

BURSA MALAYSIA BERHAD
197601004668 (30632-P)
(Incorporated in Malaysia)

Directors' Report and Audited Financial Statements
31 December 2022

Bursa Malaysia Berhad
Registration No. 197601004668 (30632-P)
(Incorporated in Malaysia)

Contents	Page
Directors' report	1 - 5
Statement by Directors	6
Statutory declaration	6
Independent auditors' report	7 - 12
Statements of profit or loss	13
Statements of comprehensive income	14
Statements of financial position	15 - 16
Statements of changes in equity	17 - 20
Statements of cash flows	21 - 22
Notes to the financial statements	23 - 109

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	<u>258,976</u>

Bursa Malaysia Berhad
Registration No. 197601004668 (30632-P)
(Incorporated in Malaysia)

Dividends (cont'd.)

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 (appointed on 8 July 2022)
Datuk Karownakaran @ Karunakaran a/l Ramasamy (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.

Bursa Malaysia Berhad
Registration No. 197601004668 (30632-P)
(Incorporated in Malaysia)

Directors' benefits (cont'd.)

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.

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.

Other statutory information (cont'd.)

- (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.

Bursa Malaysia Berhad
Registration No. 197601004668 (30632-P)
(Incorporated in Malaysia)

Auditors and auditors' remuneration

The auditors, Ernst & Young PLT, have expressed their willingness to continue in office.

The auditors' remuneration of the Group and of the Company are disclosed in Note 7 to the financial statements.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 31 January 2023.



Tan Sri Abdul Wahid bin Omar



Datuk Muhamad Umar Swift

Bursa Malaysia Berhad
Registration No. 197601004668 (30632-P)
(Incorporated in Malaysia)

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 13 to 109 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 13 to 109 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,



205, Bangunan Loke Yew
4, Jln Mahkamah Persekutuan
50050 Kuala Lumpur (W.P.)

197601004668 (30632-P)

**Independent auditors' report to the members of
Bursa Malaysia Berhad
(Incorporated in Malaysia)**

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Bursa Malaysia Berhad, which comprise the statements of financial position as at 31 December 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 13 to 109.

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.

197601004668 (30632-P)

**Independent auditors' report to the members of
Bursa Malaysia Berhad (cont'd.)
(Incorporated in Malaysia)**

Report on the audit of the financial statements (cont'd.)

Key audit matters (cont'd.)

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.

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
<p>The risk that (i) goodwill and (ii) investment in subsidiaries may be impaired.</p> <p>(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.</p> <p>(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.</p> <p>On an annual basis, management is required to perform impairment assessments for goodwill and investment in subsidiaries with impairment indicators.</p>	<p>Our audit procedures included, among others, evaluating the assumptions and methodologies used by the Group and the Company in performing the impairment assessments.</p> <p>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.</p> <p>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.</p>

197601004668 (30632-P)

**Independent auditors' report to the members of
Bursa Malaysia Berhad (cont'd.)
(Incorporated in Malaysia)**

Report on the audit of the financial statements (cont'd.)

Description	Responses
<p>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.</p> <p>This risk is also described in Note 2.5 to the financial statements.</p>	<p>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.</p> <p>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.</p>

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.

197601004668 (30632-P)

**Independent auditors' report to the members of
Bursa Malaysia Berhad (cont'd.)
(Incorporated in Malaysia)**

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.

197601004668 (30632-P)

**Independent auditors' report to the members of
Bursa Malaysia Berhad (cont'd.)
(Incorporated in Malaysia)**

Report on the audit of the financial statements (cont'd.)

Auditors' responsibilities for the audit of the financial statements (cont'd.)

- 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.

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.

197601004668 (30632-P)

**Independent auditors' report to the members of
Bursa Malaysia Berhad (cont'd.)
(Incorporated in Malaysia)**

Report on the audit of the financial statements (cont'd.)

Auditors' responsibilities for the audit of the financial statements (cont'd.)

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

Bursa Malaysia Berhad
Registration No. 197601004668 (30632-P)
(Incorporated in Malaysia)

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
		<u>603,245</u>	<u>767,537</u>	<u>503,030</u>	<u>718,473</u>
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		<u>310,536</u>	<u>478,977</u>	<u>254,866</u>	<u>487,363</u>
Finance costs	8	(533)	(533)	(533)	(533)
Profit before tax and zakat		<u>310,003</u>	<u>478,444</u>	<u>254,333</u>	<u>486,830</u>
Taxation and zakat	10	(83,433)	(123,190)	(2,365)	1,143
Profit for the year		<u>226,570</u>	<u>355,254</u>	<u>251,968</u>	<u>487,973</u>
Basic earnings per share attributable to owners of the Company (sen per share)	11	<u>28.0</u>	<u>43.9</u>		

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	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Profit for the year	<u>226,570</u>	<u>355,254</u>	<u>251,968</u>	<u>487,973</u>
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	-	-
	<u>(560)</u>	<u>(964)</u>	<u>(77)</u>	<u>(179)</u>
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)
	<u>134</u>	<u>31,293</u>	<u>134</u>	<u>31,293</u>
Total other comprehensive (loss)/income for the year, net of income tax	<u>(426)</u>	<u>30,329</u>	<u>57</u>	<u>31,114</u>
Total comprehensive income for the year	<u>226,144</u>	<u>385,583</u>	<u>252,025</u>	<u>519,087</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Bursa Malaysia Berhad
Registration No. 197601004668 (30632-P)
(Incorporated in Malaysia)

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
		<u>360,576</u>	<u>321,968</u>	<u>592,329</u>	<u>559,509</u>
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
		<u>3,883,907</u>	<u>4,020,074</u>	<u>285,283</u>	<u>324,805</u>
Total assets		<u>4,244,483</u>	<u>4,342,042</u>	<u>877,612</u>	<u>884,314</u>

Bursa Malaysia Berhad
Registration No. 197601004668 (30632-P)
(Incorporated in Malaysia)

Statements of financial position (cont'd.)
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.

Bursa Malaysia Berhad
Registration No. 197601004668 (30632-P)
(Incorporated in Malaysia)

Statements of changes in equity
For the financial year ended 31 December 2022

Group	Note	Non-distributable				Distributable			Non-controlling interest	Total equity
		Share capital	Foreign currency translation reserve	Share grant reserve	Clearing fund reserves	FVTOCI reserve	Retained earnings	Total		
		RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
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

Bursa Malaysia Berhad
Registration No. 197601004668 (30632-P)
(Incorporated in Malaysia)

Statements of changes in equity (cont'd.)
For the financial year ended 31 December 2022

Group	Note	Non-distributable				Distributable		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	
At 1 January 2021		433,820	504	1,739	30,000	98,625	336,107	900,795
Profit for the year		-	-	-	-	-	355,254	355,254
Other comprehensive income for the year		-	123	-	-	29,976	230	30,329
Total comprehensive income for the year		-	123	-	-	29,976	355,484	385,583
Issuance of ordinary shares pursuant to SGP	30(b)	1,801	-	(1,801)	-	-	-	-
SGP expense (Note a)		-	-	62	-	-	-	62
Dividends paid	12	-	-	-	-	-	(469,301)	(469,301)
Total transactions with owners		1,801	-	(1,739)	-	-	(469,301)	(469,239)
Transfer of gain on disposal of quoted shares at FVTOCI	18(a)	-	-	-	-	(128,450)	128,450	-
At 31 December 2021		435,621	627	-	30,000	151	350,740	817,139

Bursa Malaysia Berhad
Registration No. 197601004668 (30632-P)
(Incorporated in Malaysia)

Statements of changes in equity (cont'd.)
For the financial year ended 31 December 2022

Company	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	
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

Bursa Malaysia Berhad
Registration No. 197601004668 (30632-P)
(Incorporated in Malaysia)

Statements of changes in equity (cont'd.)
For the financial year ended 31 December 2022

Company	Note	Non-distributable			Distributable	
		Share capital RM'000	Share grant reserve RM'000	FVTOCI reserve RM'000	Retained earnings RM'000	Total equity RM'000
At 1 January 2021		428,570	1,739	97,391	193,356	721,056
Profit for the year		-	-	-	487,973	487,973
Other comprehensive income for the year		-	-	30,884	230	31,114
Total comprehensive income for the year		-	-	30,884	488,203	519,087
Issuance of ordinary shares pursuant to SGP	30(b)	1,801	(1,801)	-	-	-
SGP expense (Note a)		-	62	-	-	62
Dividends paid	12	-	-	-	(469,301)	(469,301)
Total transactions with owners		1,801	(1,739)	-	(469,301)	(469,239)
Transfer of gain on disposal of quoted shares at FVTOCI	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.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Bursa Malaysia Berhad
Registration No. 197601004668 (30632-P)
(Incorporated in Malaysia)

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)

Bursa Malaysia Berhad
Registration No. 197601004668 (30632-P)
(Incorporated in Malaysia)

Statements of cash flows (cont'd.)
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*

2. Significant accounting policies (cont'd.)

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: (cont'd.)

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.

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. Significant accounting policies (cont'd.)

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.

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(b) Property, plant and equipment and depreciation (cont'd.)

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

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.

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(c) Intangible assets (cont'd.)

(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.

(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.

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(d) Leases (cont'd.)

(i) The Group and the Company as lessee (cont'd.)

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.

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(d) Leases (cont'd.)

(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.

(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.

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(e) Impairment of non-financial assets (cont'd.)

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.)

(ii) Financial assets measured subsequently at fair value

Financial assets that are debt instruments are measured at FVTOCI if they are held within a business model whose objectives are both to collect contractual cash flows and selling the financial assets, and have contractual terms which give rise on specific dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Subsequent to initial recognition, financial assets that are debt instruments are measured at fair value. Any gains or losses arising from the changes in fair value are recognised in other comprehensive income, except for impairment losses, exchange differences and interest/profit income which are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised.

Financial assets that are debt instruments which do not satisfy the requirements to be measured at amortised cost or FVTOCI, are measured at FVTPL. The Group and 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.

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(f) Financial assets (cont'd.)

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.

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.

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(g) Impairment of financial assets (cont'd.)

(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.

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(i) Financial liabilities (cont'd.)

(i) Financial liabilities at FVTPL (cont'd.)

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This includes derivatives entered into by the Group and the Company that do not meet the hedge accounting criteria. Derivative liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

The Group and the Company do not have any financial liabilities at FVTPL as at the current and previous financial year ends.

(ii) Other financial liabilities

Other financial liabilities are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished.

When an existing financial liability is replaced by another instrument from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amount is recognised in profit or loss.

(j) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group and the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants act in their economic best interest when pricing the asset or liability.

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(j) Fair value measurement (cont'd.)

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.

(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.

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(m) Ordinary shares

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs, and are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

(n) Revenue recognition

The Group and the Company recognise revenue from contracts with customers for the provision of services and sale of information based on the five-step model as set out below:

- (i) Identify contract(s) with a customer. A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria that must be met.
- (ii) Identify performance obligations in the contract. A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.
- (iii) Determine the transaction price. The transaction price is the amount of consideration to which the Group and the Company expect to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.
- (iv) Allocate the transaction price to the performance obligations in the contract. For a contract that has more than one performance obligation, the Group and the Company allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Group and the Company expect to be entitled in exchange for satisfying each performance obligation.
- (v) Recognise revenue when (or as) the Group and the Company satisfy a performance obligation.

The Group and the Company satisfy a performance obligation and recognise revenue over time if the Group's and the Company's performance:

- (i) Do not create an asset with an alternative use to the Group and the Company, and have an enforceable right to payment for performance completed to-date; or
- (ii) Create or enhance an asset that the customer controls as the asset is created or enhanced; or
- (iii) Provide benefits that the customer simultaneously receives and consumes as the Group and the Company perform.

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(n) Revenue recognition (cont'd.)

For performance obligations where any one of the above conditions is not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

When the Group and the Company satisfy a performance obligation by delivering the promised goods or services, it creates a contract based asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised, this gives rise to a contract liability.

Revenue is measured at the fair value of consideration received or receivable. The following describes the performance obligations in contracts with customers:

(i) Trade fees

Trade fees on securities traded on the securities exchange and derivatives contracts are recognised net of rebates on a trade date basis. Trade fees on commodities are recognised on a trade date basis net of amount payable to commodities suppliers and brokers, whenever applicable.

(ii) Clearing fees

Fees for clearing and settlement between clearing participants for trades in securities transacted on the securities exchange are recognised net of the Securities Commission levy and rebates when services are rendered. Clearing fees on derivatives contracts are recognised net of rebates on the clearing date.

(iii) Other Securities trading revenue

Other Securities trading revenue mainly comprises Institutional Settlement Services ("ISS") fees. ISS fees from the securities exchange are recognised in full when services are rendered at the point in time.

(iv) Other Derivatives trading revenue

Other Derivatives trading revenue mainly comprises collateral management services fees, guarantee and tender fees. Collateral management services fees are recognised on an accrual basis. Guarantee fees are recognised on a daily basis on day end margin requirements for open contracts. Tender fees are recognised on per contract tendered.

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(n) Revenue recognition (cont'd.)

(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.

(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.

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 (cont'd.)

- **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.

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(o) Employee benefits (cont'd.)

(ii) Defined contribution plans

Defined contribution plans are post-employment benefit plans under which the Group and the Company pay fixed contributions into separate entities or funds and will have no legal or constructive obligation to pay further contributions if any of the funds do not hold sufficient assets to pay all employee benefits relating to employee services in the current and preceding financial years. Such contributions are recognised as an expense in the period in which the related service is performed. As required by law, companies in Malaysia make such contributions to the Employees Provident Fund ("EPF").

(iii) Defined benefit plan

The Group and the Company operate a funded, defined benefit retirement scheme (the "Scheme") for its eligible employees. The Scheme was closed to new entrants effective 1 September 2003.

The Group's and the Company's obligation under the Scheme, calculated using the Projected Unit Credit Method, is determined based on actuarial computations by an independent actuary, through which the amount of benefit that employees have earned in return for their services up to 1 September 2003 is estimated.

The amount recognised in the statements of financial position represents the present value of the defined benefit obligation at each financial year end less the fair value of plan assets. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rates of high quality corporate bonds and that have terms to maturity approximating to the terms of the pension obligation.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to equity in other comprehensive income in the period in which they arise.

Net interest is recognised in profit or loss. Net interest is calculated by applying the discount rate to the net defined benefit liability or asset.

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(o) Employee benefits (cont'd.)

(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.

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.

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(q) Income taxes (cont'd.)

(ii) Deferred tax (cont'd.)

Unrecognised deferred tax assets are reassessed at each financial year end and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled based on tax rates and tax laws that have been enacted or substantively enacted at the financial year end.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(r) Foreign currency

(i) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The consolidated financial statements are presented in RM, which is also the Company's functional currency.

(ii) Foreign currency transactions

In preparing the financial statements of the individual entities, transactions in foreign currencies are measured in the respective functional currencies at the exchange rates approximating those ruling at the transaction dates. At each financial year end, monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the financial year end. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the dates when the fair value was determined.

2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies (cont'd.)

(r) Foreign currency (cont'd.)

(ii) Foreign currency transactions (cont'd.)

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.

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.

2. Significant accounting policies (cont'd.)

2.5 Significant accounting judgements and estimates (cont'd.)

Key sources of estimation uncertainty (cont'd.)

(c) Impairment of investment securities - debt securities (cont'd.)

The impairment review shall determine whether there is significant increase in credit risk since initial recognition of the investment securities - debt securities, such as from deterioration of the credit quality of the issuers or obligors and significant financial difficulties of the issuers or obligors.

The carrying amount of investment securities - debt securities as at the financial year end is disclosed in Note 18.

(d) Depreciation/amortisation of computer hardware, computer software and right-of-use assets

The cost of computer hardware, computer software and right-of-use assets is depreciated and amortised on a straight-line basis over the assets' useful lives. The Group and the Company estimate the useful lives of these assets to be between three to ten years. Technological advancements could impact the useful lives and the residual values of these assets, therefore future depreciation and amortisation charges could be revised. The carrying amounts of computer hardware, computer software and right-of-use assets as at the financial year end are disclosed in Notes 13, 14 and 15(a) respectively.

(e) Deferred tax assets

Deferred tax assets are recognised for all unutilised tax losses and unused capital allowances to the extent that it is probable that taxable profit will be available against which the tax losses and capital allowances can be utilised. Significant judgement is required to determine the amounts of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits together with tax planning strategies. The unutilised tax losses and unused capital allowances as at the financial year end are disclosed in Note 20.

(f) Defined benefit plan

The cost of the defined benefit plan and the present value of the defined benefit obligation is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rate of salary increases and mortality rates. All assumptions are reviewed at each financial year end.

In determining the appropriate discount rate, the valuation is based on market yield of high quality corporate bonds with AA ratings and above with terms similar to the terms of the liabilities.

3. Operating revenue

	Group	
	2022	2021
	RM'000	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	<u>263,502</u>	<u>442,926</u>
Trade fees	52,611	52,755
Clearing fees	26,989	24,188
Others	17,565	10,371
Total Derivatives trading revenue	<u>97,165</u>	<u>87,314</u>
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
	<u>224,623</u>	<u>221,386</u>
Total operating revenue (Note b)	<u>585,290</u>	<u>751,626</u>
	Company	
	2022	2021
	RM'000	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)	<u>495,235</u>	<u>713,224</u>

- (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).
- (b) The following tables illustrate the Group's revenue as disaggregated by major services or products and provide a reconciliation of the disaggregated revenue with the Group's four major market segments as disclosed in Note 41. The table also includes the timing of revenue recognition.

3. Operating revenue (cont'd.)

	Securities Market RM'000	Derivatives Market RM'000	Exchange Holding Company RM'000	Others RM'000	Total RM'000
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
	<u>448,405</u>	<u>111,641</u>	<u>8,220</u>	<u>17,024</u>	<u>585,290</u>
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
	<u>448,405</u>	<u>111,641</u>	<u>8,220</u>	<u>17,024</u>	<u>585,290</u>
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
	<u>630,835</u>	<u>98,391</u>	<u>7,955</u>	<u>14,445</u>	<u>751,626</u>
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
	<u>630,835</u>	<u>98,391</u>	<u>7,955</u>	<u>14,445</u>	<u>751,626</u>

- (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.

4. Other income

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	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	2021	2022	2021
	RM'000	RM'000	RM'000	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	2021	2022	2021
	RM'000	RM'000	RM'000	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
	<u>26,917</u>	<u>21,994</u>	<u>25,828</u>	<u>20,005</u>

7. Other operating expenses

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	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
	<u>110,651</u>	<u>108,617</u>	<u>72,853</u>	<u>60,654</u>

7. Other operating expenses (cont'd.)

- (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.

8. Finance costs

	Group and Company	
	2022	2021
	RM'000	RM'000
Interest expense on lease liabilities (Note 15(b))	533	533

9. Directors' remuneration

	Group and Company	
	2022	2021
	RM'000	RM'000
Executive Director's remuneration:		
- salaries and other emoluments	1,893	2,419
- defined contribution plan - EPF	216	245
	<u>2,109</u>	<u>2,664</u>
- estimated monetary value of benefits-in-kind	35	35
	<u>2,144</u>	<u>2,699</u>
Non-executive Directors' remuneration:		
- fees	1,846	2,108
- other emoluments	1,730	1,782
	<u>3,576</u>	<u>3,890</u>
- estimated monetary value of benefits-in-kind	3	4
	<u>3,579</u>	<u>3,894</u>
Total Directors' remuneration	<u>5,723</u>	<u>6,593</u>
Total Directors' remuneration excluding benefits-in-kind	5,685	6,554
Estimated monetary value of benefits-in-kind	<u>38</u>	<u>39</u>
Total Directors' remuneration including benefits-in-kind	<u>5,723</u>	<u>6,593</u>

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 Mahmad ⁽¹⁾	200	156	158	96
Tan Sri Abdul Farid bin Alias ⁽²⁾	96	41	-	-
Datuk Karownikaran @ Karunikaran 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.

(3) Retired on 30 March 2022.

(5) Retired on 31 March 2021.

(2) Appointed on 8 July 2022.

(4) Resigned on 1 January 2022.

(a) Other allowances comprise the Chairman's allowances and meeting allowances which vary from one Director to another, depending on the number of committees they sit on and the number of meetings attended by them during the financial year.

10. Taxation and zakat

	Group		Company	
	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

10. Taxation and zakat (cont'd.)

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
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
	<u>3,291</u>	<u>(2,489)</u>	<u>2,365</u>	<u>(1,157)</u>
Total taxation	82,919	122,403	2,365	(1,143)
Zakat	514	787	-	-
Total taxation and zakat	<u>83,433</u>	<u>123,190</u>	<u>2,365</u>	<u>(1,143)</u>

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	2021	2022	2021
	RM'000	RM'000	RM'000	RM'000
Accounting profit before tax and zakat	<u>310,003</u>	<u>478,444</u>	<u>254,333</u>	<u>486,830</u>
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	<u>82,919</u>	<u>122,403</u>	<u>2,365</u>	<u>(1,143)</u>

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)	<u>226,570</u>	<u>355,254</u>
Weighted average number of ordinary shares in issue ('000)	<u>809,299</u>	<u>809,226</u>
Basic EPS (sen)	<u>28.0</u>	<u>43.9</u>

There is no dilutive impact to the EPS in the current and previous financial years.

12. Dividends

Group and Company	Dividends		Dividends	
	in respect of the year		recognised in year	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	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
	<u>121,395</u>	<u>331,813</u>	<u>258,976</u>	<u>469,301</u>

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.

Bursa Malaysia Berhad
Registration No. 197601004668 (30632-P)
(Incorporated in Malaysia)

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

Bursa Malaysia Berhad
Registration No. 197601004668 (30632-P)
(Incorporated in Malaysia)

13. Property, plant and equipment (cont'd.)

Group	Note	Buildings and office lots (Note a) RM'000	Office equipment, furniture and fittings RM'000	Computers and office automation RM'000	Motor vehicles RM'000	Projects-in-progress RM'000	Total RM'000
As at 31 December 2021							
Cost							
At 1 January 2021		331,137	36,307	54,836	1,160	3,418	426,858
Additions		11,328	1,838	7,968	-	2,016	23,150
Reclassifications		(2)	6	2,331	(4)	(3,126)	(795)
Disposals		-	(28)	(2,434)	-	-	(2,462)
Write-offs		-	(844)	(1)	-	-	(845)
Exchange rate differences		9	3	55	-	-	67
At 31 December 2021		342,472	37,282	62,755	1,156	2,308	445,973
Accumulated depreciation							
At 1 January 2021		180,994	33,799	47,309	652	-	262,754
Depreciation charge for the year	6	7,277	1,136	4,167	158	-	12,738
Reclassifications		(2)	3	-	(1)	-	-
Disposals		-	(28)	(2,434)	-	-	(2,462)
Write-offs		-	(841)	(1)	-	-	(842)
Exchange rate differences		9	3	55	-	-	67
At 31 December 2021		188,278	34,072	49,096	809	-	272,255
Net carrying amount at 31 December 2021							
		154,194	3,210	13,659	347	2,308	173,718

Bursa Malaysia Berhad
Registration No. 197601004668 (30632-P)
(Incorporated in Malaysia)

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

Bursa Malaysia Berhad
Registration No. 197601004668 (30632-P)
(Incorporated in Malaysia)

13. Property, plant and equipment (cont'd.)

Company	Note	Buildings and office lots (Note a) RM'000	Office equipment, furniture and fittings RM'000	Computers and office automation RM'000	Motor vehicles RM'000	Projects-in- progress RM'000	Total RM'000
As at 31 December 2021							
Cost							
At 1 January 2021		330,824	35,864	54,844	982	3,418	425,932
Additions		11,328	1,838	7,254	-	2,016	22,436
Reclassifications		(2)	6	2,331	(4)	(3,126)	(795)
Disposals		-	(28)	(2,410)	-	-	(2,438)
Write-offs		-	(844)	(1)	-	-	(845)
At 31 December 2021		342,150	36,836	62,018	978	2,308	444,290
Accumulated depreciation							
At 1 January 2021		180,681	33,357	47,317	475	-	261,830
Depreciation charge for the year	6	7,277	1,135	4,131	158	-	12,701
Reclassifications		(2)	3	-	(1)	-	-
Disposals		-	(28)	(2,410)	-	-	(2,438)
Write-offs		-	(841)	(1)	-	-	(842)
At 31 December 2021		187,956	33,626	49,037	632	-	271,251
Net carrying amount at 31 December 2021							
		154,194	3,210	12,981	346	2,308	173,039

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	<u>285,960</u>	<u>19,862</u>	<u>58,039</u>	<u>363,861</u>
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	<u>156,884</u>	<u>12,987</u>	<u>24,538</u>	<u>194,409</u>
Net carrying amount at 31 December 2022	<u>129,076</u>	<u>6,875</u>	<u>33,501</u>	<u>169,452</u>
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	<u>285,960</u>	<u>19,862</u>	<u>36,650</u>	<u>342,472</u>
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	<u>151,642</u>	<u>12,706</u>	<u>23,930</u>	<u>188,278</u>
Net carrying amount at 31 December 2021	<u>134,318</u>	<u>7,156</u>	<u>12,720</u>	<u>154,194</u>

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	<u>285,960</u>	<u>19,862</u>	<u>57,701</u>	<u>363,523</u>
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	<u>156,884</u>	<u>12,987</u>	<u>24,200</u>	<u>194,071</u>
Net carrying amount at 31 December 2022	<u>129,076</u>	<u>6,875</u>	<u>33,501</u>	<u>169,452</u>
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	<u>285,960</u>	<u>19,862</u>	<u>36,328</u>	<u>342,150</u>
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	<u>151,642</u>	<u>12,706</u>	<u>23,608</u>	<u>187,956</u>
Net carrying amount at 31 December 2021	<u>134,318</u>	<u>7,156</u>	<u>12,720</u>	<u>154,194</u>

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		<u>159,704</u>	<u>8,134</u>	<u>167,838</u>
Accumulated amortisation and impairment loss				
At 1 January 2022		113,848	3,300	117,148
Amortisation charge for the year	6	<u>9,835</u>	<u>-</u>	<u>9,835</u>
At 31 December 2022		<u>123,683</u>	<u>3,300</u>	<u>126,983</u>
Net carrying amount at 31 December 2022				
		<u>36,021</u>	<u>4,834</u>	<u>40,855</u>
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		<u>151,700</u>	<u>4,436</u>	<u>156,136</u>
Accumulated amortisation and impairment loss				
At 1 January 2021		104,703	3,300	108,003
Amortisation charge for the year	6	<u>9,145</u>	<u>-</u>	<u>9,145</u>
At 31 December 2021		<u>113,848</u>	<u>3,300</u>	<u>117,148</u>
Net carrying amount at 31 December 2021				
		<u>37,852</u>	<u>1,136</u>	<u>38,988</u>

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		<u>136,530</u>	<u>8,134</u>	<u>144,664</u>
Accumulated amortisation and impairment loss				
At 1 January 2022		97,272	3,300	100,572
Amortisation charge for the year	6	<u>8,889</u>	-	<u>8,889</u>
At 31 December 2022		<u>106,161</u>	<u>3,300</u>	<u>109,461</u>
Net carrying amount at 31 December 2022				
		<u>30,369</u>	<u>4,834</u>	<u>35,203</u>
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		<u>129,087</u>	<u>4,436</u>	<u>133,523</u>
Accumulated amortisation and impairment loss				
At 1 January 2021		90,079	3,300	93,379
Amortisation charge for the year	6	<u>7,193</u>	-	<u>7,193</u>
At 31 December 2021		<u>97,272</u>	<u>3,300</u>	<u>100,572</u>
Net carrying amount at 31 December 2021				
		<u>31,815</u>	<u>1,136</u>	<u>32,951</u>

15. Right-of-use assets and lease liabilities

(a) Right-of-use assets

	Group and Company	
	2022	2021
	RM'000	RM'000
Cost		
At 1 January/31 December	<u>8,518</u>	<u>8,518</u>
Accumulated depreciation		
At 1 January	555	444
Depreciation charge for the year (Note 6)	<u>111</u>	<u>111</u>
At 31 December	<u>666</u>	<u>555</u>
Net carrying amount at 31 December	<u>7,852</u>	<u>7,963</u>

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	2021
	RM'000	RM'000
Lease liabilities:		
- non-current	7,446	7,451
- current	<u>505</u>	<u>505</u>
Total lease liabilities	<u>7,951</u>	<u>7,956</u>

The movements of lease liabilities during the financial year are as follows:

	Group and Company	
	2022	2021
	RM'000	RM'000
At 1 January	7,956	7,961
Interest charge (Note 8)	533	533
Payments of:		
- principal	(5)	(5)
- interest	<u>(533)</u>	<u>(533)</u>
At 31 December	<u>7,951</u>	<u>7,956</u>

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	-	-
	<u>42,957</u>	<u>42,957</u>	<u>29,494</u>	<u>29,494</u>

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.

17. Investment in subsidiaries

	Company	
	2022	2021
	RM'000	RM'000
Unquoted shares, at cost	321,388	318,836
Less: Accumulated impairment losses	(20,218)	(20,218)
	<u>301,170</u>	<u>298,618</u>

(a) The details of the subsidiaries are as follows:

Name of subsidiaries	Proportion of ownership interest		Share capital		Principal activities
	2022	2021	2022	2021	
	%	%	RM'000	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.

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	
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.
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.

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	
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.

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	2021	2022	2021
	RM'000	RM'000	RM'000	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

20. Deferred tax assets/(liabilities) (cont'd.)

Deferred tax assets of the Group: (cont'd.)

	Provision for retirement benefits RM'000	Other provisions and payables RM'000	Allowance for impairment losses RM'000	Depreciation in excess of capital allowances RM'000	Unused capital allowances RM'000	Unutilised tax losses RM'000	Total RM'000
As at 31 December 2021							
At 1 January 2021	3,693	18,038	159	58	4,743	141	26,832
Recognised in profit or loss	(413)	(979)	5	-	3,573	246	2,432
Recognised in other comprehensive income	(73)	-	-	-	-	-	(73)
At 31 December 2021	3,207	17,059	164	58	8,316	387	29,191

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)

20. Deferred tax assets/(liabilities) (cont'd.)

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

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)

20. Deferred tax assets/(liabilities) (cont'd.)

Deferred tax liabilities of the Company: (cont'd.)

	Right-of-use assets RM'000	Accelerated capital allowances RM'000	Investment securities - unquoted bonds RM'000	Total RM'000
As at 31 December 2021				
At 1 January 2021	(27)	(11,506)	-	(11,533)
Recognised in profit or loss	25	(105)	(42)	(122)
At 31 December 2021	<u>(2)</u>	<u>(11,611)</u>	<u>(42)</u>	<u>(11,655)</u>

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
	<u>56,292</u>	<u>40,572</u>	<u>48,109</u>	<u>32,396</u>

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.

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)
	<u>49,533</u>	<u>48,098</u>	<u>636</u>	<u>604</u>

22. Other receivables

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	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
	<u>22,066</u>	<u>19,740</u>	<u>12,130</u>	<u>13,517</u>
Less: Allowance for impairment losses	<u>(5,650)</u>	<u>(5,706)</u>	<u>(2,214)</u>	<u>(2,276)</u>
	<u>16,416</u>	<u>14,034</u>	<u>9,916</u>	<u>11,241</u>

(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	2021
	RM'000	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
	<u>35,848</u>	<u>37,369</u>
Less: Allowance for impairment losses	<u>(11,912)</u>	<u>(11,905)</u>
	<u>23,936</u>	<u>25,464</u>
Amount due to subsidiaries		
BM RAM Capital	(2,550)	-
BM Carbon Market	(1)	-
BM Digital	(1)	-
	<u>(2,552)</u>	<u>-</u>

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	2021
	RM'000	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)	<u>3,192,511</u>	<u>3,263,791</u>
Cash received for eDividend and eRights distributions (included in other payables (Note 32(a)))	<u>2,560</u>	<u>1,596</u>
	<u>3,195,071</u>	<u>3,265,387</u>

- (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	2021
	RM'000	RM'000
Cash on hand and at banks	191,829	170,615
Deposits with licensed financial institutions	3,003,242	3,094,772
	<u>3,195,071</u>	<u>3,265,387</u>

24. Cash for equity margins, derivatives trading margins, security deposits and eDividend and eRights distributions (cont'd.)

(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	2021
	RM'000	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
	<u>822,175</u>	<u>714,848</u>
Collaterals in the form of shares for derivatives trading margins		
	609	784
	<u>822,784</u>	<u>715,632</u>

25. Cash and bank balances of Clearing Funds

Group	Participants' contributions	Cash set aside by the Group	Total
	RM'000	RM'000	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
		<u>85,000</u>	
Clearing Guarantee Fund ("CGF") balance	19,257	85,000	104,257
		<u>85,000</u>	
Contributions from:			
- CPs of Bursa Malaysia Derivatives Clearing	44,600	-	44,600
- Bursa Malaysia Derivatives Clearing	-	10,000	10,000
		<u>10,000</u>	
Derivatives Clearing Fund ("DCF") balance	44,600	10,000	54,600
		<u>10,000</u>	
Total cash and bank balances of Clearing Funds as at 31 December 2022	<u>63,857</u>	<u>95,000</u>	<u>158,857</u>

25. Cash and bank balances of Clearing Funds (cont'd.)

Group	Participants' contributions RM'000	Cash set aside by the Group RM'000	Total RM'000
As at 31 December 2021			
Contributions from:			
- TCPs of Bursa Malaysia Securities Clearing	19,678	-	19,678
- Bursa Malaysia Securities Clearing	-	85,000	85,000
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

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	<u>809,299</u>	<u>435,621</u>	<u>809,299</u>	<u>435,621</u>
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	<u>809,299</u>	<u>430,371</u>	<u>809,299</u>	<u>430,371</u>

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)
		<u>30,218</u>	<u>30,778</u>	<u>(252)</u>	<u>(175)</u>

(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.

28. Other reserves (cont'd.)

(b) Clearing fund reserves

	Note	Group	
		2022	2021
		RM'000	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
		<u>30,000</u>	<u>30,000</u>

(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.

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	2021
	RM'000	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	<u>9,007</u>	<u>13,365</u>

(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	-
	<u>11,776</u>	<u>(2,592)</u>	<u>9,184</u>
Remeasurements:			
- return on plan assets	-	48	48
- financial assumptions	(280)	-	(280)
- experience loss	55	-	55
	<u>(225)</u>	<u>48</u>	<u>(177)</u>
At 31 December 2022	<u>11,551</u>	<u>(2,544)</u>	<u>9,007</u>
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)
	<u>14,841</u>	<u>(1,173)</u>	<u>13,668</u>

30. Employee benefits (cont'd.)

(a) Retirement benefit obligations (cont'd.)

(i) The movements in the net defined benefit liabilities were as follows: (cont'd.)

	Group and Company		
	Present value of funded defined benefit obligations RM'000	Fair value of plan assets RM'000	Total RM'000
Remeasurements:			
- return on plan assets	-	46	46
- financial assumptions	(260)	-	(260)
- experience gain	(89)	-	(89)
	<u>(349)</u>	<u>46</u>	<u>(303)</u>
At 31 December 2021	<u>14,492</u>	<u>(1,127)</u>	<u>13,365</u>

(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)
	<u>2,544</u>	<u>1,127</u>

(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	<u>5.0</u>	<u>5.0</u>

The discount rate is determined based on the values of AA-rated corporate bond yields with 3 to 15 years maturity.

30. Employee benefits (cont'd.)

(a) Retirement benefit obligations (cont'd.)

- (iv) The sensitivity analysis below has been derived based on changes to individual assumptions, with all other assumptions held constant:

	Group and Company			
	Discount rate		Salary increment rate	
	Increase	Decrease	Increase	Decrease
	by 1%	by 1%	by 1%	by 1%
	RM'000	RM'000	RM'000	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.

(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.

30. Employee benefits (cont'd.)

(b) SGP (cont'd.)

The following table illustrates the movement of shares under the SGP in the previous financial year:

	Group and Company			At 31 December 2021 '000
	At 1 January 2021 '000	Vested (Note 27) '000	Forfeited '000	
2017 grants:				
RSP	14	(10)	(4)	-
2018 grants:				
RSP	279	(262)	(17)	-
PSP	80	-	(80)	-
	<u>373</u>	<u>(272)</u>	<u>(101)</u>	<u>-</u>

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	-	-
	<u>4,942</u>	<u>3,938</u>	<u>1,584</u>	<u>958</u>

(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	<u>1,993</u>	<u>1,498</u>	<u>1,584</u>	<u>958</u>

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	2021
	RM'000	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	<u>5,581</u>	<u>6,153</u>
Deferred revenue:		
- non-current	2,949	2,440
- current (Note 32)	2,632	3,713
	<u>5,581</u>	<u>6,153</u>

32. Other payables

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	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
	<u>176,420</u>	<u>167,714</u>	<u>92,565</u>	<u>91,131</u>

- (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	2021	2022	2021
	RM'000	RM'000	RM'000	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	<u>9,027</u>	<u>9,373</u>	<u>557</u>	<u>549</u>

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	2021
	RM'000	RM'000
Depository - CF	<u>50,000</u>	<u>50,000</u>

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	2021
	RM'000	RM'000
Not later than one year	81	72
Later than one year and not later than five years	110	8
	<u>191</u>	<u>80</u>

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	2021
	RM'000	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
	<u>14,764</u>	<u>19,685</u>

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	2021
	RM'000	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
	<u>33,662</u>	<u>35,357</u>

Income from the lease of computer equipment for the current and previous financial years are disclosed in Notes 3 and 36(a).

35. Capital commitments

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	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
	<u>4,226</u>	<u>9,404</u>	<u>4,226</u>	<u>9,022</u>
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
	<u>14,822</u>	<u>6,730</u>	<u>14,822</u>	<u>5,769</u>

36. Significant related party disclosures

(a) Transactions with subsidiaries

Significant transactions between the Company and its subsidiaries are as follows:

	2022	2021
	RM'000	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
	<u>197,638</u>	<u>180,161</u>
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
	<u>4,921</u>	<u>4,921</u>

36. Significant related party disclosures (cont'd.)

(a) Transactions with subsidiaries (cont'd.)

	2022	2021
	RM'000	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
	<u>12,790</u>	<u>10,040</u>
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
	<u>271,666</u>	<u>510,147</u>

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.

36. Significant related party disclosures (cont'd.)

(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	2021
	RM'000	RM'000
Short-term employee benefits	7,386	10,582
Contributions to defined contribution plan - EPF	802	831
SGP	-	4
	<u>8,188</u>	<u>11,417</u>

Included in total remuneration of the management committee are:

	Group and Company	
	2022	2021
	RM'000	RM'000
Executive Director's remuneration (Note 9)	2,109	2,664
Benefits-in-kind (Note 9)	35	35
	<u>2,144</u>	<u>2,699</u>

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.

36. Significant related party disclosures (cont'd.)

(c) Compensation of key management personnel (cont'd.)

The remuneration of each key senior management personnel during the current and previous financial years are as follows:

	Salary RM'000	Bonus RM'000	Defined contribution plan - EPF RM'000	Other emoluments RM'000	Benefits- in-kind RM'000	Total RM'000
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 ⁽³⁾	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 ⁽¹⁾	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	2021	2022	2021
	RM'000	RM'000	RM'000	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.

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.

Group	Less than one year RM'000	Maturity One to five years RM'000	More than five years RM'000	Total RM'000	Effective interest/ profit rate %
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

37. Financial risk management objectives and policies (cont'd.)

(a) Market risk: Interest/profit rate risk (cont'd.)

Interest/profit rate exposure (cont'd.)

Company	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		
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

(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
	<u>11,154</u>	<u>23,971</u>	<u>8,227</u>	<u>20,610</u>
Financial liabilities - denominated in USD				
Other payables	5,584	4,704	578	-

37. Financial risk management objectives and policies (cont'd.)

(b) Market risk: Foreign currency risk (cont'd.)

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)
	-	-	-	-

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.

37. Financial risk management objectives and policies (cont'd.)

(c) Liquidity risk (cont'd.)

(i) Liabilities related risk

The Group and the Company maintain sufficient levels of cash and cash equivalents to meet working capital requirements. The Group and the Company also maintain a reasonable level of banking facilities for contingency requirements.

The table below summarises the maturity profile of the Group's and of the Company's liabilities at the financial year end based on contractual undiscounted repayment obligations.

	Maturity				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	
Group					
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
	<u>25,872</u>	<u>23,366</u>	<u>2,188</u>	<u>34,872</u>	<u>86,298</u>
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
	<u>22,885</u>	<u>12,087</u>	<u>2,188</u>	<u>35,410</u>	<u>72,570</u>
Company					
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
	<u>4,326</u>	<u>16,739</u>	<u>2,188</u>	<u>34,872</u>	<u>58,125</u>
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
	<u>3,574</u>	<u>4,736</u>	<u>2,188</u>	<u>35,410</u>	<u>45,908</u>

37. Financial risk management objectives and policies (cont'd.)

(c) Liquidity risk (cont'd.)

(i) Liabilities related risk (cont'd.)

- * 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:

	Note	Group 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)
		-	-

(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.

37. Financial risk management objectives and policies (cont'd.)

(d) Credit risk (cont'd.)

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:

	Government	Counterparty credit rating				Total
	Guaranteed	P1	AAA	AA	A	
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group						
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

37. Financial risk management objectives and policies (cont'd.)

(d) Credit risk (cont'd.)

Investment securities and cash and bank balances (cont'd.)

	Government	Counterparty credit rating			Total
	Guaranteed	P1	AAA	AA	
	RM'000	RM'000	RM'000	RM'000	RM'000
Company					
As at 31 December 2021					
Investment securities:					
- unquoted bonds	-	-	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.

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	2021	2022	2021
	RM'000	RM'000	RM'000	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

37. Financial risk management objectives and policies (cont'd.)

(d) Credit risk (cont'd.)

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	Not credit impaired								Total past due RM'000
		Total RM'000	Credit impaired RM'000	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	
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	-	-	-	-	-	-

* Other receivables which are financial assets include deposits, interest/profit income and sundry receivables.

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 past due RM'000	Not credit impaired					Total 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	
As 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	-	-	-	-	-	-
As at 31 December 2021										
Staff loans receivable	19	953	-	953	-	-	-	-	-	-
Trade receivables	21	726	109	204	232	27	56	52	46	413
Other receivables which are financial assets*	22	4,640	2,270	2,370	-	-	-	-	-	-
Amount due from subsidiaries	23	37,369	11,905	25,464	-	-	-	-	-	-

* Other receivables which are financial assets include deposits, interest/profit income and sundry receivables.

37. Financial risk management objectives and policies (cont'd.)

(d) Credit risk (cont'd.)

Receivables (cont'd.)

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.

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:

	Trade receivables			Other receivables		
	Lifetime ECL allowance	Credit impaired	Total allowance	Lifetime ECL allowance	Credit impaired	Total allowance
Group	RM'000	RM'000	RM'000	RM'000	RM'000	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

37. Financial risk management objectives and policies (cont'd.)

(d) Credit risk (cont'd.)

Impairment on receivables (cont'd.)

Company	Trade receivables			Other receivables			Amount due from subsidiary
	Lifetime ECL allowance	Credit impaired	Total allowance	Lifetime ECL allowance	Credit impaired	Total allowance	Credit impaired
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 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.

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.

38. Classification of financial instruments (cont'd.)

	Group		Company	
	2022	2021	2022	2021
	RM'000	RM'000	RM'000	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	2021	2022	2021
	RM'000	RM'000	RM'000	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.

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.

40. Capital management (cont'd.)

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.

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

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 2022					
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
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

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					
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	<u>289,114</u>	<u>3,134,272</u>	<u>80,383</u>	<u>15,894</u>	<u>3,519,663</u>
Unallocated corporate liabilities					<u>5,240</u>
Total liabilities					<u><u>3,524,903</u></u>
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