more information on Our Strategy, please turn to page 59 of this report.

DRIVING SUSTAINABILITY

We are on track in terms of progress for Bursa Malaysia's Sustainability Roadmap 2021-2023, as elaborated in our standalone Sustainability Report 2022. Building on a strong foundation in corporate governance, we have elevated corporate sustainability standards in our marketplace, as reflected by our recent enhanced Sustainability Reporting Framework.

In addition to laying solid foundations focused on improving PLCs' ESG practices and related disclosures, we strive to lead by example as a PLC. In 2022, we further improved our own ESG performance and took a step forward towards reaching our goal of achieving net zero GHG emissions by 2050. In 2022, we offset all our operational GHG emissions for the period of 1 January to 31 December 2021 through the purchase of carbon credits, thereby fulfilling our commitment of becoming carbon neutral by 2022. We are committed to maintaining the carbon neutral status and aim to obtain certification to substantiate our claim in the future. In fact, as one of our Headline KPIs for 2023, we have shared our intent to reduce at least 5% of the organisation's 2022 Scope 1 and 2 emissions.

On a personal note, I am honoured to announce my new role as Chairperson of the CEO Action Network (CAN), Malaysia's first sustainability-focused informal coalition of CEOs and senior corporate decision-makers. I look forward to elevating CAN to be a major driving force for good ESG practices, with fellow CEOs leading by example in championing higher levels of ESG literacy and convergence towards common sustainability benchmarks among Malaysian corporations of all sizes and industries.

MOVING FORWARD

Given the expectations that ongoing global macroeconomic headwinds will likely persist, the operating environment will remain challenging in 2023. Despite the possibility of higher financial market volatility, the Exchange remains steadfast in improving our current ecosystem and offerings, while deepening our capabilities to venture into new areas.

Our journey in enhancing CX will be heightened as we embark on a Voice of Customer programme, which our customers can view as a means to share their thoughts and feedback with us directly. We will leverage these insights to design and improve customer and employee experiences. Furthermore, we will continue to invest in relevant technology, focusing on digital and communication channels to deliver seamless CX throughout our ecosystem.

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We will continue to invest in relevant technology, focusing on digital and communication channels to deliver seamless CX throughout our ecosystem.

”

NOTE OF APPRECIATION

On behalf of Bursa Malaysia's Management team, I would like to express my deepest gratitude to all our stakeholders – our Board of Directors, employees, market participants, industry partners, regulators, and everyone we work with. Special thanks as well to the various government ministries with whom we engaged in the pursuit of our mission. Our continued growth and excellence would not have been possible without their support and dedication. We aim to serve more customers and in more diverse ways, as we transform into a competitive, multi-asset exchange.



Datuk Muhamad Umar Swift
Chief Executive Officer

03

Value Creation at Bursa Malaysia

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OUR STAKEHOLDERS



Bursa Malaysia strives for transparency and accountability in our interactions with stakeholders to establish trust and support long-term value creation. Our stakeholder engagements are a top priority for us to ensure that our value creation activities are aligned with their needs and expectations.

For more information on Our Stakeholders, please turn to pages 105 to 110 of our SR 2022.

HOW WE CREATE VALUE

Our value creation model illustrates the way 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 in a sustainable life cycle. We use the International Integrated Reporting <IR> Framework's approach to value creation, which defines value as the outcome of an organisation's business activity that transforms capital inputs into value outputs and outcomes.

OUR CAPITALS...

INPUTS



FINANCIAL CAPITAL

- Revenue generated from operations
- Shareholders' Equity



MANUFACTURED CAPITAL

- Exchange services namely trading, clearing, settlement and depository services
- Various systems, data centre and cyber security infrastructure



INTELLECTUAL CAPITAL

- Rules, processes, systems, products and services that enable the operation of a secure and trusted marketplace
- Proprietary systems such as the Bursa Suq Al-Sila' (BSAS) platform and Bursa Malaysia-i



HUMAN CAPITAL

- Employees



SOCIAL AND RELATIONSHIP CAPITAL

- Relationships with key stakeholders including investors, public listed companies, regulators, intermediaries, vendors, suppliers and communities



NATURAL CAPITAL

- Energy consumed to power our infrastructure and systems

MATERIAL MATTERS



Economic Performance



Market Integrity and Stability



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



Supply Chain Management

For more information on our Materiality Assessment and Material Matters, please turn to page 53 of this report.

CORE STRATEGIES



Product Expansion



Ecosystem Development



Capacity and Capabilities Building

For more information on our Core Strategies, please turn to page 59 of this report.

STRATEGIC PILLARS

Strengthening Our Core Business - Securities Market

Diversifying the Derivatives Business

Positioning Bursa Malaysia as the Global Hub for Islamic Capital Markets

Providing New and Improved Services to the Capital Market

Embedding Sustainability in Our Organisation and Marketplace

For more information on our Sustainability Progress, please turn to pages 86 to 96 of this report and our SR 2022.

Vision

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

Mission

Creating Opportunities, Growing Value

Bold

United

Core Values
Responsible

Synergy

Agile

...ENABLE VALUE-ADDING ACTIVITIES THAT CREATE

OUTPUTS



SECURITIES MARKET

Average Daily Value (ADV) – on-market transactions:
RM2.1 billion
(2021: RM3.5 billion)

New Listings:
35
(2021: 30)

New Structured Warrants:
1,447
(2021: 1,451)

Market Capitalisation:
RM1,736 billion
(2021: RM1,789 billion)

Retail ADV:
RM550 million
(2021: RM1,334 million)

New Individual CDS Accounts:
99,610
(2021: 223,249)

DERIVATIVES MARKET

Average Daily Contracts:
78,621 contracts
(2021: 75,178 contracts)

BURSA SUQ AL-SILA'

ADV: **RM45.6 billion**
(2021: RM37.3 billion)

GOVERNANCE

Supported by strong governance and effective Board leadership – Robust Corporate Governance Ecosystem

HOW WE CREATE VALUE

OUTCOMES



FINANCIAL CAPITAL

- Shareholders' Equity: **RM784.3 million**
(2021: RM817.1 million)
- Operating Revenue: **RM585.3 million**
(2021: RM751.6 million)



MANUFACTURED CAPITAL

- Critical System Availability and Reliability: **99.97%** (2021: 99.97%)
- Compliance with the Prescribed RTO Guideline for Post-Trade Systems: **100%** (2021: 99.86%)



INTELLECTUAL CAPITAL

- Derivative products: **18 products**
(2021: 17 products)
 - BSAS: **325 participants**
(2021: 299 participants)
- Indices available
- FTSE Bursa Malaysia Index Series: **19**
(2021: 17)
 - Bursa Sector Index: **13**
(2021: 13)



HUMAN CAPITAL

- Number of Employees: **614**
(2021: 600)
- Gender Diversity:
 - Male **53%** (2021: 52%)
 - Female **47%** (2021: 48%)



SOCIAL AND RELATIONSHIP CAPITAL

- Number of PLCs: **972**
(2021: 949)
- Active CDS Accounts: **2.1 million**
(2021: 2.0 million)



NATURAL CAPITAL

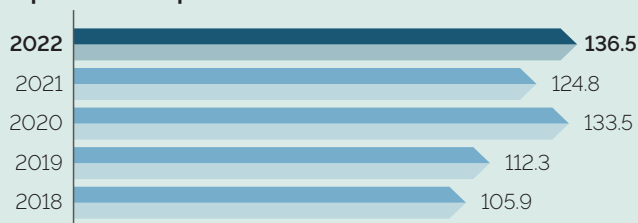
- Total Greenhouse Gas Emissions: **8,944.5 tCO₂e**
(2021: 7,587.7 tCO₂e)
- Total Electricity Consumption: **9,252.3 MWh**
(2021: 8,990.1 MWh)

FINANCIAL VALUE

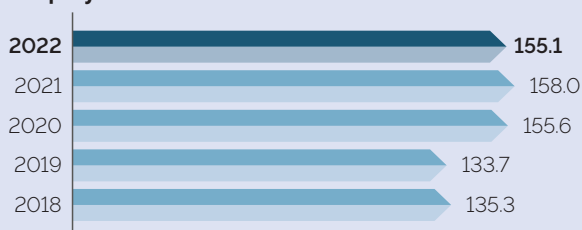
Total Financial Value Created in 2022

RM603.2 million
(2021: RM767.5 million)

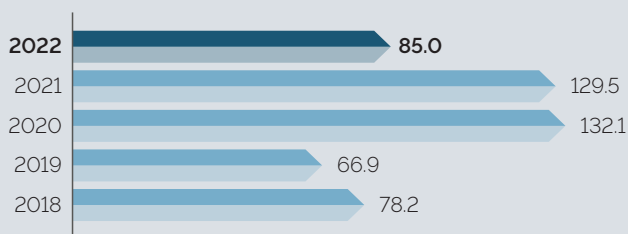
Operational Expenses (RM million)



Employee Remuneration and Investment (RM million)

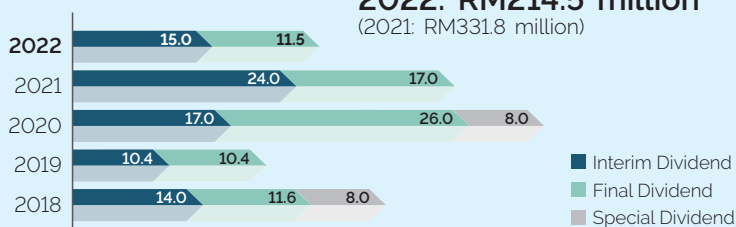


Contributions to Our Communities (RM million)

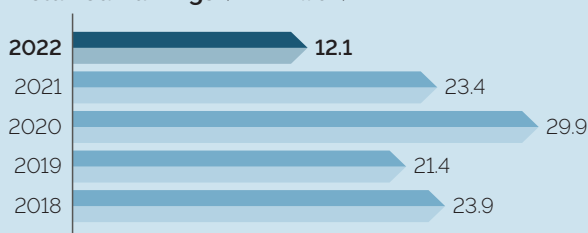


Dividend Per Share (sen)

2022: RM214.5 million
(2021: RM331.8 million)



Retained Earnings (RM million)



...VALUE FOR OUR STAKEHOLDERS

NON-FINANCIAL VALUE

TRADE-OFF

Advancing Our Business

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

Investing in Our Talent Pool

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

Contributing to Society

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

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.

Sustaining Long-Term Value

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

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 destinations in ASEAN for fundraising and Islamic capital market activities

SUPPORTING COMMUNITIES

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

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

Bursa Malaysia consumes capital inputs in our value creation activities. These capital inputs are finite resources and must be replenished over time. Trade-offs in our capital inputs are therefore inevitable and must be carefully managed to ensure that we make optimal use of the inputs at our disposal. The primary document guiding the use of our capital inputs is our Strategic Roadmap 2021-2023 which specifies the objectives for the Exchange. The following is a general narrative of the trade-offs we make in running our business.

We deploy our Financial Capital in all our value creation activities, such as:

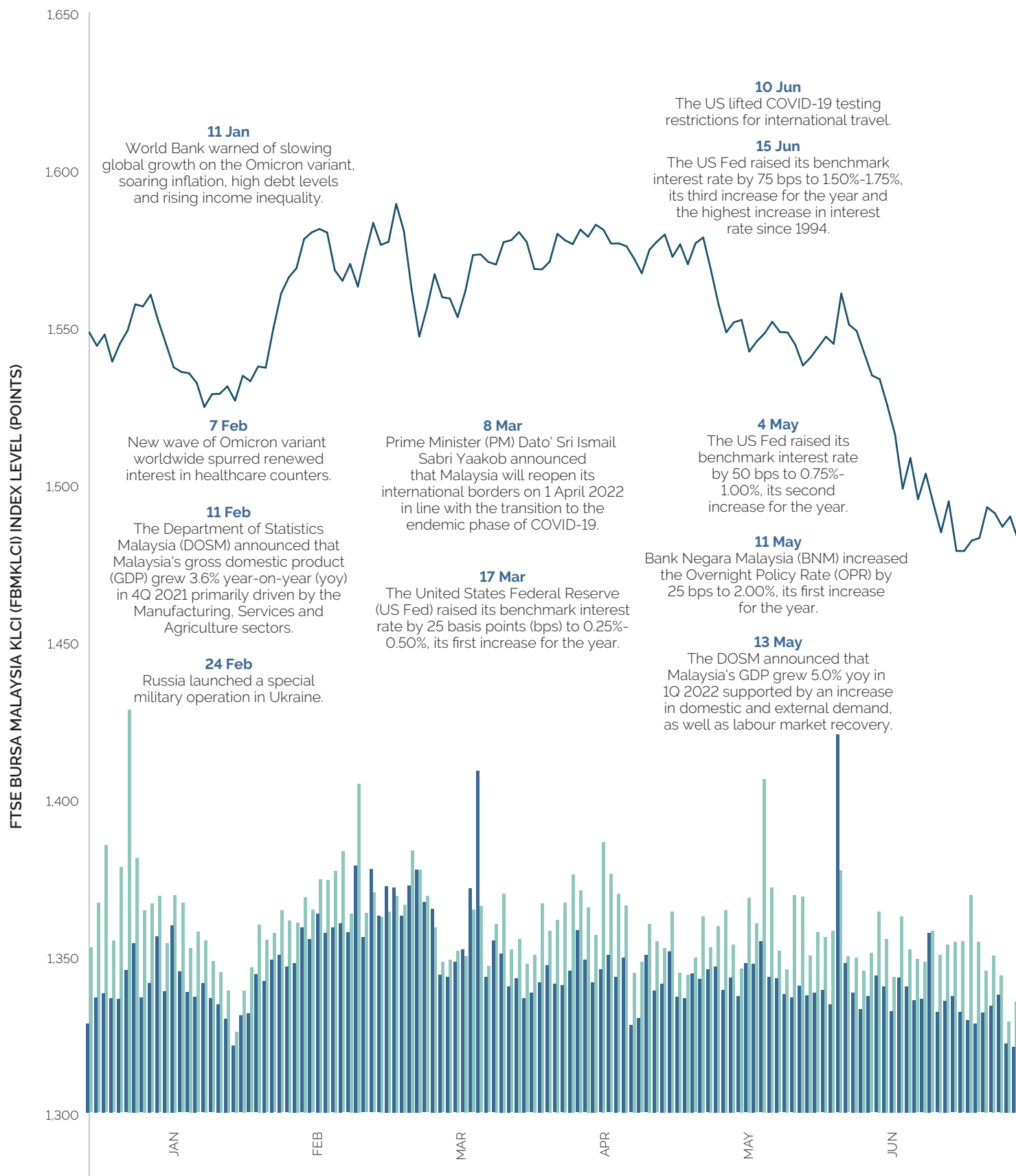
- Recruiting and remunerating our employees
- Investing in capital assets
- Paying for operating and developmental expenses
- Executing our business activities
- Funding our community events and sustainability initiatives
- Paying dividends to our shareholders

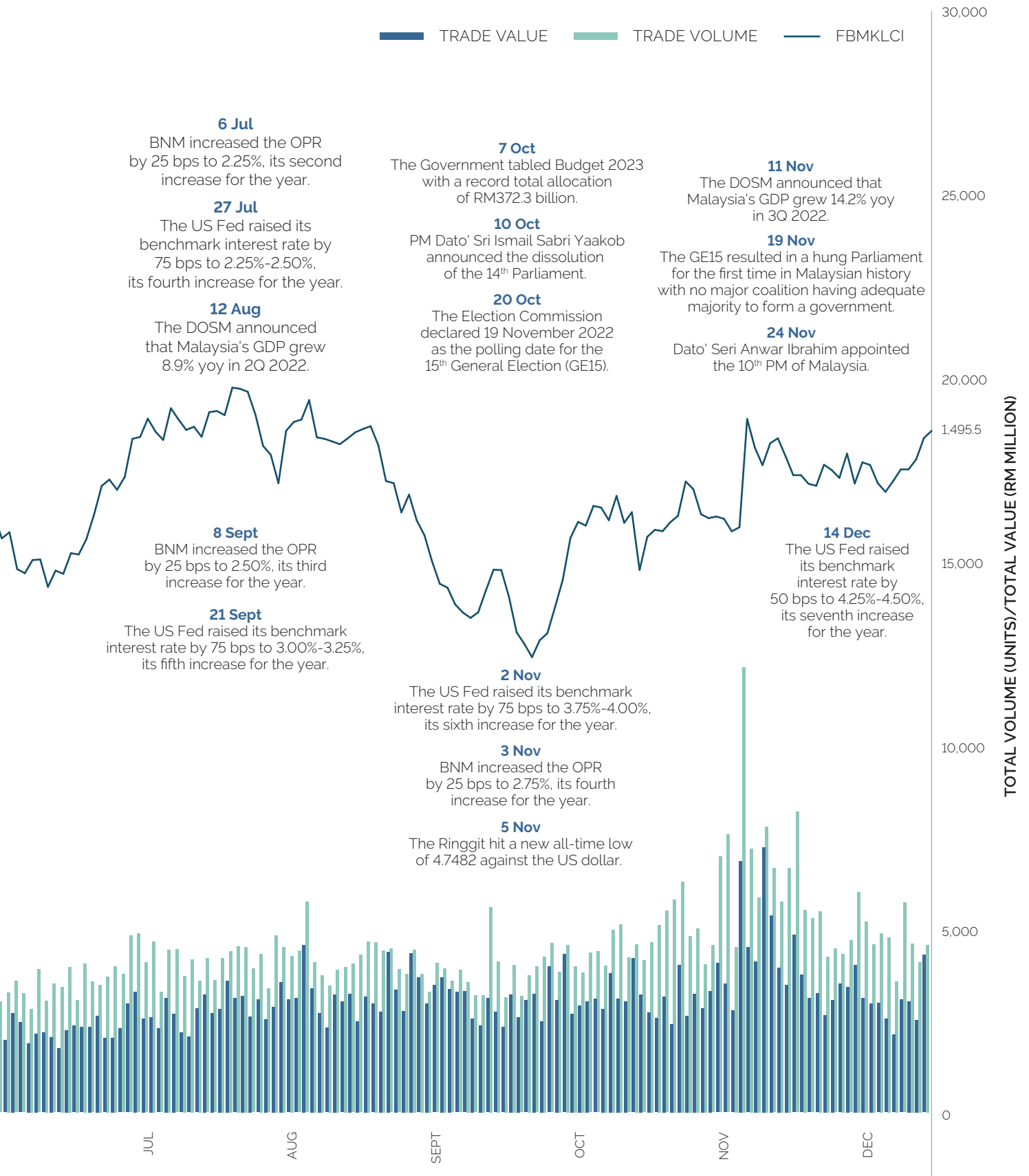
At any given moment, we have a finite pool of Financial Capital and trade-offs occur when allocating capital. For example, we increased our capex in 2022 to strengthen our business. As a result, we reduced the availability of Financial Capital for other activities while increasing our Manufactured Capital. Likewise, developing new products, such as the Shariah-compliant carbon exchange, reduces our Financial Capital, but will result in a corresponding increase in Intellectual Capital.

Our Financial Capital is replenished by revenue generated from our business activities, which in turn consumes other forms of capital. Facilitating trading in our marketplace, for example, requires that we have in place the necessary physical and IT infrastructure (Manufactured Capital) to execute trades, monitor transactions and make settlements. These facilities were purpose-built in accordance with best practices (Intellectual Capital) and are staffed by our employees (Human Capital). Our marketplace draws participants because of our reputation as a fair and orderly market (Social and Relationship Capital).

Although Manufactured, Intellectual, Human as well as Social and Relationship Capitals are not 'consumed' in the same way as Financial Capital, they 'depreciate' over time. They must be replenished or upgraded, which in turn depends on the consumption of other capitals, primarily Financial Capital. Because the capitals are interdependent, we rely on our Strategic Roadmap to allocate their use and ensure that we retain sustainable capital levels at all times.

OVERALL MARKET PERFORMANCE





MARKET HIGHLIGHTS

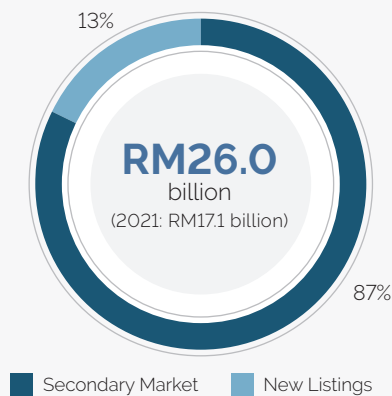
	2018	2019	2020	2021	2022
SECURITIES MARKET					
FBMKLCI	1,690.58	1,588.76	1,627.21	1,567.53	1,495.49
Total Market Capitalisation (RM billion)	1,700	1,712	1,817	1,789	1,736
Velocity (%)	32	28	64	49	30
Average Daily Trading Volume - OMT & DBT (million shares)	2,647	2,677	7,483	5,850	3,001
Average Daily Trading Volume - OMT (million shares)	2,549	2,515	7,323	5,711	2,834
Average Daily Trading Value - OMT & DBT (RM million)	2,574	2,153	4,306	3,661	2,185
Average Daily Trading Value - OMT (RM million)	2,392	1,930	4,210	3,545	2,068
Total Trading Volume - OMT & DBT (billion shares)	643	653	1,856	1,433	729
Total Trading Value - OMT & DBT (RM billion)	625	525	1,068	897	531
Total Funds Raised (RM billion)	10.2	6.5	10.0	17.1	26.0
Total Listed Counters	1,873	1,971	2,121	2,290	2,255
No. of PLCs	915	929	936	949	972
- No. of New Listings	22	30	19	29	34
- No. of Delistings	12	16	12	16	11
No. of Listed REITs*	18	18	18	18	19
- No. of New Listings - REITs	-	-	-	1	1
- No. of Delistings - REITs	-	-	-	1	-
No. of Listed ETFs	10	16	20	20	20
- No. of New Listings - ETFs	1	6	4	1	-
No. of Listed Structured Warrants	618	724	891	1,008	966
- No. of New Listings - Structured Warrants	1,034	1,105	1,208	1,451	1,447
No. of Rights and Bonus Issue	68	33	39	91	35
No. of New CDS Accounts Opened (Yearly)	146,590	159,333	423,264	344,542	168,696
Total CDS Accounts (million)	2.5	2.5	2.8	3.0	3.1
No. of Trading Days	243	244	248	245	243
No. of Participating Organisations of Bursa Malaysia Securities	30	29	29	30	30
DERIVATIVES MARKET					
Open Interest as at 31 December	245,143	283,014	206,837	253,742	234,490
• Crude Palm Oil Futures (FCPO)	213,519	228,997	165,594	208,681	200,198
• FBMKLCI Futures (FKLI)	19,779	28,786	26,493	28,926	23,959
• Others	11,845	25,231	14,750	16,135	10,333
No. of Contracts traded					
• FCPO (million)	10.5	10.7	14.6	15.6	16.2
• FKLI (million)	2.5	2.3	3.5	2.7	2.8
• Options on FCPO	66,066	53,100	63,626	95,205	36,501
• Options on FKLI	10,486	13,243	8,873	6,929	5,350
• Other Products (FGLD, FPOL, FM70, FMG5, FEPO, SSF)	681,145	458,628	57,189	8,111	8,887
Average Daily Contracts Traded	56,488	55,372	73,523	75,178	78,621
Total Contracts Traded (million)	13.7	13.5	18.2	18.4	19.1
No. of Trading Participants of Bursa Malaysia Derivatives	18	17	17	16	16
ISLAMIC MARKETS					
FBM Hijrah Shariah	13,110.33	13,212.58	14,340.56	12,835.55	11,908.79
Shariah Market Capitalisation (RM billion)	1,055	1,116	1,257	1,221	1,156
Shariah Velocity (%)	33	28	72	56	32
Shariah Average Daily Trading Value - OMT (RM million)	1,486	1,237	3,237	2,801	1,470
Shariah Average Daily Trading Value - OMT & DBT (RM million)	1,583	1,397	3,313	2,874	1,539
Shariah-compliant PLCs	689	714	742	750	789
% of Shariah-compliant PLCs	76	77	79	79	81
% of Shariah-compliant Securities	75	75	77	77	79
% of Shariah-compliant (by Market Capitalisation)					
• PLCs	63	67	71	70	68
• ETFs	28	25	25	20	19
• REITs	42	42	43	42	43
No. of ETBS	4	4	4	3	3
No. of Sukuk Programmes on Bursa Malaysia Securities					
• Corporate	24	23	20	19	19
• Government	-	-	2	2	2
Value of Sukuk Programmes (USD billion)					
• Corporate	53.5	54.6	55.9	51.8	51.0
• Government#	-	-	-	-	-
Value of Sukuk Listing (USD billion)					
• Corporate	33.2	32.8	30.9	29.0	26.8
• Government	-	-	93.3	101.5	107.4
Bursa Suq Al-Sila' (BSAS):					
• Average Daily Value Commodity Traded (RM billion)	24.3	30.6	32.9	37.3	45.6
• Total Accumulated Commodity Trade Value (RM billion)	5,915.0	7,455.7	8,167.5	9,133.5	11,079.4
• Total No. of Matched Contracts	254,294	300,301	1,386,891	1,994,408	3,100,196
No. of BSAS Registered Participants					
Total	173	222	264	299	325
- Domestic	131	173	208	235	253
- Foreign	42	49	56	64	72

*Including one Stapled Securities.

#No specified programme value for Malaysian Government Investment Issues.

SECURITIES MARKET

Funds Raised from New Listings and Secondary Market

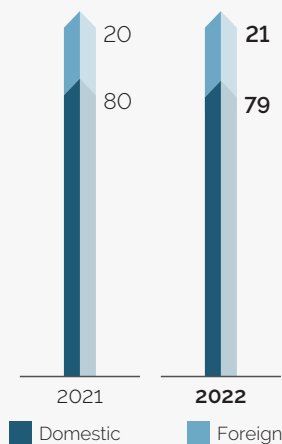


Market Capitalisation

RM1,736 billion

(2021: RM1,789 billion)

Share Ownership (%)

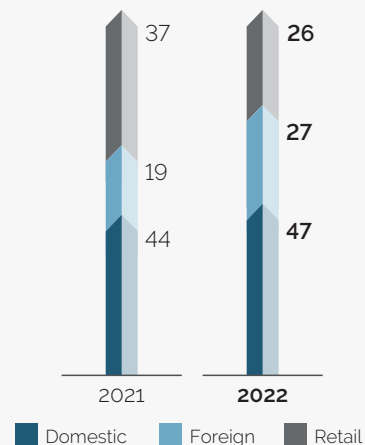


Average Daily Value - On-Market Transactions (ADV-OMT)

RM2.1 billion

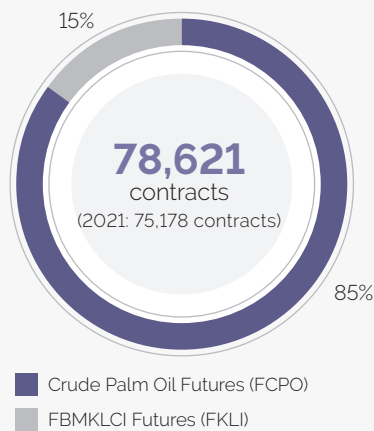
(2021: RM3.5 billion)

Market Demographics (%)



DERIVATIVES MARKET

Average Daily Contracts

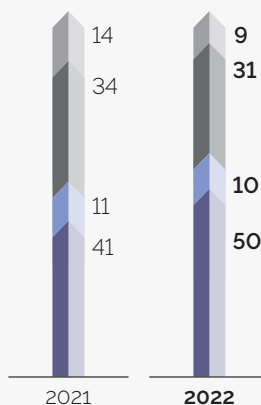


FCPO Total Contracts Traded

RM16.2 million

(2021: RM15.6 million)

Market Demographics (%)

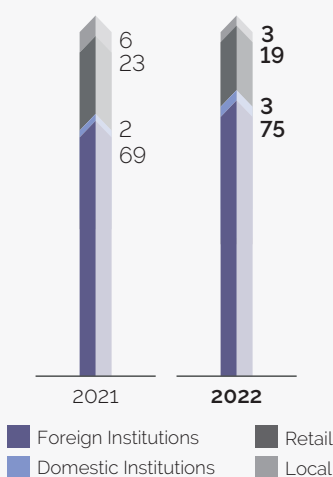


FKLI Total Contracts Traded

RM2.8 million

(2021: RM2.7 million)

Market Demographics (%)



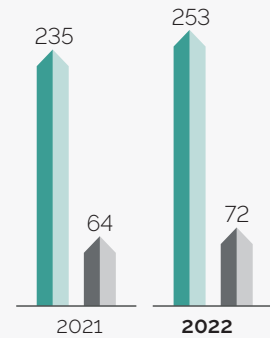
ISLAMIC MARKETS

BSAS ADV

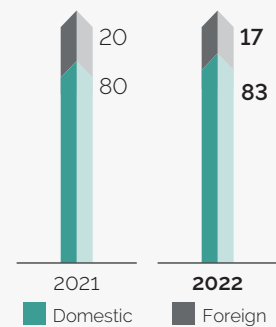
RM45.6 billion

(2021: RM37.3 billion)

No. of BSAS Registered Participants



BSAS Market Demography (%)

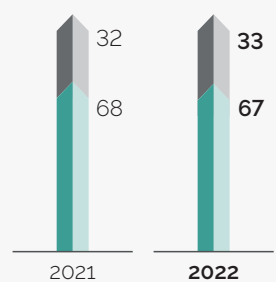


No. of Shariah-compliant Securities

803

(2021: 763)

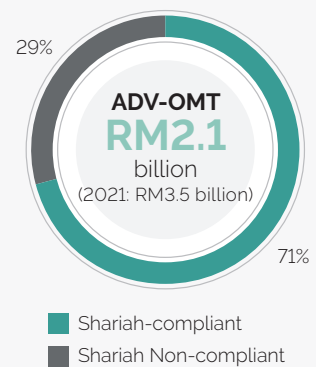
Market Capitalisation (%)



Shariah ADV-OMT

RM1.5 billion

(2021: RM2.8 billion)



FIVE-YEAR FINANCIAL HIGHLIGHTS

	2018	2019	2020	2021	2022
Key Operating Results (RM million)					
Operating revenue	523.3	480.1	778.8	751.6	585.3
Operating expenses	241.3	246.2	291.8	288.6	292.7
Earnings before interest, tax, zakat, depreciation and amortisation	304.0	254.7	508.4	485.1	319.5
Profit after tax, zakat and minority interest (PATAMI/PAT)	224.0	185.9	377.7	355.3	226.6
Other Key Data (RM million)					
Total assets	2,434.6	2,321.0	3,232.9	4,342.0	4,244.5
Total liabilities	1,547.1	1,560.2	2,332.1	3,524.9	3,457.7
Shareholders' equity	875.2	760.8	900.8	817.1	784.3
Capital expenditure	13.5	19.6	14.2	37.2	59.4
Financial Ratios (%)					
Operating revenue growth	0.2	(8.2)	62.2	(3.5)	(22.1)
Cost to income	44.0	49.1	36.6	37.7	48.6
Net profit margin	41.9	37.7	47.3	46.3	37.6
PATAMI/PAT growth	0.4	(17.0)	103.2	(6.0)	(36.2)
Return on equity	26.0	22.7	45.5	41.4	28.3
Share Information					
Earnings per share (sen)	27.8	23.0	46.7	43.9	28.0
Net dividends per share (sen)	33.6	20.8	51.0	41.0	26.5
Dividend yield (%)	4.9	3.4	6.1	6.3	4.0
Payout ratio (%)	92.3	90.5	92.1	93.4	94.7
Net assets per share (RM)	1.08	0.94	1.11	1.01	0.97
Share price - high (RM)	8.19	7.41	10.60	9.38	7.15
Share price - low (RM)	6.73	5.92	4.42	6.17	6.00
Share price as at 31 December (RM)	6.84	6.09	8.30	6.55	6.65
Price earnings ratio (times)	25	26	18	15	24
Market capitalisation of the Company (RM billion)	5.5	4.9	6.7	5.3	5.4

INVESTOR RELATIONS

Bursa Malaysia discloses information that is mandated by regulatory requirements and recommended by best practices. Our aim is to convey fair and accurate information about the Exchange to help investors make informed investment decisions, and to help other stakeholders evaluate our performance. We believe that having a structured approach in communicating material information is mutually beneficial to both Bursa Malaysia and our stakeholders.

ANNUAL GENERAL MEETING (AGM)		QUARTERLY FINANCIAL RESULTS AND ANALYST BRIEFINGS	
28 February 2022		28 January 2022	28 April 2022
Notice of Bursa Malaysia's 45 th AGM		FY2021 Results Announcement and Analyst Briefing	1Q2022 Results Announcement
30 March 2022		28 July 2022	31 October 2022
AGM (held virtually)		1H2022 Results Announcement and Analyst Briefing	3Q2022 Results Announcement

INVESTOR ENGAGEMENTS



Meetings with Investors and Analysts

As part of our on-going external communications and Investor Relations (IR) programmes, these meetings, both virtual and physical, can be either on an individual basis or in small groups. We endeavour to meet with all substantial shareholders to provide an update of our performance and developments, and use such occasions to seek opinions on broader issues concerning Bursa Malaysia.

2022: 151 meetings, 216 attendees
(2021: 128 meetings, 261 attendees)



IR Portal in Bursa Malaysia's Website

Press releases on financial results, presentation materials for briefings or meetings with Investors and Analysts, along with any recordings of such briefings are posted on Bursa Malaysia's website.

Our website also enables stakeholders to communicate directly with Bursa Malaysia through email. Furthermore, stakeholders can register their interest to be included in the mailing list, so that they may be alerted of any developments or latest news.



Feedback

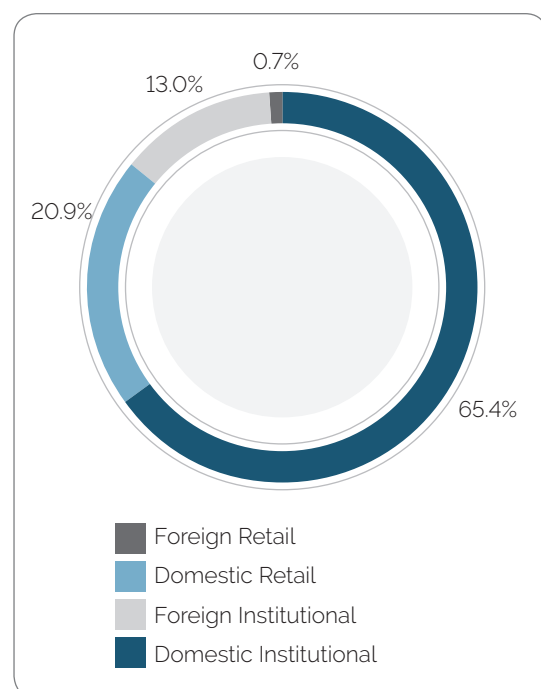
Comments and constructive feedback from investors and other stakeholders are welcomed. As an on-going process, we will seek input from our primary stakeholders from time to time to gauge external opinion, either by way of formal questionnaires or interviews, or by seeking feedback when meeting with the stakeholders. External opinion will be sought not only on operational and performance matters, but also on governance and strategic issues.

INVESTOR RELATIONS

SHAREHOLDINGS AND COVERAGE

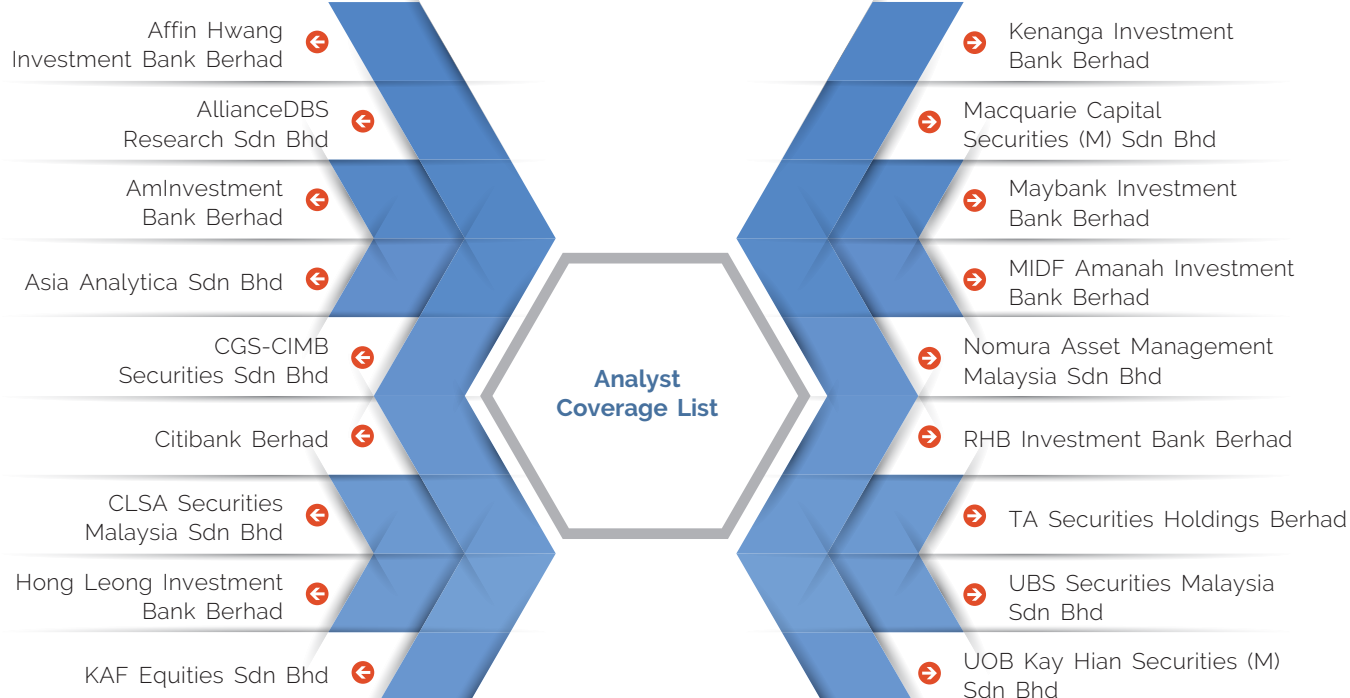
Our public shareholding of 81.4% represents a fair free float of Bursa Malaysia's shares and a healthy level of liquidity. As at 31 December 2022, we had a total of 36,574 shareholders.

Shareholders Mix



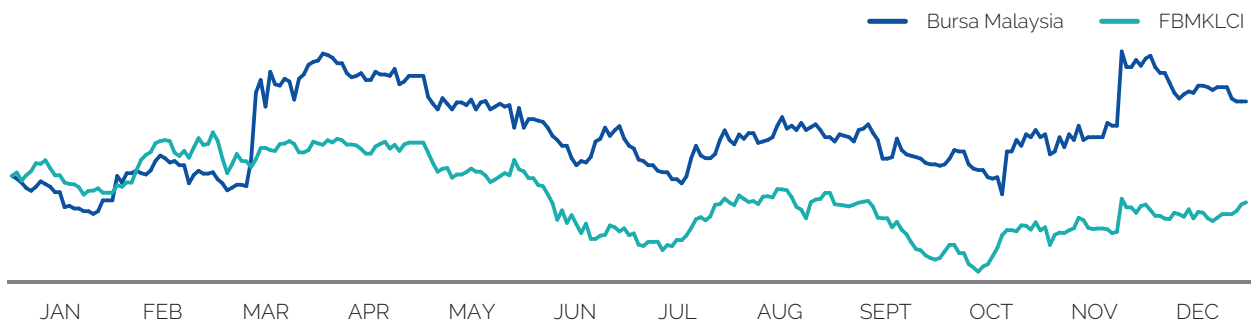
Shareholdings Structure

Number of Shares	% of Malaysians	% of Foreigners
1 – 99	<0.1	<0.1
100 – 1,000	1.0	<0.1
1,001 – 10,000	8.8	0.2
10,001 – 100,000	11.8	1.1
100,001 – < 5%	26.7	12.4
> = 5%	38.0	<0.1

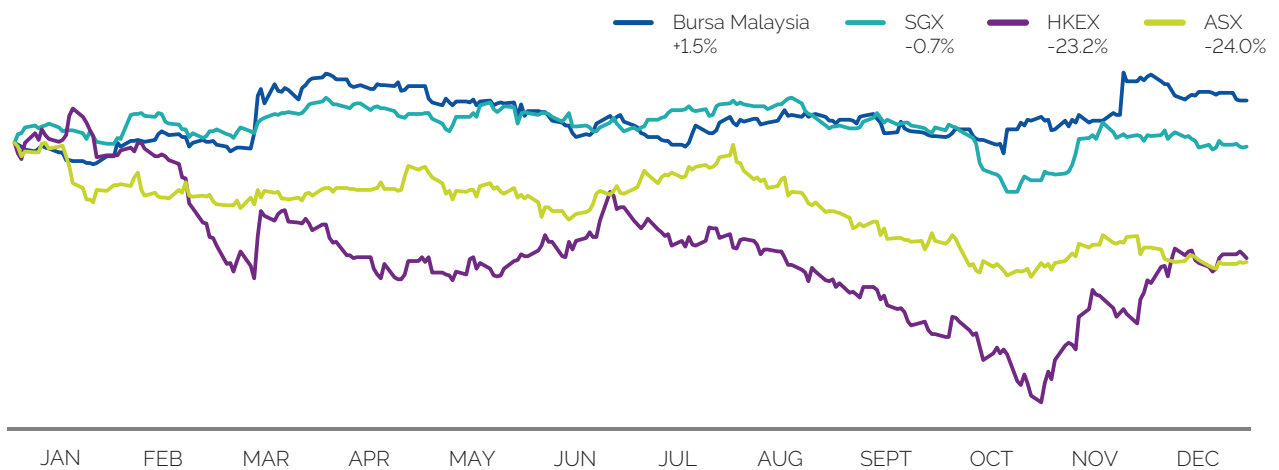


SHARE PRICE PERFORMANCE

Bursa Malaysia's share price performance in 2022 vs. FTSE Bursa Malaysia KLCI (FBMKLCI) Index

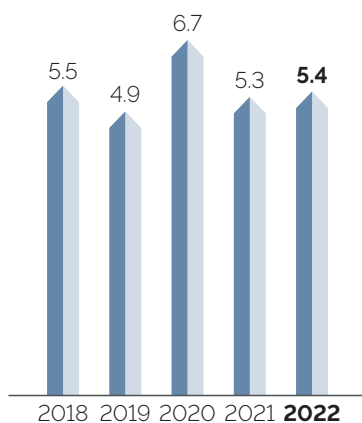


Bursa Malaysia's share price performance in 2022 vs. listed peers

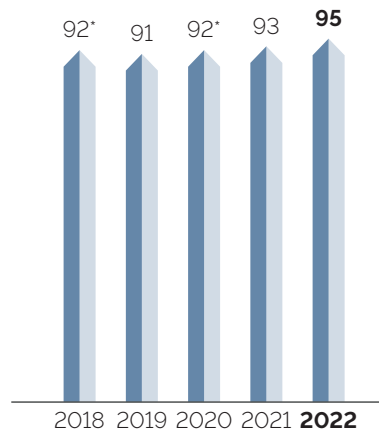


Bursa Malaysia's share price increased by 1.5% in 2022. Starting the year at RM6.55, it hit an intra-day high of RM7.16 and closed at its highest of RM7.15 on 5 April 2022. The share price closed at RM6.65 on 31 December 2022.

Bursa Malaysia's Market Capitalisation
as at 31 December (RM billion)

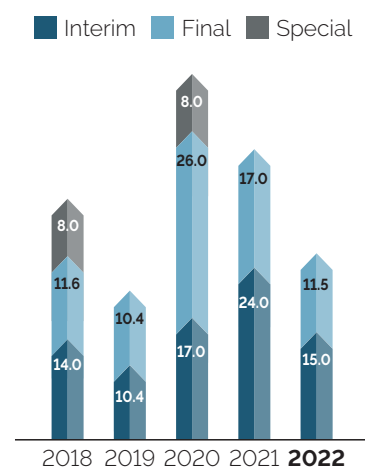


Dividend Payout Ratio (%)



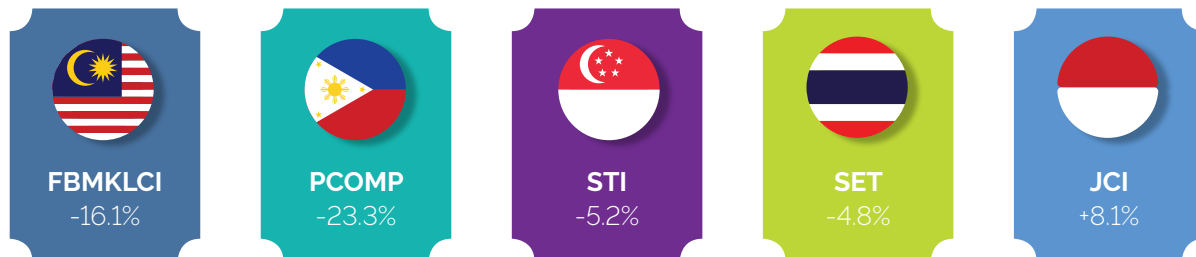
*Excluding special dividends

Dividend Payout to Shareholders (sen per share)

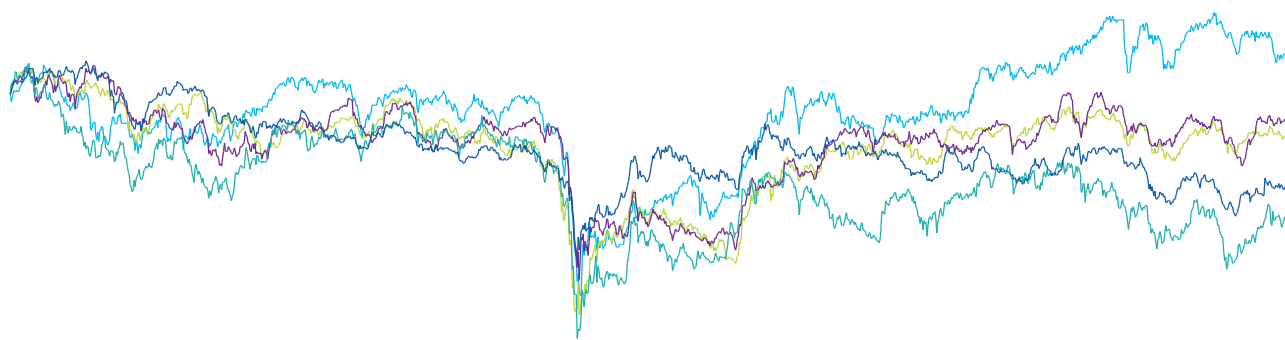


PEER COMPARISON

5-Year Index Growth (2018 – 2022)



— FBMKLCI — PCOMP — STI — SET — JCI



2018

2019

2020

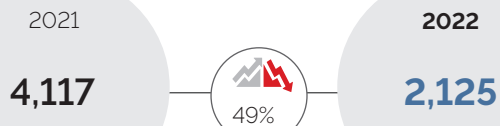
2021

2022

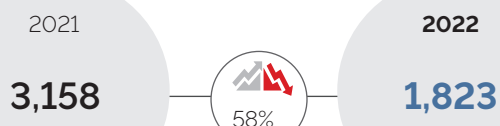
Benchmark Index	Index Level as at 31 December 2022	Change from 2021	Index dividend yield
FBMKLCI	1,495.5	4.6%	4.4%
PCOMP	6,566.4	7.8%	2.1%
STI	3,251.3	4.1%	4.9%
SET	1,668.7	0.7%	2.8%
JCI	6,850.6	4.1%	3.9%

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

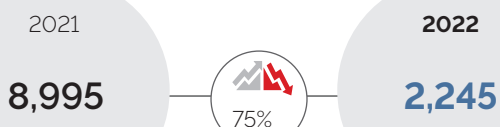
Bursa Malaysia



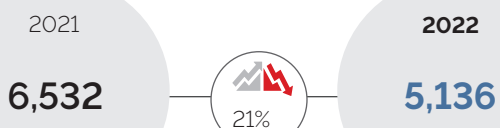
The Philippine Stock Exchange



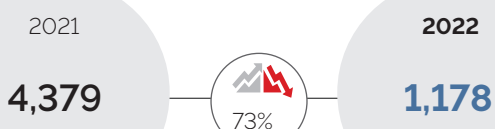
The Singapore Exchange



The Stock Exchange of Thailand



The Indonesia Stock Exchange



Bursa Malaysia's New Listings in 2022

Main Market

- AME REAL ESTATE INVESTMENT TRUST
- FARM FRESH BERHAD
- ITMAX SYSTEM BERHAD
- SENG FONG HOLDINGS BERHAD
- SENHENG NEW RETAIL BERHAD

ACE Market

- AGMO HOLDINGS BERHAD
- BETAMEK BERHAD
- CENGILD MEDICAL BERHAD
- CNERGENZ BERHAD
- CORAZA INTEGRATED TECHNOLOGY BERHAD
- COSMOS TECHNOLOGY INTERNATIONAL BERHAD
- ECA INTEGRATED SOLUTION BERHAD
- ECOSCIENCE INTERNATIONAL BERHAD
- INFOLINE TEC GROUP BERHAD
- INFOMINA BERHAD
- LEFORM BERHAD
- LGMS BERHAD
- MN HOLDINGS BERHAD
- ORGABIO HOLDINGS BERHAD
- PAPPAJACK BERHAD
- PT RESOURCES HOLDINGS BERHAD
- SFP TECH HOLDINGS BERHAD
- SIAB HOLDINGS BERHAD
- SNS NETWORK TECHNOLOGY BERHAD
- SUNVIEW GROUP BERHAD
- UMEDIC GROUP BERHAD
- UNIQUE FIRE HOLDINGS BERHAD
- UNITRADE INDUSTRIES BERHAD
- YEW LEE PACIFIC GROUP BERHAD
- YX PRECIOUS METALS BHD

LEAP Market

- CC INTERNATIONAL BERHAD
- DSR TAIKO BERHAD
- RAY GO SOLAR HOLDINGS BERHAD
- SAFETYWARE GROUP BERHAD
- SNOWFIT GROUP BERHAD

Management Discussion and Analysis

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STRATEGIC REVIEW

OPERATING ENVIRONMENT

International Landscape

The escalation of geopolitical tensions since early 2022 and continued COVID-19 lockdowns in some major economies led to global supply chain disruptions and a surge in commodity prices. In response to rising inflation, the US Federal Reserve (US Fed) implemented a series of interest rate hikes which prompted a global tightening of monetary policy that might in turn cool the nascent economic recovery. The World Bank estimates that gross domestic product (GDP) growth will moderate to 2.9% in 2022 (2021: 5.9%).

Malaysian Landscape

In Malaysia, economic growth remained resilient in 2022 with GDP expanding 8.7% for the full year. Growth was underpinned by the recovery in domestic demand following the reopening of the economy and international borders. However, ongoing global headwinds, a weakened Ringgit and rising interest rates had weighed on investor sentiment, leading to them taking a risk-off position in 2022. Bank Negara Malaysia (BNM) increased the benchmark Overnight Policy Rate (OPR) four times during the year in response to growing inflation and US Fed's interest rate hikes.

Outlook

Global economic growth outlook is expected to remain challenging in 2023. The World Bank expects global growth will moderate to 1.7% in 2023 due to rising interest rates, the tightening of money supply and continuing disruptions from geopolitical tensions.

Malaysia is expected to continue on its recovery path in 2023 albeit at a slower pace. The World Bank, in the Malaysia Economic Monitor Report (February 2023), estimates that Malaysia's economy will expand by 4.0% in 2023. Growth will continue to be driven by domestic demand, as well as the continued recovery in the labour market and the realisation of multi-year investment projects. This could also be a positive catalyst for corporate earnings and fundraising activities in 2023. Additionally, the easing of China's COVID-19 policy and reopening of its economy are expected to have positive economic impact on the region and help to further lift market sentiments.

Several domestic catalysts could potentially uplift the Malaysian market in 2023 including:

Attractive market valuations:

The FBMKLCI's forward price-to-earnings ratio of 14 times as at end of December 2022 is among the lowest in the region.

Greater political stability:

Greater certainty in the political landscape post the 15th General Election and clarity in policies aimed at securing Malaysia's long-term competitiveness may strengthen investor interest in our marketplace and boost market performance.

Potential upside lifts from the reopening of the economy:

The reopening of economies could catalyse a rise in consumer-related and export-oriented sectors. The latter may benefit from improving trade competitiveness underpinned by emerging areas, such as 5G connectivity, electric vehicles and solar energy.

COVID-19: TRANSITION TO ENDEMICITY

Malaysia transitioned to the endemic phase of the COVID-19 pandemic beginning 1 April 2022 as government-imposed control measures had proved effective in controlling the transmission of the disease. Following the transition to endemicity, pandemic-related standard operating procedures (SOPs) were relaxed and movement control orders were lifted across the nation.

Bursa Malaysia welcomes this development and recognises that our public listed companies (PLCs) have generally remained resilient over the past three years. This is a positive sign that PLCs are able to withstand shocks such as those brought about by the pandemic.

Although the pandemic has now transitioned to its endemic phase, it is still too soon to declare that the danger is over. We are aware that the emergence of a new aggressive and highly transmissible variant or a sharp spike in cases could quickly see the re-imposition of stricter SOPs. A resurgence of cases would also have detrimental impact on the nation's nascent economic recovery and once again put lives and livelihoods at risk.

In respect to our workplace, we are still strictly observing all new SOPs introduced for the endemic phase. Our face mask mandates and personal hygiene requirements in our workplace are aligned with the government's SOPs and we have also maintained hybrid work arrangements for our employees.

Meanwhile, our markets are not insulated from the after effects of the pandemic. The volatility in our equities market, disruption in global supply chains and uncertainty in corporate earnings prospects can undoubtedly be linked to the pandemic. While market regulators have reacted quickly and effectively to intercede and ensure a fair and orderly marketplace, these intercessions can only be temporary, and we must take proactive action to further build up our defences against another outbreak.

Lastly, we are continuing to implement digitalisation initiatives and technology refresh as part of our strategy to grow Bursa Malaysia's business and ensure operational efficiency. The protection of our market participants' interest remains a high priority for us, and we remain committed to preserving market integrity at all times.

MARKET TRENDS AND APPROACHES

01 ENVIRONMENTAL, SOCIAL & GOVERNANCE (ESG) DISCLOSURES AND THE NET ZERO TRANSITION

KEY DEVELOPMENTS

International climate agreements and Sustainable Development Goals (SDGs) have spurred a plethora of initiatives in the ESG space. On the climate front, we saw the Task Force on Climate-related Financial Disclosures (TCFD) Recommendations grow in prominence as more countries introduce reporting requirements aligned to the framework.

On the domestic front, the Securities Commission Malaysia (SC) has unveiled the Principles-Based Sustainable and Responsible Taxonomy for the Malaysian capital market and launched the Sustainable and Responsible Investment linked Sukuk Framework to facilitate companies' transition to net zero. Separately, the Joint Committee on Climate Change (JC3) released the TCFD Application Guide for the Malaysian Financial Institutions (AGMFI) and published the Data Catalogue and Accompanying Report on data availability, gaps and recommendations to address the critical data needs of the financial sector.

Investors, asset owners and corporations are slowly making the transition towards net zero greenhouse gas emissions. To achieve this objective, they will need access to tools and a facilitative market structure that supports the transition.

OUR APPROACH

Contributed to improving climate-related reporting practices by Malaysian financial institutions via Bursa Malaysia's role as the Chair of Sub-Committee 2 on Governance and Disclosure of the JC3.

Initiated our basic ESG advisory service to increase awareness and encourage better ESG disclosures by PLCs.

Launched Bursa Carbon Exchange (BCX) that enables companies to trade high quality carbon credits from climate-friendly projects and solutions.

Launched the enhanced Sustainability Reporting Framework and issued the updated Sustainability Reporting Guide and Toolkits (3rd Edition) to aid PLCs in producing better sustainability disclosures.

Developed FTSE4Good Bursa Malaysia (F4GBM) franchise in the ecosystem, with partnerships with FTSE Russell, banks and financiers.

02 INCREASING COMPETITION FROM FINTECH AND PEER EXCHANGES

KEY DEVELOPMENTS

Bursa Malaysia faces competition from fintech platforms leveraging technology to provide wider investment options to investors. These platforms provide various services including funding, trading and wealth management to investors with convenient access to a wide range of investment choices, as well as access to global markets. Driven by innovative start-up companies, these platforms are competing aggressively with traditional fundraising platforms, Bursa Malaysia included, for market share.

We are also competing with peer stock exchanges for market share. As there is a finite pool of investors and resources, losing market share to our peers may impact Bursa Malaysia's market development, particularly in the areas of liquidity and investor base. Competitors may also challenge Bursa Malaysia's niche leadership in areas such as Islamic capital markets and palm oil derivatives trading by developing their own platforms and products.

OUR APPROACH

Continued to explore the development of new funding solutions to support evolving market needs. For example, Bursa Malaysia entered into a shareholders' agreement with RAM Holdings Berhad to develop a new debt fundraising platform* that will broaden fundraising avenues for both listed and unlisted entities, specifically in raising conventional and Shariah investment notes.

**Subject to its obtaining the operating licenses from the relevant regulatory authorities.*

Implemented initiatives to enhance market access, such as the extension in the After-Hours (T+1) trading session for selected derivative contracts.

Expanded and diversified our product offerings, such as the introduction of F4GBM Index Futures Contract and diversified into a new asset class, through the launch of BCX.

Implemented ecosystem enhancement initiatives to improve market vibrancy and liquidity. Examples include the launch of the PLC Transformation Programme and its five digital guidebooks to improve the performance of our PLCs and make the Malaysian market more attractive.

MARKET TRENDS AND APPROACHES

03 NEW TECHNOLOGIES AND CYBER SECURITY

KEY DEVELOPMENTS

Technology and digitalisation have changed the way that capital markets operate, as well as the way the investors engage with and trade in the marketplace. New innovations are providing easy access to new asset classes and markets, while automation and the emergence of Big Data are changing the fundamental way in which markets operate. It is therefore critical that Bursa Malaysia continues to keep pace with the speed of technological development in order to drive market participation and ensure operational efficiency.

However, the proliferation of technological use has also seen a similar increase in concerns over cyber security. With a growing number of investors trading and engaging with the marketplace via online means, it becomes more important than ever that private data is kept secured at all times. Over the last two years, we had seen a surge in retail participation with the COVID-19 pandemic accelerating the adoption of digital means of accessing our market. While it is a positive development, we are similarly aware of the growing responsibility on our part to further protect investors as well as the integrity and security of our systems.

OUR APPROACH

Implemented Continuous Breach and Attack Simulation tool to further improve our cyber security posture by continuously assessing Bursa Malaysia's security control and overall security health.

Conducted capital market cyber drill and internal cyber drill to identify potential gaps in security controls, technology capabilities, incident response and escalation processes.

Upgraded the Bursa Wide Area Network to improve availability, enhance network performance reliability and stability, and ensure that the technology stack is up-to-date for network implementation.

Enhanced our internal and external security posture by securing remote access connectivity from an external network into Bursa Malaysia's environment via a Zero-Trust Virtual Private Network.

Completed the Information Security Management System recertification audit for all critical services, which ensures that adequate and appropriate information security measures have been implemented in accordance with the ISO27001:2013 requirements.

MATERIAL MATTERS

Bursa Malaysia's strategy and decisions are shaped by our Material Matters. These are issues that significantly impact our ability to deliver sustainable value. By focusing on our Material Matters, we are able to create long-lasting impacts on businesses, society and the environment as a whole.

MATERIALITY ASSESSMENT

Our materiality assessment process determines the environmental, social and governance (ESG) issues that are important to our stakeholders and business (Material Matters). Given the comprehensive assessment that we had done in 2020, an online survey was conducted to validate the same 13 Material Matters in the preparation of Bursa Malaysia's IAR 2022 and SR 2022. An additional Material Matter, Supply Chain Management, was introduced this year in alignment with Bursa Malaysia's enhanced Sustainability Reporting Framework, which mandated, among others, the disclosure of a common set of prescribed sustainability matters and indicators.

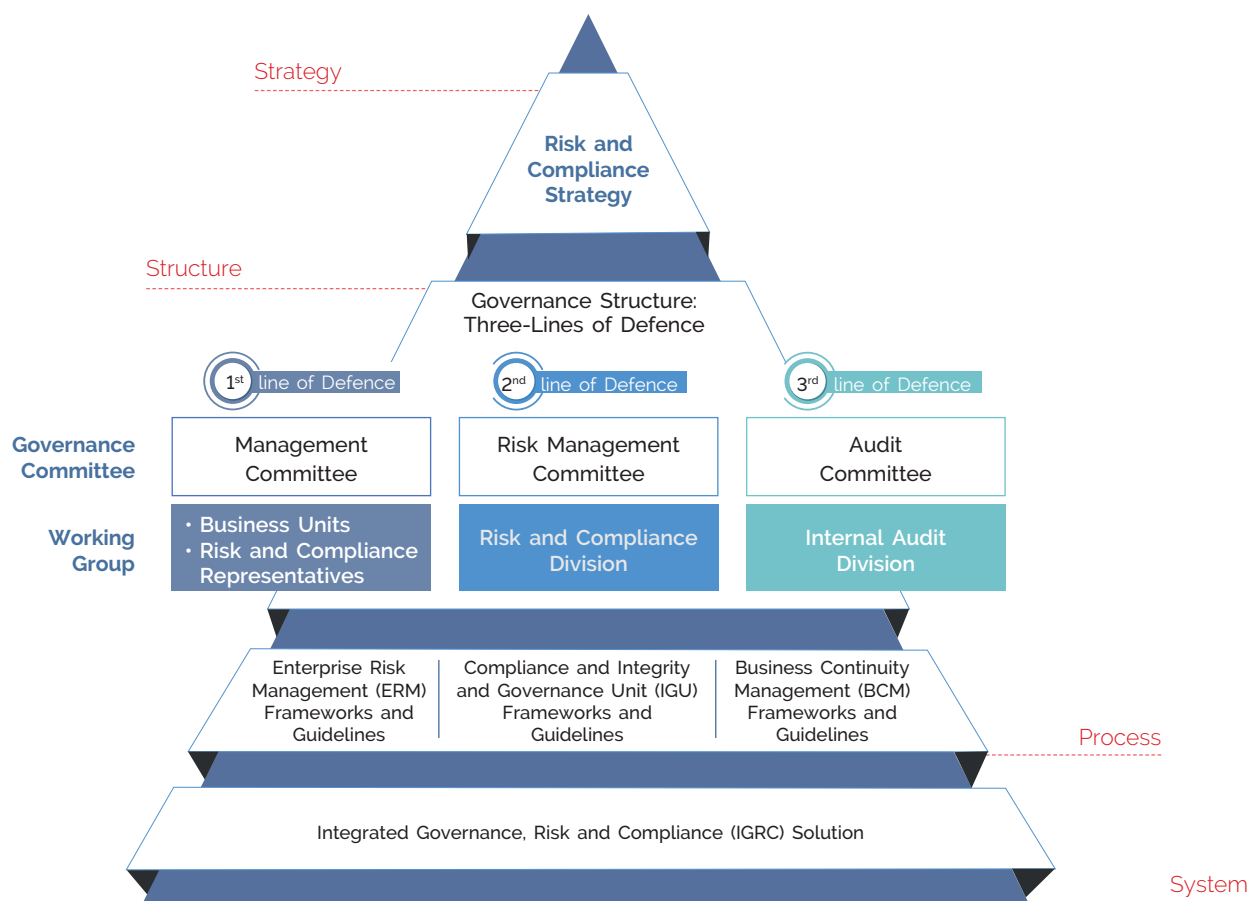
To determine the priority of the Material Matters, the survey results were plotted on a materiality matrix according to the significance of our ESG impacts and influence on our stakeholders' assessments and decisions. The survey results, along with the materiality matrix were validated by the Management as well as the Sustainability and Development Committee before they were approved by the Board of Directors.

Influence on Stakeholders' Assessments and Decisions	Highly critical		- Education and Capacity Building - Workplace Environment - Learning and Development - Employee Engagement	- Cyber Security and Customer Privacy - Anti-Fraud, Bribery and Corruption - Market Integrity and Stability - Economic Performance - Innovation and Technology Excellence - Sustainable Finance
	Critical	- Climate Risks - Environmental Footprint - Community Investment - Supply Chain Management		
	Moderate			
		Moderate	Critical	Highly Critical
Significance of Bursa Malaysia's Economic, Environmental and Social Impacts				

- Strengthening Our Core
- Driving Our Growth
- Protecting Our Environment
- Advancing Our Communities
- Empowering Our Workforce

KEY RISKS AND OPPORTUNITIES

We operate in a highly dynamic environment which exposes us to a range of risks that may impact the sustainability and quality of our performance. We need to be able to evolve and adapt in order to thrive in the current dynamic environment. We have in place a robust risk management system to ensure market integrity and stability, and support our commitment to continue creating opportunities and value for our stakeholders. Through effective risk management, we can avoid pitfalls and be better positioned to seize opportunities in our journey to become ASEAN's leading, sustainable and globally-connected marketplace.



RISK MANAGEMENT SYSTEM

1 ERM Framework

encompasses the governance structure, methods, and processes used to manage risks within the organisation. The framework also incorporates our risk appetite, risk tolerance and acceptable risks.

2 Integrated GRC Framework

is built upon four key pillars – Strategy, Structure, Process and System. The framework applies across the Exchange to ensure effective risk and compliance management. The framework is underpinned by the Exchange's risk profile, as defined and approved by the Board of Directors.

We adopt the Three-Lines of Defence model in our risk governance structure. The first line of defence comprises our Business Units, and the role is supported by their respective Risk and Compliance Representatives. The second line of defence comprises the Risk and Compliance Division, whilst our Internal Audit Division forms the third line of defence.

Through an integrated assurance approach, the second and third lines of defence coordinate their efforts to ensure wider and more holistic assurance coverage of Bursa Malaysia's governance, risk management, and internal control processes within Bursa Malaysia.

In addition, we conduct risk identification and assessments continually to ensure all existing and new risks are adequately and effectively managed, and to capitalise on opportunities to create value. These are carried out via the risk control self-assessment exercise in every quarter and also when required. We also conduct specific risk assessments for high-impact projects. Additionally, business and functional units can promptly escalate any risks, concerns and incidents to the Risk and Compliance Division via the IGRC Solution.

1 STRATEGIC RISK

Risk Movements Stable

Risk Evaluated

The risks arising from strategic business decisions might include missed opportunities, ineffective response to competition, lack of technology or product innovation, less exciting branding or adverse reputational effects.

Impact on Value

Impairment to the achievement of business objectives - resulting in profit and/or revenue decline, growth in expenses or losses charged against capital.

Loss of stakeholder trust due to lack of market vibrancy, innovation or performance.

Mitigation Measures

- Regularly monitor competition, geopolitical and macroeconomic risks.
- Track and deliberate on changes in business performance criteria, with proactive actions taken to mitigate adverse changes.
- Management of potential market disruptors and economic or investment trends.
- Continued engagements with industry players as well as deliberation on the progress of the Strategic Roadmap and business plans by the various governance and development committees, comprising selected Board members and industry representatives.
- Innovation in strategies, products, and services.
- Continued exploration and implementation of new business ventures or models as well as new technology enablers.
- Monitor and minimise our carbon emissions.

Risk Perspective

Market competition is expected to increase in tandem with the growing number of alternative capital fundraising platforms, innovative products and services, and alternative investment options for investors.

On the sustainability front, our PLCs will in future need to provide transparent ESG disclosures as part of Bursa Malaysia's listing requirements. This could help bolster ESG risk management and increase the attractiveness of our PLCs and the Malaysian capital market.

Meanwhile, more effective engagement with our stakeholders, coupled with agility in delivering high quality, innovative products will better serve market needs.

Links to:

Capitals:



Stakeholders:



Strategy:



Material Matters:



KEY RISKS AND OPPORTUNITIES

2 OPERATIONAL RISK

Risk Movements Stable

Risk Evaluated

The risks arising from deficiencies in internal processes, human errors, management failures or operational disruptions from external events. This also includes risks from extreme external events, such as pandemics, which may substantially affect our operations.

Impact on Value

The reduction, deterioration and/or breakdown of services provided by Bursa Malaysia.

Mitigation Measures

- Conduct robust risk assessments at corporate and divisional levels.
- Institutionalise key risk indicators.
- Implement a comprehensive Business Continuity Plan (BCP) and Disaster Recovery Plan (DRP).
- Annual review of BCP and DRP to ensure continuity of the critical business functions and technology operations.
- Install physical security (security fencing, access controls, metal detectors at the lobby, security barriers) around our premises.
- Set up incident response measures and an incident reporting portal.
- Establish and review frameworks, policies and procedures according to global best practices and standards; to ensure relevancy, adequacy and efficacy.

Risk Perspective

Operational risks arising from deficiencies in internal processes, human errors, or operational disruptions from external events remain relevant to Bursa Malaysia for 2023. Nonetheless, we have not escalated the risk severity rating for this category of risk as Bursa Malaysia has established adequate controls to manage and mitigate them.

Links to:

Capitals:



Strategy:



Stakeholders:



Material Matters:



3 TECHNOLOGY & CYBERSECURITY RISK

Risk Movements Stable

Risk Evaluated

Potential detrimental events that occur from the use of Information Technology platforms, systems, applications and infrastructure. Cyber security refers to the ability or process of protecting information against cyber threats and recovering from them.

Impact on Value

Financial loss, disruption to business operations, and/or loss of stakeholder trust.

Mitigation Measures

- Continuously strengthen cyber security defences, including network segmentation, dedicated information security team, and security tools or mechanisms.
- Implementation of detective, protective, response and recovery cyber security controls.
- Annual testing of cyber security controls or defences e.g. penetration testing, compromise testing, and social engineering tests.
- Independent assessment and continuous improvement of cyber security defences.
- Establishment of cyber security intelligence.

Risk Perspective

Cyber security risk is constantly evolving, with some definite trends emerging in the short term. However, growing emphasis towards developing greater security awareness, in particular against phishing and spoofing scams, stronger password creation, and essential cyber security practices, are helping mitigate against potential cyber threats. Businesses are also increasingly moving their data storage over to the cloud, as well as emphasising the need to fortify cloud cyber security. Proactive mitigation of cyber security risks to reduce the overall cyber security threat will continue to be a focus for Bursa Malaysia. Developments in cyber risk management and resilience are continually assessed and monitored to safeguard the confidentiality, integrity, and availability of our systems and data in the face of cyber threats.

Links to:

Capitals:



Strategy:



Stakeholders:



Material Matters:



4 PANDEMIC RISK**Risk Movements** Stable**Risk Evaluated**

Potential adverse impacts arising from the COVID-19 pandemic on our operations and the capital markets due to changes in the operating environment and imposition of new operational procedures or regulatory requirements. The pandemic also increases risks related to changes in societal expectations and human resource challenges (e.g. Great Resignation event).

Impact on Value

Disruption to operations and business activities, employee productivity and well-being, and/or poor market performance.

Mitigation Measures

- Split operation arrangement for critical business functions.
- Monitoring of employees who have tested positive for the COVID-19 virus.
- Proactive notification of close contacts, with recommendations on precautionary measures.

Risk Perspective

Malaysia has transitioned to the endemic phase of COVID-19, which saw the relaxation of restrictions in various sectors and the full reopening of businesses and international borders. We expect a progressive return to normalcy, although the government is continuing to monitor the level and impact of new infections and new viral strains. From an organisational and market standpoint, a resurgence of the COVID-19 pandemic could once again strain our resources, for example in terms of workforce shortages, imposition of complicated standard operating procedures, mental health issues, and changes in working arrangements.

Links to:

Capitals:



Stakeholders:



Strategy:



Material Matters:

**5 REGULATORY RISK****Risk Movements** Stable**Risk Evaluated**

The risks or losses to our business due to non-compliance with any legal or regulatory obligations imposed upon us. As a market regulator, we must protect our business and the market from malpractices and incidents that breach good governance.

Impact on Value

Fines and penalties, reputational damage, and/or loss of stakeholder trust.

Mitigation Measures

- Monitoring of regulatory requirements and landscape changes.
- Implement compliance programmes to ensure adherence to regulatory requirements.

Risk Perspective

The dynamic and increasingly complex regulatory landscape and rapidly changing regulatory requirements are consistently monitored and managed with Bursa Malaysia's compliance programme.

Links to:

Capitals:



Stakeholders:



Strategy:



Material Matters:



KEY RISKS AND OPPORTUNITIES

6 FINANCIAL RISK

Risk Movements Stable

Risk Evaluated

The inherent financial risks faced by exchanges due to the nature of the business. Firstly, regarding the clearing services provided to the market, Bursa Malaysia Securities Clearing and Bursa Malaysia Derivatives Clearing (BMDC) act as central counterparty (CCP) for equities and derivatives markets, respectively. While the CCPs are typically not exposed to market risks by holding a matched position in cleared contracts, they face and manage counterparty credit as well as liquidity risks. Other managed financial risks include collateral, custody, investment, settlement, and concentration risks.

Secondly, as a PLC, we are exposed to financial risk that may impact our equity, liabilities, and investment as we execute our strategy.

Impact on Value

Insufficient cash or reserves to meet financial commitments lower profitability and/or increase in financial losses.

Mitigation Measures

- 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.
- Actively monitor Trading Clearing Participants' and Clearing Participants' capital adequacy ratios and adjusted net capital levels.
- Perform daily stress tests on the adequacy of credit and liquid resources of the clearing houses to ensure sufficient resources under normal and extreme circumstances.
- Conduct annual default drill exercises to test the effectiveness of the Default Management Procedures.

Risk Perspective

Bursa Malaysia continues to benchmark its risk models against SC's Guidelines and international standards, including the Principles for Financial Market Infrastructures, to ensure its robustness, thereby preventing any systemic event in the market.

Links to:

Capitals:



Strategy:



Stakeholders:



Material Matters:



7 MODEL RISK

Risk Movements Stable

Risk Evaluated

The potential adverse consequences arising from decisions based on incorrect or misused model outputs and reports.

This is primarily due to:

- fundamental errors in the design or development of models;
- incorrect model input or assumptions;
- erroneous model implementations; unauthorised and/or incorrect changes to models;
- unfit models due to changing market conditions; and
- misuse or overreliance on models.

Impact on Value

Financial losses, incorrect decisions, misstatement of external financial disclosures and/or reputational damage.

Mitigation Measures

- Perform independent model validation to ensure that risk models meet minimal requirements and standards.
- Implement measures to increase the efficiency of models used in daily risk management operations.

Links to:

Capitals:



Strategy:

N/A

Stakeholders:



Material Matters:



OUR STRATEGY

Bursa Malaysia's initiatives are guided by our Strategic Roadmap 2021-2023, which aims to future-proof the Exchange against the dynamic market environment and help us achieve our vision of becoming ASEAN's leading, sustainable and globally-connected marketplace. In 2022, we continued to deliver on our commitments and progressed further on initiatives towards achieving our aspiration of becoming a multi-asset exchange.

The Strategic Roadmap comprises **three Core Strategies**:



01

**PRODUCT
EXPANSION**

Expanding and diversifying our range of products and services to enhance the values created for market participants, effectively expanding our investor base and increasing our liquidity.



02

**ECOSYSTEM
DEVELOPMENT**

Integrating improvements into our ecosystem to better address market needs and create a more conducive, facilitative and competitive marketplace for our participants.



03

**CAPACITY AND
CAPABILITIES BUILDING**

Developing the necessary capacity and capabilities to future-proof our business, especially in the areas of People and Culture as well as our Technology.

Our operational excellence and the successful execution of our **Core Strategies** rely on the following **four Key Enablers**:

Data and Innovation that...

- ... support the creation of comprehensive products and services in the digital space.
- ... will future-proof our business model to ensure we remain competitive and relevant.

Technology that...

- ... provides the necessary support for our day-to-day operations.
- ... reinforces Bursa Malaysia's technical agility and capabilities.
- ... supports Bursa Malaysia's growth and transformation.

Ecosystem that...

- ... is inclusive and conducive for the growth of market participants in the areas of fundraising, trading and investing.

People and Culture that...

- ... improves business processes to enhance efficiency.
- ... promotes innovation to support organisational transformation.

STRATEGIC PERFORMANCE REVIEW

We drive our strategies forward through programmes and initiatives designed to deliver sustainable value for our business and stakeholders, structured according to the following **five Strategic Pillars**:

1. STRENGTHENING OUR CORE BUSINESS – SECURITIES MARKET

Link to: Capitals



Material Matters



Stakeholders



KEY INITIATIVES

- Further developed our Securities Market's ecosystem and expanded our product offerings.

2022 HIGHLIGHTS

- Welcomed 35 initial public offerings.
- Issued a consultation paper on the proposed amendments to the ACE Market Listing Requirements (ACE LR) in relation to the transfer of the listing framework from the LEAP Market to the ACE Market and Recognised Approved Adviser Framework.
- Launched the Public Listed Companies Transformation (PLCT) Programme and published five digital guidebooks under the programme.
- Introduced Bursa Research Incentive Scheme.
- Launched Phase 1 of the Market Sentiment Analyser tool.

2. DIVERSIFYING THE DERIVATIVES BUSINESS

Link to: Capitals



Material Matters



Stakeholders



KEY INITIATIVES

- Broadened our range of derivative products, enhanced the international diversity of our participants and expanded our partnerships to be the leading commodities exchange in ASEAN.
- Enhanced the ecosystem to make our market more competitive and attractive to market participants.

2022 HIGHLIGHTS

- Launched the enhanced Gold Futures contract.
- Introduced the cash-settled FTSE4Good Bursa Malaysia Index Futures contract.
- Extended the After-Hours (T+1) trading session for selected derivative products.
- Signed an Memorandum of Understanding (MOU) with Malaysian Palm Oil Certification Council to promote sustainability and responsible practices among palm oil players across the supply chain.
- Received recognition as a Third-Country Central Counterparty by the European Securities and Markets Authority.

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

Link to: Capitals



Material Matters



Stakeholders



KEY INITIATIVES

- Expanded the range of Shariah-compliant products and introduced innovations, further cementing our leadership position in the Islamic capital markets.

2022 HIGHLIGHTS

- Introduced Shariah Discretionary Trading Framework.
- Onboarded Malacca Securities Sdn Bhd as the first Islamic Participating Organisation (PO) to offer Shariah Discretionary Trading service.
- Enhanced the Islamic Securities Selling and Buying – Negotiated Transaction (ISSBNT) Framework.
- Onboarded CGS-CIMB Securities Sdn Bhd, Kenanga Investment Bank and Maybank Investment Bank under the ISSBNT Framework.

4. PROVIDING NEW AND IMPROVED SERVICES TO THE CAPITAL MARKET

Link to: Capitals



Material Matters



Stakeholders



KEY INITIATIVES

- Developed new solutions, platforms and tools that leverage data and technology to support market needs.
- Established strategic partnerships to develop innovations that will benefit our marketplace and our organisation.

2022 HIGHLIGHTS

- Launched Bursa Fund Platform to provide the investing public with comprehensive information on unit trusts and wholesale funds.
- Completed our Retail Customer Experience Analytics proof-of-concept in collaboration with POs to enhance investors' investment experience.
- Entered into a shareholders' agreement with RAM Holdings Berhad to develop a new debt fundraising platform.
- Signed an MOU with Companies Commission of Malaysia to build a data ecosystem that supports Malaysia's socio-economic development agenda.

5. EMBEDDING SUSTAINABILITY IN OUR ORGANISATION AND MARKETPLACE

Link to: Capitals   

Material Matters        

Stakeholders       

KEY INITIATIVES

- Promoted sustainability best practices and disclosures in our organisation and PLCs.
- Introduced new ESG-themed products.
- Enhanced our GHG emissions approach.

2022 HIGHLIGHTS

- Enhanced Sustainability Reporting Framework for the Main Market Listing Requirements (Main LR) and ACE LR.
- Signed an MOU with the London Stock Exchange Group to explore new opportunities in ESG.
- Launched the Bursa Carbon Exchange.
- Achieved carbon neutrality for our operational greenhouse gas (GHG) emissions for the period 1 January to 31 December 2021.

2023 HEADLINE KEY PERFORMANCE INDICATORS

In line with the practices promoted in the PLCT Programme (specifically in Guidebook 1: Creating Purpose & Performance Driven PLCs), Bursa Malaysia started disclosing our headline key performance indicators (KPIs) to our investors and stakeholders in 2023. These headline KPIs are tightly aligned to Bursa Malaysia's Corporate Scorecard, and reflects our focus on development and growth.

FINANCIAL

Profit Before Tax

Target:

RM295 million to RM326 million

Non-Trading Revenue

Target:

Growth rate of 5%-7%
from 2022

NON-FINANCIAL

Product Expansion & Ecosystem Development

IPOs & IPO Market Capitalisation

Target:

IPOs: 39
IPO Market Capitalisation: RM10 billion

Innovative product or service launches

Target:

- **Launch of Bursa Gold Dinar**
- **Commercialisation of new debt fundraising solution for Small and Medium Enterprises**

Reduction in organisation's carbon footprint

Reduction of at least 5% of Scope 1 and 2 emissions
from 2022

These headline KPIs shall not be construed as either forecasts, projections or estimates of Bursa Malaysia or representations of any future performance, occurrence or matter as they are merely a set of targets or aspirations of future performance aligned to our strategies.

FINANCIAL REVIEW

Bursa Malaysia recorded a Profit After Tax and Zakat (PAT) of RM226.6 million for the financial year ended 31 December 2022 (2021: RM355.3 million), representing a decrease of 36.2% year-on-year (yoy) on the back of lower securities trading revenue.

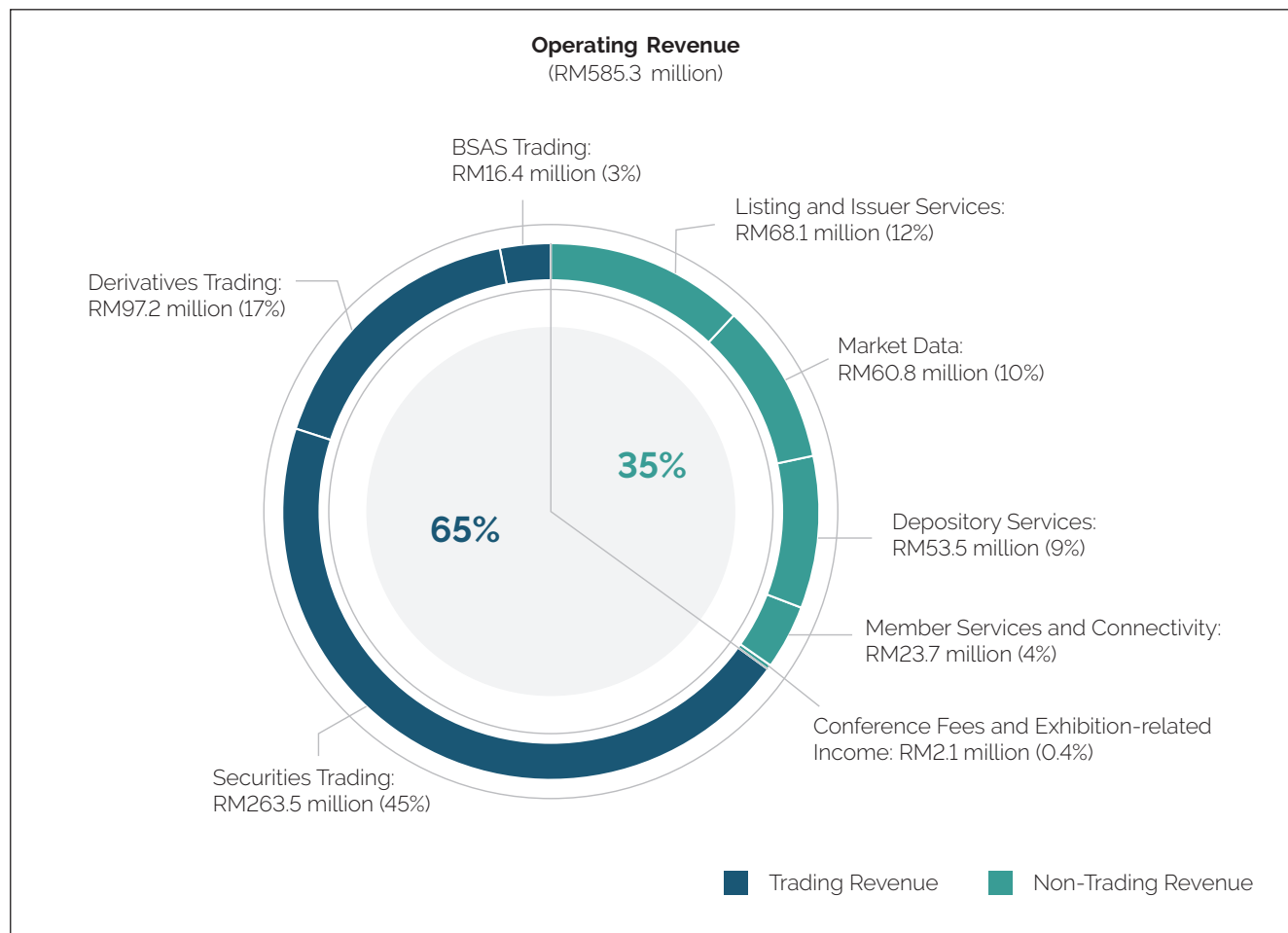
Operating revenue declined 22.1% yoy to RM585.3 million (2021: RM751.6 million) mainly due to lower contributions from the Securities Market. Trading revenue continued to make up a large proportion of Bursa Malaysia's operating revenue. However, revenue contribution from the Securities Market, experienced a 40.5% decline yoy to RM263.5 million (2021: RM442.9 million) as the average daily trading value (ADV) for on-market transactions decreased by 41.5% to RM2.1 billion (2021: RM3.5 billion).

Higher collateral management fees earned, coupled with a higher number of Crude Palm Oil Futures and FTSE Bursa Malaysia KLCI Futures contracts traded, saw the Derivatives Market's trading revenue increase by 11.3% to RM97.2 million (2021: RM87.3 million). The average daily contracts (ADC) for the Derivatives Market increased by 4.6% to 78,621 contracts in 2022 (2021: 75,178 contracts).

Similarly, Bursa Suq Al-Sila's trading revenue increased by 17.8% to RM16.4 million in 2022 (2021: RM14.0 million) due to higher ADV of RM45.6 billion (2021: RM37.3 billion) with 83% of the trades contributed by local participants.

Meanwhile, Bursa Malaysia's non-trading revenue increased marginally by 0.4% in 2022, contributing 35% of total operating revenue. A higher number of subscribers boosted revenue for our Market Data segment, which increased 12.5% to RM60.8 million (2021: RM54.0 million).

In addition, the resumption of our physical Palm Oil and Lauric Oils Price Outlook Conference and Exhibition (POC) and the inaugural East Malaysia POC 2022 following the upliftment of pandemic-related restrictions saw our Conference Fees and Exhibition-related Income increase to RM2.1 million in 2022 (2021: RM0.1 million).



In contrast, revenue from other non-trading revenue sources decreased yoy. Depository Services declined 8.1% yoy to RM53.5 million (2021: RM58.2 million), Listing and Issuer Services slipped by 3.9% to RM68.1 million (2021: RM70.9 million), and Member Services and Connectivity was lower by 2.4% to RM23.7 million (2021: RM24.2 million). The decrease can generally be attributed to the lower activity in our marketplace.

Meanwhile, operating expenses showed marginal increase of 1.4% to RM292.7 million (2021: RM288.6 million) due to the resumption of physical events, and development and marketing expenses for our initiatives. Nevertheless, our internal cost controls kept the increase to a manageable level.

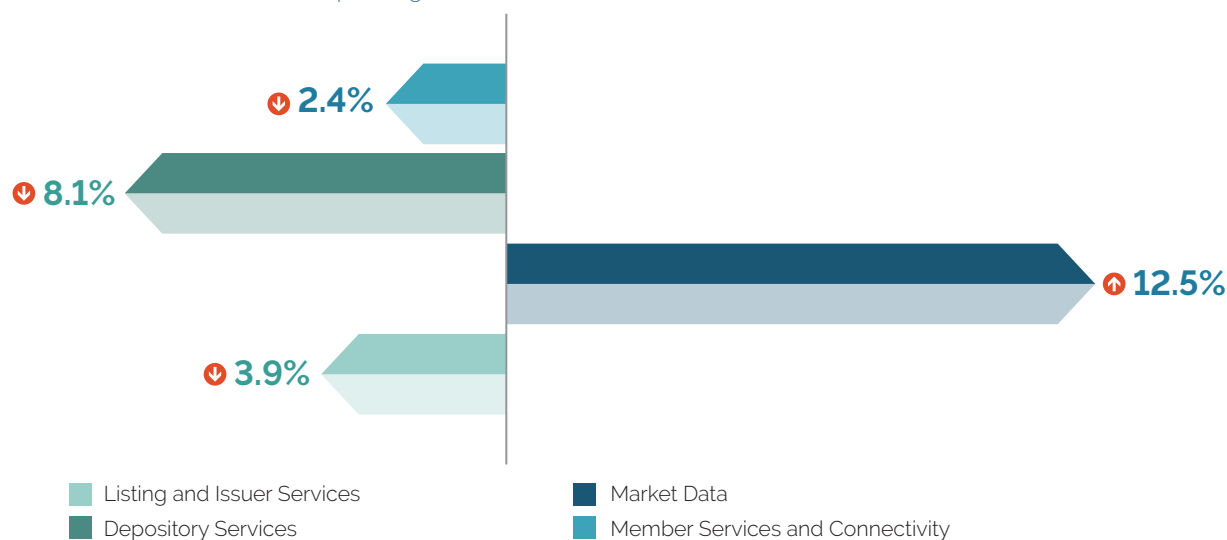
In 2022, Bursa Malaysia's capital expenditure (capex) increased to RM59.4 million from RM37.2 million in 2021, funded entirely

by internally generated resources. The higher capex was mainly due to expenses associated with our technology refresh as well as office and building refurbishments. Our capex spend is determined by our strategic objectives, and fluctuates depending on the priorities identified for the year.

In appreciation of the continued support from our shareholders, the Board declared a total dividend payout of 26.5 sen per share, amounting to a total of RM214.5 million for the financial year ended 31 December 2022. This represents 94.7% of our PAT, which is in line with our dividend policy of paying no less than 75% of our annual profit after tax and minority interest.

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 2022.

Trading revenue continues to be the largest contributor to the Exchange's operating revenue, but we have seen increasing contributions from our non-trading revenue sources, particularly from Market Data. Non-trading revenue accounted for 35% of our total operating revenue in 2022 (2021: 27%)



Note: Conference Fees and Exhibition-related Income increased to RM2.1 million from RM0.1 million yoy owing to the resumption of physical events.

BUSINESS REVIEW

SECURITIES MARKET

Trading in the Securities Market softened in 2022 with rising interest rates, inflationary pressure and concerns over economic growth weighing on investor sentiment. The reopening of the economy and the transition to endemicity also saw the level of retail trading activity normalise to its pre-pandemic level following two years of unprecedented growth. The benchmark FBMKLCI ended the year at 1,495.49 points, down 4.6% from 1,567.53 points in 2021.

Total operating revenue for the Securities Market in 2022 came in at RM448.4 million (2021: RM630.8 million) accounting for 76.6% of Bursa Malaysia's total operating revenue for the year. Trading revenue declined 40.5% to RM263.5 million (2021: RM442.9 million), while average daily value (ADV) for on-market transactions (OMT) and direct business transactions (DBT) decreased 40.5% to RM2.2 billion compared to RM3.7 billion in 2021. Although trading activity on the Securities Market has normalised, the ADV-OMT of RM2.1 billion was still higher than the pre-pandemic ADV-OMT of RM1.9 billion recorded in 2019. Meanwhile, trading velocity for the year decreased by 19 percentage points to 30% (2021: 49%).

The normalisation of retail trading to pre-pandemic levels played a significant role in the decline of the ADV. Retail ADV fell 59% to RM550 million in 2022 after reaching RM1.3 billion in 2021 and RM1.6 billion in 2020. While retail investors remained net buyers to the tune of RM2.1 billion in 2022, this is significantly lower than the RM12.2 billion net buy position in 2021.

The non-trading revenue contribution from the Securities Market declined marginally by 16% yoy to RM184.9 million in 2022 (2021: RM187.9 million) due to lower fees from Listing and Issuer Services, Depository Services, as well as Member Services and Connectivity. On a more positive note, revenue from the Market Data segment grew by 12.6%, contributing RM48.2 million in 2022 from RM42.9 million in 2021. Foreign investors also turned net buyers for the year with foreign inflow totalling RM4.4 billion in 2022.

Segment Revenue	2021 RM million	2022 RM million	% change
Trading Revenue	442.9	263.5	(40.5)
Listing and Issuer Services	70.8	68.0	(4.0)
Depository Services	58.2	53.5	(8.1)
Market Data	42.9	48.2	12.6
Member Services and Connectivity	16.0	15.2	(5.4)
Total	630.8	448.4	(28.9)

OPERATING ENVIRONMENT

Trading activity fell significantly during the year as the global transition to the endemic phase of the COVID-19 pandemic catalysed several macroeconomic challenges. One of the main reasons for the spike in inflation was caused by disruptions to the global supply chain, which was further exacerbated by the Russian-Ukraine conflict in the early part of the year.

On the domestic front, concerns over rising interest rates, opaque economic outlook and political uncertainty dampened investor sentiment. While the resumption of growth of the Malaysian economy helped lift investing moods, the threat of a potential global recession and the continued disruption in the global trade network kept investors on the sidelines.

DELIVERING ON OUR STRATEGY

The development of the Securities Market is one of the five Strategic Pillars in our Strategic Roadmap 2021-2023. Initiatives to support our three Core Strategies for the Securities Market are described below.

PRODUCT EXPANSION

Initial Public Offerings (IPOs) And New Listings

IPOs and new listings are critical in our product expansion strategy, which aims to broaden the range of securities available on our marketplace thus better catering to diverse investment strategies and risk appetites. In 2022, the Exchange registered 35 new listings raising RM3.5 billion compared to 30 listings raising RM2.7 billion in 2021. The higher number of listings and total funds raised affirms that companies and investors remain confident in the Malaysian capital market, and look to Bursa Malaysia to meet their fundraising and investing needs.

IPO

	2021			2022		
	Total	Funds Raised (RM billion)	IPO Market Cap (RM billion)	Total	Funds Raised (RM billion)	IPO Market Cap (RM billion)
MAIN	7	2.3	8.5	5	2.2	6.2
ACE	11	0.4	1.6	25	1.3	4.7
LEAP	12	0.02	0.5	5	0.02	0.3
Total	30	2.7	10.6	35	3.5	11.2

The strength of our IPO pipeline is essential to maintaining a steady flow of listings. We continued to implement initiatives to raise awareness about the benefits of listing on Bursa Malaysia. Our IPO activities in 2022 included:

- Holding outreach and IPO awareness programmes, as well as targeted one-on-one engagement sessions with potential issuers.
- Conducting market development initiatives with various partners, including the SC, to develop a sustainable future IPO pipeline.
- Promoting Bursa Malaysia as the preferred IPO and fundraising destination.
- Identifying Main Market IPO candidates via our Targeted Marketing approach.
- Holding a public consultation on proposed amendments to the ACE LR, in relation to the transfer of the listing framework from the LEAP Market to the ACE Market and Recognised Approved Adviser Framework.

Our target for 2023 is to have at least 39 new listings with a total market capitalisation of RM10.0 billion. We are confident there is sufficient liquidity and market strength, as well as IPO candidates in the pipeline for us to meet this target.

BUSINESS REVIEW: SECURITIES MARKET

Secondary Market

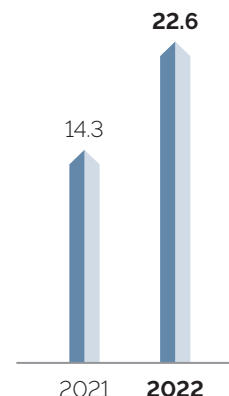
In 2022, we recorded a 58% increase in the funds raised from secondary listings to RM22.6 billion (2021: RM14.3 billion) from 212 secondary issuances (2021: 633). The significant increase in the amount of funds raised through secondary fundraising is primarily attributable to the completion of a major merger exercise in the telecommunications and media sector in 2022. In addition, the increase in secondary fundraising was also partly attributable to the extension of temporary COVID-19 equity fundraising measures which were in force until 31 December 2022. These measures provided greater flexibility to the PLCs to issue new shares via private placement and rights issue.

Bursa Malaysia also conducted several initiatives during the year to drive greater secondary fundraising activities. These included:

- One-on-one engagement and business development sessions with existing PLCs, potential issuers and other market participants to promote a conducive secondary fundraising environment for equity or exchange-traded bonds and sukuk.
- Exploring the creation of new fundraising avenues for small and mid-sized companies.
- Conducting study on ways to encourage greater retail participation in secondary fundraising.

Additionally, we entered into a shareholders' agreement with RAM Holdings Berhad to develop a new debt fundraising platform for both listed and unlisted, small to mid-sized companies. When completed, this platform will offer these companies greater flexibility in raising funds through the issuance of "bond-like" debt instruments. The platform will therefore play a dual role by helping companies obtain financing while delivering our product expansion strategy.

**Funds Raised
from Secondary Market**
(RM billion)



Alternative Market

Sukuk and debt securities are listed, but not quoted or traded, on Bursa Malaysia's Exempt Regime platform to increase their visibility to potential investors. This initiative was introduced by Malaysian regulators and the Government in 2008.

Since 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 alongside corporate sukuk and bonds. As at 31 December 2022, there was a 4.1% increase in the total outstanding issuance of sukuk and bonds listed on Exempt Regime to USD273.7 billion (2021: USD263.0 billion).

Exchange-Traded Funds (ETFs), Structured Warrants (SWs) and Real Estate Investment Trusts (REITs)

ETFs are an important growth avenue for our securities market but the number of ETF listings on Bursa Malaysia have remained largely unchanged over the last few years. This is mainly because the ETFs have yet to gain a firm foothold as a mainstream investment product and currently appeal to only a smaller segment of retail investors.

Meanwhile, SWs continued to gain traction with issuers and investors, recording a total of 1,447 new listings in 2022 (2021: 1,451). We implemented various initiatives to spur greater interest from both issuers and investors. Among the activities in 2022 were:

- Working together with SWs issuers and POs to organise educational webinars to raise awareness about SWs.
- Utilising social media to build awareness of SWs and conducting free SWs courses on Bursa Academy.
- Implementing an incentive programme to encourage greater retail participation in the SWs space.

In the REITs space, we saw one new listing in 2022, namely the AME Real Estate Investment Trust (AME REIT). The IPO of AME REIT was oversubscribed by 2.46 times.

	2021	2022
	Total	Total
Total ETFs	20	20
New SWs Issuances	1,451	1,447
Total REITs	18	19

ECOSYSTEM DEVELOPMENT

PLC Transformation (PLCT) Programme

The PLCT Programme is an ambitious and holistic programme to improve competitiveness of Corporate Malaysia. Spearheaded by Bursa Malaysia, this programme aims to increase PLCs' attractiveness to investors by strengthening their growth narratives and improving their performance levels. The programme, which runs until 2025, exposes participating PLCs to best practices and insights, and enhanced engagement and transparency practices.

To support the transformation of participating PLCs, Bursa Malaysia published five guidebooks in 2022 covering key areas of improvement. These guidebooks are:

- Guidebook 1: Creating Purpose and Performance Driven Public Listed Companies (PLCs)
- Guidebook 2: Sustainable, Socially Responsible and Ethical PLCs
- Guidebook 3: Strengthening Stakeholder Management and Investor Relations
- Guidebook 4: Being Digitally Enabled
- Guidebook 5: Contributing Towards Nation Building

In addition, participating PLCs will also receive support from Bursa Malaysia and our partners in the form of:

- **Data insights and information services:** One-year access to DiBot's portal which provides key market and company-related data including ESG-related information. They will also receive access to insights such as analyst consensus and peer comparison reports.
- **Profiling services:** Access to Bursa Malaysia's programmes and partners to enhance their visibility to potential investors.
- **Insights sharing:** Invitation to attend sessions hosted by PLCT Programme Champions through webinars, and receive support on specific topics or best practices covered in the PLCT Programme's guidebooks.

The transformation outcomes of participating PLCs will be monitored via a digital dashboard. The dashboard serves to track the participation and outcomes of programme participants, and simultaneously inspire other PLCs to assess or improve their performance.

BUSINESS REVIEW: SECURITIES MARKET

Institutional Development

Bursa Malaysia's institutional development plays a crucial role in growing our institutional investor base and their level of engagement with our market, thereby strengthening overall market stability. Institutional participation remained lacklustre in 2022 as sentiments were weighed down by inflationary pressure, concerns over economic growth and continuing geopolitical uncertainties.

While macroeconomic issues are cyclical in nature, we have taken the positive step of deploying initiatives to enhance areas of our institutional ecosystem. In addition to our flagship Invest Malaysia (IM) Kuala Lumpur, which was held virtually over the past two years, we have made significant efforts to enhance the sustainability practices and disclosures, performance and profile of our PLCs, making them more attractive to institutional investors. This in turn helps to create a solid platform for growth going forward.

Bursa Research Incentive Scheme (Bursa RISE) to Enhance PLCs Visibility

We launched Bursa RISE programme in March 2022 to support the PLCT Programme by enhancing the corporate profile of participating PLCs and ultimately improve their trading velocity. Bursa RISE improves recognition of the fundamentals of participating PLCs by increasing research coverage for the PLCs. The programme also includes the Investor Relations (IR) and Public Relations (PR) Incentive Programme which provides participating PLCs with more effective IR and PR support to help them better engage with their stakeholders. A total of 60 PLCs participated in the Bursa RISE programme. By the end of 2022, their stock prices had risen an average of 8.5% in contrast to the movement of the general market.

Targeted Marketing Initiatives

As in previous years, our focus in the IM series is to showcase the strengths, potential and diversity of our capital markets and ultimately draw greater investor participation. We held two IM Kuala Lumpur series in 2022:

- IMKL 2022 Series 1 - Building Resilience Amidst Volatility
- IMKL 2022 Series 2 - The Road to Electric Vehicles (EV)

These series were designed to improve Malaysia's visibility among the local and foreign investment communities and highlighted sectors or themes of focus to facilitate investment decisions and promote higher investment activities. We also held an IM series in London, themed 'Rebuilding a Sustainable Economy'.

Meanwhile, we continued to participate in institutional-focused events and conducted regional marketing initiatives, such as on V-Next, a subsidiary of the Shenzhen Stock Exchange, to drive business connectivity and profiling, increase publicity and incubate demand for IPOs. We also started publishing Shariah research reports in collaboration with brokers to improve coverage of Shariah stock and trading. Five Shariah research reports were published in 2022.

Enhancing the Information Landscape

Our team continued to leverage on digital channels including our Bursa Digital Research (BDR) platform, which was launched in 2021, and social media to promote alternative products and support marketing efforts with market insights. This year, we enhanced our content offerings by introducing new reports based on technical analysis and added New Analyst Consensus category in the BDR platform. We also launched our new Fund Trade Report on the BDR platform, which is published every quarter to provide analysis of the capital flow of local and foreign institutional investors. The data is compiled by S&P Global Market Intelligence and sent to our team for further analysis.

Retail Marketing

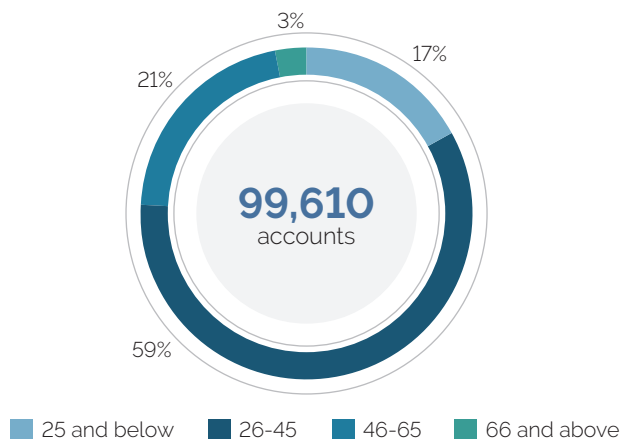
Retail participation in our markets moderated substantially following two years of explosive growth. Rising interest rates, concerns over growth prospects and the gradual normalisation of liquidity levels were among the key factors. However, we were encouraged to see the continuing entry of younger investors into our marketplace. Of the 99,610 new individual Central Depository System (CDS) accounts opened in 2022 (2021: 223,249 accounts), 59% of the new accounts were opened by investors between 26 and 45 years old.

NUMBER OF NEW
CDS ACCOUNTS
OPENED

168,696

(2021: 344,542)

Breakdown of New Individual CDS Accounts by Age Groups



During the year, we continued to work on initiatives aimed at further stimulating the retail trading segment. These included:

- The Market Sentiment Analyser feature on Bursa Marketplace, which analyses news from various sources and tabulates sentiment results (positive, neutral, or negative).
- A Bursa Malaysia Telegram channel to disseminate market-related information. Since launching the channel on 3 October 2022, we have acquired 6,164 followers as at the end of 2022.
- Holding our 2nd virtual Marketplace Fair held in July 2022 to inculcate a better understanding of investing in the capital market among Malaysians.
- Continuing our "Equality for Equity" campaign to encourage CDS account opening and trade by women investors.
- Collaborating with broker partners on educational and workshop initiatives on digital platforms.
- A results-based incentive strategy for brokers and their salesforce to increase retail trade volume.

At the same time, we completed our pilot Retail Customer Experience (CX) Analytics Minimum Viable Product to help us better understand retail customer trading behaviour through the analysis of associated datapoints. More information about this initiative can be found on page 76 of this report.

Enhancing Market Liquidity

Bursa Malaysia provides an extensive range of securities-related products and services with the aim of enhancing market liquidity and creating a more vibrant marketplace. Deeper liquidity ensures greater market stability and increases our attractiveness to investors and traders. In 2022, we took the following measures to boost liquidity:

- Renewed the Volume-Based Incentive Programme (VBIP) to encourage traders to transact at higher volumes and draw new investors, such as foreign proprietary trading firms. Registered VBIP participants contributed an average of 9.1% to ADV in 2022 (2021: 10.5%).
- Implemented the third phase of the Pilot Market Making Program (PMMP) from 1 June to 30 November 2022. The PMMP aims to increase liquidity and price efficiency of selected mid to large-cap stocks with low velocity.
- Launched Bursa Fund Platform in November 2022, an interactive fund information platform to provide comprehensive information on unit trusts and wholesale funds to the investing public, helping them make better investment decisions.
- Resumed the Intraday Short Selling and Proprietary Day Traders intraday short sale programmes on 1 January 2022 following their suspension on 24 March 2020. The programmes were suspended to maintain the stability and resilience of the market.

MOVING FORWARD

In the coming year, our focus remains on meeting our IPO target to further support our capital market and improve its vibrancy. Additionally, we will deploy initiatives to further strengthen our ecosystem in line with our Strategic Roadmap 2021–2023. Given the importance of the PLCT Programme to the long-term sustainability of our capital markets, we are committed to providing the assistance that the programme participants need in their transformational journey and in addressing any performance gaps. Meanwhile, we will also further develop the idea to create a debt fundraising platform together with RAM Holdings Berhad to support the needs of small and mid-sized corporations.

BUSINESS REVIEW

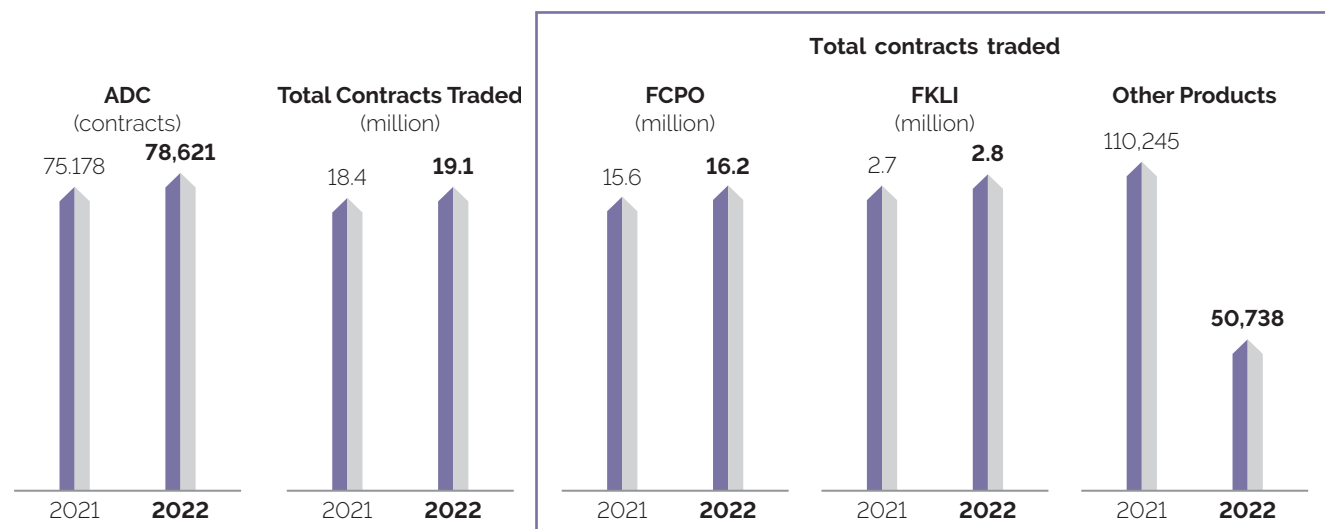
DERIVATIVES
MARKET

Bursa Malaysia Derivatives (BMD) put in another robust performance in 2022 as price volatility and an opaque economic outlook drove investors to the derivatives market to hedge their positions and take advantage of market uncertainties.

The swing in crude palm oil (CPO) prices and volatility in the securities market drove demand for Crude Palm Oil Futures (FCPO) and FTSE Bursa Malaysia KLCI Futures (FKLI), resulting in another record-year for BMD. In total, 19.1 million derivative contracts were traded in 2022, surpassing the previous record of 18.4 million contracts traded in 2021 by 3.7%. Average Daily Contracts (ADC) traded similarly rose 4.6% to 78,621 contracts from 75,178 contracts for the same period. The year also saw foreign institutions increase their participation in the derivatives market, accounting for 54% of total ADC, up from 46% in 2021.

Revenue contributions from BMD increased 13.5% yoy to RM111.6 million (2021: RM98.4 million) as a result of the increase in trading activity. This was mostly driven by an increase in trading revenue, which rose 11.3% yoy to RM97.2 million (2021: RM87.3 million). Meanwhile, Conference Fees and Exhibition-related revenue from physical events increased to RM2.1 million (2021: RM0.1 million) following the lifting of the COVID-19 pandemic-related restrictions.

Segment Revenue	2021 RM million	2022 RM million	% Change
Trading Revenue	87.3	97.2	11.3
Market Data	10.9	12.1	12.0
Member Services & Connectivity	0.1	0.2	8.8
Conference Fee & Exhibition-related	0.1	2.1	3,652.6
Total	98.4	111.6	13.5



OPERATING ENVIRONMENT

Palm oil prices soared to historical highs as a result of the Russian-Ukraine conflict, which sparked worries over the supply of edible oils. At one point, the FCPO spot contract traded above the RM8,000 per tonne mark, in contrast to RM5,300 at the start of the year. The price of CPO averaged RM5,100 per tonne in 2022, setting yet another new high from the previous record average of RM4,407 per tonne in 2021.

Palm oil supply continued to be affected by labour issues, with total CPO production rising marginally by 2.2% to 18.5 million tonnes in 2022 (2021: 18.1 million tonnes). Palm prices were further destabilised by Indonesia's brief ban on palm oil exports as it sought to protect its stock of edible oil. The month-long ban by the world's largest producer of palm oil exacerbated the already tight supply situation and injected greater volatility into the palm oil trade.

As a result of the fluctuations, trading of our flagship FCPO contracts reached a new high of 16.2 million contracts, surpassing the previous record of 15.6 million contracts posted in 2021. Meanwhile, trading of the FKL1 grew apace, increasing 7.4% to 2.8 million contracts traded (2021: 2.7 million contracts), reflecting the continuing volatility of the FBMKLCI.

DELIVERING ON OUR STRATEGY

The diversification of the derivatives business is one of the five Strategic Pillars outlined in our Strategic Roadmap 2021-2023, and key to reaching our objective of future-proofing the Exchange and becoming ASEAN's leading, sustainable and globally-connected marketplace.

Our initiatives aim to transform BMD into the leading commodities exchange in ASEAN through the internationalisation of our market and the expansion of derivative products. We are committed to advancing our sustainability agenda alongside other members of the United Nations Sustainable Stock Exchange (SSE) network.

In line with our strategy, these developmental initiatives are detailed under our Core Strategies of Product Expansion and Ecosystem Development.

PRODUCT EXPANSION

FTSE4GOOD Bursa Malaysia Index Futures (F4GM)

We launched the cash-settled F4GM on 12 December 2022 as part of our efforts to expand the range of our derivatives offerings and meet investors' growing demand for sustainable assets. F4GM is an ESG-themed equity index futures that addresses the growing demand for mini-sized derivative products while enabling the price discovery of ESG assets.

F4GM is our first ESG-based futures contract launched with the FTSE4Good Bursa Malaysia (F4GBM) Index as its underlying instrument. The launch of F4GM also plays a part in our greater ambition of aligning the Exchange with the nation's ESG aspirations while making Bursa Malaysia the preferred marketplace for sustainable and responsible investment.

Gold Futures (FGLD)

We launched the revamped FGLD on 19 September 2022 following its suspension in 2021. Under the revamped FGLD, investors have immediate exposure to international gold price movements, and allow for greater trading opportunities in periods of volatility. The revamped FGLD is a cash-settled contract quoted in US Dollar (USD) and settled in Malaysian Ringgit based on a fixed multiplier from which the final settlement value as well as profit and loss are derived.

The contract has been adjusted across five main areas: contract size, settlement price currency, trading hours, speculative position limits and daily price limits. The enhancement offers a more attractively designed FGLD contract catering to the industry's needs while providing investors with an avenue to take advantage of both uptrends and downtrends in gold markets, as well as to hedge against price fluctuations.

Inter-commodity Spread (ICS)

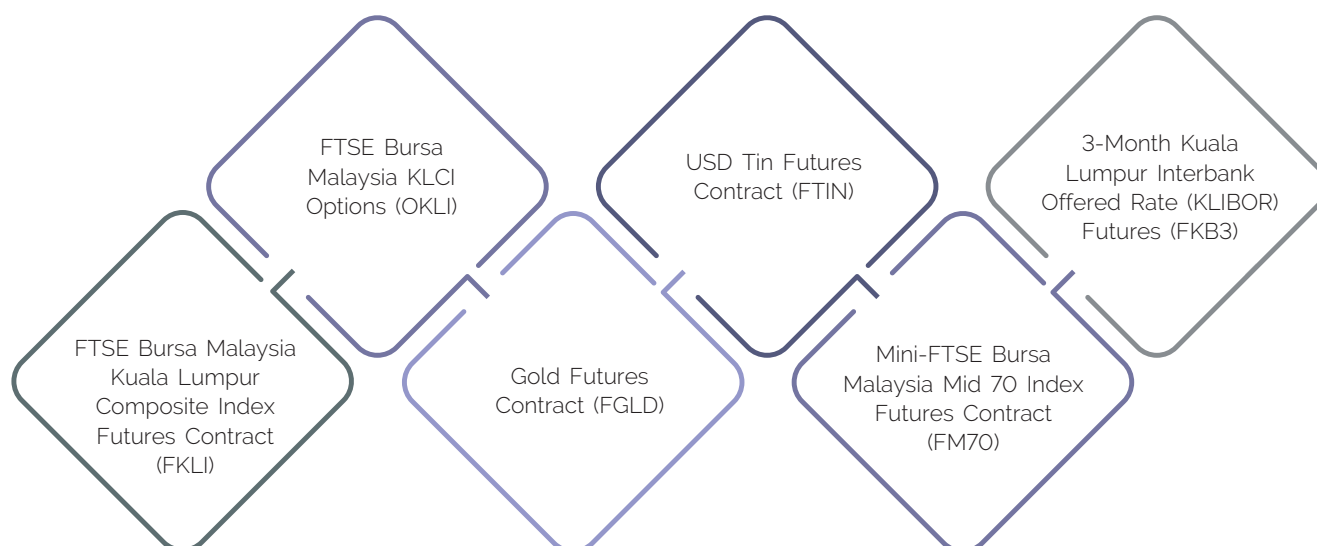
ICS, an Exchange-listed inter-commodity spread between FCPO and East Malaysia Crude Palm Oil Futures (FEPO), was launched on 3 October 2022 to provide additional trading strategy propositions for our market participants. The introduction of ICS allows for seamless spread trade execution between the two contracts, offering investors the ability to take advantage of the differential value between the two futures contracts and greater opportunities to hedge their position. ICS also aims to increase participation in the trading of the FEPO contract which has remained low since its launch due to the lack of liquidity.

BUSINESS REVIEW: DERIVATIVES MARKET

ECOSYSTEM DEVELOPMENT

After-Hours (T+1) Trading

We enhanced the After-Hours Trading by further extending the trading session to 2.30am from 11.30pm previously. The time extension applies to the trading of the following contracts:



The extension aims to strengthen the derivatives ecosystem by aligning it with our product strategy, especially as it relates to the revamped FGLD contract. As gold is actively traded during the US and London morning and afternoon trading sessions, the extension of night trading hours helps our traders take advantage of the price movements.

From a strategic point of view, the After-Hours Trading extension offers market participants the opportunity to narrow price gaps and adjust their risk exposure when trading derivative contracts that are reactive to the international market news and events. The extension also aligns us with the best practices of major Asian exchanges, and addresses feedback received from the industry.

We have seen a steady increase in the night trading ADC to 7,967 contracts in 2022. (2021: 3,220 contracts).

Percentage of Night Trading Volume Over Overall Volume Traded

Products	2021	2022
FCPO	4.7%	8.9%
FEPO	2.7%	2.8%
FKLI	0.9%	1.6%
FM70	0.0%	22%

Alternative Delivery Procedure

The limited number of approved locations for the physical delivery of FCPO, FEPO and Crude Palm Kernel Oil Futures (FPKO) has discouraged trading of the contracts by traders who opt for physical settlement. To address this issue, we introduced an Alternative Delivery Procedure (ADP) on 26 September 2022 for the settlement of these contracts, effectively giving market players greater flexibility in making physical deliveries of the commodities.

Third Country Central (TC-CCP) Counterparty Designation

Bursa Malaysia Derivatives Clearing Bhd (BMDC) was recognised as a Tier 1 TC-CCP on 7 November 2022 by the European Securities Market Authority, enabling BMDC to provide clearing services to clearing members or trading venues established in the European Union (EU) under the European Market Infrastructure Regulation (EMIR) requirement. This effectively makes BMDC a more attractive proposition to Europe-based investment firms and banks as their capital requirement for exposures to clearing houses are significantly lower when dealing with qualifying TC-CCPs.

As Europe accounts for 4% of our Derivatives Market's trading volume, obtaining recognition as TC-CCP is essential for our continued growth and internationalisation plan. The recognition also reinforces BMDC status as a preferred CCP, and grants assurance that BMDC complies with the legal and supervisory arrangements that are comparable and equivalent to the EMIR requirements in the EU.

Conferences, Exhibitions and Campaigns

Palm and Lauric Oils Price Outlook Conference & Exhibition (POC)

The 33rd Bursa Malaysia POC was held from 7th to 9th March 2022 after a two-year hiatus following the upliftment of the COVID-19 pandemic-related restrictions on mobility and gatherings. While the virtual POCs in 2020 and 2021 were well-received, the return to in-person engagement was welcomed by industry players, with 873 delegates from 12 countries attending the event. The POC remains one of the most important forums for Bursa Malaysia to promote product offerings from our palm oil complex and draw new investors. It is also the leading information exchange platform for key decision-makers and thought leaders in the global edible oils industry.

East Malaysia Palm & Lauric Oils Price Outlook Conference & Exhibition (emPOC)

The inaugural emPOC was held from 12th to the 13th of October 2022 in Kota Kinabalu, Sabah. The emPOC aims to replicate the success of our flagship POC by facilitating information exchange and business matching opportunities to the palm oil community in Sabah and Sarawak. The emPOC2022 helped shine the global spotlight on the East Malaysia palm oil industry, as well as ongoing sustainability and conservation efforts in Sabah and Sarawak. The event was attended by 360 delegates and received encouraging feedback from industry players, as well as the Sabah and Sarawak state governments.

Derivatives Virtual Trading Challenge (DVTC)

We held our second DVTC campaign in 2022 to further raise the financial literacy of investors on our Derivatives Market. The DVTC consists of a set of familiarisation webinars to equip participants with foundational knowledge on futures trading strategies and trading process, as well as a 30-day virtual trading challenge hosted on Bursa Marketplace's Derivatives Trading Simulator (DTS). This year, the challenge focused on improving the financial literacy of future investors as opposed to just hosting the competition for existing investors.

The competition was divided into two categories: individual (public retail) and university team (university students). As part of the campaign's educational efforts, we held familiarisation sessions via webinars and conducted university campus tours together with the Bursa Young Investor Club. A total of 4,467 participants and 158 university teams took part in the challenge, with 66% of total registered participants declared as new to futures trading.

Regional Events

We participate in various international conferences to enhance our brand visibility in the derivatives and palm oil industry, as well as to showcase our suite of products. These conferences are also important platforms for networking and engaging with subject matter experts, and developing new ideas that may further strengthen our Derivatives Market. Some of the key events attended in 2022 include:

- The 19th Global Oleochem Summit (virtual);
- The Futures and Options World Global Investor Group Trading Singapore;
- Globoil India 2022;
- China International Oils and Oilseed Conference; and
- The FIA Asia Conference.

Meanwhile, we collaborated with various financial media companies during the year to host palm oil webinars targeted at Chinese retail investors and institutions.

BUSINESS REVIEW: DERIVATIVES MARKET

Strategic Partnerships

We work together with strategic partners to create a more conducive, facilitative and competitive derivatives marketplace. This may include, but not limited to, expanding the range of our products, enhancing sustainability or increasing investor participation. We signed two Memorandum of Understanding (MOU) in 2022 towards these ends.

MOU with The Malaysian Palm Oil Certification Council (MPOCC)

Following up on the successful integration of the Malaysian Sustainable Palm Oil (MSPO) certified CPO into BMD's physical delivery process, we signed an MOU with MPOCC on 14 January 2022 to jointly promote sustainability and responsible practices among palm oil players. The MOU commits BMD and MPOCC to a framework of co-operation and collaboration in the areas of information exchange, including developing and promoting sustainability-related initiatives for the palm oil industry. This MOU reflects our commitment to drive sustainable development in the palm oil supply chain through our product offerings, and enhance the overall competitiveness and appeal of the Malaysian palm oil to importing countries.

MOU with the Shanghai Future Exchanges (SHFE) & Shanghai International Energy Exchange (INE)

BMD signed an MOU with SHFE and INE to strengthen its existing business partnership and lay the groundwork for a long-term working relationship, and indirectly support trade between China and Malaysia. SHFE and INE are futures exchanges approved by the China Securities Regulatory Commission. Cross collaboration with SHFE and INE is expected to advance the development of derivatives market in both regions.

MOVING FORWARD

In the Derivatives Market, trading activities of FCPO contracts will be influenced by the supply of CPO and developments in the global trading supply chain of the commodity. For instance, prolonged geopolitical tensions will disrupt the supply of alternative edible oils, as well as the supply of other components necessary for palm oil cultivation, such as fertiliser from Russia. It also remains uncertain if Malaysian palm oil players can overcome the labour shortage issue to increase palm production.

Meanwhile, volatility in the Malaysian equities will be affected by domestic and global factors, such as global growth prospects and interest rate policy decisions by key economies. The Malaysian economy is expected to continue growing in 2023, albeit at a more moderate pace. While it is unlikely that Malaysia will fall into recession in 2023, it is still a likely possibility for the global economy. The movement of the Malaysian Ringgit may also influence the investing decisions of foreign investors as well as domestic institutional investors and therefore must be closely monitored.

We will continue to implement initiatives as guided by our Core Strategies, and grow our derivatives offerings and opportunities to cater to a wider group of market participants. This will then drive us towards our goal of transforming BMD into the leading commodities exchange in ASEAN, while creating an enhanced market ecosystem that makes our market more competitive and attractive to market participants.

The overall strategies for the Derivatives Market in 2023 focus on:

Expanding Product Offerings: Expanding the range of our products to grow the offerings and opportunities for a wider group of market participants.

Building Our Core: Creating a more agile conducive, facilitative and sustainable ecosystem.

Widening Market Reach: Widening the base of market participants through outreach and engagement programmes.

BUSINESS REVIEW

BURSA INTELLIGENCE

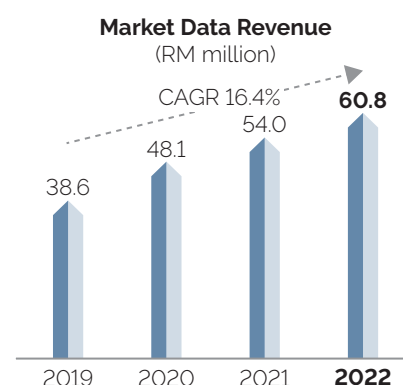
Bursa Intelligence (BI), formerly known as Bursa Data Business, remained resilient in delivering on our commitment to create value for our stakeholders, in spite of the challenging environment in 2022.

In 2022, we further enhanced our primary business operations to positively contribute to Bursa Malaysia's non-trading revenue (NTR). Significant growth in BI's revenue has been recorded in recent years, growing 12.5% to RM60.8 million in 2022 from RM54.0 million in 2021. For the purpose of segmental reporting, the revenue for BI is recorded under both the Securities and Derivatives Markets, depending on the type of revenue.

Some key factors contributing to the growth include:

- Successful implementation of our core strategy;
- Deployment of an improved enterprise license model;
- Expansion of channels through partnerships; and
- Enhanced focus on data governance.

This growth trajectory is expected to continue, and we are confident that the introduction of new products and collaborations with partners will further drive our growth momentum, especially given the current primacy of data and technology.



OPERATING ENVIRONMENT

The COVID-19 pandemic significantly impacted the capital market, causing economic disruptions and affecting PLCs' performances. Nevertheless, it simultaneously accelerated the adoption of digital technology and substantially altered investor behaviour, particularly in boosting retail trading participation. As we move towards a state of endemicity and economic recovery, it has become crucial that we examine the factors behind investor trading behaviour in order to maintain their participation in the market. These will then be used to develop new and innovative strategies to retain participation and enhance marketplace vibrancy.

Our work over the last few years has identified niche and strategic business areas for our offerings. The targeted deployment of value creation activities in these areas have not only yielded positive returns for the Exchange, but also simultaneously widened our product and service offerings, promoted greater market transparency and helped our subscribers make better investment decisions.

Given the growing importance of data today, we will continue to invest in digital innovation and transformation to better meet the needs of the digital economy. Additionally, we will continue to develop industry collaborations and renew our focus on integrating ESG in our activities in line with our strategy. As Technology as well as Data and Innovation are key enablers for our strategic transformation, we are committed to continue to grow our capabilities in these areas and drive Bursa Malaysia towards becoming ASEAN's leading, sustainable and globally-connected marketplace.

BUSINESS REVIEW: BURSA INTELLIGENCE

DELIVERING ON OUR STRATEGY

BI's three-year strategy (2021 – 2023) outlines three long-term goals:

These goals are supported by focusing our value creation activities on three core strategies:



BI's Key Deliverables for 2022

Analytics Center of Excellence	Organic Growth	Enterprise Data Platform	Analytics Solutions	Thematic Indices	ESG Advisory
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PRODUCT EXPANSION

Developing New Products With Technology

In 2022, we successfully completed our Retail Customer Experience (CX) Analytics Minimum Viable Product (MVP), a data-driven analytics project piloted on the Exchange's cloud and artificial intelligence platform, in collaboration with four POs. The MVP aims to drive the development of our investor base by developing insights into retail customer behaviour from the datasets of the participating POs. The insights can then be deployed in other projects that deal with the retail segment.

This project also served as a platform for Bursa Malaysia and POs to jointly explore and create data-driven digital solutions that may be useful to the industry. Additionally, it aims to enhance investor engagement by deploying a hyper-personalised framework to create customised initiatives for specific retail investors. The cloud-based model facilitates multi-party collaboration in an efficient and cost-effective manner.

Through this MVP, we hope to create a more facilitative and customised market experience for our retail investors and thus improve retail participation in our marketplace. In addition to the Retail CX project, we have also expanded our collaboration with other parties to develop data solutions, including an international network provider to provide connectivity services.

We further developed the offerings of Bursa Connectivity Services (BCS), a managed network service connecting over 900 data centres in more than 30 countries. BCS is a new source of non-trading revenue, generating income from cross-selling opportunities that leverages on our market data. One key value proposition for our clients is the faster time-to-market of BCS' streamlined on-boarding process, which gives us a competitive advantage over outside network service providers.

BCS' large network footprint also puts us in closer proximity to leading international financial institutions participating in the capital market. This in turn makes it easy for foreign participants to connect to Bursa Malaysia, thereby encouraging and enabling greater international participation in our market.

ECOSYSTEM DEVELOPMENT

Strategic Partnerships

Bursa Malaysia and the Companies Commission of Malaysia (SSM) are exploring the feasibility of building a holistic data ecosystem leveraging on SSM's datasets that supports Malaysia's socio-economic development agenda. This initiative is part of our data acquisition strategy, and may eventually be used to develop analytics and solutions for the fundraising community in the capital market. Bursa Malaysia and SSM have also agreed to work together in encouraging Malaysian companies to improve their ESG disclosures and access capital via ESG best practices.

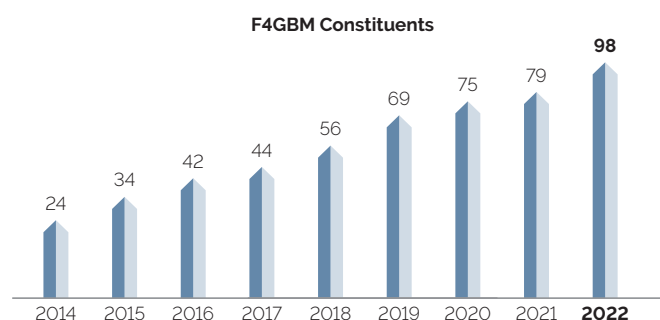
Driving Our ESG Ambitions

ESG investing has gained traction in recent years. This is a positive development for the Exchange as we have been fostering the growth of ESG awareness and best practices in Malaysia since the launch of the FTSE4Good Bursa Malaysia Index (F4GBM) on 22 December 2014. The number of constituents in the index has risen to 98 as at December 2022, a significant increase of 308% from the initial 24 constituents.

With over 900 PLCs listed on Bursa Malaysia, there remains substantial potential for further growth. We have also seen improvements in ESG disclosures and practices among our PLCs, with their overall ESG rating improving to 2.47 from 1.31 since the launch of the index.

To drive further improvements, we have stepped up our collaboration with banks and financial institutions, as well as FTSE Russell to implement ESG-related initiatives. Our recently launched ESG advisory service will also provide practical, workable and reliable recommendations to enhance PLCs' sustainability policies and practices. Key indicators of the positive trajectory of our market's ESG performance include:

- The availability of financing options based on ESG criteria;
- Increased media coverage of ESG developments and events;
- Greater integration of ESG into the investment portfolios of institutional investors;
- Higher PLCs awareness and compliance with regards to ESG practices, which have led to higher ESG ratings; and
- The increasing number of PLCs participating in our ESG advisory services.



MOVING FORWARD

We will continue to capitalise on technology to create and enhance products and ecosystems – for example, constructing a new enterprise data platform – through collaborations with partners and by utilising our own datasets. These efforts will target strategic areas where the implementation of market data will bring value to the Exchange. Moreover, technology, data and innovation will be deployed to support the Exchange's digital transformation and the achievement of its strategic goals.

We continuously seek opportunities to accelerate the development of our business which includes collaborating with ESG partners to bolster our ESG offerings.

Non-Organic Growth Plans

Ongoing

2023 – 2025

Developed F4GBM Franchise
in Ecosystem
(Partnership)

Develop ESG Digital Solutions with London Stock
Exchange Group and Other Partners
(Evolve Partnership Model)

Acquired SSM Datasets
(First in Market)

Explore Exponential
Non-organic Opportunities
(New Business Model)

Building Enterprise Data
Platform and Data Science
(Develop Own Products)

Acquire Robust Product Development
Capabilities
(Build or Buy)

BUSINESS REVIEW

ISLAMIC
MARKETS

Bursa Malaysia holds a prominent position in the Islamic capital market and provides comprehensive trading and investing options to investors who are seeking an end-to-end Shariah-compliant investment experience.

Our Islamic offerings comprise Shariah-compliant securities and Shariah-compliant services, as well as two Shariah-compliant platforms: Bursa Malaysia-*i* which provides end-to-end Shariah-compliant securities trading and investing, and Bursa Suq Al-Sila' (BSAS), a commodity Murabahah trading platform.

For the purposes of segmental reporting, revenue generated from the trading of Shariah-compliant securities is reported under the Securities Market¹, while revenue generated by BSAS is reported here.

BSAS grew from strength-to-strength in 2022, increasing its trading revenue by 17.8% to RM16.4 million in 2022 from RM14.0 million in the previous year. ADV correspondingly increased 22.3% to an all-time high of RM45.6 billion yoy, surpassing the previous record of RM37.3 billion recorded in 2021.

OPERATING ENVIRONMENT

Interest in Islamic assets have increased in tandem with the growing demand for sustainable and responsible investment (SRI) products. We expect this trend to continue as the COVID-19 pandemic and recent focus on climate issues have renewed interest on SRI and sustainable themes.

Nevertheless, trading sentiments for Shariah-compliant securities were impacted by issues that affect securities trading generally, such as market volatility, liquidity conditions and corporate performance. BSAS, on the other hand, sustained its growth momentum from the last few years to reach a new record high for ADV in 2022. Efforts to market BSAS and enhance its pricing mechanism had made the platform more attractive for participants, culminating in an increase of both local and foreign players.

Meanwhile, we have added a new facet to the Islamic capital markets through the introduction of the Bursa Carbon Exchange (BCX), our Shariah-compliant voluntary carbon exchange. Although it is still early days, we are optimistic that BCX will be well-supported because of its unique value proposition that contains both SRI and Shariah-compliant themes.

DELIVERING OUR STRATEGY

Positioning Bursa Malaysia as the global hub for Islamic capital market is one of the five Strategic Pillars in our Strategic Roadmap 2021-2023. 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 reinforce our leadership position in this segment.

Our initiatives in the Islamic Markets are focused on the Core Strategies area of Product Expansion, Ecosystem Enhancement, as well as Capacity and Capabilities Development. We aim to create greater synergy between Shariah-compliant and SRI, and develop new innovations such as a Shariah-compliant carbon trading platform to further our sustainability goals.

¹For more information on our Securities Market, please turn to page 64 of this report.

PRODUCT EXPANSION

Bursa Carbon Exchange (BCX)

BCX is the world's first Shariah-compliant carbon exchange that enables companies to take practical climate mitigation action through the trading of carbon credits of projects with measurable climate action outcomes that adhere to international standards. BCX supports Malaysia's ambition to achieve its target of a net zero nation by 2050 while accelerating Corporate Malaysia's renewed focus on developing a green economy.

Projects eligible for trading on BCX include nature-based and technology-based solutions which avoid, reduce, or remove greenhouse gas (GHG) emissions. The first trade will be conducted via auction to facilitate price discovery for new standardised carbon credit contract. BCX has been designed to widen the range of Shariah-compliant products in our marketplace, which will draw new market participants looking for ESG and Shariah-compliant solutions.

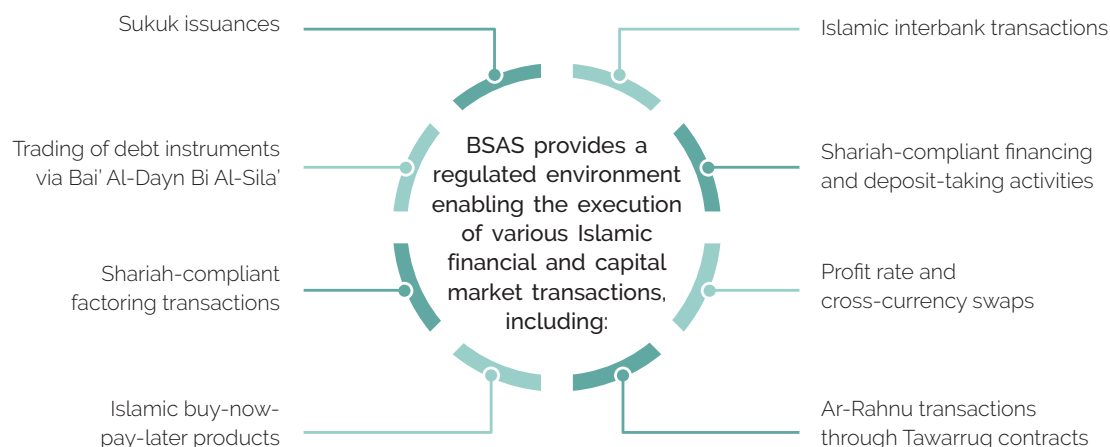
FTSE Bursa Malaysia Top 100 ESG Low Carbon Select Shariah Index (FBM100LS)

The FBM100LS adds to the Exchange's portfolio of FBM Index suite that is jointly issued with FTSE Russell. This index expands the Exchange's benchmarking offerings in the Shariah-compliant ESG, low carbon and climate risk index space to cater to growing investor demand. The index methodology addresses ESG and climate change risks through multiple dimensions based on clear, transparent and targeted objectives, and is designed to further encourage ESG and low carbon adoption within the local capital market ecosystem.

ECOSYSTEM DEVELOPMENT

Bursa Suq Al-Sila (BSAS)

Since its launch in 2009, BSAS has facilitated Islamic finance transactions and Islamic liquidity management for Islamic financial institutions (IFIs) and non-IFIs, domestically and internationally.



During the year, we implemented various initiatives and programmes to enhance the performance of BSAS. These include:

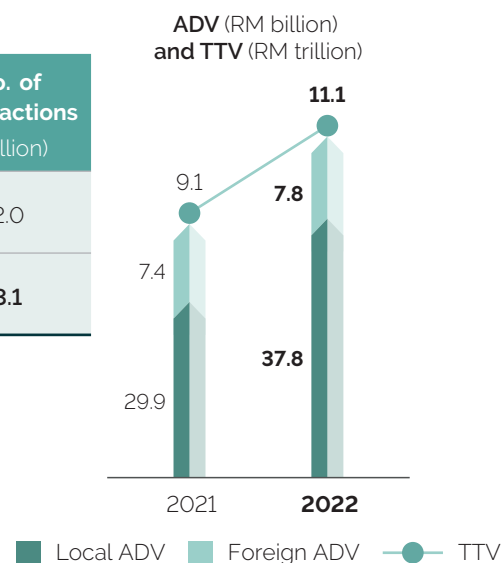
- Implementing a minimum fee in January 2022 to capture high volume retail transactions.
- Creating new markets or products and trade stickiness by leveraging on technology and Shariah Wealth of Knowledge.
- Broadening BSAS' participants and foreign market outreach.
- Facilitating a Commodity Murabahah Islamic Treasury Bills issuance and Commodity Murabahah Islamic Monetary Policy for the Republic of Maldives.

In 2022, the number of BSAS' registered participants increased to 325 participants from 24 countries (2021: 299 participants).

BUSINESS REVIEW: ISLAMIC MARKETS

BSAS' Performance

Year	Local ADV	Foreign ADV	Total Trading Value (TTV)	Trading Revenue	No. of Transactions
	(RM billion)		(RM trillion)	(RM million)	(million)
2021	29.9	7.4	9.1	14.0	2.0
2022	37.8	7.8	11.1	16.4	3.1



Bursa Malaysia-i

Our Shariah-compliant securities trading and investing platform, Bursa Malaysia-i, offers the full range of exchange-related services, including listing, trading, clearing, settlement and depository services through the interfaces of Islamic Participating Organisations (POs).

In 2022, 803 or 79.2% of securities listed on Bursa Malaysia with a total market capitalisation of RM1,156 billion (2021: RM1,221 billion) were Shariah-compliant and available to trade through Bursa Malaysia-i. The 803 securities comprise:

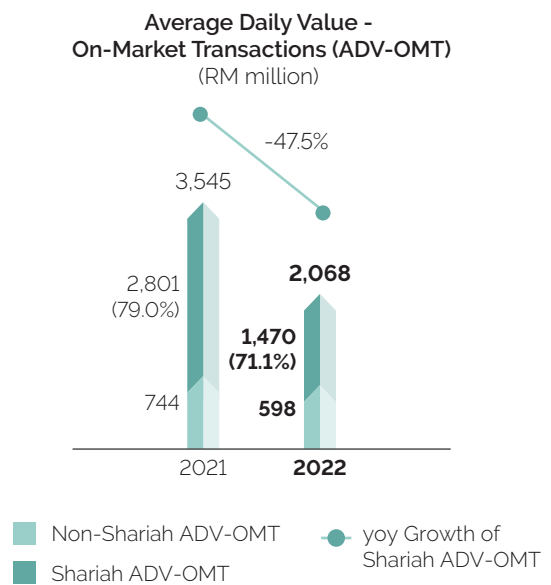
- Shariah-compliant stocks: 789
- Shariah-compliant Exchange Traded Funds (ETFs): 6
- Shariah-compliant Real Estate Investment Trusts (REITs): 5
- Exchange Traded Bonds and Sukuk (ETBS): 3

During the year, we implemented various initiatives to add value to the Islamic capital market ecosystem. These include:

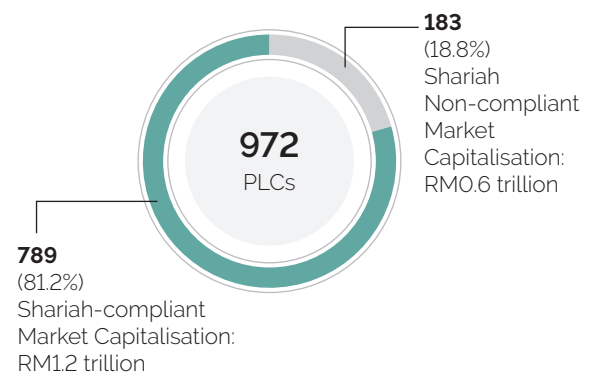
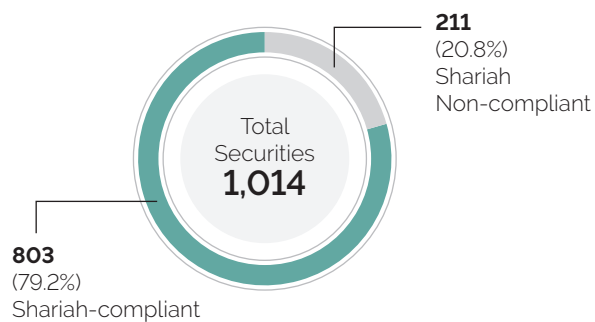
- Receiving endorsement from the SC's Shariah Advisory Council (SAC) on the Shariah Discretionary Trading framework and requirements. Malacca Securities Sdn Bhd was onboarded as the first Islamic PO to offer Shariah Discretionary Trading service in July 2022.
- Issuing our enhanced 'Best Practices in Islamic Stockbroking Services Undertaken by Participating Organisations' to facilitate Islamic POs observe the relevant practices in accordance with Shariah principles. As the operating landscape is constantly changing, Bursa Malaysia regularly updates the document to accord with the latest developments.
- Receiving approval from the SAC of the SC on the enhanced Islamic Securities Selling and Buying - Negotiated Transaction (ISSBNT) Framework. This effectively approved a number of enhancements to the ISSBNT, including the addition of a remedial option allowing users to recall securities if the status of the ISSBNT-eligible securities changes to Shariah non-compliant.
- Issuing a public consultation paper on the proposed amendments to the Main LR about listed REITs and ETFs with waqf features. This is part of our efforts to seek broad feedback about proposed changes to the Main LR in relation to listed REITs and ETFs with waqf features.
- Organising a roundtable session on SRI ETFs to discuss the challenges of the Malaysian ETF market and as an avenue to seek support from institutional investors to enhance the vibrancy of the ETF ecosystem. The session was attended by representatives from Government-linked Investment Companies and fund managers.

Bursa Malaysia was also named 'Best Stock Exchange for Islamic Listings' by the Islamic Finance News (IFN) at the 15th, 16th and 17th Annual IFN Service Providers Poll, winning the award for five consecutive years.

Bursa Malaysia-i Activity

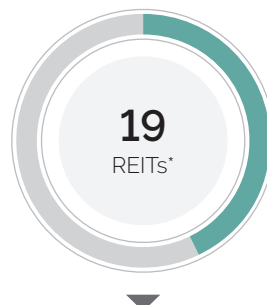


Securities Listed and Traded on Bursa Malaysia



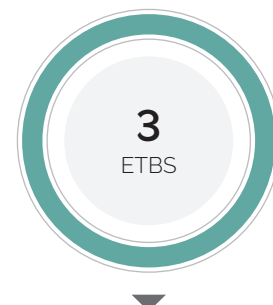
6 i-ETFs | Net Asset Value (NAV): RM0.4 billion 19.3%

14 ETFs | NAV: RM1.7 billion 80.7%



5 i-REITs | Market Capitalisation: RM16.8 billion 43.0%

14 REITs | Market Capitalisation: RM22.3 billion 57.0%



3 ETBS | Market Capitalisation: RM0.4 billion

*Including one Stapled Securities.

BUSINESS REVIEW: ISLAMIC MARKETS

CAPACITY AND CAPABILITIES DEVELOPMENT

We engage with our stakeholders regularly to educate, exchange information and brainstorm new ideas that may further develop our Islamic capital market. While Shariah investing and trading is gaining traction, we are aware that it is a relatively new form of investing and requires greater marketing and promotion. To that end, we conduct regular outreach and stakeholder engagement programmes involving market intermediaries, institutions and retail market segment. Some of our efforts in 2022 include the following:

- Invest Shariah Corporate Conversation (ISCC) 2022 - Series 1 in collaboration with CGS-CIMB Securities Sdn Bhd to provide market and sectoral outlook and insights.
- ISCC 2022 - Series 2 in collaboration with Maybank Investment Bank Berhad to provide insights on Islamic investment options.
- Invest Shariah Industry Dialogue 2022 in partnership with the SC and Halal Development Corporation to build awareness among companies involved in the Halal industry of the merits of listing on Bursa Malaysia.
- Invest Shariah Dialogue 2022 in partnership with the Association of Shariah Advisors in Islamic Finance and Islamic Banking and Finance Institute Malaysia to discuss the impact of the next generation of investors on Islamic fintech and sustainable value creation.
- Kempen Saham Aidilfitri 2022 to raise awareness and trading of Shariah-compliant listed shares and investment products on Bursa Malaysia-i.
- Roundtable on Sustainable and Responsible Investment ETFs to discuss the challenges of the Malaysian ETF market and to seek support from institutional investors to enhance the vibrancy of the ETF ecosystem.

MOVING FORWARD

BSAS is poised for steady growth in 2023, with increased participant engagement and the global economic recovery providing support. We remain focused on driving volume and revenue growth through the implementation of minimum fees, and drive greater efficiencies into our platform through the implementation of the revamped BSAS 2.0. Our ongoing marketing initiatives targeting existing and potential participants are also expected to help sustain growth.

With regards to our other Islamic offerings, we will launch the Bursa Gold Dinar in 2023 to further expand our range of Shariah-compliant products. Meanwhile, we will continue developing new and existing capital market instruments, such as our SRI and waqf-featured products and the BCX. We remain committed to further improving our marketplace and create a more user-friendly trading and investment ecosystem.

OUR SHARIAH COMMITTEE

The Shariah Committee of Bursa Malaysia Islamic Services Sdn Bhd was established to enhance the Exchange's Shariah knowledge base. It serves to deliberate and advise on new Shariah-related developments as well as to issue Shariah Pronouncement on Shariah products and services. The Shariah Committee also ensures that the Exchange's Shariah governance framework is aligned with Shariah principles so as to meet the need of the Islamic capital market ecosystem.



PROF. DR. ASHRAF BIN MD HASHIM
Chairman

Nationality	Age/Gender
Malaysian	55/Male

Academic/Professional Qualification/Membership(s):

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

Present Directorship:

- Listed Entity: Nil
Other Public Companies:
- Lembaga Tabung Haji
 - Express Rail Link
 - Halal Development Cooperation
 - Tabung Haji Travel and Services

Present Appointment(s):

- CEO, ISRA International Consulting (a subsidiary of INCEIF University)
- Deputy Chairman, Shariah Advisory Council, Bank Negara Malaysia (BNM)
- Member, Shariah Advisory Council, Securities Commission Malaysia (SC)
- Member, Shariah Committee, International Islamic Liquidity Management Cooperation
- 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
- Member, Internal Shariah Advisory Committee, Abu Dhabi Islamic Bank (ADIB), United Arab Emirates
- Member, Internal Shariah Advisory Committee, Standard Chartered Bank, United Arab Emirates
- Chairman, Advisory Council of Experts, Noor Takaful Nigeria
- Member, Shariah Board, Islamic Bank of Australia
- Member, Shariah Board, IMON International, Tajikistan
- Member, Shariah Board, Amanat Advisory, Kyrgyz Republic
- Member, Panel of Shariah Experts, Islamic Development Division, Prime Minister Department, Malaysia
- Member, Shariah Committee, Yayasan Waqf Malaysia (Malaysia Waqf Foundation)
- Member, Shariah Committee, State Development Cooperation of Kelantan
- Member, Waqf Committee, Kelantan Religious Council and Finance
- Member, Finance and Investment Committee, Selangor Religious Council



PROF. DR. YOUNES SOUALHI
Member

Nationality	Age/Gender
Algerian	55/Male

Academic/Professional Qualification/Membership(s):

- PhD in Shariah from Universiti Malaya
- MA in Shariah from the International Islamic University Malaysia (IIUM)
- BA in Shariah from Emir Abdul Qadir University for Islamic Sciences (Algeria)
- Diploma in Human Sciences (IIUM)
- Registered financial planner (RFP, MFPC-Malaysia)
- Certified trainer (CIBAFI)

Present Directorship:

- Listed Entity: Nil
Other Public Companies: Nil

Present Appointment(s):

- Chairman, Group Shariah Committee, MNRB Holdings Berhad, Malaysia
- Sole 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, al-Jazair al-Muttahida Takaful operator, Algeria
- Chairman, Shariah Committee, Osol for Shariah Consultancy, Kuwait
- Member, AAIOfI Shariah sub-committee (South East Asia Region)



PROF. DR. ENSKU RABIAH ADAWIAH BT ENSKU ALI
Member

Nationality	Age/Gender
Malaysian	56/Female

Academic/Professional Qualification/Membership(s):

- PhD in Law from University of Aberdeen
- LLB (Hons) from International Islamic University Malaysia
- LLB (Shariah) from IIUM
- Masters of Comparative Laws from IIUM
- Member of the Association of Shariah Advisors in Islamic Finance Malaysia

Present Directorship:

- Listed Entity: Nil
Other Public Companies: Nil

Present Appointment(s):

- Shariah Committee, Labuan Re
- Shariah Advisory Council, BNM
- Shariah Advisory Council, Labuan FSA
- Shariah Advisory Council, SC
- Shariah Advisor, Gen Re
- Member, Shariah Advisory Committee, EPF
- Council Member, MAIWP
- Board Member, AWQAF Holdings
- Council Member, KIWF (Labuan)
- Independent Shariah Advisor for Islamic securities (sukuk) issuance registered with SC

BUSINESS REVIEW

OUTLOOK

The Malaysian economy is expected to continue to grow in 2023 on the back of a recovery in domestic demand, the resumption of tourism and the recovery of exports in selected segments. While operating conditions are projected to remain challenging, there are several positive indicators that prospects may improve in 2023. This includes inflation having peaked in 2022, the reopening of China's economy and a partial recovery in palm oil yields.

Global prospects are more uncertain with global growth forecasted to slow sharply, putting the world economy at risk of slipping into a recession. Markets are expected to remain volatile due to ongoing geopolitical tensions that have disrupted global trade and commodity supplies. Rising interest rates will at the same time exert additional pressure on growth.

Over the immediate-term, we will continue to enhance the competitiveness of our marketplace on various fronts especially in the areas of the product and ecosystem development. We are committed to our purpose as an Exchange and strive to ensure it remains attractive to all market participants.

One of our key initiatives aimed at achieving this in the Securities Market is our PLC Transformation (PLCT) Programme which will run until 2025. The Exchange will guide the participants of the PLCT Programme, and will continue to deliver initiatives in 2023 to support their transformation journey. In leading by example, Bursa Malaysia has embraced the PLCT Programme and disclosed our Headline KPIs in line with the programme's recommended best practices. Meanwhile, we will continue working on innovations aimed at expanding our range of products and services, such as the new debt fundraising platform that will be jointly developed with RAM Holdings Berhad.

As for the Derivatives Market, heightened volatility in commodities and securities is expected to further drive trading of derivative contracts. The last year saw foreign traders make up the majority of participants in the Derivatives Market, and we expect this trend to continue in 2023. Our recognition as a Third-Country Central Counterparty by the European Securities and Markets Authority will enhance the attractiveness of our Derivatives Market to Europe-based participants and we expect to see more participation from that part of the world.

We will continue to work on developing new Islamic capital market instruments, such as the Bursa Gold Dinar in 2023, to cater to the rise in demand for Islamic and sustainable and responsible investments (SRI). The year 2023 will also see us further narrow the gap between Islamic and SRI assets through the development of Shariah-compliant products and services that also have a sustainability focus, such as our Shariah-compliant Bursa Carbon Exchange. Additionally, we will continue to develop our newly launched instruments, such as securities with waqf features, and promote them to appropriate stakeholders. Bursa Suq Al-Sila', meanwhile, is expected to continue its growth momentum.

Our priority going forward is to develop our markets and products, and intensify our outreach activities to create a sustainable marketplace. 2023 is the final year of our three-year Strategic Roadmap and we plan to accelerate our efforts to ensure that we reach our stated objectives. We will also work on the next phase of our strategy concurrently to ensure the continuity of our efforts and further drive the long-term growth of the Exchange.

05

Sustainability Progress

SUSTAINABILITY PROGRESS

Sustainability is an important part of the Exchange's agenda because of our responsibility to lead capital market participants in embracing sustainability. Thus, it is important for us to walk the talk, acting both as a role model and as a catalyst for elevating the sustainability practices of our listed issuers. To this end, we strive to continuously enhance our sustainability strategies and manage our impacts.

OUR SUSTAINABILITY STRATEGY

The importance of sustainability to our organisation is manifested in our Sustainability 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. "Embedding Sustainability in our Organisation and Marketplace" is one of the five Strategic Pillars under the Strategic Roadmap 2021–2023, which highlights key areas of focus to help us achieve our vision.

The Sustainability Roadmap 2021–2023 (Roadmap) aims to further support this key area of growth. It comprises five priority areas that cut across our marketplace and internal practices, as well as the community in which we operate. These priority areas are supported by 25 initiatives, to be undertaken over a three-year period. Meanwhile, work is underway to outline the next phase of our sustainability strategy, which will commence in 2024. This next stage of our sustainability journey will take into account all that we have achieved thus far and further develop the maturity of our sustainability practices.

Priority Areas

Priority
Area 1



**STRENGTHENING
OUR CORE**

Priority
Area 2



**DRIVING OUR
GROWTH**

Priority
Area 3



**PROTECTING
OUR
ENVIRONMENT**

Priority
Area 4



**EMPOWERING
OUR
WORKFORCE**

Priority
Area 5



**ADVANCING
OUR
COMMUNITIES**

Sustainability Roadmap 2021–2023

MARKETPLACE

INTERNAL

COMMUNITY

Strategic Objectives of Our Initiatives

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

Material Matters



Economic Performance



Market Integrity and Stability



Education and Capacity Building



Cyber Security and Customer Privacy

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



Sustainable Finance



Innovation and Technology Excellence

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



Climate Risks



Environmental Footprint

Cultivate an empowered workforce to develop more sustainable approaches



Anti-Fraud, Bribery and Corruption



Workplace Environment



Employee Engagement



Learning and Development

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



Community Investment



Supply Chain Management

SUSTAINABILITY PROGRESS

PRIORITY
AREA

01

STRENGTHENING OUR CORE

We strive to provide a vibrant and resilient capital market through initiatives that strengthen the core of our business. This includes creating value for our stakeholders, ensuring market integrity and stability, and protecting the data privacy of our stakeholders. We also actively promote education and capacity building among our market participants so that they are equipped with the necessary knowledge to succeed in the ecosystem.

ECONOMIC PERFORMANCE	Why it Matters The private sector plays a critical role in driving economic growth. Companies and their business activities can increase the productive capacity of an economy, create jobs and drive technological innovation. As the national stock exchange of Malaysia, we are even more conscious of the role that we play as the performance of the stock market is often a reflection of the country's economic progress and may have an impact on investor confidence.	Our Approach Our economic activities can generate direct and indirect impacts for our stakeholders such as dividends to shareholders, job opportunities for local communities and contributions to government taxes. We are guided by our Group Dividend Policy and are committed to paying our shareholders an annual dividend of no less than 75% of our profit after tax and minority interest (PATAMI). We have also pledged to devote 1% of our profit after tax to corporate social responsibility (CSR) activities.
	Key Progress: Refer to Financial Review on page 62 of this report	Relevant Indicators: - RM226.6 million Profit After Tax, decreased 36.2% year-on-year - RM214.5 million distributed as dividends to shareholders
MARKET INTEGRITY AND STABILITY	Why it Matters Ensuring market integrity and stability is vital for the sustainability of Bursa Malaysia as these lead to a market that is fair and efficient where participants can enjoy equal access and in an environment where price discovery and trading practices are conducted in a transparent manner. All of these have a ripple effect on the attractiveness of our market as they instil trust, lower systemic risk, and support capital raising activities.	Our Approach We remain guided by our present 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.
	Key Progress: Refer to Marketplace Report: Fair and Orderly Markets on page 126 of this report	Relevant Indicators: 99.7% of submissions of financial information by PLCs received on time - Only five PLCs had deviations of more than 10% between their unaudited and audited results based on their fiscal year-end 23 media queries issued to clarify media articles 143 queries issued on corporate announcements 2.9% of PLCs were classified as financially distressed - No suspension of counter/stock due to/related to erratic trading

EDUCATION AND CAPACITY BUILDING

Why it Matters

Market participants are an integral part of our business ecosystem who can directly impact the effectiveness and resilience of the capital market. Thus, we invest in education and capacity building initiatives to increase their level of investment sophistication, build their capabilities, and ensure that they have sufficient knowledge and skill sets to navigate the capital market's complex ecosystem confidently. Our market participants are important resources necessary to our operational success and sustainability.

Our Approach

We focus on four stakeholder groups, namely Public Listed Companies (PLCs), Intermediaries, Investors and Community Groups in our education and capacity building initiatives. Their needs are thoroughly studied to ensure the initiatives are topical and relevant. We also work closely with industry partners, intermediaries and training providers to ensure that our programmes and initiatives meet the objectives outlined.

Key Progress:

- Published five digital guidebooks under the Public Listed Companies Transformation Programme
- Launched the Bursa Research Incentive Scheme to address the lack of trading activity within the inactive and under researched stock segment
- Organised the second annual virtual Bursa Marketplace Fair
- Launched the #MyFirstTrade# campaign in conjunction with International Women's Day
- Hosted the Karnival Saham Bersama Bursa Malaysia with Yayasan Pahang to educate the public about the importance of investing early and responsibly in the stock market
- Organised the Bursa Investment Quiz Competition (BIQ) 2022
- Organised the Bursa Inter-Varsity Stock Challenge 2022
- Hosted the 33rd Annual Palm and Lauric Oils Price Outlook Conference and Exhibition (POC)
- Organised the inaugural East Malaysia Palm and Lauric Oils Price Outlook Conference and Exhibition (emPOC)
- Organised the 2nd Derivatives Virtual Trading Challenge (DVTC)

Relevant Indicators:

- 3,101 participants attended our advocacy programmes for PLCs
- 4,240 participants from Participating Organisations, Trading Participants, Clearing Participants and Non-Trading Clearing Participants attended our training sessions
- 172,024 participants attended our investor education programmes on securities, derivatives and Islamic capital markets
- Over 2,000 participants attended the second annual virtual Bursa Marketplace Fair
- 1,062 participants attended the six webinars targeted for women investors to address gender investing gap in the stock market
- 801 individuals attended the 'Karnival Saham Bersama Bursa Malaysia'
- 1,439 registered participants took part in the BIQ competition
- 1,185 individual participants, via 730 teams from eight universities across the nation competed in the Bursa Inter-Varsity Stock Challenge
- 873 delegates from 12 countries attended the physical Annual POC
- 360 delegates attended emPOC
- 4,467 participants with 158 university teams competed in the second DVTC
- Recorded 712,971 page views and 160,779 visitors on the Bursa Academy website
- Recorded 364,130 page views and 151,140 visitors on the Bursa Sustain website
- Completed 33 initiatives with 4,779 participants for our Bursa Young Investor Club
- Conducted 31 sessions of Sens-Ability programme and attended by 4,377 individuals

CYBER SECURITY AND CUSTOMER PRIVACY

Why it Matters

As an exchange, we process a huge amount of information and data every day. As such, we continually strive to safeguard and protect the privacy of our customer data. We are committed to ensuring a strong cyber security system and safeguarding all information and data including our IT systems, networks and applications against cyber threats.

Our Approach

Bursa Malaysia remains proactive and vigilant to ensure the overall robustness and effectiveness of controls on cyber resilience, be it on safeguarding our own cyber security system or strengthening our intermediaries' system. 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. We are also guided by the Cyber Security Strategy Roadmap 2020-2023 and the Technology and Cybersecurity Committee oversees our cyber security and customer privacy management.

Key Progress:

- Completed the recertification audit for ISO27001 for Information Security Management System
- Continued to raise awareness on cyber security among our employees and intermediaries
- Continued to strengthen security controls and processes

Relevant Indicator:

- No material breaches or substantiated complaints concerning cyber security or customer privacy were reported in 2022

SUSTAINABILITY PROGRESS

PRIORITY
AREA

02

DRIVING OUR GROWTH

We are committed to growing responsibly by leveraging on innovation, technology and trends that shape the sustainable finance ecosystem to meet the needs of the capital market. Driving sustainable growth will help us build a resilient ecosystem that will create value for all.

SUSTAINABLE FINANCE	Why it Matters There has been a steady gathering of momentum with respect to the development of sustainable finance in both the Islamic and conventional capital markets. This comes as a result of growing global interest in values-based investing, which has in turn called for the development of a more robust and vibrant sustainable and responsible investment (SRI) ecosystem that puts sustainable finance at the forefront. In support of this objective, Bursa Malaysia has introduced new measures to enhance the environmental, social and governance (ESG) performance of our PLCs and further our commitment towards developing Shariah-compliant investing. As an exchange and an ESG proponent, we are focused on expanding the capabilities of the capital market ecosystem and launching new ESG-aligned products and services to unlock opportunities while generating long-lasting positive impacts for society and the environment.	Our Approach We adopt a multifaceted approach centred on three key areas: - Facilitating SRI products and services - We enable sustainable investments through SRI products and services by aligning Shariah with ESG investing, supporting ESG investments that make use of the methodology that underpins the FTSE4Good Bursa Malaysia (F4GBM) Index, promoting the LEAP Market, promoting the sustainability in derivative products, facilitating microfinancing to underbanked communities, and supporting the nation's transition to low-carbon economy. - Enhancing corporate governance (CG) and sustainability practices and disclosures - We inculcate good CG and sustainability practices and disclosures among our PLCs through sustainability reporting framework and education. - Participating in relevant committees, working groups and events - We contribute to the active development of sustainable finance ecosystem through collaborations and by leading the sustainable finance dialogue.
	Key Progress: - Continued to conduct engagement with our stakeholders on Shariah-compliant investments - Continued to develop new Shariah-compliant SRI instruments to meet investor demands - Launched two new ESG-themed indices: the FTSE Bursa Malaysia Top 100 ESG Low Carbon Select Index (FBM100LC) and the FTSE Bursa Malaysia Top 100 ESG Low Carbon Select Shariah Index (FBM100LS) - Signed a Memorandum of Understanding (MOU) with HSBC Amanah Malaysia Berhad and CIMB Group Holdings Berhad under the #financingESG initiative - Signed an MOU with the London Stock Exchange Group to expand the calculation of ESG scores to all PLCs listed on the Main and ACE Markets - Held the inaugural The Edge ESG Awards together with The Edge Communications Sdn Bhd and FTSE Russell to honour the PLCs with the best ESG performance track record	Relevant Indicators: - Recorded an increase in the number of F4GBM Index constituents from 80 in 2021 to 98 in 2022, where 79 of them were Shariah-compliant and had been included in the F4GBMS Index - Five newly listed SMEs in the LEAP Market - RM2.8 billion disbursed by Amanah Ikhtiar Malaysia to the community through Bursa Suq Al-Sila' (BSAS) (up from RM1.4 billion in 2021) - RM21.3 billion financing by cooperatives on BSAS (up from RM5.2 billion in 2021) 117 cooperatives trading on BSAS (increased from 101 in 2021) - Improved average CG score for the Top 100 Malaysian PLCs from 101.7 in 2021 to 104.6 in 2022 in the Malaysian-ASEAN CG Scorecard by the Minority Shareholder Watch Group 30 out of the 48 Practices under the latest Malaysian Code of Corporate Governance with an adoption level of at least 90% were observed under the CG Monitor Report 2022

SUSTAINABLE FINANCE (CONT'D.)

Key Progress (cont'd.):

- Signed an MOU with the Malaysian Palm Oil Certification Council to share information and knowledge, including exploring opportunities to develop and promote sustainability-related initiatives in the palm oil industry
- Launched the F4GBM Index Futures contract that tracks sustainability screened constituents based on the FTSE4Good index series
- Launched Bursa Carbon Exchange, the world's first Shariah-compliant carbon exchange that enables companies to list and trade voluntary carbon credits
- Launched the enhanced Sustainability Reporting Framework to elevate the sustainability practices and disclosures of our PLCs
- Continued to contribute towards global and domestic sustainability initiatives by being an active participant of various platforms

INNOVATION AND TECHNOLOGY EXCELLENCE

Why it Matters

As emerging technologies continue to disrupt capital markets, adopting the latest technology is no longer "a nice to have" but a business imperative. It enables business organisations to unlock new opportunities and achieve long-term growth. We are cognisant of the growth of financial technology (fintech) such as artificial intelligence (AI), robotic process automation, blockchain as well as cloud computing, and the need to leverage on innovation and technology to improve our offerings and their delivery to our stakeholders. As such, we will continue to seek fresh and innovative solutions to remain competitive and relevant as our industry continues to evolve and grow.

Our Approach

Data and innovation, as well as technology are among the key enablers identified in the Strategic Roadmap 2021-2023. As we seek to develop new products and services, as well as enhance our market ecosystem, we remain guided by our Technology Roadmap that comprises short and long-term initiatives, systems and infrastructure demands. We will also continue to conduct Proof-of-Concept (PoC) in various areas, enhance our data sets as well as collaborate to develop fresh solutions.

Key Progress:

- Introduced a new feature, electronic dividend reinvestment plan (eDRP) to allow Bursa Anywhere users to subscribe to Dividend Reinvestment Plan electronically
- Enhanced our system connectivity through Electronic File Information Exchange to encourage the submission of Central Depository System transaction forms and reports electronically
- Implemented initiatives to improve operational efficiency and resilience through various initiatives, such as Bursa Wide Area Network technology refresh, systems enhancement and upgrade, automation of regression test, and enterprise data platform modernisation project
- Launched the Market Sentiment Analyser to provide scoring to the market and stock sentiment on Bursa Marketplace
- Completed the Retail Customer Experience Analytics PoC that was aimed at bringing us closer to our customers

Relevant Indicators:

- Between 5% and 12% of Dividend Reinvestment Plan subscriptions were submitted electronically via Bursa Anywhere by shareholders of the PLCs that have used our eDRP service
- 15,695 unique users have used the Market Sentiment Analyser tool on Bursa Marketplace

SUSTAINABILITY PROGRESS

PRIORITY
AREA

03

PROTECTING OUR ENVIRONMENT

As a strong ESG proponent, we have a duty to lead PLCs by walking the talk in protecting our environment. We have taken strategic measures to effectively manage our resource consumption and reduce our carbon footprint. We have also identified climate risks and opportunities to ensure our business can adapt to climate change in the long term. Going forward, we will intensify our environmental initiatives to further deepen our commitment towards net zero greenhouse gas (GHG) emissions by 2050.

CLIMATE RISKS	Why it Matters Extreme weather events are getting more rampant due to climate change, and these conditions have affected business activities, as well as supply chains. As such, more business organisations have incorporated climate-related risks into their business risks and strategies. As a frontline regulator, we recognise our duty to help PLCs build and improve their climate resilience. This includes providing the appropriate platforms and guidance to PLCs to adopt climate risk, apart from bolstering our own climate action to accelerate the transition towards a low-carbon and climate resilient future. It is also important for us to demonstrate how we can effectively manage our own climate-related risks and opportunities.	Our Approach Our approach is guided by the adoption of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).
	Key Progress: Completed the assessment to determine our climate-related risks and opportunities with the guidance of a climate risk consultant	Relevant Indicator: NIL
ENVIRONMENTAL FOOTPRINT	Why it Matters With extreme weather events intensifying globally due to climate change, business organisations need to take immediate action to manage their environmental footprint. Companies can play a key role in improving environmental health amid rising population, urbanisation and rapid economic development by managing their resource consumption. Lack of environmental management may lead to negative environmental and social impacts, and may disrupt business operations and economic growth. Bursa Malaysia is mindful of its environmental footprint and has taken strategic steps to reduce and minimise the environmental impact of its operations.	Our Approach Our approach is underpinned by our climate commitment to achieving carbon neutrality by 2022 and net zero GHG emissions by 2050. We further focus our approach on two key areas, namely reducing our energy consumption and promoting responsible consumption among our employees. We also apply 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 impact on the environment and human health.
	Key Progress: - Achieved carbon neutrality by fully offsetting all operational GHG emissions for the period of 1 January to 31 December 2021 through the purchase of carbon credits - Enhanced our monitoring practices and implemented initiatives to reduce our energy consumption and emissions. - Introduced the second phase of the Carbon Conscious Workplace Programme, aimed at creating a zero-waste office culture. - Launched the Bursa Malaysia Waste Disposal and Recycling Guide, as well as Personal Net-Zero Emissions Guide to help our employees in adopting a sustainability lifestyle. - Identified two new waste streams, namely plastic and metal or glass. - Installed a composting machine to collect and process the food waste from our cafeteria.	Relevant Indicators: 8,944.5 tCO₂e GHG emissions (up from 7,588 tCO₂e in 2021) 9,252.3 MWh of energy consumption (up from 8,990 MWh in 2021) 467,008 kg general waste was generated and sent to landfill (up from 364,632 kg) 3,595.3 kg of fabric collected 11,725 kg of paper recycled 61,463 m³ of water consumed 1,191 kg of food waste avoided being sent to the landfill - No confirmed incidents, non-monetary sanctions or cases that were brought to our attention for non-compliance with environmental laws and regulations.

PRIORITY
AREA

04

EMPOWERING OUR WORKFORCE

We are committed to empowering our workforce by providing a safe, healthy and conducive work environment that is free from discrimination. This entails providing overall mental, physical and emotional support, as well as structured learning and development programmes that will future-proof our employees. Fundamental to a resilient workforce is ethics and integrity, which we emphasise in all our business activities and daily operations to ensure long-term business growth. As the frontline regulator, we will continue to uphold a strong culture of ethics and integrity in our organisation to walk the talk and shape a high-performing workforce.

ANTI-FRAUD,
BRIBERY AND
CORRUPTION**Why it Matters**

Corruption is detrimental to society and to the growth of business organisations. Corruption is a major obstruction to sustainable development as it impedes economic growth and increases inequality and missed opportunities, in addition to eroding public trust. If left uncurbed, corruption causes significant legal and reputational harm to a business organisation, leading to financial losses and the withdrawal of investors. As the frontline regulator and market operator, we need to demonstrate the highest standards of ethics and integrity in all our dealings and activities to safeguard our reputation and maintain the high level of confidence that our stakeholders and the general market has placed in us.

Our Approach

We adopt a zero-tolerance approach towards fraud, bribery and corruption. The oversight and management of these matters have been assigned to the Board, which is supported by the Risk Management Committee and the Integrity Unit residing within Risk and Compliance.

We have in place various policies, guidelines and procedures, such as the Anti-Fraud, Bribery and Corruption Policy and Guidelines, as well as the Whistleblower Policy and Procedures (WPP) to ensure that the highest ethical standards are constantly upheld. We established the Organisational Anti-Corruption Plan 2020-2023, to strengthen governance, integrity and anti-corruption controls within Bursa Malaysia. We also integrated the corruption risk assessment and compliance attestation and declaration into our operations to address and manage corruption risk.

Key Progress:

- Continued to conduct Corruption Risk Assessment
- Held training and awareness sessions for employees and Board of Directors to increase and improve awareness of anti-fraud, bribery and corruption matters
- Launched the interactive e-learning module to improve awareness of anti-fraud, bribery and corruption, as well as related company policies and legal requirements

Relevant Indicators:

- 100% of our employees completed the e-learning module
- 512 employees attended the webinar sessions on the changes to the WPP
- Two Board awareness sessions were organised on the anti-bribery management system
- No incident and legal case related to fraud, bribery and corruption was reported during the year

SUSTAINABILITY PROGRESS

PRIORITY
AREA

04

EMPOWERING OUR WORKFORCE (CONT'D.)

WORKPLACE
ENVIRONMENT**Why it Matters**

We continue to support the well-being and resilience of our people by providing a positive and vibrant work environment to keep them motivated and inspired in their daily duties. Ensuring a safe and healthy workplace can boost productivity and elevate employee morale, enabling them to continue delivering excellence. We will continue to instil Bursa Malaysia's core values to shape a resilient workforce and provide adequate health and safety guidelines, as well as occupational health and well-being services to create a safe and conducive work environment.

Our Approach

We believe a positive workplace environment is contributed by two key aspects:

- A Diverse and Inclusive Work Culture
 - This is guided by the Diversity, Equity and Inclusion Policy to ensure that the organisation is steered by a diverse group of employees
- A Safe and Healthy Workplace
 - This is guided by our Occupational, Safety and Health (OSH) Policy and the OSH Committee as well as the Incident Reporting Procedure that provide channel for our employees to raise incidents and near-miss cases

We continue to adhere to all relevant labour practices and standards and comply with the relevant laws and regulatory rules that govern human resources. We are also guided by our commitment to adopt the United Nations Guiding Principles on Business and Human Rights, and uphold the fundamental rights that should be enjoyed by everyone, such as the freedom of association and collective bargaining.

Key Progress:

- Revised our employee benefits and labour practices pursuant to the Employment Act (Amendment) 2022
- Included in 2022 Bloomberg Gender-Equality Index for third consecutive years
- Continued to raise awareness on unconscious bias at the workplace
- Implemented various initiatives to keep our employees updated with the relevant occupational, safety and health information, guidelines and knowledge
- Conducted our first Human Rights Impact Assessment across our value chain to benchmark our performance against international laws and best practices

Relevant Indicators:

- 47.5% of senior management comprised female employees
- Gender pay ratio between male and female employees was 1 to 1
- 8.31% turnover rate for male employees and 6.19% turnover rate for female employees
- 13.5% of male employees and 13.4% of female employees were promoted
- No fatalities, injuries or occupational diseases involving our employees at our office
- No report on incidents of discrimination

PRIORITY
AREA

04

EMPOWERING OUR WORKFORCE (CONT'D.)

EMPLOYEE ENGAGEMENT	Why it Matters A workforce that is engaged with a high morale has become more important than ever in the post COVID-19 environment. The challenges faced during the COVID-19 pandemic have triggered the need for a new workplace concept. An engaged workforce leads to lower staff turnover, increased productivity and efficiency, and enhanced brand value. These are crucial elements for us to achieve sustainable growth and create long-term value for our stakeholders.	Our Approach We anchor our employee engagement approach on the following four objectives: • Ensuring alignment of internal culture with BURSA core values • Encouraging open and transparent communication • Promoting social connectedness and a sense of belonging • Building a culture of recognition
	Key Progress: • Created a company team engagement channel known as #ApaCerita, under the Microsoft Teams platform to better engage with the employees • Commissioned an independent third party to conduct an Employee Engagement Survey • Launched the Bursa Wall of Fame award to recognise individual employees or teams who embrace our core values • Organised engagement activities to build better relationship among employees, including the Bursa Malaysia Annual Gathering 2022 and festive engagements • Launched Bursa's 360 Recognition Platform • Continued to reward our employees' children who excelled in major public exams under the Yayasan Bursa Malaysia Excellence Awards 2022	Relevant Indicator: • Four townhalls were organised to keep employees updated on developments relating to the organisation
LEARNING AND DEVELOPMENT	Why it Matters Our employees are one of our main stakeholder groups and a key asset to our organisation. We are fully invested in their learning and development to help them remain competitive and progressive. Due to the rapid developments in technology, we need to upskill, reskill and adapt quickly, in line with our core value of 'Agility' and ensure that our capabilities and talent pipeline is robust and future proof.	Our Approach We support our employees' professional growth and continue to apply 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 have in place clearly defined technical and functional competencies for each job function to help drive consistent performances across the organisation. Employees are required to develop their individual development plans together with their team leaders and supervisors, and to demonstrate that they have closed the identified competency gaps during annual performance review. To support their development, we organise various learning sessions for our employees.
	Key Progress: • Adopted a new learning platform, Coursera • Delivered training programmes as guided by the learning plan for 2022	Relevant Indicators: • Received the "Recognised Employer Partner" by CFA Society Malaysia and "ACCA Approved Employer" for both Trainee Development and Professional Development streams • 16,766 total training hours (down from 20,380 in 2021) • RM1,434,681 spent for employee learning and development (down from RM1,487,630)

SUSTAINABILITY PROGRESS

PRIORITY
AREA

05

ADVANCING OUR COMMUNITIES

We invest in our communities to help them develop and create a sustainable future for all. This means going beyond empowering the vulnerable and the marginalised to support our local suppliers and industries to boost economic growth. We also aim to cascade sustainable practices down our supply chain to generate positive impact and create a community that thrives.

COMMUNITY
INVESTMENT**Why it Matters**

Corporate organisations have a role to play in giving back to society and in building an equitable future for all. Investing in the community will create shared value that allows businesses to align their goals and purposes to help the community thrive.

Our CSR initiatives aim to empower communities in need and to make a positive impact in the lives of our beneficiaries, such as the Orang Asli, the disabled, and single mothers. This will eventually boost the economic resilience of the community and create shared prosperity for all.

Our Approach

Bursa Malaysia's community investment programmes and initiatives are managed and implemented by our charitable arm, Yayasan Bursa Malaysia (YBM).

Our approach is anchored on our CSR Plan 2021-2023, which guides our priorities and efforts via three CSR pillars:

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

Priority placed on projects that create significant long-term impact by working closely with established and trustworthy partners. The projects we support also create opportunities for Bursa VIBE to serve our communities.

Key Progress:

- Launched Shares2share, a securities donation scheme that allows investors to donate listed securities they own or proceeds from the sale of listed securities towards charities supported by Yayasan Bursa Malaysia

Relevant Indicators:

- Contributed or pledged RM1,382,000 to fund various community investment programmes that enriched and empowered the communities in need
- Organised 13 Bursa VIBE activities that were participated by 300 employees

SUPPLY CHAIN
MANAGEMENT**Why it Matters**

The business community has a responsibility to play in steering sustainability within its own operations, and also in its supply chains. The supply chain of a business can significantly impact the progress of sustainable development overall. For instance, a company that advocates ESG practices such as fair labour practices, efficient environmental management and anti-corruption practices in its supply chain will encourage its suppliers and vendors to embrace the same. A company's supply chain activities can also add value to the local economy through the support of local industries. This will not only contribute to the organisation's sustainability goals and commitments, but also to a better and more sustainable future for all.

Our Approach

We employ a strategic procurement approach with individual divisions and departments being responsible for the purchase of goods and services. Our procurement practices are overseen by Strategic Procurement and guided by the Group Purchasing Manual. Vendors who participate in our tender process are required to submit a Vendor Declaration Form and must agree to comply with the Vendor Code of Conduct. We also have in place a Fixed Tender committee to ensure a fair and objective award of contracts of a certain value.

Key Progress:

- Established a vendor database to improve our understanding of our supply chain and build better relationships with our suppliers
- Issued a pilot Supplier Assessment Questionnaire to 18 selected vendors to better understand how suppliers or vendors manage their ESG impacts

Relevant Indicator:

- About 87% of our suppliers were local vendors and 94% of Bursa Malaysia's procurement budget was spent on local suppliers

06

Our Leadership

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WHO GOVERNS US



TAN SRI ABDUL WAHID OMAR

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

Nationality	Malaysian
Age/Gender	59/Male
Date of Appointment	1 May 2020
Length of Service (as at 31 January 2023)	2 years 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 companies: Nil

Board Meeting Attendance in 2022: 10/10

Board Committees Membership(s):

- Sustainability and Development Committee (Chairman)

Present Appointment(s):

- Chairman, Board of Trustees, Yayasan MySDG
- Chairman, 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, Majlis Kebangsaan Bagi Hal Ehwal Agama Islam Malaysia (MKI)
- Member, National Anti-Financial Crime Centre (NFCC)

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

DATUK MUHAMAD UMAR SWIFT



Chief Executive Officer, Non-Independent Executive Director

Nationality	Australian/Permanent Resident of Malaysia
Age/Gender	58/Male
Date of Appointment	11 February 2019
Length of Service (as at 31 January 2023)	4 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 (Governor)
- Securities Industry Development Corporation

Board Meeting Attendance in 2022: 10/10

Board Committees Membership(s):

- Technology and Cybersecurity Committee
- Sustainability and Development Committee

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

- Member, Board of Trustee, Malaysia Forest Fund
- Chairman, CEO Action Network Steering Committee
- Member, Board of Trustees, Capital Market Development Fund
- Member, New Industrial Masterplan 2030 Draft Review Task Force, Ministry of International Trade and Industry (MITI)
- Councillor, Overseas Regional Council of Malaysia, Chartered Accountants Australia and New Zealand

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

- Chief Executive Officer/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)
- Chief Executive Officer, Malaysian Assurance Alliance Berhad (August 2008 – September 2011)
- Deputy Chief Executive Officer, 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)
- Chief Executive Officer, Gas Malaysia Sdn Bhd (July 1997 – December 2002)

WHO GOVERNS US

DATO' ANAD KRISHNAN MUTHUSAMY



Public Interest Director* and Independent Non-Executive Director

Nationality	Malaysian
Age/Gender	68/Male
Date of Appointment	23 April 2020
Length of Service (as at 31 January 2023)	2 years 9 months

Academic/Professional Qualification/Membership(s):

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

Present Directorship(s):

Listed entity: Nil

Other public companies: Nil

Board Meeting Attendance in 2022: 10/10**Board Committees Membership(s):**

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

Present Appointment(s):

- Managing Partner, Anad & Noraini, Advocates & Solicitors

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

SHARIFATU LAILA SYED ALI



Public Interest Director* and Independent Non-Executive Director

Nationality	Malaysian
Age/Gender	60/Female
Date of Appointment	1 October 2020
Length of Service (as at 31 January 2023)	2 years 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)

Board Meeting Attendance in 2022: 10/10

Board Committees Membership(s):

- Risk Management Committee (Chairman)
- Regulatory and Conflicts Committee
- Listing Committee

Present Appointment(s):

- Member, Investment Committee, University Malaya
- Director, 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/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)
- Chief Executive Officer, 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 CMA in consultation with the Securities Commission Malaysia

WHO GOVERNS US

DATIN AZLINA MAHMAD



Public Interest Director* and Independent Non-Executive Director

Nationality	Malaysian
Age/Gender	55/Female
Date of Appointment	16 March 2021
Length of Service (as at 31 January 2023)	1 year 10½ 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 companies: Nil

Board Meeting Attendance in 2022: 10/10

Board Committees Membership(s):

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

Present Appointment(s):

Nil

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 CMA in consultation with the Securities Commission Malaysia

DATUK BAZLAN OSMAN



Senior Independent Non-Executive Director

Nationality	Malaysian
Age/Gender	58/Male
Date of Appointment	16 November 2020
Appointed as Senior Independent Non-Executive Director on 30 March 2022	
Length of Service (as at 31 January 2023)	2 years 2½ 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) (President)
- Diploma in Accounting, Polytechnic of North London, UK

Present Directorship(s):

Listed entities:

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

Other public companies: Nil

Board Meeting Attendance in 2022: 10/10

Board Committees Membership(s):

- Nomination and Remuneration Committee (Chairman)
- Audit Committee
- Technology and Cybersecurity Committee

Present Appointment(s):

- Ex-Officio, Financial Reporting Foundation
- Director, Malaysia Professional Accountancy Centre
- President, MIA
- Chair, ACCA Malaysia Advisory Committee

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

- Chairman, GITN Sdn Bhd (wholly-owned subsidiary of Telekom Malaysia Berhad (TM)) (8 May 2017 – 27 February 2022)
- 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, TM (2018)
- Deputy Group Chief Executive Officer, TM (2017 – 2018)
- Group Chief Financial Officer, 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)
- Chief Financial Officer, 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



PUSHPANATHAN S.A. KANAGARAYAR

Independent Non-Executive Director

Nationality	Malaysian
Age/Gender	71/Male
Date of Appointment	23 June 2014
Length of Service (as at 31 January 2023)	8 years 7 months
Date of Last Re-election	30 March 2022

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: Nil

Other public companies: Nil

Board Meeting Attendance in 2022: 10/10**Board Committees Membership(s):**

- Audit Committee (Chairman)
- Nomination and Remuneration Committee

Present Appointment(s):

- 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 Corporation Berhad (November 2012 – August 2022)
- Director, Sun Life Malaysia Assurance Berhad (2010 – 2022)
- Council Member, MICPA (2001 – 2022)
- 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)

CHONG CHYE NEO



Independent Non-Executive Director

Nationality	Malaysian
Age/Gender	60/Female
Date of Appointment	21 December 2018
Length of Service (as at 31 January 2023)	4 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 companies:

- QSR Brands (M) Holdings Bhd

Board Meeting Attendance in 2022: 10/10

Board Committees Membership(s):

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

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



TAN SRI ABDUL FARID ALIAS

Independent Non-Executive Director

Nationality	Malaysian
Age/Gender	54/Male
Date of Appointment	8 July 2022
Length of Service (as at 31 January 2023)	7 months
Date of Last Re-election	-

Academic/Professional Qualification/Membership(s):

- Master of Business Administration (Finance), University of Denver, United States of America (USA)
- Bachelor of Science in Accounting, Pennsylvania State University, University Park, USA
- Advanced Management Program, Harvard Business School
- Fellow Chartered Banker, Asian Institute of Chartered Bankers

Present Directorship(s):**Listed entity:**

- DiGi.Com Berhad

Other public companies:

- CapitaLand Investment Limited (Singapore)

Board Meeting Attendance in 2022: 4/4**Board Committees Membership(s):**

- Risk Management Committee (from 18 July 2022)
- Technology and Cybersecurity Committee (from 18 July 2022)

Present Appointment(s):

- Member, Board of Visitors, Smeal College of Business, Pennsylvania State University

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

- Executive Director/Group President & Chief Executive Officer of Maybank (August 2013 – April 2022)
- President Commissioner, PT Bank Maybank Indonesia Tbk (December 2017 – April 2022)
- Member of Board of Commissioners, PT Bank Maybank Indonesia Tbk (November 2014 – April 2022)
- Director, Maybank Singapore Limited (October 2018 – April 2022)
- Director, Cagamas Holdings Berhad (June 2013 – April 2022)
- Director, Payments Network Malaysia Sdn Bhd (August 2017 – April 2022)
- Chairman, The Association of Banks in Malaysia (August 2013 – April 2022)
- Member and subsequently Co-Chairmen, Emerging Markets Advisory Council; The Institute of International Finance, Washington DC (August 2013 – April 2022)
- Member, Visa Asia Pacific Senior Client Council (September 2013 – April 2022)
- Vice Chairman, Asian Institute of Chartered Bankers (December 2013 – April 2022)
- Chairman, ASEAN Bankers Association (November 2019 – April 2021)
- Member, Investment Panel, Kumpulan Wang Amanah Negara (January 2018 – December 2020)
- Member, Investment Panel, Kumpulan Wang Amanah Pencen (October 2013 – May 2019)
- Director, Maybank Investment Bank Berhad (June 2011 – August 2017)
- Director, Maybank Ageas Holdings Berhad (November 2013 – September 2017)

SYED ARI AZHAR SYED MOHAMED ADLAN



Independent Non-Executive Director

Nationality	Malaysian
Age/Gender	49/Male
Date of Appointment	16 November 2020
Length of Service (as at 31 January 2023)	2 years 2½ 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 companies: Nil

Board Meeting Attendance in 2022: 10/10

Board Committees Membership(s):

- Audit Committee
- Risk Management Committee
- Sustainability and Development Committee

Present Appointment(s):

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)

▲ The Directors' meeting attendance record for 2022 is provided in the Corporate Governance Overview on page 118 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 2022.

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)

Nationality	Malaysian
Age/Gender	56/Male

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 (MIA) (Member)
- Insolvency Practitioners Association of Malaysia (Member)
- Chartered Valuer and Appraiser, Institute of Valuers and Appraisers Singapore

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
- Member, Board of Governors, Malaysian Institute of Corporate Governance

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

Nationality	Malaysian
Age/Gender	69/Male

Academic/Professional Qualification/Membership(s):

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

Present Appointment(s):

- Chairman, Market Participants Committee, Bursa Malaysia

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

- Director, Berjaya Capital Berhad (February 2000 – March 2022)
- 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 – December 2020)
- Member (Independent), Market Participants Committee, Bursa Malaysia (May 2009 – May 2012)

**SALWAH ABDUL SHUKOR**

Independent Member, RACC

Nationality Malaysian**Age/Gender** 54/Female**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 Appointment(s):

- Partner or 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
- Trustee, Generating Opportunities for Learning Disabled (GOLD)
- Member, Advisory Board, Charity Right

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

- Audit Assistant, Arthur Andersen & Co, London (1990 – 1992)
- Legal Assistant, Zain & Co. (February 1994 – December 1999)
- Member (Independent), Listing Committee, Bursa Malaysia (May 2013 – December 2020)
- Founder Trustee, Pink Ribbon Deeds Foundation
- Director, UMW Holdings Berhad (2017 – 2022)

**RASHID ISMAIL**

Independent Member, RACC

Nationality Malaysian**Age/Gender** 63/Male**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 Appointment(s):

- Member of Board of Directors, MUFG Bank (Malaysia) Berhad
- Islamic Banking and Finance Institute Malaysia (IBFIM) Panel of Subject Matter Expert

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)

WHO LEADS US



DATUK MUHAMAD UMAR SWIFT

Chief Executive Officer

Leads Bursa Malaysia Berhad Group of Companies

 For more information on Datuk Muhamad Umar Swift, please turn to page 99 of this report.



ROSIDAH BAHAROM

Chief Financial Officer
54 | Female | Malaysian

- Finance
- Corporate Planning and Investor Relations
- Administration & Facilities Management
- Security Services

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 9 years of senior management roles, helping the finance and corporate services division in Bursa Malaysia



JULIAN MAHMUD HASHIM

Chief Regulatory Officer,
Regulation
51 | Male | Malaysian

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

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

**AZHAR MOHD ZABIDI**

Director, Origination & Listing

53 | Male | Malaysian

- Listing Development
- Product & Market Development
- Labuan International Financial Exchange (LFX)

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

**MOHD SALEEM KADER BAKAS**

Acting Director, Derivatives Market

56 | Male | Singaporean

- Product and Market Development
- Investor Development
- International Development
- Market Facilitation
- Strategic Initiatives

Date of Appointment

1 July 2022

Academic/Professional Qualification(s):

- GCE 'A' levels, Institute of Banking & Finance, Singapore

Present Directorship:

Listed entity: Nil

Working Experience:

- Over 20 years of investment banking and futures market experience under HSBC Group as Managing Director of HSBC Futures (Singapore) Pte Ltd, Head of Futures, Global Markets of The Hong Kong & Shanghai Banking Corporation. Held key management roles for ten years prior to joining Bursa Malaysia

**TAY YU HUI**

Director, Market Operations

52 | Female | Malaysian

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

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

57 | Male | Indian

- Information Security
- IT Infrastructure
- IT Governance and Standards
- Trading Solutions
- Application
- IT Operations Services
- Enterprise Architect
- Data Management

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

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 2022 and/or to date. The disclosure on the particulars of the KSM of Bursa Malaysia as at 23 February 2023, is made in compliance with the requirements under Appendix 9C of Bursa Malaysia Securities Berhad Main Market Listing Requirements.

WHO LEADS US



AZMAN A. KHALID

Director, Group Human Capital

- Talent Acquisition & Development
- Talent Rewards, Performance & Engagement
- HR Governance & Compliance



MOHD ZULKIFLI MUSTAFA

Director, Business Acceleration

- Strategic Innovation & New Businesses
- Performance Acceleration
- Group Customer Experience & Marketing
- Strategic Procurement
- Strategic Project & Business Process Improvement



SHAMSUL AKMAL AHMAD

Chief Executive Officer,
Bursa Suq Al-Sila'

- BSAS Development
- BSAS Operation
- Shariah & Governance
- Treasury
- Bursa Gold Dinar Operation



WONG CHIUN CHIEK

Director, Bursa Intelligence

- Index & Sustainable Business
- Data & Analytics Solutions
- Enterprise Data Transformation
- Digital Platforms



STEPHANIE TAN KAR MUN

Head, Investor Development

- Research & Analytics
- Innovation & Development
- Infrastructure Development & Management

**EMILIA TEE YOKE HOONG**

Director, Group Sustainability

- Sustainability Management
- Voluntary Carbon Market
- Education
- Community Investment

**AINA ZAHARI**

Director, Corporate Strategy

- Strategic Planning & Intelligence
- Strategic Alliances & Stakeholder Management
- Strategic Business & Industry Development

**MAZLIANA MOHAMAD**

Director, Risk & Compliance

- Financial Risk Management
- Operational Risk Management
- Strategic Risk Management
- Assurance & Risk Analytics
- Compliance
- Governance & Strategy Development

**YONG HAZADURAH MD HASHIM**

Group Company Secretary, Corporate Governance & Secretarial

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

**FATHILAH ISHAK**

Acting Director, Internal Audit

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

**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, 9 Female

OTHER CORPORATE INFORMATION

Senior Independent Non-Executive Director

Datuk Bazlan bin Osman

Tel : 03-2034 7000, 03-2732 4999

E-mail : bazlan@bursamalaysia.com

Company Secretaries

Yong Hazadurah binti Md Hashim

LS0006674

Practising Certificate

No. 202008003707

Izreen Fara binti Ismail

MAICSA 7056436

Practising Certificate

No. 202008002411

REGISTERED OFFICE

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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

BURSA 2U CENTRE

Lower Ground Floor, Exchange Square
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Tel : 03-2732 0067
E-mail : bursa2u@bursamalaysia.com
Opening Hours : Monday - Friday (8:30am - 5:00pm)
(Closed on Saturday, Sunday & Public Holiday)

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Tricor Investor & Issuing House Services Sdn Bhd

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Tricor's Customer Service Centre

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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

Malayan Banking Berhad

Registration No. 196001000142 (3813-K)

Menara Maybank

100, Jalan Tun Perak

50050 Kuala Lumpur

CIMB Bank Berhad

Registration No. 197201001799 (13491-P)

17th Floor, Menara CIMB

No. 1, Jalan Stesen Sentral 2

Kuala Lumpur Sentral, 50470 Kuala Lumpur

07

Our Governance

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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 2022. 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 2022 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 2022.

 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.

As a testament to the Board's commitment, in December 2022, Bursa Malaysia received the recognition in the 2021 ASEAN CG Scorecard Assessment under three (3) award categories, as below:

ASEAN Top 20 PLCs

ASEAN Asset Class PLCs

Country Top 3 PLCs
(Malaysia)

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 its review, the Board was always 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. 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.

As at 31 December 2022, 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.

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.

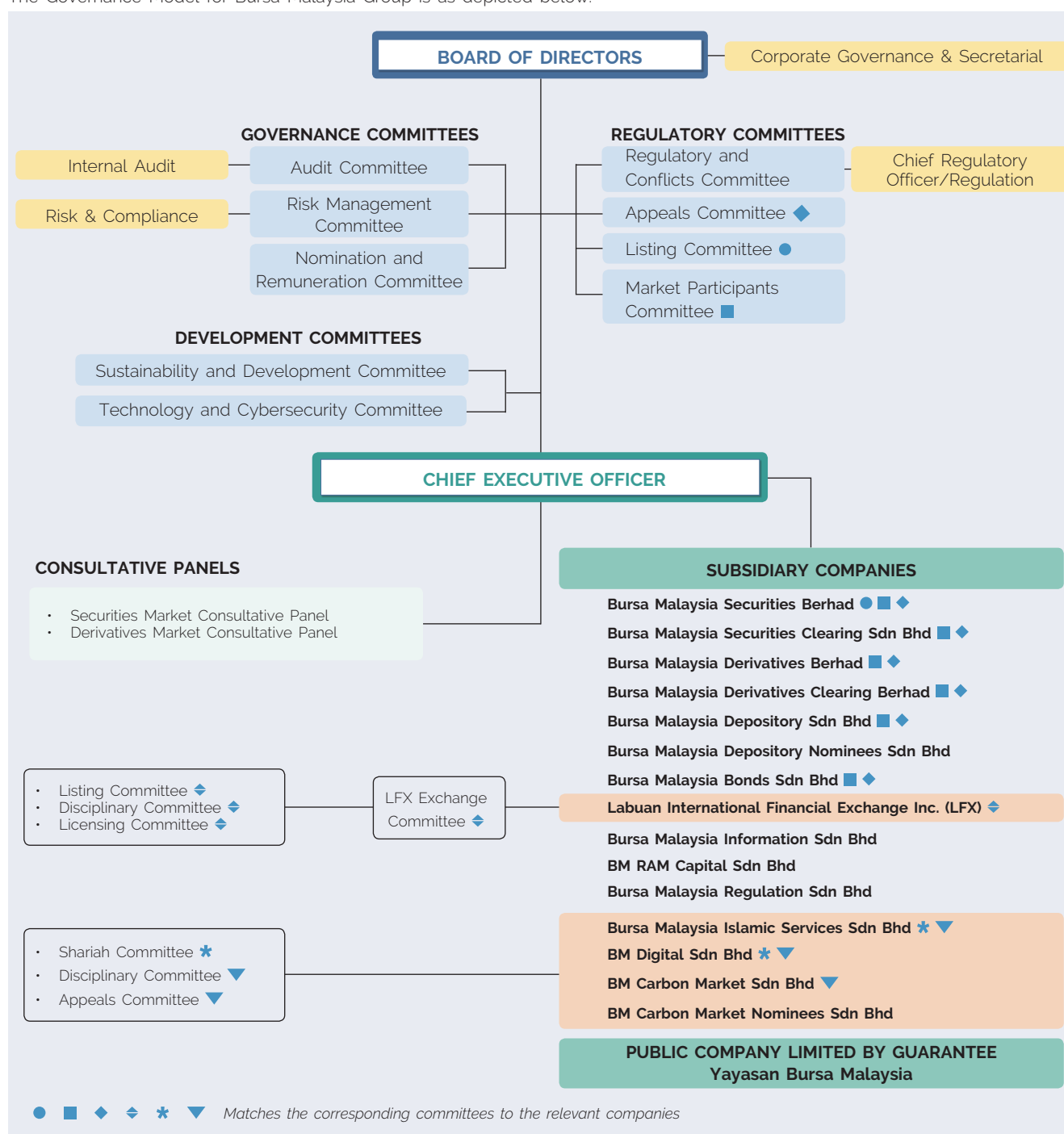
For the foregoing, the Board determines the strategic objectives and policies of the Group for delivery of such long-term value. It ensures effective leadership through oversight on management and robust monitoring of the activities, performance, conformance capabilities and control in the organisation. In setting the strategic direction, the Board also ensures that there is an appropriate balance between promoting long-term growth and delivering short-term objectives, having regard to the public interest responsibilities of Bursa Malaysia as an Exchange Holding Company (**EHC**)².

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).

¹Compliance 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

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

The Governance Model for Bursa Malaysia Group is as depicted below:



The Governance Model also sets out the governance arrangement for Bursa Malaysia as an EHC, to manage any potential or perceived conflicts of interest (COI) between its regulatory function and commercial objectives. In this respect, the Board has in place the Regulatory and Conflicts Committee (RACC) with the primary purpose to oversee the regulatory function of the Bursa Malaysia Group, and in the performance of its regulatory duties, the RACC shall exercise its judgement independently of the business functions. Accordingly, the RACC comprises 4 members who are external independent individuals and 3 members who are Public Interest Directors (PIDs) of Bursa Malaysia. The independent individuals were appointed by the Board in consultation with the Securities Commission Malaysia (SC), and one of them is designated as the RACC Chairman. The profiles of the RACC members are disclosed on pages 108 to 109 of this report. The Chief Regulatory Officer of Bursa Malaysia reports directly to the RACC in relation to the performance of the regulatory function of the Bursa Malaysia Group. This direct line of reporting ensures the independence of the RACC.

CORPORATE GOVERNANCE OVERVIEW

In 2022, the members of the Governance, Development and Regulatory Committees of the Board had 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)	10/10	1/1					4/4				
Dato' Anad Krishnan a/l Muthusamy	10/10	1/1	5/6					7/8		5/5	
Sharifatu Laila Syed Ali	10/10	1/1		7/7				8/8	14/14		
Datin Azlina Mahmad	10/10	1/1			6/6		4/4	8/8			
Independent Non-Executive Directors											
Datuk Karownakaran @ Karunakaran a/l Ramasamy ^[1]	4/4			2/2	2/2						
Pushpanathan a/l S.A. Kanagarayar	10/10	1/1	6/6		6/6						
Chong Chye Neo	10/10	1/1		7/7	6/6	5/5					
Datuk Bazlan Osman ^[2]	10/10	1/1	6/6		6/6	5/5					
Syed Ari Azhar Syed Mohamed Adlan	10/10	1/1	6/6	7/7			4/4				
Tan Sri Abdul Farid Alias ^[3]	4/4	1/1		4/4		2/2					
Non-Independent Executive Director											
Datuk Muhamad Umar Swift (CEO)	10/10					5/5	4/4				
Independent individuals with significant and relevant industry experience											
Dr. Reto Gruenfelder ^[4]						3/3					
Michael John Warren						4/5					
William Francis Herder ^[5]							3/3				
Kuok Wee Kiat								8/8		5/5	
Datuk Chay Wai Leong							3/4				
Shareen Shariza Dato' Abdul Ghani							4/4				
Wong Chong Fatt ^[6]							1/1				
Dato' Feizal Mustapha								8/8	14/14		
Rashid Ismail								8/8			
Salwah Abdul Shukor								8/8			
Lee Kha Loon									14/14		
Hijah Arifakh Othman									13/14		
Jalalullail Othman									13/14		
Iskandar Abdullah @ Sim Kia Miang									14/14		
Dato' Abdul Shukor Ahmad									13/14		
Jerry Ong Kok Wah									14/14		
Raymond Tang Chee Kin									11/14		
Dato' Wan Asmadi Wan Ahmad										5/5	
Tai Siew Moi										5/5	
Chew Sing Guan										5/5	
Datin Yon See Ting										4/5	
Prof. Dr. Aiman @ Nariman Mohd Sulaiman										4/5	
Azura Azman										5/5	
Tan Chee Siong										5/5	
Datuk Seri Dr. Nik Norzrul Thani Nik Hassan Thani											7/7
Cheah Tek Kuang											7/7
Ooi Giap Ch'ng											6/7
Dato' Azmi Mohd Ali											7/7
Datuk Dr. Prasad Sandhosam Abraham											7/7
Dato' Sri Abdul Hamidy Abdul Hafiz											7/7
Dato' Dr. Zaha Rina Zahari											7/7
Wong Yoke Weng ^[7]											4/6
Total number of meetings for 2022	10	1	6	7	6	5	4	8	14	5	7

Chairman
Member

AC Audit Committee
RMC Risk Management Committee
NRC Nomination and Remuneration Committee

TCC Technology and Cybersecurity Committee
SDC Sustainability and Development Committee
RACC Regulatory and Conflicts Committee

LC Listing Committee
MPC Market Participants Committee
APC Appeals Committee

Notes:

^[1] Retired as INED of Bursa Malaysia at the 45th AGM on 30 March 2022 and accordingly, ceased to be NRC Chairman and RMC member on the same date.

^[2] Re-designated as NRC Chairman from a Member w.e.f. 1 April 2022, and appointed as Senior Independent Director w.e.f. 1 April 2022.

^[3] Appointed as INED of Bursa Malaysia w.e.f. 8 July 2022, and appointed as RMC and TCC member respectively w.e.f. 18 July 2022.

^[4] Ceased to be TCC member w.e.f. 30 June 2022.

^[5] Ceased to be SDC member w.e.f. 30 June 2022.

^[6] Appointed as SDC member w.e.f. 1 July 2022.

^[7] Passed away on 19 October 2022.

* There were 9 scheduled and 1 special Board meetings in 2022.

** 1 Non-Executive Directors (NED) session was held on 23 September 2022.

*** 2 private meetings were held between the AC and the external auditors, Ernst & Young PLT i.e. on 26 January 2022 and 26 October 2022 respectively.

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 2022, the Governance Model and TOR of the Board Committees were reviewed to reflect the changes in the roles and responsibilities of the Board Committees arising from the introduction of new internal processes in line with best practices or new applicable requirements.

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 (SID). It can be found at Bursa Malaysia's website:

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

The Chairman of the Board is not a member of the Audit Committee or Nomination and Remuneration Committee (NRC). The SID is the chairman of the NRC.

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 in place the Code of Conduct and Ethics (COE) for Directors and the COE for employees, to affirm its commitment to practise the highest level of integrity and ethics. Since Bursa Malaysia is also an EHC with the responsibility to perform its regulatory function, the Board has in place the COE for the Regulatory Committees, to protect the public interest.

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 COEs or conflict of interest and/or any fraudulent act as may be described in the Anti-Fraud, Bribery and Corruption (AFBC) Policy and other relevant documents. To this, Bursa Malaysia has in place the Whistleblower Policy and Procedures (WPP) for Directors and the WPP for its employees, to facilitate the exposure of any violations or improper conduct or wrongdoing within the Group.

In April 2022, the Board approved the recommendation of the Risk Management Committee to merge the two WPP documents for Directors and employees, to create a single document as reference for the organisation. The enhanced WPP for Bursa Malaysia Group includes the alignment of the provisions on Integrity and Governance Unit (IGU) with the Malaysian Anti-Corruption Commission (MACC)'s Guidelines, expanding the definition of improper conduct for clarity and inserting additional channel to whistleblow on improper conduct.

The above COEs, AFBC Policy and WPP for Bursa Malaysia Group would ensure that good standards of behaviour permeate throughout all levels of the organisation, and 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 COEs, Anti-Corruption Policy and WPP for Bursa Malaysia Group are published⁴ on Bursa Malaysia's website:

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

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

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

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

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

CORPORATE GOVERNANCE OVERVIEW

During the year, the Board also approved various other changes and introduced new policies and procedures, to promote good business conduct in the organisation among others, the establishment of the Directors' Fit and Proper Policy in January 2022 and the Anti-Money Laundering, Countering Financing or Terrorism and Targeted Financial Sanctions Policy in December 2022.

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.

A Sustainability and Development Committee (SDC) has been established under the Governance Model with the primary purpose 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 composition of the SDC includes an independent member who is an expert in sustainable development or sustainable finance.

Further, the TOR of the Risk Management Committee (RMC) provides explicitly the RMC's responsibilities in overseeing the Group's various risks including sustainability and climate-related risks. The CEO through the Management Committee, is 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 the Sustainability Roadmap 2021-2023 which was developed 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 Business Analytics & Information Services Division provides regular updates to the Board on Sustainability and Environment, 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 scene and globally.

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, retain its competitive advantage. In this respect, the Board through its Nomination and Remuneration Committee (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.

In 2022, the annual review was conducted in conjunction with the Board Effectiveness Evaluation exercise, taking into account the regulatory and commercial objectives of Bursa Malaysia, to ensure effective oversight and delegation of responsibilities by the Board.

For the most part of the year, the Board consisted of 10 members and it was reduced to 9 members upon the retirement of Datuk Karownikaran @ Karunakaran a/l Ramasamy as an Independent Non-Executive Director (INED) at the 45th Annual General Meeting of the Company (AGM) in March 2022 in accordance with the Board 9-year policy. The Board size reverted to 10 members with the appointment of a new INED in July 2022. During the year, the Board maintained at least 30% women directors in accordance with the Board Diversity Policy as set out in the Board Charter.

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 31 December 2022, the Board Diversity for Bursa Malaysia is depicted in the charts below.

BOARD DIVERSITY			
Composition	Independent Non-Executive Directors (including PID)		9
	Non-Independent Executive Director		1
Experience and Skills*	Capital Markets Experience		78%
	International Business Experience		85%
	Other Exchanges Experience		65%
	Corporate CEO/Managing Director		90%
	Breadth of Business Experience		88%
	Accounting/Financial Management		83%
	Human Capital Management Experience		80%
	Technology Experience		68%
	Corporate Governance		93%
	Government Experience		75%
	Legal/Regulatory		73%
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		2
	More than 6 years and up to 9 years		1
Age	46 - 50		1
	51 - 55		2
	56 - 60		5
	61 - 65		0
	66 - 70		1
	71 and above		1
Gender	Male		7
	Female		3
Ethnicity	Malay/Bumiputera		6
	Chinese		1
	Indian		1
	Others		2
Nationality	Malaysian		9
	Foreigner		1

*Individual Directors may fall into one or more categories.

CORPORATE GOVERNANCE OVERVIEW

Board Succession Planning and Appointments

The NRC is responsible for the Board succession planning to ensure the Board continues to be effective with the right composition, which would enable it to be better equipped to respond to challenges that may arise and deliver value.

The appointment of Directors to the Board (other than the PIDs) is subject to a formal, rigorous and transparent process. In this process, the NRC reviews the existing Board composition such as the optimum size and diversity in terms of skills, experience, age, ethnicity and gender, having regard to the strategic direction of the Company as well as the trend in the Board composition of other comparable exchanges and/or organisations. Based on this 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 then reviews the candidates who are sourced from internal and external/independent sources, and shortlist the potential candidate(s) with reference to the agreed selection criteria. The NRC conducts engagement sessions with the shortlisted candidate(s) as well as the fit and proper assessment, before submitting 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(1)(b) of the Capital Markets and Services Act 2007 (CMSA).

With the impending retirement of an INED at the 45th AGM in accordance with the Board 9-year Policy, one of the key focus areas during the year was executing the Board succession plan. In the process for appointment of a new Director, the NRC had determined the selection criteria for the new INED who must have the skills and experience in Capital Markets, Financial Technology leadership and being a CEO/Managing Director in a large organisation with international markets presence particularly, the ASEAN region. The NRC considered the pool of potential candidates guided by this selection criteria and finally, it identified a suitably qualified candidate from an independent source. In April 2022, the Board approved the recommendation of the NRC for the appointment of the new INED, Tan Sri Abdul Farid Alias subject to the SC's concurrence being obtained in accordance with Section 10(1)(b) of the CMSA. The SC's concurrence was obtained on 6 July 2022, and the appointment took effect on 8 July 2022. The induction programme for the new INED was conducted on 18, 19 and 20 July 2022.

In the above process for appointment of the new INED, the fit and proper assessment of the candidate was conducted by the NRC in accordance with the Directors' Fit and Proper Policy (DFPP) as set out in the Board Charter. In assessing the candidate's fitness and propriety, the Board through the NRC, had considered all relevant factors based on the overarching criteria namely, the candidate's Character and Integrity, Experience and Competence and the Time and Commitment. During the year, the NRC also conducted the fit and proper assessment on the Directors who were proposed for re-election at the AGM of the Company as well as the PID who was proposed for re-appointment in accordance with Section 10(1)(a) of the CMSA. In accordance with the DFPP, the proposed new INED and the Directors who were identified for re-election/re-appointment had also submitted to the Company their fit and proper declarations in the prescribed forms.

During the year, the NRC also reviewed the composition of the Board Committees having regard to the Membership Classification in the Terms of Reference (TOR) of each committee. In April 2022, the Board approved the recommendation of the NRC on the proposed composition of the Board Governance and Development Committees for the new term commencing from 1 July 2022. In September 2022, the Board approved the recommendation of the NRC on the proposed composition of the Board Regulatory Committees for the new term of 2 years commencing from 1 January 2023.

In September 2022, during the Board's review of the outcome of the latest Board Effectiveness Evaluation exercise, it was agreed that the NRC shall embark on a Board composition review as part of the Board refreshment exercise in January 2023. This is in view of the impending retirement of an INED, Mr. Pushpanathan a/l S.A. Kanagarayar in accordance with the Board 9-year policy, in June 2023.

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 Capital (GHC) on a half-yearly basis. The NRC 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 GHC to cultivate their leadership skills and prepare them to be successors to critical roles.

In accordance with its TOR, the NRC also considered the proposed renewal/confirmation of appointment for the relevant Senior Management in 2022. The appointment of the Key Senior Management was further approved by the Board, based on the NRC's recommendation.

Board Effectiveness

The NRC carries out the Board Effectiveness Evaluation (BEE) exercise annually. 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 2022, the NRC had conducted the BEE exercise internally and facilitated by the Company Secretaries, for the period from 1 October 2021 to 30 June 2022 (2021/2022).

The BEE 2021/2022 questionnaires which comprised the Board and Board Committee Effectiveness Assessments, Directors and Board Committee members' Self and Peer Assessments, were issued to the Board and Board Committee members, and the 360 degree questionnaires were issued to the Senior Management in July 2022, respectively. In August 2022, the analysis of the BEE 2021/2022 results and feedback from the Board and Board Committee members were presented by the Company Secretaries for the NRC's consideration in developing action plans for enhancing the Board's overall effectiveness. The NRC's recommendation was subsequently presented to the Board in September 2022.

The overall average ratings for the areas of assessments were above 3.5, based on a 4-scale rating. The results of the BEE 2021/2022 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 ($3.00 < \text{average rating} \leq 4.00$) 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 formed the basis of the NRC's recommendations to the Board for the re-election of Directors at the 45th Annual General Meeting 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 2021/2022 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 Management 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 3.70 and the Board members' comments/feedback. In this respect, the NRC had derived from the above BEE 2021/2022 results, the

areas requiring ongoing attention for continuous improvement which were categorised as below:-

- (a) Strategy and business development, which include Sustainability strategies particularly, in environmental and social aspects;
- (b) Innovation and products development; and
- (c) Human capital development and succession management.

Further details of the activities of the NRC in 2022 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 45th AGM of the Company held in March 2022.

Hence, a BRR was conducted internally by the NRC in November 2022, 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 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 Board approved the NRC's recommendation to seek the shareholders' approval that the Directors' benefits payable to the NEDs shall remain the same amount as the previous year, at RM2,000,000 from 31 March 2023 until the next AGM of the Company in accordance with Section 230 of the CA 2016 and Paragraph 7.24 of the MMLR of Bursa Securities.

The detailed remuneration of the individual Directors and Key Senior Management are disclosed on pages 198 to 199 and page 230 of this report, respectively.

CORPORATE GOVERNANCE OVERVIEW

PRINCIPLE B: EFFECTIVE AUDIT AND RISK MANAGEMENT

The Audit Committee

The Audit Committee of the Company (AC) comprises four (4) members who are INEDs, one of whom is also a PID. The AC is chaired by an INED, Mr. Pushpanathan a/l S.A. Kanagarayar. 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.

In April 2022, 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. The results of the AC Effectiveness Assessment 2021/2022 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 a 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 2021/2022 shall be used for determining their re-appointment for the next term. The Board subsequently approved the recommendation of the NRC for the re-appointment of the four (4) AC members for the new term commencing from 1 July 2022 to 30 June 2023.

Risk Management and Internal Control Framework

The Risk Management Committee of the Company (RMC) comprises four (4) members who are INEDs, one of whom is also a PID. As at 31 December 2022, the RMC was chaired by an INED who is a PID, Puan Sharifatu Laila binti Syed Ali who assumed the chairmanship since 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 IGU functions of the Group.

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 2022, 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 132 to 143 of this report.

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 2022, 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 2022 are provided on pages 108 to 113 of the Sustainability Report 2022.

In 2022, Bursa Malaysia issued its fourth Integrated Annual Report (IAR) for the financial year 2021, based on the International Integrated Reporting Council's Integrated Reporting Framework. Through this IAR 2022, 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 45th AGM which was held on 30 March 2022 at the Conference Room of the Exchange Square (Broadcast Venue) by leveraging technology in accordance with Section 327 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 10 members of the Board including the Executive Director/CEO were physically present at the Broadcast Venue together with the 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 45th 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 and during the meeting to Tricor's TIH Online website in relation to the agenda items for the 45th AGM.

The shareholders, corporate representatives and proxies attended the 45th AGM via RPV facilities which were available on Tricor's TIH Online website. The proceedings of the 45th AGM at the Broadcast Venue included the CEO's presentation of the Company's operating and financial performance for 2021, 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 45th 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 45th AGM (including all the Questions raised at the meeting and the Answers thereto) were also made available on Bursa Malaysia's website:

 https://bursa.listedcompany.com/misc/Minutes_of_45AGM-30032022.pdf

COMPLIANCE STATEMENT

This Statement was approved by the Board on 23 February 2023.

MARKETPLACE REPORT: Fair and Orderly Markets

In 2022, Bursa Malaysia stayed on course in executing our Strategic Roadmap designed to improve the resiliency, stability and sustainability of the market.

We made significant progress in expanding and diversifying our range of products and services, developing the market ecosystem, as well as future-proofing our business through enhanced systems and capabilities. We also introduced new requirements and regulations for market participants to elevate the environmental, social and governance (ESG) standards of listed issuers or public listed companies (PLCs). Through our efforts this year, we continued to shape the market to navigate future risks, maintain a fair and orderly market, and better serve our stakeholders.

DEVELOPMENT OF THE RULE FRAMEWORK

Rule amendments in 2022 aimed at increasing efficiency in the market, enhancing the quality of the market and facilitating market development, especially in respect of facilitating growth and development among PLCs in a sustainable manner, and enhancing the products and services available at Bursa Malaysia.

We strive to ensure our rules remain relevant and facilitative of market development, as well as effective and efficient in promoting a well-regulated market. We continue to promote a balanced and proportionate regulatory framework, underpinned by adequate investor protection while balancing our stakeholder interests via our consultative approach in rule-making. This year, we had undertaken several amendments to our rulebooks, including the following:

- ➔ Amendments to the Bursa Malaysia Securities Berhad (BMS) Main Market Listing Requirements (Main LR) and ACE Market Listing Requirements (ACE LR) focusing on board governance. Amendments were made to strengthen board independence by limiting the tenure of an independent director to not more than a cumulative tenure of 12 years in a PLC and its group of corporations. New requirements were also introduced to enhance board quality, integrity and diversity. Among others, a PLC is required to appoint at least one woman director on its board and to have in place a fit and proper policy for the appointment and re-election of its directors.
- ➔ Amendments to the Main LR and ACE LR to enhance the sustainability reporting framework with the aim to elevate the sustainability practices and disclosures of PLCs. These included disclosure of a prescribed set of common sustainability matters and indicators, as well as climate-related disclosures that are aligned with the Taskforce on Climate-Related Financial Disclosures (TCFD) Recommendations under the Main LR and disclosure of a basic plan to transition towards a low carbon economy under the ACE LR. More details are set out below under the section on 'Measures to Promote Sustainability'.

- ➔ Amendments to the Best Practice No. 7.16-001 (Best Practices in the Islamic Stockbroking Services Undertaken by Participating Organisations) (Best Practices for Islamic Participating Organisations) under the Rules of BMS to reflect the best practices in relation to newly introduced and enhanced products and services. The salient amendments to the Best Practices for Islamic Participating Organisations (POs) were as follows:
 - (a) included a guidance on Shariah discretionary trading;
 - (b) included a guidance in relation to Islamic Securities Selling and Buying – Negotiated Transaction; and
 - (c) amended the existing terms used in the Best Practices for Islamic POs for clarity and introduced new defined terms consequential to items (a) and (b).
- ➔ Amendments to the Trading Participants' Directive No. 3-001 under the Rules of Bursa Malaysia Derivatives Berhad (BMD) to remove the prescription of fees and charges and reflect the same on Bursa Malaysia's website instead. The amendments did not result in new or additional fees or charges becoming applicable to the Participants and Registered Persons.
- ➔ Amendments to the POs Directive No. 8-002 under the Rules of BMS in relation to the change in total net short position threshold for Permitted Short Selling (PSS) by the market makers for Exchange Traded Fund (ETF) units. The amendments were made to increase the PSS threshold for ETF market makers from 10% to 100% of the outstanding units of the ETF units, hence providing greater flexibility to the ETF market makers when market making, while at the same time mitigating any potential settlement failure by ETF market makers.
- ➔ Amendments to the Rules and Directives of BMD and Directives of Bursa Malaysia Derivatives Clearing Berhad (BMDC) in relation to the revamped Gold Futures Contract (FGLD) to enhance FGLD's attractiveness to investors and at the same time increase accessibility for foreign investors and market makers by alleviating foreign exchange rate fluctuations and exposure to currency risk between USD and MYR.
- ➔ Amendments to the Rules of Bursa Malaysia Depository Sdn Bhd (BMDepo) to facilitate greater operational efficiency and reflect regulatory changes and updates. The enhancements to the rules were introduced to facilitate BMDepo's processes changes for greater operational efficiency and better sustainable practices. We have also taken the opportunity to remove prescriptive references and requirements in the rules as well as to provide for simpler, clearer and streamlined rules.
- ➔ Amendments to the Rules of BMD in relation to the introduction of Alternative Delivery Procedures for the:
 - (1) Ringgit Malaysia Denominated Crude Palm Oil Futures Contract;
 - (2) Crude Palm Kernel Oil Futures Contract; and
 - (3) Ringgit Malaysia Denominated East Malaysia Crude Palm Oil Futures Contract.

The amendments were made to provide greater flexibility to the industry players by allowing bespoke delivery terms and to facilitate the industry players to make and take delivery at locations that were not stipulated by BMD, including locations outside of Malaysia.
- ➔ Amendments to the POs Directive No. 6-001 under the Rules of BMS to reduce the minimum fixed commission for transactions (except transactions in loan documents) other than retail trade which were settled in USD, from USD10 to USD9.
- ➔ Amendments to the Rules of BMS in relation to the introduction of Shares2share, a securities donation scheme by Yayasan Bursa Malaysia. Amendments were made to exempt POs taking part in the scheme from the requirements for minimum fixed commission under the rules.
- ➔ Amendments to the Rules of BMD in relation to the extension of the after-hours (T+1) trading session from 11.30 pm to 2.30 am (Monday to Thursday only) for all existing BMD contracts, except for security based contracts and palm oil contracts. The extension of the trading session was intended to facilitate a more efficient price discovery mechanism and improve the competitiveness and attractiveness of BMD's products as a solution for risk management.

MARKETPLACE REPORT: FAIR AND ORDERLY MARKETS

- ➔ Amendments to the Rules and Directives of BMD and Directives of BMDC in relation to the introduction of the FTSE4Good Bursa Malaysia Index Futures Contract. As Malaysia's first ESG equity index futures, this contract was intended to enhance the price discovery of ESG assets as well as provide another option for portfolio management and diversification. In addition, investors may use the contract to hedge positions in the underlying stocks of the index.
- ➔ Amendments to the Rules and Directives of BMD and Rules and Directives of BMDC in relation to the introduction of Remote Trading Participant (RTP). The amendments were made in order to facilitate a broader range of global players licensed in identified jurisdictions to trade in the Malaysian derivatives market without the need for heavy capital to set up operations in Malaysia. Under the framework, the RTP is able to trade in BMD derivative contracts despite not being a company incorporated in Malaysia and holding a Capital Markets and Services Licence, on the basis that it is dealing in derivatives outside Malaysia. A RTP is however required to be registered with BMD under the Rules of BMD and must fulfil certain criteria as prescribed in the rules, such as only trading for clients outside Malaysia and being registered, licensed, approved or otherwise regulated in respect of trading in derivatives contracts by its home regulator.

In addition to the above, in 2022 we have continued to make our rules accessible to our diverse range of stakeholders by maintaining the Bahasa Malaysia versions of the LR and BR and keeping them up to date.

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 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 or Rule 9.05 of the Main LR or ACE 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 2022, despite lower trading activities in the market, volatilities remained in the trading landscape due to high inflationary pressures, sharp rate hikes and geopolitical risks. We continued to see speculative trading, driven largely by interest in healthcare, plantation and oil and 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 an exercise to optimise our existing surveillance system alerts as well as planning for new alerts for implementation in 2023.

Hosting the Market Inter Surveillance Group (MISG)

- ➔ The MISG for Derivatives Surveillance was held on 21 October 2022, where all the Trading Participants' (TP) Heads of Dealing and respective compliance personnel were invited. They were updated on some of the surveillance concerns along with common types of manipulative activities observed.
- ➔ The team also shared on areas such as algorithmic and electronic trading, BMD's Rule on 'control' of Position Limits and some sample reports that TPs without front-end surveillance systems can generate with their own source of data.
- ➔ The MISG for Equities was hosted on 26 October 2022 to update the industry on the latest surveillance practices through the sharing of case studies.
- ➔ Several topics on market manipulation activities were covered with emphasis on algorithmic trading, E-Learning modules for POs and overviews of the market surveillance system.

Market Surveillance (MS) E-Learning Modules for Equities

- ➔ The MS E-Learning Modules were designed to provide a structured learning experience which will improve and facilitate the understanding of users to identify and manage irregular trades and/or orders that can affect the fair and orderliness of trading in the marketplace.
- ➔ Unlike classroom modules, the MS E-Learning Modules are uploaded onto Bursa Marketplace, accessible anywhere and anytime to registered users. It provides for a sustainable and structured learning process in facilitating Equities Surveillance staff's ability to gain practical surveillance knowledge.

SURVEILLANCE OF PLCS

In our continued efforts to uphold market integrity and stability, we undertake surveillance activities to detect corporate irregularities, and in-depth analysis of issues and circumstances which may give rise to breaches of the LR.

Our corporate surveillance framework remains steadfast in ensuring timely detection of irregularities and taking the necessary pre-emptive actions and regulatory responses, where appropriate.

When a breach of the LR is detected, a referral is made to our investigation department to assess and determine whether enforcement action is warranted. 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 or pre-emptive actions have resulted in PLCs undertaking various actions to improve their compliance with the LR and corporate governance (CG), including strengthening internal audit functions.

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 enhance market quality and transparency, our ongoing efforts include the following:

- (i) Undertake close monitoring of announcements made by the PLCs and raise queries for areas which require greater clarity or further information to be provided to investors;
- (ii) Evaluate and review information provided in the applications or disclosure documents (e.g. circulars) submitted by the PLCs and always advocate for value-added disclosures to be made to aid investors in making an informed investment decision; and
- (iii) Provide avenue for pre-admission consultations prior to submission of applications seeking to list on the ACE Market (mandatory consultation) or LEAP Market (voluntary consultation) as well as for post-listing corporate exercises or transactions, if such need arises, to facilitate understanding and compliance with the relevant disclosure or listing requirements.

We also 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.

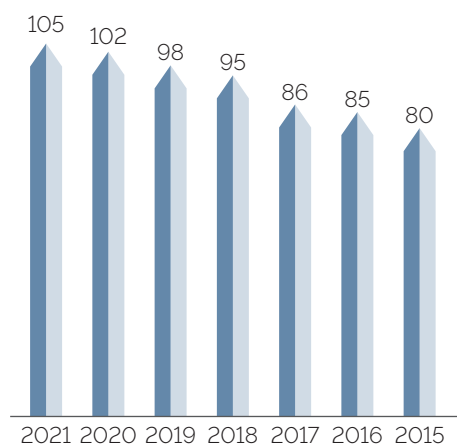
MARKETPLACE REPORT: FAIR AND ORDERLY MARKETS

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 2022 which focused on key areas such as board governance for company secretaries and gender diversity. Some of our CG achievements in 2022 include:

Malaysia-ASEAN Corporate Governance Scorecard: Continuous Improvement in Average CG Score

The latest average CG Score for the Top 100 Malaysian PLCs is 104.6 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 Securities Commission (SC)'s CG Review 2021: 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 2022), we note that there is a general trend of high adherence to the various Practices and Intended Outcomes as detailed within the latest MCCG.

MEASURES TO PROMOTE SUSTAINABILITY

In September 2022, we launched our enhanced Sustainability Reporting Framework with the aim of elevating the sustainability practices and disclosures of PLCs. In particular, Main Market PLCs will now be required to include the following disclosures in their Sustainability Statements:

- (i) a common set of prescribed sustainability matters and indicators that are deemed material for all PLCs (common sustainability matters);
- (ii) climate-related disclosures that are aligned with TCFD Recommendations (TCFD-aligned disclosures);
- (iii) at least three financial years' data for each reported indicator, corresponding targets (if any) as well as a summary of such data and corresponding performance target(s) in a prescribed format (enhanced quantitative information); and
- (iv) a statement on whether the Sustainability Statement has been reviewed internally by internal auditors or independently assured (statement of assurance).

The sustainability reporting requirements for ACE Market PLCs have also been strengthened to align with those of the Main Market. However, instead of publishing TCFD-aligned disclosures like their Main Market counterparts, ACE Market PLCs will need to disclose a basic plan to transition towards a low carbon economy (transition plan), with regard to climate change reporting.

To aid PLCs in complying with the enhanced Main LR and ACE LR as well as to produce better sustainability disclosures, the Exchange also issued the updated Sustainability Reporting Guide and Toolkits (3rd Edition). These materials are accessible via Bursa Sustain.

CLIMATE CHANGE

In addition to advocacy programmes for PLCs, we are also contributing to the advancement of climate-related reporting practices by Malaysian financial institutions via our role as the Chair of Sub-Committee 2 on Governance and Disclosure of the Joint Committee on Climate Change. Specifically, the Sub-Committee 2 launched the TCFD Application Guide for Malaysian Financial Institutions in June 2022.

Separately, through collaborations with the United Nations Sustainable Stock Exchanges (UNSSE), we organised a series of TCFD workshops in 2022 as follows:

- TCFD 101 Training Workshop - Getting started with climate-related financial reporting
- TCFD 102 Training Workshop - Building experience in climate-related financial reporting

Slides and recordings of both workshops are accessible via Bursa Sustain.

STANDARDS OF BUSINESS CONDUCT OF INTERMEDIARIES

We remain focused to ensure that our intermediaries adopt high standards of business conduct and comply with the BR and other regulatory requirements through a progressive supervisory approach.

As a result of our continuous supervision, our intermediaries' standards of business conduct and self-regulation are at satisfactory levels. This is demonstrated by the fact that there were no industry-wide breaches or misuse of clients' assets by our intermediaries noted from our supervision activities. Intermediaries are noted to have not only established safeguard measures to protect the interest of their clients, but have also put in place sound risk management measures to manage their counterparty risks and exposures, as well as to mitigate against incidences which pose systemic risk to the market. In addition, our intermediaries are also in compliance with the prescribed minimum financial requirements with no default to the clearing house.

We also continue to enhance our methodologies and processes in order to ensure that our supervisory approach remains progressive, dynamic and relevant. We adopt a risk-based approach in supervising the conduct of intermediaries to identify key risk areas of intermediaries for greater emphasis during on-site and off-site engagements, which allows for more effective allocation of supervisory attention.

We have over the years embarked on several initiatives as part of our efforts in ensuring that our intermediaries continue to maintain high standards of business conduct and self-regulation:

- a) Digitalisation of the submission of monthly compliance reports which has enhanced the efficiency of submission of the said reports by the intermediaries, as well as led to timely and improved analysis and regulatory intervention, at the Exchange's end, of the compliance issues reported by the intermediaries;
- b) Post implementation review (PIR) on intermediaries' adoption of governance best practices to gauge the level of adoption of the Exchange's recommended governance standards and best practices and to identify areas for improvement. Results from the PIR had enabled us to carry out targeted engagement with intermediaries to further cultivate strong culture and ethics amongst the intermediaries, which will ultimately lead to good and fair governance practices in the capital market industry and indirectly promote investor confidence;
- c) Issuance of Intermediaries Communication on Cybersecurity Good Practices for Operational Resilience which is intended to provide intermediaries with guidance relating to best practices on cyber security arrangements to assist them in strengthening their cyber resilience and preparedness; and
- d) Collaboration with professional bodies and/or industry subject-matter experts to carry out advocacy programmes for intermediaries and their Registered Persons in the areas of trading practices, governance, risk management and cyber security. The advocacy programmes were aimed not only at equipping intermediaries and their Registered Persons with the knowledge and understanding of emerging trends, developments and

best practices in the said areas, but also serve as a platform for participants and subject-matter experts to have constructive discussions and exchange their views, observations and experiences.

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 BR 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 2022, enforcement actions were taken against 9 PLCs, three advisers or sponsors and 42 directors (of seven 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 61 management actions via issuance of reminders for less serious breaches mainly relating to requirements on dealings by directors and principal officers, CG and minor disclosure breaches, etc.

As for breaches of the BR, in 2022, 51 actions (which include management actions) were taken against 16 intermediaries (i.e. POs, TP or Clearing Participant (CP), Derivatives CP and Authorised Depository Agent and 15 individuals who are subject to the BR e.g. DRs/RRs/Registered Persons for various breaches. In our efforts to improve the conduct of defaulting 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.

STATEMENT ON INTERNAL CONTROL AND RISK MANAGEMENT

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 2022, 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 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 system of internal control and risk management in 2022.

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. In addition, the RMC is also responsible for overseeing the Compliance, Business Continuity Management, and Integrity Unit functions of the Group.

At its meetings in 2022, the RMC had reviewed, appraised, and assessed the efficacy of the risk treatment/mitigation action plans taken to manage and monitor 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.

MANAGEMENT'S RESPONSIBILITY

Management is responsible for implementing all policies and procedures approved by the Board in relation to internal controls and risk. Management's responsibilities include the following:

Identifying and evaluating risks relevant to the Group's business, and the achievement of business objectives and strategies;

Formulating relevant policies and procedures to manage these risks in accordance with the Group's strategic vision and overall risk appetite;

Designing, implementing and monitoring the implementation of an effective risk management and internal control system;

Implementing policies approved by the Board;

Implementing remedial actions to address compliance deficiencies as directed by the Board; and

Reporting in a timely manner to the Board any changes to the risks or emerging risks and mitigation actions taken.

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 has now 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.

- 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 2022, the Group's Management Governance Framework comprised three (3) committees, namely the Management Committee (MC), Management Regulatory Committee (MRC) and Management Business Rules Committee (BRC), which have clearly defined TOR to enable good business and regulatory governance.

STATEMENT ON INTERNAL CONTROL AND RISK MANAGEMENT

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 shared with and deliberated by the Board on a half-yearly basis. Moreover, financial performance variances 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 CMA, of the extent to which Bursa Malaysia and its subsidiaries have complied with their duties and obligations under Sections 11 and 21 of the CMA.
- 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 represents an important value creation driver 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 our 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, we carry out annual materiality assessments, where we gather feedback from our stakeholders and review and validate our material matters that are relevant to them as well as our value creation activities. Our Sustainability Report is aligned with the MMLR and other 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 carried out external assurance on selected sustainability indicators reported in our Sustainability Report 2022. Indicators covered by external assurance included carbon footprint (i.e. Scope 1, Scope 2 and selected Scope 3 emissions), total water consumption, gender pay ratio as well as learning and development indicators such as total training hours, total training hours by gender and total training hours by employee category.

Further details can be found in Bursa Malaysia's Sustainability Report 2022.

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 applicable 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 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 on 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 quarters 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/Acting Director of IA, is required to confirm the effective operation of process controls which support the preparation of the financial statements.

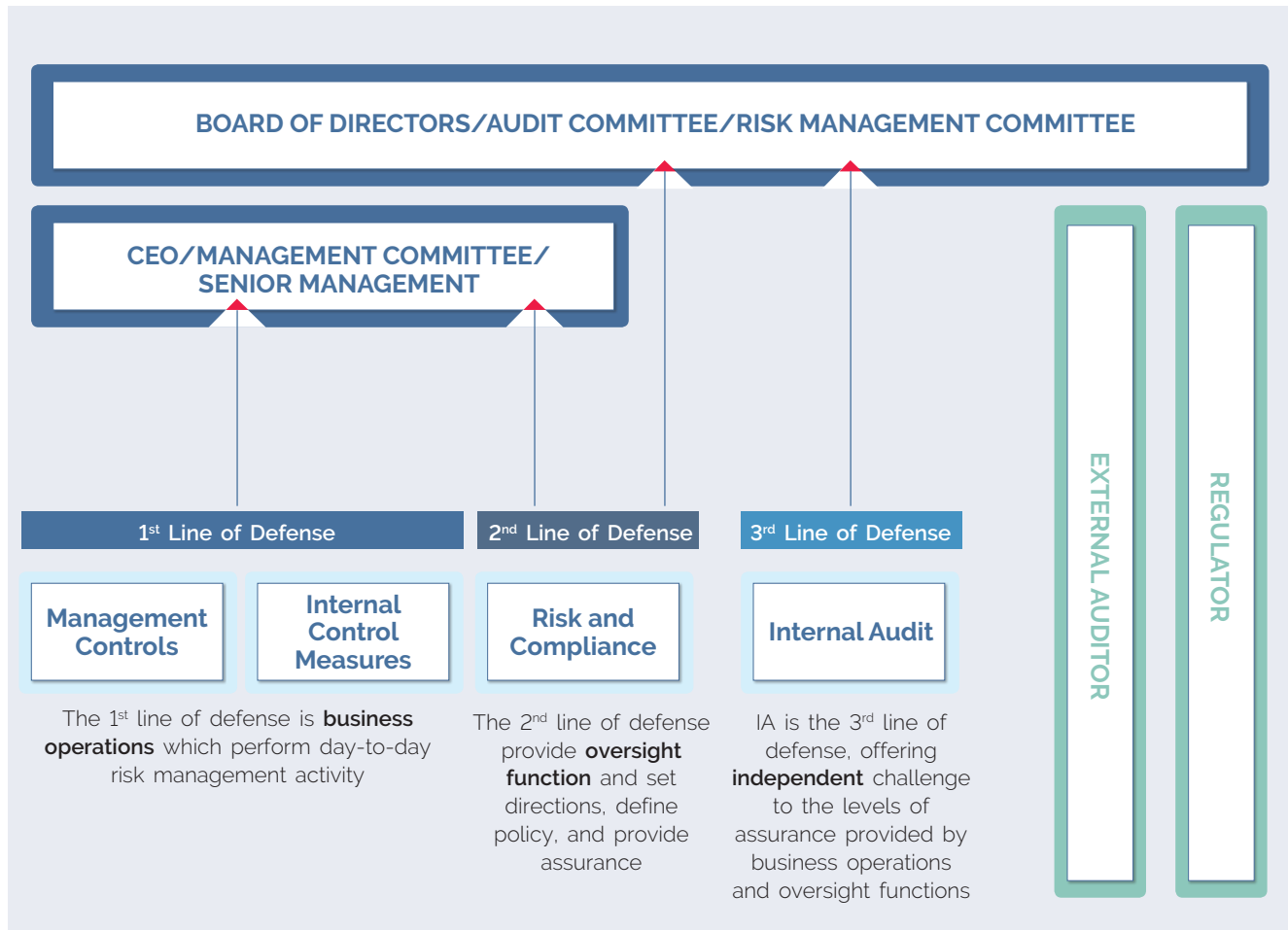
- f) IA conducts post implementation reviews after a predefined period of time to assess the effectiveness of the systems/initiatives and that the implementations are in accordance with their objectives.
- g) IA will govern itself by adherence to the mandatory elements of The Institute of Internal Auditors' 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), Business Continuity Management (BCM) Framework, Integrity Governance and Compliance Management (IGCM) Framework, Framework on Risk Management for Outsourcing Arrangements, various guidelines, and standard operating procedures (SOP) within Bursa Malaysia.

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



- d) The Group adopts the three lines of defense 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.
- e) The second line of defense comprises of the RC team who is responsible to monitor enterprise risk management for the Group and to approve matters within its authority for implementation across the Group with oversight by the RMC.
- f) IA as the third line of defense is 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, and continual review of risks as well as the effectiveness of risk mitigation strategies and controls at the divisional and enterprise levels. The analysis and evaluation of the 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 was 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 document 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 Strategic Risk

Strategic Risk refers to the risks arising from strategic administration or business decisions in Bursa Malaysia that could result in an impairment of business objectives, cause declines in revenues, growth in expenses, or losses charged against the capital. In accordance with Bursa Malaysia's Corporate Risk Profile for 2022, the key areas monitored under Strategic Risk are business performance and competition risk, high impact projects, innovation of new business risk, and sustainability-related risk.

Business Performance and Competition 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, competitive position within

the region, and potential entry of market disrupters which can challenge its aspiration to become ASEAN's leading, sustainable, and globally-connected marketplace. 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.

Innovation of New Businesses Risk

Innovation of New Businesses Risk refers to the risk of Bursa Malaysia not venturing into or exploring alternative avenues to raise revenue or diversify products and services apart from the traditional trading revenues. The implementation of innovative product initiatives which enable Bursa Malaysia to increase its competitiveness, gain new markets and opportunities, improve customer experience, and future-proofing its customer/service value offerings are monitored closely to ensure the Group remains relevant and competitive amongst its peers.

The relevant policies and assurance measures have been established to mitigate any operational/reputation risks inherent in the new business operations.

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 and governance (ESG) initiatives.

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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:

Principle 4 of PFMI (Credit Risk)	requires the CCP to maintain sufficient financial resources to cover its credit exposure to each participant and manage its credit exposure arising from its payment, clearing and settlement processes effectively.
Principle 5 of PFMI (Collateral)	requires the CCP to accept only collaterals with low credit, liquidity and market risks while ensuring appropriate haircuts and limits are imposed accordingly.
Principle 6 of PFMI (Margin)	requires the CCP to manage its credit exposure through the collection of margins.
Principle 7 of PFMI (Liquidity Risk)	requires the CCP to maintain sufficient liquid resources in all relevant currencies to effect same-day, intraday and multiday settlements with a high degree of confidence.
Principle 16 of PFMI (Custody and Investment Risk)	requires the CCP to safeguard its own and participants' assets and invest in instruments with minimal credit, market, and liquidity risks.

The risk mitigation measures that have been put in place to manage Financial Risk are outlined below:



In 2022, there were no settlement defaults by any TCP or CP and neither the Clearing Guarantee Fund (CGF) nor the Clearing Fund (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 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) 2022 is outlined below:

• COVID-19

In the 3rd year of the COVID-19 pandemic, business operations/conduct have fundamentally changed in various sectors and the industries are required to abide by the rules imposed for the full reopening of businesses and mitigation of the spread of the COVID-19 virus.

Despite the relaxation of the COVID-19 rules during the year, robust risk management policies and controls remain in effect to ensure seamless operations of the Bursa Malaysia Group.

The split operations arrangement, which was implemented in early 2022 where segments of employees were assigned to work from the alternate site of Bursa Malaysia or work from home, remains in practice. Vigilant monitoring of employees with positive COVID-19 test results and notification of close contacts with recommendation on precautionary measures continue to be emplaced to ensure a safe working environment while safeguarding the business operations.

• 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 a 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 2022, two (2) technical incidents were reported to the RMC with regard to the Equities Post Trade (EPT) system in relation to accessibility to its applications. However, these incidents did not affect the normal trading in the securities 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 2022, the Group had conducted five (5) industrywide BCP tests for the securities and derivatives market. The tests aimed to ensure the market participants' backup site/systems were able to connect to Bursa Malaysia's production site/systems as well as market participants' production site/systems were able to connect to Bursa Malaysia's backup systems in the event of a disruption. In addition, six (6) internal BCP tests were also carried out to ensure the Group is at a state of readiness in the unlikely event of business interruption.

iv. Management of Regulatory Risk

Regulatory Risk refers to risks or losses to the Group arising from the cost of non-compliance and failure to comply with any regulatory obligations that are imposed upon Bursa Malaysia. Compliance programme is maintained to ensure that Bursa Malaysia remains vigilant and keeps abreast of new regulations and the potential implications on its business operations.

v. 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 material impact on Bursa Malaysia's reputation which in turn can affect market confidence.

STATEMENT ON INTERNAL CONTROL AND RISK MANAGEMENT

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.

Contractual agreements entered into between Bursa Malaysia and third parties is one of the factors considered in Bursa Malaysia's exposure to legal liabilities. Hence, contract management processes e.g. contract vetting are emplaced to ensure that the terms and conditions are fair and reasonable. If there are any litigations or suits that arise due to the inconsistencies across contractual agreements, these are highlighted and reported to RC for further action and monitoring.

The assessments of legal risks are reported to the RMC on a quarterly basis.

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.

Cyber Security, 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.

Cyber risks are reviewed and assessed in the undertaking of any new activities, including any investment decision, merger and acquisition, adoption of new technology, and outsourcing arrangements. Any new or emerging trends of cyber threats are monitored and reviewed with accompanying inculcation of risk awareness (where applicable) at all levels within the Group.

vii. 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.

Guidelines that contain high level description of processes (ranging from model development, validation, and monitoring) have been established for the effective management of model risk in the day-to-day use of the models to make risk management decisions in Bursa Malaysia.

Independent model validation was also conducted in accordance with the SC's Guidelines on FMI to ensure that the risk models used are robust, perform as intended and achieve planned objectives.

- k) In line with SC's FMI Principle 3: Framework for comprehensive management of risks, the Bursa Malaysia's Recovery Planning document has been established to provide reference on the management of severe stress events that threaten to undermine the organisation's viability. The key components of recovery planning encompass strategic analysis, governance, scenario analysis (which includes both default loss events and non-default loss events), recovery indicators, recovery options, communication plan, and preparatory measures.
- l) RC also conduct system readiness reviews to ensure effective management of project risks, resolution of issues identified, business continuity planning, and comprehensiveness of the policies and procedures, prior to the implementation or launch of any significant systems development and enhancement projects.

7. Integrity, Governance & Compliance Management

Integrity, Governance & Compliance Management (IGCM) Framework has been established and sets out the approach of Bursa Malaysia in managing compliance obligations, overseeing and mitigating integrity and governance risks in order to achieve its mission - to ensure Bursa Malaysia attains high standards of compliance and adopts zero tolerance towards any non-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.

The IGCM Framework was developed in general conformance with the applicable regulatory requirements/standards/guidelines for both the Compliance function and the Integrity unit. References were made to internationally recognised standards such as ISO 37301 - Compliance Management System, ISO 37001 - Anti-Bribery Management System, and IOSCO's Compliance Function at Market Intermediaries. Regulatory guidelines such as the Malaysian Anti-Corruption Commission (MACC)'s Guidelines for the Management of Integrity & Governance Unit and Bank Negara Malaysia (BNM)'s Compliance policy document were also referred to.

i. Compliance

The Group's compliance management covers compliance with all statutory and regulatory 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, the IGCM Framework provides guidance for the conduct of the Compliance function in its structured processes for establishing, implementing, evaluating, maintaining, and improving the compliance management system for the Group.

In 2022, there were no major non-compliances encountered.

ii. Integrity Unit

Pursuant to the Prime Minister's Directive (No. 1 of 2018), Bursa Malaysia is committed towards upholding integrity and pursuing a corruption free business environment. As such, an Integrity Unit was established to safeguard integrity and institutionalise good corporate governance in Bursa Malaysia. The Integrity Unit is responsible for the four (4) core functions of the Integrity & Governance Unit (IGU) as prescribed in the MACC's Guidelines for the Management of IGU i.e., "Complaints Management", "Detection and Verification", "Integrity Enhancement" and "Governance".

Five (5) "T.R.U.S.T" 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) have also been adopted by Bursa Malaysia Group. The "T.R.U.S.T" principles are:



The key focus for Bursa Malaysia's Integrity Unit in 2022 was the implementation of the planned initiatives which include corruption risk assessment (CRA), Bursa Malaysia's Organisational Anti-Corruption Plan (OACP) initiatives, whistleblower awareness programme, Corporate Integrity Management System (CIMS) Round Table participation, and reporting requirements.

8. Performance Measurement

- a) In continuing the journey of Capacity & Capabilities Building, the targeted development programmes provided to employees in 2022 to address the gaps identified in their Individual Development Plans will be assessed during the 2022 year end review. This phase in the Performance Management Framework will ensure that the skills have been enhanced, the transformation is sustained, and performance further strengthened.
- b) Group Human Capital continues to strengthen its performance communication via customised communication and regular engagement initiatives to further enhance employees' understanding.

9. Employees' Competency

The Competency Development exercise continued in 2022 with the development of functional/technical competencies and learning structure for each function to meet Bursa Malaysia's strategic objectives and market demands as well as to prepare the workforce of the future. The functional/technical competencies proficiency levels will be ascertained and their competency level to each functional/technical competency will be assessed. This will then be a pre-cursor to create development interventions that will then be used to close the gaps.

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10. Conduct of Employees

- a) In strengthening and to further shape the organisational culture, Bursa Malaysia's core values continued to be inculcated.

Bursa Malaysia Core Values

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

- b) Warga Bursa have been encouraged to embrace Bursa Malaysia's core values through actionable and observable behaviours. Consistent messaging and awareness have been made through different modes of communication. Good behaviour has been duly rewarded - employees who had displayed any of Bursa Malaysia's Core Values will be given an instant recognition anytime via Vantage Circle, a digital recognition platform, and of any Warga Bursa regardless of job levels and recognition. This not only aims at further inculcating our Core Values but at the same time, move towards an appreciation culture.
- 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 person 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 action by the Group.

The WPP had been further revised and enhanced in FY 2022 with the merging of the two separate policies that govern the whistleblowing processes in Bursa Malaysia i.e. for Directors and employees of Bursa Malaysia Group into one policy called the Whistleblower Policies and Procedures for Bursa Malaysia Group (for Employees and Directors). The ambit of the enhanced WPP also covers independent individuals sitting as members of Board Committee. The RMC 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 RC.

- e) A Securities Transaction Policy that has been established governs 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 established the Anti-Fraud, Bribery and Corruption Policy and Guidelines 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 were also provided with training on anti-corruption policies. Integrity Unit is responsible for the implementation of the initiatives in relation to the Guidelines on Adequate Procedures.
- 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 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 Professional Indemnity, Financial Institution Professional Indemnity).

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.

REVIEW OF THIS STATEMENT

Pursuant to paragraph 15.23 of the MMLR, the External Auditors have reviewed this Statement for inclusion in the 2022 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 2023.

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 2022.

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 Malaysian Code on Corporate Governance (MCCG). In accordance with the AC's Terms of Reference (TOR), the AC has a policy that requires a former partner of Bursa Malaysia's External Auditors to observe a cooling-off period of at least three years before being appointed as a member of the AC. The AC members' attendance records are outlined in the Corporate Governance Overview section on pages 116 to 125 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 the requirements of paragraph 15.09(1)(c)(i) of the 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 TOR which is available on Bursa Malaysia's website.

MEETINGS

The AC held six meetings in 2022 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. On 25 April 2022, the AC Chairman together with the CEO, informed the AC members that the Nomination and Remuneration Committee (NRC) at its meeting held on 20 April 2022 had considered and approved the appointment of Puan Mazliana Mohamad, the incumbent Director of Internal Audit (IA) as the Director of Risk and Compliance (RC) effective from 7 June 2022. Puan Fathilah Ishak, was then appointed as the Acting Director of IA with effect from that date. With the attendance of the then Director of IA at the first three meetings in 2022, the Acting Director 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 2022, the AC Chairman conveyed to the Board matters of significant concern including of those raised by the External Auditors or Internal Auditors in the respective quarterly financial presentations.

For the declaration of the final dividend in respect of the Financial Year (FY) 2021, the AC at its first meeting held on 26 January 2022 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 2022, the AC at its fourth meeting on 25 July 2022 reviewed the solvency tests performed by Management on Bursa Malaysia and its five 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 these 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 Malaysia and its subsidiary companies within the Group would remain adequate, the AC resolved to recommend for the Board's approval of the said dividend under the single-tier system for the FY 2022.

On 26 January 2023, 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 2022. 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 had presented that Bursa Malaysia and its subsidiary companies within the Group have surplus funds, adequate for their 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 2022.

On 17 February 2022, the AC resolved to recommend for the Board's approval the transfer of the administration function of the Whistleblowing Policy and Procedures (WPP) for the Group's employees and external parties from IA to the Integrity Unit under the RC which reports to the Risk Management Committee (RMC) and the same was approved by the Board on 28 April 2022. During the period up to 17 February 2022, the then Director of IA had reported to the AC for its notation of two complaints received via the AC Chairman. Post 17 February 2022, another two complaints were received via Aduan Bursa, CEO's Office, Chairman of the Listing Committee, Senior Independent Director, AC Chairman, Board of Directors and Bursa Malaysia Chairman whereby RC requested the assistance from IA to conduct the review. The outcome of these reviews were reported to the RMC for its notation and the AC was notified accordingly on the assistance rendered by IA. Arising from IA's reviews, IA had taken the necessary steps to reach out to the complainants and to address the complaints made.

AUDIT COMMITTEE REPORT

SUMMARY OF WORK

The AC's work during 2022 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 2021 and the annual audited financial statements for 2021 at its meeting on 26 January 2022.

The quarterly financial statements for the first, second and third quarters of 2022, 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 25 April, 25 July and 26 October 2022, respectively.

On 26 January 2023, the AC reviewed the quarterly financial statements for the fourth quarter of 2022 and the annual audited financial statements for FY 2022.

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 25 April, 25 July and 26 October 2022 as well as on 26 January 2023, 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 2022.

2. External Audit

- a. With reference to the Auditor Independence Policy duly approved by the Board on 28 November 2019, the lead audit 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 period respectively. Dato' Megat Iskandar Shah bin Mohamad Nor who became the lead audit engagement partner in 2015 was replaced by Ms. Ng Sue Ean in 2022. Mr. Yeo Beng Yean who became the audit engagement quality control review partner in 2016, was also replaced by Encik Ahmad Qadri Bin Jahubar Sathik in 2022.
- b. The AC deliberated on EY's Report at its first meeting on 26 January 2022 in relation to the relevant disclosures in the audited financial statements for 2021.

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 2021.

- c. At the same meeting, the AC took note of the audit services rendered by EY in the FY 2021 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 referred to 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 2021 Audit.

- d. On 26 January 2022, 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 2022 (2022 Annual Plan). The AC reviewed the list of services in the 2022 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 2022 Annual Plan including the Management's proposal for EY's fees comprising, the recurring non-audit services 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 2022 at the 45th Annual General Meeting.

- e. 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 2021 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 2022.

With the shareholders' approval of the appointment of EY as the External Auditors for FY 2022 on 30 March 2022, Ms. Ng Sue Ean of EY, being the lead audit engagement partner for the first year in 2022, 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 2022 and January 2023.

- f. On 26 October 2022, the AC reviewed the External Auditors' FY 2022 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 31 October 2022.

EY in its FY 2022 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 2022 Audit Plan Memorandum for implementation in accordance with the audit timeline.

At the same meeting, the CFO presented the outcome of the periodic tender evaluation performed once every seven years in line with the Auditor Independence Policy for the appointment of an independent firm in providing audit and tax services for the FY 2023 and 2024, which included the assessment on the engagement team's qualifications, credentials and experience, as well as the firms' competitive advantage, their audit and tax approaches, and their ability to provide value added advice and services. The AC deliberated on the evaluation and requested the Management to seek further clarifications on the costings from the shortlisted firms.

- g. On 25 November 2022, the Management responded to AC's request with clarifications from the shortlisted firms and recommended for the appointment of EY as External Auditors of Bursa Malaysia Group for the FY ending 31 December 2023 and 2024 as EY ranked the top in the evaluation. The AC deliberated further on the evaluation and concurred with the Management's recommendation for the appointment of EY, which will be subjected to annual performance reviews and approvals by the shareholders of Bursa Malaysia Berhad. The proposal was subsequently tabled to the Board of Directors for approval.

AUDIT COMMITTEE REPORT

- h. In 2022, the AC had two private meetings with the External Auditors on 26 January 2022 and 26 October 2022, without the presence of the CEO, Management and Internal Auditors.
- i. In accordance with the Auditor Independence Policy, the AC had on 26 January 2023, 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 maintaining active engagement, through both verbal and written communication during the audit process, as well as their responsiveness to issues.

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 audit 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 audit engagement partner and engagement team, which demonstrated their independence, objectivity and professionalism.

- j. 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 MCCG.
- k. On 26 January 2023, the AC reviewed the audit services and non-audit services provided by the External Auditor and their corresponding incurred fees in FY 2022. The AC approved the actual fees, including the total recurring non-audit services and non-recurring non-audit services fees which constituted less than 50% of their total remuneration for 2022 with reference to the Auditor Independence Policy. The non-recurring non-audit services rendered was in relation to the tax advisory services for the direct and indirect tax.

- l. The CFO also sought the AC's concurrence for the proposed audit and non-audit services to be provided for FY 2023.
- m. On 26 January 2023, 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 2022 in accordance with the terms of all relevant professional and regulatory requirements.
- n. On 26 January 2023, the AC took note of EY's 2022 Transparency Report as tabled.

3. Internal Audit

- a. The IA team conducted the audit work as per the 2022 Annual Audit Plan which was approved by the AC on 25 November 2021. The Acting Director of IA, and departmental heads of the respective IA functions presented the IA reports at each of the AC meetings during the year with the then Director of IA being present for the first three meetings for 2022. The 2022 Annual Audit Plan was reviewed on a quarterly basis or as required to address any changes to the auditable areas. A total of 62 audit engagements were completed in 2022.
- 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 2022 were as follows:
 - Commercial;
 - Operations;
 - Regulation;
 - Group Technology;
 - Business Support Units – Group Human Capital, Group Finance and Corporate Services, Risk and Compliance, Group Sustainability and Corporate Governance and Secretariat;
 - Post Implementation Review;
 - Thematic Reviews; and
 - Mandated Reviews.
- c. In addition to the engagement reports, IA updated the AC on its work done at every AC meeting comprising the progress of the 2022 Annual Audit Plan and its key initiatives for 2022 which included project assurance, quality assurance and continuous improvement programmes. The AC reviewed the reports for the FY 2022 to ensure that they were prepared in compliance with the relevant regulatory requirements and guidelines.

- d. At the first AC Meeting on 26 January 2022, the AC had deliberated on IA's proposed 2022 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 2022 IA Scorecard was subsequently approved by the AC after due deliberation.
 - e. 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 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 determined that IA's performance for 2021 met the AC's expectations.
 - f. At the same meeting, the AC had reviewed the performance of the Director 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 NRC for determination of performance rewards.
 - g. At the second AC Meeting held on 17 February 2022, IA had presented to the AC the results of its verification of the Integrated Annual Report (IAR) 2021 and Sustainability Report (SR) 2021. All information and statistics provided in the reports were observed to be appropriate. The SR 2021 verification was conducted with reference to the Global Reporting Initiative Standards and the relevant supporting documents as well as engagements with the Sustainability Department.
 - h. The AC had one private meeting with the Internal Auditors at the fifth AC Meeting held on 26 October 2022 without the presence of the CEO and Management.
 - i. At the sixth AC Meeting held on 25 November 2022, the AC reviewed the 2022 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.
 - j. At the same meeting, the AC also approved IA's Annual Audit Plan 2023 covering identified auditable areas using risk-based audit planning focusing on key areas such as Commercial, Operations and Business Support functions, Regulation, Group Technology, Mandated Reviews and Outsourcing Service Providers reviews. Thematic review is also included as part of the Annual Audit Plan 2023.
- In accordance with the TOR of the AC, the AC further deliberated and approved the plan, resource management and budget for the IA function for 2023.
- k. At the same meeting, IA presented to the AC for their notation the outcome on the refresh of the audit universe which was carried out and took into consideration the latest restructuring of the organisation, increase in mandated reviews, re-categorising of the systems by functional areas and system priorities and new/changes to systems/applications.
 - l. At the first AC Meeting for the FY 2023 held on 26 January 2023, 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 2022. This annual declaration includes the non-financial conflict of interest declaration of each individual IA employee. The AC determined that the IA function is effective, provides value add to the organisation and is able to function independently.
 - m. At the same meeting, the AC had considered IA's proposed 2023 Scorecard which was developed in accordance with the Corporate Strategy and Human Resources' framework in relation to the Scorecard's perspectives and weightages. The 2023 IA Scorecard was subsequently approved by the AC after due deliberation.
 - n. At the second AC Meeting held on 17 February 2023, the AC reviewed and recommended the SICRM for the Board's approval and publication in the IAR 2022.

AUDIT COMMITTEE REPORT

- o. At the same meeting, the AC reviewed and recommended the IAR 2022 and SR 2022 for the Board's approval and adoption.

IA had presented to the AC the results of its verification of the IAR 2022 and SR 2022. All information and statistics provided in the reports were observed to be appropriate. The SR 2022 verification was conducted with reference to the Global Reporting Initiative Standards and the relevant supporting documents.

- p. At the same meeting, the AC reviewed and recommended the CG Overview Statement and CG Report 2022 for the Board's approval and adoption.
- q. At the same meeting, the AC had deliberated on the 2022 IA Divisional Scorecard results which included the results of IA's Customer Satisfaction Survey (Survey) for 2022, based on the responses received from the AC members and 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 determined that IA's performance for 2022 met the AC's expectations.

INTERNAL AUDIT FUNCTION

The mission of IA is to enhance and protect the organisational 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/Acting Director of IA and Internal Auditors are provided in the CG Report in accordance with Practice 11.2 of the MCCG.

The IA engagements were carried out based on the 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 Organization Controls (SOC) 1 Report on Controls Placed in Operation and Tests of Operating Effectiveness Relevant to CME Globex Trading, CME ClearPort and CME Clearing Systems. 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 2022 amounted to RM4,130,955 as compared to RM4,430,473 in 2021.

08

Additional Information

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LIST OF PROPERTIES OWNED BY BURSA MALAYSIA GROUP

As at 31 December 2022

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 2022 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*	70 years (14 April 2092)	25 years	7,144/ 71,347	August 1997	95,785
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*	73 years (28 February 2095)	24 years	9,314/ 38,609	March 1998	33,291
3.	Lot 5.0 to 8.0, No. Berdaftar Geran 17768/ MI/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	39 years	N/A/ 3,355	May 1998	6,875

* 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 2023

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.

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	795	6	801	2.14	10,009	80	10,089	0.00
100 - 1,000	12,001	148	12,149	32.45	7,897,349	90,328	7,987,677	0.99
1,001 - 10,000	19,703	383	20,086	53.66	71,669,094	1,617,630	73,286,724	9.06
10,001 - 100,000	3,688	256	3,944	10.54	96,421,454	8,699,835	105,121,289	12.99
100,001 - less than 5% of issued shares	340	111	451	1.20	215,347,780	100,088,568	315,436,348	38.97
5% and above of issued shares	3	-	3	0.01	307,456,994	-	307,456,994	37.99
Total	36,530	904	37,434	100.00	698,802,680	110,496,441	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	28,916	485	170,024,763	5,667,880	21.01	0.70
2	Body Corporate						
	a. Banks/finance companies	49	1	68,768,937	10,000	8.50	0.01
	b. Investment trust/foundation/charities	6	-	187,500	-	0.02	-
	c. Industrial and commercial companies	350	12	21,056,993	1,396,550	2.60	0.17
3	Government agencies/institutions	4	-	242,259,451	-	29.93	-
4	Nominees	7,202	406	196,418,536	103,422,011	24.27	12.78
5	Others	3	-	86,500	-	0.01	-
Total		36,530	904	698,802,680	110,496,441	86.34	13.66

STATISTICS OF SHAREHOLDINGS

As at 31 January 2023

D. TOP 30 SECURITIES ACCOUNT HOLDERS

(Without aggregating the securities from different securities accounts belonging to the same Registered Holder)

No.	Name	No. of Issued Shares	% of Issued Shares
1.	Capital Market Development Fund	150,300,001	18.57
2.	Kumpulan Wang Persaraan (Diperbadankan)	88,864,050	10.98
3.	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board	68,342,693	8.44
4.	Amanahraya Trustees Berhad Amanah Saham Bumiputera	17,000,000	2.10
5.	The Nomad Group Bhd	9,109,092	1.13
6.	Cartaban Nominees (Tempatan) Sdn Bhd PAMB for Prulink Equity Fund	8,729,750	1.08
7.	Cartaban Nominees (Asing) Sdn Bhd SSBT Fund KG33 for Invesco Asia Pacific Growth Fund	7,666,250	0.95
8.	HSBC Nominees (Asing) Sdn Bhd JPMCB NA for Vanguard Emerging Markets Stock Index Fund	7,507,600	0.93
9.	Cartaban Nominees (Asing) Sdn Bhd Exempt AN for State Street Bank & Trust Company (WEST CLT OD67)	7,462,250	0.92
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	7,239,708	0.89
12.	Pertubuhan Keselamatan Sosial	7,152,700	0.88
13.	Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (Nomura)	7,124,300	0.88
14.	Citigroup Nominees (Tempatan) Sdn Bhd Great Eastern Life Assurance (Malaysia) Berhad (PAR 1)	5,839,400	0.72
15.	Permodalan Nasional Berhad	5,750,500	0.71
16.	Cartaban Nominees (Tempatan) Sdn Bhd PAMB for Prulink Equity Focus Fund	5,625,400	0.70
17.	HSBC Nominees (Asing) Sdn Bhd PMSE LUX for JPMORGAN Funds	5,614,500	0.69
18.	Citigroup Nominees (Asing) Sdn Bhd CBNY for Norges Bank (FI 17)	5,473,029	0.68
19.	Citigroup Nominees (Asing) Sdn Bhd CB SPORE GW for Government of Singapore (GIC C)	3,909,400	0.48
20.	Citigroup Nominees (Tempatan) Sdn Bhd Exempt AN for AIA BHD.	3,346,200	0.41
21.	Amanahraya Trustees Berhad Public Islamic Select Enterprises Fund	3,295,200	0.41
22.	Amanahraya Trustees Berhad Public Islamic Select Treasures Fund	3,135,600	0.39
23.	Amanahraya Trustees Berhad Public Islamic Dividend Fund	3,073,700	0.38
24.	Cartaban Nominees (Tempatan) Sdn Bhd PBTB for Takafulink Dana Ekuiti	2,952,700	0.36
25.	HSBC Nominees (Asing) Sdn Bhd JPMCB NA for Vanguard Fiduciary Trust Company Institutional Total International Stock Market Index Trust II	2,948,700	0.36

D. TOP 30 SECURITIES ACCOUNT HOLDERS (CONT'D.)

No.	Name	No. of Issued Shares	% of Issued Shares
26.	Citigroup Nominees (Tempatan) Sdn Bhd Great Eastern Life Assurance (Malaysia) Berhad (SHF)	2,880,000	0.36
27.	Chia Choon Kwang @ Chai Choon Kwang	2,828,000	0.35
28.	Citigroup Nominees (Tempatan) Sdn Bhd Great Eastern Life Assurance (Malaysia) Berhad (PAR 3)	2,777,900	0.34
29.	Citigroup Nominees (Asing) Sdn Bhd CBNY for Emerging Market Core Equity Portfolio DFA Investment Dimensions Group Inc	2,751,500	0.34
30.	HSBC Nominees (Asing) Sdn Bhd JPMSE LUX for Robeco Capital Growth Funds	2,740,200	0.34
Total		458,877,123	56.69

Note: * This includes 49,750 ordinary shares placed by KWAP under the Securities Borrowing and Lending Arrangement

E. SUBSTANTIAL SHAREHOLDERS ACCORDING TO THE REGISTER OF SUBSTANTIAL SHAREHOLDERS AS AT 31 JANUARY 2023

No.	Name	No. of Issued Shares	% of Issued Shares
1.	Capital Market Development Fund (CMDf)	150,300,001	18.57
2.	Kumpulan Wang Persaraan (Diperbadankan) (KWAP)	*88,864,050	10.98
3.	Employees Provident Fund Board**	81,391,141	10.06

Note: * This includes 49,750 ordinary shares placed by KWAP under the Securities Borrowing and Lending Arrangement

** This is an aggregation of securities from different securities accounts belonging to the same Registered Holder

STATISTICS OF SHAREHOLDINGS

As at 31 January 2023

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 2023 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		% of Issued Shares
	No. of Issued Shares	% of Issued Shares	Spouse	Child	
			No. of Issued Shares	% of Issued Shares	
Tan Sri Abdul Wahid Omar	15,000	0.002	–	–	–
Datuk Muhamad Umar Swift	0	0	–	–	–
Dato' Anad Krishnan a/l Muthusamy	0	0	–	–	–
Sharifatu Laila Syed Ali	0	0	–	–	–
Datin Azlina Mahmad	0	0	–	–	–
Datuk Bazlan Osman	0	0	–	–	–
Pushpanathan a/l S.A. Kanagarayar	0	0	–	–	–
Chong Chye Neo	0	0	–	–	–
Syed Ari Azhar Syed Mohamed Adlan	0	0	–	–	–
Tan Sri Abdul Farid Alias	0	0	–	–	–
Total	15,000	0.002	–	–	–

2. KEY SENIOR MANAGEMENT

The Key Senior Management's shareholdings of the Company as at 31 January 2023 including their indirect/deemed interests, are as follows:

Name of Directors	Direct Interest		Deemed Interest		% of Issued Shares
	No. of Issued Shares	% of Issued Shares	Spouse	Child	
			No. of Issued Shares	% of Issued Shares	
Rosidah Baharom	62,400	0.008	–	175,000	0.022
Mohd Saleem Kader Bakas*	–	–	–	–	–
Azhar Mohd Zabidi	–	–	–	–	–
Ashish Jaywant Rege	–	–	–	–	–
Tay Yu Hui	46,500	0.006	–	–	–
Julian Mahmud Hashim	–	–	–	–	–
Total	108,900	0.014	0	175,000	0.022

Note: * Mohd Saleem Kader Bakas who joined Bursa Malaysia on 29 July 2019 was appointed as Acting Director of Derivatives Market on 1 July 2022.

ADDITIONAL COMPLIANCE INFORMATION

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 2022 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.

09

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 2022.

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	226,570	251,968

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 2021 were as follows:

	RM'000
In respect of the financial year ended 31 December 2022: Single-tier interim dividend of 15.0 sen per share, on 809,299,000 ordinary shares, declared on 28 July 2022 and paid on 26 August 2022	121,395
In respect of the financial year ended 31 December 2021, as reported in the Directors' report of that financial year: Single-tier final dividend of 17.0 sen per share, on 809,299,000 ordinary shares, approved on 28 January 2022 and paid on 25 February 2022	137,581
Total dividends paid since 31 December 2021	258,976

On 31 January 2023, the Board of Directors approved and declared a single-tier final dividend of 11.5 sen per share in respect of the financial year ended 31 December 2022. The final dividend amounting to approximately RM93,069,000 will be payable on 1 March 2023. The dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2023.

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
 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
 Tan Sri Abdul Farid bin Alias
 Datuk Karownakaran @ Karunakaran a/l Ramasamy

(appointed on 8 July 2022)
 (retired on 30 March 2022)

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

Total Directors' remuneration incurred by the Group and the Company for the financial year ended 31 December 2022 was RM5,723,000 (2021: RM6,593,000). Further details are disclosed in Note 9 to the financial statements.

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.

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 RM100,000,000 and RM131,066 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 1.1.2022 '000	Purchased/ Sold '000	At 31.12.2022 '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 AND DEBENTURES

There was no issuance of shares or debentures during the financial year.

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

Total fees for statutory audits provided by the auditors amounted to RM492,000 (2021: RM460,000) and RM114,000 (2021: RM122,000) for the Group and the Company respectively, while total fees for assurance related and non-audit services amounted to RM485,000 (2021: RM432,000) and RM421,000 (2021: RM372,000) for the Group and the Company respectively. Non-audit services provided by the auditors and its member firms comprised tax compliance and tax advisory services.

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 31 January 2023.



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 169 to 245 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 2022 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 31 January 2023.



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 169 to 245 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 31 January 2023.



Rosidah binti Baharom
C.A. 49125

Before me,



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 2022 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 169 to 245.

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 2022, 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.	Our audit procedures included, among others, evaluating the assumptions and methodologies used by the Group and the Company in performing the impairment assessments.
(i) Goodwill The Group's and Company's goodwill balances as at 31 December 2022 stood at RM42,957,000 and RM29,494,000, respectively.	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.
(ii) Investment in subsidiaries As at 31 December 2022, the carrying amount of investment in subsidiaries in the statement of financial position of the Company stood at RM301,170,000.	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.
On an annual basis, management is required to perform impairment assessments for goodwill and investment in subsidiaries with impairment indicators.	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.
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.	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.
This risk is also described in Note 2.5 to the financial statements.	

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
31 January 2023



Ng Sue Ean
No. 03276/07/2024 J
Chartered Accountant

STATEMENTS OF PROFIT OR LOSS

For the financial year ended 31 December 2022

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Operating revenue	3	585,290	751,626	495,235	713,224
Other income	4	17,955	15,911	7,795	5,249
		603,245	767,537	503,030	718,473
Staff costs	5	(155,141)	(157,949)	(149,483)	(150,451)
Depreciation and amortisation	6	(26,917)	(21,994)	(25,828)	(20,005)
Other operating expenses	7	(110,651)	(108,617)	(72,853)	(60,654)
Profit from operations		310,536	478,977	254,866	487,363
Finance costs	8	(533)	(533)	(533)	(533)
Profit before tax and zakat		310,003	478,444	254,333	486,830
Taxation and zakat	10	(83,433)	(123,190)	(2,365)	1,143
Profit for the year		226,570	355,254	251,968	487,973
Basic earnings per share attributable to owners of the Company (sen per share)	11	28.0	43.9		

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 2022

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Profit for the year	226,570	355,254	251,968	487,973
Other comprehensive (loss)/income:				
Items that may be subsequently reclassified to profit or loss:				
Gain on foreign currency translation	198	123	–	–
Net fair value changes in unquoted bonds at fair value through other comprehensive income ("FVTOCI")	(842)	(1,325)	(77)	(179)
Income tax effects relating to unquoted bonds at FVTOCI (Note 20)	84	238	–	–
	(560)	(964)	(77)	(179)
Items that will not be subsequently reclassified to profit or loss:				
Actuarial gain on defined benefit obligations (Note 30(a))	177	303	177	303
Net fair value changes in quoted shares at FVTOCI	–	31,063	–	31,063
Income tax effects relating to actuarial gain on defined benefit obligations (Note 20)	(43)	(73)	(43)	(73)
	134	31,293	134	31,293
Total other comprehensive (loss)/income for the year, net of income tax	(426)	30,329	57	31,114
Total comprehensive income for the year	226,144	385,583	252,025	519,087

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2022

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
ASSETS					
Non-current assets					
Property, plant and equipment	13	204,453	173,718	203,917	173,039
Computer software	14	40,855	38,988	35,203	32,951
Right-of-use assets	15(a)	7,852	7,963	7,852	7,963
Goodwill	16	42,957	42,957	29,494	29,494
Investment in subsidiaries	17	–	–	301,170	298,618
Investment securities	18	49,445	40,049	4,748	4,825
Staff loans receivable	19	705	970	441	707
Deferred tax assets	20	14,309	17,323	9,504	11,912
		360,576	321,968	592,329	559,509
Current assets					
Trade receivables	21	49,533	48,098	636	604
Other receivables	22	16,416	14,034	9,916	11,241
Amount due from subsidiaries	23	–	–	23,936	25,464
Tax recoverable		2,447	15,334	2,159	2,100
Investment securities	18	14,856	20,173	–	–
Cash for equity margins, derivatives trading margins, security deposits and eDividend and eRights distributions	24	3,195,071	3,265,387	–	–
Cash and bank balances of Clearing Funds	25	158,857	157,899	–	–
Cash and bank balances of the Group/Company	26	446,727	499,149	248,636	285,396
		3,883,907	4,020,074	285,283	324,805
Total assets		4,244,483	4,342,042	877,612	884,314

STATEMENTS OF FINANCIAL POSITION

As at 31 December 2022

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
EQUITY AND LIABILITIES					
Equity					
Share capital	27	435,621	435,621	430,371	430,371
Other reserves	28	30,218	30,778	(252)	(175)
Retained earnings	29	318,468	350,740	333,834	340,708
Equity attributable to owners of the Company		784,307	817,139	763,953	770,904
Non-controlling interest		2,450	–	–	–
Total equity		786,757	817,139	763,953	770,904
Non-current liabilities					
Retirement benefit obligations	30(a)	9,007	13,365	9,007	13,365
Deferred income	31	4,942	3,938	1,584	958
Lease liabilities	15(b)	7,446	7,451	7,446	7,451
Deferred tax liabilities	20	793	557	–	–
		22,188	25,311	18,037	21,774
Current liabilities					
Trade payables	24(a)	3,192,511	3,263,791	–	–
Participants' contributions to Clearing Funds	25	63,857	62,899	–	–
Other payables	32	176,420	167,714	92,565	91,131
Amount due to subsidiaries	23	–	–	2,552	–
Lease liabilities	15(b)	505	505	505	505
Provision for zakat		514	787	–	–
Tax payable		1,731	3,896	–	–
		3,435,538	3,499,592	95,622	91,636
Total liabilities		3,457,726	3,524,903	113,659	113,410
Total equity and liabilities		4,244,483	4,342,042	877,612	884,314

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 2022

	Note	Non-distributable					Distributable	Total RM'000	Non- controlling interest RM'000	Total equity RM'000
		Share capital RM'000	Foreign currency translation reserve RM'000	Share grant reserve RM'000	Clearing fund reserves RM'000	FVTOCI reserve RM'000	Retained earnings RM'000			
Group										
At 1 January 2022		435,621	627	-	30,000	151	350,740	817,139	-	817,139
Profit for the year		-	-	-	-	-	226,570	226,570	-	226,570
Other comprehensive income for the year		-	198	-	-	(758)	134	(426)	-	(426)
Total comprehensive income for the year		-	198	-	-	(758)	226,704	226,144	-	226,144
Total transactions with owners: Dividends paid	12	-	-	-	-	-	(258,976)	(258,976)	-	(258,976)
Issuance of ordinary shares to non-controlling interest in a newly incorporated company	17(c)	-	-	-	-	-	-	-	2,450	2,450
At 31 December 2022		435,621	825	-	30,000	(607)	318,468	784,307	2,450	786,757
At 1 January 2021		433,820	504	1,739	30,000	98,625	336,107	900,795	-	900,795
Profit for the year		-	-	-	-	-	355,254	355,254	-	355,254
Other comprehensive income for the year		-	123	-	-	29,976	230	30,329	-	30,329
Total comprehensive income for the year		-	123	-	-	29,976	355,484	385,583	-	385,583
Issuance of ordinary shares pursuant to SGP	30(b)	1,801	-	(1,801)	-	-	-	-	-	-
SGP expense (Note a)		-	-	62	-	-	-	62	-	62
Dividends paid	12	-	-	-	-	-	(469,301)	(469,301)	-	(469,301)
Total transactions with owners		1,801	-	(1,739)	-	-	(469,301)	(469,239)	-	(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	-	817,139

STATEMENTS OF CHANGES IN EQUITY

For the financial year ended 31 December 2022

	Note	Non-distributable			Distributable	Total equity RM'000
		Share capital RM'000	Share grant reserve RM'000	FVTOCI reserve RM'000	Retained earnings RM'000	
Company						
At 1 January 2022		430,371	–	(175)	340,708	770,904
Profit for the year		–	–	–	251,968	251,968
Other comprehensive income for the year		–	–	(77)	134	57
Total comprehensive income for the year		–	–	(77)	252,102	252,025
Total transactions with owners: Dividends paid	12	–	–	–	(258,976)	(258,976)
At 31 December 2022		430,371	–	(252)	333,834	763,953
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	17(c)	–	–	(128,450)	128,450	–
At 31 December 2021		430,371	–	(175)	340,708	770,904

Note a

In the previous financial year, SGP expense comprises share grant expense of RM58,000 relating to shares granted to the employees of the Company (as disclosed in Note 5), and RM4,000 relating to shares granted to the employees of its subsidiaries.

STATEMENTS OF CASH FLOWS

For the financial year ended 31 December 2022

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Cash flows from operating activities					
Profit before taxation and zakat		310,003	478,444	254,333	486,830
Adjustments for:					
Amortisation of premium	7	2	3	-	-
Depreciation and amortisation	6	26,917	21,994	25,828	20,005
Dividend income from:					
- investment securities	4	-	(973)	-	(973)
- subsidiaries	3	-	-	(271,666)	(510,147)
Grant income	4	(1,705)	(883)	(1,574)	(752)
Interest expense on lease liabilities	8	533	533	533	533
Interest/profit income	4	(15,669)	(13,148)	(5,765)	(2,618)
Lease of equipment	7	227	220	217	212
Net gain on disposal of computer hardware	4	(9)	(165)	(9)	(165)
Net (reversal of impairment losses)/impairment losses on:					
- investment securities	7	(75)	75	-	-
- trade and other receivables	7	(179)	(96)	(58)	(25)
- amount due from subsidiary	7	-	-	7	10
Equipment written off	7	-	3	-	3
Reversal of provision for short-term accumulating compensated unutilised leave	5	(81)	(20)	(51)	(9)
Retirement benefit obligations	5	455	457	455	457
SGP expense	5	-	62	-	58
Unrealised (gain)/loss on foreign exchange differences		(184)	39	(11)	-
Operating profit/(loss) before working capital changes		320,235	486,545	2,239	(6,581)
(Increase)/Decrease in receivables		(338)	39,716	(1,616)	335
Increase/(Decrease) in payables		7,595	(1,626)	(2,337)	(7,270)
Changes in amount due from/(to) subsidiaries		-	-	4,073	5,879
Cash generated from/(used in) operations		327,492	524,635	2,359	(7,637)
Interest paid	15(b)	(533)	(533)	(533)	(533)
Repayment of lease of equipment		(227)	(220)	(217)	(212)
Repayment of staff loans, net of disbursements		336	371	327	366
Contributions to defined benefit retirement scheme	30(a)	(4,636)	(2,150)	(4,636)	(2,150)
Zakat paid		(787)	(667)	-	-
Net tax paid		(68,906)	(144,822)	(59)	(459)
Net cash from/(used in) operating activities		252,739	376,614	(2,759)	(10,625)

STATEMENTS OF CASH FLOWS

For the financial year ended 31 December 2022

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Cash flows from investing activities					
Capital repayment of subsidiaries		–	–	–	30,000
Dividends received		–	2,788	271,666	512,935
Decrease/(Increase) in deposits not for short-term funding requirements		131,565	(31,031)	90,004	(101,137)
Interest/profit income received		14,778	14,210	6,119	1,760
Proceeds from disposal of:					
- investment securities		24,966	175,512	–	170,512
- computer hardware		9	165	9	165
Purchases of:					
- additional ordinary shares in existing subsidiary		–	–	–	(10,000)
- investment securities		(29,814)	(9,974)	–	–
- property, plant and equipment and computer software		(58,400)	(29,899)	(55,014)	(28,614)
Net cash from investing activities		83,104	121,771	312,784	575,621
Cash flows from financing activities					
Dividends paid	12	(258,976)	(469,301)	(258,976)	(469,301)
Grant received	31(a)	2,200	–	2,200	–
Repayment of lease liabilities	15(b)	(5)	(5)	(5)	(5)
Net cash used in financing activities		(256,781)	(469,306)	(256,781)	(469,306)
Net increase in cash and cash equivalents		79,062	29,079	53,244	95,690
Effects of exchange rate changes		81	68	–	–
Cash and cash equivalents at beginning of year		315,681	286,534	158,100	62,410
Cash and cash equivalents at end of year	26	394,824	315,681	211,344	158,100

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

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 31 January 2023.

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:

- Amendment to MFRS 16 Leases - *Covid-19 - Related Rent Concessions beyond 30 June 2021*
- 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

The above pronouncements are either not relevant or do not have any material impact on the Group's and the Company's financial statements.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)**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 Group's and the Company's financial statements for the current financial year.

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 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 for financial periods beginning on or after 1 January 2024

Amendment to MFRS 16 Leases - *Lease Liability in a Sale and Leaseback*

Amendments to MFRS 101 Presentation of Financial Statements - *Classification of Liabilities as Current or Non-current and Disclosure of Accounting Policies*

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.

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.

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.)

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.

(iii) Transactions with non-controlling interest

Non-controlling interest represents the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in profit or loss of the Group and within equity in the consolidated statements of financial position, separately from the equity of the owners of the Company. Transactions with non-controlling interest are accounted for as transactions with owners. On acquisition of non-controlling interest, the difference between the consideration and fair value of the share of the net assets acquired is recognised directly in equity. Gain or loss on disposal to non-controlling interest is recognised directly in equity.

(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

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

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 to 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 the 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.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

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 classification of financial assets is disclosed in Note 38. 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.)

(iii) 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 the 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).

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.

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.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)**2.4 Summary of significant accounting policies (cont'd.)****(g) Impairment of financial assets (cont'd.)**

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 cashflows 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.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(i) Financial liabilities (cont'd.)

(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.

(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.

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2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)**2.4 Summary of significant accounting policies (cont'd.)****(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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(n) Revenue recognition (cont'd.)

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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

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2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)**2.4 Summary of significant accounting policies (cont'd.)****(n) Revenue recognition (cont'd.)****(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.

(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").

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(o) Employee benefits (cont'd.)

(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.

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-months after the financial year end are discounted to present value.

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2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)**2.4 Summary of significant accounting policies (cont'd.)****(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.

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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.4 Summary of significant accounting policies (cont'd.)

(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.

(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.

NOTES TO THE FINANCIAL STATEMENTS

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2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)**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.

(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.

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.5 Significant accounting judgements and estimates (cont'd.)

Key sources of estimation uncertainty (cont'd.)

(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.

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3. OPERATING REVENUE

	Group	
	2022 RM'000	2021 RM'000
Trade fees	25,130	43,425
Clearing fees (Note a)	209,073	368,040
Others	29,299	31,461
Total Securities trading revenue	263,502	442,926
Trade fees	52,611	52,755
Clearing fees	26,989	24,188
Others	17,565	10,371
Total Derivatives trading revenue	97,165	87,314
Bursa Suq Al-Sila ("BSAS") trading fees	16,449	13,959
Listing and issuer services	68,087	70,875
Depository services	53,487	58,221
Market data	60,808	54,035
Member services and connectivity	23,653	24,239
Conference fees and exhibition-related income	2,139	57
	224,623	221,386
Total operating revenue (Note b)	585,290	751,626

	Company	
	2022 RM'000	2021 RM'000
Broker services	8,220	7,955
Income from subsidiaries (Note 36(a)):		
- dividends	271,666	510,147
- management fees	197,638	180,161
- office space rental	4,921	4,921
- lease of computer equipment	12,790	10,040
Total operating revenue (Note c)	495,235	713,224

(a) Securities clearing fees of the Group are stated net of the amount paid and payable to the Securities Commission Malaysia of RM58,551,000 (2021: RM108,549,000).

3. OPERATING REVENUE (CONT'D.)

- (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.

	Securities Market RM'000	Derivatives Market RM'000	Exchange Holding Company RM'000	Others RM'000	Total RM'000
2022					
Major services or products:					
Securities trading revenue	263,502	-	-	-	263,502
Derivatives trading revenue	-	97,165	-	-	97,165
BSAS trading fees	-	-	-	16,449	16,449
Listing and issuer services	67,960	-	-	127	68,087
Depository services	53,487	-	-	-	53,487
Market data	48,277	12,176	-	355	60,808
Member services and connectivity	15,179	161	8,220	93	23,653
Conferences fees and exhibition-related income	-	2,139	-	-	2,139
	448,405	111,641	8,220	17,024	585,290
Timing of revenue recognition:					
- at a point in time	367,345	104,141	-	16,527	488,013
- over time	81,060	7,500	8,220	497	97,277
	448,405	111,641	8,220	17,024	585,290
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

- (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.

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4. OTHER INCOME

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Interest/profit income from:				
- deposits with licensed financial institutions	13,289	10,639	5,573	2,414
- investment securities	2,348	2,464	162	162
- others	32	45	30	42
Dividend income	-	973	-	973
Grant income (Note 31(a))	1,705	883	1,574	752
Net gain on disposals of computer hardware	9	165	9	165
Rental income	81	483	81	483
Miscellaneous income	491	259	366	258
	17,955	15,911	7,795	5,249

5. STAFF COSTS

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Wages and salaries	101,833	92,935	97,245	88,157
Bonus	23,459	35,267	23,080	33,253
Contributions to a defined contribution plan - EPF	17,718	17,409	17,262	16,918
Social security contributions	606	542	583	523
Reversal of provision for short-term accumulating compensated unutilised leave	(81)	(20)	(51)	(9)
Retirement benefit obligations (Note 30(a))	455	457	455	457
SGP expense	-	62	-	58
Separation benefits	-	2,971	-	2,971
Other benefits	11,151	8,326	10,909	8,123
	155,141	157,949	149,483	150,451

Included in staff costs of the Group and of the Company is the Executive Director's remuneration of RM2,109,000 (2021: RM2,664,000), as disclosed in Note 9.

6. DEPRECIATION AND AMORTISATION

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Depreciation of property, plant and equipment (Note 13)	16,971	12,738	16,828	12,701
Amortisation of computer software (Note 14)	9,835	9,145	8,889	7,193
Depreciation of right-of-use assets (Note 15(a))	111	111	111	111
	26,917	21,994	25,828	20,005

7. OTHER OPERATING EXPENSES

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Administrative expenses	8,723	7,261	8,107	6,923
Amortisation of premium	2	3	–	–
Auditors' remuneration:				
- statutory audit	492	460	114	122
- assurance-related services (Note a)	84	97	84	97
- other services (Note b)	401	335	337	275
Building management costs:				
- office rental	263	271	263	271
- upkeep and maintenance	12,014	11,166	12,012	11,164
Central Depository System ("CDS") consumables	3,047	4,914	3,047	4,914
Net (reversal of impairment losses)/impairment losses on:				
- investment securities (Note 37(d))	(75)	75	–	–
- trade and other receivables	(179)	(96)	(58)	(25)
- amount due from subsidiary	–	–	7	10
Marketing and development expenses	20,487	8,666	15,323	6,305
Net gain on foreign exchange differences	(2,281)	(1,370)	(1,420)	(1,498)
Professional fees	4,813	3,802	3,811	2,832
Equipment written off	–	3	–	3
Lease of equipment	227	220	217	212
Technology charges:				
- information technology maintenance	25,592	23,499	23,457	21,302
- service fees	21,528	20,216	–	–
Others (Note c)	15,513	29,095	7,552	7,747
	110,651	108,617	72,853	60,654

(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	
	2022 RM'000	2021 RM'000
Interest expense on lease liabilities (Note 15(b))	533	533

9. DIRECTORS' REMUNERATION

	Group and Company	
	2022 RM'000	2021 RM'000
Executive Director's remuneration:		
- salaries and other emoluments	1,893	2,419
- defined contribution plan - EPF	216	245
	2,109	2,664
- estimated monetary value of benefits-in-kind	35	35
	2,144	2,699
Non-executive Directors' remuneration:		
- fees	1,846	2,108
- other emoluments	1,730	1,782
	3,576	3,890
- estimated monetary value of benefits-in-kind	3	4
	3,579	3,894
Total Directors' remuneration	5,723	6,593
Total Directors' remuneration excluding benefits-in-kind	5,685	6,554
Estimated monetary value of benefits-in-kind	38	39
Total Directors' remuneration including benefits-in-kind	5,723	6,593

9. DIRECTORS' REMUNERATION (CONT'D.)

Group and Company	2022		2021	
	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	300	689	300	755
Datuk Muhamad Umar Swift	–	2,144	–	2,699
Pushpanathan a/l S.A. Kanagarayar	200	98	200	65
Chong Chye Neo	200	128	200	128
Dato' Anad Krishnan a/l Muthusamy	200	153	200	120
Sharifatu Laila binti Syed Ali	200	197	200	150
Syed Ari Azhar bin Syed Mohamed Adlan	200	117	200	87
Datuk Bazlan bin Osman	200	122	200	129
Datin Azlina binti Mahmud ⁽¹⁾	200	156	158	96
Tan Sri Abdul Farid bin Alias ⁽²⁾	96	41	–	–
Datuk Karownakaran @ Karunakaran a/l Ramasamy ⁽³⁾	50	32	200	125
Uji Sherina binti Abdullah ⁽⁴⁾	–	–	200	99
Datin Grace Yeoh Cheng Geok ⁽⁵⁾	–	–	50	32
	1,846	3,877	2,108	4,485

⁽¹⁾ Appointed on 16 March 2021.

⁽²⁾ Appointed on 8 July 2022.

⁽³⁾ Retired on 30 March 2022.

⁽⁴⁾ Resigned on 1 January 2022.

⁽⁵⁾ Retired on 31 March 2021.

- (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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10. TAXATION AND ZAKAT

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Income tax:				
Current year provision	79,492	124,504	–	–
Underprovision of tax in previous year	136	388	–	14
	79,628	124,892	–	14
Deferred tax (Note 20):				
Relating to origination and reversal of temporary differences	3,150	(2,462)	2,232	(1,438)
Under/(Over) provision of tax in previous year	141	(27)	133	281
	3,291	(2,489)	2,365	(1,157)
Total taxation	82,919	122,403	2,365	(1,143)
Zakat	514	787	–	–
Total taxation and zakat	83,433	123,190	2,365	(1,143)

Income tax is calculated at the Malaysian statutory tax rate on the estimated assessable profit for the year. A one-off special windfall tax known as "Cukai Makmur" was introduced in the Malaysian Budget 2022, whereby companies with chargeable income above RM100 million are to be taxed at a rate of 33% and for income below or equal to RM100 million are to be taxed at the statutory tax rate of 24% for year of assessment 2022.

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	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Accounting profit before tax and zakat	310,003	478,444	254,333	486,830
Taxation at Malaysian statutory tax rate of 24% (2021: 24%)	74,401	114,827	61,040	116,839
Deferred tax assets not recognised in respect of current year's:				
- tax losses	697	3,074	695	3,072
- capital allowances	3,076	109	3,076	109
Effects of:				
- tax rate of 33% on chargeable income above RM100 million	1,167	–	–	–
- expenses not deductible for tax purposes	3,638	4,346	2,621	1,210
- income not subject to tax	(337)	(314)	(65,200)	(122,668)
Under/(Over) provision of tax in previous year:				
- income tax	136	388	–	14
- deferred tax	141	(27)	133	281
Total taxation	82,919	122,403	2,365	(1,143)

During the current financial year, the Group and the Company had tax savings of RM5,853,000 (2021: RM2,717,000) arising from the utilisation of current year tax losses.

11. BASIC EARNINGS PER SHARE ("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	
	2022	2021
Profit for the year attributable to owners of the Company (RM'000)	226,570	355,254
Weighted average number of ordinary shares in issue ('000)	809,299	809,226
Basic EPS (sen)	28.0	43.9

There is no dilutive impact to the EPS in the current and previous financial years.

12. DIVIDENDS

Group and Company	Dividends in respect of the year		Dividends recognised in year	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Single-tier interim dividends:				
- 15.0 sen per share on 809,299,000 ordinary shares	121,395	–	121,395	–
- 24.0 sen per share on 809,299,000 ordinary shares	–	194,232	–	194,232
Single-tier final dividends:				
- 17.0 sen per share on 809,299,000 ordinary shares	–	137,581	137,581	–
- 26.0 sen per share on 809,027,000 ordinary shares, in respect of the year 2020	–	–	–	210,347
Special dividend:				
- 8.0 sen per share on 809,027,000 ordinary shares, in respect of the year 2020	–	–	–	64,722
	121,395	331,813	258,976	469,301

On 31 January 2023, the Board of Directors approved and declared a single-tier final dividend of 11.5 sen per share in respect of the financial year ended 31 December 2022. The final dividend amounting to approximately RM93,069,000 will be payable on 1 March 2023. The dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2023.

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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 2022							
Cost							
At 1 January 2022		342,472	37,282	62,755	1,156	2,308	445,973
Additions		23,072	2,373	10,939	-	11,380	47,764
Reclassifications		1,477	-	567	-	(2,102)	(58)
Disposals		-	-	(218)	-	-	(218)
Write-offs		(3,176)	(10,401)	-	-	-	(13,577)
Exchange rate differences		16	5	94	-	-	115
At 31 December 2022		363,861	29,259	74,137	1,156	11,586	479,999
Accumulated depreciation							
At 1 January 2022		188,278	34,072	49,096	809	-	272,255
Depreciation charge for the year	6	9,291	1,377	6,145	158	-	16,971
Disposals		-	-	(218)	-	-	(218)
Write-offs		(3,176)	(10,401)	-	-	-	(13,577)
Exchange rate differences		16	5	94	-	-	115
At 31 December 2022		194,409	25,053	55,117	967	-	275,546
Net carrying amount at 31 December 2022		169,452	4,206	19,020	189	11,586	204,453
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

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 2022							
Cost							
At 1 January 2022		342,150	36,836	62,018	978	2,308	444,290
Additions		23,072	2,373	10,939	-	11,380	47,764
Reclassifications		1,477	-	567	-	(2,102)	(58)
Disposals		-	-	(218)	-	-	(218)
Write-offs		(3,176)	(10,217)	-	-	-	(13,393)
At 31 December 2022		363,523	28,992	73,306	978	11,586	478,385
Accumulated depreciation							
At 1 January 2022		187,956	33,626	49,037	632	-	271,251
Depreciation charge for the year	6	9,291	1,377	6,003	157	-	16,828
Disposals		-	-	(218)	-	-	(218)
Write-offs		(3,176)	(10,217)	-	-	-	(13,393)
At 31 December 2022		194,071	24,786	54,822	789	-	274,468
Net carrying amount at 31 December 2022		169,452	4,206	18,484	189	11,586	203,917
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

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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 2022				
Cost				
At 1 January 2022	285,960	19,862	36,650	342,472
Additions	–	–	23,072	23,072
Reclassifications	–	–	1,477	1,477
Write-offs	–	–	(3,176)	(3,176)
Exchange rate differences	–	–	16	16
At 31 December 2022	285,960	19,862	58,039	363,861
Accumulated depreciation				
At 1 January 2022	151,642	12,706	23,930	188,278
Depreciation charge for the year	5,242	281	3,768	9,291
Write-offs	–	–	(3,176)	(3,176)
Exchange rate differences	–	–	16	16
At 31 December 2022	156,884	12,987	24,538	194,409
Net carrying amount at 31 December 2022	129,076	6,875	33,501	169,452
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

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 2022				
Cost				
At 1 January 2022	285,960	19,862	36,328	342,150
Additions	-	-	23,072	23,072
Reclassifications	-	-	1,477	1,477
Write-offs	-	-	(3,176)	(3,176)
At 31 December 2022	285,960	19,862	57,701	363,523
Accumulated depreciation				
At 1 January 2022	151,642	12,706	23,608	187,956
Depreciation charge for the year	5,242	281	3,768	9,291
Write-offs	-	-	(3,176)	(3,176)
At 31 December 2022	156,884	12,987	24,200	194,071
Net carrying amount at 31 December 2022	129,076	6,875	33,501	169,452
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

NOTES TO THE FINANCIAL STATEMENTS

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14. COMPUTER SOFTWARE

Group	Note	Implemented projects RM'000	Projects-in-progress RM'000	Total RM'000
As at 31 December 2022				
Cost				
At 1 January 2022		151,700	4,436	156,136
Additions		7,254	4,390	11,644
Reclassifications		750	(692)	58
At 31 December 2022		159,704	8,134	167,838
Accumulated amortisation and impairment loss				
At 1 January 2022		113,848	3,300	117,148
Amortisation charge for the year	6	9,835	–	9,835
At 31 December 2022		123,683	3,300	126,983
Net carrying amount at 31 December 2022		36,021	4,834	40,855
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

14. COMPUTER SOFTWARE (CONT'D.)

Company	Note	Implemented projects RM'000	Projects-in-progress RM'000	Total RM'000
As at 31 December 2022				
Cost				
At 1 January 2022		129,087	4,436	133,523
Additions		6,693	4,390	11,083
Reclassifications		750	(692)	58
At 31 December 2022		136,530	8,134	144,664
Accumulated amortisation and impairment loss				
At 1 January 2022		97,272	3,300	100,572
Amortisation charge for the year	6	8,889	–	8,889
At 31 December 2022		106,161	3,300	109,461
Net carrying amount at 31 December 2022		30,369	4,834	35,203
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

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15. RIGHT-OF-USE ASSETS AND LEASE LIABILITIES

(a) Right-of-use assets

	Group and Company	
	2022 RM'000	2021 RM'000
Cost		
At 1 January/31 December	8,518	8,518
Accumulated depreciation		
At 1 January	555	444
Depreciation charge for the year (Note 6)	111	111
At 31 December	666	555
Net carrying amount at 31 December	7,852	7,963

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	
	2022 RM'000	2021 RM'000
Lease liabilities:		
- non-current	7,446	7,451
- current	505	505
Total lease liabilities	7,951	7,956

The movements of lease liabilities during the financial year are as follows:

	Group and Company	
	2022 RM'000	2021 RM'000
At 1 January	7,956	7,961
Interest charge (Note 8)	533	533
Payments of:		
- principal	(5)	(5)
- interest	(533)	(533)
At 31 December	7,951	7,956

16. GOODWILL

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 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	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 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 4% per annum (2021: 5% per annum), while expenses have been assumed to grow at an average of 3% per annum (2021: 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 9% (2021: 12%) 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.

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17. INVESTMENT IN SUBSIDIARIES

	Company	
	2022 RM'000	2021 RM'000
Unquoted shares, at cost	321,388	318,836
Less: Accumulated impairment losses	(20,218)	(20,218)
	301,170	298,618

(a) The details of the subsidiaries are as follows:

Name of subsidiaries	Proportion of ownership interest		Share capital		Principal activities
	2022 %	2021 %	2022 RM'000	2021 RM'000	
Bursa Malaysia Securities Berhad ("Bursa Malaysia Securities")	100	100	10,250	10,250	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")	100	100	15,000	15,000	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.
Labuan International Financial Exchange Inc ("LFX")	100	100	5,500 (in USD'000)	5,500 (in USD'000)	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")	100	100	10,000	10,000	Performs regulatory functions for the Group and the Company.
BM Carbon Market Sdn Bhd ("BM Carbon Market") (Note b)	100	-	1	-	Provides, operates and maintains a voluntary carbon market exchange.

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
	2022 %	2021 %	2022 RM'000	2021 RM'000	
BM Digital Sdn Bhd ("BM Digital") (Note b)	100	–	1	–	Provides, operates and maintains as a Shariah compliant market operator for precious metals and commodities.
BM RAM Capital Sdn Bhd ("BM RAM Capital") (Note c)	51	–	2,550	–	Provides, operates and maintains a debt fundraising platform for small to mid-sized companies.
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.
Subsidiary held through BM Carbon Market					
BM Carbon Market Nominees Sdn Bhd ("BM Carbon Market Nominees") (Note b)	100	–	~	–	Acts as custodian for the voluntary carbon market exchange.

*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.

- (b) On 26 October 2022, the Company had incorporated three (3) new wholly owned subsidiaries, BM Carbon Market, BM Carbon Market Nominees and BM Digital which remained dormant as at the current financial year end.
- (c) On 22 December 2022, the Company entered into a shareholders' agreement with RAM Holdings Berhad ("RAM") to jointly develop a debt fundraising platform to facilitate listed and unlisted small to mid-sized companies tap into a new pool of capital outside of the traditional wholesale markets by offering a new avenue and greater flexibility to these companies to raise funds.

Pursuant to the terms of the shareholders' agreement, BM RAM Capital was incorporated on 27 December 2022 whereby the Company holds a 51% equity interest and RAM holds the remaining 49% equity interest. The commencement of the operations of BM RAM Capital is subject to its obtaining the operating licenses from the relevant regulatory authorities.

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18. INVESTMENT SECURITIES

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
- Non-current				
Unquoted bonds - FVTOCI	49,445	40,049	4,748	4,825
- Current				
Unquoted bonds - FVTOCI	5,019	20,173	-	-
Commercial papers - amortised cost	9,837	-	-	-
	14,856	20,173	-	-
Total investment securities	64,301	60,222	4,748	4,825

19. STAFF LOANS RECEIVABLE

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Housing loans	827	1,108	557	831
Vehicle loans	57	67	57	67
Computer loans	44	57	42	55
	928	1,232	656	953
Less: Receivable within 12-months, included in other receivables (Note 22)	(223)	(262)	(215)	(246)
	705	970	441	707

20. DEFERRED TAX ASSETS/(LIABILITIES)

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
At 1 January	16,766	14,112	11,912	10,828
Recognised in profit or loss (Note 10)	(3,291)	2,489	(2,365)	1,157
Recognised in other comprehensive income	41	165	(43)	(73)
At 31 December	13,516	16,766	9,504	11,912

20. DEFERRED TAX ASSETS/(LIABILITIES) (CONT'D.)

Presented after appropriate offsetting as follows:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Deferred tax assets (before offsetting)	25,952	29,191	20,934	23,567
Offsetting	(11,643)	(11,868)	(11,430)	(11,655)
Deferred tax assets (after offsetting)	14,309	17,323	9,504	11,912
Deferred tax liabilities (before offsetting)	(12,436)	(12,425)	(11,430)	(11,655)
Offsetting	11,643	11,868	11,430	11,655
Deferred tax liabilities (after offsetting)	(793)	(557)	–	–
Net deferred tax assets	13,516	16,766	9,504	11,912

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 2022							
At 1 January 2022	3,207	17,059	164	58	8,316	387	29,191
Recognised in profit or loss	(1,004)	(3,319)	(23)	(47)	1,153	44	(3,196)
Recognised in other comprehensive income	(43)	–	–	–	–	–	(43)
At 31 December 2022	2,160	13,740	141	11	9,469	431	25,952
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

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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 2022				
At 1 January 2022	(2)	(12,168)	(255)	(12,425)
Recognised in profit or loss	26	(19)	(102)	(95)
Recognised in other comprehensive income	–	–	84	84
At 31 December 2022	24	(12,187)	(273)	(12,436)

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)

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 2022							
At 1 January 2022	3,207	11,596	5	56	8,316	387	23,567
Recognised in profit or loss	(1,004)	(2,783)	1	(1)	1,153	44	(2,590)
Recognised in other comprehensive income	(43)	–	–	–	–	–	(43)
At 31 December 2022	2,160	8,813	6	55	9,469	431	20,934

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

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 2022				
At 1 January 2022	(2)	(11,611)	(42)	(11,655)
Recognised in profit or loss	26	218	(19)	225
At 31 December 2022	24	(11,393)	(61)	(11,430)
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 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	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Unutilised tax losses - expiring more than five years	31,561	28,658	23,378	20,482
Unused capital allowances	24,731	11,914	24,731	11,914
	56,292	40,572	48,109	32,396

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 are allowed to be utilised for ten (10) consecutive years of assessments ("YAs") effective from YA2019 and the unused capital allowances are allowed to be carried forward indefinitely.

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21. TRADE RECEIVABLES

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Trade receivables	50,912	49,779	762	726
Less: Allowance for impairment losses	(1,379)	(1,681)	(126)	(122)
	49,533	48,098	636	604

22. OTHER RECEIVABLES

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Deposits	765	767	643	643
Prepayments	7,590	8,647	7,587	8,631
Interest/profit income	4,659	3,800	920	1,304
Staff loans receivable within 12-months (Note 19)	223	262	215	246
Sundry receivables (Note a)	8,829	6,264	2,765	2,693
	22,066	19,740	12,130	13,517
Less: Allowance for impairment losses	(5,650)	(5,706)	(2,214)	(2,276)
	16,416	14,034	9,916	11,241

- (a) Included in the Group's sundry receivables is an amount of RM2,450,000 (2021: Nil) due from RAM for the 49% equity interest in BM RAM Capital as disclosed in Note 17.

23. AMOUNT DUE FROM/(TO) SUBSIDIARIES

	Company	
	2022 RM'000	2021 RM'000
Amount due from subsidiaries		
Bursa Malaysia Securities	12,853	8,579
Bursa Malaysia Securities Clearing	1,479	1,152
Bursa Malaysia Derivatives	2,716	1,884
Bursa Malaysia Derivatives Clearing	1,790	10,183
Bursa Malaysia Depository	2,836	2,375
Bursa Malaysia Regulation	8	82
Bursa Malaysia Islamic Services	819	627
Bursa Malaysia Information	1,413	561
LFX	22	21
Bursa Malaysia Bonds	11,912	11,905
	35,848	37,369
Less: Allowance for impairment losses	(11,912)	(11,905)
	23,936	25,464
Amount due to subsidiaries		
BM RAM Capital	(2,550)	–
BM Carbon Market	(1)	–
BM Digital	(1)	–
	(2,552)	–

The amounts due from/(to) subsidiaries are unsecured, receivable/(payable) within a month and bear late payment interest charges of 8.4% (2021: 7.4%) per annum.

24. CASH FOR EQUITY MARGINS, DERIVATIVES TRADING MARGINS, SECURITY DEPOSITS AND eDIVIDEND AND eRIGHTS DISTRIBUTIONS

	Group	
	2022 RM'000	2021 RM'000
Equity margins	198,257	200,124
Derivatives trading margins	2,972,095	3,035,847
Security deposits from Clearing Participants ("CPs") of Bursa Malaysia Derivatives Clearing	22,159	27,820
Trade payables (Note a)	3,192,511	3,263,791
Cash received for eDividend and eRights distributions (included in other payables (Note 32(a)))	2,560	1,596
	3,195,071	3,265,387

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24. CASH FOR EQUITY MARGINS, DERIVATIVES TRADING MARGINS, SECURITY DEPOSITS AND eDIVIDEND AND eRIGHTS DISTRIBUTIONS (CONT'D.)

- (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	
	2022 RM'000	2021 RM'000
Cash on hand and at banks	191,829	170,615
Deposits with licensed financial institutions	3,003,242	3,094,772
	3,195,071	3,265,387

- (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	
	2022 RM'000	2021 RM'000
Collaterals in the form of letters of credit for:		
- equity margins	11,500	11,000
- derivatives trading margins	794,675	687,848
- security deposits from CPs of Bursa Malaysia Derivatives Clearing	16,000	16,000
	822,175	714,848
Collaterals in the form of shares for derivatives trading margins	609	784
	822,784	715,632

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 2022			
Contributions from:			
- TCPs of Bursa Malaysia Securities Clearing	19,257	-	19,257
- Bursa Malaysia Securities Clearing	-	85,000	85,000
Clearing Guarantee Fund ("CGF") balance	19,257	85,000	104,257
Contributions from:			
- CPs of Bursa Malaysia Derivatives Clearing	44,600	-	44,600
- Bursa Malaysia Derivatives Clearing	-	10,000	10,000
Derivatives Clearing Fund ("DCF") balance	44,600	10,000	54,600
Total cash and bank balances of Clearing Funds as at 31 December 2022	63,857	95,000	158,857
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
CGF balance	19,678	85,000	104,678
Contributions from:			
- CPs of Bursa Malaysia Derivatives Clearing	43,221	-	43,221
- Bursa Malaysia Derivatives Clearing	-	10,000	10,000
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

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26. CASH AND BANK BALANCES OF THE GROUP/COMPANY

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Cash on hand and at banks	2,870	3,522	662	772
Deposits with:				
- licensed banks	434,199	462,674	238,631	263,658
- licensed investment banks	9,658	32,953	9,343	20,966
	443,857	495,627	247,974	284,624
Total cash and bank balances	446,727	499,149	248,636	285,396

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the financial year end:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Total cash and bank balances	446,727	499,149	248,636	285,396
Less: Deposits not for short-term funding requirements	(51,903)	(183,468)	(37,292)	(127,296)
	394,824	315,681	211,344	158,100

27. SHARE CAPITAL

	2022		2021	
	Number of ordinary shares '000	Amount RM'000	Number of ordinary shares '000	Amount RM'000
Issued and fully paid				
Group				
At 1 January	809,299	435,621	809,027	433,820
Issued during the year pursuant to SGP (Note 30(b))	–	–	272	1,801
At 31 December	809,299	435,621	809,299	435,621
Company				
At 1 January	809,299	430,371	809,027	428,570
Issued during the year pursuant to SGP (Note 30(b))	–	–	272	1,801
At 31 December	809,299	430,371	809,299	430,371

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

	Note	Group		Company	
		2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Foreign currency translation reserve	(a)	825	627	–	–
Clearing fund reserves	(b)	30,000	30,000	–	–
FVTOCI reserve	(c)	(607)	151	(252)	(175)
		30,218	30,778	(252)	(175)

(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) Clearing fund reserves

	Note	Group	
		2022 RM'000	2021 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 the CPs and appropriation from Bursa Malaysia Derivatives Clearing resources. The DCF composition is disclosed in Note 25.

(c) 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.

29. RETAINED EARNINGS

The Company is able to distribute dividends out of its entire retained earnings under the single-tier tax system.

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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	
	2022 RM'000	2021 RM'000
Present value of funded defined benefit obligations	11,551	14,492
Fair value of plan assets	(2,544)	(1,127)
Net liability arising from defined benefit obligations	9,007	13,365

(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 2022	14,492	(1,127)	13,365
Interest expense/(income) (Note 5)	498	(43)	455
Contributions by employer	–	(4,636)	(4,636)
Payments from defined plan	(3,214)	3,214	–
	11,776	(2,592)	9,184
Remeasurements:			
- return on plan assets	–	48	48
- financial assumptions	(280)	–	(280)
- experience loss	55	–	55
	(225)	48	(177)
At 31 December 2022	11,551	(2,544)	9,007
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.)**

(ii) The plan assets comprise the following:

	Group and Company	
	2022 RM'000	2021 RM'000
Investment securities:		
- Malaysian Government Securities	560	562
Cash and bank balances	2,189	1,043
Other receivables	9	8
Other payables	(214)	(486)
	2,544	1,127

(iii) Principal actuarial assumptions used for determination of the defined benefits obligation are as follows:

	Group and Company	
	2022 %	2021 %
Discount rate	4.7	3.8
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.

(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% RM'000	Decrease by 1 % RM'000	Increase by 1% RM'000	Decrease by 1 % RM'000
At 31 December 2022				
(Decrease)/Increase in defined benefit obligations	(289)	303	253	(246)
At 31 December 2021				
(Decrease)/Increase in defined benefit obligations	(429)	453	387	(374)

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.

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30. EMPLOYEE BENEFITS (CONT'D.)

(b) SGP

The SGP was implemented on 18 April 2011 and was in force for a maximum period of ten (10) years, which expired on 17 April 2021. The SGP comprised two types of performance-based awards, namely the Restricted Share Plan ("RSP") and the Performance Share Plan ("PSP"). The shares granted were vested to the eligible employees and/or Executive Directors of the Group who have duly accepted the offer of awards under the SGP and fulfil the vesting conditions.

The following table illustrates the movement of shares under the SGP in the previous financial year:

	Group and Company			
	At 1 January 2021 '000	Vested (Note 27) '000	Forfeited '000	At 31 December 2021 RM'000
2017 grants:				
RSP	14	(10)	(4)	-
2018 grants:				
RSP	279	(262)	(17)	-
PSP	80	-	(80)	-
	373	(272)	(101)	-

The weighted average share price at the date of vesting for the issuance of 272,000 new ordinary shares in the previous financial year was at RM6.61.

31. DEFERRED INCOME

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Deferred grants (Note a)	1,993	1,498	1,584	958
Deferred revenue (Note b)	2,949	2,440	-	-
	4,942	3,938	1,584	958

- (a) The deferred grants of the Group refer to grants from the Capital Market Development Fund ("CMDf") for 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 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	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
At 1 January	1,498	2,381	958	1,710
Grant income (Note 4)	(1,705)	(883)	(1,574)	(752)
Received during the year	2,200	-	2,200	-
At 31 December	1,993	1,498	1,584	958

31. DEFERRED INCOME (CONT'D.)

- (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	
	2022 RM'000	2021 RM'000
At 1 January	6,153	3,250
Deferred revenue during the year	10,293	14,746
Income recognised in profit or loss	(10,865)	(11,843)
At 31 December	5,581	6,153
Deferred revenue:		
- non-current	2,949	2,440
- current (Note 32)	2,632	3,713
	5,581	6,153

32. OTHER PAYABLES

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Accruals	68,324	61,532	27,517	26,323
Amount due to Securities Commission Malaysia	6,800	6,694	-	-
Capital Market Education and Integrity Fund	12,273	12,980	12,273	12,980
Deferred revenue (Note 31(b))	2,632	3,713	-	-
Provision for employee benefits	35,431	45,649	34,210	43,474
Receipts in advance	9,027	9,373	557	549
Sundry payables	41,933	27,773	18,008	7,805
	176,420	167,714	92,565	91,131

- (a) Included in sundry payables of the Group is cash received for eDividend and eRights distributions amounting to RM2,560,000 (2021: RM1,596,000) 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	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
At 1 January	9,373	5,922	549	530
Received during the year	3,643	6,192	265	268
Income recognised in profit or loss	(3,989)	(2,741)	(257)	(249)
At 31 December	9,027	9,373	557	549

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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:

	2022 RM'000	2021 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.

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	
	2022 RM'000	2021 RM'000
Not later than one year	81	72
Later than one year and not later than five years	110	8
	191	80

The rental income for the financial years are disclosed in Note 4.

34. OPERATING LEASE ARRANGEMENTS (CONT'D.)

(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	
	2022 RM'000	2021 RM'000
Not later than one year	4,921	4,921
Later than one year and not later than five years	9,843	14,764
	14,764	19,685

Office space rental income earned by the Company for the current and previous financial years are disclosed in Notes 3 and 36(a).

(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	
	2022 RM'000	2021 RM'000
Not later than one year	12,096	11,230
Later than one year and not later than five years	17,657	20,719
Later than five years	3,909	3,408
	33,662	35,357

Income from the lease of computer equipment for the current and previous financial years are disclosed in Notes 3 and 36(a).

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35. CAPITAL COMMITMENTS

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Approved and contracted for:				
Computers and office automation	3,793	2,619	3,793	2,237
Office equipment and renovation	433	6,785	433	6,785
	4,226	9,404	4,226	9,022
Approved but not contracted for:				
Computers and office automation	14,804	2,560	14,804	1,599
Office equipment and renovation	18	4,170	18	4,170
	14,822	6,730	14,822	5,769

36. SIGNIFICANT RELATED PARTY DISCLOSURES

(a) Transactions with subsidiaries

Significant transactions between the Company and its subsidiaries are as follows:

	2022 RM'000	2021 RM'000
Management fees income from:		
Bursa Malaysia Securities	104,940	98,152
Bursa Malaysia Derivatives	18,783	16,803
Bursa Malaysia Securities Clearing	14,034	13,666
Bursa Malaysia Derivatives Clearing	20,925	14,800
Bursa Malaysia Depository	20,406	21,960
Bursa Malaysia Information	10,036	7,189
Bursa Malaysia Islamic Services	8,415	7,492
Bursa Malaysia Regulation	82	82
Bursa Malaysia Bonds	2	2
LFX	15	15
	197,638	180,161
Office space rental income from:		
Bursa Malaysia Securities	1,797	1,797
Bursa Malaysia Derivatives	1,218	1,218
Bursa Malaysia Securities Clearing	357	357
Bursa Malaysia Depository	992	992
Bursa Malaysia Information	295	295
Bursa Malaysia Islamic Services	262	262
	4,921	4,921

36. SIGNIFICANT RELATED PARTY DISCLOSURES (CONT'D.)**(a) Transactions with subsidiaries (cont'd.)**

	2022 RM'000	2021 RM'000
Lease of computer equipment from:		
Bursa Malaysia Securities	7,985	6,415
Bursa Malaysia Derivatives	1,281	765
Bursa Malaysia Securities Clearing	1,142	880
Bursa Malaysia Derivatives Clearing	261	196
Bursa Malaysia Depository	911	723
Bursa Malaysia Information	235	177
Bursa Malaysia Islamic Services	975	884
	12,790	10,040
Dividend income from:		
Bursa Malaysia Securities	115,000	252,500
Bursa Malaysia Derivatives	166	15,147
Bursa Malaysia Securities Clearing	58,000	104,000
Bursa Malaysia Depository	64,000	104,000
Bursa Malaysia Information	31,000	30,000
Bursa Malaysia Islamic Services	3,500	4,500
	271,666	510,147

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	
	2022 RM'000	2021 RM'000
Short-term employee benefits	7,386	10,582
Contributions to defined contribution plan - EPF	802	831
SGP	–	4
	8,188	11,417

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36. SIGNIFICANT RELATED PARTY DISCLOSURES (CONT'D.)

(c) Compensation of key management personnel (cont'd.)

Included in total remuneration of the management committee are:

	Group and Company	
	2022 RM'000	2021 RM'000
Executive Director's remuneration (Note 9)	2,109	2,664
Benefits-in-kind (Note 9)	35	35
	2,144	2,699

In the previous financial year, a total of 35,000 new ordinary shares under the SGP had been vested to the management committee of the Group.

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
2022						
Datuk Muhamad Umar Swift	1,440	360	216	93	35	2,144
Rosidah binti Baharom	728	182	161	111	-	1,182
Azhar bin Mohd Zabidi	689	172	115	112	-	1,088
Ashish Jaywant Rege	824	206	-	101	-	1,131
Tay Yu Hui	549	159	131	123	-	962
Julian Mahmud Hashim	859	215	141	104	-	1,319
Mohd Saleem Kader Bakas ⁽¹⁾	188	47	38	89	-	362
2021						
Datuk Muhamad Umar Swift	1,402	600	245	417	35	2,699
Rosidah binti Baharom	711	296	172	178	-	1,357
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
Samuel Ho Hock Guan ⁽²⁾	1,166	508	-	674	-	2,348
Julian Mahmud Hashim ⁽³⁾	817	340	151	103	-	1,411

⁽¹⁾ Joined the Company on 11 January 2021 and appointed as Chief Regulatory Officer on 8 September 2021.

⁽²⁾ Resigned on 1 August 2022.

⁽³⁾ Appointed on 1 July 2022.

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Group and the Company are exposed to market risk (which comprises 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.

(a) 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 investment securities.

The following table demonstrates the sensitivity of the Group's and the Company's equity to a 25 basis points (2021: 25 basis points) increase/decrease in interest/profit rates with all other variables held constant:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Effects on equity if:				
- increase by 25 basis points	(310)	(275)	(41)	(48)
- decrease by 25 basis points	310	275	41	48

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.)

(a) 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 investment securities and deposits with licensed financial institutions are categorised by maturity dates.

	Maturity			Total RM'000	Effective interest/ profit rate %
	Less than one year RM'000	One to five years RM'000	More than five years RM'000		
Group					
As at 31 December 2022					
Investment securities:					
- unquoted bonds	5,019	39,840	9,605	54,464	4.23
- commercial papers	9,837	-	-	9,837	2.88
Deposits with licensed financial institutions:					
- cash set aside by the Group for Clearing Funds	95,000	-	-	95,000	3.28
- cash and bank balances	443,857	-	-	443,857	3.26
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
Company					
As at 31 December 2022					
Investment securities:					
- unquoted bonds	-	-	4,748	4,748	3.24
Deposits with licensed financial institutions:					
- cash and bank balances	247,974	-	-	247,974	3.31
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

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(b) 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 receivables, cash and bank balances and payables which are denominated in USD.

The Group does not hedge its currency exposures. The following table shows the accumulated amount of material financial assets and liabilities which are unhedged:

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Financial assets - denominated in USD				
Trade receivables	2,927	3,361	–	–
Cash and bank balances	8,227	20,610	8,227	20,610
	11,154	23,971	8,227	20,610
Financial liabilities - denominated in USD				
Other payables	5,584	4,704	578	–

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 RM'000	SGD RM'000	JPY RM'000	Total RM'000
As at 31 December 2022				
Financial assets				
Cash for equity margins, derivatives trading margins and security deposits	212,061	8,905	5,090	226,056
Financial liabilities				
Trade payables	(212,061)	(8,905)	(5,090)	(226,056)
	–	–	–	–

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)
	–	–	–	–

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37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(b) Market risk: Foreign currency risk (cont'd.)

The following table demonstrates the sensitivity of the Group's profit after tax and equity to a reasonable possible change in the exchange rates against the respective functional currencies of the Group, 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 2022				
USD - strengthens by 5% against RM	212	212	291	291
As at 31 December 2021				
USD - strengthens by 5% against RM	732	732	783	783

An equivalent weakening of the foreign currencies as shown above would have resulted in an equivalent, but opposite, impact.

(c) 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.

Group	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 2022					
Other payables which are financial liabilities*	25,872	22,861	–	–	48,733
Lease liabilities**	–	505	2,188	34,872	37,565
	25,872	23,366	2,188	34,872	86,298
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

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(c) 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 2022					
Other payables which are financial liabilities*	4,326	13,682	–	–	18,008
Amount due to subsidiaries	–	2,552	–	–	2,552
Lease liabilities**	–	505	2,188	34,872	37,565
	4,326	16,739	2,188	34,872	58,125
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

* 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(b).

(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.

The liabilities and corresponding assets in relation to clearing and settlement risk as at the financial year end are shown below:

Group	Note	On demand	
		2022 RM'000	2021 RM'000
Current assets			
Cash for equity margins, derivatives trading margins and security deposits	24	3,192,511	3,263,791
Cash and bank balances of Clearing Funds: - participants' contribution	25	63,857	62,899
Current liabilities			
Trade payables	24(a)	(3,192,511)	(3,263,791)
Participants' contribution to Clearing Funds	25	(63,857)	(62,899)
		-	-

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37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(d) 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 end, 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.

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:

Group	Government Guaranteed RM'000	Counterparty credit rating				Total RM'000
		P1 RM'000	AAA RM'000	AA RM'000	A RM'000	
As at 31 December 2022						
Investment securities:						
- unquoted bonds	5,019	-	19,728	29,717	-	54,464
- commercial papers	-	9,837	-	-	-	9,837
Cash and bank balances*	-	-	2,360,944	1,340,264	99,447	3,800,655
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
Company						
As at 31 December 2022						
Investment securities:						
- unquoted bonds	-	-	4,748	-	-	4,748
Cash and bank balances	-	-	72,950	173,396	2,290	248,636
As at 31 December 2021						
Investment securities:						
- unquoted bonds	-	-	4,825	-	-	4,825
Cash and bank balances	-	-	85,532	199,864	-	285,396

* 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.)

(d) Credit risk (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	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
At 1 January	85	10	1	1
(Reversal)/Charge for the year (Note 7)	(75)	75	–	–
At 31 December	10	85	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:

Group	Note	Total RM'000	Credit impaired RM'000	Not credit impaired						
				Not past due RM'000	Past due					Total past due RM'000
					< 30 days RM'000	31 - 60 days RM'000	61 - 90 days RM'000	91 - 180 days RM'000	> 181 days RM'000	
At 31 December 2022										
Staff loans receivable	19	928	–	928	–	–	–	–	–	–
Trade receivables	21	50,912	813	42,872	1,956	3,412	440	824	595	7,227
Other receivables which are financial assets*	22	14,253	5,643	8,610	–	–	–	–	–	–
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	–	–	–	–	–	–

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37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)

(d) 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.)

Company	Note	Total RM'000	Credit impaired RM'000	Not credit impaired						
				Not past due RM'000	Past due					
					< 30 days RM'000	31 - 60 days RM'000	61 - 90 days RM'000	91 - 180 days RM'000	> 181 days RM'000	Total past due RM'000
At 31 December 2022										
Staff loans receivable	19	656	–	656	–	–	–	–	–	–
Trade receivables	21	762	109	138	260	96	13	106	40	515
Other receivables which are financial assets*	22	4,328	2,207	2,121	–	–	–	–	–	–
Amount due from subsidiaries	23	35,848	11,912	23,936	–	–	–	–	–	–
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	–	–	–	–	–	–

* 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.

37. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (CONT'D.)**(d) 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		
	Lifetime ECL allowance RM'000	Credit impaired RM'000	Total allowance RM'000	Lifetime ECL allowance RM'000	Credit impaired RM'000	Total allowance RM'000
At 1 January 2022	588	1,093	1,681	6	5,700	5,706
(Reversal)/Charge for the year	(22)	(101)	(123)	1	(57)	(56)
Write-offs	-	(179)	(179)	-	-	-
At 31 December 2022	566	813	1,379	7	5,643	5,650
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

Company	Trade receivables			Other receivables			Amount due from subsidiary
	Lifetime ECL allowance RM'000	Credit impaired RM'000	Total allowance RM'000	Lifetime ECL allowance RM'000	Credit impaired RM'000	Total allowance RM'000	Credit impaired RM'000
At 1 January 2022	13	109	122	6	2,270	2,276	11,905
Charge/(Reversal) for the year	4	-	4	1	(63)	(62)	7
At 31 December 2022	17	109	126	7	2,207	2,214	11,912
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

- (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 decreased by RM358,000 in the current financial year and by RM205,000 in the previous financial year mainly due to the recovery of bad debts and the write-offs of bad debts that could not be recovered.
- (c) The Company's allowance for impairment losses on trade and other receivables decreased by RM58,000 in the current financial year and by RM29,000 in the previous financial year mainly due to the recovery of bad debts.

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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	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Assets				
Financial assets at FVTOCI				
Investment securities:				
- unquoted bonds	54,464	60,222	4,748	4,825
Financial assets at amortised cost				
Investment securities:				
- commercial papers	9,837	-	-	-
Staff loans receivable	928	1,232	656	953
Trade receivables	49,533	48,098	636	604
Other receivables which are financial assets*	8,603	5,125	2,114	2,364
Amount due from subsidiaries	-	-	23,936	25,464
Cash for equity margins, derivatives trading margins, security deposits and eDividend and eRights distributions	3,195,071	3,265,387	-	-
Cash and bank balances of Clearing Funds	158,857	157,899	-	-
Cash and bank balances of the Group/Company	446,727	499,149	248,636	285,396
	3,869,556	3,976,890	275,978	314,781
Total financial assets	3,924,020	4,037,112	280,726	319,606
Liabilities				
Financial liabilities at amortised cost				
Trade payables	3,192,511	3,263,791	-	-
Participants' contributions to Clearing Funds	63,857	62,899	-	-
Other payables which are financial liabilities**	48,733	34,467	18,008	7,805
Amount due to subsidiaries	-	-	2,552	-
Lease liabilities	7,951	7,956	7,951	7,956
Total financial liabilities	3,313,052	3,369,113	28,511	15,761

* 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.

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

The Group and the Company do not have any financial instruments measured at Level 1 in the current and previous financial years. The Group and the Company had disposed all of its investment in quoted shares in the previous year.

- (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.

	Group		Company	
	2022 RM'000	2021 RM'000	2022 RM'000	2021 RM'000
Financial asset - Level 2				
Investment securities:				
- unquoted bonds	54,464	60,222	4,748	4,825

The Group and the Company do not have any financial liabilities carried at fair value as at 31 December 2022 and 31 December 2021.

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31 December 2022

39. FAIR VALUE (CONT'D.)

(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 2022				
Staff loans receivable (Note 19)	928	894	656	628
As at 31 December 2021				
Staff loans receivable (Note 19)	1,232	1,215	953	935

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 distributing 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 RM786,300,000 (2021: RM818,637,000) 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, exchange holding and businesses categorised in 'others' market segments are managed by the respective divisional heads responsible for the performance of the respective businesses 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 segment mainly comprises 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.

NOTES TO THE FINANCIAL STATEMENTS

31 December 2022

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 2022					
Operating revenue	448,405	111,641	8,220	17,024	585,290
Other income	8,824	1,772	7,201	158	17,955
Direct costs	(103,533)	(52,342)	(23,080)	(8,342)	(187,297)
Segment profit/(loss)	353,696	61,071	(7,659)	8,840	415,948
Overheads					(105,945)
Profit before tax and zakat					310,003
Segment assets					
Assets	370,549	136,447	342,347	24,456	873,799
Clearing Funds	104,257	54,600	–	–	158,857
Cash for equity margins, derivatives trading margins, security deposits and eDividend and eRights distributions	200,817	2,994,254	–	–	3,195,071
Segment assets	675,623	3,185,301	342,347	24,456	4,227,727
Unallocated corporate assets					16,756
Total assets					4,244,483
Segment liabilities					
Liabilities	80,586	26,906	69,827	18,441	195,760
Participants' contribution to Clearing Funds	19,257	44,600	–	–	63,857
Equity margins, derivatives trading margins, security deposits and eDividend and eRights distributions	200,817	2,994,254	–	–	3,195,071
Segment liabilities	300,660	3,065,760	69,827	18,441	3,454,688
Unallocated corporate liabilities					3,038
Total liabilities					3,457,726
Other information					
Depreciation and amortisation in:					
- segments	6,131	1,429	242	1,084	8,886
- overheads	–	–	–	–	18,031
Other significant non-cash expenses:					
Net (reversal of impairment losses)/impairment losses on:					
- investment securities	(75)	–	–	–	(75)
- trade and other receivables	(199)	54	(58)	24	(179)
Retirement benefit obligations in overheads	–	–	–	–	455

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					
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	(112,083)	(54,524)	(24,440)	(7,610)	(198,657)
Segment profit/(loss)	528,115	45,090	(11,236)	6,911	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
Other information					
Depreciation and amortisation in:					
- segments	5,202	1,998	145	767	8,112
- overheads	-	-	-	-	13,882
Other significant non-cash expenses:					
Net (reversal of impairment losses)/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

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NOTICE OF 46TH 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 46th 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://tjih.online> on Thursday, 30 March 2023 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 2022 and the Reports of the Directors and Auditors thereon. | Resolution 1 |
| 2. To re-elect the following Directors who retire by rotation in accordance with Article 18.4 of the Company's Constitution and who being eligible offer themselves for re-election: | Resolution 2 |
| (1) Datuk Bazlan bin Osman; and | |
| (2) Encik Syed Ari Azhar bin Syed Mohamed Adlan | |
| 3. To re-elect Tan Sri Abdul Farid bin Alias who retires in accordance with Article 18.11 of the Company's Constitution and who being eligible offers himself for re-election. | Resolution 3 |
| 4. 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 2022. | Resolution 4 |
| 5. 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 2023 until the next AGM of the Company. | Resolution 5 |
| 6. To appoint Ernst & Young PLT as Auditors of the Company for the financial year ending 31 December 2023 and to authorise the Board of Directors to determine their remuneration. | Resolution 6 |
| 7. 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 46th 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 2023. Only a depositor whose name appears on the Record of Depositors as at 23 March 2023 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 (LS 0006674) SSM PC No. 202008003707

Izreen Fara binti Ismail (MAICSA 7056436) SSM PC No. 202008002411

Company Secretaries

Kuala Lumpur

1 March 2023

Notes:

1. Registration for Remote Participation and Voting (RPV) Facilities

- 1.1 The Company's virtual 46th AGM will be conducted online from the Broadcast Venue. Members can attend, participate and vote in the meeting remotely (online) via TIH Online website at <https://tjih.online> by using the RPV facilities. At the Broadcast Venue, only the essential individuals are physically present to organise the virtual 46th AGM.
- 1.2 Registration for RPV is open from the date of the Notice of the 46th AGM on **Wednesday, 1 March 2023** until such time before the voting session ends at the 46th AGM on **Thursday, 30 March 2023**.
- 1.3 Member(s), proxy(ies), corporate representative(s) or attorney(s) are required to register as a user with TIH Online first and then pre-register their attendance for the 46th AGM for verification of their eligibility to attend the 46th AGM using the RPV based on the General Meeting Record of Depositors as at 23 March 2023.

NOTICE OF 46TH ANNUAL GENERAL MEETING

2. Submission of questions before and during the meeting

- 2.1 Members may submit questions in relation to the agenda items for the 46th 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 Wednesday, 29 March 2023**. The responses to these questions will be shared at the 46th 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 46th 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 46th AGM shall be deposited or submitted in the following manner not later than **10.00 a.m. on Wednesday, 29 March 2023** 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.

4. Audited Financial Statements for financial year ended 31 December 2022

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 Resolutions 1 and 2: Re-election of Directors who retire in accordance with Article 18.4 of the Company's Constitution

5.1 Article 18.4 of the Company's 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 46th AGM, the Board through its Nomination and Remuneration Committee (NRC) had assessed the retiring Directors, and considered the following:
 - (i) The Directors' performance and contribution based on the Self and Peer Assessment (SPA) results of the Board Effectiveness Evaluation (BEE) 2021/2022;
 - (ii) The Director's level of contribution to the Board deliberations through his skills, experience and strength in qualities;
 - (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; and
 - (iv) The Director's fitness and propriety with reference to the Directors' Fit and Proper Policy (DFPP).
- (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 2021/2022, the individual Directors (including the retiring Directors) met the performance criteria required of an effective and a high-performance Board. In addition, all the Non-Executive Directors (NEDs) have provided annual declaration/confirmation of independence in December 2022. The retiring Directors also provided the fit and proper declarations in the prescribed forms in accordance with the DFPP.

- (c) Based on the above, the Board approved the NRC's recommendation that the Directors who retire in accordance with Article 18.4 of the Company's Constitution, namely Datuk Bazlan bin Osman and Encik Syed Ari Azhar bin Syed Mohamed Adlan are eligible to stand for re-election. The retiring Directors had abstained from deliberation and decision on their respective eligibility to stand for re-election at the relevant Board/NRC 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 19 January 2023 on the proposed re-election of the Directors under **Resolutions 1 and 2** pursuant to Section 10(1)(b) of the CMSA.

NOTICE OF 46TH ANNUAL GENERAL MEETING

6. Ordinary Resolution 3: Re-election of Director who retires in accordance with Article 18.11 of the Company's Constitution

- 6.1 Article 18.11 of the Company's Constitution provides that any Director appointed by the Board shall hold office only until the next following AGM and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting.

Tan Sri Abdul Farid bin Alias was appointed as Independent Non-Executive Director of the Company on 8 July 2022. The SC had on 19 January 2023 provided its concurrence on his re-election as Director (under **Resolution 3**) pursuant to Section 10(1)(b) of the CMSA.

- 6.2 Any Director referred to in **Resolutions 1 to 3**, who is a shareholder of the Company will abstain from voting on the resolution in respect of his re-election at the 46th AGM.

7. Directors' remuneration - fees and benefits payable to the NEDs

- 7.1 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 46th AGM on the Directors' remuneration in two (2) separate resolutions as below:

- (a) **Resolution 4** on payment of Directors' fees in respect of the preceding financial year (FY) 2022; and
(b) **Resolution 5** on payment of Directors' benefits from 31 March 2023 to the next AGM in 2024.

7.2 Ordinary Resolution 4: 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 2022, 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. The Board subsequently approved the NRC's recommendation for the Directors' fees in respect of FY 2022 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)	FY2017	FY2018	FY2019	FY2020	FY2021	Approval sought for FY2022
Non-Executive Chairman	RM300,000	RM300,000	RM300,000	RM300,000	RM300,000	RM300,000
Non-Executive Director	RM200,000	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 2022.

The payment of the NEDs' fees in respect of the preceding FY 2022 will only be made if the proposed **Resolution 4** has been passed at the 46th AGM pursuant to Article 19.1 of the Company's Constitution and Section 230(1)(b) of the CA 2016.

7.3 Ordinary Resolution 5: 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 45th AGM of the Company held on 30 March 2022, the benefits payable to the NEDs of the Company from 31 March 2022 until the 46th 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 2022 is RM1,255,237. Based on the schedule of meetings in the first quarter of 2023, an amount of RM458,000 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 85.7% of the approved amount.
- (b) Based on the BRR conducted in 2022, the Directors' benefits payable to the NEDs are proposed to be the same for the period from 31 March 2023 to the next AGM in 2024 (Current Period), 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 Regulatory and Conflicts Committee (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 Governance Model of Bursa Malaysia group, the RACC is established for the purpose to oversee the regulatory function of the Group. It comprises three (3) members who are Public Interest Directors (PIDs) of the Company and four (4) members who are external independent individuals.
- (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.

NOTICE OF 46TH ANNUAL GENERAL MEETING

- (e) The approved amount at the past AGMs and the current proposal in respect of the payment of benefits to the NEDs at the 46th AGM are as below:

Directors' Benefits (as approved at AGMs)	42 nd AGM on 28 March 2019	43 rd AGM on 29 April 2020	44 th AGM on 31 March 2021	45 th AGM on 30 March 2022	Approval sought at 46 th AGM on 30 March 2023
Up to an amount of	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 30 March 2023)	RM2,000,000 (from 31 March 2023 to 47 th AGM in 2024)

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 5** has been passed at the 46th 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.

- 7.4 Any NEDs who are shareholders of the Company will abstain from voting on **Resolutions 4 and 5** concerning remuneration to the NEDs at the 46th AGM.

8. Ordinary Resolution 6: Appointment of Auditors

- 8.1 The Audit Committee (AC) at its meeting held on 26 January 2023 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 2022 Transparency Report with reference to Guidance 9.3 of the MCGG:

- (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 2023.

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.

- 8.2 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 2022 did not in any way impair their objectivity and independence as external auditors of Bursa Malaysia.
- 8.3 The Board at its meeting held on 31 January 2023 approved the AC's recommendation for the shareholders' approval to be sought at the 46th AGM on the appointment of EY as external auditors of the Company for the FY 2023 under **Resolution 6** in accordance with Section 340(1)(c) and Section 274(1)(a) of the CA 2016.

STATEMENT ACCOMPANYING NOTICE OF 46TH ANNUAL GENERAL MEETING

(pursuant to Paragraph 8.27(2) of Bursa Malaysia Securities Berhad Main Market Listing Requirements)

A. The profile of the Directors who are standing for re-election as per Agenda 2 of the Notice of 46th AGM is as follows:

Resolution 1	
Datuk Bazlan bin Osman Senior Independent Non-Executive Director (Appointed as Senior Independent Non-Executive Director on 30 March 2022)	
Nationality/Age/Gender:	Malaysian/58/Male
Date of Appointment:	16 November 2020
Length of Service (as at 31 January 2023):	2 years 2½ 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) (President) • Diploma in Accounting, Polytechnic of North London, UK
Present Directorship(s):	Listed entity(ies): • Fima Corporation Berhad (Chairman) • Glomac Berhad • Syarikat Takaful Malaysia Keluarga Berhad • Bank Islam Malaysia Berhad Other public company(ies): Nil
Present Appointment(s):	• Ex-Officio, Financial Reporting Foundation • Director, Malaysia Professional Accountancy Centre • President, MIA • Chair, ACCA Malaysia Advisory Committee
Past Directorship(s) and/or Appointment(s):	• Chairman, GITN Sdn Bhd (<i>wholly-owned subsidiary of Telekom Malaysia Berhad (TM)</i>) (8 May 2017 – 27 February 2022) • 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, 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) • Chief Financial Officer, 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)

Datuk Bazlan bin Osman 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 2022.

Datuk Bazlan bin Osman 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.

STATEMENT ACCOMPANYING NOTICE
OF 46TH ANNUAL GENERAL MEETING

(pursuant to Paragraph 8.27(2) of Bursa Malaysia Securities Berhad Main Market Listing Requirements)

Resolution 2**Encik Syed Ari Azhar bin Syed Mohamed Adlan**

Independent Non-Executive Director

Nationality/Age/Gender: Malaysian/49/Male**Date of Appointment:** 16 November 2020**Length of Service**
(as at 31 January 2023): 2 years 2½ 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(ies):** Nil**Other public company(ies):** 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)

Encik Syed Ari Azhar bin Syed Mohamed Adlan 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 2022.

Encik Syed Ari Azhar bin Syed Mohamed Adlan 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.

B. The profile of the Directors who are standing for re-election as per Agenda 3 of the Notice of 46th AGM is as follows:

Resolution 3	
Tan Sri Abdul Farid bin Alias Independent Non-Executive Director	
Nationality/Age/Gender:	Malaysian/54/Male
Date of Appointment:	8 July 2022
Length of Service (as at 31 January 2023):	7 months
Academic/Professional Qualification/Membership(s):	• Master of Business Administration (Finance), University of Denver, United States of America (USA) • Bachelor of Science in Accounting, Pennsylvania State University, University Park, USA • Advanced Management Program, Harvard Business School • Fellow Chartered Banker, Asian Institute of Chartered Bankers
Present Directorship(s):	Listed entity(ies): • Digi.Com Berhad Other public company(ies): • CapitaLand Investment Limited (Singapore)
Present Appointment(s):	• Member, Board of Visitors, Smeal College of Business, Pennsylvania State University
Past Directorship(s) and/or Appointment(s):	• Executive Director/Group President & Chief Executive Officer of Maybank (August 2013 – April 2022) • President Commissioner, PT Bank Maybank Indonesia Tbk (December 2017 – April 2022) • Member of Board of Commissioners, PT Bank Maybank Indonesia Tbk (November 2014 – April 2022) • Director, Maybank Singapore Limited (October 2018 – April 2022) • Director, Cagamas Holdings Berhad (June 2013 – April 2022) • Director, Payments Network Malaysia Sdn Bhd (August 2017 – April 2022) • Chairman, The Association of Banks in Malaysia (August 2013 – April 2022) • Member and subsequently Co-Chairmen, Emerging Markets Advisory Council; The Institute of International Finance, Washington DC (August 2013 – April 2022) • Member, Visa Asia Pacific Senior Client Council (September 2013 – April 2022) • Vice Chairman, Asian Institute of Chartered Bankers (December 2013 – April 2022) • Chairman, ASEAN Bankers Association (November 2019 – April 2021) • Member, Investment Panel, Kumpulan Wang Amanah Negara (January 2018 – December 2020) • Member, Investment Panel, Kumpulan Wang Amanah Pencen (October 2013 – May 2019) • Director, Maybank Investment Bank Berhad (June 2011 – August 2017) • Director, Maybank Ageas Holdings Berhad (November 2013 – September 2017)

Tan Sri Abdul Farid bin Alias 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 2022.

Tan Sri Abdul Farid bin Alias 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

2023	30 Mar	46 th Annual General Meeting
	3 May	Announcement of the consolidated results for the 1 st quarter ending 31 March 2023
	31 Jul	Announcement of the consolidated results for the 2 nd quarter ending 30 June 2023
	31 Oct	Announcement of the consolidated results for the 3 rd quarter ending 30 September 2023
2024	Jan/Feb	Announcement of the audited consolidated results for the 4 th quarter and financial year ending 31 December 2023

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	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
BURSASUSTAIN	https://bursasustain.bursamalaysia.com
Companies Act 2016	https://www.ssm.com.my/Pages/Legal_Framework/Companies-Act-2016.aspx
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/trade/our_products_services/indices/ftse4good-bursa-malaysia-f4gbm-index
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 2023	https://budget.mof.gov.my/en/
Ministry of Finance Malaysia Economic Outlook 2023	https://budget.mof.gov.my/en/budget2023/economy/
Principles for Financial Market Infrastructure	https://www.bis.org/cpmi/info_pfmi.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-tcfd.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

ACE LR	Bursa Malaysia Securities Berhad ACE Market Listing Requirements
ADA	Authorised Depository Agent
ADC	Average Daily Contract
ADV	Average Daily Trading Value
AGM	Annual General Meeting
BCM	Business Continuity Management
BCP	Business Continuity Plan
BCS	Bursa Connectivity Services
BCX	Bursa Carbon Exchange
BI	Bursa Intelligence
BMD	Bursa Malaysia Derivatives Berhad
BMDC	Bursa Malaysia Derivatives Clearing Berhad
BMS	Bursa Malaysia Securities Berhad
BMSC	Bursa Malaysia Securities Clearing Sdn Bhd
BNM	Bank Negara Malaysia
BSAS	Bursa Suq Al-Sila'
CA 2016	Companies Act 2016
CAN	CEO Action Network
Capex	Capital Expenditure
CCP	Central Counterparty
CDS	Central Depository System
CF	Clearing Fund
CG	Corporate Governance
CGF	Clearing Guarantee Fund
CIOC	China International Oils and Oilseed Conference
CMDF	Capital Market Development Fund
CME	Chicago Mercantile Exchange Inc
CMEIF	Capital Market Education and Integrity Fund
CMSA	Capital Markets and Services Act 2007
COI	Conflict of Interest
CP	Clearing Participant
CX	Customer Experience
DBT	Direct Business Transaction
DCF	Derivatives Clearing Fund
DOSM	Department of Statistics Malaysia
DR	Disaster Recovery
DRC	Disaster Recovery Centre
DRP	Disaster Recovery Plan
DTS	Derivatives Trading Simulator
DVTC	Derivatives Virtual Trading Challenge
EBITDA	Earnings Before Interest, Tax, Depreciation and Amortisation
eDRP	Electronic Dividend Reinvestment Plan
EMIR	European Market Infrastructure Regulation
emPOC	East Malaysia Palm & Lauric Oils Price Outlook Conference & Exhibition

EPS	Earnings per Share
EPT	Equities Post Trade
ESG	Environmental, Social and Governance
ESMA	European Securities Market Authority
ETBS	Exchange-Traded Bonds and Sukuk
ETF	Exchange-Traded Fund
ERM	Enterprise Risk Management
EU	European Union
EV	electric vehicles
F4GM	FTSE4Good Bursa Malaysia Index Futures
F4GBM Index	FTSE4Good Bursa Malaysia Index
F4GBMS Index	FTSE4Good Bursa Malaysia Shariah Index
FBM100LC	FTSE Bursa Malaysia Top 100 ESG Low Carbon Select Index
FBM100LS	FTSE Bursa Malaysia Top 100 ESG Low Carbon Select Shariah Index
FBMKLCI	FTSE Bursa Malaysia KLCI
FCPO	Crude Palm Oil Futures
FEPO	East Malaysia Crude Palm Oil Futures
FGLD	Gold Futures
FKB3	3-month Kuala Lumpur Interbank Offered Rate (KLIBOR) Futures
FKLI	FTSE Bursa Malaysia KLCI Futures
FM70	Mini FTSE Bursa Malaysia Mid 70 Index Futures
FMG3	3-Year Malaysian Government Securities Futures
FMG5	5-year Malaysian Government Securities Futures
FMGA	10-Year Malaysian Government Securities Futures
FPKO	Crude Palm Kernel Oil Futures
FPOL	USD RBD Palm Olein Futures
FY	Financial Year
GDP	Gross Domestic Product
GE15	15 th General Election
GEI	Gender-Equality Index
GHG	Greenhouse Gas
GLICs	Government-linked Investment Companies
GRI	Global Reporting Initiative
IAR	Integrated Annual Report
IAS	International Accounting Standard
ICS	Inter-commodity Spread
IDSS	Intraday Short Selling
IFN	Islamic Finance News
IFRS	International Financial Reporting Standards
IGRC	Integrated Governance, Risk and Compliance
IM	Invest Malaysia
IOSCO	International Organisation of Securities Commissions
IPO	Initial Public Offering

ISCC	Invest Shariah Corporate Conversation
ISMS	Information Security Management System
ISSBNT	Islamic Securities Selling and Buying - Negotiated Transaction
JC3	Joint Committee on Climate Change
KPI	Key Performance Indicator
KSM	Key Senior Management
LEAP	Leading Entrepreneur Accelerator Platform
LEAP LR	Bursa Malaysia Securities Berhad LEAP Market Listing Requirements
LFX	Labuan International Financial Exchange
LR	Listing Requirements comprising the Main LR, ACE LR and LEAP LR
MACC	Malaysian Anti-Corruption Commission
MCCG	Malaysian Code on Corporate Governance
MFRS	Malaysian Financial Reporting Standards
MIA	Malaysian Institute of Accountants
MICPA	Malaysian Institute of Certified Public Accountants
MLT	Mirror, Learn and Trade
Main LR	Bursa Malaysia Securities Berhad Main Market Listing Requirements
MOU	Memorandum of Understanding
MPOCC	The Malaysian Palm Oil Certification Council
MSPO	Malaysian Sustainable Palm Oil
MSWG	Minority Shareholders Watch Group
MVP	Minimum Viable Product
OACP	Organisational Anti-Corruption Plan
OCPO	Options on Crude Palm Oil Futures
OMT	On-Market Transaction
OPOL	USD RBD Palm Olein Options
OPR	Overnight Policy Rate
OSH	Occupational Safety and Health
PAT	Profit after Tax
PATAMI	Profit after Tax and Minority Interest
PE	Price-to-earnings
PFMI	Principles for Financial Market Infrastructure
PLC	Public Listed Company
PLCT	Public Listed Company Transformation
PM	Prime Minister
PMMP	Pilot Market Making Program

PO	Participating Organisation
PoC	Proof-of-concept
POC	Palm and Lauric Oils Price Outlook Conference & Exhibition
PSP	Performance Share Plan
PSS	Permitted Short Selling
RACC	Regulatory and Conflicts Committee
RBD	Refined, Bleached and Deodorised
REIT	Real Estate Investment Trust
RMC	Risk Management Committee
ROE	Return on Equity
RSP	Restricted Share Plan
RTO	Recovery Time Objectives
RTP	Remote Trading Participant
SAC	Shariah Advisory Council
SBL	Securities Borrowing and Lending
SC	Securities Commission Malaysia
SDG	Sustainable Development Goal
SFTS	Securities Futures Trading System
SGP	Share Grant Plan
SME	Small and Medium Enterprise
SOP	Standard Operating Procedure
SPAC	Special Purpose Acquisition Company
SR	Sustainability Report
SRI	Sustainable and Responsible Investment
SSE	United Nations Sustainable Stock Exchanges
SSF	Single Stock Futures
STP	Straight-Through Processing
SW	Structured Warrant
TCFD	Task Force on Climate-related Financial Disclosure
tCO₂e	tonnes of carbon dioxide equivalent
TCP	Trading Clearing Participant
TP	Trading Participant
UMA	Unusual Market Activity
US Fed	United States Federal Reserve
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 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 devices 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.

Bursa Marketplace

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.

Bursa Sustain

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, a wholly owned subsidiary of Bursa Malaysia.

The CDS is the core system for depository services. It serves as record keeping for shareholding and account information of depositors. The system also keeps records of shareholders for issuers. It manages transactions of trade settlement and share movement.

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 that 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.

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.

GLOSSARY

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 a listing applicant 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 a qualified market which serves as an alternative avenue for SMEs and smaller companies to raise funds from sophisticated investors. 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 of 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.

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.

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)/Listed Issuer

A public company or corporation listed on the Exchange.

Public Listed Companies Transformation (PLCT) Programme

The PLCT Programme (2022 – 2025) aims to steer Corporate Malaysia to higher levels of performance. The PLCT Programme is spearheaded by Bursa Malaysia to increase the attractiveness (investability) of Malaysian listed companies by strengthening the growth narratives of public listed companies (PLCs) of all sizes. PLCs are provided with best practices and guidance to improve engagements with investors and achieve desired outcomes. The overall approach of the PLCT Programme entails the principles of Information Sharing (5 Guidebooks), Engagement, and Transparency. The PLCT Programme is anticipated to continue until 2025, over a period of four years.

R

Real Estate Investment Trust (REIT)

A REIT is a collective investment 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) prescribed under the Main LR and ACE LR respectively 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.

GLOSSARY

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 Berhad.

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.

WFE exchanges are home to 59,400 listed companies, and the market capitalisation of these entities is over \$122.94 trillion; around \$162.04 trillion (EOB) in trading annually passes through WFE members (as at end 2021).

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.

**BURSA MALAYSIA BERHAD**

Registration No. 197601004668 (30632-P)

(Incorporated in Malaysia under the Companies Act 2016)

FORM OF PROXY

CDS account no. of authorised nominee (Note 1)

I/We _____
(Full Name as per NRIC/Passport/Certificate of Incorporation in capital letters)

NRIC (new & old)/Passport/Registration No. _____ Tel No. _____

of _____
(Full address)

being a member of BURSA MALAYSIA BERHAD hereby appoint:

Full name of proxy in capital letters	NRIC (new & old)/Passport No. of proxy	Proportion of shareholdings to be represented	
		No. of shares	%

and (if more than one (1) proxy)

Full name of proxy in capital letters	NRIC (new & old)/Passport No. of proxy	Proportion of shareholdings to be represented	
		No. of shares	%

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us and on my/our behalf at the 46th Annual General Meeting (AGM) of Bursa Malaysia Berhad (the Company) to 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 TIIH Online website at <https://tiih.online> on Thursday, 30 March 2023 at 10.00 a.m. and at any adjournment thereof, on the following resolutions referred to in the Notice of the 46th AGM. My/our proxy is to vote as indicated below:

No.	Resolution		For	Against
1.	To re-elect Datuk Bazlan bin Osman as Director of the Company	Ordinary Resolution 1		
2.	To re-elect Encik Syed Ari Azhar bin Syed Mohamed Adlan as Director of the Company	Ordinary Resolution 2		
3.	To re-elect Tan Sri Abdul Farid bin Alias as Director of the Company	Ordinary Resolution 3		
4.	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 2022	Ordinary Resolution 4		
5.	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 2023 until the next AGM of the Company	Ordinary Resolution 5		
6.	To appoint Ernst & Young PLT as Auditors of the Company for the financial year ending 31 December 2023 and to authorise the Board of Directors to determine their remuneration	Ordinary Resolution 6		

Please indicate with an "X" in the appropriate space how you wish your vote to be cast. If you do not indicate how you wish your proxy to vote on any resolution, the proxy shall vote as he/she thinks fit, or at his/her discretion, abstain from voting.

Dated this _____ day of _____, 2023.

Signature/Common Seal of Member

NOTES:

1. Applicable to shares held through a nominee account.
2. 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. 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.
4. 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.
5. Pursuant to Paragraph 8.29A of Bursa Malaysia Securities Berhad Main Market Listing Requirements, all resolutions set out in the Notice of the 46th AGM will be put to vote on a poll.
6. 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 46th AGM shall be deposited or submitted in the following manner not later than **10.00 a.m. on Wednesday, 29 March 2023** 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.
7. For the purpose of determining a member who shall be entitled to attend this 46th 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 2023. Only a depositor whose name appears on the Record of Depositors as at 23 March 2023 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.

2. FOLD THIS FLAP TO SEAL

AFFIX
STAMP

The Share 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

1. FOLD HERE

Bursa Malaysia Berhad

197601004668 (30632-P)

15th Floor, Exchange Square, Bukit Kewangan, 50200 Kuala Lumpur, Malaysia.

T: +603 2034 7000 F: +603 2732 6437

E: Bursa2U@bursamalaysia.com

[BursaMalaysia.com](https://www.BursaMalaysia.com)