



Your Multi-Asset Exchange

Integrated Annual Report 2023

Creating Opportunities, Growing Value

About This Report

This Integrated Annual Report (IAR) is a key component in the integrated reporting journey of Bursa Malaysia Berhad and its group of companies (collectively known as Bursa Malaysia or the Exchange).

This report reflects our efforts to improve the quality of our disclosures and aims to provide our stakeholders with detailed insight into our value creation process. This report also contains detailed information about the risks and opportunities faced by the Exchange, key strategies employed to manage them, as well as the outputs and outcomes of our value creation processes for our stakeholders.

We adopt a holistic approach to value creation which balances the interests and needs of all our stakeholders. We have integrated environmental, social and governance (ESG) considerations into our decision-making processes to ensure that we create long-term value for current and future generations.



Online Integrated Annual Report 2023

The entire suite of our Integrated Annual Report 2023 can be found online at https://bursa.listedcompany.com/iar_2023.html

Scope and Boundaries

This report provides detailed and quantifiable data of our activities as well as their outputs and outcomes. Where relevant and feasible, emphasis is placed on the sustainability elements underlying our decision-making processes. The reporting period covered by this report extends from 1 January to 31 December 2023 and includes the activities of all our entities and operations in Malaysia unless explicitly stated otherwise. All information contained in this report has undergone rigorous verification to ensure accuracy at the time of publication.

Forward-Looking Statements and Disclaimer

This report contains forward-looking statements on our future priorities, strategies and growth opportunities. These are based on our projections, which may change due to developments in the dynamic operating landscape. As such, these statements should not be construed as guarantees of future outcomes and readers are advised not to place undue reliance on them.

Assurance

The audited financial statements for the year under review are disclosed in this IAR. Our IAR and Sustainability Report (SR) have been verified by our Internal Audit department. Separately, Bursa Malaysia has engaged an external verifier to provide a limited assurance for selected non-financial indicators. The External Assurance Statement can be found on page 102 of our SR 2023.

Board of Directors' Approval

The Board has validated the accuracy of the contents of this IAR and believes that the IAR contains a fair and factual account of Bursa Malaysia's performance for the year under review. The Board acknowledges its responsibility in ensuring the integrity of this IAR, through good governance practices and internal reporting procedures.

Tan Sri Abdul Wahid Omar
Chairman
Bursa Malaysia Berhad

Datuk Muhamad Umar Swift
Chief Executive Officer
Bursa Malaysia Berhad

Key Information Disclosed in Our IAR and SR

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

| Key Frameworks Applied | IAR | SR |
|---|-----|----|
| Main Market Listing Requirements (Main LR or MMLR) | ✓ | ✓ |
| Malaysian Code on Corporate Governance (MCCG) of Securities Commission Malaysia | ✓ | ✓ |
| International Integrated Reporting <IR> Framework | ✓ | |
| Companies Act 2016 | ✓ | |
| Malaysian Financial Reporting Standards | ✓ | |
| International Financial Reporting Standards | ✓ | |
| Sustainability-related indices criteria: FTSE4Good Bursa Malaysia Index and Bloomberg Gender Equality Index | ✓ | ✓ |
| Global Reporting Initiative (GRI) Standards 2021 | | ✓ |
| Sustainability Accounting Standards Board (SASB) - Security & Commodity Exchanges | | ✓ |
| Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) | | ✓ |
| World Federation of Exchanges (WFE) Sustainability Principles | | ✓ |
| The Ten Principles of the United Nations Global Compact | | ✓ |

Integrated Annual Report

Disclosure

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



IAR

Sustainability Report

Disclosure

- Sustainability Governance
- Stakeholder Engagement
- Materiality Assessment
- Management Approach to Materiality Matters



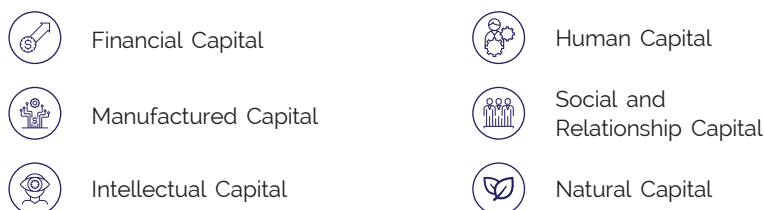
SR



Bursa Malaysia's business strategies and activities are aimed at contributing towards the United Nations Sustainable Development Goals (UN SDGs), defined as sustainable development priorities and aspirations for 2030. To ensure that our outcomes make the most meaningful impact on sustainable development, we have identified nine SDGs in which our activities can contribute to the most, and focus our efforts on them. They are:



Our Capitals



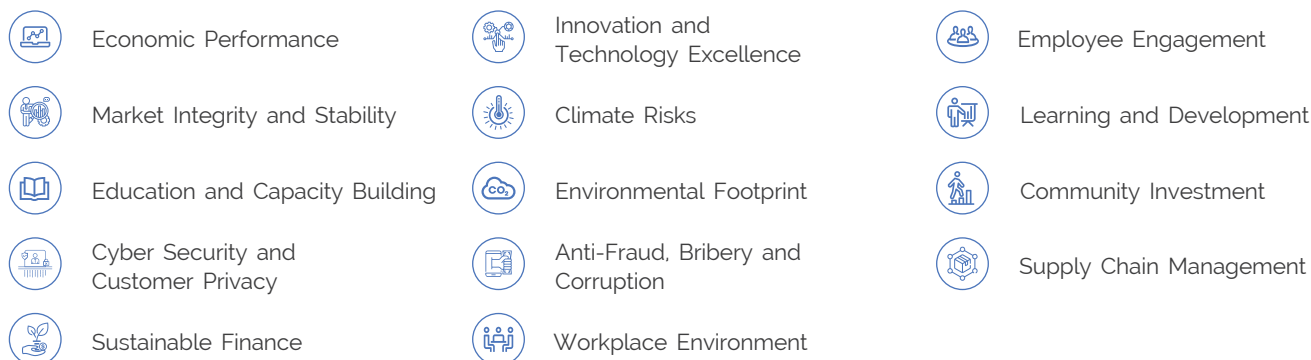
Core Strategies



Key Risks



Material Matters



Stakeholders



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Tells you where you can find more information within the reports



Tells you where you can find more information online at https://bursa.listedcompany.com/iar_2023.html

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Overview of Bursa Malaysia

Who We Are

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Who We Are

Bursa Malaysia is a Shariah-compliant exchange holding company established in 1976 and listed in 2005. It operates and regulates a fully integrated exchange offering a wide array of exchange-related products and services. As one of the largest bourses in ASEAN, with 995 companies listed across three markets*, we play a critical role in facilitating progress and growth in the regional economic landscape.

The Exchange offers a comprehensive range of investment and trading products, including equities, derivatives, offshore and Islamic assets. It also provides a complete spectrum of exchange-related services such as listing, trading, clearing, settlement and depository. With the Bursa Carbon Exchange (BCX) commencing trading in 2023, the Exchange now also includes voluntary carbon credits within its universe of tradable products. Other investment products available on Bursa Malaysia include Exchange-Traded Funds, Real Estate Investment Trusts, Exchange-Traded Bonds and Sukuk and Business Trust.

As the stock market regulator, we also play an advocacy and educational role, particularly in corporate governance (CG), sustainability and, increasingly, climate change. We place a strong emphasis on sustainability and is notable for being the first emerging market exchange to introduce the globally benchmarked FTSE4Good Bursa Malaysia (F4GBM) Index. We believe that Bursa Malaysia has a vital role to play in securing the long-term success of our marketplace and our public listed companies (PLCs), and in functioning as a catalyst of positive change for our PLCs.

**As at 31 December 2023*

Our Roles

➔ Market Operator

We facilitate secure and easy access to investment, trading and fundraising by building and maintaining a resilient market infrastructure that ensures transparent, trusted and reliable access to our products and services.

➔ Frontline Market Regulator

We regulate our listed issuers, intermediaries and regulated persons to ensure that they act in accordance with the rules of the market and discharge their regulatory obligations to protect the integrity and stability of the market, as well as our investors.

➔ Influencer

We set standards in the areas of CG and sustainability to build a strong sustainability culture across the Malaysian capital market. We also strive to be an exemplary model of good CG for our stakeholders.

➔ Shareholder Value Creator

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

Our Vision

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

Our Mission

Creating Opportunities, Growing Value

Our Core Values

Bold

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

United

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

Responsible

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

Synergy

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

Agile

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



Bursa Malaysia unveiled its new logo on 16 January 2024 to reflect the achievement of a milestone in our journey of progress and growth towards becoming a **Multi-Asset Exchange**. The new logo retains elements from our heritage, including the colours which are derived from the Malaysian flag. Our colours, blue and red, respectively, signify our position as Malaysia's national exchange, as well as our commitment to foundational principles and our boldness of spirit.

The logo, which features a stylised 'B' and 'M', reflects our dedication to always staying ahead in a dynamic market. The intersection of the two letters, in particular, and embodies the value creation role that Bursa Malaysia brings to the capital market, economy and society at large. While the look of our brand has changed, we continue to retain the same purpose and values in achieving our mission of **Creating Opportunities, Growing Value** and vision of becoming ASEAN's leading, sustainable and globally-connected marketplace.

Who We Are

What We Offer

Bursa Malaysia has steadily expanded its suite of products and services over the years to better serve our customers and market participants. As a result of these efforts, we now have a well-developed market ecosystem that caters to varying risk appetites and investing needs.

Our current stable of products and services comprise the following:

OUR MULTI-ASSET MARKETPLACE

Securities Market

MAIN MARKET

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

ACE MARKET

Sponsor-driven listing destination aimed at corporations with good business prospects

LEAP MARKET

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

BURSA MALAYSIA-i

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

Derivatives Market

Futures and Options Exchange comprising commodity, financial, equity and currency derivatives products

Shariah-compliant platforms



Shariah-compliant commodity Murabahah trading platform

BURSA CARBON EXCHANGE

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

BURSA GOLD DINAR

Shariah-compliant gold investment platform

Others



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

EXEMPT REGIME

A platform to list sukuk and debt securities for visibility and profiling (non-trading) purposes

BR CAPITAL PLATFORM

A fundraising platform primarily for listed and unlisted small- to mid-sized companies to raise funds via the issuance of credit-rated investment notes

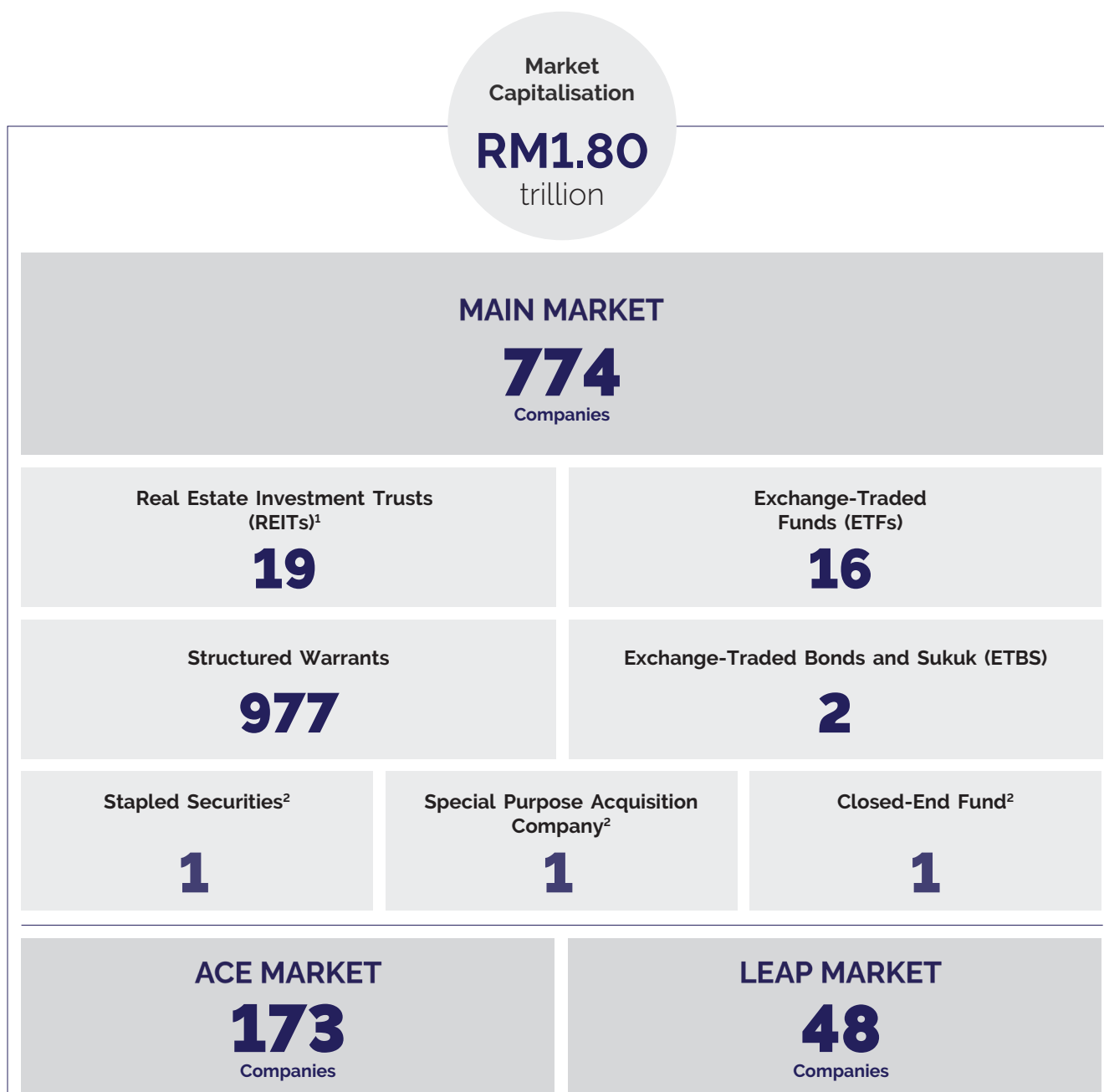
BURSA FUND PLATFORM

An interactive information platform for unit trusts and wholesale funds

OUR PRODUCTS

Securities Market

We operate Malaysia's securities market, facilitating the buying and selling of equities and equity-related products. It comprises three markets, covering 21 economic sectors and 50 economic activities.



Other Products



Note:

As at 31 December 2023

¹ Including one Stapled Securities

² Included in the Main Market PLCs count

Who We Are

OUR PRODUCTS

Derivatives Market

We offer derivatives products covering commodity, equity, financial and currency instruments.



Islamic Markets

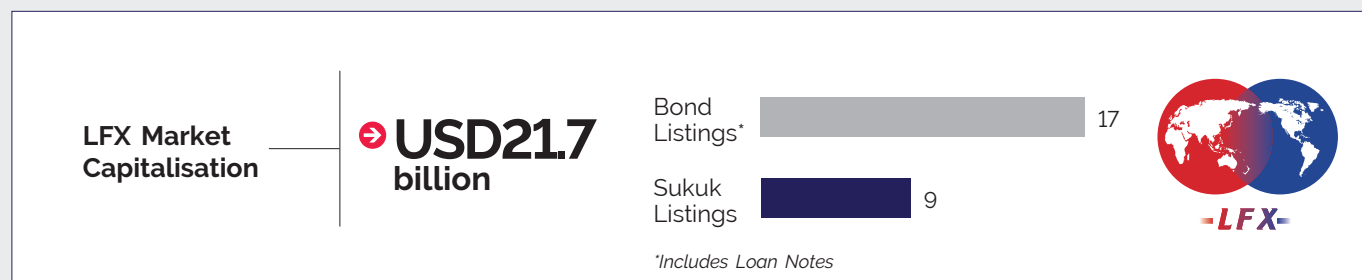
We offer diverse Shariah-compliant products and services. Bursa Malaysia-*i* is a comprehensive end-to-end Shariah-compliant securities exchange platform while the BSAS platform facilitates Islamic finance transactions, including Shariah-compliant liquidity management activities. We also operate the Bursa Gold Dinar platform which is primarily aimed at retail investors and facilitates investing in gold.



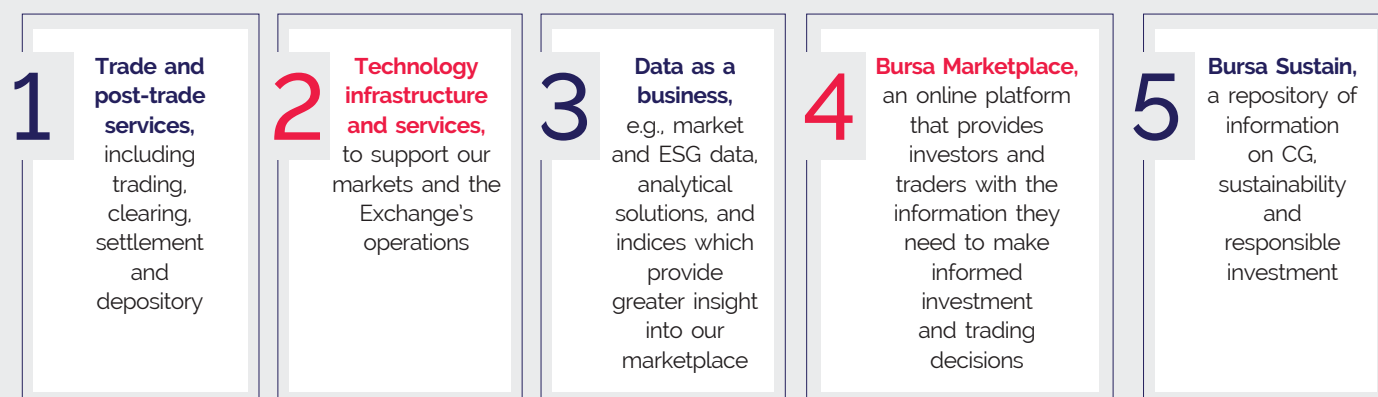
¹ Including one Stapled Securities

OFFSHORE

We operate the LFX, which is based in Labuan.

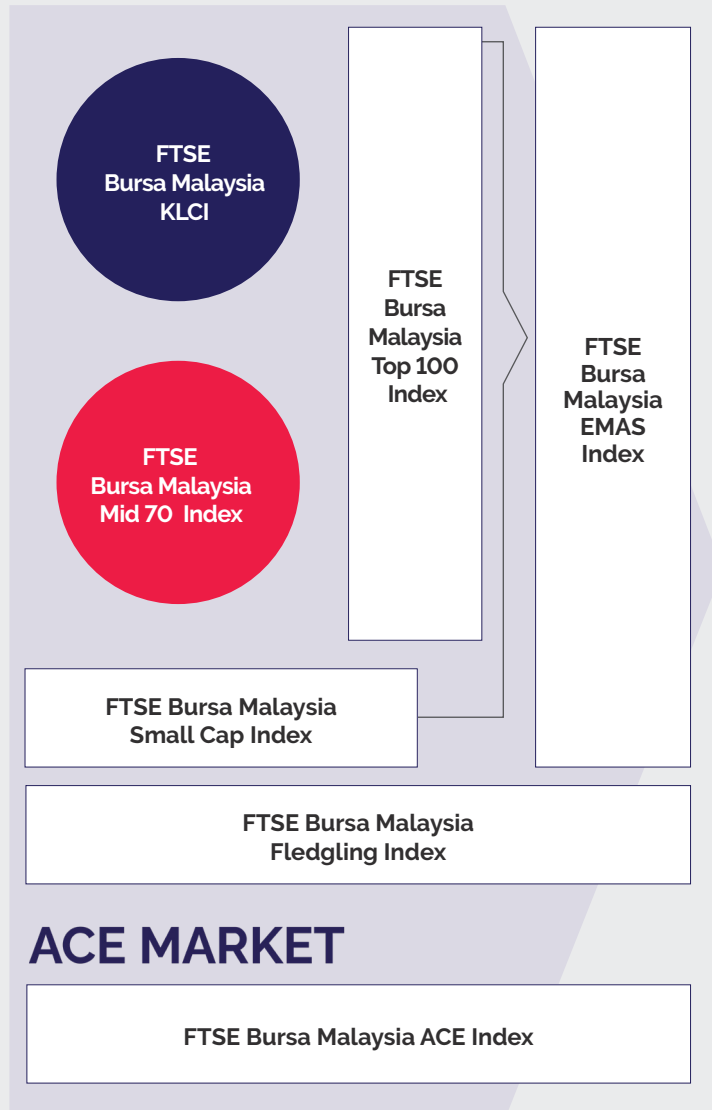


OUR SERVICES



OUR INDICES

MAIN MARKET



| FTSE Bursa Malaysia EMAS Industry Index |
|---|
| Thematic Indices |
| FTSE Bursa Malaysia EMAS Shariah Index |
| FTSE Bursa Malaysia Small Cap Shariah Index |
| FTSE Bursa Malaysia Hijrah Shariah Index |
| FTSE Bursa Malaysia MidS Cap Index |
| FTSE Bursa Malaysia MidS Cap Shariah Index |
| FTSE Bursa Malaysia Palm Oil Plantation Index |
| FTSE4Good Bursa Malaysia Index |
| FTSE4Good Bursa Malaysia Shariah Index |
| FTSE Bursa Malaysia Top 100 ESG Low Carbon Select Index |
| FTSE Bursa Malaysia Top 100 ESG Low Carbon Select Shariah Index |

ACE MARKET

| FTSE Asia Pacific (ex Japan, New Zealand and Australia) |
|---|
| FTSE Bursa Malaysia Asian Palm Oil Plantation Index (USD and MYR) |

6

Bursa Academy,
a one-stop
e-learning platform
offering educational
programmes on
our markets,
products and
services

7

Bursa Anywhere,
the first mobile
application in ASEAN
for retail investors to
manage their CDS
accounts through
their mobile devices

8

**ESG Reporting
Platform,**
a repository for
disclosures that
conform to the
prescribed format
mandated under the
Main Market Listing
Requirements (LR)
and ACE Market LR

9

**Centralised
Sustainability
Intelligence
Platform,**
a repository of ESG
disclosures for PLCs
along with their local
and international
suppliers in their
supply chain

Our Investment Proposition

2023 Key Highlights

Financial

OPERATING REVENUE

RM592.8
million

(2022: RM585.3 million)

SHAREHOLDERS' EQUITY

RM823.1
million

(2022: RM784.3 million)

PROFIT AFTER TAX, ZAKAT AND MINORITY INTEREST

RM252.4
million

(2022: RM226.6 million)

Business

Launched **Bursa Malaysia's first currency futures contract**, the Mini United States Dollar/Chinese Renminbi Futures Contract

Bursa Carbon Exchange (BCX) held its inaugural transaction by way of auction, **introducing the Global Technology-Based Carbon Contract (GTC) and the Global Nature-Based Plus Carbon Contract (GNC+)**, and commenced trading of both products

Launched the **Voluntary Carbon Market (VCM) Handbook and VCM Directory**, which were developed in collaboration with the Malaysian Green Technology and Climate Change Corporation

Sustainability

TOTAL ELECTRICITY CONSUMPTION*

8,140 MWh

(2022: 9,252 MWh)

*Bursa Malaysia subscribed to and utilised Renewable Energy Certificates for our energy consumption

TOTAL GREENHOUSE GAS EMISSIONS (GHG)

3,634 tCO₂e

- With renewable energy certificates

(2022: 8,983 tCO₂e)

NUMBER OF EMPLOYEES

639

(2022: 614)

GENDER

Male **53%**
(2022: 53%)

Female **47%**
(2022: 47%)

Our Value Proposition

01 A Multi-Asset Exchange

The Exchange is innovating and broadening its offerings across asset classes to better serve stakeholder needs. Our innovations include the BCX, BGD, BR Capital's debt fundraising platform and the CSI Platform.

02 Highest number of PLCs in ASEAN

Bursa Malaysia is home to 995 PLCs, the highest among ASEAN exchanges.*

*As at 31 December 2023

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

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

04 We are the leading exchange in the Islamic capital market

Bursa Malaysia is globally recognised as the most diverse and innovative exchange in Shariah-compliant trading and investment, a distinction earned from pioneering innovations in the Islamic capital market. These include Bursa Malaysia-*i* and Bursa Suq Al-Sila' which represent world's firsts in Shariah-compliant investing and trading.

Our Strategic Alliances

MARKET CAPITALISATION

RM5.6
billion

(2022: RM5.4 billion)

DIVIDEND PAYOUT RATIO

93.0%

(2022: 94.7%)

BR Capital is a debt fundraising platform for **listed and unlisted companies, primarily small- to mid-sized enterprises (SMEs), to raise funds via the issuance of credit-rated investment notes**

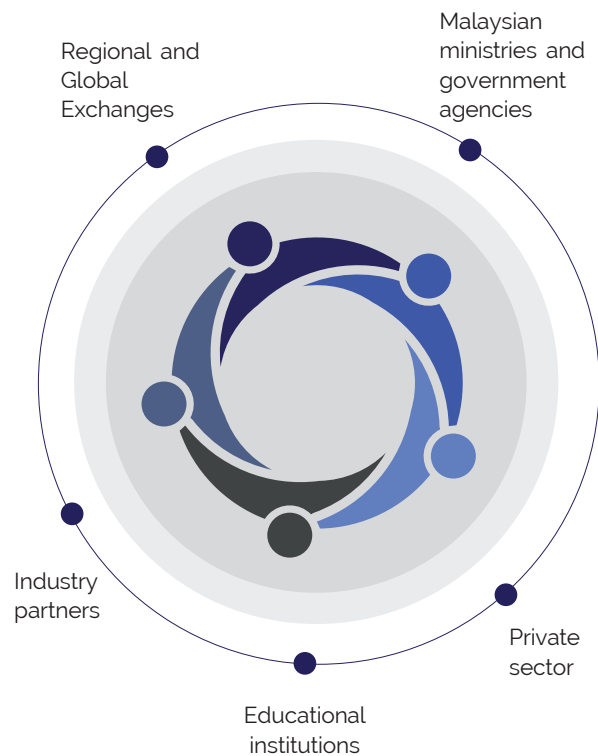
Co-developed the **Centralised Sustainability Intelligence (CSI) Platform** with London Stock Exchange Group, facilitating Corporate Malaysia's transition to the green economy

AGE

< 30 years **9%**
30-50 years **57%**
> 50 years **34%**

ETHNICITY

Malay/Bumiputra **56%**
Chinese **34%**
Indian **8%**
Other **2%**



Our Awards and Recognition

→ Futures & Options World (FOW) The Asia Capital Markets Awards 2023

- Bursa Malaysia Derivatives Berhad: Exchange of The Year – Commodities
- Bursa Malaysia Derivatives Berhad: Exchange of The Year – Sustainability

→ The Edge Billion Ringgit Club Awards 2023

- Highest Return on Equity over 3 Years in Financial Services sector (below RM10 billion market capitalisation)

→ Islamic Finance News (IFN) Service Providers Poll 2023

- Best Stock Exchange for Islamic Listings (6th consecutive award since the category was introduced in 2018)

→ Asia's Leading Exchange in Gender Equality in Corporate Leadership

- Recognised by the United Nations Sustainable Stock Exchange and International Finance Corporation that Malaysia leads in the Asian region in terms of percentage of women on board – at 26% of board seats

Group Corporate Structure



**BURSA MALAYSIA
INFORMATION SDN BHD**

Registration No.
198601003802 (152961-H)

100%

Date of Incorporation
2 May 1986

Principal Activities

Compiles, provides and disseminates prices and other information relating to securities quoted on the securities and derivatives exchanges within the Group as well as data reported from the bond platform

**BURSA MALAYSIA
BONDS SDN BHD**

Registration No.
199401033782 (319465-T)

100%

Date of Incorporation
11 October 1994

Principal Activities

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

**BURSA MALAYSIA ISLAMIC
SERVICES SDN BHD**

Registration No.
200901010654 (853675-M)

100%

Date of Incorporation
15 April 2009

Principal Activities

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

**BURSA MALAYSIA CARBON
MARKET SDN BHD**

Registration No.
202201039635 (1485332-M)

100%

Date of Incorporation
26 October 2022

Principal Activities

Provides, operates and maintains a voluntary carbon market exchange

**BURSA MALAYSIA CARBON
MARKET NOMINEES SDN BHD**

Registration No.
202201039730 (1485427-M)

100%

Date of Incorporation
26 October 2022

Principal Activities

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

**PUBLIC COMPANY LIMITED
BY GUARANTEE**

YAYASAN BURSA MALAYSIA

Registration No.
199801008425 (464552-M)

Date of Incorporation
24 June 1998

Principal Activities

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

**LABUAN INTERNATIONAL
FINANCIAL EXCHANGE INC**

Company No.
LL02032

100%

Date of Incorporation
30 July 1999

Principal Activities

Provides, operates and maintains an offshore financial exchange

**BURSA MALAYSIA
DIGITAL SDN BHD**

Registration No.
202201039636 (1485333-H)

100%

Date of Incorporation
26 October 2022

Principal Activities

Provides, operates and maintains a market for precious metals and commodities

2023 Corporate Events and News

JANUARY

- 3** Announced amendments to Bursa Malaysia Berhad's (Bursa Malaysia or the Exchange) Business Rules and Listing Requirements to facilitate its continued operations on days declared as surprise holidays.
- 4** Signed an agreement with the Department of Statistics Malaysia, allowing both parties to share macroeconomic data to identify key trends and insights to further develop the capital market.
- 6** Entered into an agreement with Dalian Commodity Exchange (DCE) to co-host China International Oils & Oilseeds Conference with Bursa Malaysia Derivatives Berhad (BMD).
- 20** Amended Rules and Directives of Bursa Malaysia Securities Berhad (BMS) to facilitate the onboarding of clients for trading in Leveraged and Inverse Exchange Traded Funds (L&I ETFs) and promote the understanding of L&I ETFs among investors.

FEBRUARY

- 9** Enhanced the Islamic Securities Selling and Buying – Negotiated Transaction (ISSBNT) Framework to include the 'Additional Remedial Option', which allows users to recall or acquire back the securities if the status of the ISSBNT Eligible Securities changes to Shariah non-compliant.
- 16** Launched Bursa Connectivity Services, a universal connectivity solution that allows global users quick and seamless access to Bursa Malaysia's pool of data.
- 20** Signed a Memorandum of Collaboration (MOC) with Malaysian Green Technology and Climate Change Corporation (MGTC) to facilitate the development of a voluntary carbon market (VCM) ecosystem in Malaysia.

MARCH

- 6-8** Hosted 34th Palm and Lauric Oils Price Outlook Conference & Exhibition (POC) 2023, which serves as a platform for industry players to exchange ideas and gain a dynamic understanding of the latest commodities market trends and challenges.
- 8** Co-hosted Invest Malaysia Kuala Lumpur (IMKL) 2023 with Maybank Berhad themed 'Reshaping Malaysia's Narrative: Strengthening Resilience & Sustaining Growth', which attracted approximately 1,500 participants with combined assets under management (AUM) of about USD10 trillion.
- 16** Bursa Carbon Exchange (BCX) successfully carried out the nation's inaugural carbon credit auction electronically. The auction on the BCX offered two new products, namely the Global Technology-Based Carbon Contract (GTC) and the Global Nature-Based Plus Carbon Contract (GNC+).
- 20** Held the 10th Annual Bursa Excellence Awards 2022 Ceremony themed 'Recognising Excellence, Celebrating Success'.
- 22** Signed an MOC with UMW Corporation Sdn Bhd and Malayan Banking Berhad to deploy a Centralised Sustainability Intelligence (CSI) Platform. This platform, developed in collaboration with the London Stock Exchange Group, enables Malaysian public listed companies (PLCs) to reinforce their sustainability disclosures and facilitate greater transparency while providing wider access to green financing products.
- 27** Enhanced the Main Market Listing Requirements (Main LR) to facilitate the offering of listed Real Estate Investment Trusts (REITs) and Exchange-traded Funds (ETFs) with *waqf* feature effective 3 April 2023. This is part of the initiative to expand the Securities Commission Malaysia's (SC) *Waqf*-featured Fund Framework to listed Islamic funds.
- 30** Held Bursa Malaysia's 46th Annual General Meeting virtually.
- 31** Amended the ACE Market Listing Requirements (ACE LR) to facilitate the transfer of eligible LEAP Market listed corporations to the ACE Market as well as introduce a recognised approved adviser framework to expand the pool of Sponsors or Advisers in the ACE Market effective 1 April 2023.

APRIL

- 6** Became a member of the International Emissions Trading Association (IETA), in line with the Exchange's commitment to develop Malaysia's carbon market through its VCM - the BCX - and to strengthen institutional capacity in developing a vibrant VCM ecosystem.
- 12** Signed an MOC with Petronas for the latter to participate in the Early Adopter Programme (EAP) of the CSI Platform.

MAY

- 11** Signed an MOC with Mah Sing Group Berhad and Alliance Bank Malaysia Berhad for the companies to participate in the EAP of the CSI Platform.
- 17** Bursa Malaysia was named 'Best Stock Exchange for Islamic Listings' for 6th consecutive year by Islamic Finance News.

JUNE

- 1** Announced the results of the FTSE Bursa Malaysia KLCI (FBMKLCI) June 2023 Semi-Annual Review, which saw constituent changes to the following indices:
 - FTSE Bursa Malaysia KLCI
 - FTSE Bursa Malaysia Mid 70 Index
 - FTSE Bursa Malaysia Hijrah Shariah Index
- 2** Received an approval-in-principle from the SC for Bursa Malaysia RAM Capital Sdn Bhd (BR Capital), a joint venture entity with RAM Holdings Berhad, to be registered as a Recognized Market Operator.

 Issued a statement recognising progressive PLCs that embraced board gender diversity, and censuring those with all-male boards.
- 6** Together with the SC, announced the roll out of a new mandatory onboarding programme on sustainability for directors of PLCs. The Mandatory Accreditation Programme (MAP) Part II: Leading for Impact is an extension to the existing MAP, now known as MAP Part I under the Main LR and ACE LR.
- 7** Co-hosted IMKL 2023 Series 2 with Macquarie Capital Securities (Malaysia) Sdn Bhd themed 'Digital Malaysia', which attracted 160 delegates with a combined AUM of around USD7 trillion.
- 8** Announced the results of the FTSE4Good Bursa Malaysia (F4GBM) Index and FTSE4Good Bursa Malaysia Shariah (F4GBMS) Index June 2023 Semi-Annually Review, which saw eight companies added and seven removed from the F4GBM Index, bringing the total number of constituents to 98. Separately, six new companies were added to the F4GBMS Index while seven companies were removed, resulting in the total number of constituents being 77.
- 12** Expanded the criteria for Approved Securities, reducing the daily market capitalisation requirement to RM200 million from RM500 million thus widening the range of securities that qualify as Approved Securities. This effectively gives investors greater flexibility in executing their investing plan.
- 14** Organised BCX Biogas Roundtable with Malaysian ecosystem players to facilitate carbon project opportunities in the biogas sector.
- 19** Together with the SC, welcomed the announcement by Malaysia's Prime Minister on measures to drive economic growth and capital market competitiveness, which include a reduction of the stamp duty rate effective July 2023, widening the definition of sophisticated investors to include angel investors, and exploring ways to reduce market friction and shorten time-to-market for initial public offerings.

 Onboarded Phillip Capital Sdn Bhd to facilitate Islamic stockbroking services.

2023 Corporate Events and News

JULY

- 5** Undertook the Malaysian Investor Relations Association's role to leverage its extensive Investor Relations (IR) tools and capabilities, and act as the single point of reference for IR matters.
- 27** Partnered with CLSA Securities Malaysia Sdn Bhd and Maybank Investment Bank Berhad to host IMKL Series 3 (Special Series) themed 'Launch of NETR Part 1', which attracted 834 participants with combined AUM of around USD10 trillion.

AUGUST

- 5** Held Bursa Marketplace Fair 2023 at Johor Bahru, providing insights and better understanding of investing in the capital market among Malaysians.
- 15** Announced the appointment of Madam Tan Ler Chin as an Independent Non-Executive Director (INED), as well as the resignation of Puan Sharifatu Laila binti Syed Ali as Public Interest Director and INED effective 16 August 2023.

SEPTEMBER

- 4-5** Held the 2nd East Malaysia POC 2023.
- 7** Signed an MOC with Cradle Fund Sdn Bhd, Malaysia's leading agency for early-stage startups, aimed at building awareness among startups on funding opportunities available in Malaysia, including those offered by the securities market. Additionally, it seeks to facilitate early identification of companies with the potential for listing on Bursa Malaysia.
- 8** Participated in the 36th ASEAN Exchanges CEOs Meeting hosted by the Stock Exchange of Thailand (SET).
Amended the Rules of BMS to harmonise the proprietary trading frameworks for proprietary day traders and salaried dealer's representatives trading for investment account. Additionally, the net short position thresholds triggering the suspension of short-selling were clarified, and other amendments to make the rules clearer and more consistent.
- 11** Signed an MOC with CIMB Group Holdings Berhad (CIMB Group) at the Cooler Earth Summit with the aim to deepen the understanding of VCM and improving CIMB Group's clients' accessibility to carbon credits.
- 19** Signed a Memorandum of Understanding (MOU) with Indonesia Stock Exchange and the SET to identify commonalities within the ASEAN environmental, social and governance (ESG) ecosystem to facilitate cross-border trade, broaden business opportunities, and advance sustainable financing for corporations of all sizes and their supply chains in the region.
- 20** Unveiled the Illustrative Sustainability Report (ISR), an additional tool to enhance the sustainability reporting framework, aimed at strengthening PLCs' sustainability practices and disclosures.
- 21** Partnered with Bank of America Securities, CIMB Group, HSBC, Maybank Group and Standard Chartered Bank to host IM New York themed 'Regaining Malaysia's Lead in Asia', which attracted 200 delegates with combined AUM of over USD40 trillion.
- 22** BMD was named 'Exchange of the Year – Commodities' and 'Exchange of the Year – Sustainability' for the 2nd consecutive year by the London-based Futures & Options World Global Investor Group at The Asia Capital Markets Awards 2023.
- 25** BCX commenced trading and facilitation of off-market transactions of carbon credits through its new trading platform, enabling both suppliers and buyers to transact carbon credits with better price transparency.
- 30** Bursa Malaysia, in collaboration with the Institute of Corporate Directors Malaysia and WTW, launched the Malaysian Board and Senior Management Remuneration Practices Report which aims to understand in greater detail the prevailing industry practices, remuneration levels by industry size, and quality of disclosure.

OCTOBER

- 2

Extended the strategic agreement with CME Group through September 2028 to ensure global accessibility of BMD's derivatives offerings.
 - 4

Joined global World Investor Week campaign to ring the bell for financial literacy, raising awareness on financial frauds and investment scams.
 - 5

Held the inaugural Malaysia Carbon Market Forum in conjunction with the International Greentech & Eco Products Exhibition and Conference Malaysia 2023, with knowledge sharing as the focus. Launched the VCM Handbook and the VCM Directory, both of which were developed in collaboration with MGTC.
 - 8

Held the 7th edition of the Bursa Bull Charge 2023 that raised a total of RM1.5 million for eight new beneficiaries aligned to the United Nations Sustainable Development Goal 13: Climate Change.
 - 10

Signed an MOC with TNG Digital Sdn Bhd and Affin Hwang Investment Bank Berhad to broaden share trading services, including ETFs trading, via digital wallet.
 - 11

Signed an MOC with Westports Holdings Berhad and OCBC Bank (Malaysia) Berhad for the two companies to participate in the EAP of the CSI Platform.
 - 13

The Ministry of Finance announced tax incentives in the form of deductions for carbon projects valued up to RM300,000 to support the trading of carbon credits. These deductions are offset against revenue generated from the sale of Malaysian carbon credits traded on the BCX platform.
 - 18

The United Nations Sustainable Stock Exchanges (UN SSE) Advisory Group on Carbon Markets launched the Guidance on Carbon Markets for Exchanges at the World Investment Forum. Bursa Malaysia and the Egyptian Exchange were co-chairs of the Advisory Group.
 - 23

Collaborated with Joint Committee on Climate Change's (JC3) Greening Value Chain (GVC) Programme to facilitate more small and medium enterprises (SMEs) on the CSI platform to tap into GVC Programme, which also offers financing facilities at better rates via the Low Carbon Transition Facility.
- Won The Edge Billion Ringgit Club's sectoral corporate award for the 'Highest Return on Equity Over Three Years' in the financial services sector for the category of companies with a market capitalisation below RM10 billion.

NOVEMBER

- 2

Signed an agreement with DCE for the licensing of Soybean Oil Futures settlement price, authorising BMD to use the settlement price of DCE Soybean Oil Futures as the basis to calculate the cash settlement price of Bursa Malaysia's upcoming product, the Bursa Malaysia DCE Soybean Oil Futures Contract.
 - 9

Signed an MOC with Malaysia Steel Works Berhad for the company to participate in the EAP of the CSI Platform.
 - 27

Signed an MOC with UN Global Compact Network Malaysia and Brunei to explore the development of sustainability-focused capability and capacity building programmes for the Malaysian marketplace, building on an earlier collaboration that produced the Corporate Sustainability Practitioner Competency Framework in 2021.
 - 30

Announced the results of the FBMKLCI December 2023 Semi-Annual Review, which saw constituent changes to the following indices:
 - FTSE Bursa Malaysia KLCI
 - FTSE Bursa Malaysia Mid 70 Index
 - FTSE Bursa Malaysia Hijrah Shariah Index
- Issued a consultation paper seeking public feedback on the proposed amendments to the Main LR and ACE LR in relation to new issue of securities and disclosure of the chief executive officer's remuneration, among others.

2023 Corporate Events and News

DECEMBER

- 1

Launched the Bursa IR4U Programme to support and enhance the standards and capabilities of investor relations (IR) practices, as well as raise the visibility and investability of Malaysian PLCs to foreign and local investors. Two handbooks providing practical advice on developing and implementing IR plans and strategies were also released at the same time.
- 4

Unveiled the Bursa Malaysia ESG Reporting Platform, which is a repository for disclosures that conform to the prescribed format mandated under the Main LR and ACE LR.

Signed an MOU with Gold Standard at the 28th United Nations Framework Convention on Climate Change (COP28) in Dubai, enabling BCX to offer Gold Standard-certified carbon credits from global and domestic projects, with the aim to promote the adoption of high-quality carbon credits, which will help grow the VCM in Malaysia.

Signed an MOC with Sarawak Energy Berhad (Sarawak Energy), Hydropower Sustainability Alliance and I-REC Standard Foundation at COP28 to explore the supply and trade of hydropower renewable energy certificates (RECs) from Sarawak Energy, using the I-REC Standard and promoting hydropower with sustainability certification from Hydropower Sustainability Alliance.
- 11

Launched BMD's first and the country's inaugural exchange-traded currency futures contract, namely the Mini USD/CNH Futures (FCNH) through a licensing agreement established with Hong Kong Exchanges and Clearing, complementing the existing currency market operated by Malaysian financial institutions.
- 12

Amended the Main LR to expand the underlying financial instruments of Structured Warrants to include commodity futures to the existing list of prescribed commodities of crude palm oil, crude oil and gold.
- 13

Recognised in the Gender Equality in Corporate Leadership Asia 2023 Report released by the UN SSE and International Finance Corporation for leading the region with 26% of board seats held by women and 44% of the Top 100 PLCs on Bursa Malaysia exceeded the threshold of 30% female board members.
- 14

Announced the results of the F4GBM Index and F4GBMS Index December 2023 Semi-Annual Review, which saw 11 companies added to the F4GBM Index constituents, bringing the total number of constituents to 109. Meanwhile, 11 new companies were added to the F4GBMS Index, which increased the index's constituent total number of constituents to 88.
- 21

Launched the Sustainability Explainer Video Series based on content from the Sustainability Reporting Guide and Toolkits (3rd edition), adding to the suite of resources to advance sustainability reporting practices that include the Guide and Toolkits and the ISR released earlier.
- 22

Launched BR Capital's debt fundraising platform, enabling primarily listed and unlisted SMEs to raise funds via the issuance of credit-rated investment notes and providing investors with the opportunity to diversify their portfolios in fixed income instruments.

02

Leadership Statements

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Tan Sri Abdul Wahid Omar
Chairman

Chairman's Statement

Dear Stakeholders,

2023 was a year of significant progress marked by innovations, new products and solutions, and enhancements to the marketplace as Bursa Malaysia pivoted towards being a Multi-Asset Exchange to better serve our stakeholders.

On behalf of the Board, I am pleased to report that despite a year of interlocking challenges, Bursa Malaysia remained a steadfast anchor in Malaysia's financial and economic growth. We continued to deliver on our purpose of creating opportunities and growing value for the Malaysian capital market, economy, and society. In reflecting on our performance for 2023, we know that we made good progress in fostering a more dynamic, innovative, and inclusive marketplace, while actively championing sound sustainability practices to drive the sustainability agenda among businesses and for the nation.

Chairman's Statement

At the same time, we delivered on our key role of ensuring a fair and orderly market, even as we pushed the frontier in these areas of advancement. The fact that we accomplished these goals within a challenging operating landscape buffeted by external headwinds is a testament to the dedication and rigour of our team at Bursa Malaysia, and a positive indication that we are well-equipped to navigate the challenges and opportunities ahead.

The Exchange continued to put fundamental building blocks in place to develop a robust environmental, social, and governance (ESG) ecosystem for our markets and customers, and position ourselves to do even more going forward. Our progress and efforts put us on solid footing to embark on the next stage of our growth and transformation journey as we continue to fortify our position as a Multi-Asset Exchange. Bursa Malaysia has been, and remains committed to being, the trusted platform for fundraising, investing, and trading that meets the evolving needs of our stakeholders in line with our mission of **'Creating Opportunities, Growing Value'**.

2023 Review

The year under review was marked by a series of challenging developments, including continuing disruptions from geopolitical conflicts, global tightening of monetary policy to contain inflation, and dampened growth in several major economies. These have significantly slowed global gross domestic product (GDP) growth, which has been estimated to have moderated further to 2.6% in 2023 from 3.0% in the previous year.

Despite these challenges, emerging markets and developing economies have generally outperformed advanced economies. Malaysia's economy, in particular, has shown resilience in the face of challenges, with real GDP growth of 3.7% in 2023. The nation's growth has been supported by firmer domestic demand underpinned by more favourable labour market conditions, easing inflationary pressures, higher investment, and a recovery in tourism, buffered against weakening exports that declined alongside the external economic slowdown.

Sustaining a vibrant equity market in the aftermath of the COVID-19 pandemic has remained a challenge for bourses globally. Nevertheless, continuous efforts from Bursa Malaysia to improve the competitiveness of our market, coupled with resilient macroeconomic conditions during the year, attracted a steady flow of investors, including companies that opted for initial public offerings (IPO). In 2023, 32 companies went for listing (2022: 35 companies), raising RM3.6 billion (2022: RM3.5 billion) and contributing RM13.6 billion (2022: RM11.2 billion) to total market capitalisation. As for the broader Securities Market



Despite the challenges in 2023, we continued to deliver on our role as a frontline regulator and market operator to ensure market orderliness and deliver sustainable value to our stakeholders.



performance, total market capitalisation expanded 3.5% in 2023, while average daily trading value (ADV) was recorded at RM2.06 billion (2022: RM2.07 billion).

The FTSE Bursa Malaysia KLCI (FBMKLCI) benchmark index emerged as ASEAN's second-best performer, with a 5.7% increase in the second half of 2023, closing the year at 1,454.66 points. This was a healthy rebound from the 1,376.68 points recorded at the close of June 2023. Overall, the FBMKLCI declined by 2.7% in 2023 (2022: -4.6%). Although not spared from foreign fund outflows, much like other ASEAN markets due to global macroeconomic volatility, Malaysia's equity market exhibited the second lowest foreign outflows among ASEAN peers, with an outflow of USD495 million. Most regional peers experienced larger outflows ranging from USD863 million to USD5.5 billion.

As for the Derivatives Market, average daily contracts (ADC) traded declined during the year to 72,896 contracts (2022: 78,621 contracts), largely due to reduced fluctuations in crude palm oil (CPO) prices. In our Islamic Market, following two subsequent years of strong, double-digit trading value growth in 2020 and 2021, trading on Bursa Suq Al-Sila' (BSAS) moderated slightly to ADV of RM45.1 billion in 2023 (2022: RM45.6 billion).

Despite the challenges in 2023, we continued to deliver on our role as a frontline regulator and market operator to ensure market orderliness and deliver sustainable value to our stakeholders. In light of this, the Board has declared a final dividend of 14.0 sen per share, bringing the total dividend for the year to 29.0 sen per share (2022: 26.5 sen). This represents a dividend payout ratio of 93% (2022: 95%), which is in line with our previous practices.

¹ Source: Global Economic Prospects, World Bank (January 2024).



Enhancing Sustainability in Our Marketplace

We are actively shaping the ESG agenda for Corporate Malaysia through a multi-faceted approach that includes enhanced sustainability disclosure requirements, education and upskilling, a suite of tools, and a more supportive ecosystem through engagement and advocacy.

The discourse on sustainability and corporate governance (CG) has intensified over the last decade. Governments and regulators worldwide, including in Malaysia, have issued a clarion call for corporates and market players to become more responsible on issues such as good CG, sustainability and climate change. As the frontline regulator of Malaysia's capital market, Bursa Malaysia is leading by example to drive change and elevate CG standards and sustainability practices among companies.

Bursa Malaysia has always maintained that sustainability must start from the top. Over the years, we have implemented programmes and enhanced frameworks to ensure that leaders of public listed companies (PLCs) are aware of and capable in steering their organisations to approach sustainability in a conscientious manner. We took another step forward in this direction in 2023, collaborating with the Securities Commission Malaysia (SC) to launch a mandatory sustainability onboarding programme for directors of companies listed on both the Main and ACE Markets. Aimed at fortifying directors' abilities to address sustainability considerations, the programme equips Boards with the essential tools to navigate and manage sustainability risks.

The Exchange has also paid significant attention to the development of sustainability in our marketplace, paying particular emphasis on the quality of sustainability disclosures by our PLCs. This commitment to a sustainable marketplace was underscored by our Enhanced Sustainability Reporting Framework (ESRF) in September 2022, which came into force for Main Market PLCs with fiscal year-ends beginning 31 December 2023 and for ACE Market PLCs with fiscal year-ends beginning 31 December 2024. During the year, we launched three essential tools to support PLCs in their efforts to meet heightened disclosure requirements and integrate ESG principles into their long-term strategies. These tools are the 3rd Edition Sustainability Reporting Guide and Toolkits (Guide & Toolkits), the Illustrative Sustainability Report (ISR) and the Sustainability Explainer Video Series. Furthermore, the launch of the Bursa Malaysia ESG Reporting Platform – a repository for sustainability disclosures that conform to the required format of disclosures – would help promote greater uniformity and comparability in our PLCs' sustainability disclosures and facilitate better performance evaluation and benchmarking.

Our intent is to catalyse change and progress. Hence, we are expanding the internationally recognised FTSE4Good ESG ratings to cover all Main Market and ACE Market PLCs on Bursa Malaysia in the near future. As we have seen in the most recent review of the FTSE4Good Bursa Malaysia (F4GBM) Index and the FTSE4Good Bursa Malaysia Shariah (F4GBMS) Index on 14 December 2023, more companies are becoming stronger in ESG practices; 11 new constituents were added to each aforementioned index since the June 2023 review, bringing the total to 109 and 88 PLCs, respectively.

Lastly, we are also addressing the need for wider and more comprehensive sustainability capabilities within companies. Through collaborations with industry partners, we are now exploring ways to make sustainability-related programmes and certifications for practitioners more accessible and relevant. This builds on the Corporate Sustainability Practitioner Competency Framework, which was developed in 2021 with the United Nations Global Compact Network Malaysia and Brunei, to create a cohort of skilled local practitioners. In doing so, we will ensure our PLCs have in place the knowledge, tools and talent to better manage sustainability-related demands and opportunities.

The initiatives stated above will be supported by ongoing engagements with PLCs via webinars and panel discussions on ESG matters.

Chairman's Statement



Leading the Charge on Climate Change

We are putting efforts to address climate change at the forefront of Corporate Malaysia's agenda. Our climate change initiatives are guided by the nation's Net Zero aspiration.

The growing significance of climate change and its impact have prompted businesses and corporates to rethink their environmental footprint, mitigation efforts, and how they prepare their businesses to manage climate change risks better. There has been increasing scrutiny by stakeholders on PLCs and their climate change impact and actions, since climate-related catastrophes are occurring more frequently and in growing severity. As the national exchange, Bursa Malaysia has a role in influencing the climate change practices of our PLCs, thus supporting the nation's green transition.

Driving Decarbonisation

We are proud to now have a full-fledged, operating Bursa Carbon Exchange (BCX). Following the successful inaugural auction of carbon credits on 16 March 2023, BCX commenced the trading of carbon credits on 25 September 2023.

Recognising that the voluntary carbon market (VCM) ecosystem in Malaysia needs to be nurtured, we had forged collaborations with various partners during the year. For instance, through our collaboration with the Malaysian Green Technology and Climate Change Corporation (MGTC), we jointly developed and subsequently launched the VCM Handbook and the VCM Directory at our inaugural Malaysia Carbon Market Forum on 5 October 2023.

BCX also signed a memorandum of understanding with Gold Standard, the second largest, independent carbon standard, during the 28th United Nations Framework Convention on Climate Change (COP28) held in Dubai, United Arab Emirates. This collaboration will increase the depth of carbon credit offerings from local and international projects, including projects registered under Gold Standard. In addition to carbon credits recognised by Verra, we aim to include Gold Standard-certified carbon credits in the BCX trading platform in 2024 to expand our suite of high-quality carbon credits.

² Source: *World Economic Outlook, International Monetary Fund (January 2024)*.

Despite the early days of BCX, there is already demand by Malaysian corporates for BCX to offer other environmental products. Plans are underway to expand BCX's offerings as we intend to offer renewable energy certificates (RECs) in 2024. We believe that establishing a more accessible and trusted marketplace for these products will support the realisation of the nation's National Energy Transition Roadmap (NETR) by facilitating more carbon and renewable energy projects, which are critical to Malaysia's transition to a lower carbon economy.

Meanwhile, we are also building the necessary infrastructure to support the nation's aspiration to become a net zero country by promoting decarbonisation efforts by companies, large and small. In 2023, we started developing a Centralised Sustainability Intelligence (CSI) Platform for both PLCs and non-listed companies. When completed, companies will be able to assess their carbon emissions impact, submit their ESG data to the platform, and subsequently use these metrics to gain access to sustainable financing.

Net zero is not just an aspiration for Bursa Malaysia but a laudable national objective of which we are proud to support. We believe companies in Malaysia can do more to decarbonise and make a significant change in their environmental practices, and our role is to help and encourage them to make the shift.

Moving Forward

The World Bank has projected global GDP growth to slow down for the third consecutive year to 2.4% in 2024, as tighter liquidity and uncertain economic prospects in several major economies weigh down growth. As ongoing geopolitical tensions show no signs of abating in the near term, continuing disruptions to global trade and the flow of capital remain key downside risks to our market.

Fortunately, the outlook for ASEAN and Malaysia appears brighter, with the GDP of ASEAN-5 countries expected to grow at a faster pace of 4.7% in 2024, compared to 4.2% in 2023.² For Malaysia, 2024 is envisioned as a year of execution, as various initiatives outlined in the NETR and the New Industrial Master Plan (NIMP) 2030 have been scheduled for implementation. The Ministry of Finance has projected Malaysian GDP to grow between 4% and 5% in 2024, which will be achieved in part through robust domestic demand, effectively offsetting the challenges posed by moderate global growth.



Over the next three years, Bursa Malaysia will embark on a journey to realise our aspiration to 'Advance as a Multi-Asset Exchange,' capable of supporting the evolving needs of the Malaysian economy and expanding customer segments.



Over the longer term, we expect changes in global economic dynamics and the emergence of megatrends – including rapidly evolving technology and the transition to a greener economy – will heighten expectations and bring fresh opportunities to the market. It has become increasingly important that we implement strategic reforms to create a future-ready market ecosystem that will facilitate more resilient and sustainable financial, as well as economic growth.

As an integral enabler of the nation's economic development, the Malaysian capital market remains a crucial linchpin to our country's economic growth and wealth creation. It is critical that we continue to elevate the Malaysian capital market's competitiveness by being responsive to the needs of businesses and customers, while remaining a trusted and resilient marketplace. This has been the strategic objective of Bursa Malaysia over the last few years and one which will be further reinforced in our Strategic Roadmap 2024-2026.

Over the next three years, Bursa Malaysia will embark on a journey to realise our aspiration to 'Advance as a Multi-Asset Exchange,' capable of supporting the evolving needs of the Malaysian economy and expanding customer segments. To that end, we will broaden fundraising avenues for issuers – not just in equities but also in debt instruments. We will expand our product and service offerings, catering to the existing and emerging needs of a wide range of retail, corporate, and institutional investors – both existing and newcomers. Technology and data will be key enablers in helping us, and digital innovation will continue to play a central role in our marketplace.

Sustainability will remain a central theme dominating all business discourse in the years to come. In this regard, our refined strategic pillar of *Driving Sustainability for our Marketplace and Internationally* embodies our focus on sustainability and international harmonisation going forward.

It goes without saying that within our own organisation, we will execute wide-ranging initiatives to strengthen Bursa Malaysia's position as a role model for Malaysian PLCs in relation to ESG practices. Sustainability practices are expected to improve, with better data quality, enhanced operational efficiency and best-in-class practices that are aligned to globally-recognised standards.

Acknowledgements

Overall, it has been a solid year. I would like to thank my fellow Board members for their insights and contributions throughout. Special thanks and gratitude to Mr. Ken Pushpanathan who retired on 23 June 2023 after serving on the Board for nine years as an Independent Non-Executive Director (INED) and to Puan Sharifatu Laila binti Syed Ali, who resigned on 16 August 2023 to take on an executive role at an investment institution after serving on the Board for three years as Public Interest Director and INED. We also express our thanks and gratitude to Ms. Chong Chye Neo who has served the Board for five years and decided not to seek re-election as INED at the upcoming 47th Annual General Meeting. At the same time, we extend a warm welcome to Madam Tan Ler Chin, who joined the Board as an INED on 16 August 2023.

On behalf of the Board, I would also like to extend our appreciation to all our stakeholders, especially Bursa Malaysia's Management and *Warga Bursa*, for their continued dedication in helping deliver on our purpose as an exchange. Our thanks also go to the Securities Commission Malaysia, policymakers, brokers, listed issuers and industry partners who have supported the development of the capital market and expanded the positive impact our markets can bring. Your cooperation and support will be called upon again in the coming years as we progress on our vision to become **ASEAN's leading, sustainable, and globally connected marketplace**.

The Exchange will continue to work with the dynamic ecosystem to make our overall markets more attractive. The success of the Exchange depends on aligned efforts by a wide range of stakeholders. We thank our stakeholders and urge all parties to play their roles proactively.

Tan Sri Abdul Wahid Omar
Chairman



Datuk Muhamad Umar Swift
Chief Executive Officer

Chief Executive Officer's Review

Dear Stakeholders,

In 2023, similar themes from the prior year, such as geopolitical tensions, and tightening monetary policy carried over and continued to dominate market headlines, pointing to multiple complex growth challenges confronting the global economy. Nonetheless, Bursa Malaysia continued to deliver on our strategic initiatives to future-proof and build greater resilience in our market.

2023 marked the final year of our 2021-2023 Strategic Roadmap. When we first unveiled the Strategic Roadmap, we communicated that the initiatives contained therein aimed to build the foundation for us to evolve Bursa Malaysia into a Multi-Asset Exchange and advance us towards our vision of becoming ASEAN's leading, sustainable and globally-connected marketplace.

Chief Executive Officer's Review

I am pleased to report that we have accomplished what we had set out to do, with achievements in all three Core Strategies of the Strategic Roadmap. We expanded fundraising options for businesses, enhanced our market ecosystem to make it more facilitative of trade, and strengthened the sustainability practices and disclosures by our listed issuers. Meanwhile, we increased education, awareness and the number of products for retail investors.

Our progress over the past three years sets a firm backdrop for the next phase of our growth journey. Our recently unveiled Strategic Roadmap for 2024-2026 outlines our focus on fortifying our position as a Multi-Asset Exchange to generate even greater value for all stakeholders. These strategic priorities have been included in this report, and I invite you to take a close study of them to better understand our direction and value proposition.

Operating Environment Review

Our domestic markets faced significant downward pressure in the first half of 2023, primarily due to investor apprehensions linked to the collapse of several small US banks, which triggered concerns over the broader banking sector and the possibility of systemic risk. Coupled with the tightening of monetary policy aimed at curbing inflation and slowdowns in key global economies, investor anxiety quickly spread worldwide, triggering a flight of capital to safer haven assets.

However, a notable turnaround occurred in the second half of the year. The sentiments of investors improved, supported by greater optimism that the introduction of new national policies and strategic plans, such as the National Energy Transition Roadmap (NETR) and the New Industrial Master Plan (NIMP) 2030, would provide fresh impetus to strengthen Malaysia's growth trajectory. This sense of optimism was given another push by market expectations that the interest rate cycle has peaked, diminishing concerns over a hard landing for some major economies.

The relatively attractive valuation of the FBMKLCI benchmark index presented potential upside opportunities for investors and fuelled buying interest. Furthermore, the reduction in the stamp duty rate on 13 July 2023 – from 0.15% to 0.10% and capped at RM1,000 per contract – supported investors' trading interest as the reduction directly lowers transaction costs, benefitting cost-sensitive retail investors in particular.



Bursa Malaysia again delivered a robust financial performance for 2023. This result has been possible because of the contributions and continued support of our stakeholders, including the dedication and efforts of our employees.



The market performance for 2023 was, therefore, a story of two halves: after a 7.9% decline in the first half, the benchmark FBMKLCI then rose 5.7% between July and December 2023. As a result, the FBMKLCI ended the year lower year-on-year (yoy) by 2.7%, although total market capitalisation grew 3.5% to RM1,796.4 billion at the end of 2023 (2022: RM1,736.2 billion).

Financial Performance Overview

Bursa Malaysia posted a profit after tax, zakat and minority interest (PATAMI) of RM252.4 million for the financial year ended 31 December 2023 (2022: RM226.6 million), representing a yoy increase of 11.4%, mainly due to an operating revenue increase of 1.3% to RM592.8 million (2022: RM585.3 million). Our operating expenses rose marginally by 0.6% to RM294.5 million, as higher technology and staff cost was partly offset by the reversal of a one-off provision amounting to RM31.4 million.

The Securities Market was confronted with challenges in 2023 with persistent external headwinds weighing on investor sentiments. The tightening of monetary policy and uncertainties from geopolitical conflicts led to reduced investor appetite for both conventional and

Shariah-compliant equities, while rising interest rates made lower risk asset classes such as fixed deposits more attractive. Even though trading sentiment improved in the second half of the year, overall market performance was lower compared to the previous year.

The Securities Market's ADV for on-market transactions of RM2.06 billion was 0.6% lower than the RM2.07 billion recorded in 2022. Foreign institutional investors increased their participation to 29.2% (2022: 26.8%) but ended the year as net sellers, while local institutions had a total net buy of RM3.18 billion despite a lower participation of 31.9% (2022: 35.1%). As for the IPOs, a total of 32 IPOs were admitted to the Exchange in 2023, adding RM13.6 billion in market capitalisation upon listing (2022: 35 IPOs with a market capitalisation upon listing of RM11.2 billion). This came in under our target of 39 IPOs, particularly due to fewer listings than anticipated on the LEAP Market. Nevertheless, we achieved a higher IPO market capitalisation against our target of RM10.0 billion in 2023.

Trading on the Derivatives Market declined from its record high posted in 2022. Crude palm oil futures (FCPO) trading moderated in 2023 following a recovery in production of CPO, and correspondingly reduced CPO price fluctuation. ADC decreased 7.3% to 72,896 contracts (2022: 78,621 contracts). This was partially offset by greater activity in the trading of FTSE Bursa Malaysia KLCI Futures, which recorded an all-time daily trading volume high of 73,056 contracts and open interest of 74,778 contracts on 27 October 2023. Overall, total contracts traded on the Derivatives Market was lower at 17,786,648 contracts (2022: 19,105,019 contracts). Meanwhile, we are encouraged to see continued interest in our derivatives products, with our flagship Palm and Lauric Oils Price Outlook Conference & Exhibition (POC) and the second East Malaysia POC 2023 events well-attended by more than 2,400 participants from over 50 countries.

As for the BSAS commodity trading platform, we saw an 8.9% increase in the number of local and foreign participants, bringing total BSAS participants to 354 (2022: 325 participants), putting us on a firm footing for future growth. The expansion of our service offerings to local and foreign co-operative societies and Islamic micro-financing companies also expanded our reach, resulting in trading revenue yoy growth of 3.9% to RM17.1 million (2022: RM16.4 million). For the year, BSAS ADV remained stable at RM45.1 billion (2022: RM45.6 billion).

In terms of non-trading revenue, the Exchange recorded higher market data revenue of RM68.0 million in 2023 (2022: RM60.8 million), translating to a four-year compounded annual growth rate of 15.2% and making up 11.5% of total operating revenue (2022: 10.4%). Generally, the better performance was attributed to increased demand from institutional and retail clients, who registered for market data licensing as a result of our affiliate programmes.

2023 Achievements

Bursa Malaysia's consistent performance was recognised at the 14th Billion Ringgit Club Awards by The Edge as the public listed company with the highest return on equity over three years within the Financial Services Category (Market Capitalisation less than RM10 billion). In addition, Bursa Malaysia was also recognised as Asia's Leading Exchange in gender equality in corporate leadership, based on the Gender Equality in Corporate Leadership Asia 2023 Report by the United Nations Sustainable Stock Exchange and International Finance Corporation. These external plaudits are clear signs that we are on the right track, and serve as encouragement for us to further improve our performance as an organisation and a marketplace.

“

Bursa Malaysia was also recognised as Asia's Leading Exchange in gender equality in corporate leadership.

”

Chief Executive Officer's Review

The following is a summary of outcomes and key initiatives we delivered, to strengthen our business and our markets.

Core Strategy 1

Product Expansion

In 2023, we introduced our inaugural currency futures contract, the Mini USD/CNH Futures (FCNH), which was established through a licensing agreement with the Hong Kong Exchanges and Clearing. An important first for us, the FCNH paves the way for other currency futures contracts. In addition, the new product provides a range of benefits for our market participants, empowering businesses, traders and investors to confidently navigate the currency market, manage currency risks and unlock growth opportunities. In a similar vein, also in the fourth quarter of 2023, we signed an agreement with Dalian Commodity Exchange (DCE), which is a key milestone towards the launch of our Bursa Malaysia DCE Soybean Futures Contract in 2024. This marks the first product collaboration between a Chinese derivatives exchange and an Asian exchange based outside of China.

Meanwhile, we witnessed the successful commencement of voluntary carbon credits trading on Bursa Carbon Exchange (BCX) in 2023. Two standardised carbon contracts were introduced at its inception, namely the Global Technology-Based Carbon Contract (GTC) and the Global Nature-Based Plus Carbon Contract (GNC+). While it will take time for the carbon market to mature, the interest shown in BCX has been encouraging with requests coming in to expand our suite of environmental products further.

Significant progress was made during the year towards developing other new platforms, including the BR Capital debt fundraising platform in collaboration with RAM Holdings Berhad, and the Bursa Gold Dinar (BGD) platform. The BR Capital platform was ready for selected onboarding of issuers and investors in December 2023, while the BGD platform was launched in January 2024. Both platforms are poised to contribute substantially to the expansion of Bursa Malaysia's offerings and draw new participants to our marketplace.

Core Strategy 2

We have always believed that it is just as essential for us to strengthen marketplace and ecosystem fundamentals as it is for us to introduce new products and services. In delivering on this belief, we implemented initiatives to enhance market vibrancy, improve the profile and visibility of PLCs, promote retail growth and participation, and widen market reach via education initiatives and infrastructure. Examples of such initiatives include our web-based Burmon Trader game, and our Futures Training Apprenticeship Programme, both launched last year, which are aimed at improving youth financial literacy and nurturing aspiring derivatives traders, respectively.

A crucial ongoing initiative is the PLC Transformation (PLCT) Programme, which was launched in 2022 to strengthen the competitiveness of our PLCs by encouraging actions that will lead to improved corporate performance. Since the programme's launch, 237 PLCs have signed on as participants by the end of December 2023. Following the publication of the five digital guidebooks, we have been focused on delivering educational and best practices sharing sessions to support and catalyse participants' actions.

To accelerate our PLCs' investor relations (IR) function, we launched the IR4U Programme to support and enhance PLCs' IR capabilities and practices, and raise our PLCs' profile and visibility to foreign and local investors. The IR4U Programme comprises the IR4U Portal – a comprehensive online resource – housing webinars, articles, and guidebooks covering trends in the IR space.

We also enhanced our rules and frameworks to facilitate market development and reinvigorate PLCs' growth. For instance, to increase the accessibility and attractiveness of our equities market, we introduced the transfer of listing framework, which enables eligible LEAP Market companies to transfer to the ACE Market. LEAP Market companies now have a clear growth option, allowing them to tap into a wider pool of investors for fundraising in the ACE Market. In tandem with this framework, we progressively expanded the roles of eligible Approved Advisers in the ACE Market (Recognised Approved Adviser) to facilitate capacity and capability building of existing advisers.

Ecosystem Development

During the year, the Main Market Listing Requirements were enhanced to facilitate the offering of Islamic Real Estate Investment Trusts and Exchange-Traded Funds with *waqf* features. This framework enhancement not only promotes the growth of *waqf* and sustainable and responsible investment (SRI) assets, but also further cements Bursa Malaysia's position as a leading global Islamic exchange. We anticipate that these developments, and others to be implemented in the future, will encourage greater SRI and Shariah-compliant product issuances in the coming years.

In addition, the Exchange amended its rules in 2023 to harmonise the proprietary trading frameworks for proprietary day traders (PDT) and salaried dealer representatives trading for investment account (IVT). This rule change simplifies the frameworks governing our traders, and improves operational efficiency for Participating Organisations (POs) and regulators.

Sustainability remains squarely in our focus, and we continue to do our part to develop the sustainability ecosystem, including infrastructure, tools and capabilities. Bursa Malaysia has undertaken wide-ranging initiatives to further embed sustainability into our marketplace. These include proactively facilitating the sustainability transition of Malaysian companies by building the CSI Platform for both PLCs and unlisted companies, which is envisioned to be a repository of standardised ESG data to facilitate consistent reporting and access to financing.

We are also enabling the execution of several national plans, including the NETR, and adoption of the i-ESG framework developed by the Ministry of Investment, Trade, and Industry for small and medium enterprises (SMEs). Bursa Malaysia seeks to drive meaningful changes with other exchanges and strategic partners. Our efforts include spearheading an inter-regional ESG-linked ecosystem with the Indonesia Stock Exchange, the Stock Exchange of Thailand, as well as the Singapore Exchange. In 2023, we co-chaired the United Nations Sustainable Stock Exchanges Advisory Group on Carbon Markets.

Core Strategy 3 — Capacity and Capabilities Building

The Exchange operates in a highly dynamic environment where changes in one area could have a systemic impact throughout the organisation. To secure the relevance and trusted brand of the Exchange, we are constantly taking steps to bolster our capacity and capabilities. We continued to invest in technology to enhance the resilience of our core infrastructure systems and applications. We believe that application of technology should always be fit-for-purpose and right-sized. Technology investments were also made to deliver more seamless customer experience (CX) through our various touchpoints, improving overall customer satisfaction with our products and services.

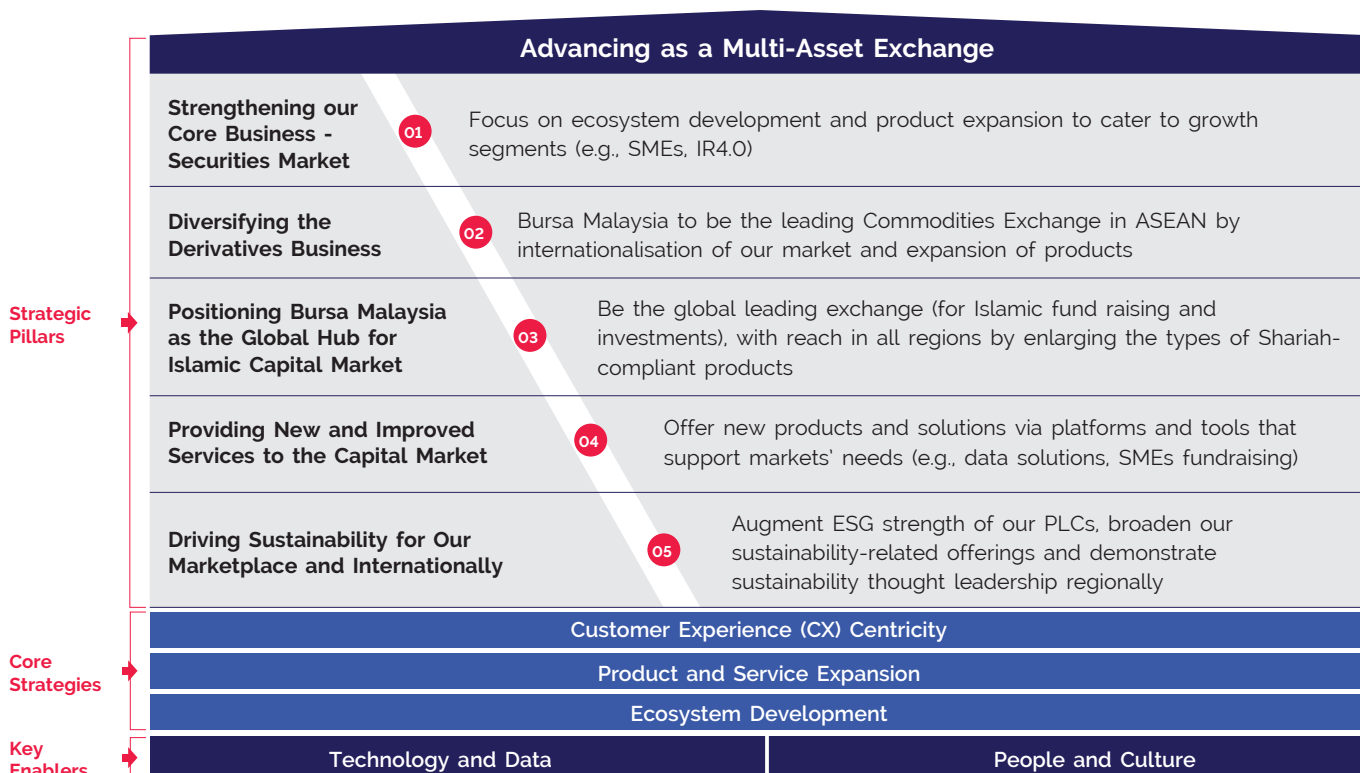
Lastly, we continue to groom and harness our most important asset, which is our people, by upskilling and shaping them with our desired organisational culture. This includes the continuation of efforts to augment the technical competencies of key functions, to meet Bursa Malaysia's strategic objectives and meet market demands. We recognise that strong corporate culture and values is key to deliver significant business impact. In 2023, we continued to focus on inculcating our BURSA core values of Bold – United – Responsible – Synergy – Agile, designed to fuel employees towards realising our aspiration to be a Multi-Asset Exchange.

Chief Executive Officer's Review

Moving Forward

Our focus over the last three years was on putting in place the crucial building blocks – leveraging technology, and talent – for us to pivot into a Multi-Asset Exchange. In the next three years, we will cultivate new business lines – specifically via the BCX, BGD and the BR Capital debt fundraising platform, while maintaining focus on our core capital market businesses. Our entry into these adjacent frontiers are strategic and deliberate, as the offerings are very much related to the needs of businesses and investors.

This next phase of our growth journey will be anchored by our new Strategic Roadmap 2024-2026, which comprises five Strategic Pillars, three Core Strategies and two Key Enablers.



While product and service expansion and ecosystem development will continue to remain important priorities, I would like to highlight CX centricity as a new core strategy for the Exchange going forward. This reflects our commitment to ingrain the delivery of superior service to attract, engage and delight our customers.

Our enhanced position as a Multi-Asset Exchange, coupled with CX focus and robust data analytics, make us well-placed to meet evolving customer needs, and generate increased value for our stakeholders. We believe that our products, offerings, and spheres of influence should mirror changes in our operating environment, to unlock our full potential as a trusted marketplace.

Note of Appreciation

On behalf of Bursa Malaysia's Management team, I would like to thank all our stakeholders – including the Ministry of Finance, Securities Commission Malaysia, Bank Negara Malaysia, our Board of Directors, staff, market participants, and industry partners. I extend a special note of thanks to the growing number of government ministries and agencies with whom we have collaborated and engaged with in our mission to better serve the nation. The support and dedication of all our partners have been instrumental in our pursuit of **Creating Opportunities, Growing Values**. As we undergo the next phase of growth as a competitive, Multi-Asset Exchange, we remain committed to expanding and improving our services to a broader investor base and to better support investing, trading and fundraising activities.

Datuk Muhamad Umar Swift
Chief Executive Officer

03

Value Creation at Bursa Malaysia

| | |
|--------------------------------|----|
| Our Approach To Value Creation | 34 |
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| Overall Market Performance | 44 |
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| Our Performance | 48 |
| Investor Relations | 49 |



Our Approach To Value Creation

We strive to create values for ourselves and all our stakeholders. In our approach to value creation, we consider the following:

01 ASSESSING OUR CONTEXT

Assess and Evaluate Our Operating Environment

See page 53

We operate in a highly dynamic environment that is subject to various forces and influences. These include changes in global financial flows, competitive positions, technological developments, regulatory frameworks and investing trends, all of which may have direct or indirect impact on our ability to conduct business and create values.

Engage with Our Stakeholders

See pages 40-43

We strive to create value for our diverse group of stakeholders. To better understand their interests and needs, we engage with them regularly through various platforms and review our Material Matters with them. We make use of their insights to help us achieve our vision.

Identify Key Risks and Opportunities

See pages 58-62

Bursa Malaysia is connected to the global financial market, and is exposed to a range of risks that may impact the sustainability of our business and our marketplace. Our risk management system ensures that the integrity and stability of our market is preserved at all times, and that our ability to create value for our stakeholders is not disrupted.

Identify, Prioritise, Validate and Integrate Our Material Matters

See page 57

The identification of Material Matters is an integral part of our value creation process as Material Matters guide our strategies and objectives. Our Material Matters are topics or issues that can significantly impact our ability to create sustainable value for our business and stakeholders.

02 EMBEDDING SUSTAINABILITY IN ALL THAT WE DO

See page 98

Embedding Sustainability in Our Organisation and Marketplace is one of the five Strategic Pillars under our Strategic Roadmap 2021-2023. Our Sustainability Roadmap 2021-2023 comprises five priority areas that cut across our marketplace and internal processes, as well as the communities in which we operate.

03 FORMULATING OUR STRATEGY

Our Strategy

See pages 63-67

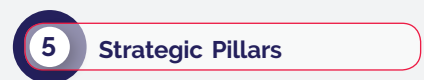
Our Strategic Roadmap 2021-2023 drives the Exchange's growth and transformation, future-proofing the Exchange and help us achieve our vision.

Vision:

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

Mission:

Creating Opportunities, Growing Value



Allocate Our Key Capitals

See page 35

We deploy six different capitals in our business activities. As capital inputs are finite resources, we make trade-offs between them when undertaking value creation activities.

Execute Our Business Model

See pages 36-37

We operate and regulate an integrated exchange offering a comprehensive range of exchange-related facilities. Our business model creates, delivers and captures values as we implement programmes and initiatives in our business activities.



04 THE VALUES WE CREATE

See pages 36-39

The increasingly complex business environment provides an opportunity for us to transform and drive value. Our resilience is reflected in the outputs and outcomes of our initiatives.

Our Key Capitals

Our value creation activities consume capital inputs which have been grouped into six categories below.



Financial Capital

Financial Capital is generated and replenished through the Exchange's business activities and equity finance. In allocating our financial capital, we are guided by our Strategic Roadmap, and prioritise initiatives based on their impact on our marketplace and stakeholders.



Manufactured Capital

Our Manufactured Capital, comprising our platforms providing exchange services, data centre, cyber security infrastructure, equipment, tools, digital assets and our buildings are created and replenished by our investments in technology assets and new equipment purchases, and through the maintenance of these assets. Our continued investment in this capital improves our operational performance, supports the delivery of new products and services, and ensures the stability and integrity of our marketplace.



Intellectual Capital

Our Intellectual Capital comprises our rules, processes, products and services, brand, reputation, research and development capabilities, innovation capacity, knowledge and expertise, including our proprietary systems such as Bursa Suq Al-Sila' (BSAS) platform, Bursa Malaysia-i, Bursa Carbon Exchange (BCX), BR Capital and Bursa Gold Dinar (BGD). This capital supports our value creation activities and is a measure of our future potential and competitive advantage.



Human Capital

Our Human Capital is enhanced through training, and managed by our internal policies to ensure that it remains adequate for our strategic needs at all times. Their competencies, capabilities, knowledge, experience, commitment and motivation are important inputs required for the effective and efficient execution of our initiatives.



Social and Relationship Capital

Our Social and Relationship Capital is the relationship that we have built with our key stakeholders. It is a social license that identifies us as a cornerstone of the Malaysian financial sector. It also allows us to collaborate and engage effectively with our stakeholders, including our investors, PLCs, regulators, intermediaries, vendors, suppliers and communities.

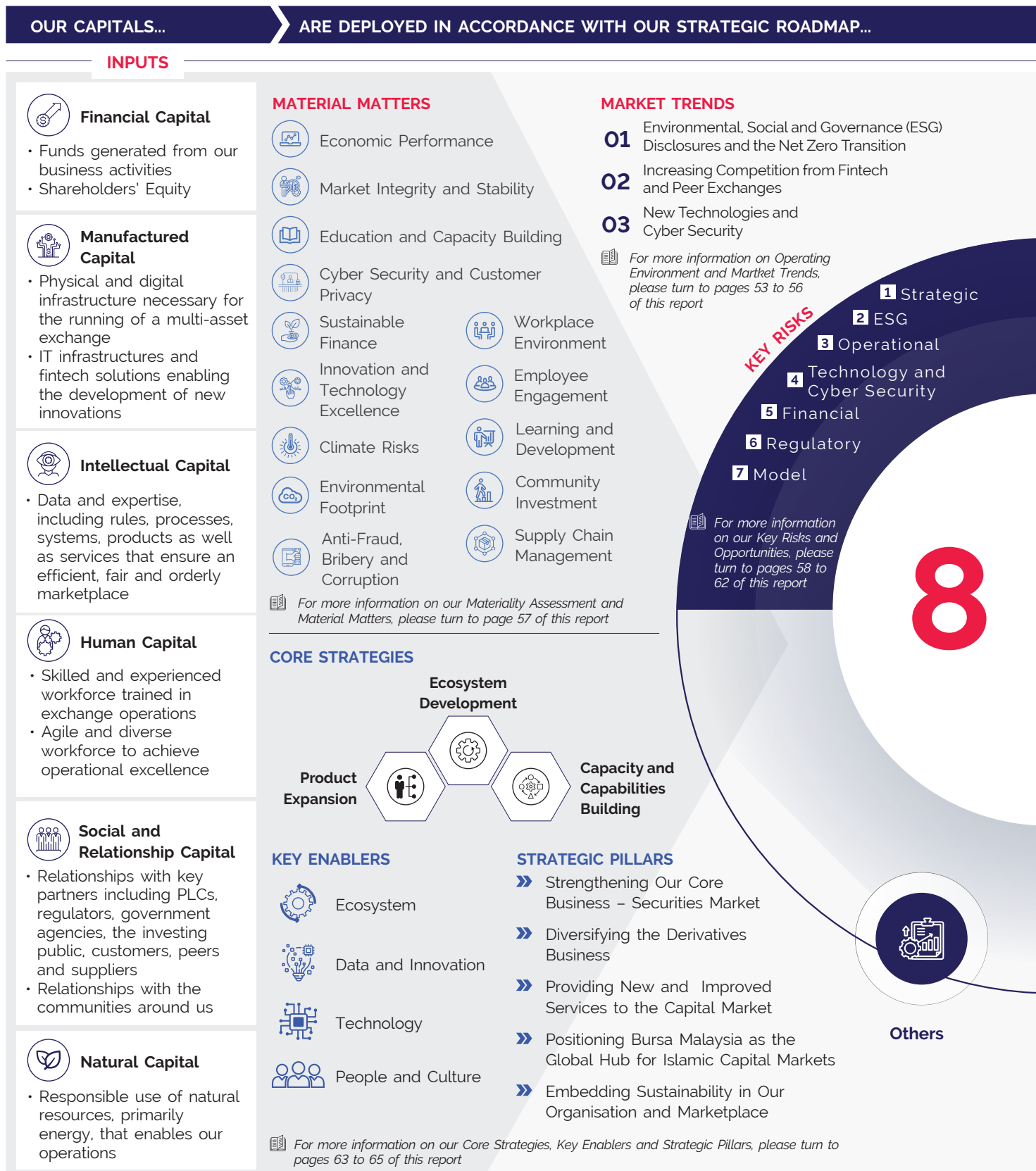


Natural Capital

We consume energy and water in our daily operations and these renewable and non-renewable Natural Capital support our ability to create value for our stakeholders. We strive and invest in initiatives to minimise our impact on the environment and became a carbon-neutral company in 2023. Our decarbonisation efforts, such as the BCX, help forward Malaysia's goal of becoming a net zero country by 2050.

How We Create Value

Our value creation model describes the way we manage our six capital inputs in the implementation of our strategic initiatives towards our vision. This in turn produces capital market products and services that create long-term value for our stakeholders.



Vision

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

Mission

Creating Opportunities, Growing Value

Core Values

Bold **United** **Responsible** **Synergy** **Agile**

TO PRODUCE TARGETED PRODUCTS AND SERVICES...

CREATING VALUE FOR STAKEHOLDERS.

OUTPUTS

SECURITIES MARKET

Average Daily Trading Value (ADV)
– on-market transactions:

RM2.1 billion

(2022: RM2.1 billion)

New Listings:

32

(2022: 35)

New Structured Warrants:

1,497

(2022: 1,447)

Market Capitalisation:

RM1.80 trillion

(2022: RM1.74 trillion)

Retail ADV:

RM566 million

(2022: RM550 million)

New Individual CDS Accounts:

97,156

(2022: 99,610)

DERIVATIVES MARKET

Average Daily Contracts:

72,896 contracts

(2022: 78,621 contracts)

BURSA SUQ AL-SILA'

ADV:

RM45.1 billion

(2022: RM45.6 billion)



GOVERNANCE

A robust corporate governance ecosystem supported by strong governance and effective Board leadership.

How We Create Value

OUTCOMES



Financial Capital

- Shareholders' Equity: **RM823.1 million**
(2022: RM784.3 million)
- Operating Revenue: **RM592.8 million**
(2022: RM585.3 million)



Manufactured Capital

- Critical System Availability and Reliability: **99.99%** (2022: 99.97%)
- Compliance with the Prescribed RTO Guideline for Post-Trade Systems: **100%** (2022: 99.86%)



Intellectual Capital

- Derivatives products: **19 products**
(2022: 18 products)
- BSAS: **354 participants**
(2022: 325 participants)

Indices available

- FTSE Bursa Malaysia Index Series: **19**
(2022: 19)
- Bursa Sector Index: **13**
(2022: 13)



Human Capital

- Number of Employees: **639**
(2022: 614)
- Gender Diversity:
 - Male **53%**
(2022: 53%)
 - Female **47%**
(2022: 47%)



Social and Relationship Capital

- Number of PLCs: **995**
(2022: 972)
- Active CDS Accounts: **2.0 million**
(2022: 2.0 million)



Natural Capital

- Total Greenhouse Gas Emissions: **9,802 tCO₂e**
(2022: 8,983 tCO₂e)
- Total Electricity Consumption: **8,140 MWh**
(2022: 9,252 MWh)
- Total GHG Emissions (tCO₂e) with Renewable Energy Certificates (REC): **3,634 tCO₂e** (8,500 RECs)

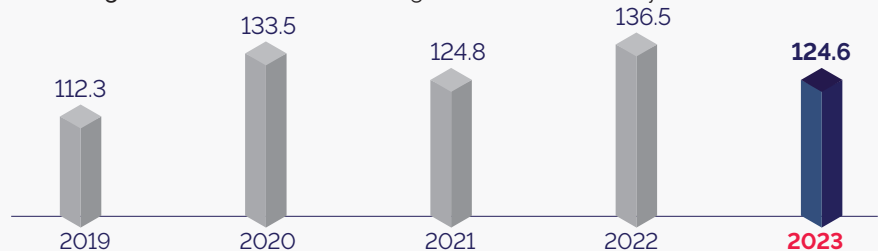
The Financial Value We Created in 2023

RM616.5 million

(2022: RM603.2 million)

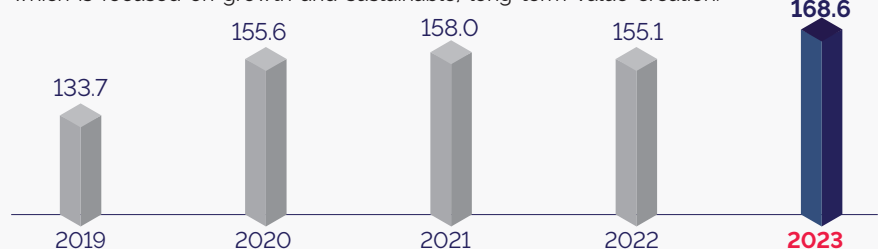
For Our Operations (RM million)

Advancing Our Business for continued growth and sustainability.



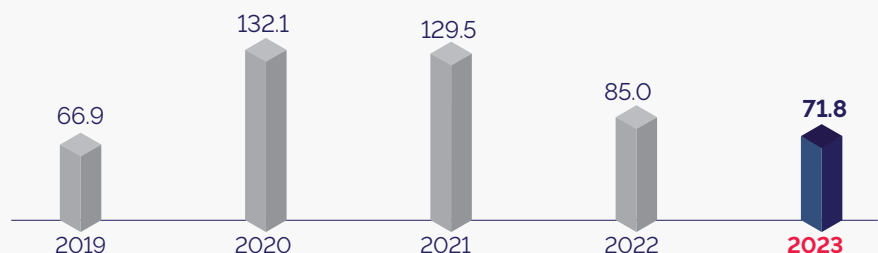
For Our Employees (RM million)

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



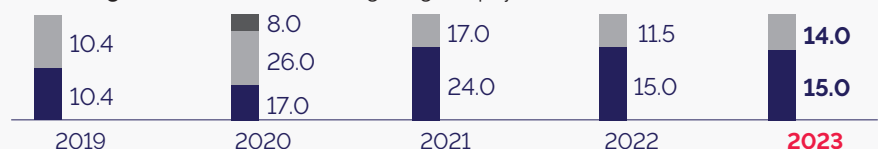
For the Economy and the Community (RM million)

Contributing to Society through taxes, zakat, Yayasan Bursa Malaysia's scholarships.



For Our Shareholders (sen per share)

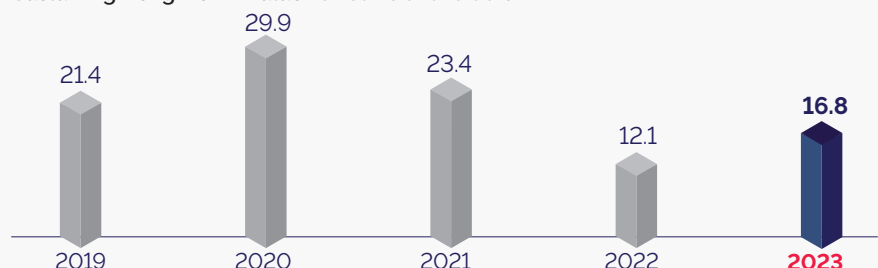
Rewarding Our Shareholders through regular payment of dividends.



2023: RM234.7 million
(2022: RM214.5 million)

For Our Future Growth (RM million)

Sustaining Long-Term Value for our stakeholders.



OUR NON-FINANCIAL VALUE

Enhancing Customer Experience

- Creating a more facilitative trading environment for investors, developing new innovative solutions such as e-services and ensuring sound investor protection and governance
- Offering a wide range of investment options and serving as one of the leading destinations in ASEAN for fundraising and Islamic capital market activities
- Conducting more targeted marketing efforts, strengthening customer support for all our offerings and removing hurdles in the ecosystem

Building A Culture Of Excellence

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

Supporting Communities

- Investing in our communities through financial, time, expertise and knowledge to help them develop a sustainable future
- Going beyond empowering the vulnerable and the marginalised with our support for local suppliers and industries to boost economic growth
- Cascading sustainable practices down our supply chain to generate positive impact and create a community that thrives

OUR TRADE-OFFS

Capital inputs are used and exhausted in our value creation activities. As these inputs are finite resources, they must be replenished over time and trade-offs must be made in deciding how they are best used. Our Strategic Roadmap 2021-2023 guides our overall use of capital inputs to achieve our strategic goals. The following narrative provides a general description of the trade-offs we make.

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

Recruiting, remunerating and developing our employees

Investing in capital assets

Paying for operating and developmental expenses

Executing our business activities

Funding our community events and sustainability initiatives

Paying dividends to our shareholders

At any given moment, we have a finite pool of Financial Capital and trade-offs occur when allocating capital. For example, our operating expenses rose in 2023 due to higher technology and staffing expenditure. As a result, we have reduced the availability of Financial Capital that can be deployed for other activities, and may affect the overall profitability of the Exchange. Likewise, developing new products, such as the BCX, reduces our Financial Capital, but will result in an increase in Intellectual Capital.

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

Although Manufactured, Intellectual, Human as well as Social and Relationship Capitals are not 'consumed' in the same way as Financial Capital, they must be replenished or upgraded, which depends on the consumption of other capitals, primarily Financial Capital.

Our Stakeholder Value Creation

We strive for transparency and accountability in our engagements with our stakeholders, to ensure that our value creation activities are aligned with their needs and expectations, and contribute to their development and growth.



Public Listed Companies (PLCs), Issuers, Potential PLCs and Potential Issuers (including advisers and secretarial firms that act on their behalf)

Values Created for the Stakeholder

We provide and maintain an efficient and reliable fundraising platform for companies seeking financing for their business activities, including small and medium enterprises (SMEs). Our platforms also facilitate the listing and trading of niche products, such as Islamic assets, financial, commodities and currency futures, and carbon credits.

We steer our PLCs and other stakeholders towards best practices and encourage them to prioritise environmental, social and governance (ESG) and corporate governance (CG) in their organisations by providing the necessary advocacy, education, training and tools.

Key Risks Impacted:



Values Created for Bursa Malaysia

- Revenue from trading and non-trading activities
- A broad and deep market ecosystem that attracts a diverse group of market participants worldwide
- Well-informed PLCs which will forward Bursa Malaysia's and the nation's sustainability goals

Capitals Impacted:



Intermediaries (including brokers, clearing participants, authorised direct members and authorised depository agents)

Values Created for the Stakeholder

We create business opportunities for market intermediaries by creating a marketplace that makes use of their services to facilitate transactions, such as securities trading. We also engage, consult and educate them on new products and services available in our marketplace, market trends and important themes such as ESG and investor protection. In addition, we support their initiatives that are beneficial to the marketplace.

Key Risks Impacted:



Values Created for Bursa Malaysia

- Well-informed, reliable and efficient intermediaries who ensure investor protection and the orderliness of the markets while building the resilience of our business and the sustainability of the marketplace

Capitals Impacted:





Investors

Values Created for the Stakeholder

We create an efficient and reliable platform where investors can trade and invest in products to generate or preserve wealth.

We improve investors' financial literacy by providing education on new developments in the capital market, including products and services, and technological innovations.

Key Risks Impacted:



Values Created for Bursa Malaysia

- Revenue generated from trading and non-trading activities
- Increased market liquidity and activity, which enhances the overall attractiveness of our marketplace
- Support and greater take-up of new products and services, such as carbon credits and the Bursa Gold Dinar

Capitals Impacted:



Shareholders

Values Created for the Stakeholder

We generate wealth for our shareholders by paying out a share of our profits in dividends and through the appreciation of their shareholding value in Bursa Malaysia.

Key Risks Impacted:



Values Created for Bursa Malaysia

- Bursa Malaysia receives support and strategic direction for the growth of Bursa Malaysia and the Malaysian capital markets

Capitals Impacted:



Analysts, Rating Agencies and Index Providers

Values Created for the Stakeholder

We provide information to analysts so they can develop informed opinions and valuation, and communicate accurate information about Bursa Malaysia and our broader capital market to a wider audience.

Key Risks Impacted:



Values Created for Bursa Malaysia

- The circulation of accurate information about and investment proposition offered by Bursa Malaysia and the Malaysian capital market to market participants

Capitals Impacted:



Our Stakeholder Value Creation



Employees

Values Created for the Stakeholder

We create a safe, conducive and productive workplace and provide training and development opportunities to ensure our employees fulfil their career ambitions and that we have the skills necessary to achieve our mission critical goals. We also ensure that they are competitively remunerated and fairly treated.

Values Created for Bursa Malaysia

- Well-trained and experienced staff necessary for executing all our value creation activities

Key Risks Impacted:



Capitals Impacted:



Regulators and Government Agencies

Values Created for the Stakeholder

We create and maintain a capital market that drives economic growth and supports the national agenda such as driving financial inclusivity, promoting SMEs' financing and development, transitioning to net zero.

We maintain a rules framework that ensures a fair and orderly market, and one that is secured against financial leakages, fraud, corruption, and the illegal use of funds.

Values Created for Bursa Malaysia

- A marketplace that is fair, orderly and transparent for all market participants
- Support for Bursa Malaysia activities that are aligned with national goals

Key Risks Impacted:



Capitals Impacted:



Industry Associations, Professional Bodies and Industry Experts

Values Created for the Stakeholder

We provide leadership as well as exchange information and best practices with associations, professional bodies, and industry experts to strengthen our collective knowledge base on matters such as industry trends, innovation, public policy and other key matters, which subsequently aids in the overall development of the capital market.

Values Created for Bursa Malaysia

- Knowledge necessary to implement initiatives in line with best international practices and support growth for Bursa Malaysia and the Malaysian capital market
- Well-educated market participants who are financially savvy and make informed investment decisions in their interactions with our marketplace

Key Risks Impacted:



Capitals Impacted:





Vendors and Suppliers

Values Created for the Stakeholder

We purchase their products and services as part of our operations and development of new products and services for our marketplace. We also educate and encourage them to become more sustainable by mandating that they meet our stipulated ESG requirements. Best value for our vendors and suppliers.

Values Created for Bursa Malaysia

- A sustainability-focused supply chain which meets our procurement needs and simultaneously forwards our sustainability and climate goals
- Enhance the efficiency of Bursa Malaysia's procurement by ensuring purchases are fully optimised

Key Risks Impacted:



Capitals Impacted:



Community Groups (including non-profit organisations which are beneficiaries of our community investment initiatives)

Values Created for the Stakeholder

We aid in the development of our communities by providing financial aid, education and support for marginalised communities. We have pledged 1% of our annual profit after tax, zakat and minority interest towards community projects that positively impact society.

Values Created for Bursa Malaysia

- A more resilient Malaysian society that indirectly strengthens and supports our value creation activities
- The acceptance of Bursa Malaysia's practices and operating procedures by our stakeholders including the general public, to function as a trusted financial institution in the country

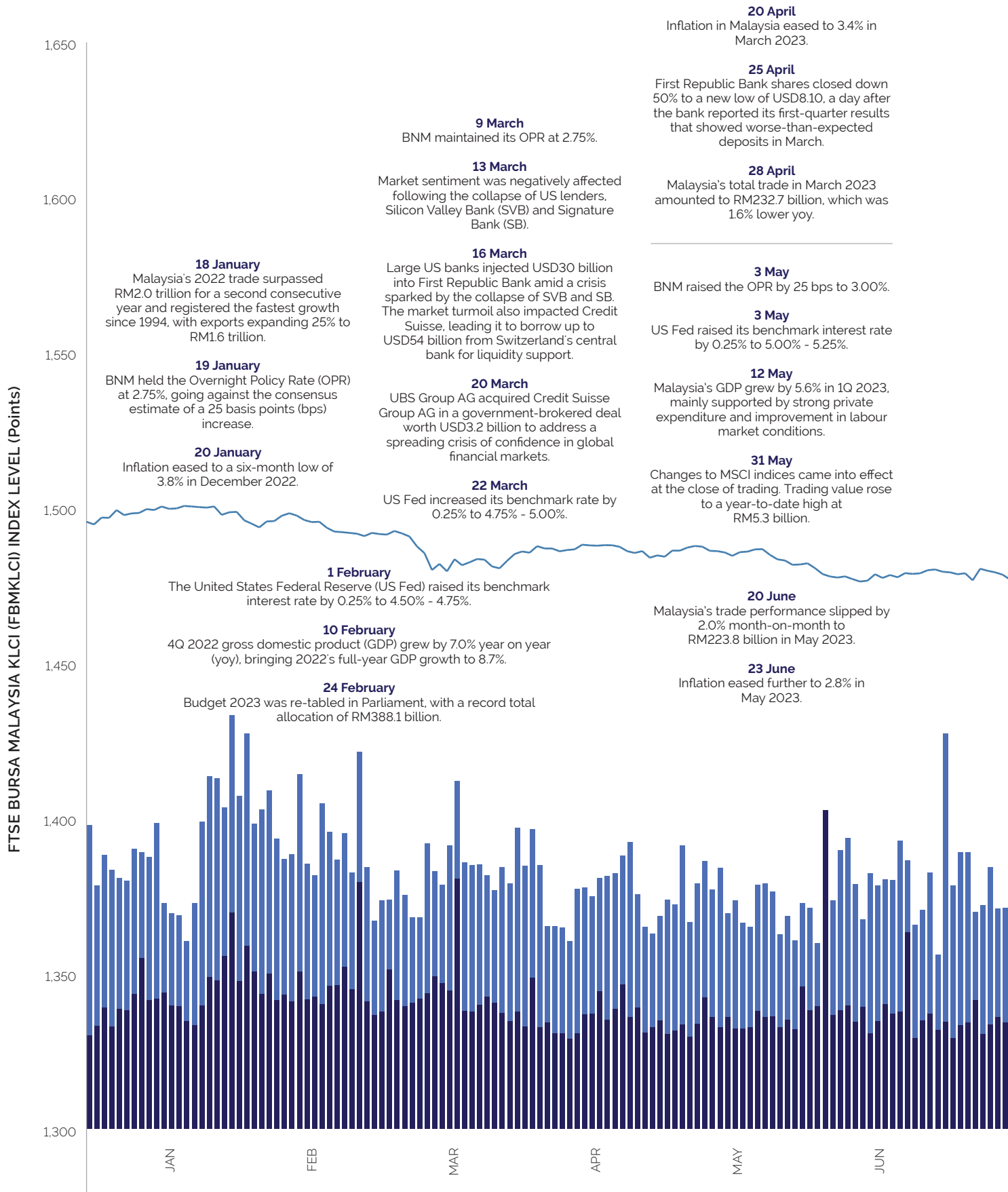
Key Risks Impacted:

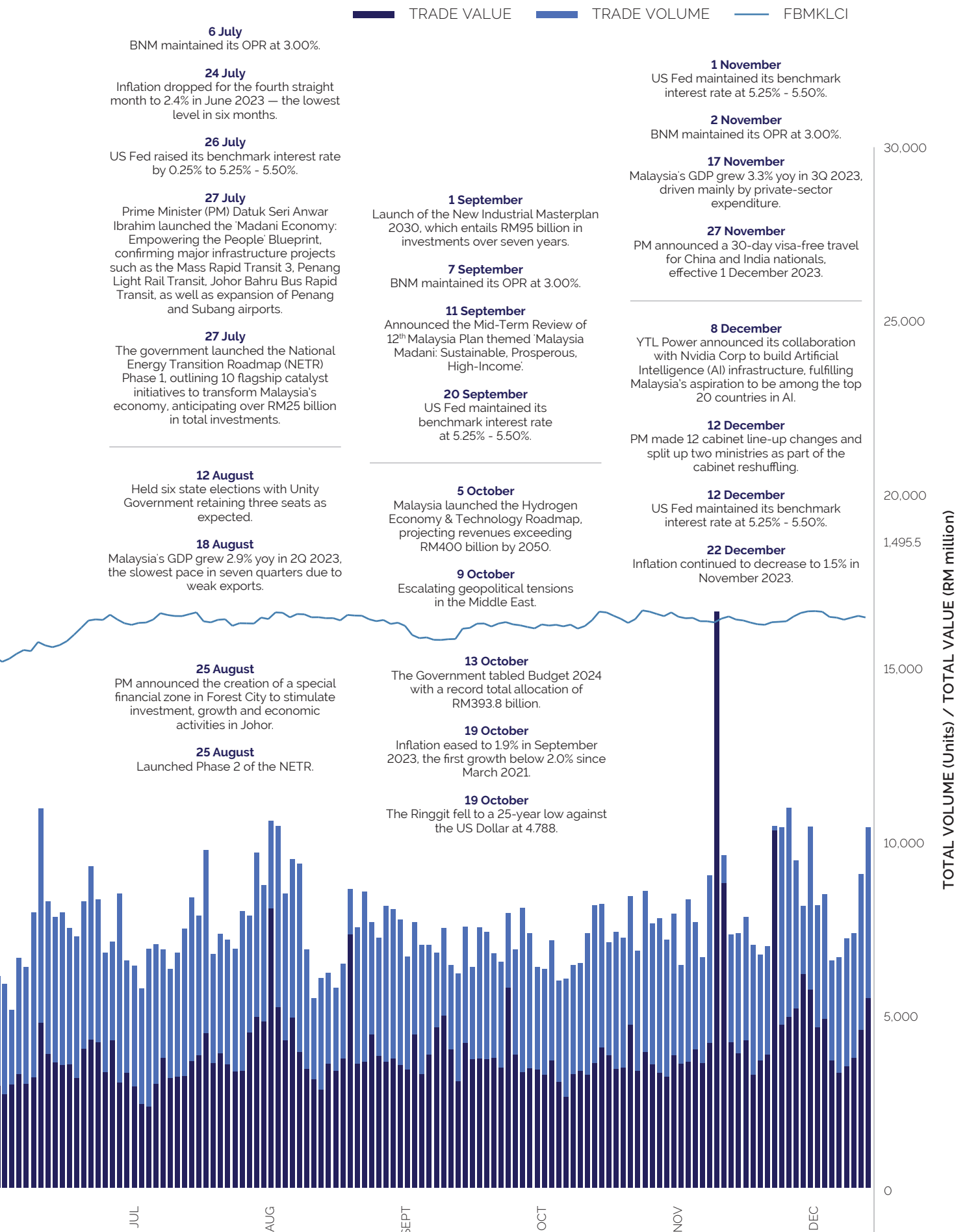


Capitals Impacted:



Overall Market Performance





Market Highlights

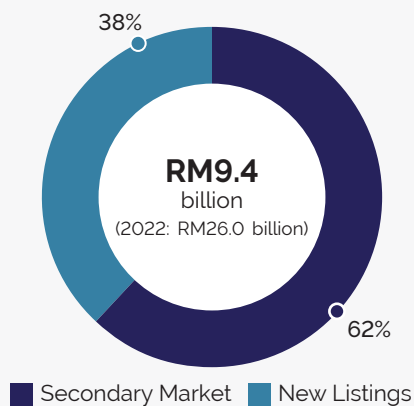
| | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|-----------|-----------|-----------|-----------|------------------|
| SECURITIES MARKET | | | | | |
| FBMKLCI | 1,588.76 | 1,627.21 | 1,567.53 | 1,495.49 | 1,454.66 |
| Total Market Capitalisation (RM billion) | 1,712 | 1,817 | 1,789 | 1,736 | 1,796 |
| Velocity (%) | 28 | 64 | 49 | 30 | 29 |
| Average Daily Trading Volume - OMT & DBT (million shares) | 2,677 | 7,483 | 5,850 | 3,001 | 3,555 |
| Average Daily Trading Volume - OMT (million shares) | 2,515 | 7,323 | 5,711 | 2,834 | 3,257 |
| Average Daily Trading Value - OMT & DBT (RM million) | 2,153 | 4,306 | 3,661 | 2,185 | 2,293 |
| Average Daily Trading Value - OMT (RM million) | 1,930 | 4,210 | 3,545 | 2,068 | 2,056 |
| Total Trading Volume - OMT & DBT (billion shares) | 653 | 1,856 | 1,433 | 729 | 867 |
| Total Trading Value - OMT & DBT (RM billion) | 525 | 1,068 | 897 | 531 | 559 |
| Total Funds Raised (RM billion) | 6.5 | 10.0 | 17.1 | 26.0 | 9.4 |
| Total Listed Counters | 1,971 | 2,121 | 2,290 | 2,255 | 2,260 |
| No. of PLCs | 929 | 936 | 949 | 972 | 995 |
| – No. of New Listings | 30 | 19 | 29 | 34 | 32 |
| – No. of Delistings | 16 | 12 | 16 | 11 | 9 |
| No. of Listed REITs* | 18 | 18 | 18 | 19 | 19 |
| – No. of New Listings - REITs | – | – | 1 | 1 | – |
| – No. of Delistings - REITs | – | – | 1 | – | – |
| No. of Listed ETFs | 16 | 20 | 20 | 20 | 16 |
| – No. of New Listings - ETFs | 6 | 4 | 1 | – | – |
| No. of Listed Structured Warrants | 724 | 891 | 1,008 | 966 | 977 |
| – No. of New Listings - Structured Warrants | 1,105 | 1,208 | 1,451 | 1,447 | 1,497 |
| No. of Rights and Bonus Issue | 33 | 39 | 91 | 35 | 63 |
| No. of New CDS Accounts Opened (Yearly) | 159,333 | 423,264 | 344,542 | 168,696 | 156,254 |
| Total CDS Accounts (million) | 2.5 | 2.8 | 3.0 | 3.1 | 3.1 |
| No. of Trading Days | 244 | 248 | 245 | 243 | 244 |
| No. of Participating Organisations of Bursa Malaysia Securities | 29 | 29 | 30 | 30 | 29 |
| DERIVATIVES MARKET | | | | | |
| Open Interest as at 31 December | 283,014 | 206,837 | 253,742 | 234,490 | 254,357 |
| • Crude Palm Oil Futures (FCPO) | 228,997 | 165,594 | 208,681 | 200,198 | 214,704 |
| • FBMKLCI Futures (FKLI) | 28,786 | 26,493 | 28,926 | 23,959 | 36,383 |
| • Others | 25,231 | 14,750 | 16,135 | 10,333 | 3,270 |
| No. of Contracts traded | | | | | |
| • FCPO (million) | 10.7 | 14.6 | 15.6 | 16.2 | 14.8 |
| • FKLI (million) | 2.3 | 3.5 | 2.7 | 2.8 | 2.9 |
| • Options on FCPO | 53,100 | 63,626 | 95,205 | 36,501 | 24,460 |
| • Options on FKLI | 13,243 | 8,873 | 6,929 | 5,350 | 10,030 |
| • Other Products (FGLD, FEPO, FCNH, F4GM) | 458,628 | 57,189 | 8,111 | 8,887 | 18,385 |
| Average Daily Contracts Traded | 55,372 | 73,523 | 75,178 | 78,621 | 72,896 |
| Total Contracts Traded (million) | 13.5 | 18.2 | 18.4 | 19.1 | 17.8 |
| No. of Trading Participants of Bursa Malaysia Derivatives | 17 | 17 | 16 | 16 | 15 |
| ISLAMIC MARKETS | | | | | |
| FBM Hijrah Shariah | 13,212.58 | 14,340.56 | 12,835.55 | 11,908.79 | 11,783.61 |
| Shariah Market Capitalisation (RM billion) | 1,116 | 1,257 | 1,221 | 1,156 | 1,174 |
| Shariah Velocity (%) | 28 | 72 | 56 | 32 | 31 |
| Shariah Average Daily Trading Value - OMT (RM million) | 1,237 | 3,237 | 2,801 | 1,470 | 1,416 |
| Shariah Average Daily Trading Value - OMT & DBT (RM million) | 1,397 | 3,313 | 2,874 | 1,539 | 1,598 |
| Shariah-compliant PLCs | 714 | 742 | 750 | 789 | 811 |
| % of Shariah-compliant PLCs | 77 | 79 | 79 | 81 | 82 |
| % of Shariah-compliant Securities | 75 | 77 | 77 | 79 | 80 |
| % of Shariah-compliant (by Market Capitalisation) | | | | | |
| • PLCs | 67 | 71 | 70 | 68 | 68 |
| • ETFs | 25 | 25 | 20 | 19 | 18 |
| • REITs | 42 | 43 | 42 | 43 | 43 |
| No. of ETBS | 4 | 4 | 3 | 3 | 2 |
| No. of Sukuk Programmes on Bursa Malaysia Securities | | | | | |
| • Corporate | 23 | 20 | 19 | 19 | 18 |
| • Government | – | 2 | 2 | 2 | 2 |
| Value of Sukuk Programmes (USD billion) | | | | | |
| • Corporate | 54.6 | 55.9 | 51.8 | 51.0 | 53.6 |
| • Government# | – | – | – | – | – |
| Value of Sukuk Listing (USD billion) | | | | | |
| • Corporate | 32.8 | 30.9 | 29.0 | 26.8 | 22.62 |
| • Government | – | 93.3 | 101.5 | 107.4 | 114.9 |
| Bursa Suq Al-Sila' (BSAS): | | | | | |
| • Average Daily Value Commodity Traded (RM billion) | 30.6 | 32.9 | 37.3 | 45.6 | 45.1 |
| • Total Accumulated Commodity Trade Value (RM billion) | 7,455.7 | 8,167.5 | 9,133.5 | 11,079.4 | 11,009.5 |
| • Total No. of Matched Contracts | 300,301 | 1,386,891 | 1,994,408 | 3,100,196 | 3,683,557 |
| No. of BSAS Registered Participants | | | | | |
| Total | 222 | 264 | 299 | 325 | 354 |
| – Domestic | 173 | 208 | 235 | 253 | 276 |
| – Foreign | 49 | 56 | 64 | 72 | 78 |

*Including one Stapled Securities

#No specified programme value for Malaysian Government Investment Issues

SECURITIES MARKET

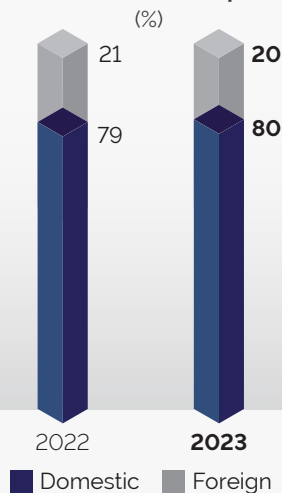
Funds Raised from New Listings and Secondary Market



Market Capitalisation

RM1,796 billion
(2022: RM1,736 billion)

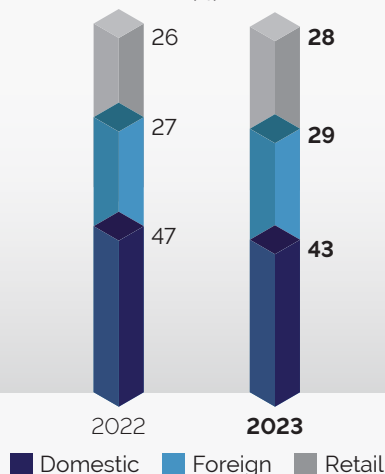
Share Ownership (%)



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

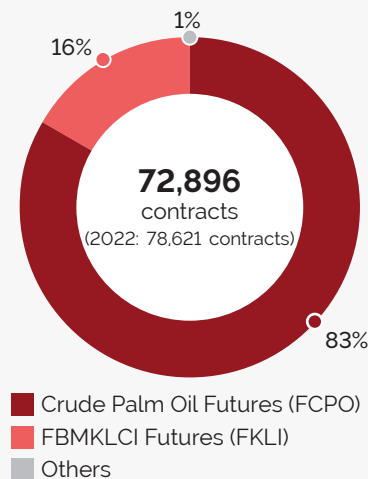
RM2.1 billion
(2022: RM2.1 billion)

Market Demographics (%)



DERIVATIVES MARKET

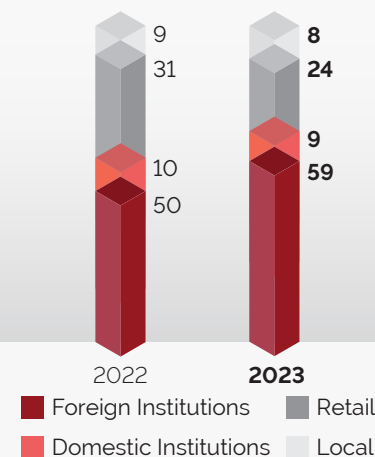
Average Daily Contracts



FCPO Total Contracts Traded

14.8 million
(2022: 16.2 million)

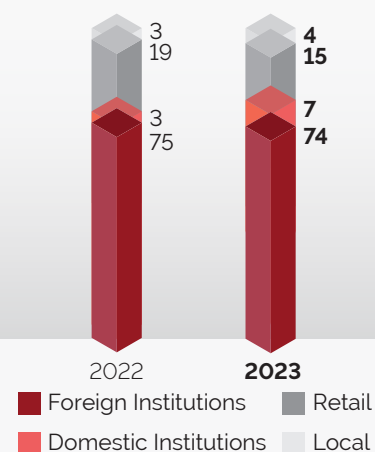
Market Demographics (%)



FKLI Total Contracts Traded

2.9 million
(2022: 2.8 million)

Market Demographics (%)

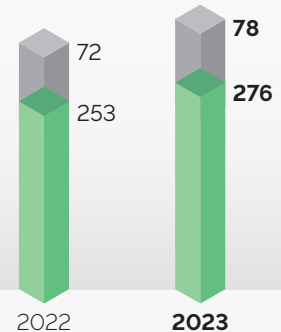


ISLAMIC MARKETS

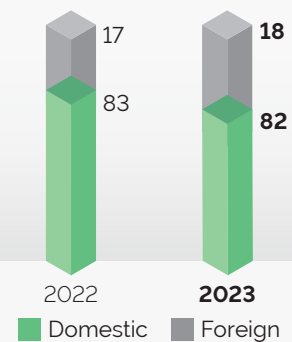
BSAS ADV

RM45.1 billion
(2022: RM45.6 billion)

No. of BSAS Registered Participants



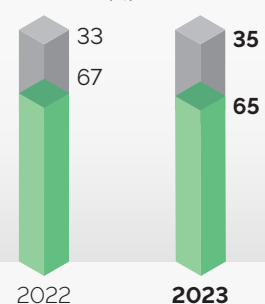
BSAS Market Demography (%)



No. of Shariah-compliant Securities

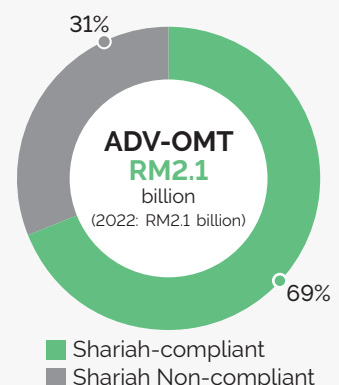
824
(2022: 803)

Market Capitalisation (%)



Shariah ADV-OMT

RM1.4 billion
(2022: RM1.5 billion)



Our Performance

Five-Year Highlights

| | 2019 | 2020 | 2021 | 2022 | 2023 |
|---|---------|---------|---------|---------|----------------|
| Key Operating Results (RM million) | | | | | |
| Operating revenue | 480.1 | 778.8 | 751.6 | 585.3 | 592.8 |
| Operating expenses | 246.2 | 291.8 | 288.6 | 292.7 | 294.5 |
| Earnings before interest, tax, zakat, depreciation and amortisation | 254.7 | 508.4 | 485.1 | 319.5 | 331.6 |
| Profit after tax, zakat and minority interest (PATAMI) | 185.9 | 377.7 | 355.3 | 226.6 | 252.4 |
| Other Key Data (RM million) | | | | | |
| Total assets | 2,321.0 | 3,232.9 | 4,342.0 | 4,244.5 | 3,282.0 |
| Total liabilities | 1,560.2 | 2,332.1 | 3,524.9 | 3,457.7 | 2,457.4 |
| Shareholders' equity | 760.8 | 900.8 | 817.1 | 784.3 | 823.1 |
| Capital expenditure | 19.6 | 14.2 | 37.2 | 59.4 | 39.7 |
| Financial Ratios (%) | | | | | |
| Operating revenue growth | (8.2) | 62.2 | (3.5) | (22.1) | 1.3 |
| Cost to income | 49.1 | 36.6 | 37.7 | 48.6 | 47.9 |
| Net profit margin | 37.7 | 47.3 | 46.3 | 37.6 | 40.8 |
| PATAMI growth | (17.0) | 103.2 | (6.0) | (36.2) | 11.4 |
| Return on equity | 22.7 | 45.5 | 41.4 | 28.3 | 31.4 |
| Share Information | | | | | |
| Earnings per share (sen) | 23.0 | 46.7 | 43.9 | 28.0 | 31.2 |
| Net dividends per share (sen) | 20.8 | 51.0 | 41.0 | 26.5 | 29.0 |
| Dividend yield (%) | 3.4 | 6.1 | 6.3 | 4.0 | 4.2 |
| Payout ratio (%) | 90.5 | 92.1 | 93.4 | 94.7 | 93.0 |
| Net assets per share (RM) | 0.94 | 1.11 | 1.01 | 0.97 | 1.02 |
| Share price - high (RM) | 7.41 | 10.60 | 9.38 | 7.15 | 6.95 |
| Share price - low (RM) | 5.92 | 4.42 | 6.17 | 6.00 | 6.17 |
| Share price as at 31 December (RM) | 6.09 | 8.30 | 6.55 | 6.65 | 6.91 |
| Price earnings ratio (times) | 26 | 18 | 15 | 24 | 22 |
| Market capitalisation of the Company (RM billion) | 4.9 | 6.7 | 5.3 | 5.4 | 5.6 |

Investor Relations

Bursa Malaysia is committed to sharing information as mandated by regulatory requirements and guided by the best investor relations (IR) practices. Our primary objective is to deliver transparent and accurate information about the Exchange, facilitating informed decision-making for shareholders and potential investors. Additionally, we aim to enable stakeholders to effectively assess our performance. We strongly advocate for a systematic approach in our communications to benefit both Bursa Malaysia and our stakeholders.

ANNUAL GENERAL MEETING (AGM)

1 March 2023

Notice of Bursa Malaysia's 46th AGM

30 March 2023

AGM (held virtually)

QUARTERLY FINANCIAL RESULTS AND ANALYST BRIEFINGS

31 January 2023

FY2022 Results Announcement and Analyst Briefing

31 July 2023

1H2023 Results Announcement and Analyst Briefing

3 May 2023

1Q2023 Results Announcement

31 October 2023

3Q2023 Results Announcement

Investor Engagements



Meetings with
Investors
and Analysts

We conduct regular investor engagements as part of our external communications and IR programmes. Our primary goal in these engagements with our shareholders is to ensure effective communication and transparency by providing updates on our performance and developments, while also soliciting valuable feedback. Investment community views are communicated regularly to the Board, including sell-side consensus rating and target price for Bursa Malaysia shares and summaries of questions and feedback from investors and analysts. In 2023, we conducted 158 meetings with 183 participants, compared to 151 meetings involving 216 participants in 2022.



IR Portal on Bursa
Malaysia's Website

We publish our press releases, financial results, presentation materials for investor and analyst briefings, and meeting recordings on the Bursa Malaysia website.

Through our online platform, stakeholders are able to communicate directly with Bursa Malaysia via email or phone, or subscribe to our mailing list to receive alerts on new developments at the Exchange.



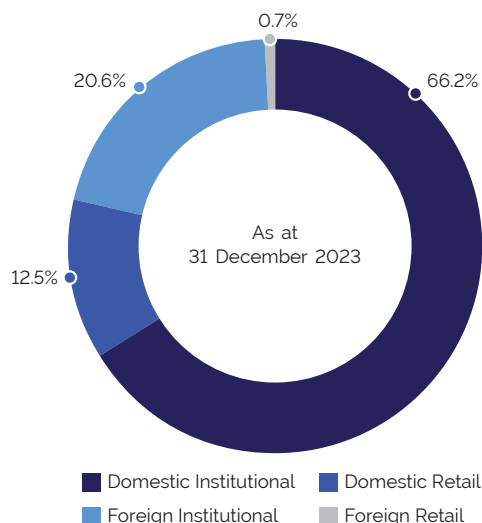
Feedback

We invite comments and constructive feedback from investors and other stakeholders. We will periodically solicit input from our primary stakeholders to help us assess external opinions of Bursa Malaysia's performance. This may involve the use of questionnaires, interviews, or discussions during stakeholder meetings. External perspectives are sought for operational and performance matters, as well as on governance and strategy issues.

Shareholdings and Coverage

Bursa Malaysia's free float of 81.4% represents a healthy level of liquidity. As at 31 December 2023, we had a total of 34,996 shareholders.

Shareholdings Mix



Shareholdings Structure

As at 31 December 2023

| Number of Shares | % of Malaysians | % of Foreigners |
|------------------|-----------------|-----------------|
| 1 – 99 | <0.1 | <0.1 |
| 100 – 1,000 | 0.9 | <0.1 |
| 1,001 – 10,000 | 8.4 | 0.2 |
| 10,001 – 100,000 | 11.6 | 1.0 |
| 100,001 – < 5% | 25.1 | 12.0 |
| > 5% | 40.7 | <0.1 |

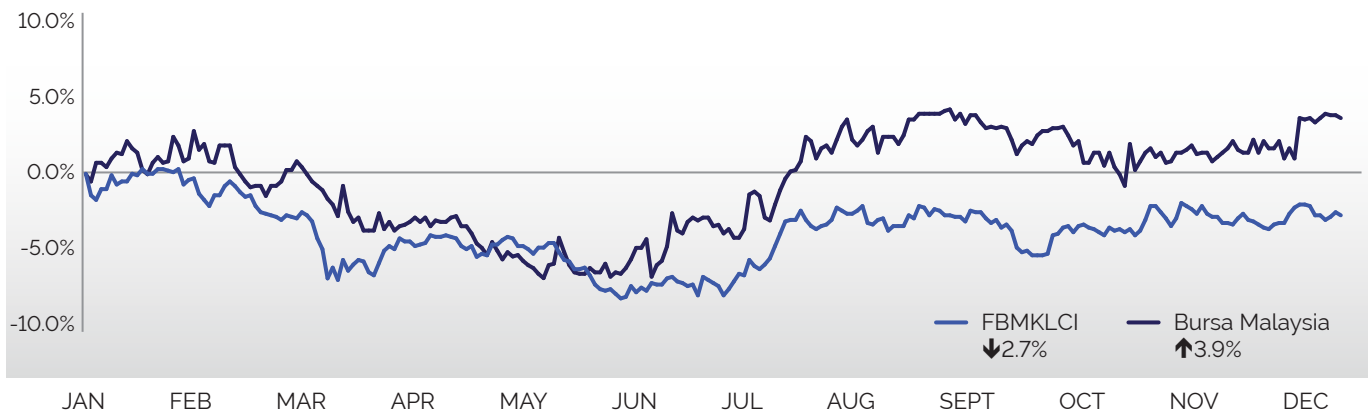
Investor Relations

Analyst Coverage List

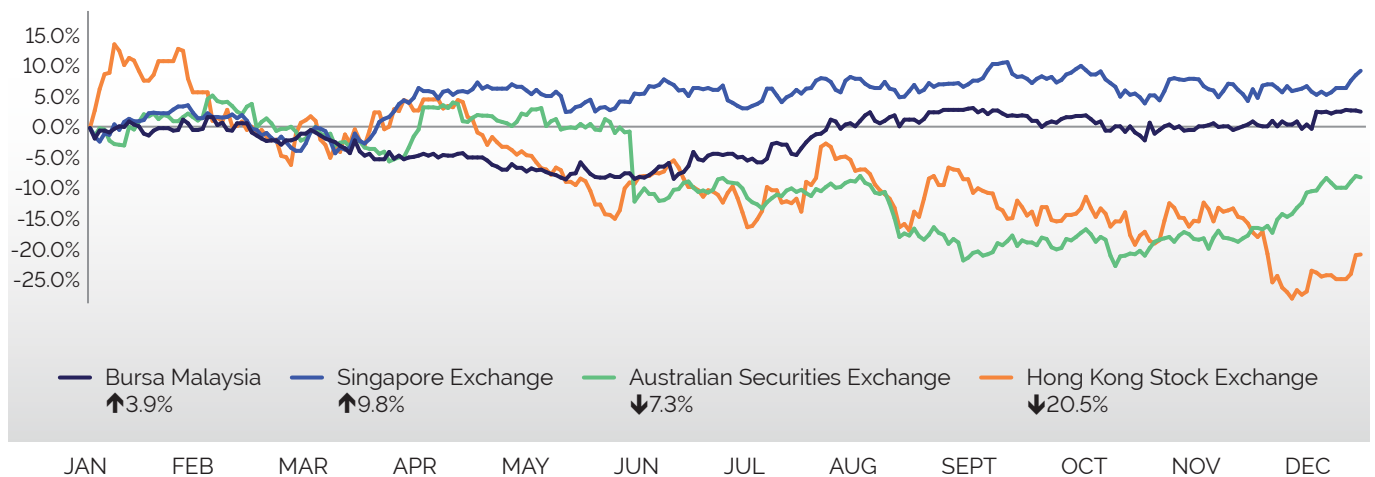
| | |
|------------------------------------|--|
| Affin Hwang Investment Bank Berhad | Macquarie Capital Securities (M) Sdn Bhd |
| AllianceDBS Research Sdn Bhd | Maybank Investment Bank Berhad |
| AmInvestment Bank Berhad | MIDF Amanah Investment Bank Berhad |
| CGS-CIMB Securities Sdn Bhd | Nomura Asset Management Malaysia Sdn Bhd |
| Citibank Berhad | RHB Investment Bank Berhad |
| CLSA Securities Malaysia Sdn Bhd | TA Securities Holdings Berhad |
| Hong Leong Investment Bank Berhad | UBS Securities Malaysia Sdn Bhd |
| KAF Equities Sdn Bhd | UOB Kay Hian Securities (M) Sdn Bhd |
| | Kenanga Investment Bank Berhad |

Share Price Performance

Bursa Malaysia's share price performance in 2023 vs. FTSE Bursa Malaysia KLCI (FBMKLCI) Index

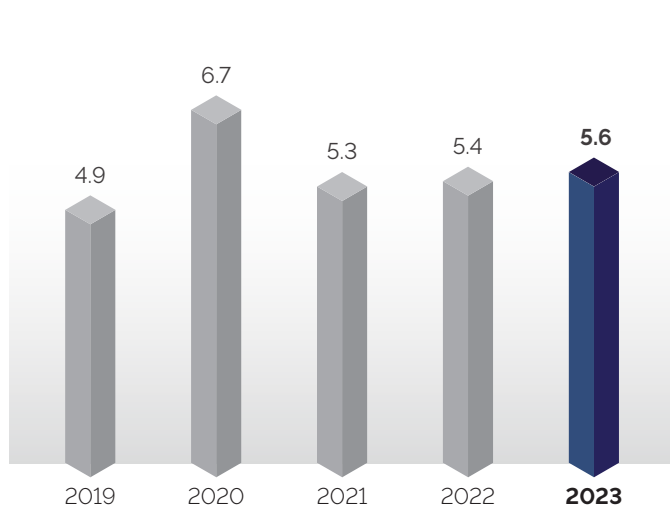


Bursa Malaysia's share price performance in 2023 vs. listed peers

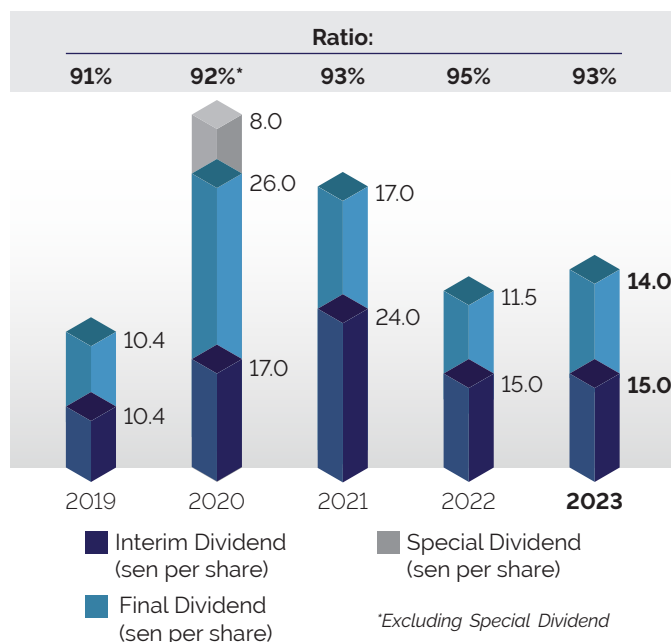


Bursa Malaysia's share price rose 3.9% yoy in 2023 after closing at RM6.91 on 29 December 2023. During the year, it hit a high of RM6.95 in the first week of September, while the low was recorded at RM6.17 on 17 May 2023.











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



Dividend Payout



Peer Comparison

| Benchmark Index |  FTSE Bursa Malaysia KLCI (FBMKLCI) |  Philippines Stock Exchange Index (PSEi) |  Straits Times Index (STI) |  Stock Exchange of Thailand Index (SET) |  Jakarta Stock Exchange Composite Index (JCI) |
|------------------------------------|--|---|---|--|--|
| Index Level as at 30 December 2022 | 1,495.5 | 6,566.4 | 3,251.3 | 1,668.7 | 6,850.6 |
| Index Level as at 29 December 2023 | 1,454.7 | 6,450.0 | 3,240.3 | 1,415.9 | 7,272.8 |
| Movement from 2022 | 2.7%  | 1.8%  | 0.3%  | 15.2%  | 6.2%  |
| FY2023 Index Dividend Yield | 4.3% | 2.7% | 5.0% | 3.1% | 4.1% |

Source: Bloomberg

04

Management Discussion and Analysis

Strategic Review

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Strategic Review

Operating Environment

International Landscape

The year under review was challenging, marked by shrinking growth and ongoing geopolitical tensions. One of the key contributors to slowing global growth was the tightening of monetary policy to cap rising inflation. While the policy decisions helped stabilise prices, economic growth slowed considerably as a result. Further contributing to the challenges were the uncertainties and trade disruptions stemming from the ongoing Russia-Ukraine conflict, which continued throughout 2023 and were exacerbated by the outbreak of hostilities in the Middle East towards the end of 2023.

As a result of these developments, global growth is expected to moderate substantially to a projected 2.6% in 2023 from 3.0% in 2022.¹ Slowing growth is expected to carry through to 2024, with the World Bank projecting global growth at 2.4%, representing the third consecutive year of contracting economic growth. While conditions in emerging markets and developing economies (EMDEs) are expected to improve, they will face significant challenges, particularly in coping with elevated financing costs due to higher interest rates and commodity price fluctuations.

Malaysian Landscape

The Malaysian economy registered a relatively better performance with Bank Negara Malaysia (BNM) stating that the economy expanded by 3.7% in 2023 (2022: 8.7%). Growth was mainly driven by the continuing recovery in economic activity and labour market conditions. However, the Ringgit and exports remained weak, reflecting the moderation of external demand. The Ministry of Finance projects Malaysia's economy to grow between 4% and 5% in 2024, supported by continued improvements in parts of the economy and the progress of multi-year mega projects. Stimulus initiatives contained within the Malaysian Budget 2024 and catalytic measures under national roadmaps and policies including the National Energy Transition Roadmap and the New Industrial Master Plan 2030 are also expected to bolster the domestic economy further. However, this outlook may change because of downside risks including the possibility of weaker-than-expected external demand and larger and more protracted declines in commodity production.

Impact On Our Markets

Slowing global economic growth and macroeconomic volatility significantly constrained the investment appetite of Bursa Malaysia's investors. Tightening monetary policy coupled with uncertainty arising from geopolitical conflicts disrupted global supply chains and dampened investor demand for both conventional and Shariah-compliant equities.

Although trading sentiment was buoyed in the second half of the year following the announcement of key policies by the Malaysian government, market performance fell overall in 2023 compared against the previous year. This was evident from the Average Daily Trading Value (ADV) on-market transactions for 2023 which fell to RM2.06 billion (2022: RM2.07 billion) and the FTSE Bursa Malaysia KLCI (FBMKLCI), which closed the year lower at 1,454.66 points (2022: 1,495.49 points).

In terms of market participation, ADV for foreign institutional investors, who ended the year as net sellers, improved 29.2% (2022: 26.8%). Meanwhile, local institutional investors ended the year with a net buy of RM3.2 billion with a lower ADV of RM890.7 million, down 7.7% from RM964.6 million in 2022. Retail investors similarly moderated their trading in securities in 2023, moving towards instruments perceived as safe havens, such as fixed deposits and other interest-bearing instruments. Retail investment appetite was suppressed by the uncertain operating environment, and retail investors ended the year as net sellers to the tune of RM971 million. Retail ADV rose 2.9% to RM566 million from RM550 million in 2022. The softer market also led to fewer companies opting for initial public offerings (IPOs), with 32 companies going for listing in 2023 compared to 35 in 2022.

The volatility in the Securities Market boosted trading of the FTSE Bursa Malaysia KLCI Futures (FKLI), which tracks the movement of the FBMKLCI. As a result of the fluctuations in the Securities Market, the FKLI recorded an all-time daily trading volume high of 73,056 contracts and open interest of 74,778 contracts on 27 October 2023.

Meanwhile, crude palm oil futures (FCPO) trading cooled in 2023 as the supply of crude palm oil (CPO) recovered following a year of uncertain supply and shortages. The supply of non-palm edible oils had stabilised after the resolution of several concerns that arose in the previous year, such as worries over an edible oils shortage due to the Russia-Ukraine war and Indonesia's short-lived ban on palm oil exports. According to data from the Malaysia Palm Oil Board, the average CPO price in 2023 fell between RM3,800 and RM3,900 per tonne, down approximately 23% from the average price of RM5,100 per tonne in the previous year.

As for Bursa Malaysia's Islamic capital market, we saw an increase in the number of local and foreign participants on Bursa Suq Al-Sila'. Despite the increase in the number of participants, ADV declined slightly to RM45.1 billion (2022: RM45.6 billion) in tandem with the general slowdown of economic activity.

¹ Source: Global Economic Prospects, World Bank (January 2024)

Strategic Review

Market Trends and Approaches

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

Bursa Malaysia ensured that its outcomes continued to make meaningful contributions to the United Nations Sustainable Development Goals (UN SDGs), particularly in those that have the greatest relevance for us. We are aware of the warning issued in the UN SDGs Report 2023, which said that the COVID-19 pandemic had substantially stalled or regressed achievements in key areas, and called for immediate collective action.

Bursa Malaysia has responded positively to this call for substantive improvements, and we have delivered initiatives to strengthen sustainability in our organisation and marketplace. One key initiative is the implementation of our enhanced sustainability reporting framework (ESRF) which mandates greater transparency and accountability from our listed issuers in relation to their sustainability practices.

We have also taken greater leadership role by chairing the sub-committee responsible for disclosure requirements at the national-level Advisory Committee on Sustainability Reporting (ACSR). The ACSR is responsible for developing Malaysia's National Sustainability Reporting Framework (NSRF), which implements the IFRS Sustainability Disclosure Standards (ISSB Standards) in Malaysia, as well as create a robust assurance framework for sustainability information.

Additionally, as Chair of the Joint Committee on Climate Change (JC3) Sub-committee 2, Bursa Malaysia is contributing to the development of the Simplified ESG Disclosure Guide (SEDG) for small and medium enterprises (SMEs) to ensure that SMEs are not left behind in this charge on sustainability. Through these activities, we aim to advance the nation's and our own SDGs.

Our Approach

Implemented the first phase of the enhanced sustainability-related disclosures introduced in 2022 for Main Market's public listed companies (PLCs) under the ESRF.

Introduced a new mandatory onboarding programme on sustainability for directors under the Mandatory Accreditation Programme.

Developed and raised awareness about the FTSE4Good Bursa Malaysia (F4GBM) index in collaboration with FTSE Russell, financial institutions and financiers.

Expanded and enhanced our array of ESG tools and services to better support PLCs in their sustainability journey. Examples include the Illustrative Sustainability Report, Sustainability Explainer Video Series, ESG Reporting Platform and Centralised Sustainability Intelligence (CSI) Platform.

Established and enhanced the Bursa Carbon Exchange (BCX) to support carbon-offset efforts by facilitating the listing and trading of carbon credits, accelerating Malaysia's transition to a low-carbon economy.

Released the Voluntary Carbon Market (VCM) Handbook and the VCM Directory to support the development of carbon projects in Malaysia by providing relevant information and contacts to interested parties.

INCREASING COMPETITION FROM FINTECH AND PEER EXCHANGES

Competition in the financial technology (fintech) sector has intensified with start-up fintech platforms threatening the sustainability of traditional exchanges, including Bursa Malaysia. Fintech platforms offer a wide range of services – from funding and trading, to wealth management, not to mention convenient access to global markets – at attractive prices. Primarily spearheaded by startup ventures, these platforms have been competing aggressively for market share to gain a stronger foothold in the financial services sector.

In response, Bursa Malaysia, as well as other traditional peer exchanges, have stepped up efforts to innovate and offer fintech solutions on par with, if not better, than those provided by fintech platforms. Bursa Malaysia, specifically, is developing itself to be the preferred fundraising and investing destination in the region through sustained market development, and by capitalising on our leadership position in niche areas, including Islamic capital markets and palm oil derivatives trading. We are also leveraging our track record on efficiency, reliability and investor protection as a key selling point for our marketplace.

Our Approach

Introduced enhancements to boost the attractiveness of the Exchange as a listing platform such as enabling the transfer of eligible LEAP Market-listed companies to the ACE Market.

Expanded our derivatives offerings such as the Mini USD/CNH Futures (FCNH), to increase the universe of tradeable assets and create new hedging opportunities for participants.

Continuous expansion and development of our product and service offerings such as Commodity Futures Structured Warrants, listed Real Estate Investment Trusts and Exchange-Traded Funds with *waqf* feature.

Launched BR Capital, a new fundraising platform which provides financing primarily for listed and unlisted small- to mid-sized companies, as well as new opportunities for investors.

Introduced new solutions for the capital market, such as Bursa Connectivity Services that allows global users quick and seamless access to market data.

Strategic Review

Market Trends and Approaches

NEW TECHNOLOGIES AND CYBER SECURITY

Technology and digitalisation have transformed the operations of capital markets and investor interactions within the marketplace. New technological innovations are facilitating convenient access to new asset classes and markets, while the fundamental operations of markets are shifting due to the integration of automation and data analytics. Consequently, Bursa Malaysia must stay abreast of technological advancement and ensure continuous adaptation to sustain market participation and operational efficiency.

The development of technology and its increasing usage in all aspects of life and business have seen a corresponding rise in cyber security risks and threats. In the context of capital markets, these risks have been further exacerbated by the growing number of retail investors who are engaging with the marketplace through digital channels. While this trend is a positive development for the marketplace, it places greater responsibility on both Bursa Malaysia and investors to ensure that personal data always remains secure.

Our Approach

Improved our cyber security posture in line with our Cyber Security Strategy Roadmap 2021-2023, which entails the following:

- ISO27001 – Information Security Management System re-certification audit for all critical services in November 2023
- Bug Bounty programme to identify weaknesses and vulnerabilities in Bursa Malaysia's public-facing websites
- Implementation of the Automation or Robotic Process Automation Identity and Access Management (IAM) Phase 2 initiative to improve the provisioning of User-Accounts and privilege access
- Initiation of the Self-Service Source Code scanning solution to help developers identify and remedy vulnerabilities at the early stage of the development
- Application Programming Interface (API) Security Solution for web applications to mitigate API-related attacks
- Vulnerability assessment and penetration testing on all critical and public-facing applications and systems
- Improved data leakage prevention to enhance Bursa Malaysia's ability to prevent the leakage of confidential information
- Conducted Capital Market Cyber Drill and internal cyber drill to identify gaps in security controls, technology capabilities, and incident response and escalation processes

Implemented technology upgrades in line with our technology modernisation plan to facilitate more efficient operations and security. Initiatives implemented in 2023 include:

- Refreshed our load balancer to ensure more reliable performance from our wide area network (WAN) server to support critical applications
- Upgraded our Windows server, bringing the technology stack up to date in order to mitigate security risks and ensure continued support
- Installed the Network Time Protocol to improve the performance, reliability and stability of the network time server
- Centralised all related IT service management under a single enterprise service management system to ensure better performance, reliability and stability
- Migrated our Corporate Announcement Browser and Gateway to the cloud to reduce system downtime and improve systems availability
- Upgraded the Enterprise Management and Monitoring System to ensure sustainable performance with the addition of new features and capabilities
- Improved our application monitoring and support capabilities to enable faster detection and resolution of issues and allow for greater insights into application performance
- Implemented improvements to the overall architecture of the Equity Post Trade system to ensure higher availability, resilience and operational efficiency

Strategic Review

Material Matters

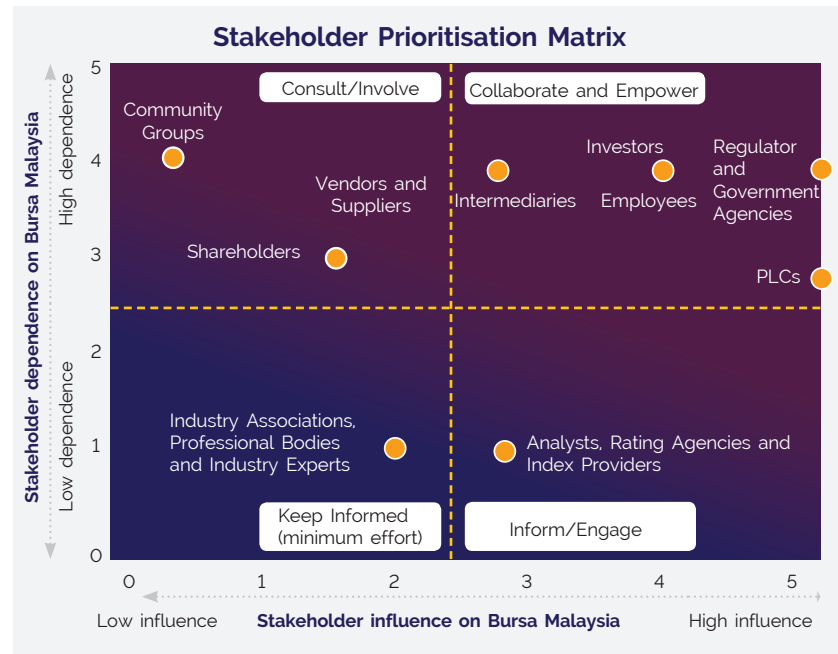
Bursa Malaysia's strategy and decisions are shaped by our Material Matters. These are issues that significantly impact our ability to deliver sustainable value. By focusing on our Material Matters, we are able to create long-lasting impacts on businesses, society and the environment as a whole.

SUMMARY OF STAKEHOLDER PRIORITISATION MATRIX

Bursa Malaysia communicates with stakeholders through several channels to discover their concerns and explore solutions. Stakeholder feedback is important for our disclosure and reporting practices and guides our materiality evaluation.

Stakeholder involvement underpins our sustainability journey as it evolves. We acknowledge that our success depends on the views and perspectives of those who support our mission, use our services and share our vision for a responsible future.

In 2023, we conducted a materiality survey for internal and external stakeholders, receiving 579 responses and conducting internal sessions and three focus group talks. Stakeholders evaluated Bursa Malaysia's 14 current Material Matters and nine proposed updated matters based on feedback from engagement sessions.



By assessing stakeholder groups' impact and dependencies, we determined their relevance and weighted them in the materiality matrix. Prioritising stakeholders and indicating their importance to Bursa Malaysia helps us grasp critical sustainability matters.

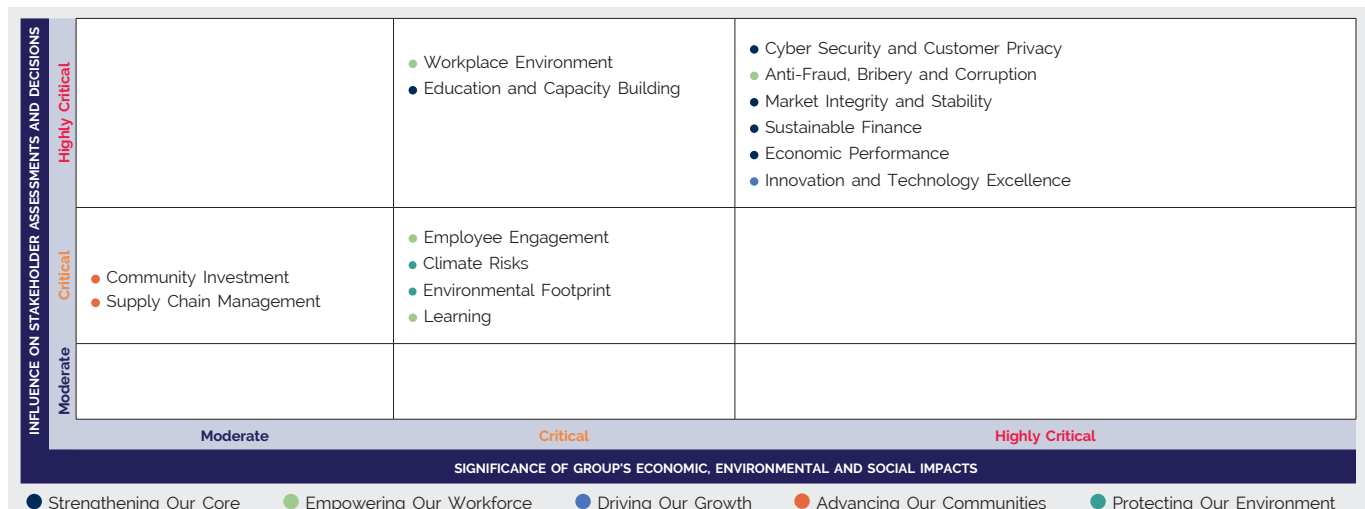
MATERIALITY ASSESSMENT

Our materiality assessment process determines the ESG issues that are important to our stakeholders and business. Given the comprehensive assessment undertaken by the Exchange in 2020, an online survey was conducted to validate the 14 Material Matters in the preparation of Bursa Malaysia's IAR 2023 and SR 2023.

The survey results were plotted on a materiality matrix by materiality and relevancy to determine Material Matters priority. The Management Committee as well as the Sustainability and Development Committee validated the survey results before they were approved by the Board of Directors.

The materiality matrix shows that six Material Matters in the upper right quadrant are particularly important for stakeholder evaluations and decisions, and the significance of Bursa Malaysia's economic, environmental and social impact.

Overall, a similar trend was observed in 2023, with few changes from 2022.



Strategic Review

Key Risks and Opportunities

Bursa Malaysia operates at a point of confluence where various factors meet to result in a highly dynamic and sometimes volatile operating environment. The Exchange is thus exposed to a wide range of risks which may affect the sustainability of the organisation as well as the marketplace. For Bursa Malaysia to effectively perform its role as the market regulator and operator, we need to anticipate and adapt effectively to changes in market conditions.

The Exchange has a robust risk management system in place that enables us to anticipate and manage emergent risks and opportunities, thereby securing market integrity and stability, in addition to fulfilling our commitment of creating opportunities and value for our stakeholders. Effective risk management helps us avoid pitfalls and positions us better to seize any opportunities.

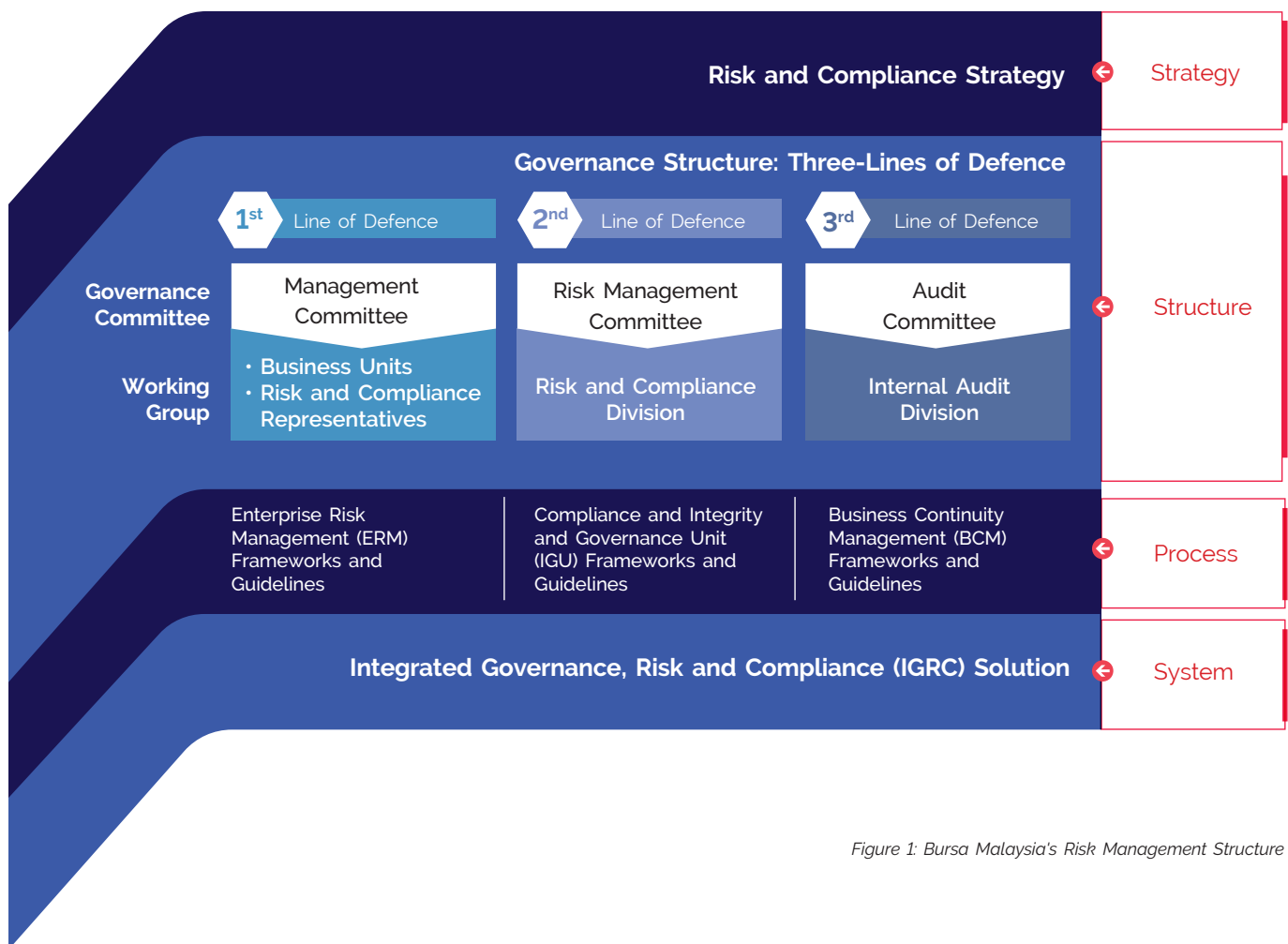


Figure 1: Bursa Malaysia's Risk Management Structure

ENTERPRISE RISK MANAGEMENT (ERM) SYSTEM

The ERM Framework encompasses the governance structure, methods and processes used to manage risks within the organisation. The framework also incorporates our risk appetite, risk tolerance and acceptable risks. The framework is supplemented by Technology and Cybersecurity Risk Management Framework, BCM Framework, Framework on Risk Management for Outsourcing Arrangements, various guidelines, and standard operating procedures that are established with reference to the latest industry standards, best practices and regulatory requirements.

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

The second and third lines of defence coordinate their efforts to ensure wider and more holistic assurance coverage of Bursa Malaysia's governance, risk management and internal control processes within Bursa Malaysia. In addition, we conduct risk identification and assessments continually to ensure all existing and new risks are adequately and effectively managed, and to capitalise on opportunities to create value.

These are carried out via enterprise risk reviews, risk control self-assessment exercise and divisional risk register reviews. We also conduct special risk assessments for high-impact projects. Additionally, the IGRC solution enables all business and functional units to promptly escalate any risks, concerns and incidents to the Risk and Compliance Division.

The Exchange's management and reporting of risks are structured and organised to align with established risk categories, as guided by the ERM Framework outlined below:



STRATEGIC RISK

Risk Evaluated

These are risks arising from strategic administration or business decisions, which may include adverse reputational effects, poor execution of business strategy, ineffective response to competition, fluctuations in macroeconomic and market activities, lack of technology or product innovation, or other business factors.

Impact on Value

- Impairing the achievement of business objectives, resulting in profit and/or revenue decline, increase in expenses or losses charged against capital
- Loss of stakeholder trust due to lack of market vibrancy, innovation or performance

Mitigation Measures

- Implementation of the Strategic Roadmap and business plan
- Innovation of existing strategies, products and services
- Regularly monitoring competition, geopolitical and macroeconomic risks
- Tracking and deliberating on changes in business performance criteria, with proactive actions taken to mitigate adverse changes
- Managing potential market disruptors and economic or investment trends
- Engaging with industry players as well as deliberating on the progress of the Strategic Roadmap and business plans by the various governance and development committees, which comprise Board members and industry representatives
- Exploring and implementing new business ventures or models as well as new technology enablers

Links to:

Capitals:



Stakeholders:



Strategy:



Material Matters:



Risk Movements: Stable

Risk Perspective

Business performance is expected to be affected by global economic underperformance or the influence of geopolitical events. At the same time, market competition is expected to increase in tandem with the growing number of alternative capital fundraising platforms, innovative products and services, and alternative investment options for investors.

Strategic Review

Key Risks and Opportunities

ESG RISK

Risk Evaluated

ESG Risk refers to the adverse consequences that Bursa Malaysia could face should it neglect its ESG responsibilities. Bursa Malaysia aspires to be the preferred marketplace for sustainable and responsible investments, with high standards of sustainability practices and disclosures.

Impact on Value

- Impairing the achievement of net zero greenhouse gas (GHG) emissions by 2050
- Perceived shortcomings in Bursa Malaysia's commitment to sustainability stemming from our inability to serve as a leading example for PLCs in the areas of ESG disclosures and initiatives

Mitigation Measures

- Monitoring and minimising our GHG emissions
- Developing internal capabilities on sustainability and enhance sustainability practices within Bursa Malaysia
- Promoting ESG standards in the marketplace by aiding PLC's ESG disclosures, enhancing ESG proficiency and leading sustainability discourse both domestically and internationally
- Introducing new ESG products and services into our marketplace

Links to:

Capitals:



Stakeholders:



Strategy:



Material Matters:



Risk Movements: Stable

Risk Perspective

ESG risk has been placed under greater focus in the global risk landscape. Local and international regulatory requirements, reporting standards, cross-jurisdictional policies and heightened calls to achieve net zero by 2050 have added pressure on organisations, including Bursa Malaysia and our PLCs, to enhance ESG practices and meet changing market sentiments, investor preferences and regulations. Managing ESG risk has gained greater importance, as has the need to improve sustainability practices. However, this has also given rise to opportunities for Bursa Malaysia to leverage its role as market influencer and regulator to encourage ESG best practices among our PLCs.

OPERATIONAL RISK

Risk Evaluated

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

Impact on Value

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

Mitigation Measures

- Conducting robust risk assessments at corporate and divisional levels
- Institutionalising key operational risk indicators
- Implementing and testing our Business Continuity and Disaster Recovery Plan
- Benchmarking Business Continuity Framework against regulatory guidelines
- Assessing and building operations recovery capabilities
- Installing physical security measures at Bursa Malaysia's premises. These measures are part of Bursa Malaysia's efforts of being designated as a 'Protected Place' by the Malaysia Office of the Chief Government Security Officer under the Protected Areas and Protected Places, 1959 (Act 298).
- Establishing and reviewing frameworks, policies, and procedures according to global best practices and standards to ensure their relevancy, adequacy and efficacy

Links to:

Capitals:



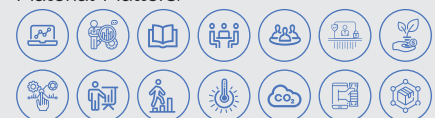
Stakeholders:



Strategy:



Material Matters:



Risk Movements: Stable

Risk Perspective

Operational risks remain relevant to Bursa Malaysia in 2024 and there are established adequate management and mitigation controls for the risks.

TECHNOLOGY AND CYBER SECURITY RISK

Risk Evaluated

Risks arising from detrimental events through the use of Information Technology platforms, systems, applications and infrastructure which could result in financial loss, disruption of business operations, or reputational harm to Bursa Malaysia.

Impact on Value

- Financial loss, disruption to business operations and/or loss of stakeholders' trust

Mitigation Measures

- Continuous strengthening of cyber security defences, including network segmentation, dedicated information security team and security tools or mechanisms
- Implementing detective, protective, response and recovery cyber security controls
- Testing of cyber security controls or defences such as penetration testing, compromise testing and social engineering testing
- Conducting independent assessment and continuous improvement of cyber security defences
- Raising cyber risk awareness and understanding of the potential threats and vulnerabilities that can affect the security and integrity of operations and data
- Establishing cyber security intelligence
- Assessing and building recovery capabilities against cyber incidents

Links to:

Capitals:



Stakeholders:



Strategy:



Material Matters:



Risk Movements: Stable

Risk Perspective

Cyber security risk is constantly evolving, with new threats and vulnerabilities being discovered regularly. However, growing emphasis on developing greater security awareness is helping mitigate potential cyber threats. Businesses are also increasingly moving their data storage over to the cloud, as well as prioritising the need to fortify cloud cyber security. Proactive mitigation of cyber security risks to reduce the overall cyber security threat will continue to be a focus for Bursa Malaysia. Developments in cyber security risk management and resilience are being continually assessed and monitored to safeguard the confidentiality, integrity, and availability of our systems and data in the face of cyber threats.

FINANCIAL RISK

Risk Evaluated

Inherent financial risks faced by exchanges due to the nature of their business. As the central counterparty (CCP) for both the securities and derivatives markets, Bursa Malaysia Securities Clearing (BMSC) and Bursa Malaysia Derivatives Clearing (BMDC) are obligated to maintain a balanced position in cleared contracts. BMSC and BMDC are therefore exposed to counterparty credit risk and liquidity risk, as well as other financial risks including market risk, custody and investment risk, settlement risk and concentration risk. In addition, as a profit-oriented entity, Bursa Malaysia is subject to financial risks that could affect the implementation of its strategic business plan.

Impact on Value

- Insufficient cash or reserves to meet financial commitments leading to lower profitability and/or increased financial losses.

Mitigation Measures

- Monitoring of the enhanced equities margin methodology
- Margining and marking-to-market of outstanding positions twice daily for CCPs
- Monitoring of Trading Clearing Participants' and Clearing Participants' capital adequacy ratios and adjusted net capital levels
- Daily stress testing of the credit and liquid resources of both CCPs to ensure sufficient resources under normal and extreme circumstances
- Holding annual default drill exercises to test the effectiveness of the Default Management Procedures

Links to:

Capitals:



Stakeholders:



Strategy:



Material Matters:



Risk Movements: Stable

Risk Perspective

Bursa Malaysia continues to benchmark its risk models against the Securities Commission Malaysia's guidelines and international standards, including the Principles for Financial Market Infrastructures, to ensure its financial resiliency, thereby preventing systemic events in the market.

Strategic Review

Key Risks and Opportunities

REGULATORY RISK

Risk Evaluated

These are risks or losses to the Exchange due to non-compliance with legal or regulatory obligations being a PLC on Bursa Malaysia. In this respect, Bursa Malaysia is subject to the same regulatory requirements in the same way as other companies of similar stature. In addition, Bursa Malaysia is also a market regulator and has a responsibility to ensure that market regulations are upheld by market participants and that the market is protected from malpractices and incidents that breach good governance.

Impact on Value

- Fines and penalties, reputational damage and/or loss of stakeholders' trust
- Systemic impact that may disrupt the functioning and confidence in the market

Mitigation Measures

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

Risk Movements: Stable

Risk Perspective

The dynamic and increasingly complex regulatory landscape and rapidly changing regulatory requirements are consistently monitored and managed through Bursa Malaysia's compliance programme. In addition, we also have strict policies and oversight in place to monitor our market participants' compliance with the rules.

Links to:

Capitals:



Stakeholders:



Strategy:



Material Matters:



MODEL RISK

Risk Evaluated

Model risk is defined as the potential for the emergence of adverse consequences due to decisions taken based on inaccurate or wrongly applied models, outputs, and reports. Errors in modelling result from:

- Fundamental errors in the design or development of models
- Incorrect model input or assumptions
- Erroneous model implementations; unauthorised and/or incorrect changes to models
- Unfit models due to changing market conditions
- Misuse or overreliance on models

As risk modelling is essential in guiding our business processes and expected outcomes, errors in modelling may result in unexpected adverse outcomes and may be detrimental to the sustainability of the Exchange.

Impact on Value

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

Mitigation Measures

- Independent model validation is conducted on regular basis to ensure risk models fit for purpose
- Established model risk management guidelines for management of model risk

Risk Movements: Stable

Risk Perspective

The dynamic and increasingly intricate landscape of model risk, along with swiftly evolving model requirements, are consistently monitored and managed through Bursa Malaysia's risk management programme. The employed measures ensure that the risks associated with financial risk modelling such as incorrect model usage or assumptions are effectively mitigated.

Links to:

Capitals:



Stakeholders:



Strategy:



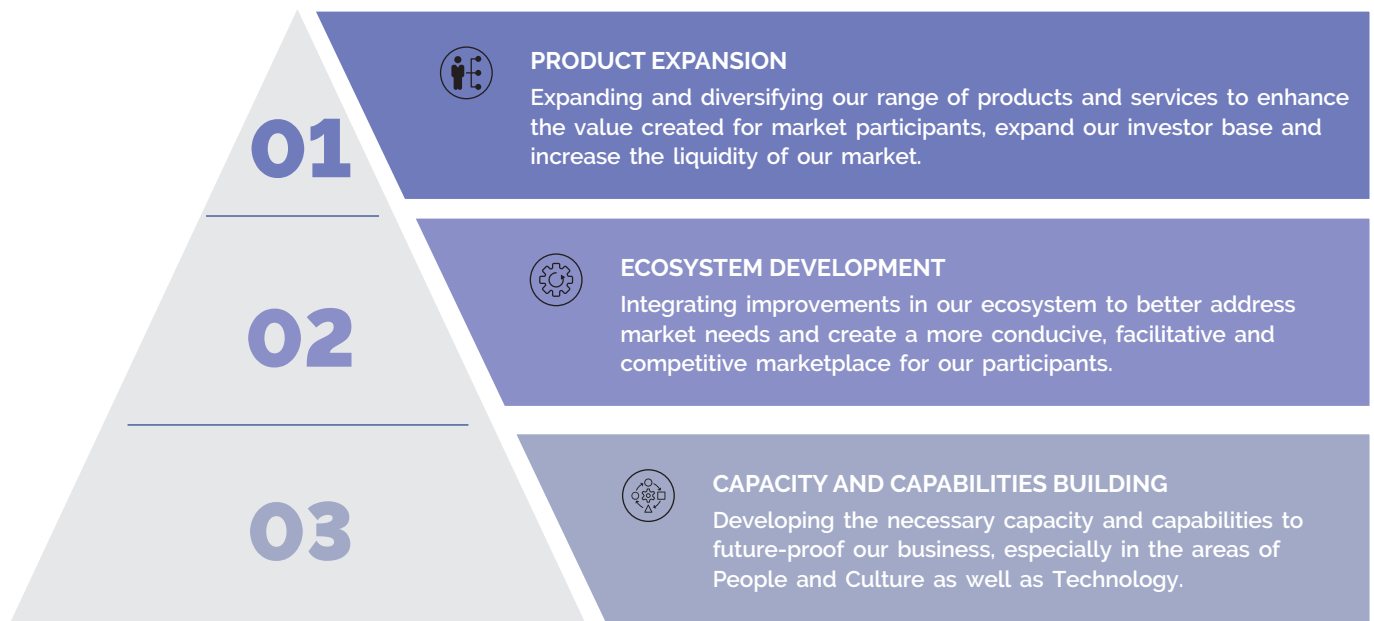
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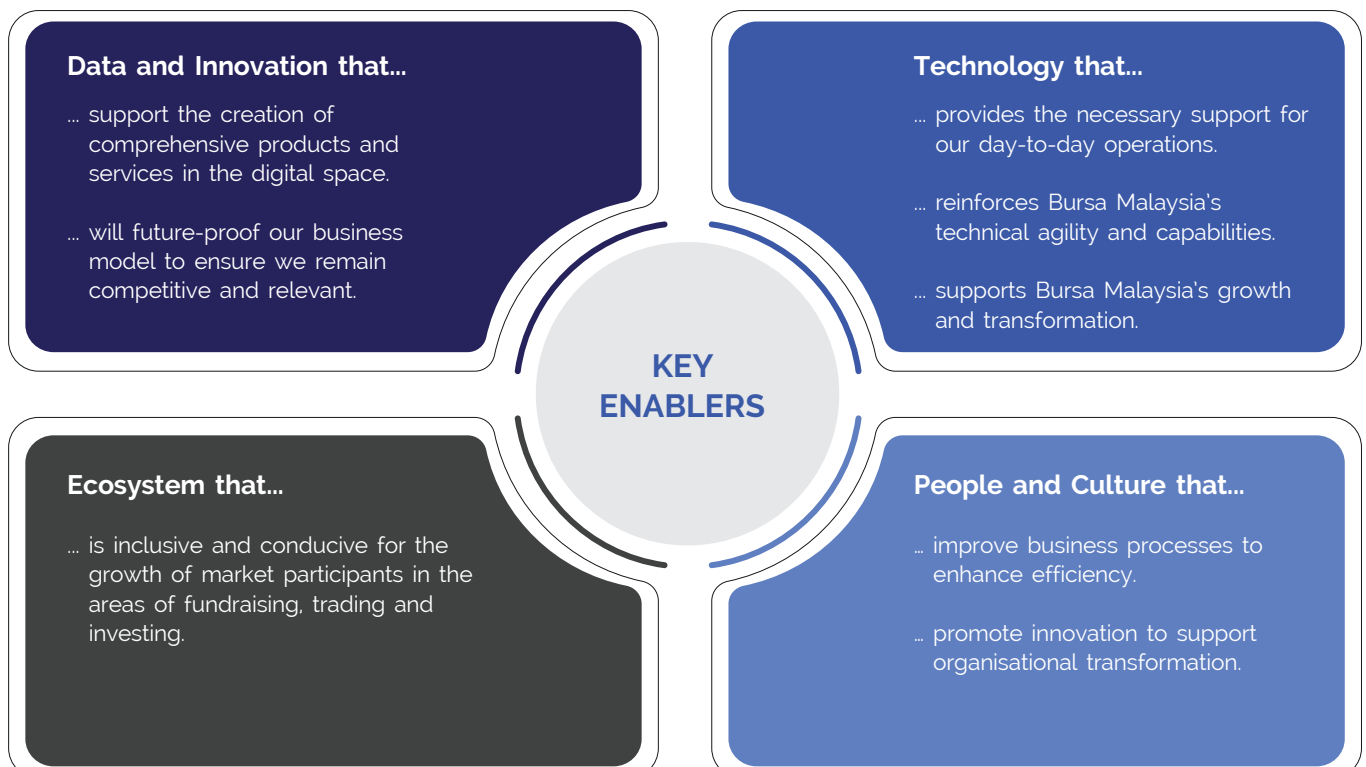
Strategic Review

Our Strategy

Bursa Malaysia's initiatives in 2023 were guided by our Strategic Roadmap 2021-2023, which was designed to fortify the Exchange within a dynamic market landscape and propel us towards our vision to be ASEAN's leading, sustainable and globally-connected marketplace. The year under review was the third and final year under this Strategic Roadmap, and we are pleased to report that we have made significant headway in achieving our goals outlined under our three Core Strategies of Product Expansion, Ecosystem Development, as well as Capacity and Capabilities Building.



We also focused our efforts on developing the four Key Enablers over the last three years. These enablers are aimed at catalysing operational excellence and helping us achieve our strategic goals.



Strategic Review

Strategic Performance Review

Our Strategic Roadmap 2021-2023 identified five Strategic Pillars, driving the implementation of programmes and initiatives towards tangible objectives.

LINKS TO

Capitals:



Material Matters:



Stakeholders:



Capitals:



Material Matters:



Stakeholders:



Capitals:



Material Matters:



Stakeholders:



Capitals:



Material Matters:



Stakeholders:



Capitals:



Material Matters:



Stakeholders:



KEY ACHIEVEMENTS

2021

Pillar 1 Strengthening Our Core Business – Securities Market

- Piloted a Market Making Programme Framework for stocks
- Launched the Discretionary Trading Framework for securities
- Conducted a dematerialisation proof-of-concept (PoC) for Structured Warrants (SWs) issuance efficiencies
- Bursa Malaysia became the one-stop centre for ACE Market IPOs and prospectus registration

Pillar 2 Diversifying the Derivatives Business

- Implemented e-Negotiated Large Trade Phase 2
- Launched first-ever Derivatives Virtual Trading Challenge
- Launched After-Hours (T+1) Night Trading Session for selected derivatives products

Pillar 3 Positioning Bursa Malaysia as the Global Hub for Islamic Capital Market

- Completed Bursa Gold Dinar PoC

Pillar 4 Providing New and Improved Services to the Capital Market

- Expanded partnership towards new business opportunities, including:
- Launched new value-added data solutions for trade and fundamental data analytics in collaboration with DIBots Solutions
 - Signed memorandum of understanding (MOU) and undertook data analytics PoC with Alliance Bank
 - Signed MOU with Alliance Bank and OCBC Bank to serve ESG needs of PLCs

Pillar 5 Embedding Sustainability in our Organisation and Marketplace

- Launched the Corporate Sustainability Practitioner Competency Framework
- Demonstrated leadership in advocating ESG practices and climate action with our commitment to become carbon neutral by 2022 and achieve net zero emissions by 2050
- Launched Corporate Sustainability Practitioners Competency Framework and digital self-assessment tool, a joint development with the United Nations Global Compact Network Malaysia and Brunei

The Exchange has introduced wide-ranging ecosystem development initiatives to create a more facilitative, competitive and vibrant marketplace. Our achievements in these Strategic Pillars over the last three years are summarised in the following table:

| 2022 | 2023 |
|---|---|
| <ul style="list-style-type: none"> Launched Public Listed Companies Transformation (PLCT) Programme and published five digital guidebooks under the programme Introduced Bursa Research Incentive Scheme (Bursa RISE) to improve trading velocity and profile of PLCs | <ul style="list-style-type: none"> Introduced LEAP Market Transfer Framework Continued to ramp up participation in the PLCT programme, with 237 PLCs registered as participants as at end-2023 Signed memorandum of collaboration (MOC) with TNG Digital Sdn Bhd (TNGD) and Affin Hwang Investment Bank Berhad to enable investors to easily participate in the stock market through the TNGD digital platform Launched Burmon Trader, a virtual trading simulation game Launched IR4U Programme |
| <ul style="list-style-type: none"> Extended the After-Hours (T+1) trading session for selected derivatives Signed MOU with the Malaysian Palm Oil Certification Council to promote sustainability and responsible practices among palm oil players across the supply chain Completed first physical delivery of East Malaysia Crude Palm Oil Future Contract in Sabah and Sarawak | <ul style="list-style-type: none"> Launched Futures Trading Apprenticeship Programme Signed an agreement with Dalian Commodity Exchange for licensing of Soybean Oil Futures settlement price |
| <ul style="list-style-type: none"> Introduced Shariah Discretionary Trading Framework Enhanced the Islamic Securities Selling and Buying – Negotiated Transaction Framework | <ul style="list-style-type: none"> Enhanced the Main Market LR to facilitate the offering of Islamic Real Estate Investment Trust (REIT) and Exchange Traded Fund (ETF) with <i>waqf</i> feature |
| <ul style="list-style-type: none"> Entered into a shareholders' agreement with RAM Holdings Berhad to develop a new debt fundraising platform Signed an MOU with Companies Commission of Malaysia (SSM) to build a data ecosystem that supports Malaysia's socioeconomic development agenda Launched Phase 1 of the Market Sentiment Analyser tool as a one-stop information hub for retail investors to gauge trending stock and market sentiment from news sources | <ul style="list-style-type: none"> Developed Customer Portal Phase 1 - Investor Dashboard with basic functionality and tools (e.g. stock screener) to enhance users' digital experience Signed an agreement with the Department of Statistics Malaysia (DOSM) that allows both parties to share macroeconomic data |
| <ul style="list-style-type: none"> Enhanced Sustainability Reporting Framework for the Main Market Listing Requirements (LR) and ACE Market LR Signed an MOU with the London Stock Exchange Group (LSEG) to explore new opportunities in ESG Signed an MOU with Verra to further strengthen the VCM ecosystem in Malaysia | <ul style="list-style-type: none"> Collaborated with the Malaysian Green Technology and Climate Change Corporation to build and promote VCM ecosystem in Malaysia, hosted the inaugural Malaysia Carbon Market Forum, as well as launched the VCM Handbook and VCM Directory Implemented new mandatory onboarding programme on sustainability for directors of PLCs Issued the Illustrative Sustainability Report, a new tool aimed to encourage greater sustainability reporting compliance by PLCs Launched Bursa Malaysia ESG Reporting Platform |

Strategic Review

Strategic Performance Review

We made substantial progress in expanding our product and services as we pivoted to becoming a Multi-Asset Exchange. New and enhanced offerings have been introduced across all our markets, with ESG-focused initiatives, gaining prominence. The following table summarises our journey so far.

| 2021 | 2022 | 2023 |
|--|---|--|
| Securities Market | | |
| <ul style="list-style-type: none"> • 30 IPOs (7 Main, 11 ACE, 12 LEAP) • 1,451 SWs | <ul style="list-style-type: none"> • 35 IPOs (5 Main, 25 ACE, 5 LEAP) • 1,447 SWs • Launched FTSE Bursa Malaysia (FBM) Top 100 ESG Low Carbon Select Index | <ul style="list-style-type: none"> • 32 IPOs (7 Main, 24 ACE, 1 LEAP) • 1,497 SWs |
| Derivatives Market | | |
| <ul style="list-style-type: none"> • Launched East Malaysia Crude Palm Oil Futures (FEPO) Contract • Revamped Crude Palm Kernel Oil Futures Contract • Relaunched 3-Year and 10-Year Malaysia Government Securities Futures Contracts | <ul style="list-style-type: none"> • Enhanced Gold Futures Contract • Listed Inter-Commodity Spreads for Crude Palm Oil Futures-FEPO • Launched FTSE4Good Bursa Malaysia Index Futures (F4GM) Contract | <ul style="list-style-type: none"> • Launched Mini USD/CNH Futures |
| Islamic Products and Solutions | | |
| <ul style="list-style-type: none"> • VP-DJ Shariah China A-Shares 100 ETF • Hibah Amanah service for our CDS account holders successfully rolled out by maiden Hibah provider, Wasiyyah Shoppe Berhad • Launched FTSE4Good Bursa Malaysia Shariah Index | <ul style="list-style-type: none"> • Launched FBM Top 100 ESG Low Carbon Select Shariah Index | <ul style="list-style-type: none"> • Progressed on system and operational readiness to launch Bursa Gold Dinar |
| New Services | | |
| <ul style="list-style-type: none"> • Launched Bursa Digital Research • Introduced eRights and eGO features on Bursa Anywhere | <ul style="list-style-type: none"> • Launched Shares2share • Rolled out e-Dividend Reinvestment Plan feature on Bursa Anywhere • Launched Bursa Fund Platform | <ul style="list-style-type: none"> • Launched Bursa Connectivity Services • Piloted CSI Platform, with several PLCs and financial institutions onboarded as early adopters |
| New Asset Classes | | |
| | <ul style="list-style-type: none"> • Launched BCX | <ul style="list-style-type: none"> • BCX commenced trading of carbon credits • Launched BR Capital's debt fundraising platform |

Strategic Review

2023 Headline Key Performance Indicators

Bursa Malaysia started disclosing its headline key performance indicators (KPI) in 2023 to give our investors and stakeholders quantifiable measures to assess our performance. This is in line with best practices promoted in the PLCT Programme. The KPIs are closely aligned with Bursa Malaysia's Corporate Scorecard. While these KPIs are indicative of our achievements for the year in relation to our growth and development, they should not be viewed as the only measure of the Exchange's overall performance.

FINANCIAL

**Profit Before Tax**

Target: RM295 million to RM326 million

2023 Achievement: RM321.5 million

**Non-Trading Revenue**

Target: Growth rate of 5%-7% from 2022

2023 Achievement: Growth rate of 5% from 2022

NON-FINANCIAL

**IPO and IPO Market Capitalisation**

Target:

Number of IPOs: 39
IPO Market Capitalisation:
RM10 billion

2023 Achievement:
Number of IPOs: 32
IPO Market Capitalisation:
RM13.6 billion

**Innovative Product or Service Launches**

Target:

- Launch of Bursa Gold Dinar
- Commercialisation of new debt fundraising solution for SMEs

2023 Achievement:

- Bursa Gold Dinar operationally ready in 2023 (launched on 16 January 2024)
- Launched (initial roll out) new debt fundraising solution for SMEs (BR Capital)

**Reduction in Organisation's Carbon Footprint**

Target:

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

2023 Achievement:
Scope 1 and 2 emissions reduced 68% from 2022 levels*

Note:

*Scope 1 and 2 emissions for 2023 were reduced through the Exchange's energy efficiency initiatives and utilisation of Renewable Energy Certificates (RECs)

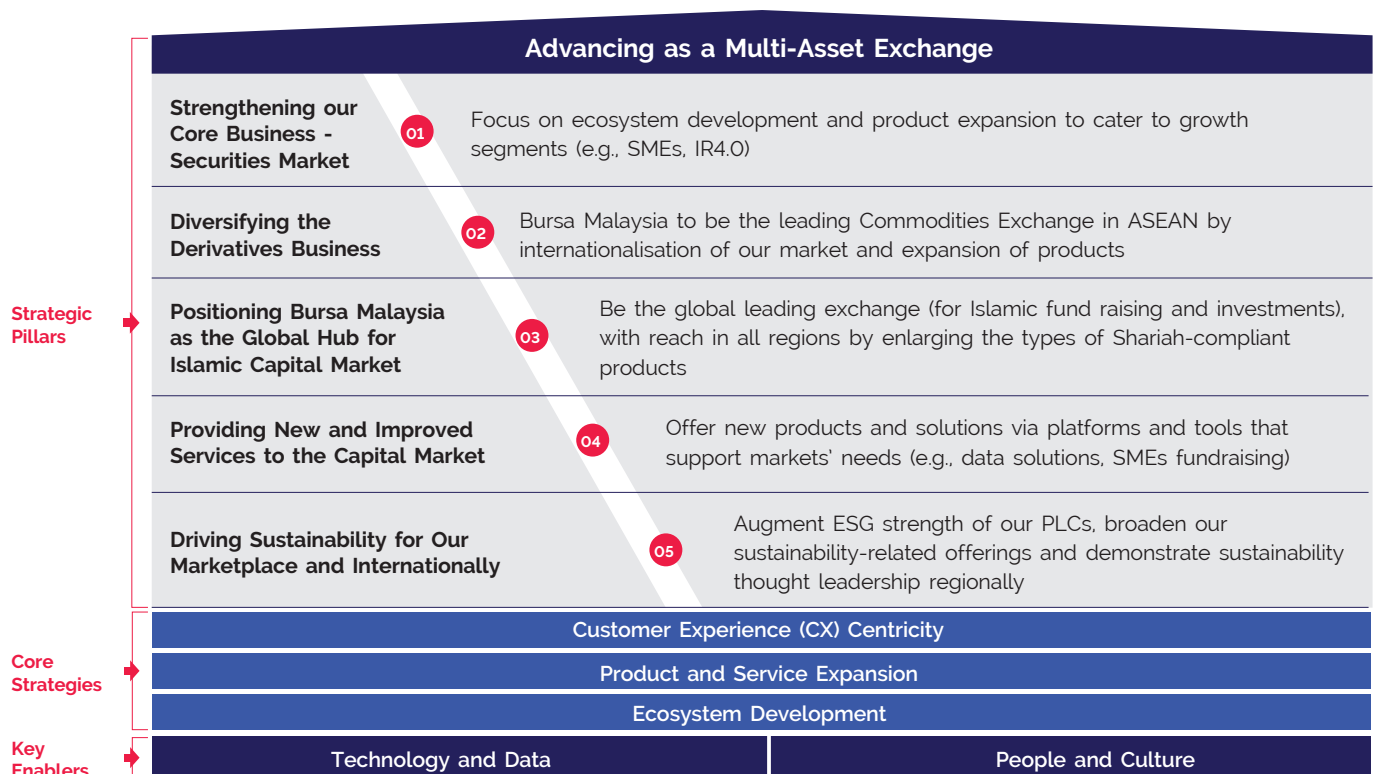
The headline KPIs are targets or aspirations set by the Company as a transparent performance management practice. These headline KPIs shall not be construed as either forecasts, projections or estimates of the Company or representations of any future performance, occurrence or matter as the headline KPIs are merely a set of targets/aspirations of future performance aligned to the Company's strategy.

Strategic Review

New Strategic Roadmap 2024-2026

The last three years of Bursa Malaysia's strategic initiatives have set a solid foundation for the next stage of our evolution. The Strategic Roadmap 2024-2026 will guide our efforts in our next stage of development to construct a diversified and future-ready exchange that swiftly adapts to evolving market dynamics. Our **Creating Opportunities, Growing Value** mission continues to be the anchor of all that we do and is the linchpin of our three-year aspiration to advance as a **Multi-Asset Exchange**.

The new Strategic Roadmap has a structure similar to the previous one, with streamlining and refinements made in several aspects. In particular, Strategic Pillar 5 was refined to reflect the Exchange's augmented focus on sustainability in the marketplace and our international ambition in this space. In addition, greater emphasis is placed on Customer Experience (CX), which has been elevated to become a Core Strategy. Our rationale is that the delivery of best-in-class CX will be a critical growth lever for the Exchange. Meanwhile, key enablers under the previous Strategic Roadmap are streamlined into two major focus areas, namely 'Technology and Data' and 'People and Culture'. The overall structure of the new Strategic Roadmap is illustrated below:



Three Core Strategies

| Customer Experience (CX) Centricity 01 | Product and Service Expansion 02 | Ecosystem Development 03 |
|--|---|---|
| <p>Deliver superior service to attract, engage and delight our customers, and increase their 'stickiness' and lifetime value within our markets</p> <ul style="list-style-type: none"> Offer seamless, easy and secure access to our products and services More targeted marketing efforts Strengthen customer support for all offerings | <p>Expand and diversify the range of our products and services to grow offerings available to market participants</p> <ul style="list-style-type: none"> Expand product and service suite to cater to different investor preferences and needs – both retail and corporates Create and monetise non-trading services | <p>Enhance the market ecosystem and address market needs to create a more vibrant marketplace</p> <ul style="list-style-type: none"> Drive sustainability in our marketplace Remove hurdles in the ecosystem (e.g. via frameworks) Support readiness of new participants especially in new business areas |

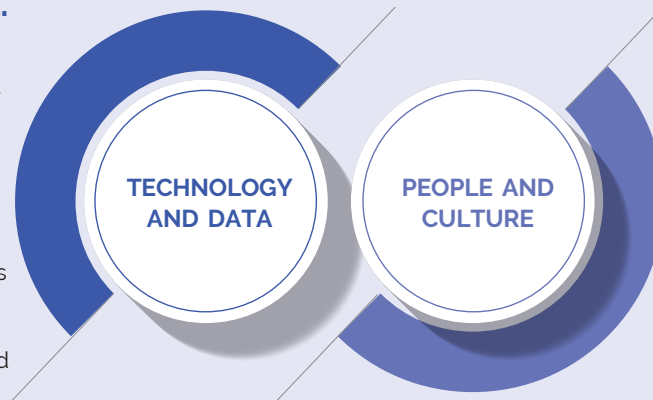
Two Key Enablers

Desired States

Desired States

Technology and Data that...

- support offering of comprehensive product and services, quickly and efficiently
- enables solid CX
- facilitates the push for improved corporate and sustainability performance
- fortify Bursa Malaysia's technical agility and capabilities
- robustly handles increasing trade volume
- help us remain competitive and relevant



People and Culture that...

- improve business processes to enhance efficiency
- promote talent hiring and retention to support organisational transformation

Key Focus Areas in 2024-2026

Pillar 1

Strengthening our Core Business - Securities Market

- Continue to strengthen IPO pipeline and improve time-to-market
- Innovative solutions to acquire new customers and improve CX
- Broaden product and service offerings and enhance distribution channels
- Ecosystem development initiatives to drive market liquidity and inflows

Pillar 2

Diversifying the Derivatives Business

- Reinforce BMD's strength in FCPO, while expanding into other edible oils derivatives products
- Expand currency-based products
- Realign equity futures to enhance attractiveness and affordability of equity-based products

Pillar 3

Positioning Bursa Malaysia as the Global Hub for Islamic Capital Market

- Intensify development of new and innovative offerings
- Strengthen intermediation and distribution, leveraging digitalisation and fintech
- Grow market participants and investors
- Drive Shariah thought leadership

Pillar 4

Providing New and Improved Services to the Capital Market

- Develop market ecosystem for BCX, Bursa Gold Dinar and BR Capital
- Expand product and service offerings to serve evolving market needs
- Grow core financial data solutions, while commercialising ESG and data analytics solutions

Pillar 5

Driving Sustainability for Our Marketplace and Internationally

Internationally and in Our Marketplace

- Forge collaborations to facilitate comprehensive ESG disclosures, and advance capacity building for ESG excellence
- Develop ESG product and service offerings
- Drive thought leadership

Internal:

- Develop internal capabilities in sustainability and enhance sustainability practices in operations
- Drive more impactful projects via Yayasan Bursa Malaysia

Strategic Review

2024 Headline Key Performance Indicators

As Bursa Malaysia is moving into a new phase of development and growth, our Headline KPIs for 2024 are closely aligned with Bursa Malaysia's 2024 Corporate Scorecard and our key priorities as laid out under the new **Strategic Roadmap**.

FINANCIAL



Profit Before Tax (PBT)

Target: **PBT of RM293 million to RM323 million***

**Lower from 2023 PBT as there was a one-off reversal of provision in 2023*



Non-Trading Revenue

Target: **Growth rate of 5%-7% from 2023**

NON-FINANCIAL

ESG-RELATED



IPO and IPO Market Capitalisation

Target:

**Number of IPOs: 42
IPO Market Capitalisation:
RM13.0 billion**



Innovative Product or Service Launches

Target:

- **Renewable Energy Certificates**
- **Centralised Sustainability Intelligence Platform**



Reduction in Organisation's Carbon Footprint

Target:

Reduction of at least 7.5% of Scope 1 and 2 emissions from 2022

The headline KPIs are targets or aspirations set by the Company as a transparent performance management practice. These headline KPIs shall not be construed as either forecasts, projections or estimates of the Company or representations of any future performance, occurrence or matter as the headline KPIs are merely a set of targets/aspirations of future performance aligned to the Company's strategy.

Financial Review

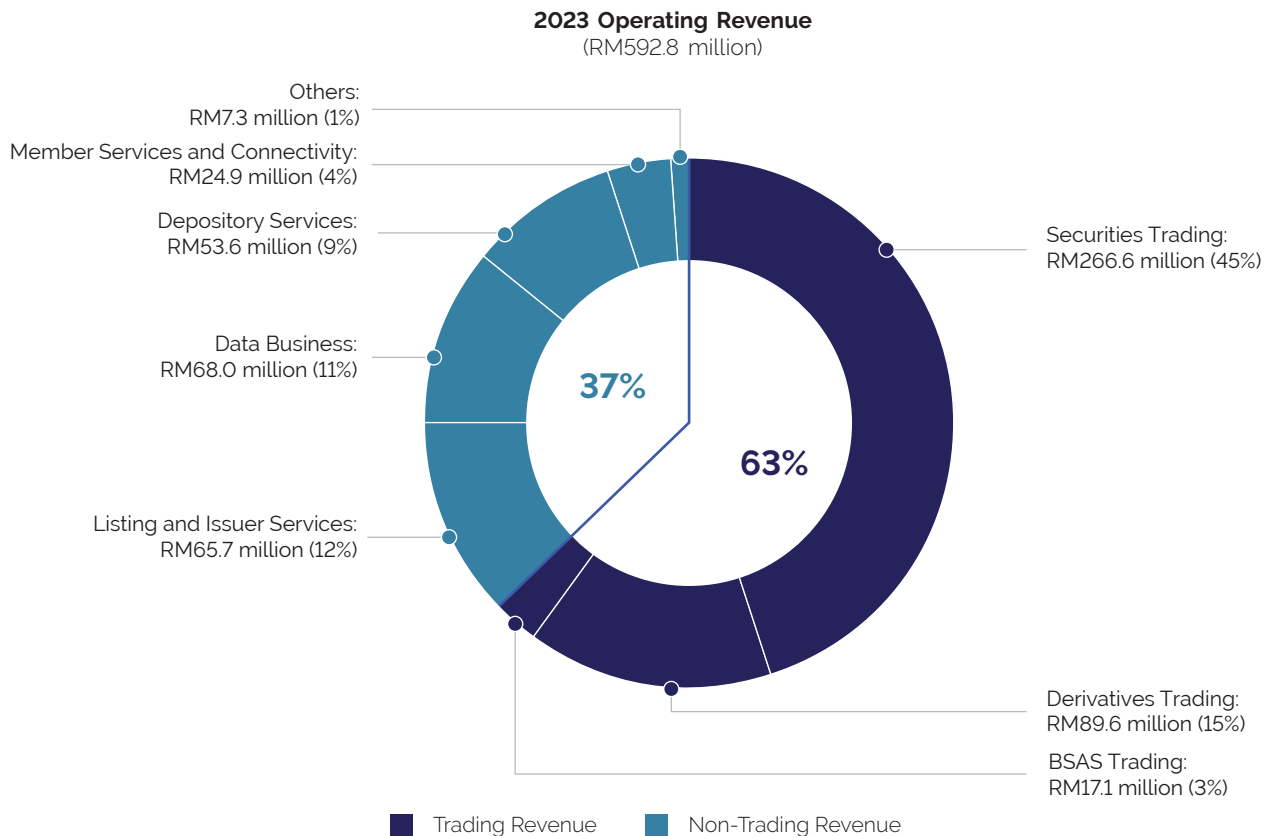
Bursa Malaysia's Profit After Tax, Zakat and Minority Interest (PATAMI) increased 11.4% year-on-year (yoy) to RM252.4 million (2022: RM226.6 million).

Operating revenue rose 1.3% to RM592.8 million in 2023 (2022: RM585.3 million) due mainly to higher non-trading revenue contributions.

Non-trading revenue rose 5.4% yoy to RM219.5 million (2022: RM208.2 million) following an improved performance from almost all segments, particularly our data business, which posted on-year revenue growth of 11.9% to RM68.0 million (2022: RM60.8 million). Increased demand for securities and derivatives markets data, and a revision of fees at the start of the second quarter of 2023 contributed to the better data business performance. Higher conference fees and exhibition-related income, which increased to RM7.3 million from RM2.1 million a year ago, also bolstered overall non-trading revenue.

Meanwhile, trading revenue slipped 1.0% yoy to RM373.3 million (2022: RM377.1 million). Contributions from the Securities Market rose 1.2% to RM266.6 million in 2023 (2022: RM263.5 million) due to the higher volume of small value trades that led to a higher effective clearing fee earned of 2.65 basis points, up from 2.61 basis points in 2022. However, these gains from the Securities Market were offset by a decrease in trading revenue contributions from the Derivatives Market, which declined 7.8% to RM89.6 million (2022: RM97.2 million) on the back of lower collateral management fees earned and fewer crude palm oil futures contracts traded. On the Islamic market front, trading revenue from the Bursa Suq Al-Sila' (BSAS) platform increased 3.9% yoy to RM17.1 million (2022: RM16.4 million) despite average daily trading value having decreased slightly to RM45.1 billion (2022: RM45.6 billion) largely due to an increase in the number of transactions which are subjected to higher trade fees as compared to 2022.

The contribution from Bursa Carbon Exchange was negligible for 2023 as it was only recently launched in 2023.

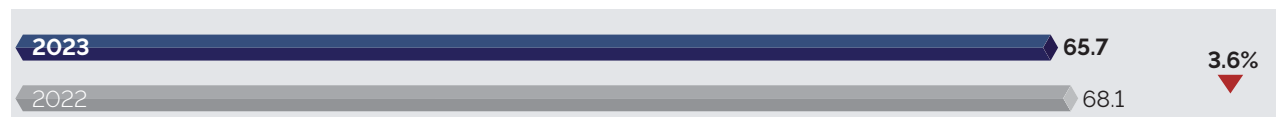


Financial Review

Trading revenue remains the largest contributor to the Exchange's operating revenue at 63%, although contributions from non-trading sources have trended upwards in recent years, particularly from our Data Business. In 2023, non-trading revenue accounted for 37% of total operating revenue (2022: 35%).

Listing and Issuer Services

(RM million)



Depository Services

(RM million)



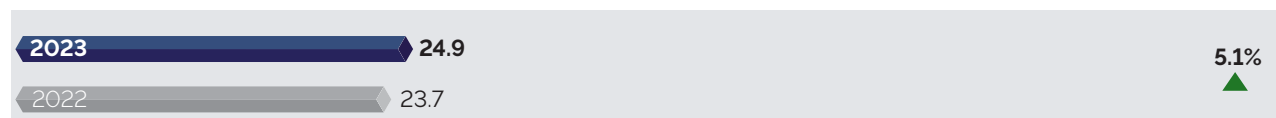
Data Business

(RM million)



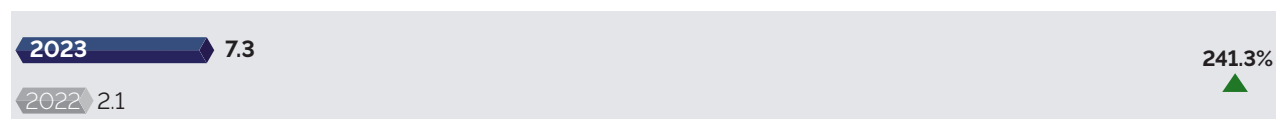
Member Services and Connectivity

(RM million)



Other Operating Revenue*

(RM million)



*The increase in this revenue category was mainly due to the higher number of participants at the Palm and Lauric Oils Price Outlook Conference and Exhibition

Meanwhile, operating expenses rose 0.6% to RM294.5 million in 2023 (2022: RM292.7 million). The biggest expense items were staff and technology cost, which rose RM13.5 million and RM10.6 million, respectively. However, the increase was offset by a one-off reversal of a provision for RM31.4 million. In total, our cost-to-income ratio improved by 1 percentage point to 48% (2022: 49%) on the back of higher interest income from deposits and investments, as well as improved operating revenue.

In 2023, Bursa Malaysia's capital expenditure (capex) decreased 33.2% yoy to RM39.7 million (2022: RM59.4 million) and was funded entirely by internally generated resources. The higher capex in 2022 was mainly attributable to costs associated with office refurbishment. Our capex spend is typically guided by the initiatives outlined in our Strategic Roadmap, as well as on the general upkeep of our property and equipment.

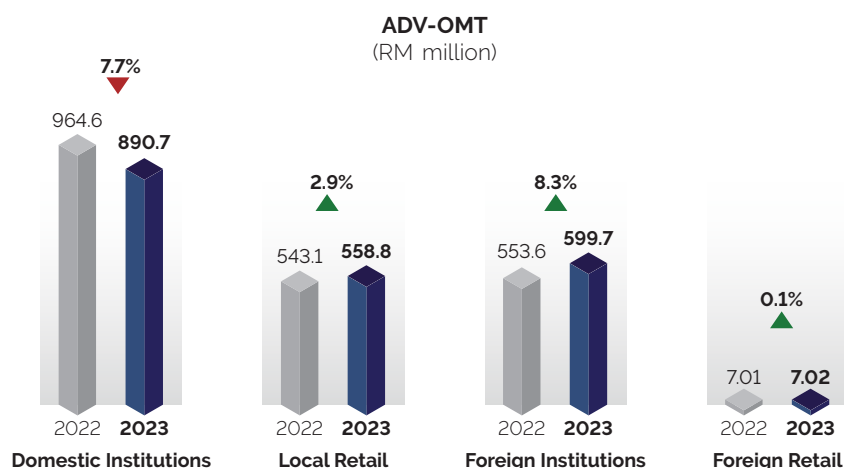
In fulfillment of our commitment to create value for our shareholders, the Board has declared a total dividend payout of 29.0 sen per share, amounting to RM234.7 million for 2023. This represents 93.0% of our PATAMI, which aligns with Bursa Malaysia's dividend policy of paying no less than 75% of our annual PATAMI. There has been no significant change to Bursa Malaysia's financial position during the year. Similarly, there was no significant event that materially impacted Bursa Malaysia's liquidity in 2023.

Business Review

SECURITIES MARKET

Trading on the Securities Market in 2023 was affected by challenging external conditions, including concerns over rising inflation, uncertain economic prospects and continuing geopolitical tensions.

The combination of these events dampened overall market sentiment, although there was increased Local Retail and Foreign Institutional participation. The benchmark FTSE Bursa Malaysia KLCI (FBMKLCI) closed the year marginally lower at 1,454.66 points (2022: 1,495.49 points).



For the year under review, the Securities Market recorded total operating revenue of RM401.3 million (2022: RM400.1 million), accounting for 67.7% of Bursa Malaysia's operating revenue. Trading revenue increased 12% to RM266.6 million (2022: RM263.5 million), with the average daily trading value for on-market transactions (ADV-OMT) and direct business transactions increasing 4.9% yoy to RM2.3 billion (2022: RM2.2 billion). Trading velocity had declined slightly to 29% compared to 30% in 2022.

Non-trading revenue contribution from the Securities Market declined 14% yoy to RM134.7 million (2022: RM136.6 million) mainly due to lower listing and processing fees earned as a result of the lower number of corporate exercises. While total revenue rose marginally in 2023, segmental profit increased 5.7% to RM328.3 million (2022: RM310.5 million) as operating expenses moderated to RM83.8 million from RM97.5 million in the previous year.

| Segment Revenue | 2022 RM million | 2023 RM million | % change |
|----------------------------------|--------------------|--------------------|------------|
| Trading Revenue | 263.5 | 266.6 | 1.2 |
| Listing and Issuer Services | 68.0 | 65.5 | (3.6) |
| Depository Services | 53.5 | 53.6 | 0.3 |
| Member Services and Connectivity | 15.1 | 15.6 | 2.6 |
| Total | 400.1 | 401.3 | 0.3 |

Business Review

Securities Market

Delivering On Our Strategy

Strengthening Our Core Business - Securities Market is a Strategic Pillar under Bursa Malaysia's Strategic Roadmap 2021-2023, with initiatives arrayed across the three Core Strategies, namely Product Expansion, Ecosystem Development, as well as Capacity and Capabilities Building. Initiatives implemented in 2023 are discussed below.

PRODUCT EXPANSION

Initial Public Offerings (IPOs)

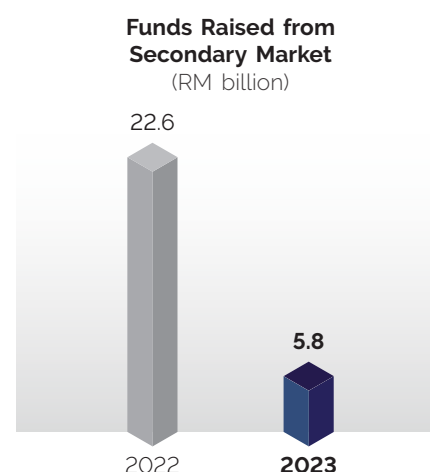
IPOs, or new listings, are critical in our product expansion strategy, which aims to broaden the range of securities available in our marketplace to better cater to diverse investment strategies and risk appetites. In 2023, the Exchange registered 32 IPOs, raising RM3.6 billion (2022: RM3.5 billion). Although the 32 IPOs came in lower than the 39 targeted for the year, the total market capitalisation of RM13.6 billion from these IPOs exceeded our target of RM10.0 billion as there were more Main and ACE Markets listings than targeted. For 2024, we are targeting 42 IPOs with a total market capitalisation upon listing of RM13.0 billion. We believe there is sufficient liquidity and market strength, as well as IPO candidates in the pipeline for us to meet this target.

| Market | 2022 | | | 2023 | | |
|--------------|----------------------|-------------------------------|--------------------------------------|----------------------|-------------------------------|--------------------------------------|
| | Total Number of IPOs | Total Funds Raised RM billion | IPO Market Capitalisation RM billion | Total Number of IPOs | Total Funds Raised RM billion | IPO Market Capitalisation RM billion |
| Main | 5 | 2.2 | 6.2 | 7 | 2.2 | 8.5 |
| ACE | 25 | 1.3 | 4.7 | 24 | 1.4 | 5.0 |
| LEAP | 5 | 0.02 | 0.3 | 1 | 0.00 | 0.1 |
| Total | 35 | 3.5 | 11.2 | 32 | 3.6 | 13.6 |

Secondary Market

In 2023, we recorded a 74.3% yoy decline in funds raised from secondary listings to RM5.8 billion (2022: RM22.6 billion) from 247 secondary issuances (2022: 212 issuances).

The decrease was primarily attributable to the completion of a major merger exercise in the telecommunications and media sector in 2022 and the expiration of temporary relief measures introduced to help listed issuers address funding needs and working capital requirements during the COVID-19 pandemic. Secondary fundraising in 2023 was primarily driven by event-driven transactions, such as mergers and acquisitions.



Alternative Market

In an effort to promote the fixed-income markets whilst enhancing the breadth and depth of investment options in the Malaysian capital market, Bursa Malaysia introduced a listing platform for sukuk and debt securities called Exempt Regime in 2008. These sukuk and debt securities are listed, but not quoted or traded, to increase their visibility to potential investors. Since December 2020, all outstanding government securities, namely Malaysian Government Securities and Malaysian Government Investment Issues, have been listed on Bursa Malaysia's Exempt Regime alongside corporate sukuk and bonds for profiling purposes.

As at 31 December 2023, there was a 3.7% increase in the total outstanding issuance of sukuk and bonds listed on the Exempt Regime to USD283.8 billion (2022: USD273.7 billion).

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

ETFs are an important growth avenue for our Securities Market and is a versatile product that gives investors greater choice in building diversified and long-term portfolios. Bursa Malaysia hosts a diverse suite of ETFs, with underlying assets ranging from local to foreign equities, fixed-income instruments and commodities. There are currently 16 ETFs listed on Bursa Malaysia (2022: 20), including six Shariah-compliant ETFs (2022: 6).

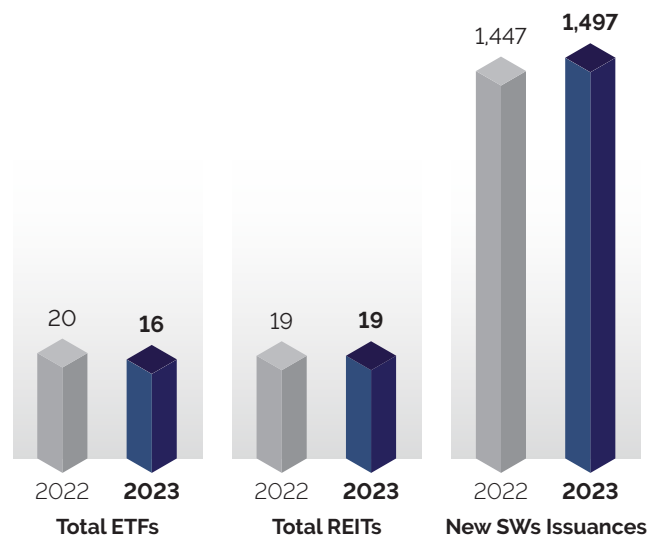
Key initiatives implemented in 2023 to drive the ETF ecosystem include:

- Amending the Bursa Malaysia Securities Berhad (BMS) Rules and BMS Directives to facilitate the onboarding of clients for trading in Leveraged and Inverse ETFs
- Introducing incentive schemes under the Capital Market Development Fund to incentivise the listing of new ETFs and ETF market makers under the Volume-Based Incentive Programme (VBIP) to promote scalability and efficiency
- Holding campaigns such as ETF Power Players Incentive Programme 2023 and Trade for Lebaran Campaign aimed at retail investors to create greater awareness, educate them on ETFs and support the efforts of our broker partners to develop greater traction
- Curating a series of webinars to educate investors and brokers on ETFs on Bursa Malaysia's YouTube Channel
- Refreshing our public-facing online ETF Landing Page to improve customer experience by making it more accessible to target groups
- Initiating the distribution of ETF Insights, a series of online bulletins on ETFs, to provide institutional and retail investors with monthly highlights on listed ETFs

We held the ETF Rewards 2023 Campaign, which ran from 1 May to 31 October 2023. The goal of the campaign was to encourage the investing public to invest in Bursa Malaysia-listed ETFs. A total of 1,071 retail investors traded ETFs during the six-month campaign period.

Meanwhile, SWs continued to gain traction with issuers and investors, with 1,497 SWs listed in 2023 (2022: 1,447). We remain focused on investor education and have amended the Main Market Listing Requirements (Main LR) in relation to Commodity Futures SWs to expand the underlying financial instruments to include crude palm oil, crude oil and gold.

No new REIT listing was recorded in 2023.



ECOSYSTEM DEVELOPMENT

Enhancing Market Liquidity

Reduction in Stamp Duty on Traded Shares

To drive economic growth and capital market competitiveness, the stamp duty rate for shares traded on Bursa Malaysia was reduced to 0.10% from 0.15% and capped at RM1,000 for each contract effective July 2023. The reduction aims to reduce the cost of securities transactions and encourage higher trading volume, targeting primarily retail investors who are generally more sensitive to transaction costs than institutional investors.

Vibrancy Initiative Programme (VIP)

The VIP was introduced in 2023 for an initial three-year period. The VIP contains two liquidity schemes: the Pilot Market Making Programme (PMMP) and the VBIP. The PMMP aims to increase the liquidity and price efficiency of selected mid-to-large capitalisation securities with low trading

velocities, and the fourth phase of the programme was implemented between 1 June 2023 and 30 November 2023.

Meanwhile, the VBIP encourages traders to transact at higher volumes, as well as the entrance of new classes of investors, such as proprietary trading firms. Registered VBIP participants contributed an average of 9.6% to market ADV in 2023 (2022: 9.1%). The presence of new traders and higher trade volumes are expected to further enhance market vibrancy and resilience.

Expansion of the Approved Securities Criteria

On 12 June 2023, the BMS Directive was amended to expand the criteria for Approved Securities. Through this amendment, the daily market capitalisation eligibility requirement for Approved Securities was reduced to RM200 million from RM500 million. Approved Securities are securities that may

Business Review

Securities Market

be used for Securities Borrowing and Lending, as well as Short Selling. With the amendment, market participants have access to a broader selection of Approved Securities catering to their investing needs. As a result of the change, the number of Approved Securities increased to 387 securities from 218 previously, representing 38% of all securities listed on Bursa Malaysia.

Enhancing Fundraising for SMEs

On 1 April 2023, the ACE Market Listing Requirements was amended to introduce the LEAP Market Transfer Framework. This amendment aims to make our market more supportive of the growth of SMEs listed on the LEAP Market. Upon meeting stipulated conditions, companies listed on the LEAP Market can transfer to the ACE Market and undertake a public issue of shares on the ACE Market.

This effectively opens new avenues for these companies, which can seek greater fundraising opportunities on the larger ACE Market. It also makes listing on the LEAP Market more attractive to potential listers, as there is a prospect of exposure to a more extensive investor base. Simultaneously, the Exchange introduced the enhanced Recognised Approved Adviser Framework, which provides for the appointment of approved advisers to facilitate the transfer of LEAP Market-listed companies to the ACE Market.

PLC Transformation (PLCT) Programme

The PLCT Programme was initiated in 2022 to help our public listed companies (PLCs) attain greater performance levels, operational efficiency, sustainability and competitiveness. It has been designed to encourage PLCs to align their strategies and practices with key global trends and the expectations of multiple stakeholders. Recognising the importance of the programme for the long-term sustainability of our capital markets, Bursa Malaysia has provided continuous support to participating PLCs throughout their transformational journey, including organising relevant educational and awareness programmes.

Since the programme's inception, it has received positive feedback and support from our PLCs, regulators, investors and other market participants. By 31 December 2023, the number of participating PLCs had more than doubled to 237 participants from 101 in 2022, representing approximately 48% of Bursa Malaysia's total market capitalisation. Of the total 237 participants, 81.4% are PLCs from the Main Market, 13.1% are from the ACE Market and 5.5% are from the LEAP Market. A total of 19 educational sessions comprising webinars as well as physical and hybrid events were held in 2023, attracting nearly 1,135 participants. These sessions were aimed at supporting and helping participating PLCs make greater progress in their transformational journey.

Meanwhile, the #digital4ESG series of events held as part of the PLCT Programme received tremendous support from domestic and international stakeholders. The events featured notable speakers from organisations such as the London

Stock Exchange Group (LSEG), World Economic Forum, European Institute of Business Administration (INSEAD), MyDIGITAL Corporation, Ministry of Economy, PwC Malaysia, Ernst & Young Malaysia, and Petroliaam Nasional Berhad (Petronas). These events were catalysts for networking and collaboration among PLCs, digital and technology players, as well as other stakeholders in the ESG ecosystem.

We also established strategic partnerships with key domestic agencies such as MyDIGITAL Corporation, Ministry of Economy, Malaysia Centre4IR (World Economic Forum), Malaysia Investment Development Authority, Malaysia Petroleum Resources Corporations, Capital Markets Malaysia, Climate Governance Malaysia and Standards and Industrial Research Institute of Malaysia (SIRIM). Through these partnerships, we will develop programmes, workshops and other events for the PLCT Programme.

Institutional Development

Institutional investors are key participants of the equities market, and are responsible for trading liquidity, market stability and attractiveness of the marketplace. As part of Bursa Malaysia's core strategy, various initiatives are implemented to further grow local and foreign institutional participation. In 2023, macroeconomic developments such as rising inflation, economic growth uncertainty and ongoing geopolitical tensions have greatly influenced institutional trading participation in our Securities Market.

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

Bursa RISE was launched in 2022 in support of the PLCT Programme. It aims to enhance the corporate profiles of participating PLCs and improve trading interest in their shares. Under Bursa RISE, participating PLCs receive increased research coverage and marketing activities to raise awareness of their investment fundamentals and value proposition. As part of Bursa RISE, participating PLCs also benefit from Bursa Malaysia's Investor Relations (IR) and Public Relations (PR) Incentive Programme, providing them with more effective IR and PR support. Sixty companies participated in the Bursa RISE, with the participating PLCs recording 10.1% higher velocity than the overall market velocity in 2023.

Elevate the IR Standard into a More Strategic Role

The Bursa IR4U Programme and the *Fundamentals of Investor Relations* manual were launched in December 2023 following the cessation of the Malaysia Investor Relations Association in July 2023. The programme's objective is to further develop and enhance the IR capabilities of PLCs by elevating IR best practices through knowledge sharing and providing guidance to PLCs. The manual, on the other hand, provides up-to-date information on IR practices that meet evolving investors' needs. The Exchange also launched the *Applications of Investor Relations* workbook to help PLCs establish their IR functions. Plans are underway to expand Bursa IR4U in 2024 by introducing new elements, including roundtable discussions between local and foreign IR practitioners and new guides on sector-based numerical ratios that are important to investors.

Bursa In-Depth Equity Analysis (Bursa IDEA) Research Competition

The Bursa IDEA is a contest designed for researchers, analysts and market enthusiasts to showcase their expertise in equity analysis and report writing. In line with Bursa Malaysia's efforts to nurture talent and foster growth in the capital market, Bursa IDEA aims to stimulate research interest and develop research skills while promoting a deeper public understanding of financial markets. This initiative also aims to spark new investment ideas by drawing inspiration from current economic developments and industry advancements, ultimately injecting greater vitality into the market. The contest was launched on 9 October 2023 and ran until 3 November 2023. Five winning reports were selected and circulated through the Bursa Sustain portal.

Targeted Marketing Initiatives

Bursa Malaysia's flagship event Invest Malaysia (IM) series was held to showcase our marketplace to targeted investor groups. Themes in 2023 focused on the strengths, diversity and potential of Malaysia's capital markets. Five IM events were held during the year and each was co-hosted with different brokers.

The IM Kuala Lumpur (IMKL) Series 1 themed '*Reshaping Malaysia's Narrative – Strengthening Resilience & Sustaining Growth*' was attended by 1,500 participants with combined assets under management (AUM) of about USD10 trillion. The IMKL Series 2 themed '*Digital Malaysia*' garnered the interest of 160 participants with combined AUM valued at an estimated USD7 trillion. The IMKL Series 3 (Special Series) themed '*Launch of NETR Part 1*' was attended by a total of 834 global participants with combined AUM of about USD10 trillion. Outside of Malaysia, the IM was held in Singapore and New York. The IM New York themed '*Regaining Malaysia's Lead in Asia*' garnered the interest of 200 participants with a combined AUM of about USD40 trillion.

These events were designed to enhance Malaysia's presence in both domestic and international investment circles. They emphasised specific sectors or themes to streamline investment decisions and foster increased investment engagement. We also held the Bursa Malaysia Institutional Corporate and Sectorial Series, a targeted marketing initiative held collaboratively with brokers on specific investment themes or sectors, covering topics such as carbon market policy in Malaysia, the oil and gas sector as well as green cities and funds.

A total of 31 events were held virtually and physically during the year, attracting more than 1,715 attendees.

Enhancing the Information Landscape

Bursa Malaysia continued to leverage its digital channels, including the Bursa Digital Research platform and social media, to promote alternative products and support marketing efforts with market insights. This year, we enhanced our content offerings by introducing key economic data and corporate earnings calendar. We also introduced new market content in the form of videos, with analysts sharing their views and opinions on the PLCs covered under the Bursa RISE programme.

Retail Marketing

The Malaysian retail investment landscape in 2023 was shaped by economic factors, geopolitical uncertainties, technological advancements such as the proliferation of fintech, online trading platforms and evolving investor preferences such as rising interest in cryptocurrency investing and preference for ESG-positive investments. Retail investors demonstrated adaptability and a discerning approach in navigating these dynamics, as reflected in their strategic shifts and exploration of innovative investment avenues. A total of 97,157 new individual Central Depository System accounts were opened in 2023 (2022: 99,610 accounts).

Building Retail Financial Literacy

Bursa Malaysia conducted several events and campaigns to build greater retail investor awareness about and interest in the Malaysian capital markets and develop foundational trading knowledge. The following are some of our key retail initiatives held during the year.

- Bursa Mirror, Learn and Trade (MLT) Campaign 2023**
 The MLT Platform is a free interactive digital education platform where young investors can mirror and learn from the trading patterns of Malaysia's leading capital market analysts. Between October and December 2023, we held a CopyTrade Contest on the MLT platform.
- Bursa Marketplace Fair**
 We organised the Bursa Marketplace Fair on 5 August 2023 to raise awareness about investing in equities and derivatives. It attracted participants, ranging from beginners to experienced investors, and was supported by exhibition booths hosted by broker partners, regulators and PLCs. It also featured seminars by renowned speakers and industry experts and presentations by the PLCs.
- Targeted Webinar Series for Loss-Making Investors**
 Bursa Malaysia collaborated with a broker to hold a targeted webinar series for its loss-making retail investors. The webinar aimed to educate and empower the investors to transform their portfolios from losses to profits and build a sustainable portfolio, encouraging them to remain in the market and teaching them ways to avoid their previous mistakes. More than 453 participants attended these sessions.
- Retail Workshop Series**
 Educational workshops were held with industry partners to keep retail investors abreast of the latest investment trends. More than 9,500 participants attended 55 workshops in 2023. Bursa Malaysia also held 109 Invest Shariah workshops, which attracted over 20,000 participants. In addition, the Exchange participated in the Annual Minggu Saham Amanah Malaysia 2023 to raise awareness about the importance of investing as part of a personal wealth plan.
- Retail Investor Campaign 2022**
 An award ceremony for the winners was held on 16 January 2023 to recognise the efforts and innovative ideas of the top brokers, dealers and remisiers in navigating the retail sector through a challenging post Covid-19 pandemic year.

Business Review

Securities Market

Retail Market Survey and Thematic Paper

Bursa Malaysia conducted a comprehensive industry survey involving a sample size of more than 3,000 respondents from across Malaysia. The survey focused on the sociodemographic characteristics of retail investors and non-investors, their level of knowledge about Bursa Malaysia's retail investing products, market and economic perception, their investing behaviours, their previous investing experiences and barriers to investing. From the data collected from this survey, Bursa Malaysia will produce a thematic paper that establishes key strategies focused on:

- Addressing barriers encountered by retail investors
- Promoting financial inclusion
- Making investing more accessible
- Maintaining retail investors' interest in Bursa Malaysia's products

Results from the survey will also be used to publish an industry reference and guide, which will subsequently act as the benchmark for the industry participants to refine their

product offerings in line with retail investors' needs and preferences. Bursa Malaysia shared the preliminary report on social media platforms in December 2023, with the full report expected to be publicly available in 2024.

Democratising Equity Investments

Bursa Malaysia signed a Memorandum of Collaboration with TNG Digital Sdn Bhd and Affin Hwang Investment Bank Berhad to collaborate on an initiative enabling investors to participate in the securities market through the Touch 'n Go (TNG) digital platform. Through this collaboration, retail investors are able to access a wide array of investment products listed on Bursa Malaysia via the TNG eWallet's GOinvest feature. In addition, the GOinvest platform will also host investment education information covering topics such as the fundamentals of investing and introduction to various investments available on Bursa Malaysia, including ETFs.

CAPACITY AND CAPABILITIES BUILDING

Enhancing The Capabilities of Our Partners

Bursa Malaysia is aware of the importance of building up the capabilities of the entire trading ecosystem, not just those of the Exchange alone. Therefore, we also implemented initiatives to empower and further develop our intermediaries, including our brokers and dealers. Initiatives delivered in 2023 include:

Dealer's Representatives (DRs) Licence Liberalisation

The DRs operating framework was enhanced to expand their roles beyond just dealing in securities. Under the new framework, DRs who meet requirements can apply for additional licences to undertake other roles, such as providing investment advice and financial planning and dealing in unit trusts and private retirement schemes. The Securities Commission Malaysia approved the new framework, which took effect on 14 April 2023.

Broker and Salesforce Competition

This campaign was held to encourage participating brokers and their salesforce to increase new account acquisitions, as well as increase the trading of shares and products listed on Bursa Malaysia.

Building Financial Literacy and Education

Bursa Malaysia organises financial education programmes for its various stakeholders as part of its strategy to develop the Malaysian capital markets ecosystem. The Exchange's education initiatives are focused on:

Building the capacities and encouraging high standards of corporate governance, disclosure and sustainability among PLCs, and high standards of business conduct among market intermediaries.

Growing the investor base with financially literate and savvy investors.

Enhancing sustainability awareness and encouraging responsible investment practices.

Improving the level of financial literacy within the general community.

The following table provides an overview of the thematic programmes held during the year.

| | # of Sessions | # of Attendees |
|---------------------|---------------|----------------|
| Educational Visit | 43 | 2,122 |
| Sens-Ability | 10 | 3,170 |
| Equities | 63 | 21,913 |
| Islamic Equities | 16 | 3,705 |
| BYIC | 33 | 5,061 |
| Derivatives | 54 | 8,448 |
| Equities (ETS) | 15 | 2,768 |
| Advocacy Programme | 11 | 714 |
| Market Professional | 23 | 3,662 |
| Index Advocacy | 8 | 421 |
| Equities (Fund) | 10 | 2,628 |
| Grand Total | 286 | 54,527 |

In addition, the Exchange also participated in other financial literacy programmes, such as the Yayasan Sultan Abdullah of Pahang's Stock Investment Seminar as well as the 'Karnival Saham Bersama Bursa Malaysia' organised by Universiti Malaysia Terengganu.

Building Youth Financial Literacy

The Bursa Inter-Varsity Stock Challenge 2023 is part of the Exchange's ongoing commitment to foster the next generation of informed, confident investors through practical, hands-on experience in securities trading. The three-month virtual stock trading competition saw the participation of 943 teams, comprising 1,437 university students from 10 universities across Malaysia. The strong showing reflected the youth's strong interest and enthusiasm in the stock market. Using a real-time price feed, the challenge tasked university students to create the most profitable securities portfolio. During the grand finale, the top 20 finalists showcased their trading strategies employed throughout the competition.

Separately, the Burmon Trader, a gamified module aimed at youth between the ages of eight and 14, was launched in 2023. The module aims to sow the seeds of financial literacy among the youth and build good investment habits for the future. Since its launch, the platform has received a total of 9,721 gameplays in the year of 2023. Physical workshops involving parents and children were also held to support the game further and educate them about the fundamentals of stock market investing.

MOVING FORWARD

The Securities Market will embark on new initiatives in 2024 aligned with the strategic objectives outlined in the new Strategic Roadmap 2024-2026.

A key initiative is the development of the MyBursa portal, which launched its first phase in January 2024 together with the Bursa REACH platform. MyBursa is a one-stop platform consolidating Bursa Malaysia's digital ecosystem and platforms into one. Catering to five target segments – investors, PLCs, brokers, issuers and information vendors – MyBursa provides easy access to market information, services and solutions. Meanwhile, the Bursa REACH platform will allow DRs to share their model portfolios, highlight their returns-generating strategies, and share their investment insights with the retail public. Existing investors can easily connect with their DRs and gain instant access to their DRs' portfolio holdings. Potential and new investors can also reach out to the DRs to start their trading journey and set up their trading accounts.

Additionally, the fractional share trading proof-of-concept will kick-off in the first quarter of 2024. As fractional share trading is a relatively new concept for many in Malaysia, we encourage market participants to take part in the fractional trading sandbox to familiarise themselves with the idea. The Exchange also intends to develop a concept paper and release integration specifications, enabling interested brokers to connect to the fractional trading sandbox.

We will also expand our programmes, such as our digital research offerings, renew the Bursa RISE programme, and expand the IR4U programme to raise the level of interest in our marketplace. Likewise, we will continue to develop our youth financial literacy programme for the young with the Burmon Trader game expanded to introduce more activities for the youth.

Business Review

DERIVATIVES MARKET

Trading on Bursa Malaysia Derivatives (BMD) came off the record highs seen in 2022 following the recovery of CPO supply and an overall slowdown in the global supply chain.

The recovery in CPO production led to the slower trading momentum of FCPO where a total of 14.8 million contracts were traded in 2023 (2022: 16.2 million contracts) with average daily contracts (ADC) at 60,735 (2022: 66,695). In comparison, trading of the FKLII contract intensified, growing 2.4% to 2.9 million contracts (2022: 2.8 million contracts). As a result of the decline in FCPO trading, overall ADC for the Derivatives Market moderated to 72,896, down 7.3% from 78,621 in 2022. Although the total volume of contracts traded declined in 2023, after hours trading picked up steam with the After-Hours (T+1) Night Trading Session setting a new high in daily trading volume of 21,210 contracts on 24 August 2023.

BMD's revenue contributions for 2023 decreased 2.4% yoy to RM97.1 million (2022: RM99.5 million) in tandem with lower trading activity. Trading revenue fell 7.8% yoy to RM89.6 million (2022: RM97.2 million), although this decline was partly offset by an increase in Conference Fees and Exhibition-related revenue. The latter grew 241.3% yoy to RM7.3 million (2022: RM2.1 million) as the number of participants attending our conferences and events continued to recover to pre-COVID-19 pandemic levels.

| Segment Revenue | 2022 RM million | 2023 RM million | % change |
|--|--------------------|--------------------|--------------|
| Trading Revenue | 97.2 | 89.6 | (7.8) |
| Member Services and Connectivity | 0.2 | 0.2 | (1.9) |
| Conference Fee and Exhibition-related Income | 2.1 | 7.3 | 241.3 |
| Total | 99.5 | 97.1 | (2.4) |



DELIVERING ON OUR STRATEGY

One of the Strategic Pillars driving our evolution towards becoming a Multi-Asset Exchange is Diversifying the Derivatives Business. BMD also has an important part to play in the Exchange's sustainability ambitions, and is the first exchange to mandate sustainable certification for all physical delivery of FCPO contracts. The following discussion provides an overview of initiatives implemented in 2023 across our three Core Strategies of Product Expansion, Ecosystem Development as well as Capacity and Capabilities Building.

PRODUCT EXPANSION

Launch of Bursa Malaysia's First Currency Futures Contract

The Exchange launched its first currency futures contract, the Mini United States Dollar (USD)/Chinese Renminbi (RMB) Futures Contract (FCNH) in December 2023 to complement the foreign exchange market currently operated by Malaysian financial institutions. FCNH is a cash-settled contract that gives investors a capital-efficient way to hedge their RMB-denominated assets. This will be especially useful for participants such as SMEs and business owners with transactions in China. The FCNH provides market participants with a transparent, regulated and accessible mechanism to mitigate counterparty credit risks and to hedge against USD and RMB fluctuations.

Licensing Agreement for Soybean Oil Futures Settlement Price

BMD and Dalian Commodity Exchange (DCE) signed an agreement for the licensing of Soybean Oil Futures settlement price, marking it the first product collaboration between a Chinese derivatives exchange and an Asian exchange based outside of China. Under the agreement, BMD is authorised to use the settlement price of DCE Soybean Oil Futures as the basis for calculating the settlement price of the USD-denominated Bursa Malaysia DCE Soybean Oil Futures Contract (FSOY) which will be launched in 2024. The introduction of FSOY is expected to leverage the strengths of each respective exchange to offer investors arbitrage opportunities between soybean oil and palm oil. FSOY will give international traders access to Chinese soybean oil price with the added convenience of trading CPO as well on the same exchange.

ECOSYSTEM DEVELOPMENT

Building Networks and Partnerships

34th Palm and Lauric Oils Price Outlook Conference & Exhibition (POC)

We hosted the 34th edition of the POC from 6 to 8 March 2023. The POC, a flagship calendar event of palm oil players globally, attracted over 2,000 participants from more than 50 countries. The POC is a key venue for participants to build their network and gain valuable updates from the industry. In addition, POC also serves as a way for BMD to market its offerings and showcase the ecosystem which makes it the global leader in FCPO trading.

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

We hosted the 2nd edition of the emPOC in Sarawak from 4 to 5 September 2023. The event attracted more than 400 participants, which comprised mainly East Malaysian industry players. The conference aimed to create awareness among East Malaysian players on the benefits of trading the East Malaysia Crude Palm Oil Futures (FEPO) contract as a risk management tool. Industry players from East Malaysia, who are the main contributors to CPO production in Malaysia, will play a crucial role in developing the CPO futures market, and further underscore the importance of BMD as the central hub for the FCPO trades in the global derivatives market.

Securing Our Global Presence

We extended our long-standing strategic agreement with CME Group until September 2028, reaffirming our commitment to ensure global accessibility of our derivatives offerings. The extension aims to attract new participants to the Malaysian derivatives market by utilising the proven and robust Globex trading ecosystem. BMD's products have been listed on CME Globex since September 2010. The collaboration, which includes the licensing of the settlement prices of FCPO, ensures that new product launches such as the FCNH and FSOY will receive global attention through their listing on Globex. Meanwhile, we also signed a contract extension with the Korean Exchange on the use of its derivatives clearing system.

Business Review

Derivatives Market

CAPACITY AND CAPABILITIES BUILDING

Futures Trading Apprentices Programme (FTAP)

We launched the FTAP, an immersive educational initiative designed to nurture and equip aspiring traders with the foundational skills required to succeed as full-time derivatives traders. Supported by the Capital Market Development Fund, the 12-day in-person training programme comprises a two-day classroom session focused on understanding the concepts of derivatives trading, and a 10-day experiential session at the Bursa Trading Arcade located onsite at the Exchange. Through FTAP, BMD aims to help build the next generation of derivatives traders. After the completion of the first intake in November 2023, a total of nine FTAP apprentices out of 28 graduates have signed up for the Mentor-Mentee programme.

Derivatives Virtual Trading Challenge (DVTC)

The DVTC was designed to raise public awareness about the benefits of derivatives trading. Through the DVTC, Malaysians above the age of 18 can participate in a simulated derivatives trading environment using real-time trading data. Winners are then chosen from over 4,000 participants based on the cash balance in their simulated trading account at the end of the competition. The top 20 participants received a total of RM100,000 as a prize for participating in this challenge. The DVTC aims to introduce derivatives trading to new participants, which is not as widely practised as securities trading.

MOVING FORWARD

There is still significant untapped potential in our derivatives business and plans have been developed for execution in the next phase of our Strategic Roadmap 2024-2026. One of the top priorities is the establishment of an edible oils trading hub within the region anchored on BMD. This initiative capitalises the Exchange's existing strength in FCPO and initiatives to expand its edible oils contracts to draw more attention from edible oils traders. The ultimate goal is to have these traders consolidate their exposure to edible oils within our exchange by creating a dynamic and efficient trading environment.

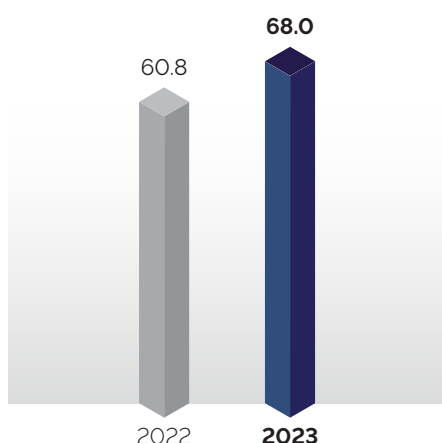
To support this initiative, it is important that we increase the number of foreign participants by tapping into different market ecosystems through cross-exchange collaborations. Our success in doing so is important for the long-term sustainability of our derivatives business and our goal of becoming a Multi-Asset Exchange. Our focus is to develop products which will integrate well with different business ecosystems, and meet investor needs within the context of an evolving market landscape. Products targeted for development in the near-term include equity and foreign currency products.

Business Review

BURSA INTELLIGENCE

Greater demand for market data sustained robust growth for Bursa Intelligence (BI) in 2023, while new data innovations helped expand market horizons for the Exchange.

Data Business Revenue
(RM million)



Revenue from our data business continued to strengthen in 2023, registering a 11.9% yoy growth to RM68.0 million (2022: RM60.8 million). Securities and Derivatives market data revenue increased 10.5% to RM53.3 million (2022: RM48.3 million) and 17.8% to RM14.3 million (2022: RM12.2 million), respectively, due to a revision in fees at the start of the second quarter of 2023 and the higher number of subscribers. Bursa Malaysia's data business accounted for 11.5% of its total operating revenue in 2023.

Growth in our data business was further underpinned by an increase in the number of institutional clients who registered with us due to our efforts to draw participation from the international community and trading solution providers. To capitalise on this growth momentum, we plan to expand our current data business into additional areas such as ESG and sustainable financing. This move will not only enhance our market presence but also yield new growth opportunities. It would also allow us to go beyond our traditional market and offer our data-driven solutions to a wider range of industries.

OPERATING ENVIRONMENT

BI's role has evolved and deepened over the last few years, and we have now approached a pivot point with two significant levers to underpin our business strategy moving forward. These two levers are i) leveraging on the growing importance of ESG, and, ii) developing our digital solutions and capabilities.

Leveraging on the growing importance of ESG

CSI Platform

Bursa Malaysia is playing a catalytic role in facilitating Corporate Malaysia's transition to the green economy. As such, BI is currently co-developing the CSI Platform with LSEG as a consolidated hub for reporting requirements and standards.

#digital4ESG

We organised two #digital4ESG sessions to explore the intersection of digitalisation and ESG, enhancing the understanding of how digitalisation can contribute to sustainable practices and reporting. This programme brings

together PLCs and industry experts in conjunction with Bursa Malaysia's PLCT Programme. These sessions were focused on:

- the way small- and mid-cap PLCs are improving their ESG practices and disclosures, leveraging on technology and digitalisation for a more cost-efficient and value creation way forward; and
- the transformative potential of digital tools in addressing the complexities of ESG reporting within the context of Industry 4.0.

Business Review

Bursa Intelligence

Developing our digital solutions and capabilities

We expanded our data repository to include non-capital market related data via strategic collaborations with the Companies Commission of Malaysia or Suruhanjaya Syarikat Malaysia (SSM), which comprises 650,000 active business entities, and the Department of Statistics Malaysia (DOSM). This allowed us to obtain datasets of SMEs and macroeconomics to complement Bursa Malaysia's capital market data.

DELIVERING ON OUR STRATEGY

Data and Innovation are key enablers under Bursa Malaysia's Strategic Roadmap 2021-2023. Their development is critical in achieving our five Strategic Pillars as they pave the way for Bursa Malaysia to realise new opportunities, add new products and strengthen our marketplace further.

The growth of Bursa Malaysia's data business will be driven by ESG considerations as well as Corporate Malaysia's transition to the green economy and sustainable finance. Both ESG and the green transition will require the management of substantial data points, making data management a crucial tool for all market participants. In addition, BI's strategic transformation to build an innovative Enterprise Data Platform (EDP) has enabled the Exchange to pivot away from the traditional passive market data business and participate proactively through collaboration with partners, not to mention providing greater commercialisation of data products. The EDP aims to function as a single point of truth, i.e., a central data platform, to guide the decision-making processes for market participants, including Bursa Malaysia.

BI's initiatives in 2023 were arrayed across the three Core Strategies as follows:

PRODUCT EXPANSION

Enterprise Data Platform

Effective 1 January 2024, BI has deployed an EDP, a centralised data platform that enables collaboration and commercialisation. The EDP provides enhanced data governance, storage and processing capabilities. It also comes with front-end artificial intelligence capabilities to provide valuable insights. The platform represents Bursa Malaysia's forward move in its data and customer acquisition journey and is part of our plan to develop a sound data ecosystem that creates enterprise value with the potential for national significance.

What

technology is it built on?

- Cloud – efficient, scalable, collaborative.
- Data – volume, veracity, velocity.
- Artificial Intelligence – uncover new business value.

What

does it do for us now?

- Repository of our data ecosystem.
- Store non-Personal Identifiable Information Data – comply Personal Data Protection Act or Securities Industry (Central Depositories).
- Automate data governance.

What

can it do for us?

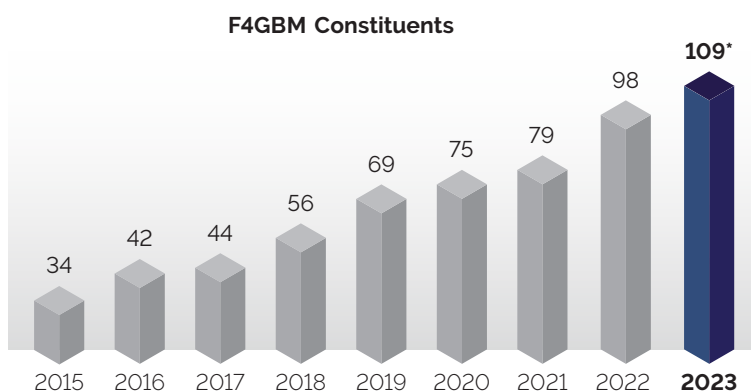
- Create insights; aggregating data.
- Scale production and accelerate go-to-market.
- Deliver new enterprise value.

Expansion Of FTSE4GOOD Ratings

The FTSE Russell's ESG scores and data model give investors insight into a company's ESG issues at a granular level and according to a clear hierarchy. These scores can then be used as the building blocks for integrating ESG into investments in various ways, including active portfolio management, benchmark design and company engagement. As part of our aim to grow ESG awareness and best practices in our marketplace, we have commenced our plan to expand the FTSE4Good rating universe to all Main and ACE Markets' listed companies.

The aim of the expansion is three-fold:

- To remove index-related liquidity metrics and increase focus on ESG factors
- To issue a call-to-action to small- and mid-sized PLCs to improve their ESG performance
- To use the scores as a transition tool based on global standards and ensure that PLCs are focused on high-impact areas in their ESG disclosures



*As at 14 December 2023.

With these disclosures, we aim to help both PLCs and investors better understand their ESG exposure and provide greater comparability across our marketplace.

Further supporting the expansion is our continued engagement with corporations on FTSE4Good matters to ensure they are aware and updated on ESG developments. We conducted three awareness sessions in 2023 to educate our PLCs about the expanded universe and its implications for them. These sessions also helped introduce participants to the CSI Platform.

Data Repository Expansion

Pursuant to the memorandum of understanding (MOU) signed between SSM and Bursa Malaysia in 2022, we have developed an SME fundraising platform. The platform merges private companies' data from SSM and capital market data from Bursa Malaysia to create a new revenue-generating product. In addition, we also signed an MOU with the DOSM to obtain macroeconomic datasets and expand its data repository holdings. Through these datasets, we plan to develop a new commercial product for market participants.

ECOSYSTEM DEVELOPMENT

Leveraging ESG for Business Expansion

Bursa Malaysia is working with LSEG to develop the CSI Platform, a consolidated hub for reporting requirements and standards. The platform facilitates the submission and assessment of companies' carbon emissions impact and the disclosure of standardised ESG data in compliance with local requirements and global standards. It also aims to facilitate a seamless green transition for Malaysian companies regardless of size and provide greater access to green capital, improved valuation and a more significant competitive advantage in global supply chains. This will also indirectly contribute to the national aspiration of achieving a net zero future by securing green commitments from all stakeholders.

This effort was bolstered by discussion at a roundtable held in 2023, where policymakers such as BNM, the SC, the Ministry of International Trade and Investments, and the Ministry of Economy collectively agreed to leverage the CSI Platform to align and facilitate their reporting requirements.

As a result of these discussions, the Joint Committee for Climate Change announced in October 2023 that its Greening Value Chain (GVC) programme will use the CSI Platform as a reporting and monitoring tool. The CSI Platform will therefore complement the GVC programme to support the green transition of SMEs within the supply chain. We also launched our Early Adopter Programme for proof-of-concept for the platform involving key verticals from companies including Petronas, UMW Corporation Sdn Bhd, Mah Sing Group Berhad and Westport Holdings Berhad as well as financial institutions such as Malayan Banking Berhad and Alliance Bank Malaysia Berhad.

Simultaneously, BI is leveraging on the intersection of digitalisation and ESG, focusing on the way that digitalisation contributes to sustainable practices and reporting.

Business Review

Bursa Intelligence

CAPACITY AND CAPABILITIES BUILDING

Development of International Alliances and Ecosystems

Bursa Malaysia is collaborating with the Indonesia Stock Exchange, the Stock Exchange of Thailand and the Singapore Exchange to develop an ASEAN Interconnected Sustainability Ecosystem (ASEAN-ISE) to drive value creation and sustainable development in ASEAN. An initial MOU was signed between Bursa Malaysia and the participating exchanges in September 2023, and the ASEAN-ISE was formalised in February 2024. In establishing ASEAN-ISE, the exchanges aim to:

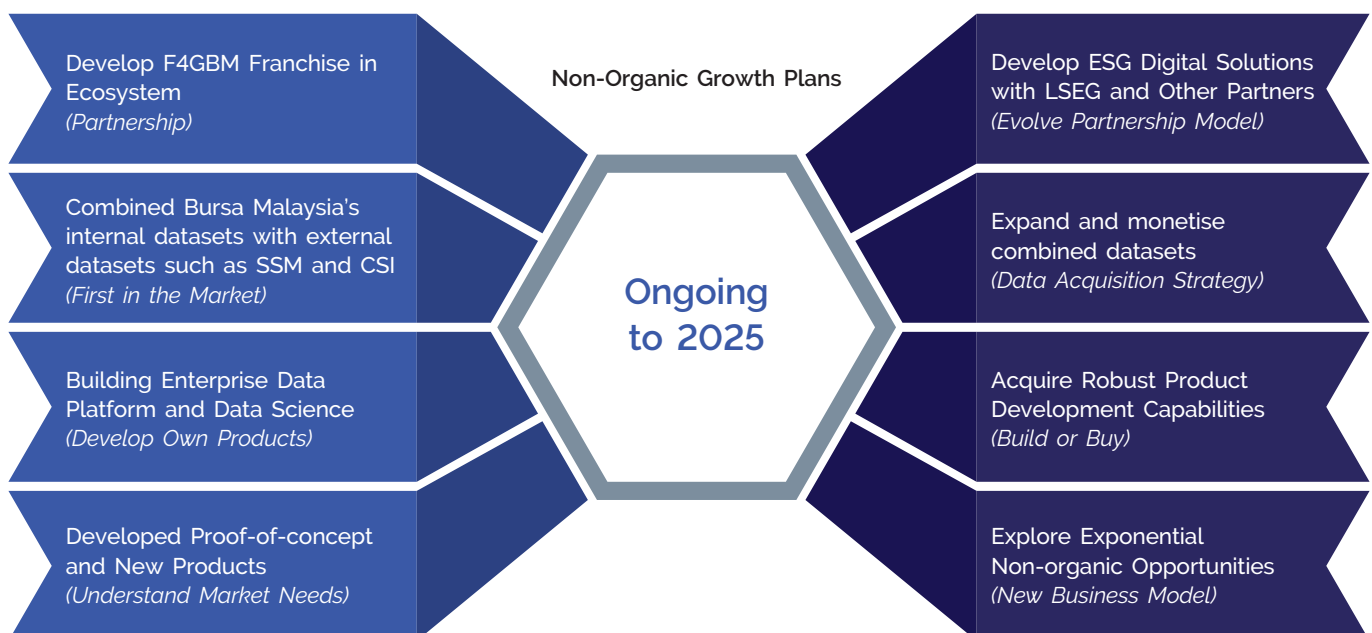
- Create an integrated ESG ecosystem to promote the progress of sustainable development in ASEAN
- Enable participating exchanges to achieve economies of scale through cost efficiency and faster time-to-market with fit-for-purpose solutions
- Empower participating exchanges to proactively assist ESG-compliant corporates in maximising business value through quality disclosures. This involves developing infrastructure solutions to facilitate cross-border trade flows, connecting corporates' supply chains to ESG-oriented investment capital, and providing suppliers with good ESG practices and disclosures to secure more competitive financing

In addition, a white paper is being prepared for publication in key regional and global forums, including the ASEAN CEO Exchanges Forum, United Nations Sustainable Stock Exchanges' events at UNCTAD's World Investment Forum and UN Conference of the Parties to the UN Framework Convention on Climate Change (COP28). Establishing this ecosystem will greatly expand the reach and influence of sustainability programmes in the region.

MOVING FORWARD

We see significant growth potential for our data business owing to the lack of convergence in the areas of ESG, digital and finance. Bursa Malaysia, which is at the locus of these three areas, can leverage opportunities at this intersection to drive growth. With positive prospects in this area, we will continue our non-organic growth plan in this space to establish a significant presence for the Exchange. We will accelerate our business development to bolster our product and service offerings, including through collaborations with ESG and digital partners.

Our work in the last three years aimed at building a platform to expand our data offerings. We also plan to further capitalise on our newly established EDP to develop and commercialise new financial data and expand our product offerings. These will leverage data derived from BCX, Bursa Gold Dinar and other digital asset classes available on our marketplace. We also plan to launch new SSM products and early CSI solutions over the next few years. Our targets until 2025 are outlined below:



Business Review

ISLAMIC MARKETS

Bursa Malaysia provides a comprehensive Islamic trading and investing ecosystem catering to investors seeking a fully Shariah-compliant investment experience.

In addition to offering Shariah-compliant securities and services, the Exchange operates two Shariah-compliant trading platform and one Shariah-compliant investment platform:

- Bursa Malaysia-*i*, which facilitates end-to-end Shariah-compliant securities trading and investing
- Bursa Suq Al-Sila' (BSAS), a commodity Murabahah trading platform
- Bursa Gold Dinar (BGD), which is a gold investment platform

For segmental reporting purposes, the revenue generated from the trading of Shariah-compliant securities is reported under the Securities Market, while revenue from BSAS is reported in this section. As BGD was only launched to the public in 2024, its discussion in this year's report is to provide an overview of its role in our marketplace.

In 2023, BSAS continued to see trading revenue growth, increasing by 3.9% yoy to RM17.1 million (2022: RM16.4 million). ADV, however, decreased marginally by 1.0% yoy to RM45.1 billion (2022: RM45.6 billion) in tandem with the slowdown of the overall economy.

As for the trading of Shariah-compliant securities, market ADV fell 3.7% to RM14 billion (2022: RM15 billion) although it continued to account for 69% of the Securities Market's total ADV. Market capitalisation of all Shariah-compliant securities in 2023 grew 1.6% yoy to RM1.17 trillion (2022: RM1.16 trillion) and accounted for 65% (2022: 67%) of total market capitalisation of RM1.80 trillion. Of the 995 listed counters on the Securities Market, 811 or 82% are classified as Shariah-compliant. At end December 2023, the FTSE Bursa Malaysia Hijrah Shariah Index and the FTSE Bursa Malaysia EMAS Shariah Index outperformed the benchmark FTSE Bursa Malaysia KLCI Index by 1.6% and 3.2%, respectively.

| Index | 2022 | 2023 | % change |
|--|-----------|-----------|----------|
| FTSE Bursa Malaysia KLCI Index | 1,495.49 | 1,454.66 | (2.7) |
| FTSE Bursa Malaysia Hijrah Shariah Index | 11,908.79 | 11,783.61 | (1.1) |
| FTSE Bursa Malaysia EMAS Shariah Index | 10,938.55 | 10,988.71 | 0.5 |

OPERATING ENVIRONMENT

The S&P Global Ratings expects the strong growth in the global Islamic finance industry to continue, projecting the industry to expand 10% in 2024. BSAS is well-positioned to take advantage of this growth momentum because of its commitment to Shariah compliance, inclusive growth and technological innovation. We strive to play a pivotal role in shaping the future of Islamic finance and contributing to the Islamic liquidity requirements worldwide, particularly through our BSAS platform.

Malaysia enjoys recognition as a thought leader in the area of Islamic finance, and is among the top three countries in the world in terms of the size of its Islamic finance assets holdings. According to the SC, the Islamic capital market (ICM) constitutes an average of 64% of the total capital market in Malaysia between 2017-2022. In 2023, the market capitalisation of Shariah-compliant securities totalled RM1.17 trillion, and the ICM, as a whole, was valued at an estimated RM2.4 trillion.

To further strengthen ICM, the SC issued the principle-based 'Maqasid Al-Shariah Guidance Islamic Capital Market' in November 2023 to complement and integrate with SC's existing rules and regulations, and reinforce sustainable and responsible finance practices. It also serves as a valuable point of reference for stakeholders who are keen to explore Islamic social finance tools, including *zakat* (almsgiving), *sadaqah* (charity) and *waqf* (endowment).

Business Review

Islamic Markets

DELIVERING ON OUR STRATEGY

Positioning Bursa Malaysia as the Global Hub for Islamic Capital Markets is one of the Strategic Pillars under the Strategic Roadmap 2021-2023. Under this plan, Bursa Malaysia aims to become the leading global exchange for Islamic fundraising and investing. We, therefore, continued to implement initiatives designed to expand our range of Shariah-compliant products, introduce new innovations and strengthen the Islamic investing ecosystem under the three Core Strategies of Product Expansion, Ecosystem Development as well as Capacity and Capabilities Building.

PRODUCT EXPANSION

BSAS Sustainable Initiatives

In line with the SDG 10 on Reduced Inequalities, BSAS continued to facilitate the underbanked and underserved communities to get access to Islamic micro-financing via co-operative societies. By the end of 2023, BSAS has 128 cooperative societies registered as participants with two foreign co-operatives from Kenya and Singapore. For the year, total financing by co-operative societies on BSAS stood at RM23.5 billion (2022: RM21.3 billion).

In 2023, BSAS successfully introduced aluminium as a new metal-based commodity, building upon the introduction of lead metal in 2019. These initiatives underscore BSAS's dedication to diversifying its product offerings and staying ahead of market trends.

Expanding Social Finance Offerings on Our Marketplace

Bursa Malaysia amended its Main LR in 2023 to enable the offering of listed REITs and ETFs with *waqf* features. The move is part of the initiative to expand the SC's *Waqf*-featured Fund Framework and enhance the Exchange's Islamic capital market offerings. With the inclusion of REITs and ETFs with *waqf* features, investors now have greater access to a more diverse suite of Shariah-compliant as well as Sustainable and Responsible Investment (SRI) assets. This addition to our marketplace further cements Bursa Malaysia's position as a leading global Islamic finance marketplace.

** In Islamic law, waqf is a form of charitable endowment in which property or assets are donated for the use and benefits of the public. The endowment is intended to be perpetual, with the assets held in trust and the income generated from the assets are used for charitable purposes.*

Bursa Gold Dinar (BGD)

As Bursa Malaysia's first direct to retail product, BGD was launched on 16 January 2024 and is our new Shariah-compliant gold investment platform operated by Bursa Malaysia Digital Sdn Bhd, a wholly-owned subsidiary of Bursa Malaysia.

Strategically developed with our investors in mind, BGD provides eligible Malaysians and Malaysian residents with the digital convenience to invest in physical gold through a mobile app. With its affordable entry point of RM10, BGD debunks the notion that investing is difficult and costly, and that investments are only for certain income brackets. In addition to offering our customers a trusted and secured gold investment opportunity, the platform puts accessibility as paramount and thus offers extended trading hours until 11:50pm, seven days a week. Investors may also easily transfer gold to their loved ones or redeem every 4.25g of gold owned into a physical, custom-designed coin that will be delivered directly to them.

As a key catalyst in our efforts to reach wider audiences in the market and expanding our ecosystem, BGD's development will continue to unfold in stages. Investors can expect new features, enhancements and additional functionalities to improve their investing experience in the near future. These planned additions will contribute to BGD's evolution as a product, and complements Bursa Malaysia's position as a Multi-Asset Exchange, with product offerings catered to the investment needs of our customers.

ECOSYSTEM DEVELOPMENT

Enhancing Islamic Capital Market Liquidity

We enhanced the Islamic Securities Selling and Buying – Negotiated Transaction (ISSBNT) Framework in January 2023 to create a more facilitative trading environment that would encourage greater liquidity and trading velocity of Shariah-compliant securities assets. The ISSBNT, a world's first, was amended in 2023 to:

- Allow the recall or re-acquisition of securities if the status of the ISSBNT Eligible Securities becomes Shariah non-compliant
- Add a grace period of seven market days to provide sufficient time for the securities transfer and transactions to take place after taking into consideration the T+2 clearing and settlement cycle

These moves aim to provide a more facilitative trading environment by giving market participants greater flexibility to buy and sell the Shariah-compliant securities under the ISSBNT model, thereby improving trading liquidity and velocity of Shariah-compliant securities assets.

To further boost the attractiveness of the ISSBNT trading framework, the Malaysian government announced in its Budget 2024 that income from ISSBNT transactions will be tax-exempt beginning 2024.

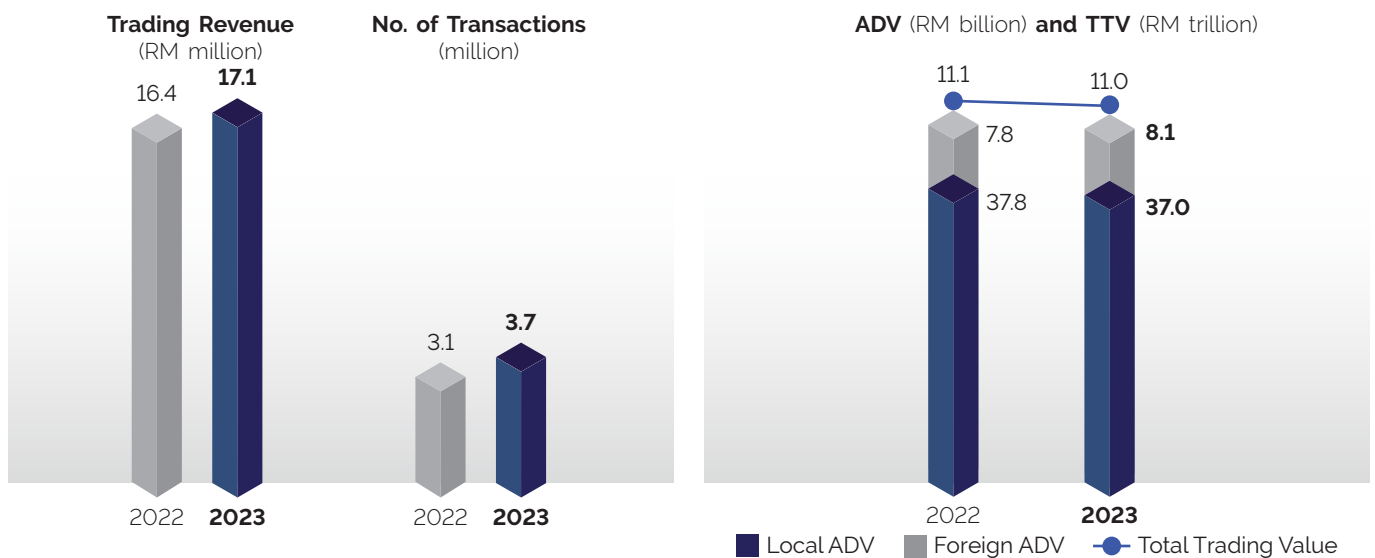
BSAS Expansion: Facilitating Islamic Finance Worldwide

BSAS continued to facilitate Islamic finance transactions and Islamic liquidity management for Islamic financial institutions (IFIs) and non-IFIs, domestically and internationally, since its launch in 2009.

In 2023, we witnessed continued interest in our BSAS platform. A total of 30 new participants were recorded from Malaysia, Turkey, Saudi Arabia, Kuwait, Tanzania and Singapore, of which six were foreign participants and 24 were local participants. The new additions bring BSAS' total participants to 354 (2022: 325), registering an increase of 8.9%. The diverse and expanding participant base positions BSAS well for enhanced ADV and increased trading revenue in the future.

BSAS also extended its services to foreign co-operative societies such as Singapore Muslim Teachers' Co-operative Limited, which became BSAS' participant in 2023. This strategic expansion builds upon the successful participation of BSAS first foreign co-operative society Stima DT Sacco Society Limited from Kenya in 2021. These entities, along with non-bank financial institutions, which had also expressed their interest in joining our BSAS platform, augurs well for BSAS as they are expected to contribute positively to BSAS' revenue.

BSAS Performance

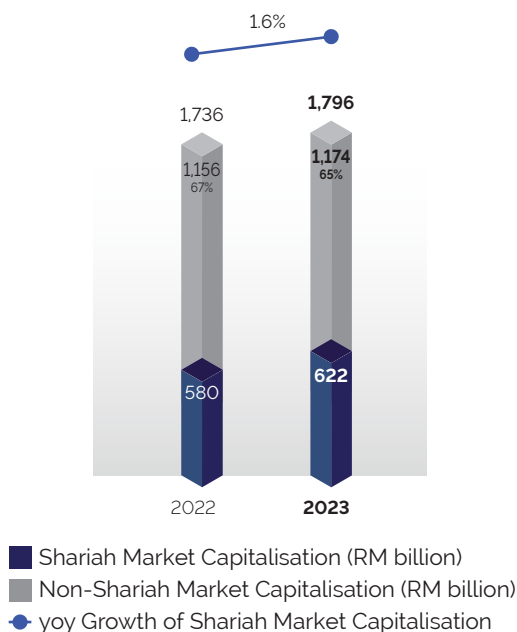


Shariah Equity Market Performance

Market Capitalisation

Growth of Shariah Market Capitalisation from 2012 to 2023

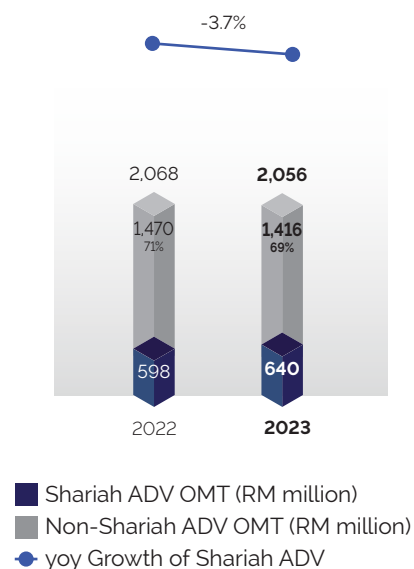
24% ▲



ADV

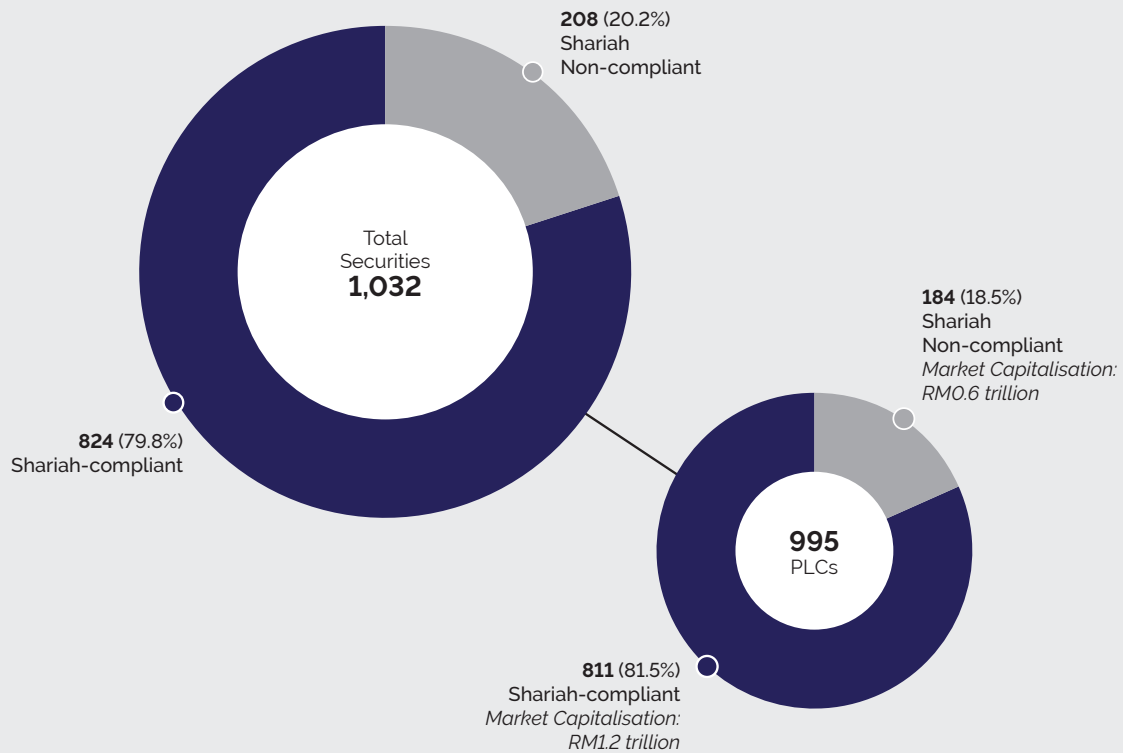
Growth of Shariah ADV from 2012 to 2023

36% ▲

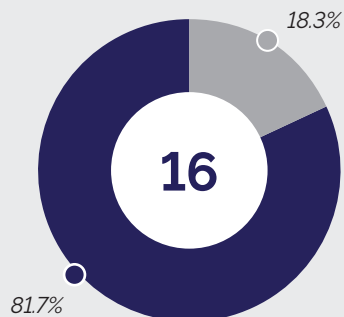


Business Review

Islamic Markets



ETFs



ETFs

10

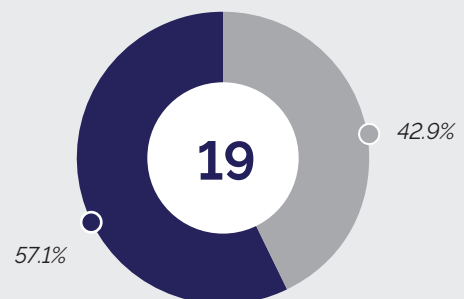
NAV: RM1.8 billion

i-ETFs

6

NAV: RM0.4 billion

REITs



REITs

14

Market Capitalisation: RM23.9 billion

i-REITs

5

Market Capitalisation: RM17.9 billion

Exchange Traded Bonds and Sukuk (ETBS)



ETBS

2

Market Capitalisation: RM0.1 billion

CAPACITY AND CAPABILITIES BUILDING

Increasing participation on BSAS

BSAS continued to actively engage with local and foreign regulators throughout 2023, solidifying Bursa Malaysia's commitment to compliance and best practices. Notable engagements included the Association of Islamic Banking and Financial Institutions Malaysia, Association of Participation Banks of Turkiye, Islamic Banking and Finance Institute Malaysia, Islamic Financial Services Board, Central Bank of Russia and the State Bank of Pakistan, aimed at sharing knowledge and experiences related to how BSAS facilitates Islamic liquidity management. These interactions enhance Bursa Malaysia's reputation as a trusted and responsible market participant.

Raising Public Awareness on Islamic as well as SRI Investing and Fundraising

Education and awareness-building outreach programmes are important initiatives for us as a significant portion of the investing public is unaware of or misunderstands the goal of Islamic and SRI products. This lack of awareness also applies to companies looking to raise funds and who may not be aware of the advantages of raising capital through the Exchange. We hold regular outreach programmes to address this gap and to promote Bursa Malaysia's Shariah investing and fundraising solutions.

Invest Shariah Industry Dialogue (ISID) 2023

The ISID 2023 was held on 19 January 2023 in partnership with the SC, Malaysia Digital Economy Corporation and Unit Peneraju Agenda Bumiputera (TERAJU) targeting Islamic companies in the fintech industry. The dialogue aims to build awareness of fundraising via IPOs on Bursa Malaysia.

Trade Shariah Series 2023

These are a series of seminars held in collaboration with training providers for investors. The series aims to educate them on Shariah-compliant investment products on Bursa Malaysia, including *i*-ETFs, *i*-REITS and *i*-Derivatives. Four seminars were held throughout the year. We also held the Trade for Lebaran Campaign to raise awareness and trading of *i*-REITS and *i*-ETFs on Bursa Malaysia. The campaign ran from 3 April to 3 July 2023.

Engage Shariah Series 2023

The Engage Shariah Series is a seminar series on Hibah for Central Depository System (CDS) accounts held in collaboration with trust companies. The seminars aimed to introduce the Hibah for CDS account service to brokers, remisers and financial planners. The Hibah service allows investors to transfer their shares to their beneficiaries from their CDS accounts. Two sessions were held in 2023.

Shariah-compliant Investment Products Survey 2023

The survey, which ran from 30 October to 30 November 2023, sought public feedback on Bursa Malaysia's Shariah-compliant investment products. With a total of 1,118 responses received, we intend to analyse on the level of public understanding and awareness about Bursa Malaysia's Islamic product offerings.

Shariah Equity Market Highlights

Shariah Equity Market Highlights is a monthly set of market highlights released to increase awareness of Malaysia's Islamic capital markets as well as Shariah-compliant investment products and services on Bursa Malaysia. The monthly updates are published on Bursa Malaysia's social media pages, including Facebook, X (formerly known as Twitter), LinkedIn and Telegram.

MOVING FORWARD

The Exchange will continue to focus on three key areas: better aligning the Islamic capital market with ESG considerations, growing revenue and increasing foreign participation. New products such as BGD and *waqf*-featured listed products will contribute to the enhanced profile of Bursa Malaysia as a global Islamic capital market, making it more attractive to a new class of investors and add value to the Islamic capital market ecosystem.

Meanwhile, BSAS expects to sustain its trading activities and growth momentum in 2024 with rising participation on BSAS from diverse entities, ranging from Islamic banks to local and foreign co-operative societies. Through BSAS' strategic focus on fostering partnerships, Bursa Malaysia is able to capitalise on emerging opportunities in the Islamic markets and reinforce its position as a leading Islamic capital market.

Our Shariah Committee

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

PROF. DR. ASHRAF BIN MD HASHIM

Chairman



| | |
|-------------|-----------|
| Nationality | Malaysian |
| Age/Gender | 55/Male |

Academic/Professional Qualification/Membership(s):

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

Present Directorship:

Listed Entity: Nil

Other Entities:

- Lembaga Tabung Haji
- Express Rail Link
- Halal Development Cooperation
- Tabung Haji Travel and Services

Present Appointment(s):

- Chairman, Shariah Advisory Council, Bank Negara Malaysia (BNM)
- Chairman, Shariah Board, Lembaga Tabung Haji
- Chairman, Advisory Council of Experts, Noor Takaful Nigeria
- Deputy Chairman, Shariah Supervisory Board, Bangsamoro Autonomous Region in Muslim Mindanao, Republic of the Philippines
- Deputy President (Research) and Executive Director ISRA, INCEIF University
- Member, Shariah Advisory Council, Securities Commission Malaysia (SC)
- Member, Shariah Committee, International Islamic Liquidity Management Cooperation
- Member, National Fatwa Council of Malaysia (Muzakarah Kebangsaan Hal Ehwal Agama Islam)
- Member, Majlis Agama Islam Selangor
- Member, Internal Shariah Advisory Committee, Abu Dhabi Islamic Bank, United Arab Emirates (UAE)
- Member, Internal Shariah Advisory Committee, Standard Chartered Bank, UAE
- Member, Shariah Board, Islamic Bank of Australia
- Member, Shariah Board, IMON International, Tajikistan
- Member, Shariah Board, Amanat Advisory, Kyrgyz Republic
- Member, Panel of Shariah Experts, Islamic Development Division, Prime Minister Department, Malaysia
- Member, Shariah Committee, Employment Provident Fund (EPF), Malaysia
- Member, Shariah Committee, Yayasan Waqf Malaysia (Malaysia Waqf Foundation)
- Member, Shariah Committee, State Development Cooperation of Kelantan
- Member, Waqf Committee, Kelantan Religious Council and Finance
- Member, Finance and Investment Committee, Selangor Religious Council
- Registered Shariah Adviser, SC

PROF. DR. YOUNES SOUALHI

Member



| | |
|-------------|----------|
| Nationality | Algerian |
| Age/Gender | 56/Male |

Academic/Professional Qualification/Membership(s):

- PhD in Shariah, Universiti Malaya
- MA in Shariah, IIUM
- BA in Shariah, Emir Abdul Qadir University for Islamic Sciences, Algeria
- Diploma in Human Sciences, IIUM
- Registered Financial Planner, Malaysian Financial Planning Council, Malaysia
- Certified trainer, General Council for Islamic Banks and Financial Institutions

Present Directorship:

Listed Entity: Nil

Other Entities: Nil

Present Appointment(s):

- Chairman, Group Shariah Committee, MNRB Holdings Berhad, Malaysia
- Chairman, Shariah Council of Experts Salam Takaful (Nigeria)
- Chairman, Shariah Committee, Al Rajhi Bank Malaysia
- Chairman, Shariah Committee, Osol for Shariah Consultancy, Kuwait
- Deputy Chairman, Shariah Committee, ABC Bahrain Bank, Algeria
- Deputy Chairman, Shariah Committee, Al-Jazair al-Muttahida Takaful operator, Algeria
- Sole Shariah Advisor, Kuwait Retakaful, Labuan, Malaysia
- Member, The Accounting and Auditing Organization for Islamic Financial Institutions (AAOIFI) Shariah Sub-committee (South East Asia Region)
- Member, Zep Re, Somalia
- Registered Shariah Adviser, SC
- Consultant, World Bank, Washington DC

PROF. DR. ENSKU RABIAH ADAWIAH BT ENSKU ALI

Member



| | |
|-------------|-----------|
| Nationality | Malaysian |
| Age/Gender | 56/Female |

Academic/Professional Qualification/Membership(s):

- PhD in Law from University of Aberdeen, United Kingdom
- LLB (Hons), IIUM
- LLB (Shariah), IIUM
- Masters of Comparative Laws, IIUM

Present Directorship:

Listed Entity: Nil

Other Entities: Nil

Present Appointment(s):

- Chairman, Shariah Advisory Committee, Pemas
- Deputy Chairman, Shariah Advisory Council, BNM
- Deputy Chairman, Shariah Advisory Council, Labuan FSA
- Deputy Chairman, Shariah Advisory Council, SC
- Shariah Advisor, Gen Re
- Shariah Committee, Labuan Re
- Board Member, AWQAF Holdings
- Council Member, Majlis Agama Islam Wilayah Persekutuan (MAIWP)
- Council Member, KIWF (Labuan)
- Member, Shariah Advisory Committee, EPF Malaysia
- Member, Shariah Advisory Committee, Xeraya Capital
- Member, Shariah Advisory Committee, Al-Salihin Trustee
- Member, AAOIFI Education Board
- Member, Waqf Committee, MAIWP
- Member, Finance and Investment Committee, MAIWP
- Member, Real Estate Development Committee, MAIWP
- Member of the Association of Shariah Advisors in Islamic Finance Malaysia
- Independent Shariah Advisor for Islamic securities (sukuk) issuance registered with SC

Business Review

OTHER MARKETS

Bursa Malaysia has made steady progress towards becoming a Multi-Asset Exchange, introducing new platforms, products and services that strengthen and diversify our revenue streams while enhancing our market ecosystem. These developmental initiatives enable us to advance beyond the concept of a traditional stock exchange to become a Multi-Asset Exchange market that meets the evolving needs of all stakeholders, future-proof the Exchange and enhance the vibrancy and accessibility of our marketplace.

BCX

The BCX, Malaysia's VCM exchange, is a crucial initiative developed to support Malaysia's net zero ambition. The world's first Shariah-compliant carbon exchange, the BCX is designed to meet market participants' ESG and Shariah-compliance needs by enabling the trading of carbon credits. BCX operates on a pre-funding model and provides immediate settlement to reduce counterparty and delivery risk, and offers standardised products to create a user-friendly trading experience.

BCX's Modes of Trading



OPERATING ENVIRONMENT

The VCM is still at a nascent stage in Malaysia. Due to its voluntary nature, corporations have yet to actively pursue carbon credits purchases for offsetting purposes. However, the present low level of VCM activity is not unique to BCX as economies around the world are facing challenges arising from the post-COVID-19 pandemic operating conditions, rising energy prices and issues arising from the quality and integrity of carbon credits. These are expected to normalise together with the stabilisation of the market landscape.

As with the renewable energy sector, which took over 20 years to mature, the VCM will need time to grow and develop a strong foundation. In the meantime, Bursa Malaysia will continue to invest in expanding BCX's capacity and capabilities because of the latent potential and benefits that a mature VCM can yield for Malaysia. The VCM, when further developed, will also be a strong draw for international and private financiers to unlock decarbonising opportunities.

DELIVERING ON OUR STRATEGY

The BCX is one of our initiatives implemented under the Embedding Sustainability in Our Organisation and Marketplace's Strategic Pillar outlined in our Strategic Roadmap 2021-2023 and key to reaching our objective of future-proofing the Exchange and becoming ASEAN's leading, sustainable and globally-connected marketplace. We aim to establish Bursa Malaysia as the preferred marketplace for SRI. We also strive to make mitigating climate change a foremost priority and will develop innovations to help our PLCs meet their environmental goals. In line with our strategy, our developmental initiatives in this space are detailed under our three Core Strategies of Product Expansion, Ecosystem Development as well as Capacity and Capabilities Building.

Business Review

Other Markets

PRODUCT EXPANSION

BCX held its inaugural transaction on 16 March 2023 by way of auction, introducing two new products: the Global Technology-Based Carbon Contract (GTC) and the Global Nature-Based Plus Carbon Contract (GNC+) of which the GTC was oversubscribed. The VCM saw encouraging participation from 15 buyers across different industries, who purchased a total of 150,000 standardised contracts. Trading went live on 25 September 2023, with BCX supporting continuous trading and off-market transactions. The first two days of trading saw 16,500 units transacted.

ECOSYSTEM DEVELOPMENT

To further spur development of the Malaysian VCM ecosystem, we introduced several tools to help existing and potential market participants better understand our offerings and the resources that are available to them, to kickstart the domestic carbon project pipeline. These include:

VCM Handbook

Developed in collaboration with Malaysian Green Technology and Climate Change Corporation (MGTC), the handbook is a living document aimed at providing initial guidance for interested parties to develop carbon projects in Malaysia. It also aims to support the successful development of local high-quality carbon credits under internationally recognised standards adopted by BCX.

VCM Directory

Set up also in collaboration with MGTC, the directory is a repository containing information on carbon industry service providers, including consultants, validation and verification bodies, project developers and financial institutions. The directory will facilitate better collaboration between interested parties.

In addition to these two tools, BCX has been organising monthly capacity-building sessions, including webinars, roundtables and workshops with the support of our knowledge partners.

CAPACITY AND CAPABILITIES BUILDING

Strategic Partnerships

Bursa Malaysia recognises that the VCM will require the collective support of the market if it is to reach its full potential. Our goal is to build strong, collaborative partnerships with local and foreign partners throughout the value chain to establish a robust platform for the trading of environmental assets. We signed several memorandum of collaborations (MOCs) and MOUs with key partners to bolster the local VCM ecosystem and expand our reach to foreign participants. The MOCs and MOUs signed in 2023 were with:

MGTC to enhance the Malaysian VCM ecosystem.

CIMB Group Holdings Berhad to build capacity and explore the offering of carbon credit services to their clients.

Sarawak Energy Berhad, Hydropower Sustainability Alliance and I-REC Standard Foundation to promote sustainable hydropower renewable energy certificates (RECs).

Gold Standard to expand the number of independent and international carbon registries adopted by BCX and to integrate Gold Standard in our capacity building initiatives.

MOVING FORWARD

Initiatives for the BCX will remain focused on enhancing liquidity on the trading platform and building the ecosystem by implementing initiatives with our strategic partners. One such initiative will see the launch of RECs by the third quarter of 2024. Introducing RECs in our marketplace is part of BCX's strategy towards becoming a one-stop Shariah-compliant environmental-related exchange that offers a suite of products to help market participants meet their ESG obligations.

There is presently a higher demand for RECs than carbon credits in Malaysia as the market for RECs is relatively more mature. As Bursa Malaysia does not hold any REC assets as investments, we are in a unique position to facilitate trading as a neutral party without any conflict of interest. Our objective in providing RECs trading is to address current market inefficiencies, particularly most deals are settled via brokers and these lack pricing discovery and transparency.

BR CAPITAL

Bursa Malaysia RAM Capital Sdn Bhd (BR Capital), jointly owned by Bursa Malaysia and RAM Holdings Bhd, is a collaborative effort to develop and operate a debt fundraising platform. The BR Capital debt fundraising platform was launched on 22 December 2023 after receiving the approval-in-principle from the SC earlier in the year, which registered BR Capital as a Recognized Market Operator under the SC's Guidelines.

The platform serves as an alternative fundraising avenue for listed and unlisted companies, primarily SMEs, with fundraising goals of at least RM5.0 million. Through this platform, participating companies can raise funds by issuing credit-rated investment notes with a minimum tenure of one year. BR Capital thus serves as a new fundraising channel for participating companies, giving them access to a new pool of capital beyond traditional wholesale markets while providing investors with opportunities to diversify their portfolios.

The platform will be developed in phases, with features launched progressively. The platform is currently in its initial roll-out phase, with onboarding open to a selected group of prospective issuers and investors. In a later phase, the platform will be made publicly available, and a secondary market will be developed.

BR Capital plays a vital role in our evolution towards becoming a Multi-Asset Exchange and in our strategy to enhance Bursa Malaysia's market ecosystem and diversify market participation. The platform will also play a role in forwarding Malaysia's national goal of strengthening SMEs by providing them with a new avenue to seek financing for growth.

Business Review

OUTLOOK

The Malaysian economy is anticipated to continue to grow in 2024, driven primarily by the initiatives outlined in various national development plans. BNM expects Malaysia's economy to grow between 4% and 5% in 2024, supported by domestic demand and the continued recovery in specific industrial sectors. The operating environment will remain challenging as weaknesses from external sources will continue to weigh on Malaysia's growth.

In January 2024, the World Bank maintained its 2024 growth projection for the global economy at 2.4%. This is in light of the continuing lagged and ongoing effects of tight monetary policy, restrictive financial conditions, and weak global trade and investment. Tighter liquidity and opaque prospects for several major economies will affect investors' appetite, while continuing geopolitical tensions will impact global trade and the flow of capital. As a trade-dependent nation, Malaysia will experience some fallout from the trade disruption.

Despite the challenging operating conditions, we will remain focused on our strategic ambition to advance as a Multi-Asset Exchange to better support the nation's developmental goals and meet the needs of our stakeholders. This plan is described in greater detail in Our Strategy on pages 68 to 70 of this report.

As part of this strategy, we will be embarking on a consolidation exercise to bring together our digital ecosystem and various platforms in the Securities Market under MYBursa in recognition of the elevated importance of Customer Experience (CX) in our next strategic chapter. Through this consolidation, we aim to improve access to information about the Exchange's products and services for our customers. We will also be working on launching new product offerings, such as fractional share trading, to expand our market ecosystem and draw new participants to our market. Trading activities on the Securities Market will continue to be influenced by ongoing global and local developments, such as monetary policy shifts in the advanced economies, weaker-than-expected economic activity in China, the strength of the Ringgit and corporate earnings.

In the Derivatives Market, the volatility of CPO price and movements in the equity market are expected to influence the trading of FCPO and FKLI, respectively. The Exchange will continue to widen its distribution channels and product offerings to attract participants. While we further cement our leadership position in FCPO we will also expand the breadth of commodity contracts such as the upcoming FSOY Contract. The two-pronged approach will enable our Derivatives Market to tap into different market ecosystems and widen its market, attracting more foreign participants.

Meanwhile, we will further align our Islamic Markets with ESG considerations and expand our offerings such as through the launch of BGD and *waqf*-featured products. Efforts to sustain

trading activities, grow our marketplace and to make it more attractive to new and existing participants are also ongoing. We will take advantage of the growth momentum on the BSAS platform to extend its reach to a wider audience.

In December 2023, we launched the ESG Reporting Platform to assist PLCs in their ESG reporting obligations. We will continue to deploy initiatives to ease PLCs' adoption of the platform, which aims to elevate the overall standard of ESG disclosures and introduce greater benchmarking capabilities in our marketplace. Meanwhile, we will continue to develop the CSI platform as it plays an important role in facilitating Corporate Malaysia's green transition and will be critical in the nation's net zero ambition.

In addition, we will leverage the growth momentum of our data business to increase non-trading revenue. We have identified significant potential for the data business owing to the lack of convergence in ESG, digital and finance, and have identified strategies to grow our presence in this space. This entails both organic and non-organic growth strategies focused on accelerating business development and increasing market share that fill existing gaps in the ecosystem.

Lastly, we plan to put significant effort into developing BCX's ecosystem by expanding its range of products and building awareness among potential participants. Likewise, we will continue to make concerted efforts to develop our newly launched BR Capital debt fundraising platform and build participation in the platform. While both platforms are new additions to our marketplace, we believe that they both hold significant potential as business opportunities for Bursa Malaysia.

2024 marks the first year in the Bursa Malaysia Strategic Roadmap 2024-2026. We recognise the importance of starting on a solid footing to build a strong foundation for the next three years and have planned our year accordingly. As part of our execution plan, we will persistently improvise key enablers and infrastructure, as well as collaborations with strategic partners, to ensure that we meet identified developmental goals.

For 2023, we achieved all our announced KPIs except for the number of IPOs. We have disclosed our KPI targets for 2024, which clearly set our focus in the coming year.

05

Sustainability Statement

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Sustainability Statement

SUSTAINABILITY GOVERNANCE

It is incumbent upon our Board of Directors to ensure that sustainability considerations are integrated into the development of our strategies and the implementation of our business operations. The Board bears the responsibility of ensuring that our day-to-day operations are imbued with sustainability principles. Two separate committees of the Board are tasked with the oversight of matters concerning sustainability: the Sustainability and Development Committee (SDC) and the Risk Management Committee (RMC).

The CEO delegates to the Management Committee (MC) the responsibility of formulating and executing sustainable and other efficiently manageable strategies for Bursa Malaysia. Group Sustainability and other pertinent divisions and departments are tasked with the operational responsibility of formulating and executing sustainability strategies throughout all our enterprises. The Director of Group Sustainability is responsible for overseeing Group Sustainability and reports directly to the CEO.

Sustainability Policy Supported by:

| Upholding Ethics and Integrity | Promoting Good Corporate Governance | Ensuring Sustainable Procurement | Enhancing Workplace Environment |
|---|--|---|--|
| <ul style="list-style-type: none"> Integrity, Governance and Compliance Management (IGMC) Framework Guidelines for Handling of Conflict of Interest Securities Transaction Policy Purchasing Policy Corporate Authority Manual Entertainment Policy Anti-Corruption Policy^{1 & 2} Code of Ethics for Employees² Whistleblower Policy and Procedures for Bursa Malaysia Group² | <ul style="list-style-type: none"> Board Charter² Governance Model Document² Board Diversity Policy² Code of Conduct and Ethics for Directors² Code of Conduct and Ethics for Members of the Regulatory Committees² Board Remuneration Policy² | <ul style="list-style-type: none"> Group Purchasing Manual Vendor Code of Conduct² | <ul style="list-style-type: none"> Work from Home Policy Occupational Safety and Health Policy Diversity, Equity and Inclusion Policy² |

Note: The list of policies above is not exhaustive

¹ Public version of the Anti-Fraud, Bribery and Corruption Policy and Guideline

² These policies are available on Bursa Malaysia's website

For more information on our Sustainability Governance Structure, please refer to pages 11 to 12 of our SR 2023

OUR SUSTAINABILITY STRATEGY

The importance of sustainability to our organisation, communities and marketplace is manifested in our Sustainability Roadmap 2021-2023, which aims to future-proof the Exchange and help us reach our vision of becoming ASEAN's leading, sustainable and globally-connected marketplace.

Embedding Sustainability in our Organisation and Marketplace is one of the five Strategic Pillars under the Strategic Roadmap 2021-2023, aiming to establish Bursa Malaysia as the preferred marketplace for sustainable and responsible investment by integrating high standards of sustainability practices and disclosures in our organisation and public listed companies (PLCs). Our Sustainability Roadmap 2021-2023 comprises five priority areas that cut across our marketplace, internal practices and the broader community. These priority areas are supported by 25 initiatives, to be undertaken over a three-year period. Meanwhile, work is underway for us to implement our sustainability strategies as outlined in our new Sustainability Roadmap 2024-2026. Our two key sustainability strategies are as follows:

1. Facilitate the development of the marketplace and ESG ecosystem; and
2. Lead and become a role model for Malaysian PLCs

EMBEDDING SUSTAINABILITY MATTERS INTO OUR STRATEGIC PILLARS

| Material Matters | | P1 | P2 | P3 | P4 | P5 | KE1 | KE2 | KE3 | KE4 |
|--|---|----|----|----|----|----|-----|-----|-----|-----|
| Priority Area 1: Strengthening Our Core | Economic Performance | ✓ | ✓ | ✓ | | ✓ | | | | ✓ |
| | Market Integrity and Stability | ✓ | ✓ | ✓ | | | | | | |
| | Education and Capacity Building | ✓ | ✓ | ✓ | | | | | | |
| | Cyber Security and Customer Privacy | | | | | | | ✓ | | |
| Priority Area 2: Driving Our Growth | Sustainable Finance | ✓ | ✓ | ✓ | ✓ | ✓ | | | | ✓ |
| | Innovation and Technology Excellence | | | | | | | ✓ | ✓ | |
| Priority Area 3: Protecting Our Environment | Climate Risks | ✓ | ✓ | | | ✓ | | | | |
| | Environmental Footprint | | | | | ✓ | | | | |
| Priority Area 4: Empowering Our Workforce | Anti-Fraud, Bribery and Corruption | ✓ | ✓ | ✓ | ✓ | ✓ | ✓ | | | |
| | Workplace Environment | | | | | | ✓ | | | |
| | Employee Engagement | | | | | | ✓ | | | |
| | Learning and Development | | | | | | ✓ | | | |
| Priority Area 5: Advancing Our Communities | Community Investment | | | | | ✓ | | | | |
| | Supply Chain Management | | | | | ✓ | | | | |

Legend

Strategic Pillars of Strategic Roadmap 2021-2023

- P1** Strengthening Our Core Business – Securities Market
- P2** Diversifying the Derivatives Business
- P3** Positioning Bursa Malaysia as the Global Hub for Islamic Capital Markets
- P4** Providing New and Improved Services to the Capital Market
- P5** Embedding Sustainability in Our Organisation and Marketplace

Key Enablers of Strategic Roadmap 2021-2023

- KE1** People and Culture
- KE2** Technology
- KE3** Data and Innovation
- KE4** Ecosystem

Sustainability Statement

PRIORITY AREA 1

ECONOMIC PERFORMANCE

Why it Matters

The economic performance of companies plays a pivotal role in shaping the overall well-being of the economy. Organisations can contribute directly and indirectly to economic growth by providing job opportunities, paying taxes that facilitate improved infrastructure and public services, and offering products and services that enrich the community, among others. We understand that our economic performance can potentially influence investor confidence collectively. We strive to positively shaping economic outcomes, fostering growth, and contributing to the overall prosperity of our stakeholders.

Our Approach

We generate and distribute economic value to shareholders, suppliers, employees, community and the government through dividends, job creation, community investment and tax contributions.

Moving Forward

We remain committed to bolstering our market competitiveness so as to create enduring economic value for our stakeholders and contribute significantly to the Malaysian economy. We will continue focusing on sustainable growth, meeting investor needs through refining products and services, and harnessing innovation and technological prowess.

MARKET INTEGRITY AND STABILITY

Why it Matters

Market integrity and stability play a crucial role in ensuring the sustainability of the Exchange. They build trust, and maintain a fair and orderly market, reducing systemic risk and supporting capital-raising, trading and investing activities. Additionally, they enhance transparency, facilitate efficient price discovery and ensure equal access to the market for all participants.

Our Approach

As the frontline regulator and market operator, we are responsible for maintaining a fair and orderly market while safeguarding the interests of investors. We are guided by a three-year Regulatory Plan as well as statutory obligations.

Moving Forward

We will continue reviewing and strengthening our approach to regulation and market operations to ensure a fair and orderly market by providing independent and transparent processes and actions.

EDUCATION AND CAPACITY BUILDING

Why it Matters

Market participants are capable of influencing the efficiency and resilience of the capital market. As such, we are committed to enhancing their capabilities, knowledge and skills to navigate the capital market with confidence.

Our Approach

We develop education and capacity-building initiatives to cater to the specific needs of each stakeholder group, namely PLCs, Intermediaries, Investors and Community groups. We work closely with industry partners, intermediaries and training providers, and conduct our programmes in English, Bahasa Malaysia and Mandarin to accommodate our ethnically diverse retail investors.

Moving Forward

We emphasise education to contribute to the ongoing enhancement of the Malaysian capital market ecosystem. We will continue improving our programmes to meet the changing needs and expectations of stakeholders.

CYBER SECURITY AND CUSTOMER PRIVACY

Why it Matters

At Bursa Malaysia, we manage a substantial amount of information every day, which exposes us to the risks of cyber security and customer privacy. This requires us to safeguard customer data by ensuring robust protection against cyber threats and malfunctions of our IT systems.

Our Approach

We remain vigilant in strengthening our cyber security systems, posture and safeguarding data privacy. We are guided by Bursa Malaysia's Cyber Security Strategy Roadmap 2020-2023, which has the objective of enhancing our cyber security controls in line with evolving cyber security threats.

Moving Forward

We will ensure that our operations remain undisrupted through robust monitoring. We also drive awareness among our stakeholders on detecting and deterring potential cyber threats.

Sustainability Statement

PRIORITY AREA 2

DRIVING OUR GROWTH

SUSTAINABLE FINANCE

Why it Matters

We recognise the increasing demand for value-based investing and emphasise the importance of cultivating a robust, sustainable and responsible investment (SRI) ecosystem. This is to align with the development of sustainable finance in both Islamic and conventional capital markets. We consistently roll out measures to enhance the ESG performance of our PLCs, in tandem with our commitment to advancing Shariah-compliant investing and introducing ESG-aligned products and services to fulfil market demand.

Our Approach

We address sustainable finance through:

- Facilitating SRI products and services
- Enhancing corporate governance as well as sustainability practices and disclosures
- Participating in relevant committees, working groups and events

Moving Forward

We will continue seeking leadership opportunities and taking on a more proactive role in the committees we participate in to maintain our leadership position in advancing corporate sustainability and the sustainable finance agenda.

INNOVATION AND TECHNOLOGY

Why it Matters

Adapting to rapidly evolving innovation and technology developments will enable us to remain competitive and relevant, as we seek to continue strengthening our core capabilities and exploring innovative solutions to meet the needs of our stakeholders.

Our Approach

We are guided by Bursa Malaysia's Technology Roadmap. Technology, Data and Innovation are among the enablers in our three-year Strategic Roadmap 2021-2023, which allows us to develop new solutions, platforms and tools.

Moving Forward

We will keep enhancing our digital touchpoints and platforms to improve customer experience. This will include innovating new solutions in addition to enhancing existing ones as we strive to continue pioneering digital ventures in the capital markets.

PRIORITY AREA 3

PROTECTING OUR ENVIRONMENT

CLIMATE RISKS

Why it Matters

As climate change increasingly affects industries, businesses and supply chains, we recognise the potential indirect impact it has on our PLCs, their businesses and investors. Therefore, it is crucial for us to identify our climate risks and opportunities and help our PLCs enhance their climate resilience.

Our Approach

We remain committed to achieving net zero greenhouse gas (GHG) emissions by 2050. We have been an official supporter of the Task Force on Climate-related Financial Disclosures (TCFD) since 2018 and will continue reporting our climate disclosures based on the four pillars of TCFD.

Moving Forward

We will continue reviewing our climate risks and opportunities to understand the current landscape and identify areas for improvement. We are committed to implementing TCFD recommendations and keeping up with the latest financial disclosures to adopt best practices and high standards.

ENVIRONMENTAL FOOTPRINT

Why it Matters

Given the urgency of climate change, effective environmental footprint management is no longer a choice. Organisations must do their part to minimise the impacts of their operations and reduce GHG emissions to mitigate adverse environmental and social consequences that can disrupt business operations and hinder economic growth.

Our Approach

In our commitment to achieve Net Zero GHG emissions by 2050, we have taken strategic measures to manage our environmental footprint, focusing on reducing energy consumption and promoting responsible consumption.

Moving Forward

We strive to further improve on our GHG emissions reduction and mitigation measures. We will also review and enhance our guidelines in line with our Sustainability Roadmap 2024-2026.

Sustainability Statement

PRIORITY AREA 4

EMPLOYEE ENGAGEMENT

| | |
|--|--|
| Why it Matters Fostering a highly engaged workforce will improve efficiency and enhance brand value, in addition to promoting sustainable growth, enabling the generation of long-term value for our stakeholders. | Our Approach Employee engagement at Bursa Malaysia is driven by four objectives, namely a value-driven culture, an empowered voice, an inclusive community as well as recognition and value. |
| Moving Forward We will continue engaging with our employees to identify and meet their needs and retain our best talents. | |

WORKPLACE ENVIRONMENT

| | |
|--|---|
| Why it Matters Providing a conducive and vibrant work environment that fosters a sense of purpose and belonging will promote employee well-being and boost productivity, allowing us to shape a resilient workforce. | Our Approach We are guided by our Diversity, Equity and Inclusion Policy and the Occupational Safety and Health Policy in our commitment to create a thriving and sustainable workplace. We also draw guidance from the United Nations Guiding Principles on Business and Human Rights in upholding human rights. |
| Moving Forward We will enhance our policies and frameworks to keep improving our workplace environment and promote progressive values such as diversity, equity and inclusion. | |

LEARNING AND DEVELOPMENT

Why it Matters

Capability building and future-proofing our workforce enable our employees to adapt to changing business environments and the evolving demands of the capital markets, aligning with our core value of being agile while maintaining their competitiveness.

Our Approach

We empower our employees with continuous learning through our Adaptive Learning Organisation (ALO), utilising the 70-20-10 principle to foster holistic development, as we emphasise technical, functional, leadership, and professional competencies. In addition, we have individual development plans (IDP) which involve the participation of both full-time employees and their managers.

Moving Forward

We will continue improving our learning and development programmes by improving the technical competency framework and partnering with external institutions to offer enhanced in-house programmes.

ANTI-FRAUD, BRIBERY AND CORRUPTION

Why it Matters

As a frontline regulator and market operator, we recognise our responsibility to uphold the highest ethical and integrity standards, which is vital in strengthening our reputation, building trust and confidence among stakeholders and promoting the overall health and integrity of our ecosystem.

Our Approach

We maintain a zero-tolerance approach towards fraud, bribery and corruption. We are committed to upholding the highest ethical standards in our commitment to safeguard transparency and accountability across our operations.

Moving Forward

We are committed to enhancing our corporate governance and the Anti-Fraud, Bribery and Corruption measures through developing and implementing the next cycle of the Organisation Anti-Corruption Plan.

Sustainability Statement

PRIORITY AREA 5

ADVANCING OUR COMMUNITIES

SUPPLY CHAIN MANAGEMENT

Why it Matters

Effective supply chain management is essential for business success, as it has the potential to influence customer satisfaction and the sustainable growth of an organisation. Companies that embrace sustainable practices in their supply chains will encourage their suppliers to adopt similar principles, contributing to local economic growth and the organisations' overall sustainability objectives.

Our Approach

Our procurement practices are overseen by the Group Procurement and guided by the Group Purchasing Manual, the Vendor Management Policy, the Purchasing Policy and the Contract Management Policy. Sustainability is one of the six key principles outlined in the Group Procurement Manual.

Moving Forward

Bursa Malaysia will continue collaborating with vendors and suppliers to understand their requirements for adopting sustainable practices, aiming to improve our supply chain management through strategic initiatives.

COMMUNITY INVESTMENT

Why it Matters

Investing in the community enables us to not only promote a just future but also create shared value by aligning business goals with community well-being, contributing to economic resilience and sustainable communities.

Our Approach

Our community investment programmes and initiatives are managed and implemented through our foundation, Yayasan Bursa Malaysia. We align our priorities and actions with our corporate social responsibility pillars, which are Responsible Consumption and Production, Financial Literacy, and Poverty Alleviation and Disaster Relief.

Moving Forward














We will persist in transforming the role of business in society, making "doing good" a corporate norm rather than merely a checkbox exercise in the capital market. Our efforts will include collaborating with multiple partners, pooling resources and leveraging capital market players for the greater good of our communities.

Performance Data Table

from ESG Reporting Platform

Bursa Malaysia, as a Listed Issuer, is required to provide mandatory ESG disclosures as part of the Main Market Listing Requirements, in line with the enhanced Sustainability Reporting Guide, 3rd Edition. The following performance data table, downloaded from the ESG Reporting Platform, summarises indicators that are pertinent against our Material Matters. For 2023 and throughout our 2021-2023 Sustainability Roadmap, our 14 Material Matters are:

Material Matters

| | | |
|---|--|--|
|  Economic Performance |  Innovation and Technology Excellence |  Employee Engagement |
|  Market Integrity and Stability |  Climate Risks |  Learning and Development |
|  Education and Capacity Building |  Environmental Footprint |  Community Investment |
|  Cyber Security and Customer Privacy |  Anti-Fraud, Bribery and Corruption |  Supply Chain Management |
|  Sustainable Finance |  Workplace Environment | |

We have matched all mandatory and additional indicators to the relevant Material Matters. Some of the indicators are subsumed under the same Material Matter. For example, the indicators of energy, water, waste and GHG emissions are matched to the Environmental Footprint Material Matter. In addition, some of our Material Matters do not have quantitative data and have been covered in the Sustainability Report 2023. The figures below have been internally and externally assured, as labelled accordingly for each of the indicators.

| Indicator | Measurement Unit | 2022 | 2023 |
|--|------------------|-----------|-----------|
| Cyber Security and Customer Privacy | | | |
| Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data | Number | 0 | 0 |
| Environmental Footprint | | | |
| Bursa C4(a) Total energy consumption | Megawatt | 9,256.04 | 8,139.89 |
| Bursa C9(a) Total volume of water used | Megalitres | 61.463000 | 58.481000 |
| Bursa C10(a) Total waste generated | Metric tonnes | 467.01 | 247.40 |
| Bursa C11(a) Scope 1 emissions in tonnes of CO ₂ e | Metric tonnes | 209.48 | 2,409.31 |
| Bursa C11(b) Scope 2 emissions in tonnes of CO ₂ e | Metric tonnes | 7,218.76 | 6,168.74 |
| Bursa C11(c) Scope 3 emissions in tonnes of CO ₂ e (at least for the categories of business travel and employee commuting)* | Metric tonnes | 1,554.43 | 1,224.41 |

*including homeworking, waste disposed, paper consumption and water consumption

Internal assurance

External assurance

No assurance

(*)Restated

Performance Data Table

from ESG Reporting Platform

| Indicator | Measurement Unit | 2022 | 2023 |
|---|------------------|--------|--------|
| Anti-Fraud, Bribery and Corruption | | | |
| Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category | | | |
| Top Management | Percentage | 100.00 | 100.00 |
| Senior Management | Percentage | 100.00 | 19.00 |
| Middle Management and Below | Percentage | 100.00 | 22.00 |
| Bursa C1(b) Percentage of operations assessed for corruption-related risks | Percentage | 100.00 | 100.00 |
| Bursa C1(c) Confirmed incidents of corruption and action taken | Number | 0 | 0 |
| Bursa (Diversity) | | | |
| Bursa C3(a) Percentage of employees by gender and age group, for each employee category | | | |
| Age Group by Employee Category | | | |
| Senior Management Below 30 | Percentage | 0.00 | 0.00 |
| Senior Management 30 - 50 | Percentage | 37.50 | 36.84 |
| Senior Management Above 50 | Percentage | 62.50 | 63.16 |
| Middle Management Below 30 | Percentage | 3.05 | 0.79 |
| Middle Management 30 - 50 | Percentage | 72.30 | 73.16 |
| Middle Management Above 50 | Percentage | 24.65 | 26.05 |
| Executive Below 30 | Percentage | 28.87 | 32.03 |
| Executive 30 - 50 | Percentage | 39.44 | 31.37 |
| Executive Above 50 | Percentage | 31.69 | 36.60 |
| Non-Executive Below 30 | Percentage | 4.23 | 5.88 |
| Non-Executive 30 - 50 | Percentage | 46.48 | 41.18 |
| Non-Executive Above 50 | Percentage | 49.30 | 52.94 |
| Gender Group by Employee Category | | | |
| Senior Management Male | Percentage | 52.50 | 55.26 |
| Senior Management Female | Percentage | 47.50 | 44.74 |

Internal assurance

External assurance

No assurance

(*)Restated

| Indicator | Measurement Unit | 2022 | 2023 |
|---|------------------|-------|-------|
| Middle Management Male | Percentage | 48.48 | 49.21 |
| Middle Management Female | Percentage | 51.52 | 50.79 |
| Executive Male | Percentage | 46.48 | 46.41 |
| Executive Female | Percentage | 53.52 | 53.59 |
| Non-Executive Male | Percentage | 85.92 | 85.29 |
| Non-Executive Female | Percentage | 14.08 | 14.71 |
| Bursa C3(b) Percentage of directors by gender and age group | | | |
| Male | Percentage | 70.00 | 66.70 |
| Female | Percentage | 30.00 | 33.30 |
| 46 - 50 | Percentage | 10.00 | 11.10 |
| 51 - 55 | Percentage | 20.00 | 0.00 |
| 56 - 60 | Percentage | 50.00 | 55.60 |
| 61 - 65 | Percentage | 0.00 | 22.20 |
| 65 - 70 | Percentage | 10.00 | 11.10 |
| Above 71 | Percentage | 10.00 | 0.00 |
| Percentage of global staff with a disability | Percentage | 0.16 | 0.16 |
| Percentage of women in the global workforce | Percentage | 45.33 | 47.26 |
| Number of Board Directors | Number | 10 | 9 |
| Number of women on the board | Number | 3 | 3 |
| Number of female employees in IT/Engineering functions | Number | 19 | 19 |
| Workplace Environment | | | |
| Bursa C5(a) Number of work-related fatalities | Number | 0 | 0 |
| Bursa C5(b) Lost time incident rate ("LTIR") | Rate | 0.00 | 0.16 |
| Bursa C5(c) Number of employees trained on health and safety standards | Number | 477 | 433 |
| Bursa C6(b) Percentage of employees that are contractors or temporary staff | Percentage | 8.47 | 7.36 |

Internal assurance

External assurance

No assurance

(*)Restated

Performance Data Table

from ESG Reporting Platform

| Indicator | Measurement Unit | 2022 | 2023 |
|---|------------------|--------------|--------------|
| Bursa C6(c) Total number of employee turnover by employee category | | | |
| Male | Number | 51 | 41 |
| Female | Number | 38 | 38 |
| Below 30 | Number | 12 | 8 |
| 30 - 50 | Number | 51 | 43 |
| Above 50 | Number | 26 | 28 |
| Bursa C6(d) Number of substantiated complaints concerning human rights violations | Number | 0 | 0 |
| Learning and Development | | | |
| Bursa C6(a) Total hours of training by employee category | | | |
| Senior Management | Hours | 795 | 886 |
| Middle Management | Hours | 10,368 | 10,021 |
| Executive | Hours | 4,024 | 3,463 |
| Non-Executive | Hours | 1,532 | 1,650 |
| Total Amount Invested in Employee Learning and Development (RM) | MYR | 1,434,681.00 | 1,154,087.66 |
| Community Investment | | | |
| Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer | MYR | 1,382,000.00 | 1,829,683.00 |
| Bursa C2(b) Total number of beneficiaries of the investment in communities | Number | 24,672 | 7,519 |
| Bursa (Supply chain management) | | | |
| Bursa C7(a) Proportion of spending on local suppliers | Percentage | 94.00 | 78.00 |

Internal assurance

External assurance

No assurance

(*)Restated

06

Our Leadership

| | |
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Who Governs Us

TAN SRI ABDUL WAHID OMAR

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

| | |
|---|------------------|
| Nationality | Malaysian |
| Age/Gender | 60/Male |
| Date of Appointment | 1 May 2020 |
| Length of Service (as at 31 January 2024) | 3 years 9 months |

Academic/Professional Qualification/Membership(s):

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

Present Directorship(s):

Listed entities: Nil

Other public companies: Nil

Present Appointment(s):

- Chairman, Board of Trustees, Yayasan MySDG
- Chairman, World Wide Fund for Nature, Malaysia
- Professor of Practice, International Centre for Education in Islamic Finance (INCEIF)
- Visiting Fellow, Oxford Centre for Islamic Studies, UK
- Adviser, NS Corporation
- Chairman, Advisory Council, Economic Club Kuala Lumpur
- Member, Advisory Council, Malaysian Chamber of Commerce, Hong Kong and Macau
- Member, Majlis Kebangsaan Bagi Hal Ehwal Agama Islam Malaysia (MKI)
- Member, National Anti-Financial Crime Centre (NFCC)

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

- Chairman of the Board of Directors, Universiti Kebangsaan Malaysia (November 2018 – October 2021)
- Group Chairman, Permodalan Nasional Berhad (August 2016 – June 2018)



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

Board Meeting Attendance in 2023: 11/11

Board Committees Membership(s):

- Sustainability and Development Committee (Chairman)

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

DATUK MUHAMAD UMAR SWIFT

Chief Executive Officer,
Non-Independent Executive Director

Nationality Australian/Permanent Resident of Malaysia

Age/Gender 59/Male

Date of Appointment 11 February 2019

Length of Service
(as at 31 January 2024) 4 years 11½ months

Date of Last Re-election 31 March 2021

Academic/Professional Qualification/Membership(s):

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

Present Directorship(s):

Listed entities: Nil

Other public companies:

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

Present Appointment(s):

- Ex-Officio, Financial Reporting Foundation
- Member, Corporate Governance Council, Securities Commission Malaysia
- Member, United Nations Global Compact Network Malaysia and Brunei Advisory Panel
- Adjunct Professor, Universiti Utara Malaysia
- Member, Malaysia Forest Fund
- Chairman, CEO Action Network Steering Committee
- Councillor, Regional Council Malaysia, Chartered Accountants Australia and New Zealand
- Member of Certification Qualification Advisory Panel, SIDC

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

- Chief Executive Officer/Group Managing Director, MAA Group Berhad (September 2006 – February 2019)
- Director, Columbus Capital Pty Limited (October 2006 – December 2018)
- Director, MAA General Assurance Philippines, Inc (March 2015 – February 2019)
- Director, MAA International Group (March 2017 – February 2019)
- Director, MCIS Insurance Berhad (October 2018 – January 2019)



- Member, Board of Trustees, MAA Medicare Charitable Foundation (July 2006 – February 2019)
- Member, Board of Trustees, The Budimas Charitable Foundation (April 2013 – February 2019)
- Member, Board of Trustees, Anaho Foundation (November 2013 – February 2019)
- Non-Independent Non-Executive Director, MAA Takaful Berhad (May 2007 – June 2016)
- Director, MAAKL Mutual Berhad (March 2008 – December 2013)
- Director, Federation of Investment Managers Malaysia (2012 – 2014)
- Chief Executive Officer, Malaysian Assurance Alliance Berhad (August 2008 – September 2011)
- Deputy Chief Executive Officer, Malaysian Assurance Alliance Berhad (June 2006 – July 2008)
- Head, Enterprise Financial Services Group, Malayan Banking Berhad (April 2004 – May 2006)
- Director, Maybank Allied Credit and Leasing Sdn Bhd (August 2005 – April 2006)
- Director, Maybank Ventures Sdn Bhd (2004 – December 2005)
- Practice Leader, Utilities Business, Deloitte Consulting in Malaysia (September 2003 – March 2004)
- Chief Executive Officer, Gas Malaysia Sdn Bhd (July 1997 – December 2002)

Board Meeting Attendance in 2023: 11/11

Board Committees Membership(s):

- Technology and Cybersecurity Committee
- Sustainability and Development Committee

Who Governs Us

DATO' ANAD KRISHNAN MUTHUSAMY

Public Interest Director* and
Independent Non-Executive Director

| | |
|---|------------------|
| Nationality | Malaysian |
| Age/Gender | 69/Male |
| Date of Appointment | 23 April 2020 |
| Length of Service (as at 31 January 2024) | 3 years 9 months |



Academic/Professional Qualification/Membership(s):

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

Present Directorship(s):

Listed entities: Nil

Other public companies: Nil

Present Appointment(s):

- Managing Partner, Anad and Noraini

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

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

Board Meeting Attendance in 2023: 11/11

Board Committees Membership(s):

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

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

DATIN AZLINA MAHMAD

Public Interest Director* and
Independent Non-Executive Director

| | |
|---|--------------------|
| Nationality | Malaysian |
| Age/Gender | 56/Female |
| Date of Appointment | 16 March 2021 |
| Length of Service (as at 31 January 2024) | 2 years 10½ months |



Academic/Professional Qualification/Membership(s):

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

Present Directorship(s):

Listed entities:

- CIMB Group Holdings Berhad

Other public companies: Nil

Present Appointment(s):

- Nil

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

- General Committee Member, Persatuan Makanan Ehsan (Free Food Society) (March 2021 – March 2022)
- CIMB Investment Bank Berhad (May 2023 – July 2023)
- Executive Director, Global Corporate Bank, J.P. Morgan Chase Bank Berhad (November 2010 – March 2021)
- Chief Executive Officer and Executive Director, J.P. Morgan Chase Bank Berhad (September 2009 – June 2011)
- Vice President, Global Credit Risk Management, J.P. Morgan Chase Bank Berhad (February 2006 – September 2009) and other positions including:
 - Corporate Banking and Treasury Services Sales (February 2004 – February 2006)
 - Associate, Corporate and Investment Banking (July 1995 – February 2004)
 - Assistant Treasurer (February 1991 – July 1995)
 - Credit Analyst (July 1989 – February 1991)

Board Meeting Attendance in 2023: 11/11

Board Committees Membership(s):

- Nomination and Remuneration Committee
- Risk Management Committee (from 16 August 2023)
- Regulatory and Conflicts Committee
- Sustainability and Development Committee (until 15 August 2023)

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

Who Governs Us

TAN SRI ABDUL FARID BIN ALIAS

Senior Independent Non-Executive Director

| | |
|---|-----------------|
| Nationality | Malaysian |
| Age/Gender | 56/Male |
| Date of Appointment | 8 July 2022 |
| Length of Service (as at 31 January 2024) | 1 year 6 months |
| Date of Last Re-election | 30 March 2023 |



Academic/Professional Qualification/Membership(s):

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

Present Directorship(s):

Listed entities:

- CelcomDigi Berhad
- CapitaLand Investment Limited (Singapore)

Other public companies:

- Council Member, Asian Institute of Chartered Bankers

Present Appointment(s):

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

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

- Executive Director/Group President and Chief Executive Officer of Maybank (August 2013 – April 2022)
- President Commissioner, PT Bank Maybank Indonesia Tbk (December 2017 – April 2022)
- Member of Board of Commissioners, PT Bank Maybank Indonesia Tbk (November 2013 – April 2022)
- Director, Maybank Singapore Limited (October 2018 – April 2022)

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

Board Meeting Attendance in 2023: 11/11

Board Committees Membership(s):

- Nomination and Remuneration Committee (Chairman from 23 June 2023)
- Risk Management Committee
- Technology and Cybersecurity Committee

DATUK BAZLAN OSMAN

Independent Non-Executive Director

| | |
|---|-------------------|
| Nationality | Malaysian |
| Age/Gender | 59/Male |
| Date of Appointment | 16 November 2020 |
| Length of Service (as at 31 January 2024) | 3 years 2½ months |
| Date of Last Re-election | 30 March 2023 |



Academic/Professional Qualification/Membership(s):

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

Present Directorship(s):

Listed entities:

- Chairman, FIMA Corporation Berhad
- Syarikat Takaful Malaysia Keluarga Berhad
- Bank Islam Malaysia Berhad

Other public companies: Nil

Present Appointment(s):

- Director, Malaysia Professional Accountancy Centre

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

- President (17 June 2022 – 30 November 2023); Vice President (30 July 2021 – 16 June 2022); Council Member (1 December 2019 – 29 July 2021), MIA
- Chair (1 December 2021 – 30 November 2023); Deputy Chair (1 July 2020 – 30 November 2021); Member (1 July 2019 – 30 June 2020), ACCA Malaysia Advisory Committee
- Ex-Officio, Financial Reporting Foundation (17 June 2022 – 30 November 2023)
- Director, Glomac Berhad (24 July 2020 – 31 March 2023)
- Chairman, GiTN Sdn Bhd (wholly-owned subsidiary of Telekom Malaysia Berhad (TM)) (8 May 2017 – 27 February 2022)

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

Board Meeting Attendance in 2023: 11/11

Board Committees Membership(s):

- Audit Committee (Chairman) (from 23 June 2023)
- Nomination and Remuneration Committee (NRC) (Chairman of NRC from 1 April 2022 – 22 June 2023)
- Technology and Cybersecurity Committee

Who Governs Us

CHONG CHYE NEO

Independent Non-Executive Director

| | |
|---|------------------|
| Nationality | Malaysian |
| Age/Gender | 61/Female |
| Date of Appointment | 21 December 2018 |
| Length of Service (as at 31 January 2024) | 5 years 1 month |
| Date of Last Re-election | 31 March 2021 |



Academic/Professional Qualification/Membership(s):

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

Present Directorship(s):

Listed entities:

- Hong Leong Financial Group Berhad
- KLCC Property Holdings Berhad

Other public companies:

- QSR Brands (M) Holdings Bhd

Present Appointment(s):

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

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

- Director, Hong Leong Bank Berhad (February 2019 – February 2022)
- Managing Director/Chief Executive Officer, IBM Malaysia Sdn Bhd (October 2015 – December 2018)
- Director, Kenexa Technologies Sdn Bhd (September 2015 – December 2018)
- Director, IBM Global Delivery Centre (Malaysia) Sdn Bhd (September 2015 – December 2018)
- Client Director, Financial Services Sector, IBM Malaysia Sdn Bhd (2014 – 2015)
- Director, Intellectual Property – ASEAN, IBM Research (2011 – 2012)

- Director, Business Partners and Alliances, IBM ASEAN (2009 – 2010)
- Director, Mid Market, IBM ASEAN/South Asia (2007 – 2008)
- General Manager, Storage Systems Group, IBM ASEAN/South Asia (2005 – 2006)
- Regional Leader, Marketing, IBM ASEAN (2004)
- Country Head, Enterprise Systems Group, IBM Malaysia Sdn Bhd (2002 – 2003)
- Regional Marketing Manager, Enterprise Systems Group, IBM ASEAN (2001)
- Various roles in IBM (engineering, sales, marketing and operations in Malaysia). Asia Pacific sales roles covering Japan, Korea, Greater China Group, ASEAN/South Asia, Australia/New Zealand (1989 – 2001)
- Software Development Engineer, Hewlett Packard Malaysia (1986 – 1989)

Board Meeting Attendance in 2023: 11/11

Board Committees Membership(s):

- Technology and Cybersecurity Committee (Chairman)
- Nomination and Remuneration Committee
- Sustainability and Development Committee (from 16 August 2023)
- Risk Management Committee (until 15 August 2023)

SYED ARI AZHAR SYED MOHAMED ADLAN

Independent Non-Executive Director

| | |
|---|-------------------|
| Nationality | Malaysian |
| Age/Gender | 50/Male |
| Date of Appointment | 16 November 2020 |
| Length of Service (as at 31 January 2024) | 3 years 2½ months |
| Date of Last Re-election | 30 March 2023 |



Academic/Professional Qualification/Membership(s):

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

Present Directorship(s):

Listed entities: Nil

Other public companies: Nil

Present Appointment(s):

- Nil

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

- Founder and Director, Abacus ib Sdn Bhd, Malaysia (2017 – 2020)
- Country Head, CLSA Securities Sdn Bhd, Malaysia (2015 – 2016)
- Senior Portfolio Manager, Global Emerging Markets, APG Asset Management Asia, Hong Kong (2012 – 2015)
- Executive Director and Portfolio Manager, UBS AG, Fundamental Investment Group, Hong Kong (2010 – 2012)
- Portfolio Manager, Asian Equities, Millennium Capital

- Management, Singapore (2008 – 2009)
- Portfolio Manager, Asian Equities, Citigroup Tribeca Global Investments, Singapore (2006 – 2007)
- Portfolio Manager and Co-Founder, Binjai Hill Asset Management, Singapore (2004 – 2006)
- Fund Manager, Asian Equities, Deutsche Asset Management, London, New York, Singapore (1997 – 2004)
- Senior Executive, Investment Operations and Financial Market Department, Bank Negara Malaysia (1996 – 1997)

Board Meeting Attendance in 2023: 11/11

Board Committees Membership(s):

- Audit Committee
- Risk Management Committee (Chairman from 23 June 2023)
- Sustainability and Development Committee

Who Governs Us

TAN LER CHIN

Independent Non-Executive Director

| | |
|---|----------------|
| Nationality | Malaysian |
| Age/Gender | 63/Female |
| Date of Appointment | 16 August 2023 |
| Length of Service (as at 31 January 2024) | 5½ months |
| Date of Last Re-election | – |

Academic/Professional Qualification/Membership(s):

- University Kebangsaan Malaysia (Economics)
- Certified Diploma in Chartered Association of Certified Accountants (Accounting and Finance)

Present Directorship(s):

Listed entities:

- Sunway Construction Group Berhad
- Senheng New Retail Berhad

Other public companies:

- Affin Islamic Bank Berhad

Present Appointment(s):

- Nil

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

- Independent Non-Executive Director, QL Resources Berhad (January 2022 – September 2023)
- Head of Enterprise Risk, Employees Provident Fund (EPF) (April 2019 – April 2021)
- Non-Independent Non-Executive Director, Malakoff Berhad (August 2007 – April 2021)
- Head of Investment Compliance, EPF (2009 – March 2019)



- Director, Parkway-Parade Partnership Limited (October 2007 – April 2012)
- Non-Independent Non-Executive Director, MBSB (Malaysia Building Society Berhad) (2002 – November 2011)
- Director, Asia Pacific Investment Company Limited (October 2007 – August 2010)
- Senior Investment Manager, EPF (1996 – 2009)
- Non-Independent Non-Executive Director, Sunway Incorporated Berhad (August 2003 – April 2006)
- Investment Manager, EPF (1992 – 1995)
- Senior Executive managing EPF's External Fund Manager portfolio, EPF (1988 – 1991)
- Executive in finance and budget department, EPF (1984 – 1987)

Board Meeting Attendance in 2023: 4/4

Board Committees Membership(s):

- Audit Committee (from 16 August 2023)
- Risk Management Committee (from 16 August 2023)

△ The Directors' meeting attendance record for 2023 is provided in the Corporate Governance Overview on page 132 of this report

Save as disclosed, the above Directors have no family relationship with any Director and/or major shareholders of Bursa Malaysia, have no conflict of interest or potential conflict of interest, including any interest in any competing business with Bursa Malaysia or its subsidiaries, have not been convicted of any offence within the past five years and have not been imposed of any penalty by the relevant regulatory bodies during the financial year 2023.

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

Who Oversees Our Regulatory Function



DATO' FEIZAL MUSTAPHA

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

| | |
|----------------------------|----------------|
| Nationality | Malaysian |
| Age/Gender | 57/Male |
| Date of Appointment | 1 October 2021 |

Academic/Professional Qualification/Membership(s):

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

Present Directorship(s):

Listed entity: Nil

Other public companies: Nil

Present Appointment(s):

- Senior Advisor and Director, BDO Malaysia
- Chairman, Newman Trust Investment Bank Ltd, Labuan
- Chairman, Listing Committee, Bursa Malaysia
- Member, Board of Governors, Malaysian Institute of Corporate Governance

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

- Board Member, UPM Holdings Sdn Bhd (May 2019 – May 2023)
- Chairman, Export-Import Bank of Malaysia Berhad (EXIM Bank Malaysia) (April 2019 – March 2021)
- Executive Chairman, Widad Group Berhad (November 2018 – November 2020)
- Board Member, Perbadanan Kemajuan Filem Nasional (FINAS) (May 2019 – May 2020)
- Chairman, BDO Malaysia (July 2015 – February 2019)
- Executive Director, Advisory, BDO Malaysia (May 2012 – June 2015)
- Senior General Manager and Head, Market Development Department, Securities Commission Malaysia ("SC") (January 2011 – April 2012)
- General Manager/Senior General Manager and Head, Corporate Finance Group, SC (July 2007 – December 2010)
- Group Head, Securities Issues Department, SC (January 2006 – June 2007)
- Executive Director, Corporate Finance, KPMG Corporate Advisory Malaysia (seconded by the SC to KPMG) (July 2004 – December 2005)



KUOK WEE KIAT @ KUCK WEE KIAT

Independent Member, RACC

| | |
|----------------------------|----------------|
| Nationality | Malaysian |
| Age/Gender | 70/Male |
| Date of Appointment | 1 October 2021 |

Academic/Professional Qualification/Membership(s):

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

Present Directorship(s):

Listed entity: Nil

Other public companies: Nil

Present Appointment(s):

- Chairman, Market Participants Committee, Bursa Malaysia

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

- Director, Berjaya Capital Berhad (February 2000 – March 2022)
- Director, Bursa Malaysia Securities Berhad (February 2016 – September 2020)
- Director, Bursa Malaysia Securities Clearing Sdn Bhd (February 2016 – September 2020)
- Executive Director, Inter-Pacific Securities Sdn Bhd (2000 – 2013)
- Senior General Manager, Inter-Pacific Securities Sdn Bhd (1994 – 2000)
- President, Association of Stockbroking Companies Malaysia (1999 – 2000)
- Member (Independent), Appeals Committee, Bursa Malaysia (July 2014 – December 2020)
- Member (Independent), Market Participants Committee, Bursa Malaysia (May 2009 – May 2012)

Who Oversees Our Regulatory Function



SALWAH ABDUL SHUKOR

Independent Member, RACC

| | |
|----------------------------|----------------|
| Nationality | Malaysian |
| Age/Gender | 55/Female |
| Date of Appointment | 1 October 2021 |

Academic/Professional Qualification/Membership(s):

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

Present Directorship(s):

Listed entity: Nil

Other public companies: Nil

Present Appointment(s):

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

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

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



RASHID ISMAIL

Independent Member, RACC

| | |
|----------------------------|----------------|
| Nationality | Malaysian |
| Age/Gender | 64/Male |
| Date of Appointment | 1 October 2021 |

Academic/Professional Qualification/Membership(s):

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

Present Directorship(s):

Listed entity: Nil

Other public companies: Nil

Present Appointment(s):

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

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

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

Who Leads Us



DATUK MUHAMAD UMAR SWIFT

Chief Executive Officer

Leads Bursa Malaysia Berhad Group of Companies

Who Leads Us



ROSIDAH BAHAROM

Chief Financial Officer
55 | Female | Malaysian

Date of Appointment
12 August 2014

- Finance
- Corporate Planning and Reporting
- Security Services
- Administration and Facilities Management
- Treasury

Academic/Professional Qualification(s):

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

Present Directorship:
Listed entity: Nil

Working Experience:

- More than 25 years of experience in the financial industry with a focus in areas of finance covering corporate finance, corporate planning and strategic corporate affairs – with 10 years of senior management roles, helming the finance and corporate services division in Bursa Malaysia



JULIAN MAHMUD HASHIM

Chief Regulatory Officer
52 | Male | Malaysian

Date of Appointment
8 September 2021

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

Academic/Professional Qualification(s):

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

Present Directorship:
Listed entity: Nil

Working Experience:

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



MOHD SALEEM KADER BAKAS

Director, Derivatives Market
57 | Male | Singaporean

Date of Appointment
1 March 2023

- Product Development
- Investor Development
- Market Facilitation
- Strategies Initiatives

Academic/Professional Qualification(s):

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

Present Directorship:
Listed entity: Nil

Working Experience:

- Over 20 years of investment banking experience. Held key management roles for ten years prior to joining Bursa Malaysia



TAY YU HUI

Director, Market Operations
53 | Female | Malaysian

Date of Appointment

11 November 2019

- Alternative Product Operations
- Trading Operations
- Clearing Operations
- Depository
- Bursa Carbon Exchange
- Reference Data Management
- Governance and Standards
- Stakeholder Management

Academic/Professional Qualification(s):

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

Present Directorship:

Listed entity: Nil

Working Experience:

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



ASHISH JAYWANT REGE

Director, Group Technology
58 | Male | Indian

Date of Appointment

6 January 2020

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

Academic/Professional Qualification(s):

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

Present Directorship:

Listed entity: Nil

Working Experience:

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

Save as disclosed, the above Key Senior Management (KSM) members have no family relationship with any Director and/or major shareholder of Bursa Malaysia, have no conflict of interest or potential conflict of interest, including any interest in any competing business with Bursa Malaysia or its subsidiaries, have not been convicted of any offences within the past five years and have not been imposed any penalty by the relevant regulatory bodies during the financial year 2023 and/or to date. The disclosure on the particulars of the KSM of Bursa Malaysia as at 22 February 2024, is made in compliance with the requirements under Appendix 9C of Bursa Malaysia Securities Berhad Main Market Listing Requirements.

Who Leads Us



AZMAN A. KHALID

Director,
Group Human Capital

Date of Appointment
15 February 2019

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



MOHD ZULKIFLI MUSTAFA

Director, Business Acceleration
Acting Director, Origination and Listing

Date of Appointment
1 February 2023

- Business Acceleration**
- Strategic Innovation and New Businesses
 - Group Customer Experience and Marketing
 - Group Procurement and Business Execution
 - Bursa Gold Dinar
 - BR Capital

Date of Appointment
2 October 2023

- Origination and Listing**
- Listing Development
 - Business Intelligence and Ecosystem Development
 - Product and Market Development



SHAMSUL AKMAL AHMAD

Executive Vice President,
Bursa Suq Al-Sila'

Date of Appointment
13 June 2016

- BSAS Development
- BSAS Operation
- Shari'ah and Governance

AINA ZAHARI

Director,
Corporate Strategy

Date of Appointment
8 February 2023

- Strategic Planning and Intelligence
- Strategic Business and Industry Development
- Group Strategic Communications



MAZLIANA MOHAMAD

Director,
Risk and Compliance

Date of Appointment
7 June 2022

- Financial Risk Management
- Operational Risk Management
- Strategic Risk Management
- Compliance
- Assurance and Risk Analytics
- Governance and Strategic Development



WONG CHIUN CHIEK

Director,
Bursa Intelligence

Date of Appointment
1 February 2023

- Market Data and Analytics Solutions
- Index and ESG Services
- Enterprise Data Office
- Digital and Product Office



STEPHANIE TAN KAR MUN

Executive Vice President,
Investor Strategy and Development

Date of Appointment
1 July 2022

- Research and Marketing
- Investor Relations and Stakeholder Engagement
- Innovation and Development
- Infrastructure Development and Management
- Capacity Building and Broker Management



DR. AHMAD HEZRI ADNAN

Director,
Group Sustainability

Date of Appointment
2 January 2024

- Sustainability Management
- Sustainability Centre of Excellence
- Community Investment

YONG HAZADURAH MD HASHIM

Group Company Secretary/
Senior Executive Vice President
Corporate Governance,
Secretarial and Legal

Date of Appointment
1 August 2004

- Corporate Governance
- PLC Secretarial
- Regulatory Secretarial
- Group Subsidiaries Secretarial
- Corporate Legal



SHAMITA ATPUTHARAJA

Director,
Internal Audit

Date of Appointment
22 May 2023

- Regulation and Operations Audit
- Business and Support Audit and Data Analytics
- Stakeholder and Quality Management
- Technology Audit

Other Corporate Information

Senior Independent Non-Executive Director

Tan Sri Abdul Farid bin Alias

Tel : 03-2034 7000, 03-2732 4999

E-mail : farid.alias@bursamalaysia.com

Company Secretaries

Yong Hazadurah binti Md Hashim

LS0006674

SSM Practising Certificate No.
202008003707

Izreen Fara binti Ismail

MAICSA 7056436

SSM Practising Certificate No.
202208002411

REGISTERED OFFICE

15th Floor, Exchange Square

Bukit Kewangan, 50200 Kuala Lumpur

Tel : 03-2034 7000

Fax : 03-2732 6437

E-mail : enquiries@bursamalaysia.com

Web : www.bursamalaysia.com

FORM OF LEGAL ENTITY

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

STOCK EXCHANGE LISTING

Listed on Main Board of Bursa Malaysia Securities Berhad on 18 March 2005

Stock Code : 1818

Stock Name : BURSA

BURSA 2U CENTRE

Lower Ground Floor, Exchange Square

Bukit Kewangan, 50200 Kuala Lumpur

Tel : 03-2732 0067

E-mail : bursa2u@bursamalaysia.com

Opening Hours : Monday - Friday (8:30am - 5:00pm)
(Closed on Saturday, Sunday and Public Holiday)

INVESTOR RELATIONS

Chiong Tong Chai

8th Floor, Exchange Square

Bukit Kewangan, 50200 Kuala Lumpur

Tel : 03-2034 7389

Fax : 03-2710 2308

E-mail : ir@bursamalaysia.com

REGISTRAR

Tricor Investor and Issuing House Services Sdn Bhd

Registration No. 197101000970 (11324-H)

Unit 32-01, Level 32, Tower A

Vertical Business Suite

Avenue 3, Bangsar South

No. 8, Jalan Kerinchi

59200 Kuala Lumpur

Tel : 03-2783 9299

Fax : 03-2783 9222

E-mail : is.enquiry@my.tricorglobal.com

Web : www.tricorglobal.com

Tricor's Customer Service Centre

Unit G-3, Ground Floor, Vertical Podium

Avenue 3, Bangsar South

No. 8, Jalan Kerinchi

59200 Kuala Lumpur

AUDITORS

Ernst and Young PLT

Registration No. 202006000003

(LLP0022760-LCA) and AF 0039

Chartered Accountants

Level 23A, Menara Milenium

Jalan Damanlela

Pusat Bandar Damansara

50490 Kuala Lumpur

PRINCIPAL BANKERS

Malayan Banking Berhad

Registration No. 196001000142 (3813-K)

Menara Maybank

100, Jalan Tun Perak

50050 Kuala Lumpur

CIMB Bank Berhad

Registration No. 197201001799 (13491-P)

17th Floor, Menara CIMB

No. 1, Jalan Stesen Sentral 2

Kuala Lumpur Sentral, 50470 Kuala Lumpur

07

Our Governance

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Corporate Governance Overview

The Board of Directors of Bursa Malaysia Berhad (**Bursa Malaysia** or **the Company**) presents this statement to provide shareholders and investors with an overview of the corporate governance (**CG**) practices of the Company during the financial year 2023.

This overview takes guidance from the three (3) key CG principles and the practices as set out in the Malaysian Code on Corporate Governance (**MCCG**), which are:



This statement is prepared in compliance with Bursa Malaysia Securities Main Market Listing Requirements (**MMLR**)¹ and is to be read together with the CG Report 2023 of the Company (**CG Report**), which is available on the Company's website.² The CG Report provides details on how the Company has applied each Practice as set out in the MCCG during the financial year 2023. The CG Report can be accessed by scanning the following QR code:



Bursa Malaysia CG Report

EMBRACING THE CG CULTURE

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

To ensure the Company continues to adopt the best CG practices, regular reviews of internal practices are conducted with reference to the MCCG, the ASEAN CG Scorecard and other relevant guidelines issued by the regulators, as well as international standards on CG and Sustainability. In its review, the Board was mindful of the need to embrace best practices in form as well as in substance to further strengthen the CG culture in the Company. In addition, the Board also reviews the practices of other comparable exchanges or organisations to identify potential areas for enhancement in order to raise the bar in the Company's CG standards.

As at 31 December 2023, Bursa Malaysia complied in all material aspects with the principles as set out in the MCCG. The Company also adopted all 48 recommended practices in the MCCG including the five (5) Step-up practices. A summary of the CG practices of Bursa Malaysia as well as the Board's key focus areas and future priorities in relation to the CG practices are described below under each CG principle.

BOARD LEADERSHIP AND EFFECTIVENESS

Discharging Board Responsibilities

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

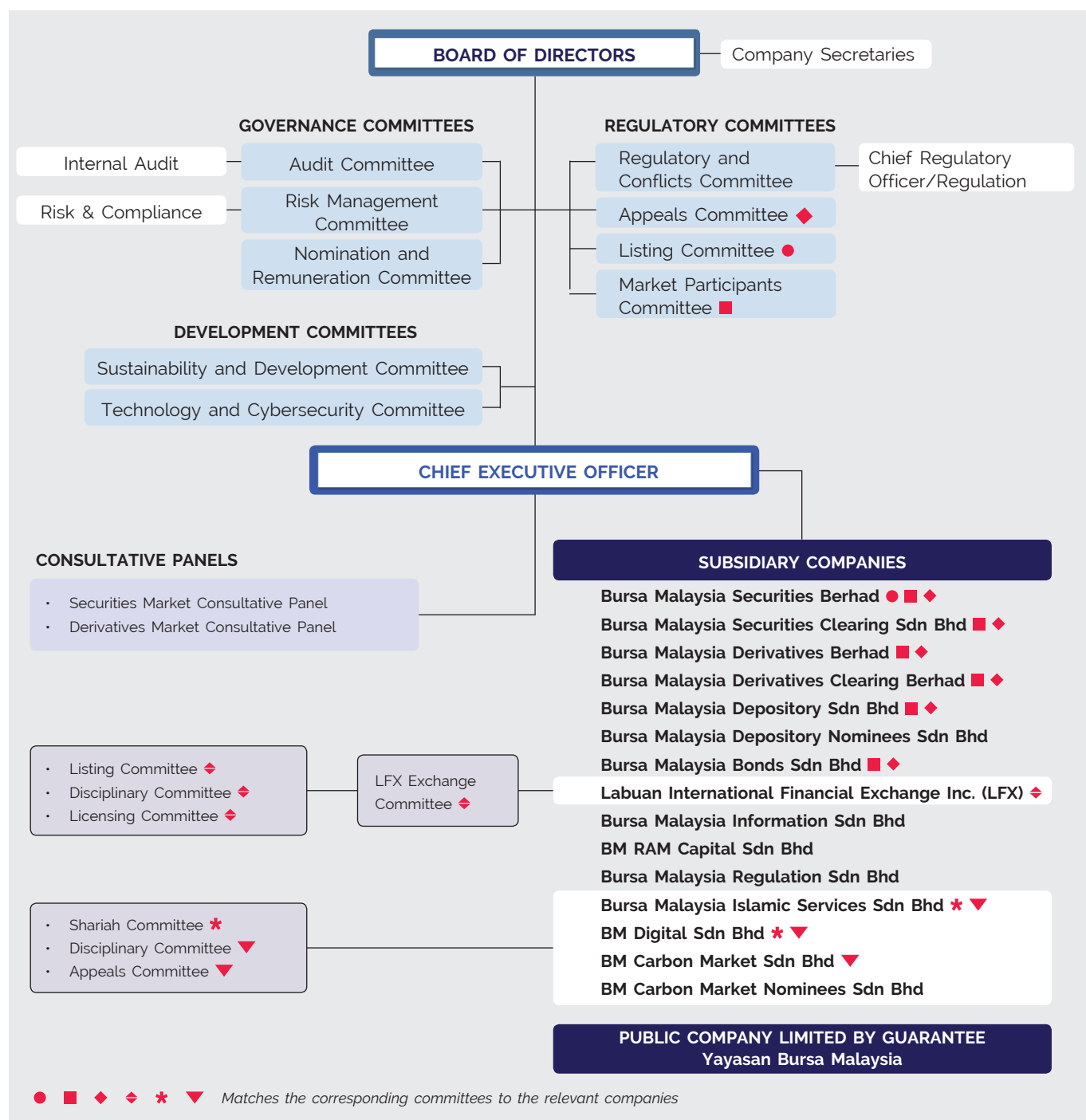
For the foregoing, the Board determines the strategic objectives and policies of the Group for the delivery of such long-term value. It ensures effective leadership through oversight on management and robust monitoring of the activities, performance, conformance capabilities and control in the organisation. In setting the strategic direction, the Board also ensures that there is an appropriate balance between promoting long-term growth and delivering short-term objectives, having regard to the public interest responsibilities of Bursa Malaysia as an Exchange Holding Company (**EHC**).³

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

² www.bursamalaysia.com, refer to Corporate Governance section

³ Bursa Malaysia is an EHC approved under Section 15 of the Capital Markets and Services Act 2007

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



The Governance Model also sets out the governance arrangement for Bursa Malaysia as an EHC, to manage any potential or perceived conflicts of interest (COI) between its regulatory function and commercial objectives. In this respect, the Board has in place the Regulatory and Conflicts Committee (RACC) with the primary purpose to oversee the regulatory function of the Bursa Malaysia Group, and, in the performance of its regulatory duties, the RACC shall exercise its judgement independently of the business functions. Accordingly, the RACC shall comprise four (4) members who are external independent individuals and three (3) members who are Public Interest Directors (PIDs) of Bursa Malaysia. The independent individuals were appointed by the Board in consultation with the SC, and one of them is designated as the RACC Chairman. In August 2023, a PID of Bursa Malaysia, Puan Sharifatu Laila Syed Ali resigned from the Board and also vacated her membership of RACC. The profiles of the RACC members are disclosed on pages 121 to 122 of this report. The Chief Regulatory Officer of Bursa Malaysia reports directly to the RACC in relation to the performance of the regulatory function of the Bursa Malaysia Group. This direct line of reporting ensures the independence of the RACC.

Corporate Governance Overview

In 2023, the members of the Governance, Development and Regulatory Committees of the Board discharged their roles and responsibilities in accordance with the Terms of Reference (TOR) of the respective Committees. The attendance of the Directors and Committee members at the meetings of the Company during the year are as set out in the table below:

| | Board of Directors* | NED** | Governance Committees | | | Development Committees | | Regulatory Committees | | | |
|---|---------------------|-------|-----------------------|-----|-----|------------------------|-----|-----------------------|-------|-----|-----|
| Name | | | AC*** | RMC | NRC | TCC | SDC | RACC | LC | MPC | APC |
| Public Interest and Independent Non-Executive Directors | | | | | | | | | | | |
| Tan Sri Abdul Wahid Omar (Chairman) | 11/11 | 1/1 | | | | | 5/5 | | | | |
| Dato' Anad Krishnan a/l Muthusamy | 11/11 | 1/1 | 6/6 | | | | | 7/7 | | 4/4 | |
| Datin Azlina Mahmad ^[1] | 11/11 | 1/1 | | 3/3 | 9/9 | | 2/2 | 7/7 | | | |
| Sharifatu Laila Syed Ali ^[2] | 7/7 | | | 3/3 | | | | 4/4 | 7/7 | | |
| Independent Non-Executive Directors | | | | | | | | | | | |
| Tan Sri Abdul Farid Alias ^[3] | 11/11 | 1/1 | | 6/6 | 4/4 | 4/4 | | | | | |
| Pushpanathan a/l S.A. Kanagarayar ^[4] | 5/5 | | 3/3 | | 5/5 | | | | | | |
| Datuk Bazlan Osman ^[5] | 11/11 | 1/1 | 6/6 | | 9/9 | 4/4 | | | | | |
| Chong Chye Neo ^[6] | 11/11 | 1/1 | | 3/3 | 9/9 | 4/4 | 2/3 | | | | |
| Syed Ari Azhar Syed Mohamed Adlan ^[7] | 11/11 | 1/1 | 6/6 | 6/6 | | | 5/5 | | | | |
| Tan Ler Chin ^[8] | 4/4 | 1/1 | 2/2 | 3/3 | | | | | | | |
| Non-Independent Executive Director | | | | | | | | | | | |
| Datuk Muhamad Umar Swift (CEO) | 11/11 | | | | | 4/4 | 5/5 | | | | |
| Independent individuals with significant and relevant industry experience | | | | | | | | | | | |
| Michael John Warren ^[9] | | | | | | 2/2 | | | | | |
| Teh Lip Guan ^[10] | | | | | | 3/4 | | | | | |
| Ng May Ching ^[11] | | | | | | 2/2 | | | | | |
| Datuk Chay Wai Leong | | | | | | | 4/5 | | | | |
| Shareen Shariza Dato' Abdul Ghani | | | | | | | 5/5 | | | | |
| Wong Chong Fatt | | | | | | | 4/5 | | | | |
| Dato' Feizal Mustapha | | | | | | | | 7/7 | 11/11 | | |
| Kuok Wee Kiat | | | | | | | | 7/7 | | 4/4 | |
| Rashid Ismail | | | | | | | | 6/7 | | | |
| Salwah Abdul Shukor | | | | | | | | 7/7 | | | |
| Jalalullail Othman | | | | | | | | | 10/11 | | |
| Hijah Arifakh Othman | | | | | | | | | 10/11 | | |
| Iskandar Abdullah @ Sim Kia Miang | | | | | | | | | 11/11 | | |
| Dato' Abdul Shukor Ahmad | | | | | | | | | 11/11 | | |
| Raymond Tang Chee Kin | | | | | | | | | 10/11 | | |
| Jerry Ong Kok Wah | | | | | | | | | 11/11 | | |
| Wong Yoke Nyen ^[12] | | | | | | | | | 11/11 | | |
| Tai Siew Moi | | | | | | | | | | 4/4 | |
| Chew Sing Guan | | | | | | | | | | 4/4 | |
| Prof. Dr. Aiman @ Nariman Mohd Sulaiman | | | | | | | | | | 3/4 | |
| Datin Yon See Ting | | | | | | | | | | 4/4 | |
| Tan Chee Siong | | | | | | | | | | 4/4 | |
| Azura Azman | | | | | | | | | | 4/4 | |
| Lee Cheng Wah ^[13] | | | | | | | | | | 4/4 | |
| Tan Sri Dr. Nik Norzrul Thani Nik Hassan Thani | | | | | | | | | | | 5/5 |
| Dato' Azmi Mohd Ali | | | | | | | | | | | 5/5 |
| Datuk Dr. Prasad Sandhosam Abraham | | | | | | | | | | | 5/5 |
| Dato' Sri Abdul Hamidy Abdul Hafiz | | | | | | | | | | | 5/5 |
| Dato' Dr. Zaha Rina Zahari | | | | | | | | | | | 5/5 |
| Deepak Sadasivan a/l N. Sadasivan ^[14] | | | | | | | | | | | 5/5 |
| Leong Sek Hoe ^[15] | | | | | | | | | | | 5/5 |
| Pushparani a/p A. Moothathamby ^[16] | | | | | | | | | | | 4/5 |
| Total number of meetings for 2023 | 11 | 1 | 6 | 6 | 9 | 4 | 5 | 7 | 11 | 4 | 5 |

| | | | |
|--|--|---|--|
| Chairman | AC Audit Committee | TCC Technology and Cybersecurity Committee | LC Listing Committee |
| Member | RMC Risk Management Committee | SDC Sustainability and Development Committee | MPC Market Participants Committee |
| Non-member | NRC Nomination and Remuneration Committee | RACC Regulatory and Conflicts Committee | APC Appeals Committee |

Notes:

^[1] Appointed as RMC Member on 16 August 2023 and ceased to be member of the SDC on 15 August 2023.

^[2] Resigned as PID and INED of Bursa Malaysia w.e.f 16 August 2023 and accordingly, ceased to be RMC Chairman and member of the RACC and LC on the same date.

^[3] Appointed as Senior Independent Director and NRC Chairman on 23 June 2023.

^[4] Retired as INED of Bursa Malaysia on 22 June 2023 and accordingly, ceased to be AC Chairman and NRC member on the same date.

^[5] Redesignated as AC Chairman w.e.f. 23 June 2023 and on the same date, ceased to be Senior Independent Director and NRC Chairman and re-designated as member of the NRC Chairman.

^[6] Appointed as member of the SDC and ceased to be member of the RMC on 16 August 2023.

^[7] Redesignated as RMC Chairman w.e.f. 16 August 2023.

^[8] Appointed as INED on 16 August 2023, and appointed as member of the AC and RMC respectively w.e.f. 16 August 2023.

^[9] Ceased to be TCC member w.e.f. 30 June 2023

^[10] Appointed as TCC member w.e.f. 1 January 2023

^[11] Appointed as TCC member w.e.f. 1 July 2023

^[12] Appointed as LC member w.e.f. 1 January 2023

^[13] Appointed as MPC member w.e.f. 1 January 2023

^[14] Appointed as APC member w.e.f. 1 January 2023

^[15] Appointed as APC member w.e.f. 1 January 2023

^[16] Appointed as APC member w.e.f. 1 January 2023

* There were 8 scheduled and 3 special Board meetings in 2023.

** 1 Non-Executive Directors (NED) session was held on 21 September 2023.

*** 2 private meetings were held between the AC and the external auditors, Ernst & Young PLT i.e. on 26 January 2023 and 24 October 2023 respectively.

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

The GMD and the CAM are reviewed as and when required, to ensure an optimum structure for efficient and effective decision-making in the organisation. In 2023, the Governance Model and TOR of the Board Committees were reviewed to reflect the changes in the roles and responsibilities of the Board Committees arising from the introduction of new internal processes as well as the amendments to the MMLR in relation to COI and potential COI of key persons.

Board Leadership

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

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



Bursa Malaysia Board Charter

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

Board Administration

The Board members have full access to the two (2) Company Secretaries, both of whom have legal qualifications and are qualified to act as company secretaries under the Companies Act (CA) 2016. The Company Secretaries ensure the Directors are provided with sufficient information and time to prepare for Board meetings. To this, the meeting materials are made accessible to the Directors on their devices within reasonable periods prior to the meetings.

The Company Secretaries also prepare the minutes of meetings in a timely manner and provide advisory services to the Board on corporate administration and governance matters including compliance with the relevant laws, rules and regulations.

Promoting Good Business Conduct

Bursa Malaysia takes a stance against the use of corrupt practices in relation to its activities and promotes a culture of integrity within the organisation by ensuring there are adequate policies and procedures, which are implemented appropriately in line with the principles under the Guidelines for Adequate Procedures.⁴

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

Bursa Malaysia has zero tolerance of any conduct that constitutes a wrongdoing or malpractice which may include any breach of ethics as described in the COEs or COI and/or any fraudulent act as may be described in the Anti-Fraud, Bribery and Corruption (AFBC) Policy and other relevant documents. To this, Bursa Malaysia has in place a Whistleblower Policy and Procedures (WPP) for Directors and its employees, to facilitate the exposure of any violations or improper conduct or wrongdoing within the Group.

The above COEs, AFBC Policy and WPP for Bursa Malaysia Group would ensure that good standards of behaviour permeate throughout all levels of the organisation, and strengthen the integrity, governance and anti-corruption framework for Bursa Malaysia. These policies serve as control measures to address and manage the risk of fraud, bribery, corruption, misconduct and unethical practices for the benefit of long-term success of the Company. The COEs, Anti-Corruption Policy and WPP for Bursa Malaysia Group are published⁵ on Bursa Malaysia's website. Alternatively, you can scan the following QR codes:



Bursa Malaysia Codes of Ethics



Bursa Malaysia Anti-Corruption Policy



Bursa Malaysia Whistleblower Policy and Procedures

⁴ Issued by the Prime Minister's Department on 10 December 2018 pursuant to Section 17A(5) of the Malaysian Anti-Corruption Commission (MACC) Act 2009

⁵ Paragraph 15.29(1)(a) and (2)(a) and (b) of the MMLR

Corporate Governance Overview

During the year, the Board also approved various other changes and/or introduced new policies and procedures, to promote good business conduct in the organisation, among others, the review of the AFBC Policy and the Anti-Money Laundering, Countering Financing or Terrorism and Targeted Financial Sanctions Policy in December 2023.

Governing Sustainability

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

A Sustainability and Development Committee (SDC) has been established under the Governance Model with the primary purpose to assist the Board in its oversight responsibilities, in particular, to ensure the strategic plan for the Group supports long-term value creation and sustainability goals as well as to ensure the development and implementation of the strategic plan for the Group is effective and takes into account sustainability considerations. In view of its purpose, the composition of the SDC includes an independent member who is an expert in sustainable development or sustainable finance.

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

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

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

The Nomination and Remuneration Committee (NRC)

The NRC comprises four (4) members who are all Independent Non-Executive Directors (INEDs) including one (1) who is also a PID. The NRC is chaired by a Senior Independent Director (SID). During the year, there had been a change of SID following the appointment of the former SID, Datuk Bazlan Osman, as Chairman of the Audit Committee effective 23 June 2023. In conjunction with this, Tan Sri Abdul Farid Alias was appointed as the new SID and Chairman of NRC effective 23 June 2023, and Datuk Bazlan Osman was redesignated as a member of NRC.

The NRC held nine meetings in 2023. Amongst the matters considered by the NRC in 2023 are as summarised below:-

- Reviewed/recommended the engagement of an external consultant to conduct the Board Effectiveness Evaluation (BEE) exercise and reviewed the outcome of the BEE exercise
- Reviewed/recommended the composition of the Board and Board Committees
- Reviewed/recommended the appointment of a new Director
- Reviewed/recommended the re-appointment of PIDs and re-election of Directors at Annual General Meeting (AGM)
- Reviewed the independence and fit and propriety of INEDs
- Reviewed succession planning of the Board
- Reviewed succession and talent management of the Senior Management (including CEO)
- Reviewed/approved appointment of senior management
- Reviewed/recommended remuneration policies for the Board and senior management.

The details of the key activities of the NRC are described below.

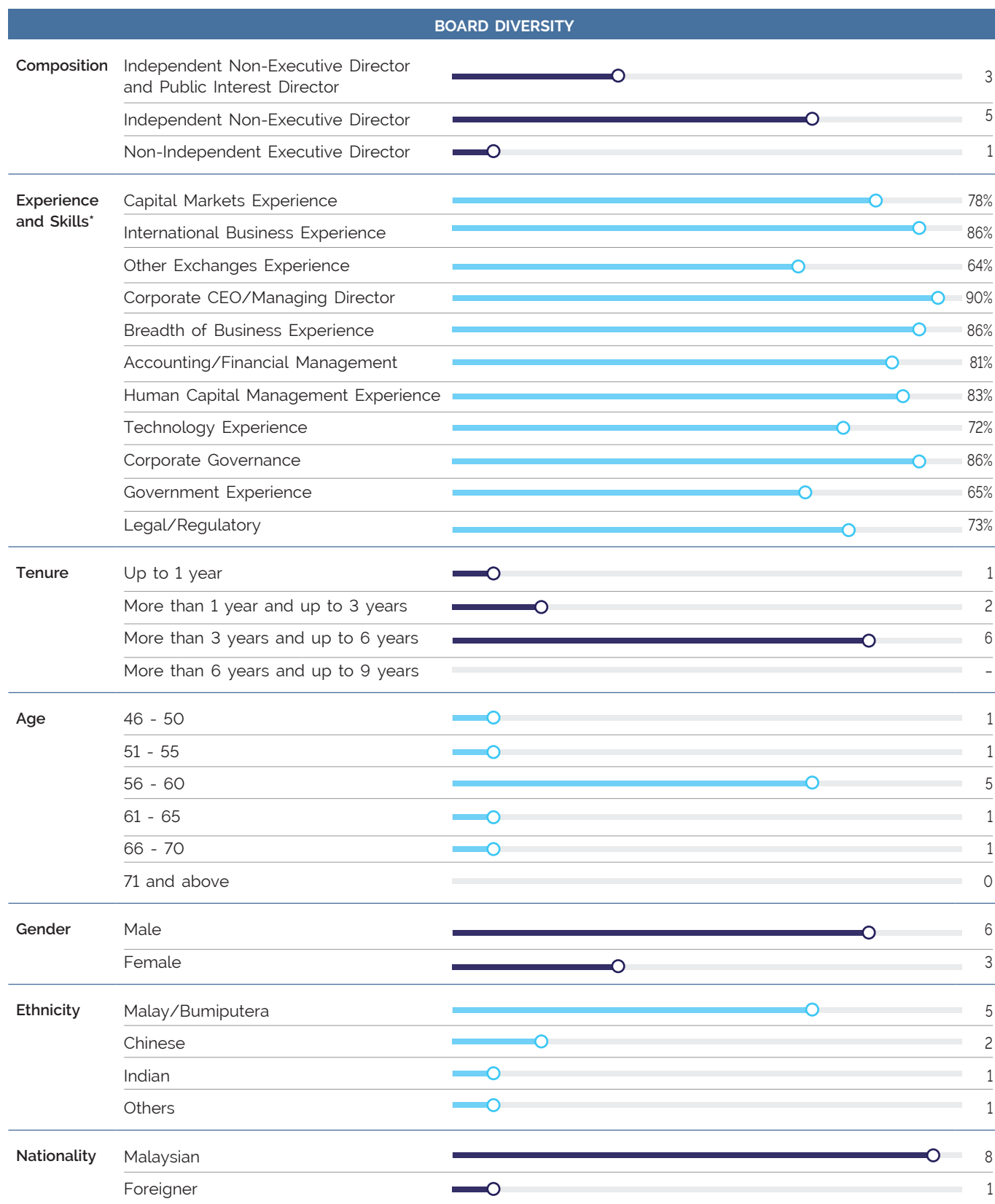
Board Size, Composition and Diversity

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

In 2023, the annual review was conducted in conjunction with the BEE exercise, taking into account the regulatory and commercial objectives of Bursa Malaysia, to ensure effective oversight and delegation of responsibilities by the Board.

For the first half of the year, the Board consisted of 10 members and it was reduced to nine (9) members upon the retirement of Mr. Pushpanathan a/l S.A. Kanagarayar as an INED on 22 June 2023 in accordance with the Board 9-year policy. On 16 August 2023, Puan Sharifatu Laila Syed Ali resigned as an INED and PID of Bursa Malaysia, and, on the same date, Ms. Tan Ler Chin was appointed as an INED. During the year, the Board maintained at least 30% women directors in accordance with the Board Diversity Policy as set out in the Board Charter.

The Board Skills Matrix has also been developed based on the Directors' self-assessment, and used as reference for refreshing the Board and succession planning. As at 31 December 2023, the Board Diversity for Bursa Malaysia is depicted in the charts below.



*Individual Directors may fall into one or more categories

Corporate Governance Overview

Board Succession Planning and Appointments

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

The appointment of Directors to the Board (other than the PID) is subject to a formal, rigorous and transparent process. In this process, the NRC reviews the existing Board composition such as the optimum size and diversity in terms of skills, experience, age, ethnicity and gender, having regard to the strategic direction of the Company as well as the trend in the Board composition of other comparable exchanges and/or organisations. Based on this review, the NRC determines the selection criteria for the new appointment with the view to close any gap or to strengthen the Board composition. The NRC then reviews the candidates which are sourced from internal and external/independent sources, and shortlist the potential candidate(s) with reference to the agreed selection criteria. The NRC conducts engagement session with the shortlisted candidate(s) as well as the fit and proper assessment, before submitting its final recommendation to the Board. Upon the Board's approval of the shortlisted candidate, the SC's concurrence will be sought in accordance with Section 10(1)(b) of the Capital Markets and Services Act 2007 (CMSA).

With the impending retirement of an INED in accordance with the Board 9-year policy, one of the key focus areas during the year was executing the Board succession plan. In the process for appointment of a new Director, the NRC had determined the selection criteria for the new INED who must have the skills and experience in Capital Market/ Financial Services and executive leadership in a large organisation with international markets presence. The NRC considered the pool of potential candidates guided by this selection criteria and identified a suitably qualified candidate from an independent source. In June 2023, the Board approved the recommendation of the NRC for the appointment of the new INED, Ms. Tan Ler Chin, subject to the SC's concurrence being obtained in accordance with Section 10(1)(b) of the CMSA. The SC's concurrence was obtained on 28 July 2023, and the appointment took effect on 16 August 2023. The induction programme for the new INED was organised by the Company Secretaries and conducted on 23 August 2023, 5 and 6 September 2023, where the Senior Management from all Divisions had presented their businesses and relevant functions in the organisation.

In the above process for appointing the new INED, the fit and proper assessment of the candidate was conducted by the NRC in accordance with the Directors' Fit and Proper Policy (DFPP) as set out in the Board Charter. In assessing the candidate's fitness and propriety, the Board through the NRC, had considered all relevant factors based on the overarching criteria namely, the candidate's Character and Integrity, Experience and Competence, and Time and Commitment. During the year, the NRC also conducted the

independence and fit and proper assessments on the Directors who were proposed for re-election at the AGM of the Company as well as the PIDs who were proposed for re-appointment in accordance with Section 10(1)(a) of the CMSA. In these assessments, the NRC also made reference to the individual Directors' performances during the review period in the latest BEE exercise. In accordance with the DFPP, the proposed new INED and Directors who were identified for re-election/re-appointment had submitted to the Company their fit and proper declaration in the prescribed form.

In June 2023, the NRC also reviewed the composition of the Board Committees in view of the expected changes in the Board composition during the year (i.e. the retirement, resignation and new appointment of INEDs in June and August 2023) and having regard to the Membership Classification in the TOR of each Board Committee. The Board subsequently approved the recommendation of the NRC on the proposed changes to the composition of the relevant Board Committees during the year.

Management Succession Planning

During the year, the NRC, together with the CEO, reviewed the detailed succession plan and talent management programme for the Core Critical Roles in the organisation which was presented by the Director, Group Human Capital (GHC) on a half-yearly basis. The NRC considered the succession bench strength of the identified Core Critical Roles and the development plans for the successors based on their current readiness levels to increase their leadership capabilities and potential. Talents were also identified by GHC to cultivate their leadership skills and prepare them to be successors to critical roles.

In accordance with its TOR, the NRC also considered the proposed new appointment and renewal of appointment for the relevant Senior Management in 2023. The appointment of Key Senior Management was further approved by the Board, based on the NRC's recommendation.

Board Effectiveness

The Board through its NRC, conducts the annual BEE exercise with the view to ascertain the Board's overall level of effectiveness and the identification of the areas for improvement or enhancement. The outcome of the BEE exercise is used by the Board to establish a roadmap for development in relevant areas of the Board's operations and practices, building of individual skills/knowledge as well as the alignment of the Board's role with corporate objectives and strategy. An external consultant is engaged once every three (3) years to assist the NRC to facilitate an objective and candid Board evaluation as set out in the Board Charter. In 2023, the NRC/Board had engaged an external consultant, PwC Consulting Services (M) Sdn Bhd (PwC) to conduct the BEE exercise for the period from 1 July 2022 to 30 June 2023 (2022/2023).

The BEE 2022/2023 exercise was conducted using customised questionnaires to assess the Board, Board Committees and individual Directors' performance and qualities. PwC also conducted structured 1-on-1 interviews with all Directors, Chairman of the RACC and six members of the Senior Management, to obtain the relevant views on the key strengths and areas for improvement within the Board and Board Committees. The outcome from the exercise was reported to, and considered by, the NRC at its meeting in August 2023.

The final report was presented to the Board in September 2023, where the Board had noted that the BEE 2022/2023 results were generally strong across various domains and the outcome indicates a largely strong and satisfactory performance, with no obvious weaknesses identified. The Board's key strengths were also identified in the report, as summarised below:

- Board Chairman – he proactively sets the right tone in shaping Board culture and upholding Bursa Malaysia's core values, facilitates meaningful discussions and serves as a bridge between the Board and Management
- Board composition – balanced and adequately diverse for effective governance
- Board conduct – Board members respect each other's diverse views, and offer constructive ideas during Board meetings
- Board interaction and communication – the Board, Management and stakeholders share a healthy and matured relationship. The Board Chair and CEO maintain a strong working rapport while respecting their distinct roles
- Board Committees – well-balanced and diverse, comprising seasoned directors alongside external specialists, clearly defined objectives and roles, and meet regularly
- CEO – Board acknowledges the CEO's competence and strong business acumen, with strengths such as transparent interactions, ethical behaviour and effective management of daily business affairs
- Board administration and process – the Company Secretaries have been valuable in ensuring key matters are covered in agendas, producing high-quality minutes and promptly addressing Board requests.

The Board also took note of the suggested enhancement opportunities in the report in relation to Directors' training, Management succession planning, enhancement of human capital development practices as well as the Board's composition moving forward. These enhancement opportunities were the key focus areas in 2023 and future priorities in relation to CG practices.

With respect to the Individual Directors' scorecards from the BEE 2022/2023 exercise, the Board was satisfied with each of the Directors' level of performance as they had also met the performance criteria in the prescribed areas of assessments. The results of these assessments form the basis of the NRC's recommendations to the Board for the re-appointment of PIDs and re-election of Directors at the AGM of the Company.

Further details of the activities of the NRC in 2023 are described in the CG Report. It embraces Principle A of the MCCG particularly, in relation to the Board composition, appointment process and performance evaluation.

Remuneration Policy

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

The NRC conducts the Board remuneration review (BRR) on an annual basis and an external consultant may be engaged from time to time, to provide the NRC with an objective and independent perspective. The current Board Remuneration Policy was approved by the shareholders at the last AGM of the Company held in March 2023.

In November 2023, the BRR was conducted internally by the NRC and facilitated by the Company Secretaries, with the view to ascertain the competitiveness of the Board remuneration having regard to various factors including the Board remuneration of comparator companies in the financial services sector, dominant providers and those with similar market capitalisation in Malaysia as well as comparable stock exchanges. The NRC took into consideration the demands, complexities and performance of the Bursa Malaysia Group particularly, the core activities and responsibilities of the Board/Board Committees as well as having regard to the responsibilities and contribution levels of individual members in terms of statutory duties, fiduciary duties, risk, intensity/complexity of work, time commitment and effort.

The Board approved the NRC's recommendation to seek the shareholders' approval that the Directors' benefits payable to the NEDs shall remain the same amount as the previous year, at RM2,000,000 from 27 March 2024 until the next AGM of the Company in accordance with Section 230 of the CA 2016 and Paragraph 7.24 of the MMLR of Bursa Securities.

The detailed remuneration of the individual Directors and Key Senior Management are disclosed on page 211 and page 243 of this report, respectively.

Corporate Governance Overview

EFFECTIVE AUDIT AND RISK MANAGEMENT

The Audit Committee

The Audit Committee of the Company (AC) comprises four (4) members who are INEDs, one of whom is also a PID. The AC is chaired by an INED, Datuk Bazlan Osman, since 23 June 2023, upon the retirement of the former AC Chairman, Mr. Pushpanathan a/l S.A. Kanagarayar in accordance with the Board 9-year policy. In this regard, Datuk Bazlan Osman was redesignated from a member to the Chairman of AC. Hence, there was a temporary vacancy in the composition of AC which was filled up on 16 August 2023, with the appointment of a new INED, Ms. Tan Ler Chin as the new member of AC. In 2023, none of the AC members were former audit partners who are required to observe a cooling-off period of at least three (3) years before being appointed in accordance with the TOR of the AC. In the annual assessment on the suitability, objectivity and independence of the external auditors, the AC is guided by the factors as prescribed under Paragraph 15.21 of the MMLR as well as the Auditor Independence Policy which was approved by the Board in November 2022.

In May 2023, the NRC reviewed the composition of the AC together with other Governance and Development Committees based on the distribution of the Directors on the Board Committees. The results of the AC Effectiveness Assessment in the previous BEE exercise showed that the AC members' contributions to the functioning of the AC was satisfactory. To maintain an independent and effective AC, INEDs who are financially literate, possess the appropriate level of expertise and experience, and have the strong understanding of the Company's business were considered for membership on the AC. The performance and contribution of each of the Committee members based on the outcome of their Self and Peer Assessment results in the BEE exercise would be used as reference for determining their re-appointment for the next term. The Board subsequently approved the recommendation of the NRC for the re-appointment of the AC members for the new term commencing from 1 July 2023 to 30 June 2024.

Risk Management and Internal Control Framework

The Risk Management Committee of the Company (RMC) comprises four (4) members who are INEDs, one of whom is also a PID. As at 31 December 2023, the RMC was chaired by an INED, Encik Syed Ari Azhar Syed Adlan who assumed the chairmanship on 16 August 2023 following the resignation of the former RMC Chairperson, Puan Sharifatu Lail Syed Ali on the same date. The new INED on the Board, Ms. Tan Ler Chin was also appointed to the RMC on 16 August 2023. The RMC is responsible to oversee the Company's risk management framework and policies. The RMC is also responsible for overseeing business continuity management, compliance and IGU functions of the Group.

The AC is responsible for assisting the Board in ensuring the adequacy and effectiveness of internal controls. The Board is of the view that the system of internal control and risk management put in place during 2023, is sound and sufficient to safeguard the Group's assets, as well as shareholders' investments, and the interests of customers, regulators, employees and other stakeholders.

In this respect, the details of the Risk Management and Internal Control Framework are set out in the Statement on Internal Control and Risk Management on pages 145 to 155 of this report.

INTEGRITY IN CORPORATE REPORTING AND MEANINGFUL RELATIONSHIP WITH STAKEHOLDERS

Communication with Stakeholders

Bursa Malaysia ensures that its communication with its shareholders and various stakeholders is transparent, timely and with quality disclosure. Bursa Malaysia also actively engages all its stakeholders through various platforms including announcements via Bursa LINK, disclosures on its website and engagements through the investor relations function. In 2023, a number of events and activities were held during the year to maintain an open communication and effective engagement with the stakeholders, including the public listed companies, investors, shareholders, market intermediaries, regulators or government agencies, employees and various community groups. Details of the stakeholder engagements in 2023 are provided on pages 13 to 18 of the Sustainability Report 2023.

In March 2023, Bursa Malaysia issued its Integrated Annual Report (IAR) for the financial year 2022, based on the International Integrated Reporting Council's Integrated Reporting Framework. Through the IAR 2022, the Company demonstrated its continuous commitment to improve the quality of information disclosures to stakeholders and promote greater transparency and accountability on Bursa Malaysia.

Conduct of General Meetings

The Company's 46th AGM was held virtually on 30 March 2023 at the Conference Room of the Exchange Square as the Broadcast Venue, in accordance with the *Guidance and FAQs on the Conduct of General Meetings for Listed Issuers* issued by the SC. The Board recognises the importance of the AGM as a platform for meaningful engagement between the Board, Senior Management and the shareholders of the Company. As such, various measures were put in place to ensure the effectiveness and efficiency of the conduct of the 46th AGM where the Company had leveraged technology to facilitate the voting process and remote participation by shareholders, which had enabled the shareholders to engage and have a robust discussion with the Board and Senior Management of the Company during the Question & Answer (Q&A) session of the AGM.

The notice of the 46th AGM was issued on 1 March 2023. Shareholders were provided with clear guidance notes on the administrative matters, and advised to take advantage of the remote participation and voting (RPV) facilities for the conduct of the AGM. To further encourage engagement between the Board, Senior Management and shareholders, the shareholders were also invited to send questions before and during the AGM.

All the 10 members of the Board including the Executive Director/CEO were physically present at the Broadcast Venue together with the Company Secretaries and the Chief Financial Officer. The other members of Senior Management were in attendance virtually via video conference. The proceedings of the 46th AGM at the Broadcast Venue included the CEO's presentation of the Company's operating and financial performance for 2022, the presentation of the external auditors' unqualified report to the shareholders, and the Q&A session, before the end of the voting session.

Tricor Investor & Issuing House Services Sdn Bhd (Tricor) acted as the Poll Administrator to conduct the online electronic polling process and Deloitte Risk Advisory Sdn Bhd (Deloitte) was appointed as the Scrutineer for the 46th AGM. The Scrutineer verified and announced the poll results for each resolution, which included votes in favour and against, upon which the Chairman of the 46th AGM declared that all the resolutions were carried. The poll results were also announced by Bursa Malaysia via Bursa LINK on the same day for the benefit of all shareholders. The Minutes of the 46th AGM (including all the Questions raised at the meeting and the Answers thereto) were also made available on Bursa Malaysia's website no later than 30 business days after the AGM:



Bursa Malaysia Minutes of the 46th AGM

COMPLIANCE STATEMENT

This Statement was approved by the Board on 22 February 2024.

Marketplace Report: Fair and Orderly Markets

Bursa Malaysia remains committed to maintaining an orderly and fair market and upholding investor protection, underpinned by a robust and comprehensive rule and regulatory framework. We have in place an effective supervisory and surveillance framework to manage issues in the marketplace and prevent escalation of these issues, coupled with efficient and deterrent enforcement actions against recalcitrant regulated persons who breached our rules. We also play a key role in market development, by enhancing our rules to facilitate various new products and services in the marketplace, and elevating our issuers' environmental, social and governance (ESG) standards via enhanced disclosures and directors' advocacy programme. As such, our market remains resilient and well-positioned to serve our stakeholders better.

DEVELOPMENT OF THE RULE FRAMEWORK

In 2023, our rule amendments focused on ensuring a regulatory framework that is balanced, fit for purpose, transparent, accessible and efficient. We continued to prioritise areas which posed significant risks, and updated and simplified the rules where appropriate. Through our rules, we also facilitated offerings of diversified products and services at Bursa Malaysia Berhad. We undertook various reviews of our rulebooks this year, including the following:

- ➔ Amendments to LR, Rules and Directives of BMS, Rules and Directives of BMD, Rules of Bursa Malaysia Bonds Sdn Bhd, Rules of BMSC, Rules of Bursa Malaysia Depository Sdn Bhd and Rules and Directives of BMDC to facilitate Bursa Malaysia Berhad's operations on a surprise holiday. The amendments sought to provide clarity and certainty to the capital markets and mitigate any potential market or investment risk that investors may face due to a surprise holiday. The amendments made it clear that Bursa Malaysia Berhad group may remain open and operate on a surprise holiday, hence enabling delivery and settlement to buyers and sellers that transacted before a surprise holiday to take place as scheduled, providing certainty to the market and managing potential risk.
- ➔ Amendments to the ACE LR to facilitate the transfer of eligible LEAP Market PLCs to the ACE Market. To qualify for a transfer of listing, a LEAP Market PLC must, among others, have been listed on the LEAP Market for at least 2 years, and be assessed and considered as suitable for listing on the ACE Market by a Sponsor. The amendments also included the introduction of a recognised approved adviser framework to propel capacity building of eligible Approved Advisers through the exposure and experience gained on the ACE Market.
- ➔ Amendments to the Main LR and ACE LR to, among others, promote greater transparency on COI of directors and KSM, and strengthen accountability of the audit committee in its oversight over COI situations. Directors and KSM are now required to disclose the nature and extent of any COI or potential COI, including interest in any competing business within the PLC group of companies. The scope of the audit committee's review of COI situations were also expanded to include those that arose or persist (in addition to those that may arise), and the measures taken to resolve, eliminate or mitigate the COI. For greater transparency, a summary of such review and the relevant measures taken must be disclosed in the audit committee report. BMS complemented such COI requirements with additional guidance, which among others, clarified the ambit of COI and included practical examples and illustrations to facilitate compliance by PLCs.

- ➔ Amendments to the Main LR and ACE LR to introduce a new mandatory onboarding programme on sustainability for directors under the Mandatory Accreditation Programme (MAP). This aimed to strengthen the ability of boards to address sustainability considerations effectively.
- ➔ Amendments to the Main LR to promote a vibrant and facilitative structured warrants framework with the aim of attracting greater investor participation and incentivising issuance of structured warrants. Amendments included, among others, liberalising the market capitalisation requirements of the underlying corporation and ETF, shortening the minimum tenure of index-based structured warrants from 6 months to 3 months, and introducing new commodity structured warrants with commodity futures contract traded on BMD and specified derivatives exchanges as the underlying financial instrument.
- ➔ Amendments to the Main LR to broaden the range of Islamic capital market products by facilitating the offering of listed REITs and ETFs with *waqf* feature. These amendments included promoting greater transparency in the immediate announcements and periodic reports of REIT and ETF as well as the distribution statement of REIT to provide investors with meaningful and value-added information in a timely manner.
- ➔ Amendments to the Rules and Directives of BMS in relation to trading in Leveraged and Inverse ETFs (L&I ETFs). The amendments were made to facilitate the onboarding of clients for trading in L&I ETFs and to promote understanding of L&I ETFs among investors, including the impact of the compounding effect on the performance of L&I ETFs in delivering multiple of the underlying index returns and on an investment.
- ➔ Amendments to POs Directive No. 8.22(5)-001 (Directives on Regulated Short Selling – Approved Securities) under the Rules of BMS to expand the criteria for securities that are declared as approved securities for the purposes of short selling under the Rules of BMS (Approved Securities). The amendments were made to facilitate investors to execute their trading strategies, as part of BMS's on-going initiatives to spur liquidity and vibrancy in the capital market. The criteria for Approved Securities were amended to revise the daily market capitalisation criterion of an Approved Securities for the preceding 3 months from RM500 million to RM200 million and to declare all listed ETFs as Approved Securities, except for Inverse ETFs.
- ➔ Amendments to the Rules of BMS in relation to the removal of dealer's representative full-time requirement. Amendments were made to enable a PO and its dealer's representatives to have greater flexibility in making arrangements for the employment or engagement of the dealer's representatives, including for the dealer's representatives to take up additional regulated activities in accordance with the requirements in the SC's Licensing

Handbook. Under the amended Rules of BMS, a dealer's representative is no longer required to be employed or engaged on a full-time basis by a PO, and the requirements applicable to a dealer's representative engaging in other business activities or holding interest in any other business have been enhanced.

- ➔ Amendments to the Rules and Directives of BMS to harmonise the proprietary trading framework for proprietary day traders (PDT) and salaried dealer's representatives trading for investment account (IVT). PDT and IVT were regulated under two distinct proprietary trading frameworks with the introduction of the PDT framework in 2007. The capital market landscape and investor demography have continued to evolve over the years, leading to BMS harmonising the PDT and IVT under a single proprietary trading framework to promote greater market efficiency and efficacy as the separate frameworks were no longer warranted. Amendments included:

(a)

abolishing the PDT category as one of the categories of dealer's representatives and removing the scope of a PDT's activities from the Rules of BMS;

(b)

deleting the framework for day trading under POs Directive No. 7.05(1)-001 (Directive on the Use of Day Trading Activities Account); and

(c)

clarifying the account qualifier for an investment account in POs Directive No. 7.05(1)-002 (Directive on the Use of Clearing Account, Error or Mistake Account and Investment Account).

- ➔ Amendments to the Rules and Directives of BMD and the Directive of BMDC in relation to the introduction of the Mini United States Dollar/Chinese Renminbi (HK) Futures Contract (FCNH). The introduction of FCNH was intended to complement the foreign exchange market currently operated by Malaysian financial institutions. As the first exchange-traded currency futures contract in Malaysia, FCNH provides market participants with a transparent, regulated and easily accessible option for mitigating counterparty credit risks and hedging against fluctuating currency exchange rates. Amendments were made to set out the contract specifications and the position limits for FCNH.

Marketplace Report: Fair and Orderly Markets

SURVEILLANCE OF THE MARKET

Bursa Malaysia's Market Surveillance conducts real-time surveillance of trading activities in both the securities and derivatives markets. Trading in the marketplace remain fair and orderly as we continue to enhance our detection of irregular and abusive trading activities and effectiveness of our market management measures to ensure that irregular trading and abusive conduct are quickly acted upon.

When there is an unexplained significant fluctuation of a share price and/or volume traded in a PLC's securities, an Unusual Market Activity Query is issued to the PLC to determine if there is any material development that has yet to be announced to the market. Such queries serve to prompt PLCs to ensure all material information is disclosed, including information which may have been withheld, in accordance with Rule 9.05 of the Main LR or ACE LR to facilitate informed investment decision-making by investors and shareholders. The response from the PLC would be assessed and monitored to determine if there had been non-disclosures, delays in the disclosure of material information or non-compliance with the standards of disclosure.

In cases where irregular and/or abusive trading activities are detected and where the facts warrant action, we will conduct market management measures guided by our market surveillance framework, which includes the escalation of breaches for further investigation and enforcement actions.

In 2023, despite moderating trading activities in the market, we observed continued uncertainties in the trading landscape due to elevated interest rates, geopolitical concerns and pressures on Ringgit Malaysia. However, the market has been supported by the ongoing recovery of the local economy after the Covid-19 pandemic. We continued to see speculative trading driven largely in oil and gas, plantation, construction and healthcare related counters.

We undertake initiatives towards the continuous education of the industry on enhancing self-regulation through E-Learning Modules and a dialogue session with senior board members of POs and TPs. To further strengthen our detection capabilities, we have introduced new automated alerts to detect disruptive algorithmic trading and manipulative trading activities.

HOSTING THE MARKET SURVEILLANCE INDUSTRY DIALOGUE (MSID)

On 26 September 2023, we hosted the MSID for both Equities and Derivatives Surveillance. The dialogue session was attended by the Chairmen of the Board and the Audit Committees. The purpose of inviting these senior board members was to enhance their understanding on the roles and expectations of directors in improving PO/TP's trade surveillance and monitoring activities.

Our team also shared overviews of our surveillance functions such as market management measures, past advocacy initiatives on market abuse including the E-Learning modules for POs, and, the common types of manipulative activities in trading.

MARKET SURVEILLANCE (MS) E-LEARNING MODULES FOR EQUITIES AND DERIVATIVES

The MS E-Learning Modules are designed to provide a structured learning experience which will improve and facilitate the understanding of users to identify and manage irregular trades and/or orders that can affect the fair and orderliness of trading in the marketplace.

Unlike classroom modules, the MS E-Learning Modules are uploaded onto Bursa Academy, accessible anywhere and anytime to registered users. It provides for a sustainable and structured learning process in facilitating POs/TPs staff's ability to gain practical surveillance knowledge.

We have in March 2023 rolled out the MS E-Learning Modules (Phase 1) for the Equities market to the industry while Phase 2 for Derivatives will be launched by early 2024. Sub-modules under Phase 2 include topics on price manipulation, false trading, order book manipulation and electronic trading.

SURVEILLANCE OF PLCS

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

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

When a possible breach of the LR is detected, we will undertake necessary measures guided by our corporate surveillance framework, which includes the escalation of breaches for further investigation and enforcement actions. If there is a potential violation of the law, the case will be referred to the relevant regulatory authority for further action.

Our corporate surveillance framework is regularly assessed and improved upon to ensure its robustness and effectiveness. Our regulatory or pre-emptive actions have resulted in PLCs undertaking various actions to improve their compliance with the LR and corporate governance (CG), including strengthening internal audit functions. To encourage continuous improvement amongst PLCs, we regularly engage them and other intermediaries and, where warranted, arrange for training in key areas of concern identified through our surveillance activities.

QUALITY AND TIMELY DISCLOSURES

Timely, complete and accurate disclosure of information is of paramount importance for shareholders and investors looking to make informed investment decisions and is a requirement in line with Bursa Malaysia's objective of maintaining a fair and orderly market.

In reaffirming our commitment to enhance market quality and transparency, our ongoing efforts include the following:

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

We also continued to leverage on the Listing Advisory Desk and our online enquiry portal to respond to enquiries from our PLCs and their advisers on LR interpretation.

CORPORATE GOVERNANCE AND SUSTAINABILITY DEVELOPMENTS

This year, Bursa Malaysia collaborated with the Institute of Corporate Directors Malaysia (ICDM) and WTW to launch the "Malaysian Board & Senior Management Remuneration Practices Report" which summarises the review of 176 of Malaysia's top 300 public listed companies' (PLC) data and 193 completed survey responses, relating to their respective board and senior management remuneration practices. The report aims to understand in greater detail three (3) key factors: the prevailing industry practices, remuneration levels by industry and company size, and quality of disclosure. The report is available on [Bursa Sustain](#). Alternatively, you can scan the following QR code:



On 20 September 2023, Bursa Malaysia unveiled the Illustrative Sustainability Reporting Guide (ISR) to complement the Sustainability Reporting Guide and Toolkits (3rd Edition) in aiding PLCs in complying with the enhanced Sustainability Reporting Framework that was issued on

26 September 2022. The ISR offers a visual representation of the enhanced sustainability disclosure criteria. It systematically covers critical aspects of disclosures within each section of the Sustainability Statement or report, presenting content in a coherent manner. This approach ensures concise presentations and enhanced readability, thereby facilitating better comprehension. The ISR cross-references pertinent requirements and recommendations from selected international sustainability reporting frameworks. By leveraging the ISR in conjunction with the Guide and Toolkits, listed issuers can independently undertake sustainability reporting, reducing reliance on external consultants. The ISR together with the Sustainability Reporting Guide and Toolkits are available on [Bursa Sustain](#). Alternatively, you can scan the following QR code:



On 24 May 2023, the SC, with endorsement from the Ministry of Finance, set up a national level Advisory Committee on Sustainability Reporting (ACSR) to develop Malaysia's National Sustainability Reporting Framework (NSRF). The NSRF will support implementation of the IFRS Sustainability Disclosure Standards (ISSB Standards) issued by the International Sustainability Standards Board in Malaysia, as well as a robust assurance framework for sustainability information. Bursa Malaysia chairs the Sub-Committee responsible for disclosure requirements. Other members comprise representatives from BNM, the Companies Commission of Malaysia, the Audit Oversight Board and the Financial Reporting Foundation. The ACSR also formed a Consultative Group that will serve as a platform for the ACSR to solicit feedback on key issues and considerations relevant for the framework. Members of the Consultative Group comprising a cross-segment of stakeholders including listed companies, assurance providers, investor groups and the relevant professional bodies held their inaugural consultation session on 16 November 2023.

In continuing our role as Chair of Sub-Committee 2 on Governance and Disclosure of the Joint Committee on Climate Change, we supported the launch of the Simplified ESG Guide (SEDG) by Capital Markets Malaysia (CMM). The aim of the SEDG is to provide practical, structured guidance on disclosures expected of small-to-medium enterprise (SMEs) within the supply chains, in relation to environment, social and governance (ESG) matters. Sub-Committee 2 also appointed a CIMB Bank Berhad as a Co-Chair to represent the financial institutions industry in order to tap into their perspective as practitioners.

STANDARDS OF BUSINESS CONDUCT OF INTERMEDIARIES

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

Marketplace Report: Fair and Orderly Markets

As a result of our ongoing supervisory efforts, our intermediaries have maintained satisfactory standards of business conduct and self-regulation. This is evident from the fact that there were no industry-wide breaches or misuse of clients' assets by our intermediaries noted from our supervision activities. Intermediaries have not only implemented protective measures to safeguard their clients' interests, but have also established robust risk management strategies to manage their counterparty risks and exposures, as well as to mitigate any incidences which pose systemic risks to the market. In addition, our intermediaries remain in compliance with the prescribed minimum financial requirements with no default to the clearing house.

We are committed to continually improving our methodologies and processes to ensure that our supervisory approach remains progressive, dynamic and relevant. In conducting our supervisory activities, we adopt a risk-based approach by identifying key risk areas of intermediaries, to enable us to give greater attention during our on-site and off-site engagements, as well as to facilitate more efficient allocation of supervisory resources.

Over the years we have undertaken various initiatives as part of our ongoing commitment to uphold high standards of business conduct and self-regulation among our intermediaries:

- a) Digitalisation of the submission of intermediaries' Central Permanent Files ("CPF"), which enhances the efficiency of CPF submission. The transition to digital submission has also resulted in enhanced accessibility to intermediaries information and activities, enabling a more timely and improved analysis of information as well as facilitating a more prompt regulatory intervention when required;
- b) Enhancement of the cybersecurity inspection program to ensure that the inspection program remains relevant and effective in ensuring the robustness of intermediaries' cybersecurity framework and controls in managing cyber risks and threats, as well as their resilience in addressing cyber incidents;
- c) Establishment of the Integrated Brokers Dashboard to provide an overall snapshot of the state of our intermediaries in key areas of governance, compliance, financial, dealing and cybersecurity/information technology. The dashboard supplements our risk-based supervision by allowing the Exchange to identify POs'/TPs' high-risk areas and determine the intensity or supervisory attention/resources that should be applied on each PO/TP;
- d) Issuance of Intermediaries Communication on Best Practices on Order Management System for Participating Organisations and Intermediaries Communication on Recommended Practices for the Implementation and Management of Artificial Intelligence. These Intermediaries Communications are aimed at encouraging the adoption of best practices, ensuring reliability of intermediaries' order management systems and responsible use of artificial intelligence technology among the intermediaries; and

- e) Collaboration with professional bodies and/or industry subject-matter experts to conduct advocacy programmes for intermediaries and their Registered Persons in the areas of business conduct, governance, risk management and cyber security. These advocacy programmes were designed not only to provide the intermediaries and their Registered Persons with the necessary knowledge and insights into emerging trend, development and best practices in these areas, but also to foster productive discussions and the exchange of views, observations and experiences among the participants and the subject-matter experts.

ENFORCEMENT ACTIVITIES

As part of our vigilant monitoring of compliance with our rules, we take action against breaches of our rules. The type of actions taken for breaches depends on the materiality of the breach. In this regard, enforcement actions are taken for material breaches, whereas management actions such as warnings, cautions or reminders are taken for less serious breaches.

We will take enforcement actions when material breaches are detected and established after thorough investigations and due process.

This due process includes giving the defaulting parties an opportunity to explain their actions prior to the determination of the breach and imposition of appropriate sanctions by our independent regulatory committees, which comprise the Listing Committee and Market Participants Committee. These independent regulatory committees are tasked to deliberate and decide on material breaches of the LR and BR respectively. In addition, the defaulting parties are accorded a right of appeal which is escalated for hearing by another independent regulatory committee, namely the Appeals Committee.

As at 31 December 2023, enforcement actions were taken against 15 PLCs, two advisers or sponsors and 22 directors (of four PLCs) for various breaches of the LR. As part of enforcement, we also issued directives against defaulting parties including, where relevant, directives for directors to undergo mandatory training as well as for PLCs to conduct limited reviews on quarterly reports. BMS also took 52 management actions via issuance of reminders for less serious breaches mainly relating to delay in making material announcements, minor disclosure breaches, etc.

As for breaches of the BR, as at 31 December 2023, 40 actions (which include management actions) were taken against 15 intermediaries (i.e. POs, TPs, Securities CP and Market Maker) and 11 individuals who are subject to the BR e.g. DRs/RRs/Registered Persons for various breaches. In our efforts to improve the conduct of defaulting parties, similar to the approach under the LR, mandatory training requirements were imposed when the misconduct showed ignorance or lack of understanding of the rules and requirements.

As a result of our enforcement actions, we note a continued declining trend in certain breaches of our rules, in particular breaches relating to financial reporting obligations by PLCs.

Statement on Internal Control and Risk Management

The Board of Directors of Bursa Malaysia (Board) is committed to maintaining a sound internal control and risk management system. Each business/functional unit has implemented its own control processes under the leadership of the Chief Executive Officer (CEO), who is responsible for good business and regulatory governance. The following statement outlines the nature and scope of the Group's system of internal control and risk management in 2023.

BOARD'S RESPONSIBILITY

The Board affirms its overall responsibility for the Group's system of internal control and risk management and for reviewing the adequacy and integrity of the system. The system of internal control covers governance, risk management, financial, strategy, organisational, operational, regulatory and compliance control matters. The Board recognises that this system is designed to manage, rather than eliminate, the risks of not adhering to the Group's policies and achieving goals and objectives within the risk tolerance established by the Board and Management. Therefore, the system provides reasonable, but not absolute, assurance against the occurrence of any material misstatement, loss, or fraud.

In 2023, the adequacy and effectiveness of internal controls were reviewed by the Audit Committee (AC) in relation to the audits conducted by Internal Audit (IA) during the year. Audit issues and actions taken by Management to address the issues tabled by IA were deliberated on during the AC meetings. Minutes of the AC meetings which recorded these deliberations were presented to the Board.

The Risk Management Committee (RMC) provides oversight on risk management matters relating to the activities of Bursa Malaysia as an Exchange holding company and of its subsidiaries, in accordance with Section 22 of the Capital Markets and Services Act 2007 (CMSA), to ensure prudent risk management over Bursa Malaysia's business and operations. In addition, the RMC is also responsible for overseeing the Compliance, Business Continuity Management, and Integrity Unit functions of the Group.

At its meetings in 2023, the RMC had reviewed, appraised, and assessed the efficacy of the risk treatment and mitigation action plans taken to manage and monitor the overall risk exposure of the Group. The RMC also reviewed proposals for new products and services, monitored the progress and status of risk management initiatives, as well as raised issues of concern and provided feedback for Management's actions.

Internal control and risk-related matters which warranted the attention of the Board were recommended by the AC and RMC to the Board for its deliberation and approval and matters or decisions made within the AC's and RMC's purview were escalated to the Board for its notation.

MANAGEMENT'S RESPONSIBILITY

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

- Identifying and evaluating risks relevant to the Group's business, and the achievement of business objectives and strategies;
- Formulating relevant policies and procedures to manage these risks in accordance with the Group's strategic vision and overall risk appetite;
- Designing, implementing, and monitoring the implementation of an effective risk management and internal control system;
- Implementing policies approved by the Board;
- Implementing remedial actions to address compliance deficiencies as directed by the Board; and
- Reporting in a timely manner to the Board any changes to the risks or emerging risks and mitigation actions taken.

KEY INTERNAL CONTROL PROCESSES

The Group's internal control system comprises the following key processes:

1. Separation of Commercial and Regulatory Functions

- a) The Group's commercial and regulatory functions are segregated to ensure the proper discharge of Bursa Malaysia's regulatory duties. Both of these functions operate independently of each other to ensure that business units are not in a position to unduly influence any regulatory decision made by the Regulation unit. It is Bursa Malaysia's statutory duty to always act in the public's interest, with particular regard for the need to protect investors. As such, the Board which includes Public Interest Directors is responsible for upholding public interest in its decision making.

To this end, Regulatory Committees have been set up to deliberate and decide on regulatory matters to ensure Bursa Malaysia upholds its obligation to safeguard public interest. These committees, namely the Regulatory and Conflicts Committee (RACC), Listing Committee, Market Participants Committee and Appeals Committee, comprise mostly independent individuals with significant and relevant industry experience.

Statement on Internal Control and Risk Management

Pending issuance of the relevant laws/regulations for the operationalisation of the Regulatory Subsidiary, the governance model has now been enhanced with a revamp of the RACC structure to strengthen the independence of the regulatory function of the Group. Further details are provided in the Corporate Governance Overview.

- b) Processes are established and set out in the Guidelines for Handling Conflicts of Interest (COI) to deal with any possible COI which may arise in the course of Bursa Malaysia performing its commercial or regulatory role.

2. Authority and Responsibility

- a) Certain responsibilities are delegated to the Board Committees through clearly defined Terms of Reference (TOR) which are reviewed annually.
- b) The Corporate Authority Manual is reviewed to reflect the authority and authorisation limits of the Board Committees and Management in all aspects of the Group's major business operations and regulatory functions.
- c) As at 31 December 2023, the Group's Management Governance Framework comprised three (3) committees, namely the Management Committee (MC), Management Regulatory Committee (MRC) and Management Business Rules Committee (BRC), which have clearly defined TOR to enable good business and regulatory governance.

3. Planning, Monitoring and Reporting

- a) An annual planning and budgetary exercise is undertaken requiring divisions to prepare business plans and budgets for the forthcoming year. These are then collectively deliberated and approved by the Board.
- b) The Board is updated on the Group's performance at the scheduled meetings where the Group's business plan and actual performance versus budget for the year are shared with, and deliberated by the Board on a half-yearly basis. Moreover, financial performance variances and overall status of key initiatives are updated to the Board in the CEO's report at every Board meeting.
- c) There is a regular and comprehensive flow of information to the Board and Management on all aspects of the Group's operations to facilitate the monitoring of performance against the Group's corporate strategy, business, and regulatory plans. The Board also reviews and approves the Annual Regulatory Report, which informs the Securities Commission Malaysia (SC), under Section 16 of the CMSA, of the extent to which Bursa Malaysia and its subsidiaries have complied with their duties and obligations under Sections 11 and 21 of the CMSA.

- d) The Chief Financial Officer (CFO) is required to provide assurance to the AC that appropriate accounting policies have been adopted and applied consistently, the going concern basis applied in the Annual Financial Statements and Condensed Consolidated Financial Statements of the Group are appropriate, and that prudent judgements and reasonable estimates have been made in accordance with the requirements set out in the Malaysian Financial Reporting Standards (MFRSs) and the International Financial Reporting Standards (IFRSs). The CFO also assures that adequate processes and controls are in place for effective and efficient financial reporting and disclosures under the requirements of the MFRSs, IFRSs, Companies Act 2016 and Bursa Malaysia Securities Berhad Main Market Listing Requirements (MMLR), and that the Annual Financial Statements and the quarterly Condensed Consolidated Financial Statements of the Group give a true and fair view of the financial position and financial performance of the Group and do not contain any material misstatement.

- e) Sustainability represents an important value creation driver to ensure business resilience and future organisational success. It is integrated into our long-term corporate strategies, policies, and planning processes as we translate our sustainability aspirations into business practices. In order to meet the expectations of our various stakeholder groups, we constantly evaluate our sustainability efforts through regular engagements with our stakeholders. For instance, we carry out annual materiality assessments, where we gather feedback from our stakeholders and review and validate our material matters that are relevant to them as well as our value creation activities. Our Sustainability Report is aligned with the MMLR and other relevant international standards and guidelines to enable us to effectively communicate our sustainability progress and strive for higher levels of transparency. In addition, the Sustainability Report is verified by IA for quality assurance and data accuracy prior to submission to the AC. This year, we also carried out external assurance on selected sustainability indicators reported in our Sustainability Report 2023. Indicators covered by external assurance included greenhouse gas (GHG) emissions (i.e. Scope 1, Scope 2, and selected Scope 3 emissions), total water consumption, gender pay ratio as well as learning and development indicators such as total training hours, total training hours by gender and total training hours by employee categories.

Further details can be found in Bursa Malaysia's Sustainability Report 2023.

4. Policies and Procedures

Clear, formalised, and documented internal policies, standards and procedures are in place to ensure compliance with internal controls and relevant laws and regulations. A list of identified laws and regulations applicable to Bursa Malaysia are documented and maintained to facilitate compliance. Regular reviews are performed to ensure that documentation remains current and relevant. Common Group policies are available on Bursa Malaysia's intranet for easy access by employees.

5. Audits

- a) Audit engagements are carried out based on the Annual Audit Plan approved by the AC and takes into consideration feedback from the Management. IA assesses the selected areas under the internal audit scope in relation to risk exposures, compliance with the approved policies and procedures and applicable laws and regulations and where relevant, benchmarked against available best practices. For any significant gaps identified in the governance, risk management and internal control processes during the engagements, IA provides recommendations to Management on how to improve the design and effectiveness of the processes where applicable.

In addition, IA assesses and reports on the adequacy and effectiveness of the Group's governance, risk management and internal control processes to the AC based on the engagements carried out within the financial year including review reports prepared by external consultants, if any. The AC takes note of the review results (which include the state of internal controls, exceptions, and root cause analysis) and such results are subsequently shared with the Senior Management to ensure continuous enhancement of the internal control system of the Group. The Board is updated on the results of the review of the Group's internal control framework.

- b) The External Auditors' annual plan which comprises planned audit services (inclusive of other assurance related services), recurring non-audit services and non-recurring non-audit services is tabled annually to the AC for deliberation and approval.
- c) In addition to the annual audit of the financial statements of the Group, the External Auditors are engaged to conduct reviews on all of the condensed financial statements for the quarters and cumulative quarters in accordance with the International Standard on Review Engagements 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity'.

- d) The IA team is required to conduct quarterly assessments of the internal control system pertaining to the processes of the relevant business/functional units which have a bearing on the financial information of the Group, to ensure the reliability and integrity of such information.

The Director (and prior to her appointment in May 2023, the Acting Director of IA) is required to confirm the effective operation of process controls which support the preparation of the financial statements.

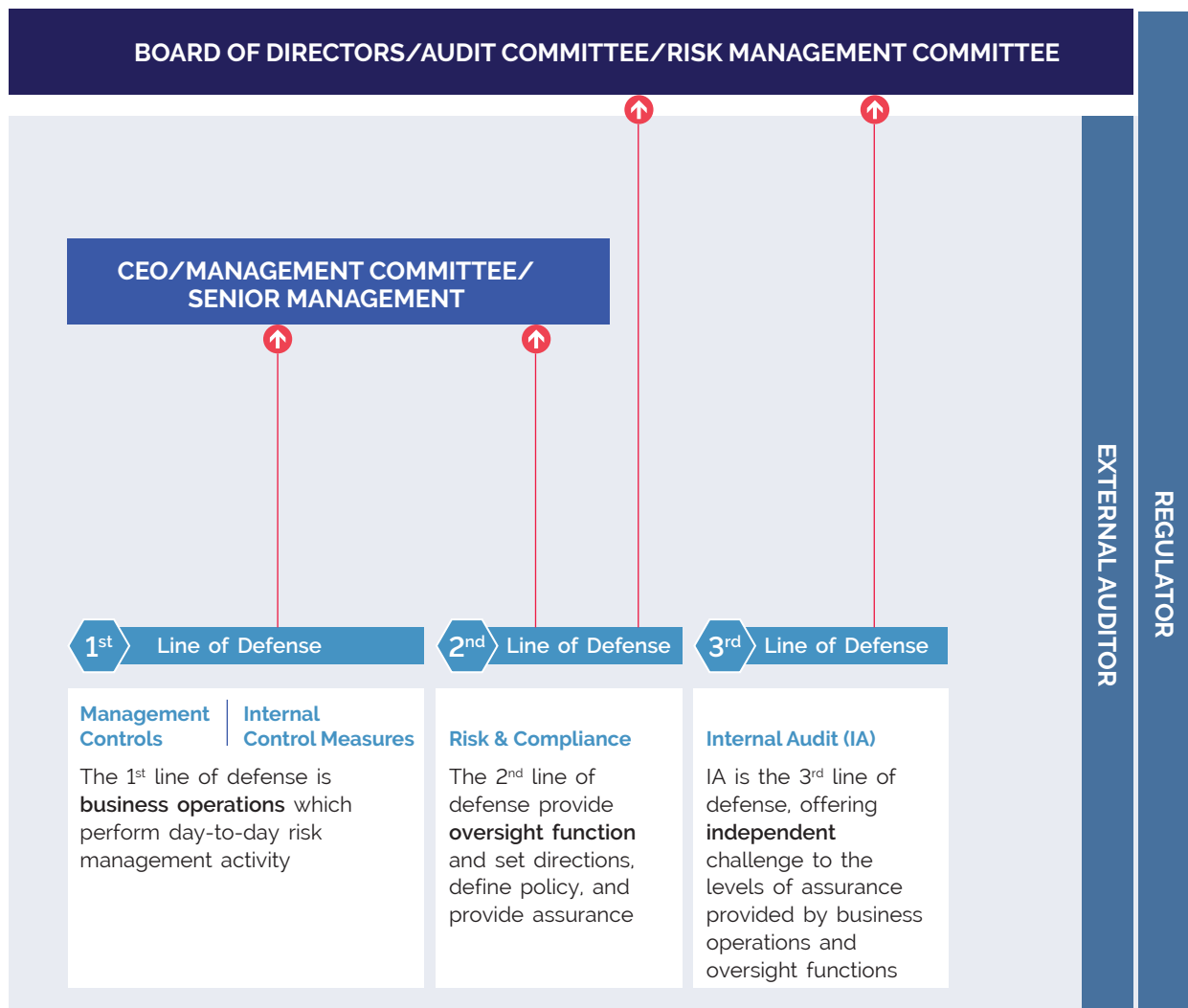
- e) Post implementation review process has been established by IA for new or enhancements to systems which meet the predefined criteria to assess their effectiveness and ensure the implementation objectives are achieved.
- f) IA will govern itself by adherence to the mandatory elements of The Institute of Internal Auditors' International Professional Practices Framework (IPPF), including the Core Principles for the Professional Practice of Internal Auditing, the Definition of Internal Auditing, the International Standards for the Professional Practices of Internal Auditing, and the Code of Ethics.

6. Risk Management

- a) The Risk & Compliance (RC) division oversees the risk management functions for the Group at the enterprise level. Risk frameworks have been established to ensure prudent risk management arrangements. In addition, risk strategy and governance processes have been continuously enhanced to ensure the integration of risk management practices in business planning and the implementation of risk initiatives that are aligned with the corporate strategy. Cultivating a strong risk and governance culture within the Group remains to be one of the strategic focus areas.
- b) The Group adopts SC's Guidelines on Financial Market Infrastructures and Guidelines on Technology Risk Management as well as best practices such as the ISO 31000:2018 Risk Management – Guidelines and Principles for Financial Market Infrastructures (PFMI) published by Bank for International Settlements (BIS) and International Organization of Securities Commissions (IOSCO) to manage the risks of its business and operations. These best practice risk management standards are encapsulated into the overarching risk management framework known as the Enterprise Risk Management Framework (ERMF), which is supplemented by Technology & Cybersecurity Risk Management Framework (TCRF), Business Continuity Management (BCM) Framework, Framework on Risk Management for Outsourcing Arrangements, various guidelines, and standard operating procedures (SOP) within Bursa Malaysia.

Statement on Internal Control and Risk Management

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



- d) The Group adopts the three lines of defense model for risk management based on the ERMF, whereby the Senior Management, who consist of the MC members and Divisional Heads, are accountable for all risks assigned under their respective areas of responsibility. This group of personnel is also responsible for the continuous development of the risk management capabilities of employees and ensures that risk management is embedded in all key processes and activities.
- e) The second line of defense comprises of the RC team who is responsible to monitor enterprise risk management for the Group and to approve matters within its authority for implementation across the Group with oversight by the RMC.
- f) IA as the third line of defense is responsible for providing objective and independent assurance on the adequacy and effectiveness of the enterprise risk governance framework.
- g) Within the framework, the Group has an established and structured process for the identification, assessment, communication, monitoring, and continual review of risks as well as the effectiveness of risk mitigation strategies and controls at the divisional and enterprise levels. The analysis and evaluation of the risks are guided by the approved risk criteria. The Group also has risk management tools to support the risk management process and reporting.
- h) As part of RC's commitment to ensure that the financial risk management models remain robust and relevant, an annual independent validation of Central Counterparties (CCPs) risk management model was undertaken for the two CCPs within the Group, which conform to the requirements of the PFMI as well as the SC's Guidelines on Financial Market Infrastructure (FMI). The review showed that the two CCPs generally observed the requirements of the PFMI for Credit and Liquidity Risk Management.

- i) The Group's risk appetite and risk tolerance which document the overarching parameters of the Group for the management of risk are reviewed on a periodic basis to provide clarity on the limits and thresholds determined by Key Risk Indicators (KRI) at the enterprise level so that the optimum allocation of resources can be determined to protect and enhance the Group's business and operations.
- j) On an annual basis, Bursa's key enterprise risks are reviewed to identify the material risks to the Group and to identify the emerging risks or trending risks that may impact the Group. The exercise studies both Bursa's internal data (risk register, incidents and KRI exceptions) as well as external data (whitepapers, global risk reports and exchanges' annual reports) to assist with the identification and analysis of existing risks and possibly new risks for the year to come. Subsequently, the appropriate mitigation action plan will be developed, monitored, and reported to the RMC every quarter.
- k) The management and reporting of risks in the Group have been structured and organised to align with the established risk categories guided by the ERMF as outlined below:

- i. **Management of Strategic Risk**

Strategic Risk refers to the risks arising from strategic administration or business decisions in Bursa Malaysia that could result in an impairment of business objectives, decline in revenues, increase in expenses, or losses charged against the capital. In accordance with Bursa Malaysia's Corporate Risk Profile for 2023, the key areas monitored under Strategic Risk are business performance and competition risk, new business risk, and Environmental, Social and Governance (ESG) risk.

- **Business Performance and Competition Risk**

The Business Performance and Competition Risks monitored from market developments are assessed for their impact on Bursa Malaysia's business plan such as macro-economic factors, competitive position within the region, political or geo-political tensions, trade wars, and potential entry of market disrupters which can challenge Bursa's aspiration to become ASEAN's

leading, sustainable, and globally-connected marketplace. Bursa's market performance is mainly driven by these external factors. In addition, high impact projects are monitored to assess the risk implications to Bursa Malaysia based on the project life cycles, and their progress status against the objectives outlined in the current business plan, as they are the key drivers to support Bursa Malaysia's attainment of strategic objectives.

- **New Business Risk**

New Business Risk refers to the risk of Bursa Malaysia not venturing into or exploring alternative avenues to raise revenue or diversify products and services apart from the traditional trading revenues. The implementation of innovative product initiatives which will enable Bursa to increase its competitiveness, gain new markets and opportunities, improve customer experience, and future-proofing its customer/service value offerings are monitored closely to ensure the Group remains relevant and competitive amongst its peers. As Bursa has grown to become a multi-asset exchange and will continue to expand its business diversification, it is crucial to sufficiently manage the potential reputational risk to Bursa when introducing new products or services that may not align with stakeholders' expectations.

- **Environmental, Social and Governance (ESG) Risk**

ESG Risk refers to the possible adverse consequences that Bursa could face should it neglect its responsibilities towards Environmental, Social, and Governance (ESG) matters for the Bursa Group (1818) and the marketplace. Bursa aspires to be the preferred marketplace for sustainable and responsible investments, with high standards of sustainability practices and disclosures. On a bi-annual basis, RC provides a thematic update to the RMC on any key developments surrounding ESG-related risks that are happening both on the global and local front as well as to provide an update on the progress of Bursa's GHG emission initiatives to achieve net zero emissions by 2050.

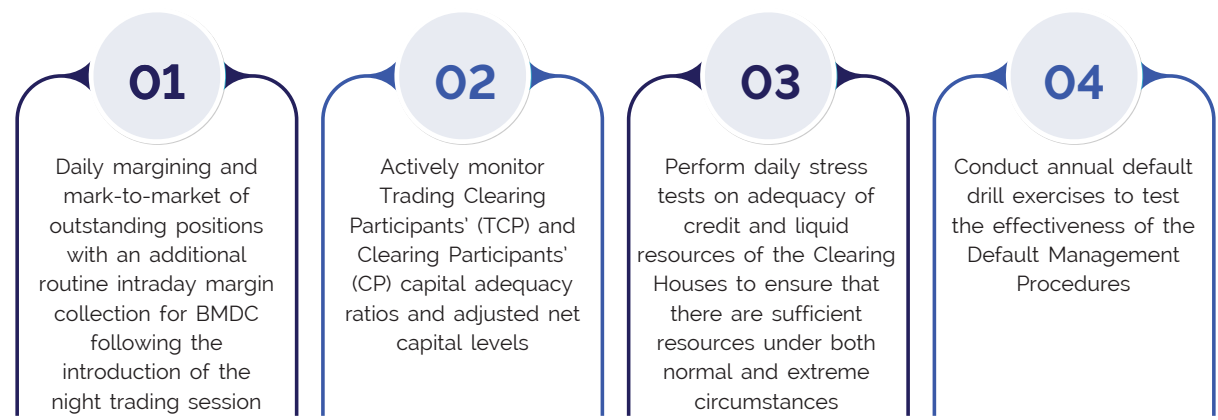
Statement on Internal Control and Risk Management

ii. Management of Financial Risk

The Group has in place robust risk management processes and procedures to manage counterparty/ settlement risks and prevent a systemic impact on the market. Bursa Malaysia Securities Clearing Sdn Bhd (BMSC) and Bursa Malaysia Derivatives Clearing Berhad (BMDC) (collectively referred to as 'Clearing Houses') act as the central counterparty for equities and derivatives trades, respectively, and thus are subject to counterparty credit risk. The risk management measures of these two Clearing Houses are in line with the PFMI jointly issued by the IOSCO and Committee on Payments and Market Infrastructures (CPMI), a Technical Committee of the BIS. The management of financial risk is guided by the following principles:

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

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



In 2023, there were no settlement defaults by any TCP or CP and neither the Clearing Guarantee Fund (CGF) nor the Clearing Fund (CF) needed to be called upon. However, Management will continue to be prudent in monitoring financial resources for its adequacy to cater for higher volatility in the market.

iii. Management of Operational Risk

The management of Operational Risk is guided by Principle 17 of the SC's Guidelines on FMI. Operational risk is identified as the risk that deficiencies in information systems or internal processes, human errors, management failures, or disruptions from external events that will result in the reduction, deterioration, or breakdown of services provided by Bursa Malaysia.

The management of some of the significant operational risks faced by the Group for the Financial Year (FY) 2023 is outlined below:

- **Business Interruption**

The critical systems within Bursa Malaysia have adequate capacity, physical and information security arrangements, facilities, and resilient infrastructure in place to mitigate business interruption risks. The Group has a comprehensive Business Continuity Plan (BCP) and Disaster Recovery Plan in place which are tested annually to ensure continuity of the critical business functions and technology operations.

In 2023, one (1) technical incident was reported to the RMC with regard to the Bursa Suq Al Sila' (BSAS) system in relation to accessibility to its applications during one of the weekends of 2023. The incident response, system recovery and communication processes were promptly carried out to ensure timely escalation and business resumption without any further operational impact. Actions had also been taken to prevent recurrence of similar incidents.

In 2023, the Group had conducted four (4) industrywide BCP tests for the securities and derivatives market. The tests aimed to ensure the market participants' backup site/systems were able to connect to Bursa Malaysia's production site/systems as well as market participants' production site/systems were able to connect to Bursa Malaysia's backup systems in the event of a disruption. In addition, two (2) clearing participants' (CPs) default drill exercises for BMSC and BMDC were also carried out along with participation in Securities Commission's Capital Market Cyber Simulation.

- **Management of Legal Risk**

Legal Risk in Bursa Malaysia refers to any action with a potentially significant legal consequence, such as risk of facing litigation that could result in reputational and material impact to Bursa Malaysia.

Management of legal risk aims to ensure that Bursa Malaysia's exposure to potential legal liabilities such as rule implementation or product liability are well mitigated. If not properly mitigated, legal liabilities can have a material impact on Bursa Malaysia's reputation which in turn can affect market confidence.

As such, any new or on-going litigation cases against Bursa Malaysia or actions by Bursa Malaysia that involve counterclaims will be monitored to assess the possible outcomes and potential adverse impact to Bursa Malaysia's reputation and financial standing, in the unlikely event these cases are not decided in Bursa Malaysia's favour.

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

iv. Management of Regulatory Risk

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

v. Management of Technology and Cybersecurity Risk

Technology and Cybersecurity Risk is defined as potential detrimental events occurring from the use of Information Technology platforms, systems, applications, and infrastructure, which could result in financial loss, disruption of business operations, or reputational harm to Bursa Malaysia.

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

Statement on Internal Control and Risk Management

Technology & Cybersecurity Risk Management Framework was established to strengthen the ability of Bursa to detect and mitigate technology and cybersecurity risk that accompanies greater technology adoption in management and achievement of its operational and strategic objectives.

RC also conducts project risk assessment and system readiness reviews on selected projects based on a set of pre-defined criteria to ensure effective governance and project risk management, resolution of issues identified, business continuity planning, and comprehensiveness of the policies and procedures, prior to the implementation or launch of any significant systems development and enhancement for existing or new products and services.

For year 2023, the re-certification for the Information Security Management System (ISMS) was based on the 2022 version of the MS ISO/IEC 27001 and the exercise was carried out by CyberSecurity Malaysia. The ISMS scope covered the management, operation and maintenance of the information system assets, IT security and information systems of Bursa Malaysia and its subsidiaries. Prior to the re-certification, internal audits were conducted by a qualified team of personnel.

vi. Management of Model Risk

Model risk is risk arising from risk models (the models) developed by RC that are being routinely used to quantify risks associated with CCP and other risk models for enterprise-wide application. The use of models invariably presents model risk which may manifest itself in the form of losses resulting from incorrect underlying assumptions, errors in model implementation or incorrect model use that give rise to inaccurate decision making with potential compliance and reputational implications.

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

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

- l) In line with SC's Guidelines on FMI Principle 3: Framework for comprehensive management of risks, the Bursa Malaysia's Recovery Planning document has been established to provide reference on the management of severe stress events that threaten to undermine the relevant FMIs' viability. The key components of recovery planning encompass strategic analysis, governance, scenario analysis (which includes both default loss events and non-default loss events), recovery indicators, recovery options, communication plan, and preparatory measures.
- m) RC's 3-Year Strategic Roadmap (2024–2026) and its proposed key strategic initiatives as well as RC's Business Plan for 2024 were deliberated at the 5th RMC Meeting held on 20 November 2023 and was later incorporated into Bursa Malaysia's Strategic Roadmap 2024-2026 that was presented to the Board for approval.

7. Integrity, Governance & Compliance Management

Integrity, Governance & Compliance Management (IGCM) Framework has been established and sets out the approach of Bursa Malaysia in managing compliance obligations, overseeing and mitigating integrity and governance risks in order to achieve its mission - to ensure Bursa Malaysia attains high standards of compliance and adopts zero tolerance towards any non-compliance with relevant laws, regulations, industry standards/best practices, as well as standards of good governance, integrity, ethics, accountability, and community expectations by establishing, developing, implementing, evaluating, maintaining, and improving the anti-bribery and compliance management systems for the Group.

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

i. Compliance

The RMC is responsible for overseeing the Group's Compliance function. In this respect, the IGCM Framework provides guidance for the conduct of the Compliance function in its structured processes for establishing, implementing, evaluating, maintaining, and improving the compliance management system for the Group.

The Group's compliance management covers compliance with all statutory and regulatory obligations imposed on Bursa Malaysia, in

particular laws, regulations, rules and major identified guidelines or legal requirements. It also covers risk-based compliance to internal policies and procedures, code of ethics, and business conduct.

The compliance programme for 2023 consists of compliance review and reporting to the relevant authorities as prescribed by external rules and guidelines. Amongst others, annual self-assessment reports for the Financial Market Infrastructures (FMI) within the Group are reviewed by the RMC on their compliance with the SC's Guidelines on FMI which are aligned with the requirements of PFMI based on the disclosure framework and assessment methodology issued by the Committee for Payment and Settlement Systems (CPSS) and IOSCO. Review of Bursa Malaysia's Cyber Resilience Maturity Assessment is also conducted pursuant to Part XI of BNM's Participation Rules for Payments and Securities Services.

Compliance reports are presented to the RMC for deliberation on a quarterly basis. This includes the outcome of the quarterly review on the employees' adherence to the Securities Transaction Policy and progress updates on the implementation of the compliance programme towards meeting the Group's compliance obligations.

In managing compliance risk, Compliance function continues to monitor and keeps abreast of changes to legislative and regulatory requirements for the Group. The compliance procedures manual for the management of compliance obligations in respect of applicable legal and regulatory requirements as well as internal policies and procedures have been reviewed and updated in July 2023.

In line with the Group's Anti-Money Laundering, Countering Financing of Terrorism and Targeted Financial Sanctions (AML/CFT & TFS) Policy and Procedure, training has been conducted for the relevant employees to ensure compliance with the applicable AML/CFT & TFS laws and regulations, and to mitigate money laundering/terrorism financing risk and risks associated with regulatory compliance and reputation.

In 2023, there were no breaches of applicable laws and regulatory requirements.

ii. Integrity and Governance

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

Management of IGU i.e., "Complaints Management", "Detection and Verification", "Integrity Enhancement" and "Governance".

Five (5) "T.R.U.S.T" principles of the Guidelines of Adequate Procedures (GAP), pursuant to Section 17A (5) of the MACC Act 2009, as stated in the MACC Amendment Act 2018 (Amendment 2018) have also been adopted by Bursa Malaysia Group. The "T.R.U.S.T" principles are:

- T** Top Level Commitment
- R** Risk Assessment
- U** Undertake Control Measures
- S** Systematic Review, Monitoring, and Enforcement
- T** Training and Communication

Activities in relation to anti-fraud, bribery, & corruption (AFBC) of the IU in 2023 comprised of the implementation of the core function activities which include completion of the Bursa Malaysia's Organisational Anti-Corruption Plan (OACP) 2020-2023 initiatives, Anti-Bribery Management System (ABMS) reviews, AFBC awareness programme, Whistleblower Policy & Procedures (WPP) administration (and complaints management), review of the AFBC Policy & Guidelines, corruption risk assessment, and reporting (RMC, Board, and MACC) requirements, and external engagements.

8. Performance Measurement

- a) In continuing the journey of Capacity & Capabilities Building, the development programmes provided to employees in 2023 to address the gaps identified in their Individual Development Plans will be assessed during the 2023 year-end review. This phase in the Performance Management Framework will ensure that the skills have been enhanced, the transformation is sustained, and performance further strengthened.
- b) Group Human Capital continues to strengthen its performance communication via customised communication and regular engagement initiatives to further enhance employees' understanding.

9. Employees' Competency

The Competency Development exercise continued in 2023 with the development of functional/technical competencies and learning structure for each function to meet Bursa Malaysia's strategic objectives and market demands as well as to prepare the workforce of the future. The functional/technical competencies proficiency levels will be ascertained and their competency level to each functional/technical competency will be assessed. This will then be a pre-cursor to create development interventions that will then be used to address the gaps.

Statement on Internal Control and Risk Management

10. Conduct of Employees

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

Bursa Malaysia Core Values

| | |
|--------------------|--|
| Bold | <ul style="list-style-type: none"> • We are competent, confident and transparent • We lead by example • We are committed to growth and excellence |
| United | <ul style="list-style-type: none"> • We embrace diversity and inclusion • We trust, respect and care for each other • We foster togetherness and teamwork |
| Responsible | <ul style="list-style-type: none"> • We act with honesty and integrity • We think and act sustainably • We lead with courtesy, humility and empathy |
| Synergy | <ul style="list-style-type: none"> • We are engaged • We collaborate toward common goals • We drive alliances for greater value |
| Agile | <ul style="list-style-type: none"> • We drive and adapt to change • We are efficient and effective • We proactively identify opportunities |

- b) Warga Bursa have been encouraged to embrace Bursa's core values through actionable and observable behaviours. Consistent messaging and awareness have been made through different modes of communication. Good behaviour has been duly rewarded - employees who had displayed any of Bursa's Core Values will be given an instant recognition anytime via Vantage Circle, a digital recognition platform, and of any Warga Bursa regardless of job levels and recognition. This not only aims to further inculcate our Core Values but at the same time, move towards an appreciative culture.
- c) A Code of Ethics sets out the policy stand on the conduct of business and the standards of behaviour/ethical conduct expected of Bursa Malaysia employees.
- d) Bursa Malaysia has a Whistleblower Policy and Procedures (WPP) for Bursa Malaysia Group which provides an avenue for any person namely employees, directors, or external parties to report any improper conduct as defined in the WPP against any employee, director, members of the Board of Directors or independent individuals sitting as members of the Board Committees, in a safe and confidential manner. An employee who makes a report of improper conduct in good faith shall not be subject to unfair dismissal, victimisation, demotion, suspension, intimidation or harassment, discrimination, any action causing injury, loss or damage or any other retaliatory action by the Group.
- The RMC has the overall responsibility in overseeing the implementation and monitoring of the WPP for Bursa Malaysia Group and ensuring effective administration thereof by the Director of RC.
- e) Business Ethics (Anti-fraud, bribery, and corruption) is a material matter to Bursa Malaysia. Bursa Malaysia has established the Anti-Fraud, Bribery and Corruption Policy and Guidelines to comply with the Guidelines on Adequate Procedures issued by the Prime Minister's department. The Policy and Guidelines set out the Exchange's stance on areas relevant to anti-fraud, bribery, and corruption; expected conduct by employees in adhering to the highest levels of integrity and ethics; and guidelines pertaining to governance, risk assessment, prevention, detection, incident reporting, investigation and corrective action, and monitoring. Employees were also provided with training on anti-corruption policies. IU is responsible for the implementation of the initiatives in relation to the Guidelines on Adequate Procedures.

- f) A Securities Transaction Policy that has been established governs the securities transactions of the Group's employees. The policy prohibits employees from using unpublished price sensitive information obtained during the course of their work for personal gain or for the gain of other persons. All employees (including principal officers) are also not allowed to trade in the securities of Bursa Malaysia during the closed period, which is 30 calendar days preceding the announcement of the Group's quarterly and annual financial results.
- g) An Information Management Policy and Information Management Matrix and Handling Guide have been established to provide direction and guidance for the classification, management and control of information used by the Group, so as to protect and preserve the information from being wrongly disseminated or distributed to unauthorised parties.
- h) Management and employees at Grade E6 and above are required to annually declare and provide an update on assets acquired or disposed of during the year.
- i) Segregation of duties is practised whereby conflicting tasks are assigned to different employees to reduce the scope for error and fraud.

11. Insurance

Sufficient insurance coverage and physical safeguards on major assets are in place to ensure that the Group's assets are adequately covered against any mishap that could result in material loss. A yearly policy renewal exercise is undertaken by Management to review the coverage of the assets as recorded in the current fixed assets register and their respective net book values and 'replacement values', that are the prevailing market prices for the same or similar items, where applicable.

There is also a yearly exercise to ensure the adequacy and renewal of the Group's insurance coverage of financial lines (i.e. Directors' and Officers' Liability, Crime and Professional Indemnity, Financial Institution Crime, Cyber Professional Indemnity, Financial Institution Professional Indemnity).

REVIEW OF THIS STATEMENT

Pursuant to paragraph 15.23 of the MMLR, the External Auditors have reviewed this Statement for inclusion in the 2023 Integrated Annual Report, and have reported to the Board that nothing has come to their attention that causes them to believe that the Statement is not prepared, in all material aspects, in accordance with the disclosures required by paragraphs 41 and 42 of the Statement on Risk Management and Internal Control Guidelines for Directors of Listed Issuers, nor is the Statement factually inaccurate. This Statement was approved by the Board on 22 February 2024.

IA has also reviewed this Statement and reported to the AC that, while it has addressed certain individual lapses in internal control during the course of its internal audit assignments for the year, it has not identified any circumstances which suggest any fundamental deficiencies in the Group's internal control and risk management system.

CONCLUSION

The Board is of the view that the system of internal control and risk management in place for the year under review, and up to the date of approval of this Statement, is sound and sufficient to safeguard the Group's assets, as well as the shareholders' investments, and the interests of customers, regulators, employees, and other stakeholders.

The Board has received assurance from the CEO and CFO that the Company's internal control and risk management system is operating adequately and effectively, in all material aspects, based on the framework adopted by the Group.

Audit Committee Report

The Board presents the Audit Committee Report which provides insights into the manner in which the Audit Committee discharged its functions for the Group in 2023.

COMPOSITION AND ATTENDANCE

The Audit Committee (AC) comprises four members who are all Independent Non-Executive Directors (NEDs) including one who is also a Public Interest Director. All of the Independent NEDs satisfy the test of independence under Bursa Malaysia Securities Berhad Main Market Listing Requirements (MMLR). The AC meets the requirements of paragraph 15.09(1)(a) and (b) of the MMLR and Practice 9.4 under Principle B of the Malaysian Code on Corporate Governance (MCCG). In accordance with the AC's Terms of Reference (TOR), the AC has a policy that requires a former partner of Bursa Malaysia's External Auditors to observe a cooling-off period of at least three years before being appointed as a member of the AC. The AC members' attendance records are outlined in the Corporate Governance Overview section on page 132 of this Integrated Annual Report.

The former AC Chairman, Mr. Pushpanathan a/l S.A. Kanagarayar retired on 23 June 2023 and on the same date, Datuk Bazlan bin Osman was redesignated from member of the AC to AC Chairman. He is a Fellow member of the Association of Chartered Certified Accountants (ACCA), and a member of the Malaysian Institute of Accountants (MIA). Accordingly, Bursa Malaysia complies with the requirements of paragraph 15.09(1)(c)(i) of the MMLR.

On 16 August 2023, Madam Tan Ler Chin was appointed as a new member of the AC.

The Board reviews the terms of office of the AC members and assesses the performance of the AC and its members through an annual Board Committee effectiveness evaluation. The Board is satisfied that the AC and its members discharged their functions, duties and responsibilities in accordance with the AC's TOR which is available on Bursa Malaysia's website.

MEETINGS

The AC held six meetings in 2023 without the presence of other Directors and employees, except in situations when the AC requested for their attendance. The Chief Executive Officer (CEO) was invited to all AC meetings to facilitate direct communication and provide clarification on audit issues and Bursa Malaysia Group's operations. On 26 January 2023, the AC had considered and approved the appointment of Ms. Shamita Atputharaja, as the new Director of Internal Audit (IA) which took effect from 22 May 2023 replacing Puan Fathilah Ishak, who was previously appointed as the Acting Director of IA. Ms. Shamita's appointment was confirmed on 22 November 2023. With the attendance of the then Acting Director of IA at the first three meetings in 2023, the Director of IA, and departmental heads of the respective IA functions attended all AC meetings to table the respective IA reports. The relevant responsible Management members of the respective auditees were invited to brief the AC on specific issues arising from the audit reports or on any matters of specific interest.

As part of the AC's efforts to ensure the reliability of Bursa Malaysia's quarterly financial statements and their compliance with applicable Financial Reporting Standards, the External Auditors, Ernst & Young PLT (EY) were engaged to conduct a limited review of Bursa Malaysia's quarterly financial statements before their presentation to the AC for review and recommendation for the Board's approval and adoption.

Minutes of each AC meeting were recorded and tabled for confirmation at the following AC meeting and subsequently presented to the Board for notation. In 2023, the AC Chairman conveyed to the Board matters of significant concern including those raised by the External Auditors or Internal Auditors in the respective quarterly financial presentations.

For the declaration of the final dividend in respect of the Financial Year (FY) 2022, the AC at its first meeting held on 26 January 2023 reviewed the solvency tests undertaken by the Management and was satisfied with the results of these solvency tests which showed that adequate funds were available to pay debts within 13 months from the date of declaration (including 12 months from the payment date). In view of the proposal to declare an interim dividend for the FY2023, the AC at its fourth meeting on 26 July 2023 reviewed the solvency tests performed by Management on Bursa Malaysia and its five subsidiaries to ensure Bursa Malaysia is solvent, that is able to pay its debts as and when the debts become due within 12 months after the distribution of these dividends, pursuant to Section 132(3) of the Companies Act 2016. Based on the Chief Financial Officer (CFO)'s representation that the surplus funds of Bursa and its subsidiary companies within the Group would remain adequate, the AC resolved to recommend for the Board's approval of the said dividend under the single-tier system for the FY2023.

On 24 January 2024, the Management presented a proposal for a final dividend, including the proposal for final dividends to be declared by its five subsidiaries for the FY2023. At the same meeting, the AC reviewed the solvency tests undertaken by the Management and was satisfied with the results of these solvency tests which showed that adequate funds were available to pay debts within 13 months from the date of declaration (including 12 months from the payment date), pursuant to Section 132(3) of the Companies Act 2016. The CFO had presented that Bursa and its subsidiary companies within the Group have surplus funds, adequate for their operations and development of the market and based on this, the AC resolved to recommend for the Board's approval of the final dividend under the single-tier system for the FY2023.

SUMMARY OF WORK

In discharging its duties and responsibilities, the AC had undertaken the following activities and work during the FY2023:

1. Financial Reporting

- a. In overseeing Bursa Malaysia's financial reporting, the AC reviewed the quarterly financial statements for the fourth quarter of 2022 and the annual audited financial statements for 2022 at its meeting on 26 January 2023.

The quarterly financial statements for the first, second and third quarters of 2023, which were prepared in compliance with the Malaysian Financial Reporting Standard (MFRS) 134: Interim Financial Reporting, International Accounting Standard (IAS) 34: Interim Financial Reporting and paragraph 9.22, including Appendix 9B, of the MMLR, were reviewed at the AC meetings on 28 April, 26 July and 24 October 2023, respectively.

On 24 January 2024, the AC reviewed the quarterly financial statements for the fourth quarter of 2023 and the annual audited financial statements for 2023.

The AC's recommendations were presented for approvals at the immediately following Board meetings.

- b. To safeguard the integrity of information, the CFO had on 19 April, 21 July and 20 October 2023 as well as on 24 January 2024, given assurance to the AC that:
 - i. appropriate accounting policies had been adopted and applied consistently;
 - ii. the going concern basis applied in the annual financial statements and quarterly condensed consolidated financial statements was appropriate;
 - iii. prudent judgements and reasonable estimates had been made in accordance with the requirements set out in the MFRSs and the International Financial Reporting Standards (IFRSs);
 - iv. adequate processes and controls were in place for effective and efficient financial reporting and disclosures under the MFRSs, IFRSs, IASs and MMLR; and
 - v. the annual financial statements and quarterly condensed consolidated financial statements did not contain material misstatements and gave a true and fair view of the financial position of Bursa Malaysia Group for the FY2023.

2. Related Party Transactions (RPT) and Conflict of Interest (COI)

The AC also considered transactions with a related party and/or interested persons to ensure that such transactions are undertaken on an arm's length basis, on normal commercial terms consistent with Bursa Group's business practices and policies, not prejudicial to the interests of Bursa and its minority shareholders and on terms which are generally no more favourable to the related parties and/or interested persons (pursuant to Chapter 10 of the MMLR).

During the FY2023, the AC had reviewed the following RPTs, prior to their recommendation to the Board of Bursa Malaysia RAM Capital Sdn Bhd (formerly known as BR Capital Sdn Bhd) (BR Capital) for approval and the Board's notation and to make the relevant announcement, if required:

- (a) Proposed credit rating services by RAM Rating Services Berhad, a subsidiary company of RAM Holdings Berhad, which holds 49% equity stake in BR Capital;
- (b) Proposed ESG rating services by RAM Sustainability Sdn Bhd, a subsidiary company of RAM Holdings Berhad, which holds 49% equity stake in BR Capital; and
- (c) Proposed pricing services by Bond Pricing Agency Malaysia Sdn Bhd, a subsidiary company of RAM Holdings Berhad, which holds 49% equity stake in BR Capital.

The AC also reviewed and monitored all conflict of interest (COI) situations within Bursa Group. This included a comprehensive assessment of any transactions, procedures, or practices that raised concerns regarding Management integrity. The COI review was further extended to encompass Directors and Key Senior Management within Bursa Group.

To this, the AC actively engaged in:

- Implementing robust procedures to scrutinise RPT and potential/actual COI, ensuring compliance with regulatory requirements and internal policies.
- Regularly communicating findings, recommendations, and actions taken to the Board, fostering transparency and accountability in decision-making processes.

There were 3 potential COI reported in FY2023 due to Bursa's dual role as a regulator and as a listed entity, and due to Bursa Group making a business decision which may have an adverse impact on the performance of their regulatory duties. These transactions were deemed to have occurred within the normal course of business.

Audit Committee Report

3. External Audit

- a. The AC deliberated on EY's Report at its first meeting on 26 January 2023 in relation to the relevant disclosures in the audited financial statements for 2022.

At the same meeting, EY confirmed that the firm was and had been independent throughout the conduct of the audit engagement in accordance with the terms of all relevant professional and regulatory requirements, including the By-Laws (on Professional Ethics, Conduct and Practice) of the MIA as well as the International Code of Ethics for Professional Accountants (IESBA Code). EY also highlighted to the AC the key audit matters, as set out in the report on the audit of the financial statements for the FY2022.

- b. At the same meeting, the AC took note of the audit services rendered by EY in 2022 which included all the subsidiaries within Bursa Malaysia Group which are classified as public interest entities and subject to the quality control partner's review. The subsidiary companies referred to are the securities and derivatives exchanges and their respective clearing houses, the central depository, Shariah-compliant trading platform and information services company.

The CFO presented to the AC the audit fees incurred with reference to the 2022 Audit Plan.

- c. On 26 January 2023, the CFO further sought the AC's approval for the proposed audit and non-audit services to be provided by the External Auditors for the FY2023 (2023 Annual Plan). The AC reviewed the list of services in the 2023 Annual Plan to be provided by EY which comprised the audit services, including, among others, the quarterly limited reviews and the annual review of the Statement on Internal Control and Risk Management (SICRM), recurring non-audit services and non-recurring non-audit services. The main recurring non-audit services were in respect of tax compliance and transfer pricing documentation reviews while the non-recurring non-audit services were mainly for ad hoc assurance services or tax advisory services.

The AC reviewed EY's performance having regard to several factors including the service quality, adequacy of experience and non-recurring non-audit services, and was satisfied with the overall performance and that such services to be sought from EY would not impair their audit independence as the External Auditors of Bursa Malaysia. The AC was also satisfied with EY's technical competency and reasonableness of fees. The AC resolved to approve the 2023 Annual Plan including the Management's proposal for EY's fees comprising, the recurring non-audit services and non-recurring non-audit services, and audit services subject to the re-appointment of EY as the External Auditors of Bursa Malaysia for the FY2023 at the 46th Annual General Meeting (AGM).

- d. In line with the Auditor Independence Policy, the AC carried out an annual review of the performance of the External Auditors including the assessment of their suitability, objectivity and independence. The AC was satisfied with EY's performance for FY2022 in relation to three areas, namely, quality of audit services provided, sufficiency of audit resources, communication and interaction, and recommended to the Board the re-appointment of EY as the External Auditors of Bursa Malaysia Group for FY2023.

With the shareholders' approval of the appointment of EY as the External Auditors for FY2023 on 30 March 2023, EY presented the auditors' review reports on the unaudited quarterly financial statements together with that of the relevant cumulative quarters in accordance with the International Standard on Review Engagements (ISRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" at the quarterly AC meetings in 2023 and January 2024.

- e. On 28 April 2023, the AC took note of EY's 2022 Transparency Report as tabled.
- f. On 24 October 2023, the AC reviewed the External Auditors' FY2023 Audit Plan Memorandum which outlined, among others, EY's scope of work and the proposed fees for the statutory audit, together with assurance-related fees for limited reviews of the four quarterly condensed consolidated financial statements, the agreed-upon procedures in connection with the expenditure in relation to the Exchange Traded Fund (ETF) initiatives' grant, and review of the SICRM in accordance with the International Standard on Assurance Engagements (ISAE) 3000, "Assurance Engagements other than Audits or Reviews of Historical Financial Information" and Audit and Assurance Practice Guide 3 – Guidance for Auditors on Engagements to Report on the Statement on Risk Management and Internal Control included in the Annual Report as issued by the MIA. The AC recommended the proposed audit fees for the Board's approval and the same was approved by the Board on 31 October 2023.

EY in its FY2023 Audit Plan Memorandum also presented to the AC the names of its engagement team, audit timeline, the areas of audit emphasis, and their focus on key audit matters with reference to the International Standard on Auditing 701. The AC upon due deliberation approved the FY2023 Audit Plan Memorandum for implementation in accordance with the audit timeline.

- g. In 2023, the AC had two private meetings with the External Auditors on 26 January 2023 and 24 October 2023, without the presence of the CEO, Management and Internal Auditors.
- h. In accordance with the Auditor Independence Policy, the AC had on 24 January 2024, undertaken an annual assessment of the quality of audit which encompassed the performance of EY, the quality of EY's communications with the AC and Bursa Malaysia, and EY's independence, objectivity and professionalism.

Assessment questionnaires were used as a tool to obtain input from Bursa Malaysia personnel who had substantial contact with the external audit team throughout the year. EY's performance was rated using a four-point scale on their ability to provide advice, suggestions or clarifications relating to the presentation of financial statements, ability to provide realistic analysis of issues using technical knowledge and independent judgement, and maintaining active engagement, through both verbal and written communication during the audit process, as well as their responsiveness to issues.

With regard to the observations by Bursa Malaysia's personnel on the external audit team, the AC also took into account the assessment of the lead audit engagement partner and engagement team's performance based on their quarterly presentations and the private meetings held between the AC and the External Auditors. The AC was satisfied with the openness in communication and interaction with the lead audit engagement partner and engagement team, which demonstrated their independence, objectivity and professionalism.

- i. Further information on the assessment of suitability, objectivity and independence of the External Auditors by the AC are provided in the Corporate Governance (CG) Report in accordance with Practice 9.3 of the MCCG.
- j. On 24 January 2024, the AC reviewed the audit services and non-audit services provided by the External Auditor and their corresponding incurred fees in FY2023. The AC reviewed the actual fees, including the total recurring non-audit services and non-recurring non-audit services fees which constituted less than 50% of their total remuneration for 2023 with reference to the Auditor Independence Policy. The non-recurring non-audit services rendered was in relation to the tax advisory services for the direct and indirect tax.
- k. The CFO also sought the AC's concurrence for the proposed audit and non-audit services to be provided for FY2024 which is subject to the re-appointment of EY as the Company's External Auditors at the forthcoming 47th AGM.

- l. The AC deliberated on EY's Report at its first meeting on 24 January 2024 in relation to the audited financial statements for 2023.

At the same meeting, EY in its presentation of the External Auditors' report to the AC provided a written assurance that they had been independent throughout the audit engagement in respect of the audited financial statements of Bursa Malaysia Group for FY2023 in accordance with the terms of all relevant professional and regulatory requirements.

4. Internal Audit

- a. The IA team conducted the audit work as per the 2023 Annual Audit Plan which was approved by the AC on 25 November 2022. The Director of IA, and departmental heads of the respective IA functions presented the IA reports at each of the AC meetings during the year with the then Acting Director of IA being present for the first three meetings for 2023. The 2023 Annual Audit Plan was reviewed on a quarterly basis or as required to address any changes to the auditable areas. A total of 62 audit engagements were completed in 2023.
- b. The annual plan was developed through a comprehensive planning process that identifies and prioritises possible auditable areas to be part of the audit coverage for the year. The identified key audit areas in 2023 were as follows:
 - Commercial;
 - Operations;
 - Regulation;
 - Group Technology;
 - Business Support Units – Group Corporate Legal, Group Human Capital, Group Finance & Corporate Services, Risk & Compliance, Group Sustainability, Business Acceleration and Corporate Governance & Secretarial;
 - Thematic Reviews; and
 - Mandated Reviews.
- c. In addition to the engagement reports, IA updated the AC on its work done at every AC meeting comprising the progress of the 2023 Annual Audit Plan and its key initiatives for 2023 which included the quality assurance improvement program. The AC reviewed the reports for the FY2023 to ensure that they were prepared in compliance with the relevant regulatory requirements and guidelines.
- d. At the first AC Meeting on 26 January 2023, the AC had deliberated on IA's proposed 2023 Scorecard which was developed in accordance with the Human Resources' framework in relation to the Scorecard's perspectives and weightages. Among the matters deliberated in the course of review included the enhancement of certain existing Key Performance Indicators. The 2023 IA Scorecard was subsequently approved by the AC after due deliberation.

Audit Committee Report

- e. At the second AC meeting on 17 February 2023, the AC had deliberated on the 2022 IA Divisional Scorecard results which included the results of IA's Customer Satisfaction Survey (Survey) for 2022, based on the responses received from the AC members and Management via questionnaires. Such Survey is conducted annually and aims to gauge the level of satisfaction of IA's stakeholders with IA's services, competency, professionalism as well as its independence and objectivity in discharging its roles and responsibilities. The AC determined that IA's performance for 2022 met the AC's expectations.
- f. At the same meeting, the AC had reviewed the performance of the Acting Director of IA taking into consideration the performance evaluations per the Corporate Scorecard, IA Divisional Scorecard and behavioural competencies. The outcome was subsequently submitted to the Nomination and Remuneration Committee (NRC) for determination of performance rewards.
- g. At the same meeting, IA had presented to the AC the results of its verification of the Integrated Annual Report (IAR) 2022 and Sustainability Report (SR) 2022. All information and statistics provided in the reports were observed to be appropriate. The SR 2022 verification was conducted with reference to the Global Reporting Initiative Standards and the relevant supporting documents as well as engagements with Group Sustainability.
- h. The AC had two private meetings with the Internal Auditors on 26 July 2023 and 27 November 2023 without the presence of the CEO and Management.
- i. At the sixth AC Meeting held on 27 November 2023, the AC reviewed the 2023 achievement of the IA's Strategic Roadmap 2021-2023 which aligns with Bursa Malaysia's Corporate Strategic Roadmap 2021-2023. The AC was satisfied with IA's overall achievement of the Strategic Roadmap 2021-2023.
- j. At the same meeting, the AC deliberated and approved IA's Strategic Plan 2024-2026 which aligns with Bursa Malaysia's Corporate Strategic Roadmap 2024-2026 and aims to enhance the IA function in terms of its capabilities, scope and coverage, value delivery and stakeholder management.

- k. At the same meeting, the AC also approved IA's Annual Audit Plan 2024 covering identified auditable areas using risk-based audit planning focusing on key areas such as Commercial, Operations and Business Support functions, Regulation, Group Technology and Mandated Reviews. Thematic reviews such as anti fraud, bribery and corruption and data privacy are also included as part of the Annual Audit Plan 2024.

In accordance with the TOR of the AC, the AC further deliberated and approved the plan, resource management and budget for the IA function for 2024.

- l. In accordance with the 2023 Annual Audit Plan, IA, within its defined scope, performed quarterly reviews on actual/potential reported COI for FY2023. These COI reports were then tabled at the AC for their notation and subsequently submitted to the Securities Commission Malaysia (SC).

As for RPT, the review was performed as and when an RPT arose. During the FY2023, IA performed the necessary review to provide assurance to the AC that the transactions are undertaken on an arm's length basis, on normal commercial terms consistent with Bursa Group's business practices and policies, not prejudicial to the interests of Bursa and its minority shareholders and on terms which are generally no more favourable to the related parties and/or interested persons. During the AC meeting, IA provided confirmation that the RPTs were reviewed and complied with the MMLR.

- m. At the first AC Meeting for the FY2024 held on 24 January 2024, IA confirmed its organisational independence to the AC, where all the Internal Auditors had signed the annual declaration that they were and had been independent, objective and in compliance with the Code of Ethics of Bursa Malaysia and The Institute of Internal Auditors (Global) Standards in carrying out their duties for the FY2023. This annual declaration includes the non-financial COI declaration of each individual IA employee. The AC determined that the IA function is effective, provides value add to the organisation and is able to function independently.
- n. At the same meeting, the AC had considered IA's proposed 2024 Scorecard which was developed in accordance with the Corporate Strategy and Human Resources' framework in relation to the Scorecard's perspectives and weightages. The 2024 IA Scorecard was subsequently approved by the AC after due deliberation.

- o. At the second AC Meeting held on 20 February 2024, the AC reviewed and recommended the SICRM for the Board's approval and publication in the IAR 2023.
- p. At the same meeting, the AC reviewed and recommended the IAR 2023 and SR 2023 for the Board's approval and adoption.

IA had presented to the AC the results of its verification of the IAR 2023 and SR 2023. All information and statistics provided in the reports were observed to be appropriate. The SR 2023 verification was conducted with reference to the Global Reporting Initiative Standards and the relevant supporting documents.

- q. At the same meeting, the AC reviewed and recommended the CG Overview Statement and CG Report 2023 for the Board's approval and adoption.
- r. At the same meeting, the AC had deliberated on the 2023 IA Divisional Scorecard results which included the results of IA's Customer Satisfaction Survey (Survey) for 2023, based on the responses received from the AC members and Management via questionnaires. Such Survey is conducted annually and aims to gauge the level of satisfaction of IA's stakeholders with IA's services, competency, professionalism as well as its independence and objectivity in discharging its roles and responsibilities. The AC determined that IA's performance for 2023 met the AC's expectations.

INTERNAL AUDIT FUNCTION

The mission of IA is to enhance and protect the organisational value of Bursa Malaysia Group by providing risk-based and objective assurance, advice and insight. IA helps Bursa Malaysia to accomplish its objectives by bringing a systematic and disciplined approach to evaluate and improve the effectiveness of risk management, internal controls, and governance processes.

IA reports functionally to the AC and administratively to the CEO. To ensure that the responsibilities of IA are fully discharged in accordance with the International Standards for the Professional Practice of Internal Auditing, the AC reviews the adequacy of the scope and resources of the IA function as well as the competency and experience of the Internal Auditors.

Further information on the resources, objectivity and independence of the Acting Director/Director of IA and Internal Auditors are provided in the CG Report in accordance with Practice 11.2 of the MCCG.

The IA engagements were carried out based on the annual audit plan approved by the AC. The results of the audits in the IA reports were reviewed by the AC. The relevant Management members were made responsible for ensuring that corrective actions on reported weaknesses were taken within the required timeframes. IA conducted follow-up audits on key engagements to ensure that the corrective actions were implemented appropriately.

IA also leverages on the report received annually from the Chicago Mercantile Exchange Group's (CME) Independent Service Auditor (RSM US LLP) – System and Organization Controls (SOC) 1 Report on Controls Placed in Operation and Tests of Operating Effectiveness Relevant to CME Globex Trading, CME ClearPort and CME Clearing Systems. This report is received annually due to the listing of all of Bursa Malaysia Derivatives' products on the CME's Globex Trading Platform and it is also shared with the External Auditors, EY. The CME's independent service auditors examine and express their opinion on CME's description of its trade matching and clearing services system for processing transactions for user entities and the suitability of the design and operating effectiveness of controls in achieving the related control objectives. IA communicates and engages with CME's independent service auditor for further information if necessary.

The total costs incurred by IA in discharging its functions and responsibilities in 2023 amounted to RM3,679,909 as compared to RM4,130,955 in 2022.

08

Additional Information

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List of Properties Owned by Bursa Malaysia Group

As at 31 December 2023

| No. | Location | Postal address | Description | Current use | Tenure | Remaining lease period (expiry date) | Age of building | Land area/ Built-up area (sq. metres) | Date of acquisition | Net book value as at 31 December 2023 RM'000 |
|-----|--|---|--|-------------|------------|--------------------------------------|-----------------|--|---------------------|--|
| 1. | Geran No. 28936 Lot No. 520 (formerly P.T.8) Section 19, Town and District of Kuala Lumpur | Exchange Square, Bukit Kewangan, 50200 Kuala Lumpur | 16-storey office building with 5-level basement car park and a lower level car park known as the Main Building | Office | Leasehold* | 69 years (14 April 2092) | 26 years | 7,144/ 71,347 | August 1997 | 91,849 |
| 2. | Geran No. 28938 Lot No. 522 (formerly P.T.10) Section 19, Town and District of Kuala Lumpur | Exchange Square, Bukit Kewangan, 50200 Kuala Lumpur | 2-storey office cum exposition building with 2-level basement car park known as the Annexe Building | Office | Leasehold* | 72 years (28 February 2095) | 25 years | 9,314/ 38,609 | March 1998 | 31,985 |
| 3. | Lot 5.0 to 8.0, No. Berdaftar Geran 17768/ MI/4/5 to 8 Bangunan No. M1 Lot No. 51452, Mukim of Kuala Lumpur Daerah Wilayah Persekutuan | 4 th Floor, Wisma Chase Perdana, Off Jalan Semantan, Damansara Heights, 50490 Kuala Lumpur | Four office units on the 4 th Floor of a 12-storey office building | Office | Freehold | N/A | 40 years | N/A/ 3,355 | May 1998 | 6,594 |

*The buildings are on freehold land which has been leased to Bursa Malaysia Berhad by the Federal Land Commissioner for a period of 99 years.

Statistics of Shareholdings

As at 31 January 2024

A. Issued Shares of The Company

The total number of issued shares of the Company stands at 809,299,121 ordinary shares, with voting rights of one vote per ordinary share.

B. Analysis by Size of Shareholdings

| Size of Shareholdings | No. of Shareholders | | Total No. of Shareholders | | No. of Issued Shares | | Total No. of Issued Shares | |
|---|---------------------|------------|---------------------------|---------------|----------------------|--------------------|----------------------------|---------------|
| | Malaysian | Foreigner | No. | % | Malaysian | Foreigner | No. | % |
| 1 - 99 | 1,021 | 11 | 1,032 | 3.02 | 10,597 | 238 | 10,835 | 0.00 |
| 100 - 1,000 | 10,691 | 137 | 10,828 | 31.68 | 6,990,827 | 84,928 | 7,075,755 | 0.87 |
| 1,001 - 10,000 | 17,795 | 368 | 18,163 | 53.13 | 65,054,987 | 1,531,102 | 66,586,089 | 8.23 |
| 10,001 - 100,000 | 3,491 | 242 | 3,733 | 10.92 | 91,686,909 | 8,478,218 | 100,165,127 | 12.38 |
| 100,001 - less than 5% of issued shares | 315 | 108 | 423 | 1.24 | 234,071,501 | 100,984,697 | 335,056,198 | 41.40 |
| 5% and above of issued shares | 3 | - | 3 | 0.01 | 300,405,117 | - | 300,405,117 | 37.12 |
| Total | 33,316 | 866 | 34,182 | 100.00 | 698,219,938 | 111,079,183 | 809,299,121 | 100.00 |

C. Analysis of Equity Structure

| No. | Category of Shareholders | No. of Shareholders | | No. of Issued Shares | | % of Issued Shares | |
|-----|--|---------------------|------------|----------------------|--------------------|--------------------|--------------|
| | | Malaysian | Foreigner | Malaysian | Foreigner | Malaysian | Foreigner |
| 1. | Individual | 26,521 | 463 | 163,756,177 | 5,329,856 | 20.23 | 0.66 |
| 2. | Body Corporate | | | | | | |
| | a. Banks/finance companies | 35 | 1 | 56,430,287 | 134,000 | 6.98 | 0.02 |
| | b. Investment trust/foundation/charities | 5 | 0 | 285,000 | 0 | 0.04 | 0 |
| | c. Industrial and commercial companies | 337 | 10 | 22,518,893 | 1,306,050 | 2.78 | 0.16 |
| 3. | Government agencies/institutions | 5 | 0 | 251,139,735 | 0 | 31.03 | 0 |
| 4. | Nominees | 6,410 | 392 | 203,987,346 | 104,309,277 | 25.20 | 12.89 |
| 5. | Others | 3 | 0 | 102,500 | 0 | 0.01 | 0 |
| | Total | 33,316 | 866 | 698,219,938 | 111,079,183 | 86.27 | 13.73 |

D. Top 30 Securities Account Holders*(Without aggregating the securities from different securities accounts belonging to the same Registered Holder)*

| No. | Name | No. of Issued Shares | % of Issued Shares |
|-----|---|---------------------------|-----------------------|
| 1. | Capital Market Development Fund | 150,300,001 | 18.57 |
| 2. | Kumpulan Wang Persaraan (Diperbadankan) | 88,254,534 ⁽¹⁾ | 10.91 |
| 3. | Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board | 61,850,582 | 7.64 |
| 4. | Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (Islamic) | 27,688,059 | 3.42 |
| 5. | Amanahraya Trustees Berhad Amanah Saham Bumiputera | 19,500,000 | 2.41 |
| 6. | The Nomad Group Bhd | 9,109,092 | 1.13 |
| 7. | HSBC Nominees (Asing) Sdn Bhd JPMCB NA for Vanguard Emerging Markets Stock Index Fund | 8,437,100 | 1.04 |
| 8. | Cartaban Nominees (Asing) Sdn Bhd Exempt AN for State Street Bank & Trust Company (WEST CLT OD67) | 7,496,450 | 0.93 |
| 9. | Amanahraya Trustees Berhad Amanah Saham Malaysia 3 | 7,436,800 | 0.92 |
| 10. | HSBC Nominees (Asing) Sdn Bhd JPMCB NA for Vanguard Total International Stock Index Fund | 7,239,708 | 0.89 |
| 11. | Citigroup Nominees (Tempatan) Sdn Bhd Employees Provident Fund Board (Nomura) | 7,124,300 | 0.88 |
| 12. | Cartaban Nominees (Tempatan) Sdn Bhd PAMB for Prulink Equity Fund | 6,723,050 | 0.83 |
| 13. | Cartaban Nominees (Tempatan) Sdn Bhd PAMB for Prulink Equity Focus Fund | 6,446,600 | 0.80 |
| 14. | Citigroup Nominees (Asing) Sdn Bhd CBNY for Norges Bank (FI 17) | 5,893,798 | 0.73 |
| 15. | Cartaban Nominees (Asing) Sdn Bhd SSBT Fund KG33 for Invesco EQV Asia Pacific Equity Fund | 5,848,350 | 0.72 |
| 16. | Permodalan Nasional Berhad | 5,750,500 | 0.71 |
| 17. | Pertubuhan Keselamatan Sosial | 5,566,000 | 0.69 |
| 18. | Citigroup Nominees (Tempatan) Sdn Bhd Exempt AN for AIA BHD. | 4,665,900 | 0.58 |
| 19. | HSBC Nominees (Asing) Sdn Bhd JPMSE LUX for JPMORGAN Funds | 4,486,100 | 0.55 |
| 20. | Lembaga Tabung Haji | 4,019,200 | 0.50 |
| 21. | Amanahraya Trustees Berhad Public Islamic Dividend Fund | 3,730,900 | 0.46 |
| 22. | HSBC Nominees (Asing) Sdn Bhd JPMCB NA for Vanguard Fiduciary Trust Company Institutional Total International Stock Market Index Trust II | 3,191,200 | 0.39 |
| 23. | HSBC Nominees (Asing) Sdn Bhd JPMCB NA for Morningstar International Shares (UNHEDGED) Fund | 3,147,000 | 0.39 |
| 24. | Amanahraya Trustees Berhad Public Islamic Select Treasures Fund | 3,135,600 | 0.39 |
| 25. | Lembaga Tabung Angkatan Tentera | 3,000,000 | 0.37 |
| 26. | Cartaban Nominees (Tempatan) Sdn Bhd PBTB for Takafulink Dana Ekuiti | 2,952,700 | 0.36 |

Statistics of Shareholdings

As at 31 January 2024

D. Top 30 Securities Account Holders (Cont'd.)

| No. | Name | No. of Issued Shares | % of Issued Shares |
|--------------|---|-------------------------|-----------------------|
| 27. | Chia Kar Keong | 2,890,000 | 0.36 |
| 28. | Citigroup Nominees (Tempatan) Sdn Bhd Great Eastern Life Assurance (Malaysia) Berhad (SHF) | 2,880,000 | 0.36 |
| 29. | Citigroup Nominees (Asing) Sdn Bhd CBNY for Emerging Market Core Equity Portfolio DFA Investment Dimensions Group Inc | 2,840,800 | 0.35 |
| 30. | Citigroup Nominees (Tempatan) Sdn Bhd Great Eastern Life Assurance (Malaysia) Berhad (PAR 3) | 2,777,900 | 0.34 |
| Total | | 474,382,224 | 58.616 |

Note: ^(a) This excludes 109,516 ordinary shares placed by KWAP under the Securities Borrowing and Lending Arrangement

E. Substantial Shareholders According to The Register of Substantial Shareholders As At 31 January 2024

| No. | Name | No. of Issued Shares | % of Issued Shares |
|-----|--|-------------------------|-----------------------|
| 1. | Capital Market Development Fund (CMDf) | 150,300,001 | 18.57 |
| 2. | Kumpulan Wang Persaraan (Diperbadankan) (KWAP) | 88,364,050* | 10.92 |
| 3. | Employees Provident Fund Board (EPF)** | 102,710,441 | 12.69 |

Note:

* This includes 109,516 ordinary shares placed by KWAP under the Securities Borrowing and Lending Arrangement

** This is an aggregation of securities from different securities accounts belonging to the same Registered Holder

F. Direct and Deemed Interests in The Company and/or its Related Corporations**1. Directors**

The interests of the Directors in the shares of the Company as at 31 January 2024 including those of his/her spouse and child/children which are deemed interests of the Directors by reference to Section 59(11)(c) of the Companies Act 2016 are maintained by the Company in the Register of Directors' Shareholdings pursuant to Section 59 of the Companies Act 2016, details of which are as follows:

| Name of Directors | Direct Interest | | Deemed Interest | | |
|---------------------------------------|----------------------|--------------------|----------------------|----------------------|--------------------|
| | No. of Issued Shares | % of Issued Shares | Spouse | Child | % of Issued Shares |
| | | | No. of Issued Shares | No. of Issued Shares | |
| Tan Sri Abdul Wahid bin Omar | 15,000 | 0.002 | – | – | – |
| Datuk Muhamad Umar Swift | 0 | 0 | – | – | – |
| Dato' Anad Krishnan a/l Muthusamy | 0 | 0 | – | – | – |
| Datin Azlina binti Mahmad | 0 | 0 | – | – | – |
| Datuk Bazlan bin Osman | 0 | 0 | – | – | – |
| Chong Chye Neo | 0 | 0 | – | – | – |
| Syed Ari Azhar bin Syed Mohamed Adlan | 0 | 0 | – | – | – |
| Tan Sri Abdul Farid bin Alias | 0 | 0 | – | – | – |
| Tan Ler Chin | 0 | 0 | – | – | – |
| Total | 15,000 | 0.002 | – | – | – |

2. Key Senior Management

The Key Senior Management's shareholdings of the Company as at 31 January 2024 including their indirect/deemed interests, are as follows:

| Name of Directors | Direct Interest | | Deemed Interest | | |
|--|----------------------|--------------------|----------------------|----------------------|--------------------|
| | No. of Issued Shares | % of Issued Shares | Spouse | Child | % of Issued Shares |
| | | | No. of Issued Shares | No. of Issued Shares | |
| Rosidah binti Baharom | 62,400 | 0.008 | – | 175,000 | 0.022 |
| Mohd Saleem bin Kader Bakas [#] | – | – | – | – | – |
| Ashish Jaywant Rege | – | – | – | – | – |
| Tay Yu Hui | 46,500 | 0.006 | – | – | – |
| Julian Mahmud Hashim | – | – | – | – | – |
| Total | 108,900 | 0.014 | 0 | 175,000 | 0.022 |

Note:

[#]Mohd Saleem Kader Bakas who joined Bursa Malaysia on 29 July 2019 was appointed as Director of Derivatives Market on 1 March 2023.

Additional Compliance Information

1. UTILISATION OF PROCEEDS RAISED FROM CORPORATE PROPOSALS

There were no proceeds raised from corporate proposals during the financial year.

2. MATERIAL CONTRACTS

There were no material contracts entered into by the Group involving the interest of Directors and major shareholders, either still subsisting at the end of the financial year ended 31 December 2023 or entered into since the end of the previous financial year.

3. RELATED PARTY TRANSACTIONS


An internal compliance framework exists to ensure that Bursa Malaysia meets its obligations under Bursa Malaysia Securities Berhad Main Market Listing Requirements and other applicable guidelines/standards in connection with related party transactions (RPT).

In this respect, the relevant processes and procedures are in place to ensure all transactions including the RPT, are monitored and conducted in a manner that is fair and at arms' length basis, with the terms not more favourable to the related parties than to the public, not to the detriment of minority shareholders and in the best interest of Bursa Malaysia. A Director who has an interest in a transaction abstains himself/herself from deliberation and voting on the relevant resolution in respect of such transaction at Board meetings and/or other meetings of the Company.

09

Financials

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Directors' Responsibility Statement

For the Audited Financial Statements

The Directors are required by the Companies Act 2016 ("CA") to prepare the financial statements for each financial year which have been made out in accordance with applicable Malaysian Financial Reporting Standards ("MFRSs"), the International Financial Reporting Standards ("IFRSs"), and the requirements of the CA in Malaysia.

The Directors are responsible to ensure that the financial statements give a true and fair view of the state of affairs of the Group and of the Company at the end of the financial year, and of the results and cash flows of the Group and of the Company for the financial year.

In preparing the financial statements, the Directors ensured that the Management has:

- adopted appropriate accounting policies and applied them consistently;
- made judgements and estimates that are reasonable and prudent; and
- prepared the financial statements on a going concern basis.

The Directors are responsible to ensure that the Group and the Company keep accounting records which disclose the financial position of the Group and of the Company with reasonable accuracy, enabling them to ensure that the financial statements comply with the CA.

The Directors are responsible for taking such steps as are reasonably open to them to safeguard the assets of the Group and of the Company, and to detect and prevent fraud and other irregularities.

Directors' Report

The Directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2023.

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, voluntary carbon market and offshore financial exchanges and the Shariah-compliant commodity and precious metals 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 18 to the financial statements.

Results

| | Group RM'000 | Company RM'000 |
|---------------------|-----------------|-------------------|
| Profit for the year | 251,490 | 195,765 |

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 2022 were as follows:

| | RM'000 |
|---|---------|
| In respect of the financial year ended 31 December 2023: | |
| Single-tier interim dividend of 15.0 sen per share, on 809,299,000 ordinary shares, declared on 31 July 2023 and paid on 29 August 2023 | 121,395 |
| In respect of the financial year ended 31 December 2022, as reported in the Directors' report of that financial year: | |
| Single-tier final dividend of 11.5 sen per share, on 809,299,000 ordinary shares, approved on 31 January 2023 and paid on 1 March 2023 | 93,069 |
| Total dividends paid since 31 December 2022 | 214,464 |

On 31 January 2024, the Board of Directors approved and declared a single-tier final dividend of 14.0 sen per share in respect of the financial year ended 31 December 2023. The final dividend amounting to approximately RM113,302,000 will be payable on 29 February 2024. The dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2024.

Directors' Report (cont'd.)

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 | |
| Tan Sri Abdul Farid bin Alias | |
| Datuk Bazlan bin Osman | |
| Dato' Anad Krishnan a/l Muthusamy | |
| Datin Azlina binti Mahmad | |
| Chong Chye Neo | |
| Syed Ari Azhar bin Syed Mohamed Adlan | |
| Tan Ler Chin | (appointed on 16 August 2023) |
| Sharifatu Laila binti Syed Ali | (resigned on 16 August 2023) |
| Pushpanathan a/l S.A. Kanagarayar | (retired on 23 June 2023) |

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 | |
| Lee Wai Kit | |
| Datuk Goh Jiok Vui @ Henry Goh Jiok Vui | (appointed on 1 January 2024) |

Directors' benefits

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the Directors might acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate.

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of remuneration received or due and receivable by the Directors or the fixed salary of a full-time employee of the Company as disclosed in Note 9 to the financial statements) by reason of a contract made by the Company or a related corporation with any Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

During the financial year, the total amount of indemnity coverage and insurance premium paid for the Directors and the officers of the Group and of the Company was RM100,000,000 and RM150,898 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 1.1.2023 '000 | Purchased/ Sold '000 | At 31.12.2023 '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.
- (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.

Directors' Report (cont'd.)

Auditors and auditors' remuneration

Total fees for statutory audit provided by the auditors amounted to RM516,000 (2022: RM492,000) and RM116,000 (2022: RM114,000) for the Group and the Company respectively, while total fees for assurance related and non-audit services amounted to RM401,000 (2022: RM485,000) and RM239,000 (2022: RM421,000) for the Group and the Company respectively. Non-audit services provided by the auditors and its member firms comprised tax compliance and tax advisory services.


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

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

Signed on behalf of the Board in accordance with a resolution of the Directors dated 31 January 2024.



Tan Sri Abdul Wahid bin Omar



Datuk Muhamad Umar Swift

Statement by Directors

Pursuant to Section 251(2) of the Companies Act 2016

We, Tan Sri Abdul Wahid bin Omar and Datuk Muhamad Umar Swift, being two of the Directors of Bursa Malaysia Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 180 to 258 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 2023 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 2024.



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 180 to 258 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 2024.



Rosidah binti Baharom
C.A. 49125

Before me,



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

Independent Auditors' Report to the Members of Bursa Malaysia Berhad

(Incorporated in Malaysia)

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Bursa Malaysia Berhad, which comprise the statements of financial position as at 31 December 2023 of the Group and of the Company, and the statements of profit or loss, statements of 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 material accounting policies information, as set out on pages 180 to 258.

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 2023, and of their financial performance and their cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act 2016 in Malaysia.

Basis for opinion

We conducted our audit in accordance with approved standards on auditing in Malaysia and International Standards on Auditing. Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the financial statements* section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Independence and other ethical responsibilities

We are independent of the Group and of the Company in accordance with the By-Laws (on Professional Ethics, Conduct and Practice) of the Malaysian Institute of Accountants ("By-Laws") and the International Code of Ethics for Professional Accountants (including International Independence Standards) ("IESBA Code"), and we have fulfilled our other ethical responsibilities in accordance with the By-Laws and the IESBA Code.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the Group and of the Company for the current year. These matters were addressed in the context of our audit of the financial statements of the Group and of the Company as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For the key audit matters below, our description of how our audit addressed the matters are provided in that context.

We have fulfilled the responsibilities described in the *Auditors' responsibilities for the audit of the financial statements* section of our report, including in relation to these matters.

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

Key audit matters (cont'd.)

Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

| Description | Responses |
|---|---|
| The risk that (i) goodwill and (ii) investment in subsidiaries may be impaired. | Our audit procedures included, among others, evaluating the assumptions and methodologies used by the Group and the Company in performing the impairment assessments. |
| (i) Goodwill The Group's and Company's goodwill balances as at 31 December 2023 stood at RM42,957,000 and RM29,494,000, respectively. | We examined the cash flow forecasts which support management's impairment assessments. We evaluated the evidence supporting the underlying assumptions in those forecasts, by comparing revenue and expenses to approved budgets, considering prior budget accuracy, and comparing expected growth rates to relevant market expectations. |
| (ii) Investment in subsidiaries As at 31 December 2023, the carrying amount of investment in subsidiaries in the statement of financial position of the Company stood at RM312,169,000. | |
| On an annual basis, management is required to perform impairment assessments for goodwill and investment in subsidiaries with impairment indicators. | 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. |
| These assessments are significant to our audit as they involve significant management judgement and are based on assumptions that are affected by expected future market and economic conditions. | We 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. |
| This risk is also described in Note 2.5 to the financial statements. | We also reviewed the adequacy of the Group's and the Company's disclosures about those assumptions to which the outcome of the impairment test is most sensitive. |

Information other than the financial statements and auditors' report thereon

The directors of the Company are responsible for the other information. The other information comprises the directors' report and 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.

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.
- 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.

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

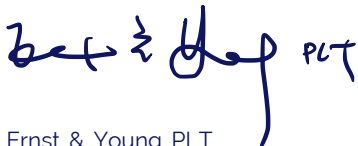
We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the Group and of the Company for the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other matters

This report is made solely to the members of the Company, as a body, in accordance with Section 266 of the Companies Act 2016 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
Chartered Accountants

Kuala Lumpur, Malaysia
31 January 2024



Chan Hooi Lam
No. 02844/02/2024 J
Chartered Accountant

Statements of Profit or Loss

For the financial year ended 31 December 2023

| | Note | Group | | Company | |
|--|------|----------------|----------------|----------------|----------------|
| | | 2023 RM'000 | 2022 RM'000 | 2023 RM'000 | 2022 RM'000 |
| Operating revenue | 3 | 592,807 | 585,290 | 469,462 | 495,235 |
| Other income | 4 | 23,679 | 17,955 | 8,460 | 7,795 |
| | | 616,486 | 603,245 | 477,922 | 503,030 |
| Staff costs | 5 | (168,589) | (155,141) | (162,482) | (149,483) |
| Depreciation and amortisation | 6 | (33,288) | (26,917) | (32,270) | (25,828) |
| Other operating expenses | 7 | (92,609) | (110,651) | (91,136) | (72,853) |
| Profit from operations | | 322,000 | 310,536 | 192,034 | 254,866 |
| Finance costs | 8 | (533) | (533) | (533) | (533) |
| Profit before tax and zakat | | 321,467 | 310,003 | 191,501 | 254,333 |
| Taxation and zakat | 10 | (69,977) | (83,433) | 4,264 | (2,365) |
| Profit for the year | | 251,490 | 226,570 | 195,765 | 251,968 |
| Profit attributable to: | | | | | |
| Owners of the Company | | 252,379 | 226,570 | 195,765 | 251,968 |
| Non-controlling interest | | (889) | – | – | – |
| | | 251,490 | 226,570 | 195,765 | 251,968 |
| Basic and diluted earnings per share attributable to owners of the Company (sen per share) | 11 | 31.2 | 28.0 | | |

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 2023

| | Group | | Company | |
|--|----------------|----------------|----------------|----------------|
| | 2023 RM'000 | 2022 RM'000 | 2023 RM'000 | 2022 RM'000 |
| Profit for the year | 251,490 | 226,570 | 195,765 | 251,968 |
| Other comprehensive income/(loss): | | | | |
| Items that may be subsequently reclassified to profit or loss: | | | | |
| Gain on foreign currency translation | 148 | 198 | – | – |
| Net fair value changes in unquoted bonds at fair value through other comprehensive income ("FVTOCI") | 1,120 | (842) | 248 | (77) |
| Income tax effects relating to unquoted bonds at FVTOCI (Note 21) | (93) | 84 | – | – |
| | 1,175 | (560) | 248 | (77) |
| Items that will not be subsequently reclassified to profit or loss: | | | | |
| Actuarial (loss)/gain on defined benefit obligations (Note 32(a)) | (428) | 177 | (428) | 177 |
| Income tax effects relating to actuarial gain on defined benefit obligations (Note 21) | 103 | (43) | 103 | (43) |
| | (325) | 134 | (325) | 134 |
| Total other comprehensive income/(loss) for the year, net of income tax | 850 | (426) | (77) | 57 |
| Total comprehensive income for the year | 252,340 | 226,144 | 195,688 | 252,025 |
| Total comprehensive income attributable to: | | | | |
| Owners of the Company | 253,229 | 226,144 | 195,688 | 252,025 |
| Non-controlling interest | (889) | – | – | – |
| | 252,340 | 226,144 | 195,688 | 252,025 |

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

Statements of Financial Position

As at 31 December 2023

| | | Group | | Company | |
|---|-------|------------------|------------------|----------------|----------------|
| | Note | 2023 RM'000 | 2022 RM'000 | 2023 RM'000 | 2022 RM'000 |
| ASSETS | | | | | |
| Non-current assets | | | | | |
| Property, plant and equipment | 13 | 194,168 | 204,453 | 193,775 | 203,917 |
| Computer software | 14 | 57,659 | 40,855 | 47,687 | 35,203 |
| Right-of-use assets | 15(a) | 7,741 | 7,852 | 7,741 | 7,852 |
| Goodwill | 16 | 42,957 | 42,957 | 29,494 | 29,494 |
| Other intangible asset | 17 | 1,905 | – | 1,905 | – |
| Investment in subsidiaries | 18 | – | – | 312,169 | 301,170 |
| Investment securities | 19 | 55,471 | 49,445 | 19,985 | 4,748 |
| Staff loans receivable | 20 | 577 | 705 | 321 | 441 |
| Deferred tax assets | 21 | 21,732 | 14,309 | 16,113 | 9,504 |
| | | 382,210 | 360,576 | 629,190 | 592,329 |
| Current assets | | | | | |
| Inventories | 22 | 2,903 | – | – | – |
| Trade receivables | 23 | 59,615 | 49,533 | 1,378 | 636 |
| Other receivables | 24 | 15,707 | 16,416 | 11,385 | 9,916 |
| Amount due from subsidiaries | 25 | – | – | 34,849 | 23,936 |
| Tax recoverable | | 540 | 2,447 | – | 2,159 |
| Investment securities | 19 | 15,017 | 14,856 | – | – |
| Cash for equity margins, derivatives trading margins, security deposits, eDividend and eRights distributions, gold dinar and carbon credits | 26 | 2,222,575 | 3,195,071 | – | – |
| Cash and bank balances of Clearing Funds | 27 | 159,525 | 158,857 | – | – |
| Cash and bank balances of the Group/Company | 28 | 423,894 | 446,727 | 176,196 | 248,636 |
| | | 2,899,776 | 3,883,907 | 223,808 | 285,283 |
| Total assets | | 3,281,986 | 4,244,483 | 852,998 | 877,612 |

| | | Group | | Company | |
|---|-------|----------------|----------------|----------------|----------------|
| | Note | 2023 RM'000 | 2022 RM'000 | 2023 RM'000 | 2022 RM'000 |
| EQUITY AND LIABILITIES | | | | | |
| Equity | | | | | |
| Share capital | 29 | 435,621 | 435,621 | 430,371 | 430,371 |
| Other reserves | 30 | 31,393 | 30,218 | (4) | (252) |
| Retained earnings | 31 | 356,058 | 318,468 | 314,810 | 333,834 |
| Equity attributable to owners of the Company | | | | | |
| | | 823,072 | 784,307 | 745,177 | 763,953 |
| Non-controlling interest | | 1,561 | 2,450 | – | – |
| Total equity | | 824,633 | 786,757 | 745,177 | 763,953 |
| Non-current liabilities | | | | | |
| Retirement benefit obligations | 32(a) | 7,661 | 9,007 | 7,661 | 9,007 |
| Deferred income | 33 | 6,663 | 4,942 | 2,319 | 1,584 |
| Lease liabilities | 15(b) | 7,440 | 7,446 | 7,440 | 7,446 |
| Deferred tax liabilities | 21 | 1,079 | 793 | – | – |
| | | 22,843 | 22,188 | 17,420 | 18,037 |
| Current liabilities | | | | | |
| Trade payables | 26(a) | 2,218,648 | 3,192,511 | – | – |
| Participants' contributions to Clearing Funds | 27 | 64,525 | 63,857 | – | – |
| Other payables | 34 | 146,762 | 176,420 | 89,626 | 92,565 |
| Amount due to subsidiaries | 25 | – | – | – | 2,552 |
| Lease liabilities | 15(b) | 505 | 505 | 505 | 505 |
| Provision for zakat | | 580 | 514 | – | – |
| Tax payable | | 3,490 | 1,731 | 270 | – |
| | | 2,434,510 | 3,435,538 | 90,401 | 95,622 |
| Total liabilities | | 2,457,353 | 3,457,726 | 107,821 | 113,659 |
| Total equity and liabilities | | 3,281,986 | 4,244,483 | 852,998 | 877,612 |

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

Statements of Changes in Equity

For the financial year ended 31 December 2023

| | | Attributable to owners of the Company | | | | | | | |
|---|------|---------------------------------------|---|--|-----------------------------|--------------------------------|-----------------|---|---------------------------|
| | | Non-distributable | | | | Distributable | | | |
| | Note | Share capital RM'000 | Foreign currency translation reserve RM'000 | Clearing fund reserves RM'000 | FVTOCI reserve RM'000 | Retained earnings RM'000 | Total RM'000 | Non- controlling interest RM'000 | Total equity RM'000 |
| Group | | | | | | | | | |
| At 1 January 2023 | | 435,621 | 825 | 30,000 | (607) | 318,468 | 784,307 | 2,450 | 786,757 |
| Profit for the year | | - | - | - | - | 252,379 | 252,379 | (889) | 251,490 |
| Other comprehensive income for the year | | - | 148 | - | 1,027 | (325) | 850 | - | 850 |
| Total comprehensive income for the year | | - | 148 | - | 1,027 | 252,054 | 253,229 | (889) | 252,340 |
| Total transactions with owners: | | | | | | | | | |
| Dividends paid | | 12 | - | - | - | (214,464) | (214,464) | - | (214,464) |
| At 31 December 2023 | | 435,621 | 973 | 30,000 | 420 | 356,058 | 823,072 | 1,561 | 824,633 |
| | | | | | | | | | |
| 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 | | 18(c)(ii) | - | - | - | - | - | 2,450 | 2,450 |
| At 31 December 2022 | | 435,621 | 825 | 30,000 | (607) | 318,468 | 784,307 | 2,450 | 786,757 |

| | | Non-distributable | | Distributable | |
|---|------|-------------------------|-----------------------------|--------------------------------|---------------------------|
| | Note | Share capital RM'000 | FVTOCI reserve RM'000 | Retained earnings RM'000 | Total equity RM'000 |
| Company | | | | | |
| At 1 January 2023 | | 430,371 | (252) | 333,834 | 763,953 |
| Profit for the year | | – | – | 195,765 | 195,765 |
| Other comprehensive income for the year | | – | 248 | (325) | (77) |
| Total comprehensive income for the year | | – | 248 | 195,440 | 195,688 |
| Total transactions with owners: | | | | | |
| Dividends paid | 12 | – | – | (214,464) | (214,464) |
| At 31 December 2023 | | 430,371 | (4) | 314,810 | 745,177 |
| 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 |

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

Statements of Cash Flows

For the financial year ended 31 December 2023

| | Note | Group | | Company | |
|---|-------|----------------|----------------|----------------|----------------|
| | | 2023 RM'000 | 2022 RM'000 | 2023 RM'000 | 2022 RM'000 |
| Cash flows from operating activities | | | | | |
| Profit before taxation and zakat | | 321,467 | 310,003 | 191,501 | 254,333 |
| Adjustments for: | | | | | |
| Amortisation of premium | 7 | 5 | 2 | – | – |
| Carbon credits retired | 17 | 543 | – | 543 | – |
| Depreciation and amortisation | 6 | 33,288 | 26,917 | 32,270 | 25,828 |
| Dividend income from subsidiaries | 3 | – | – | (203,700) | (271,666) |
| Grant income | 4 | (1,443) | (1,705) | (965) | (1,574) |
| Interest expense on lease liabilities | 8 | 533 | 533 | 533 | 533 |
| Interest/profit income | 4 | (21,727) | (15,669) | (7,011) | (5,765) |
| Lease of equipment | 7 | 281 | 227 | 275 | 217 |
| Net gain on disposal of computer hardware | 4 | (100) | (9) | (100) | (9) |
| Net impairment losses/(reversal of impairment losses) on: | | | | | |
| - investment securities | 7 | 92 | (75) | 11 | – |
| - trade and other receivables | 7 | 753 | (179) | 363 | (58) |
| - amount due from subsidiaries | 7 | – | – | 7,053 | 7 |
| Provision/(Reversal of provision) for: | | | | | |
| - short-term accumulating compensated unutilised leave | 5 | 148 | (81) | 132 | (51) |
| - separation benefits | 5 | (2,516) | – | (2,516) | – |
| - sales and service tax on digital services | 7 | (31,420) | 4,266 | – | – |
| Retirement benefit obligations | 5 | 346 | 455 | 346 | 455 |
| Unrealised loss/(gain) on foreign exchange differences | | 68 | (184) | 98 | (11) |
| Operating profit before working capital changes | | 300,318 | 324,501 | 18,833 | 2,239 |
| Increase in inventories | | (2,903) | – | – | – |
| (Increase)/Decrease in receivables | | (9,982) | (338) | (2,642) | 936 |
| Increase/(Decrease) in payables | | 137 | 3,329 | (2,656) | (2,337) |
| Changes in amount due from/(to) subsidiaries | | – | – | (17,966) | 1,521 |
| Cash from/(used in) operations | | 287,570 | 327,492 | (4,431) | 2,359 |
| Interest paid | 15(b) | (533) | (533) | (533) | (533) |
| Repayment of lease of equipment | | (281) | (227) | (275) | (217) |
| Repayment of staff loans, net of disbursements | | 218 | 336 | 209 | 327 |
| Contributions to defined benefit retirement scheme | 32(a) | (2,120) | (4,636) | (2,120) | (4,636) |
| Zakat paid | | (557) | (787) | – | – |
| Net (tax paid)/tax refund | | (72,814) | (68,906) | 187 | (59) |
| Net cash from/(used in) operating activities | | 211,483 | 252,739 | (6,963) | (2,759) |

| | Note | Group | | Company | |
|---|-------|------------------|------------------|------------------|------------------|
| | | 2023 RM'000 | 2022 RM'000 | 2023 RM'000 | 2022 RM'000 |
| Cash flows from investing activities | | | | | |
| Dividends received | | – | – | 203,700 | 271,666 |
| (Increase)/Decrease in deposits not for short-term funding requirements | | (10,577) | 131,565 | (3,482) | 90,004 |
| Interest/profit income received | | 21,460 | 14,778 | 6,990 | 6,119 |
| Proceeds from maturity/disposal of: | | | | | |
| - investment securities | | 14,836 | 24,966 | – | – |
| - computer hardware | | 100 | 9 | 100 | 9 |
| Purchases of: | | | | | |
| - additional ordinary shares in existing subsidiary | | – | – | (13,551) | – |
| - other intangible assets | 17 | (2,448) | – | (2,448) | – |
| - investment securities | | (20,000) | (29,814) | (15,000) | – |
| - property, plant and equipment and computer software | | (36,411) | (58,400) | (32,498) | (55,014) |
| Net cash (used in)/from investing activities | | (33,040) | 83,104 | 143,811 | 312,784 |
| Cash flows from financing activities | | | | | |
| Dividends paid | 12 | (214,464) | (258,976) | (214,464) | (258,976) |
| Grant received | 33(a) | 2,427 | 2,200 | 1,700 | 2,200 |
| Repayment of lease liabilities | 15(b) | (6) | (5) | (6) | (5) |
| Net cash used in financing activities | | (212,043) | (256,781) | (212,770) | (256,781) |
| Net (decrease)/increase in cash and cash equivalents | | (33,600) | 79,062 | (75,922) | 53,244 |
| Effects of exchange rate changes | | 190 | 81 | – | – |
| Cash and cash equivalents at beginning of year | | 394,824 | 315,681 | 211,344 | 158,100 |
| Cash and cash equivalents at end of year | 28 | 361,414 | 394,824 | 135,422 | 211,344 |

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

Notes to the Financial Statements

31 December 2023

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, voluntary carbon market and offshore financial exchanges and the Shariah-compliant commodity and precious metals 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 18 to the financial statements.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors dated 31 January 2024.

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:

MFRS 17 Insurance Contracts ("MFRS 17") and Amendments to MFRS 17 – *Initial Application of MFRS 17 and MFRS 9 – Comparative Information*
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 and International Tax Reform – Pillar Two Model Rules*

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. Significant accounting policies (cont'd.)

2.3 Standards issued but not yet effective

As at the date of authorisation of these financial statements, the following Standards and amendments to Standards have been issued by the MASB but are not yet effective. These pronouncements are either not relevant or do not have any material impact on the Group's and the Company's financial statements:

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 – *Non-current liabilities with Covenants*

Amendments to MFRS 107 Statement of Cash Flows and MFRS 7 Financial Instruments: Disclosure – *Supplier Finance Arrangements*

Effective for financial periods beginning on or after 1 January 2025

Amendments to MFRS 121 The Effects of Changes in Foreign Exchange Rates – *Lack of Exchangeability*

Effective date of these Amendments to Standards has been deferred, and yet to be announced

Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures – *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

2.4 Summary of significant accounting policies

(a) Subsidiaries and basis of consolidation

(i) Subsidiaries

Subsidiaries are entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is recognised in profit or loss.

(ii) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the financial year end. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same financial year end as the Company. Consistent accounting policies are applied to like transactions and events of similar circumstances.

Subsidiaries are consolidated from the date on which control exists. They are deconsolidated from the date that control ceases. All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Acquisition of subsidiaries are accounted for using the purchase method except for business combinations arising from common control transfers. Business combinations involving entities under common control are accounted for by applying the pooling of interest method. The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company. Any difference between the consideration paid and the share capital of the "acquired" entity is reflected within equity as merger reserve or merger deficit. Merger deficit is adjusted against suitable reserves of the entity acquired to the extent that laws or statutes do not prohibit the use of such reserves. The consolidated financial statements reflect the results of the combining entities for the full year, irrespective of when the combination takes place. Comparatives are presented as if the entities have always been combined since the date the entities had come under common control.

Notes to the Financial Statements (cont'd.)

31 December 2023

2. Significant accounting policies (cont'd.)

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

(a) Subsidiaries and basis of consolidation (cont'd.)

(ii) Basis of consolidation (cont'd.)

Under the purchase method of accounting, identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the date of acquisition. Adjustments to those fair values relating to previously held interests are treated as a revaluation and recognised in other comprehensive income. The cost of a business combination is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the business combination.

Any excess of the cost of business combination over the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities is recorded as goodwill on the statements of financial position. The accounting policy for goodwill is set out in Note 2.4(c)(i). Any excess of the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognised as income in profit or loss on the date of acquisition.

(iii) Transactions with non-controlling interest

Non-controlling interest represents the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in profit or loss of the Group and within equity in the consolidated statements of financial position, separately from the equity of the owners of the Company. Transactions with non-controlling interest are accounted for as transactions with owners. On acquisition of non-controlling interest, the difference between the consideration and fair value of the share of the net assets acquired is recognised directly in equity. Gain or loss on disposal to non-controlling interest is recognised directly in equity.

(b) Property, plant and equipment and depreciation

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and to the Company and the cost of the item can be measured reliably.

Subsequent to the initial recognition, costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and to the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised in profit or loss as incurred.

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Projects-in-progress are not depreciated as these assets are not yet available for use. Depreciation of other property, plant and equipment is computed on a straight-line basis over the estimated useful lives of the assets as follows:

| | |
|--|---------------------|
| Buildings and office lots | Fifty years |
| Renovation | Five to seven years |
| Office equipment, furniture and fittings | Three to five years |
| Computers and office automation | Three to ten years |
| Motor vehicles | Five years |

2. Significant accounting policies (cont'd.)

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

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

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful lives and depreciation methods are reviewed at each financial year end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

(c) Intangible assets

(i) Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Group's and of the Company's Cash-Generating Units ("CGUs") that are expected to benefit from the synergies of the combination.

Where goodwill forms part of a CGU and part of the operations within that CGU is disposed off, the goodwill associated with the operations disposed of is included in the carrying amount of the operations when determining the gain or loss on disposal of the operations. Goodwill disposed off in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the CGU retained.

(ii) Computer software

Computer software is initially measured at cost. Costs recognised are costs (including staff costs) directly associated with identifiable software controlled by the Group and the Company that will generate probable future economic benefits. Following initial recognition, computer software is measured at cost less accumulated amortisation and accumulated impairment losses.

The useful lives of computer software are assessed to be finite. Computer software is amortised over their estimated useful lives of five to ten years and assessed for impairment whenever there is an indication that they may be impaired.

The amortisation periods and methods are reviewed at least at each financial year end. Changes in the expected useful lives or the expected pattern of consumption of future economic benefits embodied in the assets are accounted for by changing the amortisation periods or methods, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on computer software with finite lives is recognised in profit or loss. Projects-in-progress are not amortised as these computer software are not yet available for use.

Gains or losses arising from derecognition of computer software are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in profit or loss when the asset is derecognised.

(iii) Carbon credits

Carbon credits are initially measured at cost. Following initial recognition, carbon credits are measured at cost less any accumulated impairment losses. The cost of carbon credits is based on the first-in, first-out allocation method. The useful lives of carbon credits are assessed to be infinite and recognised in profit or loss when the credits are utilised.

Notes to the Financial Statements (cont'd.)

31 December 2023

2. Significant accounting policies (cont'd.)

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

(d) Leases

(i) The Group and the Company as lessee

The Group and the Company recognise a right-of-use asset and a lease liability at the commencement date of the contracts for all leases excluding short-term leases or leases for which the underlying asset is of low value, conveying the right to control the use of an identified asset for a period of time.

The right-of-use assets are initially recorded at cost, which comprises:

- the amount of the initial measurement of the lease liability;
- any lease payments made at or before the commencement date of the lease, less any lease incentives received;
- any initial direct costs incurred by the Group and the Company; and
- an estimate of costs to be incurred by the Group and the Company in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the lessor.

Subsequent to the initial recognition, the right-of-use assets are measured at cost less any accumulated depreciation and accumulated impairment losses, and adjusted for any remeasurement of the lease liability.

Depreciation is computed on a straight-line basis over the estimated useful lives of the right-of-use assets.

If the lease transfers ownership of the underlying asset to the Group and to the Company by the end of the lease term or if the cost of the right-of-use asset reflects that the Group and the Company will exercise a purchase option, the Group and the Company depreciate the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the Group and the Company depreciate the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at that date. The lease payments are discounted using the Group's and the Company's incremental borrowing rate. Subsequent to the initial recognition, the Group and the Company measure the lease liability by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect lease payments made, and remeasuring the carrying amount to reflect any reassessment or lease modifications.

(ii) The Group and the Company as lessor

The Group and the Company classified its leases as either operating leases or finance leases. Leases where the Group and the Company retain substantially all the risks and rewards of ownership of the leased assets are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income.

If the Group and the Company transfer substantially all the risks and rewards incidental to ownership of the leased assets, leases are classified as finance leases and are capitalised at an amount equal to the net investment in the lease.

2. Significant accounting policies (cont'd.)

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

(e) Impairment of non-financial assets

The Group and the Company assess at each financial year end whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group and the Company make an estimate of the asset's recoverable amount.

For intangible assets that are not yet available for use, the recoverable amount is estimated at each financial year end or more frequently when indicators of impairment are identified.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value-in-use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (i.e. CGUs). In assessing value-in-use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss except for assets that were previously revalued and where the revaluation was taken to other comprehensive income. In this case, the impairment loss is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each financial year end as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss for an asset, other than goodwill, is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised, in which case, the carrying amount of the asset is increased to its revised recoverable amount. The increase cannot exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

(f) Inventories

Inventories represent gold bars and gold dinars. Inventories are measured at the lower of cost and net realisable value.

The cost of inventories is based on the weighted average principle, and includes expenditure incurred in acquiring the inventories, production or conversion costs and other costs incurred in bringing them to their existing location and conditions.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and estimated cost necessary to make the sale.

(g) 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.

Notes to the Financial Statements (cont'd.)

31 December 2023

2. Significant accounting policies (cont'd.)

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

(h) 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 40. 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.

(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.)

(h) 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.

(i) 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 supporting 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.

(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.

Notes to the Financial Statements (cont'd.)

31 December 2023

2. Significant accounting policies (cont'd.)

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

(j) 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 as at FVTPL.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This includes derivative financial instruments 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 derivative financial instruments 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.

(k) 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.)

(k) 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.

(l) 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.

(m) 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.

(n) 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.

Notes to the Financial Statements (cont'd.)

31 December 2023

2. Significant accounting policies (cont'd.)

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

(o) Revenue recognition

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

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

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

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

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

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

2. Significant accounting policies (cont'd.)

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

(o) Revenue recognition (cont'd.)

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

(i) Trade fees

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

(ii) Clearing fees

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

(iii) Other Securities trading revenue

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

(iv) Other Derivatives trading revenue

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

(v) Redemption of gold dinars

Redemption of gold dinars are recognised at the fair value of the consideration expected to be received, on the date on which the transaction becomes legally binding.

(vi) 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.

(vii) Depository services

Fees from depository services are recognised when the services are rendered.

(viii) Market data

Fees from sale of information are recognised when the services are rendered.

Notes to the Financial Statements (cont'd.)

31 December 2023

2. Significant accounting policies (cont'd.)

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

(o) Revenue recognition (cont'd.)

(ix) Member services and connectivity

Member services and connectivity mainly comprise:

- **Access fees**

Access fees are recognised over the period that access to the required services is being provided.

- **Participants' fees**

Initial application fees are recognised upon registration or admission into the securities or derivatives exchange. Annual subscription fees are recognised when the services are rendered.

- **Broker services**

Fees from broker services are recognised when the services are rendered.

(x) Other operating revenue

Other operating revenue represents conference fees and exhibition-related income and are recognised when the events are held.

(xi) 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.

(p) Employee benefits

(i) Short-term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees. Short-term accumulating compensated absences such as paid annual leave are recognised as a liability when they accrue to the employees. The estimated liability for paid annual leave is recognised for services rendered by employees up to the reporting date. Short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plans

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

2. Significant accounting policies (cont'd.)

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

(p) Employee benefits (cont'd.)

(iii) Defined benefit plan

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

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

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

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

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

(iv) 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.

(v) 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.

Notes to the Financial Statements (cont'd.)

31 December 2023

2. Significant accounting policies (cont'd.)

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

(q) 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.

(r) Income taxes

(i) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the financial year end.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, and accounted for either in other comprehensive income or directly in equity.

(ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the financial year end between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except for the deferred tax liability that arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, unutilised tax losses and unused tax credits, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unutilised tax losses and unused tax credits can be utilised except where the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets are reviewed at each financial year end and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised.

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

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

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

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

2. Significant accounting policies (cont'd.)

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

(s) Foreign currency

(i) Functional and presentation currency

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

(ii) Foreign currency transactions

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

Exchange differences arising from the settlement of monetary items, or on translating monetary items at the financial year end are recognised in profit or loss, except exchange differences arising on monetary items that form part of the Group's net investment in foreign operations which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Exchange differences arising from the translation of non-monetary items carried at fair value are not included in profit or loss for the period until their impairment or disposal.

(iii) Subsidiary with foreign currency as its functional currency

The results and financial position of a subsidiary that has a functional currency different from the presentation currency of the consolidated financial statements are translated into RM as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate prevailing at the financial year end;
- Income and expenses for each statement of comprehensive income or separate statement of profit or loss presented are translated at average monthly exchange rates, which approximate the exchange rates at the dates of the transactions; and
- All resulting exchange differences are recognised directly in other comprehensive income. On disposal of a subsidiary with foreign currency as its functional currency, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve relating to that particular subsidiary is recognised in profit or loss.

(t) Zakat

The Group recognises its obligation towards the payment of zakat on business income in the statements of profit or loss. Zakat is an obligation under the Shariah principle and is calculated based on "Profit and Loss with adjustments method", as recommended by the Shariah Committee of Bursa Malaysia Islamic Services Sdn Bhd and approved by the Board of Directors of the Company.

Notes to the Financial Statements (cont'd.)

31 December 2023

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 18 respectively.

(b) Impairment of goodwill

The Group and the Company determine whether goodwill are impaired at least on an annual basis. This requires an estimation of the value-in-use of the CGUs to which goodwill are 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 are disclosed in Note 16.

(c) Impairment of investment securities - debt securities

Investment securities - debt securities are reviewed and assessed at each financial year end as to whether there is sufficient allowance for impairment loss provided.

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

The carrying amount of investment securities - debt securities as at the financial year end is disclosed in Note 19.

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

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

2. Significant accounting policies (cont'd.)

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

Key sources of estimation uncertainty (cont'd.)

(e) Deferred tax assets

Deferred tax assets are recognised for all unutilised tax losses and unused capital allowances to the extent that it is probable that taxable profit will be available against which the tax losses and capital allowances can be utilised. Significant judgement is required to determine the amounts of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits together with tax planning strategies. The unutilised tax losses and unused capital allowances as at the financial year end are disclosed in Note 21.

(f) Defined benefit plan

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

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

Notes to the Financial Statements (cont'd.)

31 December 2023

3. Operating revenue

| | Group | |
|---|----------------|----------------|
| | 2023 RM'000 | 2022 RM'000 |
| Trade fees | 25,067 | 25,130 |
| Clearing fees (Note a) | 213,348 | 209,073 |
| Others | 28,197 | 29,299 |
| Total Securities trading revenue | 266,612 | 263,502 |
| Trade fees | 49,795 | 52,611 |
| Clearing fees | 26,147 | 26,989 |
| Others | 13,670 | 17,565 |
| Total Derivatives trading revenue | 89,612 | 97,165 |
| Bursa Suq Al-Sila ("BSAS") trading revenue | 17,091 | 16,449 |
| Other trading revenue | 23 | – |
| Total trading revenue | 373,338 | 377,116 |
| Listing and issuer services | 65,643 | 68,087 |
| Depository services | 53,626 | 53,487 |
| Market data | 68,047 | 60,808 |
| Member services and connectivity | 24,852 | 23,653 |
| Conference fees and exhibition-related income | 7,301 | 2,139 |
| Total non-trading revenue | 219,469 | 208,174 |
| Total operating revenue (Note b) | 592,807 | 585,290 |

| | Company | |
|--|----------------|----------------|
| | 2023 RM'000 | 2022 RM'000 |
| Broker services | 9,025 | 8,220 |
| Income from subsidiaries (Note 38(a)): | | |
| - dividends | 203,700 | 271,666 |
| - management fees | 236,313 | 197,638 |
| - office space rental | 6,587 | 4,921 |
| - lease of computer equipment | 13,837 | 12,790 |
| Total operating revenue (Note c) | 469,462 | 495,235 |

- (a) Securities clearing fees of the Group are stated net of the amount paid and payable to the Securities Commission Malaysia of RM60,463,000 (2022: RM58,551,000).

3. Operating revenue (cont'd.)

- (b) The following tables illustrate the Group's revenue as disaggregated by major services or products and provide a reconciliation of the disaggregated revenue with the Group's six (6) market segments as disclosed in Note 43. The tables also include the timing of revenue recognition.

| | Securities Market RM'000 | Derivatives Market RM'000 | Islamic Market RM'000 | Data Business RM'000 | Exchange Holding Company RM'000 | Others RM'000 | Total RM'000 |
|--|--------------------------------|---------------------------------|-----------------------------|----------------------------|--|------------------|-----------------|
| 2023 | | | | | | | |
| Group | | | | | | | |
| Major services or products: | | | | | | | |
| Securities trading revenue | 266,612 | - | - | - | - | - | 266,612 |
| Derivatives trading revenue | - | 89,612 | - | - | - | - | 89,612 |
| BSAS trading fees | - | - | 17,091 | - | - | - | 17,091 |
| Other trading revenue | - | - | (4) | - | - | 27 | 23 |
| Listing and issuer services | 65,505 | - | - | - | - | 138 | 65,643 |
| Depository services | 53,626 | - | - | - | - | - | 53,626 |
| Market data | - | - | - | 68,047 | - | - | 68,047 |
| Member services and connectivity | 15,578 | 158 | - | - | 9,025 | 91 | 24,852 |
| Conferences fees and exhibition-related income | - | 7,301 | - | - | - | - | 7,301 |
| | 401,321 | 97,071 | 17,087 | 68,047 | 9,025 | 256 | 592,807 |
| Timing of revenue recognition: | | | | | | | |
| - at a point in time | 348,344 | 96,949 | 17,087 | 29,324 | - | 27 | 491,731 |
| - over time | 52,977 | 122 | - | 38,723 | 9,025 | 229 | 101,076 |
| | 401,321 | 97,071 | 17,087 | 68,047 | 9,025 | 256 | 592,807 |
| 2022 | | | | | | | |
| Group | | | | | | | |
| 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 | - | - | - | 60,808 | - | - | 60,808 |
| Member services and connectivity | 15,179 | 161 | - | - | 8,220 | 93 | 23,653 |
| Conferences fees and exhibition-related income | - | 2,139 | - | - | - | - | 2,139 |
| | 400,128 | 99,465 | 16,449 | 60,808 | 8,220 | 220 | 585,290 |
| Timing of revenue recognition: | | | | | | | |
| - at a point in time | 347,154 | 99,337 | 16,449 | 25,013 | - | - | 487,953 |
| - over time | 52,974 | 128 | - | 35,795 | 8,220 | 220 | 97,337 |
| | 400,128 | 99,465 | 16,449 | 60,808 | 8,220 | 220 | 585,290 |

- (c) The Company recognises all of its revenue over time upon satisfaction of performance obligations, except for dividend income from subsidiaries which are recognised at a point in time.

Notes to the Financial Statements (cont'd.)

31 December 2023

4. Other income

| | Group | | Company | |
|---|----------------|----------------|----------------|----------------|
| | 2023 RM'000 | 2022 RM'000 | 2023 RM'000 | 2022 RM'000 |
| Interest/profit income from: | | | | |
| - deposits with licensed financial institutions | 19,147 | 13,289 | 6,593 | 5,573 |
| - investment securities | 2,559 | 2,348 | 398 | 162 |
| - others | 21 | 32 | 20 | 30 |
| Grant income (Note 33(a)) | 1,443 | 1,705 | 965 | 1,574 |
| Net gain on disposals of computer hardware | 100 | 9 | 100 | 9 |
| Rental income | 188 | 81 | 188 | 81 |
| Miscellaneous income | 221 | 491 | 196 | 366 |
| | 23,679 | 17,955 | 8,460 | 7,795 |

5. Staff costs

| | Group | | Company | |
|--|----------------|----------------|----------------|----------------|
| | 2023 RM'000 | 2022 RM'000 | 2023 RM'000 | 2022 RM'000 |
| Wages and salaries | 109,232 | 101,833 | 104,747 | 97,245 |
| Bonus | 30,226 | 23,459 | 29,673 | 23,080 |
| Contributions to a defined contribution plan - EPF | 19,440 | 17,718 | 18,776 | 17,262 |
| Social security contributions | 718 | 606 | 687 | 583 |
| Provision/(Reversal of provision) for: | | | | |
| - short-term accumulating compensated unutilised leave | 148 | (81) | 132 | (51) |
| - separation benefits | (2,516) | - | (2,516) | - |
| Retirement benefit obligations (Note 32(a)) | 346 | 455 | 346 | 455 |
| Other benefits | 10,995 | 11,151 | 10,637 | 10,909 |
| | 168,589 | 155,141 | 162,482 | 149,483 |

Included in staff costs of the Group and of the Company is the Executive Director's remuneration of RM2,166,000 (2022: RM2,109,000), as disclosed in Note 9.

6. Depreciation and amortisation

| | Group | | Company | |
|---|----------------|----------------|----------------|----------------|
| | 2023 RM'000 | 2022 RM'000 | 2023 RM'000 | 2022 RM'000 |
| Depreciation of property, plant and equipment (Note 13) | 22,040 | 16,971 | 21,897 | 16,828 |
| Amortisation of computer software (Note 14) | 11,137 | 9,835 | 10,262 | 8,889 |
| Depreciation of right-of-use assets (Note 15(a)) | 111 | 111 | 111 | 111 |
| | 33,288 | 26,917 | 32,270 | 25,828 |

7. Other operating expenses

| | Group | | Company | |
|--|----------------|----------------|----------------|----------------|
| | 2023 RM'000 | 2022 RM'000 | 2023 RM'000 | 2022 RM'000 |
| Administrative expenses | 9,650 | 8,723 | 8,875 | 8,107 |
| Amortisation of premium | 5 | 2 | – | – |
| Auditors' remuneration: | | | | |
| - statutory audit | 516 | 492 | 116 | 114 |
| - assurance-related services (Note a) | 125 | 84 | 125 | 84 |
| - other services (Note b) | 276 | 401 | 114 | 337 |
| Building management costs: | | | | |
| - office rental | 127 | 263 | 127 | 263 |
| - upkeep and maintenance | 12,848 | 12,014 | 12,844 | 12,012 |
| Central Depository System ("CDS") consumables | 3,004 | 3,047 | 3,004 | 3,047 |
| Net impairment losses/(reversal of impairment losses) on: | | | | |
| - investment securities (Note 39(d)) | 92 | (75) | 11 | – |
| - trade and other receivables | 753 | (179) | 363 | (58) |
| - amount due from subsidiaries | – | – | 7,053 | 7 |
| Marketing and development expenses | 20,850 | 20,487 | 13,530 | 15,323 |
| Net loss/(gain) on foreign exchange differences | 444 | (2,281) | 338 | (1,420) |
| Professional fees | 5,462 | 4,813 | 5,016 | 3,811 |
| Lease of equipment | 281 | 227 | 275 | 217 |
| Technology charges: | | | | |
| - information technology maintenance | 36,170 | 25,592 | 30,342 | 23,457 |
| - service fees | 20,822 | 21,528 | – | – |
| (Reversal of provision)/Provision for sales and service tax ("SST") on digital services (Note c) | (31,420) | 4,266 | – | – |
| Others (Note d) | 12,604 | 11,247 | 9,003 | 7,552 |
| | 92,609 | 110,651 | 91,136 | 72,853 |

(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) The Group had written to the Ministry of Finance ("MOF") for clarification on the application of the SST on digital services pursuant to Service Tax (Amendment)(No.2) Regulations 2019 which came into effect on 1 January 2020, on certain services provided by the Group. The application also requested for exemption from the SST if the services are deemed as digital services. However, MOF reverted that the services are subjected to SST effective 1 July 2023 and confirmed that no retrospective SST is payable. Based on this decision, the Group reversed the provision on SST made on the services for the period from 1 January 2020 to 30 June 2023.

(d) Others include Non-executive Directors' remuneration as disclosed in Note 9, donations and sponsorships.

Notes to the Financial Statements (cont'd.)

31 December 2023

8. Finance costs

| | Group and Company | |
|--|-------------------|----------------|
| | 2023 RM'000 | 2022 RM'000 |
| Interest expense on lease liabilities (Note 15(b)) | 533 | 533 |

9. Directors' remuneration

| | Group and Company | |
|--|-------------------|----------------|
| | 2023 RM'000 | 2022 RM'000 |
| Executive Director's remuneration: | | |
| - salaries and other emoluments | 1,941 | 1,893 |
| - defined contribution plan - EPF | 225 | 216 |
| | 2,166 | 2,109 |
| - estimated monetary value of benefits-in-kind | 35 | 35 |
| | 2,201 | 2,144 |
| Non-executive Directors' remuneration: | | |
| - fees | 1,795 | 1,846 |
| - other emoluments | 1,747 | 1,730 |
| | 3,542 | 3,576 |
| - estimated monetary value of benefits-in-kind | - | 3 |
| | 3,542 | 3,579 |
| Total Directors' remuneration | 5,743 | 5,723 |
| Total Directors' remuneration excluding benefits-in-kind | 5,708 | 5,685 |
| Estimated monetary value of benefits-in-kind | 35 | 38 |
| Total Directors' remuneration including benefits-in-kind | 5,743 | 5,723 |

9. Directors' remuneration (cont'd.)

| Group and Company | 2023 | | 2022 | |
|--|---------------------------|---|---------------------------|---|
| | 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 | 692 | 300 | 689 |
| Datuk Muhamad Umar Swift | – | 2,201 | – | 2,144 |
| Tan Sri Abdul Farid bin Alias | 200 | 109 | 96 | 41 |
| Datuk Bazlan bin Osman | 200 | 134 | 200 | 122 |
| Dato' Anad Krishnan a/l Muthusamy | 200 | 168 | 200 | 153 |
| Datin Azlina binti Mahmad | 200 | 180 | 200 | 156 |
| Chong Chye Neo | 200 | 131 | 200 | 128 |
| Syed Ari Azhar bin Syed Mohamed Adlan | 200 | 123 | 200 | 117 |
| Tan Ler Chin ⁽¹⁾ | 76 | 36 | – | – |
| Sharifatu Laila binti Syed Ali ⁽²⁾ | 124 | 120 | 200 | 197 |
| Pushpanathan a/l S.A. Kanagarayar ⁽³⁾ | 95 | 54 | 200 | 98 |
| Datuk Karownakaran @ Karunakaran a/l Ramasamy ⁽⁴⁾ | – | – | 50 | 32 |
| | 1,795 | 3,948 | 1,846 | 3,877 |

⁽¹⁾ Appointed on 16 August 2023.⁽³⁾ Retired on 23 June 2023.⁽²⁾ Resigned on 16 August 2023.⁽⁴⁾ Retired on 30 March 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 | |
|---|----------------|----------------|----------------|----------------|
| | 2023 RM'000 | 2022 RM'000 | 2023 RM'000 | 2022 RM'000 |
| Income tax: | | | | |
| Current year provision | 74,288 | 79,492 | 1,680 | – |
| Underprovision of tax in previous year | 2,193 | 136 | 562 | – |
| | 76,481 | 79,628 | 2,242 | – |
| Deferred tax (Note 21): | | | | |
| Relating to origination and reversal of temporary differences | (5,805) | 3,150 | (6,150) | 2,232 |
| (Over)/Under provision of tax in previous year | (1,322) | 141 | (356) | 133 |
| | (7,127) | 3,291 | (6,506) | 2,365 |
| Total taxation | 69,354 | 82,919 | (4,264) | 2,365 |
| Zakat | 623 | 514 | – | – |
| Total taxation and zakat | 69,977 | 83,433 | (4,264) | 2,365 |

Notes to the Financial Statements (cont'd.)

31 December 2023

10. Taxation and zakat (cont'd.)

Income tax is calculated at the Malaysian statutory tax rate on the estimated assessable profit for the year.

A reconciliation of income tax expense applicable to profit before tax and zakat at the statutory income tax rate to income tax expense at the effective income tax rate of the Group and of the Company are as follows:

| | Group | | Company | |
|---|----------------|----------------|----------------|----------------|
| | 2023 RM'000 | 2022 RM'000 | 2023 RM'000 | 2022 RM'000 |
| Accounting profit before tax and zakat | 321,467 | 310,003 | 191,501 | 254,333 |
| Taxation at Malaysian statutory tax rate of 24% (2022: 24%) | 77,152 | 74,401 | 45,960 | 61,040 |
| Deferred tax assets not recognised | 1,858 | 3,773 | – | 3,771 |
| Deferred tax assets recognised | (6,379) | – | (6,379) | – |
| Effects of: | | | | |
| - tax rate of 33% on chargeable income above RM100 million | – | 1,167 | – | – |
| - expenses not deductible for tax purposes | 5,090 | 2,614 | 4,837 | 2,621 |
| - income not subject to tax | (1,697) | (337) | (48,888) | (65,200) |
| - (Reversal of provision)/Provision for SST on digital services | (7,541) | 1,024 | – | – |
| Under/(Over) provision of tax in previous year: | | | | |
| - income tax | 2,193 | 136 | 562 | – |
| - deferred tax | (1,322) | 141 | (356) | 133 |
| Total taxation | 69,354 | 82,919 | (4,264) | 2,365 |

In the previous financial year, the Group and the Company had tax savings of RM5,853,000 arising from the utilisation of current year tax losses.

In the year of assessment 2022, there was a one-off special windfall tax known as "Cukai Makmur" whereby companies with chargeable income above RM100 million were taxed at a rate of 33% on the portion of income above RM100 million, and income below or equal to RM100 million were taxed at the statutory tax rate of 24%.

11. Basic and Diluted 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. Diluted EPS equals to Basic EPS as there is no dilutive potential ordinary shares outstanding in the current and previous financial years.

| | Group | |
|--|---------|---------|
| | 2023 | 2022 |
| Profit for the year attributable to owners of the Company (RM'000) | 252,379 | 226,570 |
| Weighted average number of ordinary shares in issue ('000) | 809,299 | 809,299 |
| Basic and Diluted EPS (sen) | 31.2 | 28.0 |

12. Dividends

| Group and Company | Dividends in respect of the year | | Dividends recognised in year | |
|---|-------------------------------------|----------------|---------------------------------|----------------|
| | 2023 RM'000 | 2022 RM'000 | 2023 RM'000 | 2022 RM'000 |
| Single-tier interim dividends on 809,299,000 ordinary shares: | | | | |
| - 15.0 sen per share | 121,395 | 121,395 | 121,395 | 121,395 |
| Single-tier final dividends on 809,299,000 ordinary shares: | | | | |
| - 11.5 sen per share | - | 93,069 | 93,069 | - |
| - 17.0 sen per share in respect of the year 2021 | - | - | - | 137,581 |
| | 121,395 | 214,464 | 214,464 | 258,976 |

On 31 January 2024, the Board of Directors approved and declared a single-tier final dividend of 14.0 sen per share in respect of the financial year ended 31 December 2023. The final dividend amounting to approximately RM113,302,000 will be payable on 29 February 2024. The dividend will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2024.

Notes to the Financial Statements (cont'd.)

31 December 2023

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 2023 | | | | | | | |
| Cost | | | | | | | |
| At 1 January 2023 | | 363,861 | 29,259 | 74,137 | 1,156 | 11,586 | 479,999 |
| Additions | | 2,626 | 3,564 | 1,390 | - | 4,175 | 11,755 |
| Reclassifications | | 11,357 | - | - | - | (11,357) | - |
| Disposals | | - | - | (4,830) | - | - | (4,830) |
| Write-offs | | (1,126) | (1,495) | - | - | - | (2,621) |
| Exchange rate differences | | 12 | 4 | 70 | - | - | 86 |
| At 31 December 2023 | | 376,730 | 31,332 | 70,767 | 1,156 | 4,404 | 484,389 |
| Accumulated depreciation | | | | | | | |
| At 1 January 2023 | | 194,409 | 25,053 | 55,117 | 967 | - | 275,546 |
| Depreciation charge for the year | 6 | 12,914 | 1,683 | 7,286 | 157 | - | 22,040 |
| Disposals | | - | - | (4,830) | - | - | (4,830) |
| Write-offs | | (1,126) | (1,495) | - | - | - | (2,621) |
| Exchange rate differences | | 12 | 4 | 70 | - | - | 86 |
| At 31 December 2023 | | 206,209 | 25,245 | 57,643 | 1,124 | - | 290,221 |
| Net carrying amount at 31 December 2023 | | 170,521 | 6,087 | 13,124 | 32 | 4,404 | 194,168 |
| 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 |

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 2023 | | | | | | | |
| Cost | | | | | | | |
| At 1 January 2023 | | 363,523 | 28,992 | 73,306 | 978 | 11,586 | 478,385 |
| Additions | | 2,626 | 3,564 | 1,390 | - | 4,175 | 11,755 |
| Reclassifications | | 11,357 | - | - | - | (11,357) | - |
| Disposals | | - | - | (4,830) | - | - | (4,830) |
| Write-offs | | (1,081) | (1,495) | - | - | - | (2,576) |
| At 31 December 2023 | | 376,425 | 31,061 | 69,866 | 978 | 4,404 | 482,734 |
| Accumulated depreciation | | | | | | | |
| At 1 January 2023 | | 194,071 | 24,786 | 54,822 | 789 | - | 274,468 |
| Depreciation charge for the year | 6 | 12,914 | 1,683 | 7,143 | 157 | - | 21,897 |
| Disposals | | - | - | (4,830) | - | - | (4,830) |
| Write-offs | | (1,081) | (1,495) | - | - | - | (2,576) |
| At 31 December 2023 | | 205,904 | 24,974 | 57,135 | 946 | - | 288,959 |
| Net carrying amount at 31 December 2023 | | 170,521 | 6,087 | 12,731 | 32 | 4,404 | 193,775 |
| 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 |

Notes to the Financial Statements (cont'd.)

31 December 2023

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 2023 | | | | |
| Cost | | | | |
| At 1 January 2023 | 285,960 | 19,862 | 58,039 | 363,861 |
| Additions | – | – | 2,626 | 2,626 |
| Reclassifications | – | – | 11,357 | 11,357 |
| Write-offs | – | – | (1,126) | (1,126) |
| Exchange rate differences | – | – | 12 | 12 |
| At 31 December 2023 | 285,960 | 19,862 | 70,908 | 376,730 |
| Accumulated depreciation | | | | |
| At 1 January 2023 | 156,884 | 12,987 | 24,538 | 194,409 |
| Depreciation charge for the year | 5,242 | 281 | 7,391 | 12,914 |
| Write-offs | – | – | (1,126) | (1,126) |
| Exchange rate differences | – | – | 12 | 12 |
| At 31 December 2023 | 162,126 | 13,268 | 30,815 | 206,209 |
| Net carrying amount at 31 December 2023 | 123,834 | 6,594 | 40,093 | 170,521 |
| As at 31 December 2022 | | | | |
| Cost | | | | |
| At 1 January 2022 | 285,960 | 19,862 | 36,650 | 342,472 |
| Additions | – | – | 23,072 | 23,072 |
| Reclassifications | – | – | 1,477 | 1,477 |
| Write-offs | – | – | (3,176) | (3,176) |
| Exchange rate differences | – | – | 16 | 16 |
| At 31 December 2022 | 285,960 | 19,862 | 58,039 | 363,861 |
| Accumulated depreciation | | | | |
| At 1 January 2022 | 151,642 | 12,706 | 23,930 | 188,278 |
| Depreciation charge for the year | 5,242 | 281 | 3,768 | 9,291 |
| Write-offs | – | – | (3,176) | (3,176) |
| Exchange rate differences | – | – | 16 | 16 |
| At 31 December 2022 | 156,884 | 12,987 | 24,538 | 194,409 |
| Net carrying amount at 31 December 2022 | 129,076 | 6,875 | 33,501 | 169,452 |

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 2023 | | | | |
| Cost | | | | |
| At 1 January 2023 | 285,960 | 19,862 | 57,701 | 363,523 |
| Additions | – | – | 2,626 | 2,626 |
| Reclassifications | – | – | 11,357 | 11,357 |
| Write-offs | – | – | (1,081) | (1,081) |
| At 31 December 2023 | 285,960 | 19,862 | 70,603 | 376,425 |
| Accumulated depreciation | | | | |
| At 1 January 2023 | 156,884 | 12,987 | 24,200 | 194,071 |
| Depreciation charge for the year | 5,242 | 281 | 7,391 | 12,914 |
| Write-offs | – | – | (1,081) | (1,081) |
| At 31 December 2023 | 162,126 | 13,268 | 30,510 | 205,904 |
| Net carrying amount at 31 December 2023 | 123,834 | 6,594 | 40,093 | 170,521 |
| As at 31 December 2022 | | | | |
| Cost | | | | |
| At 1 January 2022 | 285,960 | 19,862 | 36,328 | 342,150 |
| Additions | – | – | 23,072 | 23,072 |
| Reclassifications | – | – | 1,477 | 1,477 |
| Write-offs | – | – | (3,176) | (3,176) |
| At 31 December 2022 | 285,960 | 19,862 | 57,701 | 363,523 |
| Accumulated depreciation | | | | |
| At 1 January 2022 | 151,642 | 12,706 | 23,608 | 187,956 |
| Depreciation charge for the year | 5,242 | 281 | 3,768 | 9,291 |
| Write-offs | – | – | (3,176) | (3,176) |
| At 31 December 2022 | 156,884 | 12,987 | 24,200 | 194,071 |
| Net carrying amount at 31 December 2022 | 129,076 | 6,875 | 33,501 | 169,452 |

Notes to the Financial Statements (cont'd.)

31 December 2023

14. Computer software

| Group | Note | Implemented projects RM'000 | Projects-in-progress RM'000 | Total RM'000 |
|---|------|--------------------------------|--------------------------------|-----------------|
| As at 31 December 2023 | | | | |
| Cost | | | | |
| At 1 January 2023 | | 159,704 | 8,134 | 167,838 |
| Additions | | 23,503 | 4,438 | 27,941 |
| Reclassifications | | 3,198 | (3,198) | – |
| Disposals | | (7) | – | (7) |
| At 31 December 2023 | | 186,398 | 9,374 | 195,772 |
| Accumulated amortisation and impairment loss | | | | |
| At 1 January 2023 | | 123,683 | 3,300 | 126,983 |
| Amortisation charge for the year | 6 | 11,137 | – | 11,137 |
| Disposals | | (7) | – | (7) |
| At 31 December 2023 | | 134,813 | 3,300 | 138,113 |
| Net carrying amount at 31 December 2023 | | 51,585 | 6,074 | 57,659 |
| As at 31 December 2022 | | | | |
| Cost | | | | |
| At 1 January 2022 | | 151,700 | 4,436 | 156,136 |
| Additions | | 7,254 | 4,390 | 11,644 |
| Reclassifications | | 750 | (692) | 58 |
| At 31 December 2022 | | 159,704 | 8,134 | 167,838 |
| Accumulated amortisation and impairment loss | | | | |
| At 1 January 2022 | | 113,848 | 3,300 | 117,148 |
| Amortisation charge for the year | 6 | 9,835 | – | 9,835 |
| At 31 December 2022 | | 123,683 | 3,300 | 126,983 |
| Net carrying amount at 31 December 2022 | | 36,021 | 4,834 | 40,855 |

14. Computer software (cont'd.)

| Company | Note | Implemented projects RM'000 | Projects-in-progress RM'000 | Total RM'000 |
|---|------|--------------------------------|--------------------------------|-----------------|
| As at 31 December 2023 | | | | |
| Cost | | | | |
| At 1 January 2023 | | 136,530 | 8,134 | 144,664 |
| Additions | | 18,308 | 4,438 | 22,746 |
| Reclassifications | | 3,198 | (3,198) | – |
| Disposals | | (7) | – | (7) |
| At 31 December 2023 | | 158,029 | 9,374 | 167,403 |
| Accumulated amortisation and impairment loss | | | | |
| At 1 January 2023 | | 106,161 | 3,300 | 109,461 |
| Amortisation charge for the year | 6 | 10,262 | – | 10,262 |
| Disposals | | (7) | – | (7) |
| At 31 December 2023 | | 116,416 | 3,300 | 119,716 |
| Net carrying amount at 31 December 2023 | | 41,613 | 6,074 | 47,687 |
| As at 31 December 2022 | | | | |
| Cost | | | | |
| At 1 January 2022 | | 129,087 | 4,436 | 133,523 |
| Additions | | 6,693 | 4,390 | 11,083 |
| Reclassifications | | 750 | (692) | 58 |
| At 31 December 2022 | | 136,530 | 8,134 | 144,664 |
| Accumulated amortisation and impairment loss | | | | |
| At 1 January 2022 | | 97,272 | 3,300 | 100,572 |
| Amortisation charge for the year | 6 | 8,889 | – | 8,889 |
| At 31 December 2022 | | 106,161 | 3,300 | 109,461 |
| Net carrying amount at 31 December 2022 | | 30,369 | 4,834 | 35,203 |

Notes to the Financial Statements (cont'd.)

31 December 2023

15. Right-of-use assets and lease liabilities

(a) Right-of-use assets

| | Group and Company | |
|---|-------------------|----------------|
| | 2023 RM'000 | 2022 RM'000 |
| Cost | | |
| At 1 January/31 December | 8,518 | 8,518 |
| Accumulated depreciation | | |
| At 1 January | 666 | 555 |
| Depreciation charge for the year (Note 6) | 111 | 111 |
| At 31 December | 777 | 666 |
| Net carrying amount at 31 December | 7,741 | 7,852 |

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 | |
|--------------------------------|-------------------|----------------|
| | 2023 RM'000 | 2022 RM'000 |
| Lease liabilities: | | |
| - non-current | 7,440 | 7,446 |
| - current | 505 | 505 |
| Total lease liabilities | 7,945 | 7,951 |

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

| | Group and Company | |
|--------------------------|-------------------|----------------|
| | 2023 RM'000 | 2022 RM'000 |
| At 1 January | 7,951 | 7,956 |
| Interest charge (Note 8) | 533 | 533 |
| Payments of: | | |
| - principal | (6) | (5) |
| - interest | (533) | (533) |
| At 31 December | 7,945 | 7,951 |

16. Goodwill

| | Group | | Company | |
|--------------------------|----------------|----------------|----------------|----------------|
| | 2023 RM'000 | 2022 RM'000 | 2023 RM'000 | 2022 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 | |
|--------------------|----------------|----------------|----------------|----------------|
| | 2023 RM'000 | 2022 RM'000 | 2023 RM'000 | 2022 RM'000 |
| Securities market | 33,273 | 33,273 | 29,494 | 29,494 |
| Derivatives market | 9,684 | 9,684 | – | – |
| | 42,957 | 42,957 | 29,494 | 29,494 |

Key assumptions used in value-in-use calculations

The following describes the key assumptions on which the Group and the Company have based their cash flow projections to undertake impairment assessment of goodwill:

(a) Securities and Derivatives markets

The recoverable amount of these CGUs have 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 (2022: 4% per annum), while expenses have been assumed to grow at an average of 3% per annum (2022: average of 3% per annum), which is in line with the expected inflation rate. In determining the terminal values, no revenue and expense growth was projected from the sixth year to perpetuity.

(b) Discount rate

A discount rate of 12% (2022: 9%) 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 reasonable changes to the key assumptions above would not result in the carrying values of the CGUs to materially exceed their recoverable amounts.

Notes to the Financial Statements (cont'd.)

31 December 2023

17. Other intangible asset

Other intangible asset represents carbon credits, and the movements are as below:

| | Group and Company | |
|---|-------------------|----------------|
| | 2023 RM'000 | 2022 RM'000 |
| Cost | | |
| At 1 January | – | – |
| Additions | 2,448 | – |
| Retired | (543) | – |
| At 31 December | 1,905 | – |
| Net carrying amount at 31 December | 1,905 | – |

18. Investment in subsidiaries

| | Company | |
|-------------------------------------|----------------|----------------|
| | 2023 RM'000 | 2022 RM'000 |
| Unquoted shares, at cost | 332,387 | 321,388 |
| Less: Accumulated impairment losses | (20,218) | (20,218) |
| | 312,169 | 301,170 |

18. Investment in subsidiaries (cont'd.)

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

| Name of subsidiaries | Ownership interest | | Share capital | | Principal activities |
|---|--------------------|-----------|-----------------------|-----------------------|--|
| | 2023 % | 2022 % | 2023 RM'000 | 2022 RM'000 | |
| Bursa Malaysia Securities Berhad ("Bursa Malaysia Securities") | 100 | 100 | 10,250 | 10,250 | Provide, operate and maintain a securities exchange. |
| Bursa Malaysia Securities Clearing Sdn Bhd ("Bursa Malaysia Securities Clearing") | 100 | 100 | 50,000 | 50,000 | Provide, operate and maintain a clearing house for the securities exchange. |
| Bursa Malaysia Derivatives Berhad ("Bursa Malaysia Derivatives") | 100 | 100 | 50,000 | 50,000 | Provide, operate and maintain a derivatives exchange. |
| Bursa Malaysia Depository Sdn Bhd ("Bursa Malaysia Depository") | 100 | 100 | 15,000 | 15,000 | Provide, operate and maintain 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 | Provide, operate and maintain a Shariah compliant commodity trading platform. |
| Bursa Malaysia Information Sdn Bhd ("Bursa Malaysia Information") | 100 | 100 | 250 | 250 | Compile, provide and disseminate prices and other information relating to securities quoted on the securities and derivatives exchanges within the Group, as well as data reported from the bond platform. |
| Labuan International Financial Exchange Inc ("LFX")* | 100 | 100 | 5,500 (in USD'000) | 5,500 (in USD'000) | Provide, operate and maintain an offshore financial exchange. |
| Bursa Malaysia Bonds Sdn Bhd ("Bursa Malaysia Bonds") | 100 | 100 | 2,600 | 2,600 | Provide, operate and maintain an electronic trading platform for the bond market. |
| Bursa Malaysia Regulation Sdn Bhd ("Bursa Malaysia Regulation") | 100 | 100 | 10,000 | 10,000 | Perform regulatory functions for the Group and the Company. |
| Bursa Malaysia Carbon Market Sdn Bhd ("Bursa Malaysia Carbon Market") | 100 | 100 | 1 | 1 | Provide, operate and maintain a voluntary carbon market exchange. |
| Bursa Malaysia Digital Sdn Bhd ("Bursa Malaysia Digital") | 100 | 100 | 5,000 | 1 | Provide, operate and maintain as a Shariah compliant market operator for precious metals and commodities. |
| Bursa Malaysia RAM Capital Sdn Bhd ("Bursa Malaysia RAM Capital") | 51 | 51 | 2,550 | 2,550 | Provide, operate and maintain a debt fundraising platform for small to mid-sized companies. |

Notes to the Financial Statements (cont'd.)

31 December 2023

18. Investment in subsidiaries (cont'd.)

(a) The details of the subsidiaries are as follows: (cont'd.)

| Name of subsidiaries | Ownership interest | | Share capital | | Principal activities |
|--|--------------------|-----------|----------------|----------------|--|
| | 2023 % | 2022 % | 2023 RM'000 | 2022 RM'000 | |
| Subsidiary held through Bursa Malaysia Derivatives | | | | | |
| Bursa Malaysia Derivatives Clearing Berhad ("Bursa Malaysia Derivatives Clearing") | 100 | 100 | 20,000 | 20,000 | Provide, operate and maintain a clearing house for the derivatives exchange. |
| Subsidiary held through Bursa Malaysia Depository | | | | | |
| Bursa Malaysia Depository Nominees Sdn Bhd ("Bursa Malaysia Depository Nominees") | 100 | 100 | ^ | ^ | Act as a nominee for Bursa Malaysia Depository and receive securities on deposit or for safe-custody or management. |
| Subsidiary held through Bursa Malaysia Carbon Market | | | | | |
| Bursa Malaysia Carbon Market Nominees Sdn Bhd ("Bursa Malaysia Carbon Market Nominees") | 100 | 100 | ~ | ~ | Acts as custodian for the voluntary carbon market exchange. |

*Incorporated in the Federal Territory of Labuan, Malaysia.

^ Denotes RM2.

~ Denotes RM1.

All subsidiaries are consolidated. The voting rights in the subsidiaries held directly by the parent company does not differ from the ordinary shares held.

(b) During the current financial year:

(i) On 15 May 2023, these companies changed their name from:

- BM Carbon Market Sdn Bhd to Bursa Malaysia Carbon Market Sdn Bhd;
- BM Digital Sdn Bhd to Bursa Malaysia Digital Sdn Bhd;
- BM RAM Capital Sdn Bhd to Bursa Malaysia RAM Capital Sdn Bhd; and
- BM Carbon Market Nominees Sdn Bhd to Bursa Malaysia Carbon Market Nominees Sdn Bhd.

(ii) On 2 June 2023, Bursa Malaysia RAM Capital obtained approval-in-principle from the Securities Commission Malaysia in relation to Bursa Malaysia RAM Capital's application under the Securities Commission Malaysia Guidelines on Recognised Markets to manage and operate the debt fundraising platform.

(iii) On 19 June 2023, the Company had subscribed for 4,999,000 new ordinary shares at an issue price of RM1.00 per ordinary share in Bursa Malaysia Digital.

(iv) On 10 October 2023, the Company had subscribed for 6,000,000 Islamic Redeemable Convertible Preference Shares ("RCPS") at an issue price of RM1.00 per share in Bursa Malaysia Digital.

18. Investment in subsidiaries (cont'd.)

(c) In the previous financial year:

- (i) On 26 October 2022, the Company had incorporated three (3) new wholly owned subsidiaries, Bursa Malaysia Carbon Market, Bursa Malaysia Carbon Market Nominees and Bursa Malaysia Digital which remained dormant as at the financial year end.
- (ii) 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, Bursa Malaysia RAM Capital was incorporated on 27 December 2022 whereby the Company holds a 51% equity interest and RAM holds the remaining 49% equity interest.

19. Investment securities

| | Group | | Company | |
|------------------------------------|----------------|----------------|----------------|----------------|
| | 2023 RM'000 | 2022 RM'000 | 2023 RM'000 | 2022 RM'000 |
| - Non-current | | | | |
| Unquoted bonds - FVTOCI | 55,471 | 49,445 | 19,985 | 4,748 |
| - Current | | | | |
| Unquoted bonds - FVTOCI | 15,017 | 5,019 | - | - |
| Commercial papers - amortised cost | - | 9,837 | - | - |
| | 15,017 | 14,856 | - | - |
| Total investment securities | 70,488 | 64,301 | 19,985 | 4,748 |

20. Staff loans receivable

| | Group | | Company | |
|--|----------------|----------------|----------------|----------------|
| | 2023 RM'000 | 2022 RM'000 | 2023 RM'000 | 2022 RM'000 |
| Housing loans | 617 | 827 | 355 | 557 |
| Vehicle loans | 44 | 57 | 44 | 57 |
| Computer loans | 70 | 44 | 68 | 42 |
| | 731 | 928 | 467 | 656 |
| Less: Receivable within 12-months, included in other receivables (Note 24) | (154) | (223) | (146) | (215) |
| | 577 | 705 | 321 | 441 |

Notes to the Financial Statements (cont'd.)

31 December 2023

21. Deferred tax assets/(liabilities)

| | Group | | Company | |
|--|----------------|----------------|----------------|----------------|
| | 2023 RM'000 | 2022 RM'000 | 2023 RM'000 | 2022 RM'000 |
| At 1 January | 13,516 | 16,766 | 9,504 | 11,912 |
| Recognised in profit or loss (Note 10) | 7,127 | (3,291) | 6,506 | (2,365) |
| Recognised in other comprehensive income | 10 | 41 | 103 | (43) |
| At 31 December | 20,653 | 13,516 | 16,113 | 9,504 |

Presented after appropriate offsetting as follows:

| | Group | | Company | |
|--|----------------|----------------|----------------|----------------|
| | 2023 RM'000 | 2022 RM'000 | 2023 RM'000 | 2022 RM'000 |
| Deferred tax assets (before offsetting) | 33,146 | 25,952 | 27,313 | 20,934 |
| Offsetting | (11,414) | (11,643) | (11,200) | (11,430) |
| Deferred tax assets (after offsetting) | 21,732 | 14,309 | 16,113 | 9,504 |
| Deferred tax liabilities (before offsetting) | (12,493) | (12,436) | (11,200) | (11,430) |
| Offsetting | 11,414 | 11,643 | 11,200 | 11,430 |
| Deferred tax liabilities (after offsetting) | (1,079) | (793) | – | – |
| Net deferred tax assets | 20,653 | 13,516 | 16,113 | 9,504 |

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 2023 | | | | | | | |
| At 1 January 2023 | 2,160 | 13,740 | 141 | 11 | 9,469 | 431 | 25,952 |
| Recognised in profit or loss | (426) | 2,064 | 79 | (16) | 5,062 | 328 | 7,091 |
| Recognised in other comprehensive income | 103 | – | – | – | – | – | 103 |
| At 31 December 2023 | 1,837 | 15,804 | 220 | (5) | 14,531 | 759 | 33,146 |
| 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 |

21. Deferred tax assets/(liabilities) (cont'd.)**Deferred tax liabilities of the Group:**

| | Right-of-use assets RM'000 | Accelerated capital allowances RM'000 | Investment securities - unquoted bonds RM'000 | Total RM'000 |
|--|----------------------------------|--|---|-----------------|
| As at 31 December 2023 | | | | |
| At 1 January 2023 | 24 | (12,187) | (273) | (12,436) |
| Recognised in profit or loss | 25 | (120) | 131 | 36 |
| Recognised in other comprehensive income | - | - | (93) | (93) |
| At 31 December 2023 | 49 | (12,307) | (235) | (12,493) |

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) |

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 2023 | | | | | | | |
| At 1 January 2023 | 2,160 | 8,813 | 6 | 55 | 9,469 | 431 | 20,934 |
| Recognised in profit or loss | (426) | 1,305 | 10 | (3) | 5,062 | 328 | 6,276 |
| Recognised in other comprehensive income | 103 | - | - | - | - | - | 103 |
| At 31 December 2023 | 1,837 | 10,118 | 16 | 52 | 14,531 | 759 | 27,313 |

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 |

Notes to the Financial Statements (cont'd.)

31 December 2023

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

Deferred tax liabilities of the Company:

| | Right-of-use assets RM'000 | Accelerated capital allowances RM'000 | Investment securities - unquoted bonds RM'000 | Total RM'000 |
|-------------------------------|----------------------------------|--|---|-----------------|
| As at 31 December 2023 | | | | |
| At 1 January 2023 | 24 | (11,393) | (61) | (11,430) |
| Recognised in profit or loss | 25 | 172 | 33 | 230 |
| At 31 December 2023 | 49 | (11,221) | (28) | (11,200) |
| As at 31 December 2022 | | | | |
| At 1 January 2022 | (2) | (11,611) | (42) | (11,655) |
| Recognised in profit or loss | 26 | 218 | (19) | 225 |
| At 31 December 2022 | 24 | (11,393) | (61) | (11,430) |

As disclosed in Note 2.4(r)(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 | |
|--|----------------|----------------|----------------|----------------|
| | 2023 RM'000 | 2022 RM'000 | 2023 RM'000 | 2022 RM'000 |
| Unutilised tax losses - expiring in more than five years | 30,562 | 26,048 | 15,733 | 17,865 |
| Unused capital allowances | 1,092 | 24,444 | – | 24,444 |
| | 31,654 | 50,492 | 15,733 | 42,309 |

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.

22. Inventories

| | Group | |
|---|----------------|----------------|
| | 2023 RM'000 | 2022 RM'000 |
| Cost | | |
| Precious metals - gold bars and gold dinars | 2,903 | – |

23. Trade receivables

| | Group | | Company | |
|---------------------------------------|----------------|----------------|----------------|----------------|
| | 2023 RM'000 | 2022 RM'000 | 2023 RM'000 | 2022 RM'000 |
| Trade receivables | 61,300 | 50,912 | 1,421 | 762 |
| Less: Allowance for impairment losses | (1,685) | (1,379) | (43) | (126) |
| | 59,615 | 49,533 | 1,378 | 636 |

24. Other receivables

| | Group | | Company | |
|---|----------------|----------------|----------------|----------------|
| | 2023 RM'000 | 2022 RM'000 | 2023 RM'000 | 2022 RM'000 |
| Deposits | 767 | 765 | 643 | 643 |
| Prepayments | 9,381 | 7,590 | 9,382 | 7,587 |
| Interest/profit income | 4,905 | 4,659 | 921 | 920 |
| Staff loans receivable within 12-months (Note 20) | 154 | 223 | 146 | 215 |
| Sundry receivables (Note a) | 3,521 | 8,829 | 2,953 | 2,765 |
| | 18,728 | 22,066 | 14,045 | 12,130 |
| Less: Allowance for impairment losses | (3,021) | (5,650) | (2,660) | (2,214) |
| | 15,707 | 16,416 | 11,385 | 9,916 |

- (a) In the previous financial year, included in the Group's sundry receivables was an amount of RM2,450,000 due from RAM for the 49% equity interest in Bursa Malaysia RAM Capital as disclosed in Note 18(c)(ii).

Notes to the Financial Statements (cont'd.)

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25. Amount due from/(to) subsidiaries

| | Company | |
|---------------------------------------|----------------|----------------|
| | 2023 RM'000 | 2022 RM'000 |
| Amount due from subsidiaries | | |
| Bursa Malaysia Securities | 15,209 | 12,853 |
| Bursa Malaysia Securities Clearing | 3,385 | 1,479 |
| Bursa Malaysia Derivatives | 1,888 | 2,716 |
| Bursa Malaysia Derivatives Clearing | 2,527 | 1,790 |
| Bursa Malaysia Depository | 4,806 | 2,836 |
| Bursa Malaysia Regulation | 25 | 8 |
| Bursa Malaysia Islamic Services | 1,807 | 819 |
| Bursa Malaysia Information | 1,960 | 1,413 |
| LFX | 22 | 22 |
| Bursa Malaysia Bonds | 11,920 | 11,912 |
| Bursa Malaysia RAM Capital | 1,758 | – |
| Bursa Malaysia Carbon Market | 6,384 | – |
| Bursa Malaysia Digital | 2,123 | – |
| | 53,814 | 35,848 |
| Less: Allowance for impairment losses | (18,965) | (11,912) |
| | 34,849 | 23,936 |
| Amount due to subsidiaries | | |
| Bursa Malaysia RAM Capital | – | (2,550) |
| Bursa Malaysia Carbon Market | – | (1) |
| Bursa Malaysia Digital | – | (1) |
| | – | (2,552) |

The amounts due from/(to) subsidiaries are unsecured, receivable/(payable) within a month and bear late payment interest charges of 8.7% (2022: 8.4%) per annum.

26. Cash for equity margins, derivatives trading margins, security deposits, eDividend and eRights distributions, gold dinar and carbon credits

| | Group | |
|--|------------------|------------------|
| | 2023 RM'000 | 2022 RM'000 |
| Equity margins | 208,701 | 198,257 |
| Derivatives trading margins | 1,977,908 | 2,972,095 |
| Security deposits from Clearing Participants ("CPs") of Bursa Malaysia Derivatives Clearing | 32,039 | 22,159 |
| Trade payables (Note a) | 2,218,648 | 3,192,511 |
| Cash received for eDividend and eRights distributions, gold dinar and carbon credits (included in other payables (Note 34(a))) | 3,927 | 2,560 |
| | 2,222,575 | 3,195,071 |

26. Cash for equity margins, derivatives trading margins, security deposits, eDividend and eRights distributions, gold dinar and carbon credits (cont'd.)

- (a) Trade payables comprise derivatives trading margins and security deposits which are derived from cash received from CPs of Bursa Malaysia Derivatives Clearing for their open interests in derivatives contracts as at the financial year end. Trade payables also comprise collaterals lodged by Trading Clearing Participants ("TCPs") of Bursa Malaysia Securities Clearing for equity margins and for borrowings under the Securities Borrowing and Lending ("SBL") framework. There are no cash collaterals lodged by TCPs for borrowings under the SBL framework as at the financial year end.
- (b) The cash received from CPs and TCPs are placed in interest-bearing deposits and interest earned is credited to the CPs' and TCPs' accounts net of collateral management service fees levied by Bursa Malaysia Derivatives Clearing and Bursa Malaysia Securities Clearing respectively. Cash received for eDividend and eRights distributions, gold dinar and carbon credits are placed in interest-bearing deposits until such time when payments are due. The details of the cash received are as follows:

| | Group | |
|---|------------------|------------------|
| | 2023 RM'000 | 2022 RM'000 |
| Cash on hand and at banks | 238,337 | 191,829 |
| Deposits with licensed financial institutions | 1,984,238 | 3,003,242 |
| | 2,222,575 | 3,195,071 |

- (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 | |
|---|----------------|----------------|
| | 2023 RM'000 | 2022 RM'000 |
| Collaterals in the form of letters of credit for: | | |
| - equity margins | 15,000 | 11,500 |
| - derivatives trading margins | 836,068 | 794,675 |
| - security deposits from CPs of Bursa Malaysia Derivatives Clearing | 16,000 | 16,000 |
| | 867,068 | 822,175 |
| Collaterals in the form of shares for derivatives trading margins | 962 | 609 |
| | 868,030 | 822,784 |

Notes to the Financial Statements (cont'd.)

31 December 2023

27. Cash and bank balances of Clearing Funds

| Group | Participants' contributions RM'000 | Cash set aside by the Group RM'000 | Total RM'000 |
|--|---------------------------------------|---------------------------------------|-----------------|
| As at 31 December 2023 | | | |
| Contributions from: | | | |
| - TCPs of Bursa Malaysia Securities Clearing | 18,425 | – | 18,425 |
| - Bursa Malaysia Securities Clearing | – | 85,000 | 85,000 |
| Clearing Guarantee Fund ("CGF") | 18,425 | 85,000 | 103,425 |
| Contributions from: | | | |
| - CPs of Bursa Malaysia Derivatives Clearing | 46,100 | – | 46,100 |
| - Bursa Malaysia Derivatives Clearing | – | 10,000 | 10,000 |
| Derivatives Clearing Fund ("DCF") | 46,100 | 10,000 | 56,100 |
| Total cash and bank balances of Clearing Funds as at 31 December 2023 | 64,525 | 95,000 | 159,525 |
| 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 |
| CGF | 19,257 | 85,000 | 104,257 |
| Contributions from: | | | |
| - CPs of Bursa Malaysia Derivatives Clearing | 44,600 | – | 44,600 |
| - Bursa Malaysia Derivatives Clearing | – | 10,000 | 10,000 |
| DCF | 44,600 | 10,000 | 54,600 |
| Total cash and bank balances of Clearing Funds as at 31 December 2022 | 63,857 | 95,000 | 158,857 |

28. Cash and bank balances of the Group/Company

| | Group | | Company | |
|-----------------------------|----------------|----------------|----------------|----------------|
| | 2023 RM'000 | 2022 RM'000 | 2023 RM'000 | 2022 RM'000 |
| Cash on hand and at banks | 4,081 | 2,870 | 1,471 | 662 |
| Deposits with: | | | | |
| - licensed banks | 405,193 | 434,199 | 170,035 | 238,631 |
| - licensed investment banks | 14,620 | 9,658 | 4,690 | 9,343 |
| | 419,813 | 443,857 | 174,725 | 247,974 |
| Total cash and bank | 423,894 | 446,727 | 176,196 | 248,636 |

For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the financial year end:

| | Group | | Company | |
|--|----------------|----------------|----------------|----------------|
| | 2023 RM'000 | 2022 RM'000 | 2023 RM'000 | 2022 RM'000 |
| Total cash and bank | 423,894 | 446,727 | 176,196 | 248,636 |
| Less: Deposits not for short-term funding requirements | (62,480) | (51,903) | (40,774) | (37,292) |
| | 361,414 | 394,824 | 135,422 | 211,344 |

29. Share capital

| | 2023 | | 2022 | |
|--------------------------|---|------------------|---|------------------|
| | Number of ordinary shares '000 | Amount RM'000 | Number of ordinary shares '000 | Amount RM'000 |
| Issued and fully paid | | | | |
| Group | | | | |
| At 1 January/31 December | 809,299 | 435,621 | 809,299 | 435,621 |
| Company | | | | |
| At 1 January/31 December | 809,299 | 430,371 | 809,299 | 430,371 |

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regards to the Company's residual assets.

Notes to the Financial Statements (cont'd.)

31 December 2023

30. Other reserves

| | Note | Group | | Company | |
|--------------------------------------|------|----------------|----------------|----------------|----------------|
| | | 2023 RM'000 | 2022 RM'000 | 2023 RM'000 | 2022 RM'000 |
| Foreign currency translation reserve | (a) | 973 | 825 | – | – |
| Clearing fund reserves | (b) | 30,000 | 30,000 | – | – |
| FVTOCI reserve | (c) | 420 | (607) | (4) | (252) |
| | | 31,393 | 30,218 | (4) | (252) |

(a) Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of a subsidiary whose functional currency differs from the Group's presentation currency.

(b) Clearing fund reserves

| | Note | Group | |
|--|------|----------------|----------------|
| | | 2023 RM'000 | 2022 RM'000 |
| Amount set aside for: | | | |
| CGF, in accordance with the Rules of Bursa Malaysia Securities Clearing | (i) | 25,000 | 25,000 |
| DCF, in accordance with the Rules of Bursa Malaysia Derivatives Clearing | (ii) | 5,000 | 5,000 |
| | | 30,000 | 30,000 |

(i) CGF reserve

CGF reserve is an amount set aside following the implementation of CGF. The minimum size of CGF shall be at RM100,000,000 and may increase by the quantum of interest arising from investments of contributions from TCPs. The CGF comprises contributions from TCPs and appropriation from Bursa Malaysia Securities Clearing resources. CGF composition is disclosed in Note 27.

(ii) DCF reserve

Pursuant to the Rules of Bursa Malaysia Derivatives Clearing, Bursa Malaysia Derivatives Clearing set up DCF for derivatives clearing and settlement. DCF comprises contributions from CPs and appropriation from Bursa Malaysia Derivatives Clearing resources. DCF composition is disclosed in Note 27.

(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.

31. Retained earnings

The Company is able to distribute dividends out of its entire retained earnings under the single-tier tax system.

32. 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 | |
|--|-------------------|----------------|
| | 2023 RM'000 | 2022 RM'000 |
| Present value of funded defined benefit obligations | 8,930 | 11,551 |
| Fair value of plan assets | (1,269) | (2,544) |
| Net liability arising from defined benefit obligations | 7,661 | 9,007 |

(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 2023 | 11,551 | (2,544) | 9,007 |
| Interest expense/(income) (Note 5) | 466 | (120) | 346 |
| Contributions by employer | - | (2,120) | (2,120) |
| Payments from defined plan | (3,404) | 3,404 | - |
| | 8,613 | (1,380) | 7,233 |
| Remeasurements: | | | |
| - return on plan assets | - | 111 | 111 |
| - financial assumptions | 112 | - | 112 |
| - experience loss | 205 | - | 205 |
| | 317 | 111 | 428 |
| At 31 December 2023 | 8,930 | (1,269) | 7,661 |
| At 1 January 2022 | 14,492 | (1,127) | 13,365 |
| Interest expense/(income) (Note 5) | 498 | (43) | 455 |
| Contributions by employer | - | (4,636) | (4,636) |
| Payments from defined plan | (3,214) | 3,214 | - |
| | 11,776 | (2,592) | 9,184 |
| Remeasurements: | | | |
| - return on plan assets | - | 48 | 48 |
| - financial assumptions | (280) | - | (280) |
| - experience loss | 55 | - | 55 |
| | (225) | 48 | (177) |
| At 31 December 2022 | 11,551 | (2,544) | 9,007 |

Notes to the Financial Statements (cont'd.)

31 December 2023

32. Employee benefits (cont'd.)

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

(ii) The plan assets comprise the following:

| | Group and Company | |
|-----------------------------------|-------------------|----------------|
| | 2023 RM'000 | 2022 RM'000 |
| Investment securities: | | |
| - Malaysian Government Securities | 503 | 560 |
| Cash and bank balances | 764 | 2,189 |
| Other receivables | 14 | 9 |
| Other payables | (12) | (214) |
| | 1,269 | 2,544 |

(iii) Principal actuarial assumptions used for determination of the defined benefits obligation are as follows:

| | Group and Company | |
|----------------------------------|-------------------|-----------|
| | 2023 % | 2022 % |
| Discount rate | 4.2 | 4.7 |
| Expected rate of salary increase | 5.0 | 5.0 |

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

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

| | Group and Company | | | |
|--|-----------------------------|-----------------------------|-----------------------------|-----------------------------|
| | Discount rate | | Salary increment rate | |
| | Increase by 1% RM'000 | Decrease by 1% RM'000 | Increase by 1% RM'000 | Decrease by 1% RM'000 |
| At 31 December 2023 | | | | |
| (Decrease)/Increase in defined benefit obligations | (214) | 224 | 184 | (180) |
| At 31 December 2022 | | | | |
| (Decrease)/Increase in defined benefit obligations | (289) | 303 | 253 | (246) |

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.

33. Deferred income

| | Group | | Company | |
|---------------------------|----------------|----------------|----------------|----------------|
| | 2023 RM'000 | 2022 RM'000 | 2023 RM'000 | 2022 RM'000 |
| Deferred grants (Note a) | 2,977 | 1,993 | 2,319 | 1,584 |
| Deferred revenue (Note b) | 3,686 | 2,949 | – | – |
| | 6,663 | 4,942 | 2,319 | 1,584 |

- (a) The deferred grants of the Group refer to grants from the Capital Market Development Fund ("CMDf") for the development of Exchange Traded Funds ("ETFs") market and the futures trading apprenticeship programme to nurture derivatives traders, and a 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 CMDf for the development of ETFs market. There are no conditions or contingencies attached to these grants. The movements in the deferred grants are as below:

| | Group | | Company | |
|--------------------------|----------------|----------------|----------------|----------------|
| | 2023 RM'000 | 2022 RM'000 | 2023 RM'000 | 2022 RM'000 |
| At 1 January | 1,993 | 1,498 | 1,584 | 958 |
| Grant income (Note 4) | (1,443) | (1,705) | (965) | (1,574) |
| Received during the year | 2,427 | 2,200 | 1,700 | 2,200 |
| At 31 December | 2,977 | 1,993 | 2,319 | 1,584 |

- (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 | |
|-------------------------------------|----------------|----------------|
| | 2023 RM'000 | 2022 RM'000 |
| At 1 January | 5,581 | 6,153 |
| Deferred revenue during the year | 12,761 | 10,293 |
| Income recognised in profit or loss | (10,820) | (10,865) |
| At 31 December | 7,522 | 5,581 |
| Deferred revenue: | | |
| - non-current | 3,686 | 2,949 |
| - current (Note 34) | 3,836 | 2,632 |
| | 7,522 | 5,581 |

Notes to the Financial Statements (cont'd.)

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34. Other payables

| | Group | | Company | |
|--|----------------|----------------|----------------|----------------|
| | 2023 RM'000 | 2022 RM'000 | 2023 RM'000 | 2022 RM'000 |
| Accruals | 41,379 | 68,324 | 31,040 | 27,517 |
| Amount due to Securities Commission Malaysia | 5,465 | 6,800 | – | – |
| Capital Market Education and Integrity Fund | 11,400 | 12,273 | 11,400 | 12,273 |
| Deferred revenue (Note 33(b)) | 3,836 | 2,632 | – | – |
| Provision for employee benefits | 40,341 | 35,431 | 39,167 | 34,210 |
| Receipts in advance | 10,413 | 9,027 | 571 | 557 |
| Sundry payables | 33,928 | 41,933 | 7,448 | 18,008 |
| | 146,762 | 176,420 | 89,626 | 92,565 |

- (a) Included in sundry payables of the Group is cash received for eDividend and eRights distributions, gold dinar and carbon credits amounting to RM3,927,000 (2022: RM2,560,000) as disclosed in Note 26.
- (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 | |
|-------------------------------------|----------------|----------------|----------------|----------------|
| | 2023 RM'000 | 2022 RM'000 | 2023 RM'000 | 2022 RM'000 |
| At 1 January | 9,027 | 9,373 | 557 | 549 |
| Received during the year | 4,128 | 3,643 | 279 | 265 |
| Income recognised in profit or loss | (2,742) | (3,989) | (265) | (257) |
| At 31 December | 10,413 | 9,027 | 571 | 557 |

35. 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:

| | 2023 RM'000 | 2022 RM'000 |
|-----------------|----------------|----------------|
| Depository - CF | 50,000 | 50,000 |

The assets of the fund are segregated from the financial statements of the Group and are accounted for separately.

36. 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 | |
|---|-------------------|----------------|
| | 2023 RM'000 | 2022 RM'000 |
| Not later than one year | 155 | 81 |
| Later than one year and not later than five years | 124 | 110 |
| | 279 | 191 |

The rental income for the financial years are disclosed in Note 4.

(b) The Company as lessor of building

The Company has entered into an operating lease arrangement with its subsidiaries for the use of office space. The lease is for a period of three years and shall be automatically renewed for further periods of three years for each renewal unless terminated.

The future aggregate minimum lease payments receivable under the operating leases contracted for as at the financial year end but not recognised as receivables are as follows:

| | Company | |
|---|----------------|----------------|
| | 2023 RM'000 | 2022 RM'000 |
| Not later than one year | 7,046 | 4,921 |
| Later than one year and not later than five years | 28,186 | 9,843 |
| | 35,232 | 14,764 |

Office space rental income earned by the Company for the current and previous financial years are disclosed in Notes 3 and 38(a).

Notes to the Financial Statements (cont'd.)

31 December 2023

36. Operating lease arrangements (cont'd.)

(c) The Company as lessor of computer equipment

The Company has entered into an operating lease arrangement with its subsidiaries for the use of computer equipment. The computer equipment is leased between three to ten years with no purchase option included in the contract.

The future aggregate minimum lease payments receivable under the operating leases contracted for as at the financial year end but not recognised as receivables are as follows:

| | Company | |
|---|----------------|----------------|
| | 2023 RM'000 | 2022 RM'000 |
| Not later than one year | 10,156 | 12,096 |
| Later than one year and not later than five years | 18,306 | 17,657 |
| Later than five years | 4,410 | 3,909 |
| | 32,872 | 33,662 |

Income from the lease of computer equipment for the current and previous financial years are disclosed in Notes 3 and 38(a).

37. Capital commitments

| | Group | | Company | |
|---|----------------|----------------|----------------|----------------|
| | 2023 RM'000 | 2022 RM'000 | 2023 RM'000 | 2022 RM'000 |
| Approved and contracted for: | | | | |
| Computers and office automation | 18,449 | 3,793 | 15,074 | 3,793 |
| Office equipment and renovation | 6,981 | 433 | 6,981 | 433 |
| | 25,430 | 4,226 | 22,055 | 4,226 |
| Approved but not contracted for: | | | | |
| Computers and office automation | 1,167 | 14,804 | 1,094 | 14,804 |
| Office equipment and renovation | – | 18 | – | 18 |
| | 1,167 | 14,822 | 1,094 | 14,822 |

38. Significant related party disclosures**(a) Transactions with subsidiaries**

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

| | 2023 RM'000 | 2022 RM'000 |
|--|----------------|----------------|
| Management fees income from: | | |
| Bursa Malaysia Securities | 122,116 | 104,940 |
| Bursa Malaysia Derivatives | 20,669 | 18,783 |
| Bursa Malaysia Securities Clearing | 19,017 | 14,034 |
| Bursa Malaysia Derivatives Clearing | 18,233 | 20,925 |
| Bursa Malaysia Depository | 25,728 | 20,406 |
| Bursa Malaysia Information | 12,456 | 10,036 |
| Bursa Malaysia Islamic Services | 10,650 | 8,415 |
| Bursa Malaysia Regulation | 106 | 82 |
| Bursa Malaysia Bonds | 2 | 2 |
| LFX | 18 | 15 |
| Bursa Malaysia Carbon Market | 5,008 | – |
| Bursa Malaysia Digital | 1,308 | – |
| Bursa Malaysia RAM Capital | 1,002 | – |
| | 236,313 | 197,638 |
| Office space rental income from: | | |
| Bursa Malaysia Securities | 2,675 | 1,797 |
| Bursa Malaysia Derivatives | 1,458 | 1,218 |
| Bursa Malaysia Securities Clearing | 172 | 357 |
| Bursa Malaysia Depository | 688 | 992 |
| Bursa Malaysia Information | 485 | 295 |
| Bursa Malaysia Islamic Services | 701 | 262 |
| Bursa Malaysia Carbon Market | 114 | – |
| Bursa Malaysia Digital | 44 | – |
| Bursa Malaysia RAM Capital | 250 | – |
| | 6,587 | 4,921 |
| Lease of computer equipment income from: | | |
| Bursa Malaysia Securities | 8,355 | 7,985 |
| Bursa Malaysia Derivatives | 1,326 | 1,281 |
| Bursa Malaysia Securities Clearing | 1,199 | 1,142 |
| Bursa Malaysia Derivatives Clearing | 248 | 261 |
| Bursa Malaysia Depository | 1,307 | 911 |
| Bursa Malaysia Information | 293 | 235 |
| Bursa Malaysia Islamic Services | 912 | 975 |
| Bursa Malaysia Carbon Market | 121 | – |
| Bursa Malaysia Digital | 30 | – |
| Bursa Malaysia RAM Capital | 46 | – |
| | 13,837 | 12,790 |

Notes to the Financial Statements (cont'd.)

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

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

| | 2023 RM'000 | 2022 RM'000 |
|------------------------------------|----------------|----------------|
| Dividend income from: | | |
| Bursa Malaysia Securities | 66,000 | 115,000 |
| Bursa Malaysia Securities Clearing | 45,000 | 58,000 |
| Bursa Malaysia Depository | 57,000 | 64,000 |
| Bursa Malaysia Information | 31,000 | 31,000 |
| Bursa Malaysia Islamic Services | 4,700 | 3,500 |
| Bursa Malaysia Derivatives | – | 166 |
| | 203,700 | 271,666 |

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 25.

The Directors are of the opinion that the above transactions have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

(b) Transactions with other related parties

Government-linked and other entities are related to the Company by virtue of the substantial shareholding of a government body corporate in the Company. The transactions entered into with these entities have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

(c) Compensation of key management personnel

Key management personnel refers to the Directors and the management committee of the Group and of the Company. The remuneration of Directors is disclosed in Note 9, and the remuneration of the management committee during the current and previous financial years are as follows:

| | Group and Company | |
|--|-------------------|----------------|
| | 2023 RM'000 | 2022 RM'000 |
| Short-term employee benefits | 7,911 | 7,386 |
| Contributions to defined contribution plan - EPF | 863 | 802 |
| | 8,774 | 8,188 |

Included in total remuneration of the management committee is the Executive Director's remuneration of RM2,166,000 (2022: RM2,109,000), as disclosed in Note 9.

38. 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 |
|--|------------------|-----------------|---|-------------------------------|--------------------------------|-----------------|
| 2023 | | | | | | |
| Datuk Muhamad Umar Swift | 1,497 | 374 | 225 | 70 | 35 | 2,201 |
| Rosidah binti Baharom | 758 | 196 | 168 | 109 | - | 1,231 |
| Ashish Jaywant Rege | 869 | 217 | - | 114 | - | 1,200 |
| Tay Yu Hui | 641 | 160 | 144 | 100 | - | 1,045 |
| Julian Mahmud Hashim | 898 | 224 | 147 | 105 | - | 1,374 |
| Mohd Saleem Kader Bakas ⁽¹⁾ | 544 | 149 | 102 | 202 | - | 997 |
| Azhar bin Mohd Zabidi ⁽²⁾ | 542 | - | 77 | 107 | - | 726 |
| 2022 | | | | | | |
| Datuk Muhamad Umar Swift | 1,440 | 360 | 216 | 93 | 35 | 2,144 |
| Rosidah binti Baharom | 728 | 182 | 161 | 111 | - | 1,182 |
| Ashish Jaywant Rege | 824 | 206 | - | 101 | - | 1,131 |
| Tay Yu Hui | 549 | 159 | 131 | 123 | - | 962 |
| Julian Mahmud Hashim | 859 | 215 | 141 | 104 | - | 1,319 |
| Mohd Saleem Kader Bakas ⁽¹⁾ | 188 | 47 | 38 | 89 | - | 362 |
| Azhar bin Mohd Zabidi ⁽²⁾ | 689 | 172 | 115 | 112 | - | 1,088 |

⁽¹⁾ Appointed on 1 July 2022.

⁽²⁾ Expiry of fixed term contract on 11 October 2023.

Notes to the Financial Statements (cont'd.)

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39. 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 (2022: 25 basis points) increase/decrease in interest/profit rates with all other variables held constant:

| | Group | | Company | |
|-------------------------------|----------------|----------------|----------------|----------------|
| | 2023 RM'000 | 2022 RM'000 | 2023 RM'000 | 2022 RM'000 |
| Effects on equity if: | | | | |
| - increase by 25 basis points | (390) | (310) | (138) | (41) |
| - decrease by 25 basis points | 390 | 310 | 138 | 41 |

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.

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

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

Interest/profit rate exposure

The following table analyses the Group's and the Company's interest/profit rate exposure. The investment securities and deposits with licensed financial institutions are categorised by maturity dates.

| | Maturity | | | Total RM'000 | Effective interest/ profit rate % |
|--|---------------------------------|--------------------------------|-----------------------------------|-----------------|--|
| | Less than one year RM'000 | One to five years RM'000 | More than five years RM'000 | | |
| Group | | | | | |
| As at 31 December 2023 | | | | | |
| Investment securities: | | | | | |
| - unquoted bonds | 15,017 | 50,325 | 5,146 | 70,488 | 4.23 |
| Deposits with licensed financial institutions: | | | | | |
| - cash set aside by the Group for Clearing Funds | 95,000 | - | - | 95,000 | 3.75 |
| - cash and bank balances | 419,813 | - | - | 419,813 | 3.51 |
| 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 |
| Company | | | | | |
| As at 31 December 2023 | | | | | |
| Investment securities: | | | | | |
| - unquoted bonds | - | 19,985 | - | 19,985 | 3.94 |
| Deposits with licensed financial institutions: | | | | | |
| - cash and bank balances | 174,725 | - | - | 174,725 | 3.58 |
| 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 |

Notes to the Financial Statements (cont'd.)

31 December 2023

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

(b) Market risk: Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates such as that in the United States Dollar ("USD"), Singapore Dollar ("SGD"), Japanese Yen ("JPY") and Chinese Renminbi ("RMB"). 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 | |
|---|----------------|----------------|----------------|----------------|
| | 2023 RM'000 | 2022 RM'000 | 2023 RM'000 | 2022 RM'000 |
| Financial assets - denominated in USD | | | | |
| Trade receivables | 9,079 | 2,927 | 172 | – |
| Cash and bank balances | 18,790 | 24,307 | 12 | 8,227 |
| | 27,869 | 27,234 | 184 | 8,227 |
| Financial liabilities - denominated in USD | | | | |
| Other payables | 5,151 | 5,584 | 216 | 578 |

The Group is not exposed to foreign currency risk from the holding of margins and collaterals as the risks are borne by the participants. The following table depicts this through the netting off of monies held as margins and collaterals against the corresponding liabilities.

| Group | USD RM'000 | SGD RM'000 | JPY RM'000 | RMB RM'000 | Total RM'000 |
|--|---------------|---------------|---------------|---------------|-----------------|
| As at 31 December 2023 | | | | | |
| Financial assets | | | | | |
| Cash for equity margins, derivatives trading margins and security deposits | 263,972 | 5,857 | 4,958 | 1,001 | 275,788 |
| Financial liabilities | | | | | |
| Trade payables | (263,972) | (5,857) | (4,958) | (1,001) | (275,788) |
| | – | – | – | – | – |

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) |
| | – | – | – | – | – |

39. Financial risk management objectives and policies (cont'd.)**(b) Market risk: Foreign currency risk (cont'd.)**

The following table demonstrates the sensitivity of the Group's profit after tax and equity to a reasonable possible change in the exchange rates against the respective functional currencies of the Group, with all other variables held constant.

| | Group | | Company | |
|------------------------------------|----------------------------|------------------|----------------------------|------------------|
| | Profit after tax RM'000 | Equity RM'000 | Profit after tax RM'000 | Equity RM'000 |
| As at 31 December 2023 | | | | |
| USD - strengthens by 5% against RM | 863 | 863 | (1) | (1) |
| As at 31 December 2022 | | | | |
| USD - strengthens by 5% against RM | 823 | 823 | 291 | 291 |

An equivalent weakening of the foreign currencies as shown above would have resulted in an equivalent, but opposite, impact.

(c) Liquidity risk

Liquidity risk is the risk that the Group and the Company will encounter difficulty in meeting their financial obligations due to a shortage of funds.

(i) Liabilities related risk

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

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

| Group | Maturity | | | | Total RM'000 |
|---|---------------------|---------------------------------|-------------------------------------|-----------------------------------|-----------------|
| | On demand RM'000 | Less than one year RM'000 | One year to five years RM'000 | More than five years RM'000 | |
| As at 31 December 2023 | | | | | |
| Other payables which are financial liabilities* | 27,494 | 11,899 | – | – | 39,393 |
| Lease liabilities** | – | 505 | 2,188 | 34,333 | 37,026 |
| | 27,494 | 12,404 | 2,188 | 34,333 | 76,419 |
| As at 31 December 2022 | | | | | |
| Other payables which are financial liabilities* | 25,872 | 22,861 | – | – | 48,733 |
| Lease liabilities** | – | 505 | 2,188 | 34,872 | 37,565 |
| | 25,872 | 23,366 | 2,188 | 34,872 | 86,298 |

Notes to the Financial Statements (cont'd.)

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

(c) Liquidity risk (cont'd.)

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

| Company | Maturity | | | | Total RM'000 |
|---|---------------------|---------------------------------|-------------------------------------|-----------------------------------|-----------------|
| | On demand RM'000 | Less than one year RM'000 | One year to five years RM'000 | More than five years RM'000 | |
| As at 31 December 2023 | | | | | |
| Other payables which are financial liabilities* | 3,854 | 3,594 | – | – | 7,448 |
| Lease liabilities** | – | 505 | 2,188 | 34,333 | 37,026 |
| | 3,854 | 4,099 | 2,188 | 34,333 | 44,474 |
| As at 31 December 2022 | | | | | |
| Other payables which are financial liabilities* | 4,326 | 13,682 | – | – | 18,008 |
| Amount due to subsidiaries | – | 2,552 | – | – | 2,552 |
| Lease liabilities** | – | 505 | 2,188 | 34,872 | 37,565 |
| | 4,326 | 16,739 | 2,188 | 34,872 | 58,125 |

* Other payables which are financial liabilities include amount due to the Securities Commission Malaysia and sundry payables as disclosed in Note 34.

** 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 27, were set up to further mitigate this risk.

The liabilities and corresponding assets in relation to clearing and settlement risk as at the financial year end are shown below:

| Group | Note | On demand | |
|--|-------|----------------|----------------|
| | | 2023 RM'000 | 2022 RM'000 |
| Current assets | | | |
| Cash for equity margins, derivatives trading margins and security deposits | 26 | 2,218,648 | 3,192,511 |
| Cash and bank balances of Clearing Funds: | | | |
| - participants' contribution | 27 | 64,525 | 63,857 |
| Current liabilities | | | |
| Trade payables | 26(a) | (2,218,648) | (3,192,511) |
| Participants' contribution to Clearing Funds | 27 | (64,525) | (63,857) |
| | | – | – |

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

(d) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group and the Company are exposed to credit risk primarily from their investment securities, staff loans receivable, trade receivables, other receivables which are financial assets, amount due from subsidiaries and cash and bank balances.

As at the current and previous financial year end, the Group's and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial asset recognised on the statements of financial position.

For investment securities and cash and bank balances, the Group and the Company minimise credit risk by adopting an investment policy which only allows dealing with counterparties with good credit ratings. The Group and the Company closely monitor the credit worthiness of their counterparties by reviewing their credit ratings and credit profiles on a regular basis. Receivables are monitored to ensure that exposure to bad debts is minimised.

Investment securities and cash and bank balances

The counterparty credit rating of the Group's and of the Company's investment securities and cash and bank balances rated by credit rating agencies (RAM Holdings Berhad and Malaysian Rating Corporation Berhad) as at the financial year end is as follows:

| | Government Guaranteed RM'000 | Counterparty credit rating | | | | Total RM'000 |
|-------------------------------|------------------------------------|----------------------------|---------------|--------------|-------------|-----------------|
| | | P1 RM'000 | AAA RM'000 | AA RM'000 | A RM'000 | |
| Group | | | | | | |
| As at 31 December 2023 | | | | | | |
| Investment securities: | | | | | | |
| - unquoted bonds | - | - | 30,230 | 40,258 | - | 70,488 |
| Cash and bank balances* | - | - | 1,980,100 | 699,323 | 126,571 | 2,805,994 |
| 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 |
| Company | | | | | | |
| As at 31 December 2023 | | | | | | |
| Investment securities: | | | | | | |
| - unquoted bonds | - | - | 9,899 | 10,086 | - | 19,985 |
| Cash and bank balances | - | - | 89,731 | 73,530 | 12,935 | 176,196 |
| 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 |

* Cash and bank balances include cash for equity margins, derivatives trading margins, security deposits, eDividend and eRights distributions, gold dinar and carbon credits, cash and bank balances of Clearing Funds, and the Group's cash and bank balances.

Notes to the Financial Statements (cont'd.)

31 December 2023

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

(d) Credit risk (cont'd.)

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

The Group's and the Company's investment securities are rated as investment grade and the allowance for impairment losses are measured on the basis of 12-months expected credit losses ("ECL"). As at the financial year end, there is no significant increase in credit risk for investment securities since initial recognition. The movements in the allowance for impairment losses on investment securities are as follows:

| | Group | | Company | |
|---|----------------|----------------|----------------|----------------|
| | 2023 RM'000 | 2022 RM'000 | 2023 RM'000 | 2022 RM'000 |
| At 1 January | 10 | 85 | 1 | 1 |
| Charge/(Reversal) for the year (Note 7) | 92 | (75) | 11 | - |
| At 31 December | 102 | 10 | 12 | 1 |

Receivables

The ageing analysis of the Group's and of the Company's gross receivables (before deducting allowance for impairment losses) are as follows:

| | | Not credit impaired | | | | | | | | |
|--|------|---------------------|------------------------------|---------------------------|------------------------|---------------------------|---------------------------|----------------------------|-------------------------|-----------------------------|
| | | Past due | | | | | | | | |
| Group | Note | Total RM'000 | Credit impaired RM'000 | Not past due RM'000 | < 30 days RM'000 | 31 - 60 days RM'000 | 61 - 90 days RM'000 | 91 - 180 days RM'000 | > 181 days RM'000 | Total past due RM'000 |
| At 31 December 2023 | | | | | | | | | | |
| Staff loans receivable | 20 | 731 | – | 731 | – | – | – | – | – | – |
| Trade receivables | 23 | 61,300 | 905 | 44,407 | 5,582 | 4,360 | 926 | 2,723 | 2,397 | 15,988 |
| Other receivables which are financial assets¹ | 24 | 9,193 | 3,016 | 6,177 | – | – | – | – | – | – |
| At 31 December 2022 | | | | | | | | | | |
| Staff loans receivable | 20 | 928 | – | 928 | – | – | – | – | – | – |
| Trade receivables | 23 | 50,912 | 813 | 42,872 | 1,956 | 3,412 | 440 | 824 | 595 | 7,227 |
| Other receivables which are financial assets¹ | 24 | 14,253 | 5,643 | 8,610 | – | – | – | – | – | – |

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

39. 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.)

| | | | | | Not credit impaired | | | | | |
|--|------|-----------------|------------------------------|---------------------------|------------------------|---------------------------|---------------------------|----------------------------|-------------------------|-----------------------------|
| | | | | | Past due | | | | | |
| Company | Note | Total RM'000 | Credit impaired RM'000 | Not past due RM'000 | < 30 days RM'000 | 31 - 60 days RM'000 | 61 - 90 days RM'000 | 91 - 180 days RM'000 | > 181 days RM'000 | Total past due RM'000 |
| At 31 December 2023 | | | | | | | | | | |
| Staff loans receivable | 20 | 467 | - | 467 | - | - | - | - | - | - |
| Trade receivables | 23 | 1,421 | 19 | 134 | 221 | 485 | 241 | 185 | 136 | 1,268 |
| Other receivables which are financial assets* | 24 | 4,517 | 2,655 | 1,862 | - | - | - | - | - | - |
| Amount due from subsidiaries | 25 | 53,814 | 18,965 | 34,849 | - | - | - | - | - | - |
| At 31 December 2022 | | | | | | | | | | |
| Staff loans receivable | 20 | 656 | - | 656 | - | - | - | - | - | - |
| Trade receivables | 23 | 762 | 109 | 138 | 260 | 96 | 13 | 106 | 40 | 515 |
| Other receivables which are financial assets* | 24 | 4,328 | 2,207 | 2,121 | - | - | - | - | - | - |
| Amount due from subsidiaries | 25 | 35,848 | 11,912 | 23,936 | - | - | - | - | - | - |

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

Receivables that are neither past due nor credit impaired are creditworthy debtors with good payment records with the Group and with the Company. The credit terms for trade receivables range from 7 days to 30 days, except for trade receivables relating to fees due from clearing participants for clearing and settlement services whereby the payments are due two market days from the month end.

None of the Group's and the Company's receivables that are neither past due nor credit impaired have been renegotiated during the current and previous financial years.

The Group and the Company have no significant concentration of credit risk that may arise from exposures to a single clearing participant or counterparty.

Receivables are not secured by any collaterals or credit enhancements other than as disclosed in Note 26.

Notes to the Financial Statements (cont'd.)

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

(d) Credit risk (cont'd.)

Impairment on receivables

The Group and the Company apply the simplified approach whereby allowance for impairment losses are measured at lifetime ECL. The movements of the allowance for impairment losses on receivables are as follows:

| Group | Trade receivables | | | Other receivables | | |
|--------------------------------|----------------------------------|---------------------------|---------------------------|----------------------------------|---------------------------|---------------------------|
| | Lifetime ECL allowance RM'000 | Credit impaired RM'000 | Total allowance RM'000 | Lifetime ECL allowance RM'000 | Credit impaired RM'000 | Total allowance RM'000 |
| At 1 January 2023 | 566 | 813 | 1,379 | 7 | 5,643 | 5,650 |
| Charge/(Reversal) for the year | 214 | 92 | 306 | (2) | 449 | 447 |
| Write-offs | - | - | - | - | (3,076) | (3,076) |
| At 31 December 2023 | 780 | 905 | 1,685 | 5 | 3,016 | 3,021 |
| 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 |

| Company | Trade receivables | | | Other receivables | | | Amount due from subsidiary |
|--------------------------------|----------------------------------|---------------------------|---------------------------|----------------------------------|---------------------------|---------------------------|-------------------------------|
| | Lifetime ECL allowance RM'000 | Credit impaired RM'000 | Total allowance RM'000 | Lifetime ECL allowance RM'000 | Credit impaired RM'000 | Total allowance RM'000 | Credit impaired RM'000 |
| At 1 January 2023 | 17 | 109 | 126 | 7 | 2,207 | 2,214 | 11,912 |
| Charge/(Reversal) for the year | 7 | (90) | (83) | (2) | 448 | 446 | 7,053 |
| At 31 December 2023 | 24 | 19 | 43 | 5 | 2,655 | 2,660 | 18,965 |
| 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 |

- 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.
- The Group's allowance for impairment losses on trade and other receivables decreased by RM2,323,000 in the current financial year and by RM358,000 in the previous financial year mainly due to the write-offs of bad debts that could not be recovered.
- The Company's allowance for impairment losses on trade and other receivables increased by RM363,000 in the current financial year mainly due to the additional impairment loss provided on other receivables. In the previous financial year, the Company's allowance for impairment losses on trade and other receivables decreased by RM58,000 mainly due to the recovery of bad debts.

40. Classification of financial instruments

The Group's and the Company's financial assets and financial liabilities are measured on an ongoing basis at either fair value or at amortised cost based on their respective classification. The significant accounting policies in Note 2.4 describe how the classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised. The following table analyses the financial assets and financial liabilities of the Group and of the Company in the statements of financial position by the classes and categories of financial instruments to which they are assigned by their measurement basis.

| | Group | | Company | |
|---|------------------|------------------|----------------|----------------|
| | 2023 RM'000 | 2022 RM'000 | 2023 RM'000 | 2022 RM'000 |
| Assets | | | | |
| Financial assets at FVTOCI | | | | |
| Investment securities: | | | | |
| - unquoted bonds | 70,488 | 54,464 | 19,985 | 4,748 |
| Financial assets at amortised cost | | | | |
| Investment securities: | | | | |
| - commercial papers | - | 9,837 | - | - |
| Staff loans receivable | 731 | 928 | 467 | 656 |
| Trade receivables | 59,615 | 49,533 | 1,378 | 636 |
| Other receivables which are financial assets* | 6,172 | 8,603 | 1,857 | 2,114 |
| Amount due from subsidiaries | - | - | 34,849 | 23,936 |
| Cash for equity margins, derivatives trading margins, security deposits, eDividend and eRights distributions, gold dinar and carbon credits | 2,222,575 | 3,195,071 | - | - |
| Cash and bank balances of Clearing Funds | 159,525 | 158,857 | - | - |
| Cash and bank balances of the Group/Company | 423,894 | 446,727 | 176,196 | 248,636 |
| | 2,872,512 | 3,869,556 | 214,747 | 275,978 |
| Total financial assets | 2,943,000 | 3,924,020 | 234,732 | 280,726 |
| Liabilities | | | | |
| Financial liabilities at amortised cost | | | | |
| Trade payables | 2,218,648 | 3,192,511 | - | - |
| Participants' contributions to Clearing Funds | 64,525 | 63,857 | - | - |
| Other payables which are financial liabilities** | 39,393 | 48,733 | 7,448 | 18,008 |
| Amount due to subsidiaries | - | - | - | 2,552 |
| Lease liabilities | 7,945 | 7,951 | 7,945 | 7,951 |
| Total financial liabilities | 2,330,511 | 3,313,052 | 15,393 | 28,511 |

* Other receivables which are financial assets include deposits, interest/profit income and sundry receivables, net of allowance for impairment losses, as disclosed in Note 24.

** Other payables which are financial liabilities include amount due to the Securities Commission Malaysia and sundry payables as disclosed in Note 34.

Notes to the Financial Statements (cont'd.)

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41. 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.

(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 | |
|----------------------------------|----------------|----------------|----------------|----------------|
| | 2023 RM'000 | 2022 RM'000 | 2023 RM'000 | 2022 RM'000 |
| Financial asset - Level 2 | | | | |
| Investment securities: | | | | |
| - unquoted bonds | 70,488 | 54,464 | 19,985 | 4,748 |

The Group and the Company do not have any financial liabilities carried at fair value as at 31 December 2023 and 31 December 2022.

41. 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 |
|---|-------|
| Investment securities - commercial paper | 19 |
| Trade receivables | 23 |
| Other receivables which are financial assets (except staff loans receivable within 12 months) | 24 |
| Amount due from/(to) subsidiaries | 25 |
| Cash for equity margins, derivatives trading margins, security deposits, eDividend and eRights distributions, gold dinar and carbon credits | 26 |
| Cash and bank balances of Clearing Funds | 27 |
| Cash and bank balances of the Group/Company | 28 |
| Trade payables | 26(a) |
| Participants' contributions to Clearing Funds | 27 |
| Other payables which are financial liabilities | 34 |

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 2023 | | | | |
| Staff loans receivable (Note 20) | 731 | 685 | 467 | 427 |
| As at 31 December 2022 | | | | |
| Staff loans receivable (Note 20) | 928 | 894 | 656 | 628 |

42. Capital management

The Group manages its capital with the objective of maximising shareholders' returns. To achieve this, the Group takes into consideration and ensures the sufficiency of funds for operations, risk management and development. Although the Group's policy is to distribute at least 75% of its profits to shareholders, it has been thus far distributing at least 90% of its profits every year whilst ensuring that its pool of funds for future development is at a sufficient level.

The Group is not subject to any externally imposed capital requirements. However, the Group is required to set aside funds for the CGF and DCF in accordance with the business rules of its clearing house subsidiaries. The Group also takes into consideration the guidance under the Principles for Financial Market Infrastructures when determining the sufficiency of funds held by the Group.

Total capital managed at Group level, which comprises shareholders' funds and deferred capital grants, stood at RM826,049,000 (2022: RM786,300,000) 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.

Notes to the Financial Statements (cont'd.)

31 December 2023

43. 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, Islamic, data business, 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) Segments

Effective 1 January 2023, the Group re-organised its operating segments into six (6) segments to reflect the Management Committee's review of segment performance and resources allocation:

- (i) The securities market mainly comprises the provision and operation of the listing, trading, clearing, depository services on the securities exchange.
- (ii) The derivatives market mainly comprises the provision and operation of the trading and clearing services on the derivatives exchange.
- (iii) The Islamic market mainly comprises the provision of Shariah compliant Murabahah commodity trading platform to facilitate Islamic finance transactions and liquidity management for Islamic financial institutions and Shariah compliant operator for precious metals.
- (iv) The data business mainly comprises the provision and dissemination of information relating to equity securities and derivatives quoted on the exchange.
- (v) The exchange holding business refers to the operation of the Company which functions as an investment holding company.
- (vi) Others segment mainly comprises the provision of a voluntary carbon market exchange, a debt fundraising platform for small to mid-sized companies, 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 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.

43. Segment information (cont'd.)

Market segments

| Group | Securities market RM'000 | Derivatives market RM'000 | Islamic market RM'000 | Data business RM'000 | Exchange holding company RM'000 | Others RM'000 | Total RM'000 |
|---|--------------------------------|---------------------------------|-----------------------------|----------------------------|--|------------------|-----------------|
| As at 31 December 2023 | | | | | | | |
| Operating revenue | 401,321 | 97,071 | 17,087 | 68,047 | 9,025 | 256 | 592,807 |
| Other income | 10,784 | 3,462 | 172 | 504 | 8,460 | 297 | 23,679 |
| Direct costs | (83,798) | (46,932) | (4,614) | (10,517) | (28,053) | (3,938) | (177,852) |
| Segment profit/(loss) | 328,307 | 53,601 | 12,645 | 58,034 | (10,568) | (3,385) | 438,634 |
| Overheads | | | | | | | (117,167) |
| Profit before tax and zakat | | | | | | | 321,467 |
| Segment assets | | | | | | | |
| Assets | 352,208 | 156,400 | 33,843 | 39,280 | 276,475 | 19,408 | 877,614 |
| Clearing Funds | 103,425 | 56,100 | - | - | - | - | 159,525 |
| Cash for equity margins, derivatives trading margins, security deposits, eDividend and eRights distributions, gold dinar and carbon credits | 212,481 | 2,009,947 | 115 | - | - | 32 | 2,222,575 |
| Segment assets | 668,114 | 2,222,447 | 33,958 | 39,280 | 276,475 | 19,440 | 3,259,714 |
| Unallocated corporate assets | | | | | | | 22,272 |
| Total assets | | | | | | | 3,281,986 |
| Segment liabilities | | | | | | | |
| Liabilities | 51,192 | 17,271 | 1,838 | 10,163 | 69,947 | 14,693 | 165,104 |
| Participants' contribution to Clearing Funds | 18,425 | 46,100 | - | - | - | - | 64,525 |
| Equity margins, derivatives trading margins, security deposits, eDividend and eRights distributions, gold dinar and carbon credits | 212,481 | 2,009,947 | 115 | - | - | 32 | 2,222,575 |
| Segment liabilities | 282,098 | 2,073,318 | 1,953 | 10,163 | 69,947 | 14,725 | 2,452,204 |
| Unallocated corporate liabilities | | | | | | | 5,149 |
| Total liabilities | | | | | | | 2,457,353 |
| Other information | | | | | | | |
| Depreciation and amortisation in: | | | | | | | |
| - segments | 6,403 | 1,284 | 1,284 | - | 1,411 | 150 | 10,532 |
| - overheads | - | - | - | - | - | - | 22,756 |
| Other significant non-cash expenses: | | | | | | | |
| Net (reversal of impairment losses)/ impairment losses on: | | | | | | | |
| - investment securities | 81 | - | - | - | 11 | - | 92 |
| - trade and other receivables | 371 | (54) | 5 | 50 | 362 | 19 | 753 |
| Retirement benefit obligations in overheads | - | - | - | - | - | - | 346 |

Notes to the Financial Statements (cont'd.)

31 December 2023

43. Segment information (cont'd.)

Market segments (cont'd.)

| Group | Securities market RM'000 | Derivatives market RM'000 | Islamic market RM'000 | Data business RM'000 | Exchange holding company RM'000 | Others RM'000 | Total RM'000 |
|---|--------------------------------|---------------------------------|-----------------------------|----------------------------|--|------------------|-----------------|
| As at 31 December 2022 | | | | | | | |
| Operating revenue | 400,128 | 99,465 | 16,449 | 60,808 | 8,220 | 220 | 585,290 |
| Other income | 7,884 | 1,772 | 97 | 343 | 7,798 | 61 | 17,955 |
| Direct costs | (97,503) | (51,478) | (7,875) | (8,282) | (21,492) | (7,335) | (193,965) |
| Segment profit/(loss) | 310,509 | 49,759 | 8,671 | 52,869 | (5,474) | (7,054) | 409,280 |
| Overheads | | | | | | | (99,277) |
| Profit before tax and zakat | | | | | | | 310,003 |
| Segment assets | | | | | | | |
| Assets | 331,943 | 136,447 | 20,049 | 36,156 | 342,347 | 6,857 | 873,799 |
| Clearing Funds | 104,257 | 54,600 | - | - | - | - | 158,857 |
| Cash for equity margins, derivatives trading margins, security deposits, eDividend and eRights distributions, gold dinar and carbon credits | 200,817 | 2,994,254 | - | - | - | - | 3,195,071 |
| Segment assets | 637,017 | 3,185,301 | 20,049 | 36,156 | 342,347 | 6,857 | 4,227,727 |
| Unallocated corporate assets | | | | | | | 16,756 |
| Total assets | | | | | | | 4,244,483 |
| Segment liabilities | | | | | | | |
| Liabilities | 70,549 | 26,906 | 5,468 | 10,037 | 69,826 | 12,974 | 195,760 |
| Participants' contribution to Clearing Funds | 19,257 | 44,600 | - | - | - | - | 63,857 |
| Equity margins, derivatives trading margins, security deposits, eDividend and eRights distributions, gold dinar and carbon credits | 200,817 | 2,994,254 | - | - | - | - | 3,195,071 |
| Segment liabilities | 290,623 | 3,065,760 | 5,468 | 10,037 | 69,826 | 12,974 | 3,454,688 |
| Unallocated corporate liabilities | | | | | | | 3,038 |
| Total liabilities | | | | | | | 3,457,726 |
| Other information | | | | | | | |
| Depreciation and amortisation in: | | | | | | | |
| - segments | 6,131 | 1,429 | 994 | - | 242 | 90 | 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 | (167) | 54 | 24 | (32) | (58) | - | (179) |
| Retirement benefit obligations in overheads | - | - | - | - | - | - | 455 |

10

Appendices

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Notice of 47th Annual General Meeting

BURSA MALAYSIA BERHAD

Registration No. 197601004668 (30632-P)

(Incorporated in Malaysia under the Companies Act 2016)

NOTICE IS HEREBY GIVEN THAT the 47th Annual General Meeting (AGM) of Bursa Malaysia Berhad ("the Company") will be held on Tuesday, 26 March 2024 at 10.00 a.m. at the Ground Floor, Annexe Building, Bursa Malaysia Berhad, Exchange Square, Bukit Kewangan, 50200 Kuala Lumpur, Malaysia ("Main Venue") and virtually by way of electronic means via the TIH Online website at <https://tjih.online> ("Online Platform") for the transaction of the following Ordinary Business:

1. To receive the Audited Financial Statements for the financial year ended 31 December 2023 and the Reports of the Directors and Auditors thereon.
 2. To re-elect Datuk Muhamad Umar Swift who retires by rotation in accordance with Article 18.4 of the Company's Constitution and who being eligible offers himself for re-election. **Resolution 1**
- Ms. Chong Chye Neo who also retires by rotation in accordance with Article 18.4 of the Company's Constitution, has expressed her intention not to seek for re-election at this 47th AGM. Hence, she will retain office until the close of the 47th AGM.
3. To re-elect Ms. Tan Ler Chin who retires in accordance with Article 18.11 of the Company's Constitution and who being eligible offers herself for re-election. **Resolution 2**
 4. To approve the payment of Directors' fees amounting to RM300,000 per annum for the Non-Executive Chairman and RM200,000 per annum for each of the Non-Executive Directors in respect of the financial year ended 31 December 2023. **Resolution 3**
 5. To approve the payment of benefits payable to the Non-Executive Chairman and Non-Executive Directors up to an amount of RM2,000,000 from 27 March 2024 until the next AGM of the Company. **Resolution 4**
 6. To appoint Ernst & Young PLT as Auditors of the Company for the financial year ending 31 December 2024 and to authorise the Board of Directors to determine their remuneration. **Resolution 5**
 7. To transact any other business of which due notice shall have been given in accordance with the Companies Act 2016 and the Company's Constitution.

FURTHER NOTICE IS HEREBY GIVEN THAT for the purpose of determining a member who shall be entitled to attend this 47th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Article 15.9 of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 19 March 2024. Only a depositor whose name appears on the Record of Depositors as at 19 March 2024 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.

BY ORDER OF THE BOARD

Yong Hazadurah binti Md Hashim (LS 0006674) SSM PC No. 202008003707
Izreen Fara binti Ismail (MAICSA 7056436) SSM PC No. 202008002411
Company Secretaries

Kuala Lumpur
27 February 2024

Notes:

1. Hybrid 47th AGM

- 1.1 The 47th AGM of the Company will be held on a hybrid mode whereby Member(s), proxy(ies), corporate representative(s) or attorney(s) will have an option, either:-
 - (a) To attend physically in person at the Main Venue ("Physical Attendance"); OR
 - (b) To attend virtually using the Remote Participation and Voting (RPV) facilities which are available on the TIH Online platform at <https://tjih.online> ("Virtual Attendance").

Please refer to the Administrative Guide for the full guide to Physical Attendance and Virtual Attendance at the 47th AGM.

- 1.2 All Member(s), proxy(ies), corporate representative(s) or attorney(s) who wish to attend the 47th AGM **must register** as a user with TIIH Online first and then **pre-register** their attendance on TIIH Online to verify their eligibility to attend the 47th AGM based on the General Meeting Record of Depositors as at 19 March 2024 and to confirm their mode of attendance, either Physical Attendance or Virtual Attendance.
- 1.3 The pre-registration is open from the date of the Notice of the 47th AGM on **Tuesday, 27 February 2024** and the closing date and time shall be:
 - (a) at **10.00 am** on **Monday, 25 March 2024** for Physical Attendance at the Main Venue; or
 - (b) until such time before the voting session ends at the 47th AGM on Tuesday, 26 March 2024 for Virtual Attendance using RPV facilities.

2. Submission of questions before and during the meeting

- 2.1 Members may submit questions in relation to the agenda items for the 47th AGM prior to the meeting via TIIH Online at <https://tiih.online> by selecting "e-Services" to login, pose questions and submit electronically not later than **10.00 a.m.** on **Monday, 25 March 2024**. The responses to these questions will be shared at the 47th AGM.
- 2.2 During the 47th AGM, Members who are physically present at the Main Venue will be able to ask questions in person. Members who attend virtually using the RPV facilities may use the **Query Box** facility to ask questions real time (in the form of typed text) during the meeting. The Board and senior management will be in attendance at the Main Venue to provide responses accordingly.

3. Proxy

- 3.1 Every Member including authorised nominees as defined under the Securities Industry (Central Depositories) Act 1991 (SICDA), and Exempt Authorised Nominees who hold ordinary shares in the Company for multiple owners in one securities account (Omnibus Account), is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote instead of him at the AGM, and that such proxy need not be a Member.
- 3.2 Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his shareholding to be represented by each proxy.
- 3.3 The instrument appointing a proxy shall be in writing under the hand of the Member or of his attorney duly authorised in writing, or if the Member is a corporation, shall either be executed under its common seal or under the hand of two (2) authorised officers, one of whom shall be a director, or its attorney duly authorised in writing.
- 3.4 Pursuant to Paragraph 8.29A of Bursa Malaysia Securities Berhad Main Market Listing Requirements, all resolutions set out in the Notice of the 47th AGM will be put to vote on a poll.
- 3.5 As approved by the Board with reference to Article 17.2 of the Company's Constitution, proxy forms and/or documents relating to the appointment of proxy for the 47th AGM shall be deposited or submitted in the following manner not later than **10.00 a.m.** on **Monday, 25 February 2024** in accordance with Article 17.3 of the Company's Constitution:
 - (a) In hard copy:
 - (i) By hand or post: to the office of the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn Bhd (TIIH) at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur;
 - (ii) By fax at 03-2783 9222 or e-mail to is.enquiry@my.tricorglobal.com
 - (b) In electronic form via TIIH Online.

The detailed requirements and procedures for the submission of proxy forms are set out in the Administrative Guide.

Notice of 47th Annual General Meeting

4. Audited Financial Statements for financial year ended 31 December 2023

The audited financial statements are laid in accordance with Section 340(1)(a) of the Companies Act (CA) 2016 for discussion only under Agenda 1. They do not require shareholders' approval and hence, will not be put for voting.

5. Ordinary Resolution 1: Re-election of a Director who retires in accordance with Article 18.4 of the Company's Constitution

5.1 Article 18.4 of the Company's Constitution provides that one-third (1/3) of the Directors of the Company excluding the Public Interest Directors (PIDs) for the time being or if their number is not a multiple of three (3), then the number nearest to one-third (1/3) shall retire by rotation at an AGM of the Company and be eligible for re-election. Out of the current Board size of nine (9), three (3) are PIDs. Hence, two (2) out of six (6) Directors are to retire in accordance with Article 18.4 of the Company's Constitution.

- (a) For the purpose of determining the eligibility of the Director to stand for re-election at the 47th AGM, the Board through its Nomination and Remuneration Committee (NRC) had assessed the retiring Directors, and considered the following:
 - (i) The Director's performance and contribution based on the Self and Peer Evaluation (SPE) results of the Board Effectiveness Evaluation (BEE) 2022/2023;
 - (ii) The Director's level of contribution to the Board deliberations through his/her skills, experience and strength in qualities;
 - (iii) The level of independence demonstrated by the Independent Director, and his/her ability to act in the best interests of the Company in decision-making; and
 - (iv) The Director's fitness and propriety with reference to the Directors' Fit and Proper Policy (DFPP).
- (b) In line with Practice 6.1 of the Malaysian Code on Corporate Governance (MCCG), the Board had conducted an assessment of the Directors of the Company based on the relevant performance criteria which include the following:
 - (i) Will and ability to critically challenge and ask the right questions;
 - (ii) Character and integrity in dealing with potential conflict of interest situations;
 - (iii) Commitment to serve the company, due diligence and integrity;
 - (iv) Confidence to stand up for a point of view;
 - (v) Fit and properness;
 - (vi) Calibre and personality;
 - (vii) Board dynamics and participation;
 - (viii) Competency and capability;
 - (ix) Independence and objectivity; and
 - (x) Contribution and performance.

Based on the Directors' SPE results of the BEE 2022/2023, the individual Directors (including the retiring Directors) met the performance criteria required of an effective and a high-performance Board. In addition, all the Non-Executive Directors (NEDs) have provided annual declaration/confirmation of independence in December 2023. The retiring Directors also provided the fit and proper declarations in the prescribed forms in accordance with the DFPP.

- (c) Based on the above, the Board approved the NRC's recommendation that the Directors who retire in accordance with Article 18.4 of the Company's Constitution, namely Ms. Chong Chye Neo and Datuk Muhamad Umar Swift are eligible to stand for re-election. These two (2) retiring Directors have abstained from deliberation and decision on their respective eligibility to stand for re-election at the relevant Board/NRC meeting. Nevertheless, Ms. Chong Chye Neo had expressed her intention not to seek for re-election. Hence, she will retain office until the close of the 47th AGM.

5.2 Section 10(1)(b) of the Capital Markets and Services Act 2007 (CMSA) provides that the appointment, re-appointment, election or re-election as a Director of the Company is subject to concurrence by the Securities Commission Malaysia (SC). In this respect, the SC's concurrence had been obtained via its letter dated 30 November 2023 on the proposed re-election of the Director under **Resolution 1** pursuant to Section 10(1)(b) of the CMSA.

6. Ordinary Resolution 2: Re-election of Director who retires in accordance with Article 18.11 of the Company's Constitution

- 6.1 Article 18.11 of the Company's Constitution provides that any Director appointed by the Board shall hold office only until the next following AGM and shall then be eligible for re-election but shall not be taken into account in determining the Directors who are to retire by rotation at that meeting.

Ms. Tan Ler Chin was appointed as Independent Non-Executive Director of the Company on 16 August 2023. The SC had on 30 November 2023 provided its concurrence on her re-election as Director (under **Resolution 2**) pursuant to Section 10(1)(b) of the CMSA.

- 6.2 Any Director referred to in **Resolutions 1 and 2**, who is a shareholder of the Company will abstain from voting on the resolution in respect of his/her re-election at the 47th AGM.

7. Directors' remuneration - fees and benefits payable to the NEDs

- 7.1 Section 230(1) of the CA 2016 provides amongst others, that "the fees" of the directors and "any benefits" payable to the directors of a listed company and its subsidiaries shall be approved at a general meeting. In this respect, the Board agreed that the shareholders' approval shall be sought at the 47th AGM on the Directors' remuneration in two (2) separate resolutions as below:

- (a) **Resolution 3** on payment of Directors' fees in respect of the preceding financial year (FY) 2023; and
(b) **Resolution 4** on payment of Directors' benefits from 27 March 2024 to the next AGM in 2025.

7.2 Ordinary Resolution 3: Directors' fees

The NRC is responsible to conduct an annual review of the Board remuneration policy with the view to ensure that the current remuneration for the members of the Board and Board Committees of Bursa Malaysia group remains competitive and appropriate to attract, retain and motivate individuals with strong credentials and high calibre to serve on the Board of the Company. In this respect, an external consultant may be engaged for the Board remuneration review (BRR) from time to time, to provide the NRC with an objective and independent perspective. The last engagement of an independent consultant was in 2020. In November 2023, the BRR was conducted internally by the NRC and facilitated by the Company Secretaries, with the view to ascertain the competitiveness of the same having regard to various factors including the Board remuneration of comparator companies in the financial services sector, dominant providers and those with similar market capitalisation in Malaysia as well as the comparable exchanges. The Board subsequently approved the NRC's recommendation for the Directors' fees in respect of FY2023 to remain unchanged, as they are still competitive and at par with the prevalent market rate as set out in the table below:

| Directors' Fees (as approved at AGMs) | FY2018 | FY2019 | FY2020 | FY2021 | FY2022 | Approval sought for FY2023 |
|--|-----------|-----------|-----------|-----------|-----------|----------------------------------|
| Non-Executive Chairman | RM300,000 | RM300,000 | RM300,000 | RM300,000 | RM300,000 | RM300,000 |
| Non-Executive Director | RM200,000 | RM200,000 | RM200,000 | RM200,000 | RM200,000 | RM200,000 |

The exact amounts which are receivable by each individual NED are provided in Note 9 of the Audited Financial Statements for the FY2023.

The payment of the NEDs' fees in respect of the preceding FY2023 will only be made if the proposed **Resolution 3** has been passed at the 47th AGM pursuant to Article 19.1 of the Company's Constitution and Section 230(1)(b) of the CA 2016.

Notice of 47th Annual General Meeting

7.3 Ordinary Resolution 4: Benefits payable to the NEDs

The benefits payable to the NEDs comprise the allowances and other emoluments payable to the Chairman and members of the Board, Board of subsidiaries, Board Committees and such other committees as may be established by the Board.

- (a) At the 46th AGM of the Company held on 30 March 2023, the benefits payable to the NEDs of the Company from 31 March 2023 until the 47th AGM of the Company was approved for an amount of up to RM2,000,000. The utilisation of this approved amount as at 31 December 2023 is RM1,284,653. Based on the schedule of meetings in the first quarter of 2024, an amount of RM430,000 is expected to be utilised for payment of meeting allowance, fixed allowance and other benefits to the NEDs. Hence, the expected total utilised amount would be approximately 86% of the approved amount.
- (b) Based on the BRR conducted in 2023, the Directors' benefits payable to the NEDs are proposed to be the same for the period from 27 March 2024 to the next AGM in 2025 (Current Period), as set out in the table below:

| Description | Chairman | NEDs/Member |
|--|--|---|
| Meeting Allowance (per meeting) | | |
| Board of Bursa Malaysia | RM3,000 | RM3,000 |
| Board of Subsidiary | RM3,000 | RM3,000 |
| Bursa Malaysia Group Committees | RM3,000 | RM3,000 |
| Fixed Allowance | | |
| Bursa Malaysia Group Committees [except for Regulatory and Conflicts Committee (RACC)] | RM20,000 per annum | RM12,000 per annum (RM1,000 per month) |
| RACC members [who are Directors of Bursa Malaysia (as explained in paragraph (c) below)] | Not Applicable | RM60,000 per annum (RM5,000 per month) |
| Monthly Fixed Allowance – Chairman of Bursa Malaysia [Note 1] | RM52,000 | Not Applicable |
| Other Benefits for NEDs of Bursa Malaysia only | Club membership, medical coverage, travel and other claimable benefits | Medical coverage, travel and other claimable benefits |

Notes:

- Monthly fixed allowance to the Chairman of Bursa Malaysia being an Exchange Holding Company and listed entity is made, in recognition of the significant roles in leadership and oversight, and the wide-ranging scope of responsibilities expected of him, as well as the fact that he does not serve on the boards of any other listed companies or market participants regulated by Bursa Malaysia.
 - The Chief Executive Officer/Executive Director does not receive any Directors' remuneration.
- (c) Under the Governance Model of Bursa Malaysia group, the RACC is established for the purpose to oversee the regulatory function of the Group. It shall comprise three (3) members who are Public Interest Directors (PIDs) of the Company and four (4) other members who are external independent individuals.
- (d) The total amount of benefits payable to the NEDs is estimated to be up to RM2,000,000 for the Current Period, based on the above Board Remuneration Policy and taking into account various factors including the number of scheduled meetings for the Board/Board Committees as well as the number of NEDs involved in these meetings.

- (e) The approved amount at the past AGMs and the current proposal in respect of the payment of benefits to the NEDs at the 47th AGM are as below:

| Directors' Benefits (as approved at AGMs) | 42 nd AGM on 28 March 2019 | 43 rd AGM on 29 April 2020 | 44 th AGM on 31 March 2021 | 45 th AGM on 30 March 2022 | 46 th AGM on 30 March 2023 | Approval sought at 47 th AGM on 26 March 2024 |
|--|---|---|--|---|---|--|
| Up to an amount of | RM2,200,000 (from 29 March 2019 to 29 April 2020) | RM2,200,000 (from 30 April 2020 to 31 March 2021) | RM2,000,000 (from 1 April 2021 to 30 March 2022) | RM2,000,000 (from 31 March 2022 to 30 March 2023) | RM2,000,000 (from 31 March 2023 to 26 March 2024) | RM2,000,000 (from 27 March 2024 to 48 th AGM in 2025) |

Payment of benefits to the NEDs will be made by the Company on a monthly basis and/or as and when incurred, if the proposed **Resolution 4** has been passed at the 47th AGM. The Board is of the view that it is just and equitable for the NEDs to be paid the Directors' remuneration (excluding Directors' fees) on a monthly basis and/or as and when incurred, particularly after they have discharged their responsibilities and rendered their services to the Company throughout the Current Period.

- 7.4 Any NEDs who are shareholders of the Company will abstain from voting on **Resolutions 3 and 4** concerning remuneration to the NEDs at the 47th AGM.

8. Ordinary Resolution 5: Appointment of Auditors

- 8.1 The Audit Committee (AC) at its meeting held on 24 January 2024 undertook an annual assessment of the suitability and independence of the external auditors, Ernst & Young PLT (EY) in accordance with the Auditor Independence Policy of the Group which was approved by the Board in November 2019. In its assessment, the AC considered several factors which include the following with reference to Guidance 9.3 of the MCCG:
- (a) Quality of EY's performance and their communications with the AC and Bursa Malaysia group, based on feedback obtained via assessment questionnaires from Bursa Malaysia personnel who had substantial contact with the external audit team and EY throughout the year;
 - (b) Adequacy of experience and resources provided to the Group by EY, in terms of the firm and the professional staff assigned to the audit; and
 - (c) Independence of EY and the level of non-audit services to be rendered by EY to the Company for the FY2024.
- The AC also took into account the openness in communication and interaction with the lead audit engagement partner and engagement team through discussions at the private meetings, which demonstrated their independence, objectivity and professionalism.
- 8.2 The AC was satisfied with the suitability of EY based on the quality of audit, performance, competency and sufficiency of resources the external audit team provided to the Group. The AC was also satisfied in its review that the provisions of non-audit services by EY to the Company for the FY2023 did not in any way impair their objectivity and independence as external auditors of Bursa Malaysia.
- 8.3 The Board at its meeting held on 31 January 2024 approved the AC's recommendation for the shareholders' approval to be sought at the 47th AGM on the appointment of EY as external auditors of the Company for the FY2024 under **Resolution 5** in accordance with Section 340(1)(c) and Section 274(1)(a) of the CA 2016.

Statement Accompanying Notice of 47th Annual General Meeting

(pursuant to Paragraph 8.27(2) of Bursa Malaysia Securities Berhad Main Market Listing Requirements)

A. The profile of the Director who is standing for re-election as per Agenda 2 of the Notice of 47th AGM is as follows:

Resolution 1

Datuk Muhamad Umar Swift

Chief Executive Officer/Non-Independent Executive Director

Nationality/Age/Gender Australian/59/Male

Date of Appointment 11 February 2019

Length of Service 4 years 11½ months
(as at 31 January 2024)

Academic/Professional Qualification/ Membership(s)

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

Present Directorship(s) Listed entity(ies): Nil

Other public company(ies):

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

Present Appointment(s)

- Ex-Officio, Financial Reporting Foundation
- Member, Corporate Governance Council, Securities Commission Malaysia
- Member, United Nations Global Compact Network Malaysia & Brunei Advisory Panel
- Adjunct Professor, Universiti Utara Malaysia
- Member, Board of Trustees, Malaysia Forest Fund
- Chairman, CEO Action Network Steering Committee
- Member, Board of Trustees, Capital Market Development Fund
- Member, New Industrial Masterplan 2030 Draft Review Task Force, Ministry of International Trade and Industry (MITI)
- Councillor, Overseas Regional Council of Malaysia, Chartered Accountants Australia and New Zealand

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

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

Datuk Muhamad Umar Swift does not hold any shares in Bursa Malaysia, has no family relationship with any Director and/or major shareholder of Bursa Malaysia, has no conflict of interest or potential conflict of interest, including any interest in any competing business with Bursa Malaysia or its subsidiaries and has not been convicted of any offence within the past five (5) years and has not been imposed any penalty by the relevant regulatory bodies during the FY2023.

- B. The profile of the Director who is standing for re-election as per Agenda 3 of the Notice of 47th AGM is as follows:

Resolution 2

Ms. Tan Ler Chin

Independent Non-Executive Director of Bursa Malaysia Berhad

Nationality/Age/Gender Malaysian/63/Female

Date of Appointment 16 August 2023

Length of Service 5½ months
(as at 31 January 2024)

Academic/Professional Qualification/ Membership(s)

- University Kebangsaan Malaysia (Economics)
- Chartered Association of Certified Accountants (Accounting & Finance) (Diploma)

Present Directorship(s)

Listed entity(ies):

- Sunway Construction Berhad
- Senheng New Retail Berhad

Other public company(ies):

- Affin Islamic Bank Berhad

Present Appointment(s) • Nil

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

- Head of Enterprise Risk, Employees Provident Fund (EPF) (April 2019 – April 2021)
- Non-Independent Non-Executive Director, Malakoff Berhad (August 2007 – April 2021)
- Head of Investment Compliance, EPF (2009 – March 2019)
- Director, Parkway-Parade Partnership Limited (October 2007 – April 2012)
- Non-Independent Non-Executive Director, MBSB (Malaysia Building Society Berhad) (2002 – November 2011)
- Director, Asia Pacific Investment Company Limited (October 2007 – August 2010)
- Senior Investment Manager, EPF (1996 – 2009)
- Non-Independent Non-Executive Director, Sunway Incorporated Berhad (August 2003 – April 2006)
- Investment Manager, EPF (1992 – 1995)
- Senior Executive managing EPF's External Fund Manager portfolio, EPF (1988 – 1991)
- Executive in finance and budget department, EPF (1984 – 1987)

Ms. Tan Ler Chin does not hold any shares in Bursa Malaysia, has no family relationship with any Director and/or major shareholder of Bursa Malaysia, has no conflict of interest or potential conflict of interest, including any interest in any competing business with Bursa Malaysia or its subsidiaries and has not been convicted of any offence within the past five (5) years and has not been imposed any penalty by the relevant regulatory bodies during the FY2023.

Ms. Tan Ler Chin satisfies the criteria of an independent director as defined under Bursa Malaysia Securities Berhad Main Market Listing Requirements, which include being independent of management, free from any business or other relationship which could interfere with the exercise of independent judgement, objectivity or the ability to act in the best interests of the Company, and also being independent of its major shareholders.

Upcoming Financial Calendar Events

2024



26 March

47th Annual General Meeting

.....

30 April

Announcement of the consolidated results for the 1st quarter ending 31 March 2024

.....

30 July

Announcement of the consolidated results for the 2nd quarter ending 30 June 2024

.....

29 October

Announcement of the consolidated results for the 3rd quarter ending 30 September 2024

2025



January/February

Announcement of the audited consolidated results for the 4th quarter and financial year ending 31 December 2024

Link to Information Stated in This Report

| Description | Link |
|--|---|
| Bursa Academy | https://www.bursaacademy.bursamarketplace.com |
| Bursa Anywhere | https://www.bursamarketplace.com/anywhere |
| Bursa Broadcast | https://www.bursamalaysia.com/reference/insights/bursa_broadcast/sectorial_series |
| Bursa Carbon Exchange | https://www.bursamalaysia.com/trade/market/voluntary-carbon-market-exchange/overview |
| Bursa Digital Research | https://www.bursamalaysia.com/reference/bursa_digital_research/market_updates |
| Bursa Fund Platform | https://www.bursamarketplace.com/mkt/fund/index |
| Bursa Gold Dinar | https://www.bursamalaysia.com/trade/our_products_services/bursa_gold_dinar |
| Bursa Malaysia RAM Capital Sdn Bhd | https://brc.bursamalaysia.com |
| Bursa Malaysia Securities Berhad Main Market Listing Requirements (LR) | https://www.bursamalaysia.com/regulation/listing_requirements/main_market/listing_requirements |
| Bursa Malaysia Berhad | https://www.bursamalaysia.com |
| Bursa Malaysia Berhad Integrated Annual Report | https://bursa.listedcompany.com/ar.html |
| Bursa Malaysia Berhad Sustainability Report | https://www.bursamalaysia.com/about_bursa/sustainability/sustainability_reports |
| Bursa Malaysia Derivatives Market | https://www.bursamalaysia.com/trade/market/derivatives_market |
| Bursa Malaysia Islamic Markets | https://www.bursamalaysia.com/trade/market/islamic_market |
| Bursa Malaysia Securities Berhad ACE Market LR | https://www.bursamalaysia.com/regulation/listing_requirements/ace_market/listing_requirements |
| Bursa Malaysia Securities Berhad LEAP Market LR | https://www.bursamalaysia.com/regulation/listing_requirements/leap_market/listing_requirements |
| Bursa Malaysia Securities Market | https://www.bursamalaysia.com/trade/market/securities_market |
| Bursa Sustain | https://bursasustain.bursamalaysia.com |
| Companies Act 2016 | https://www.ssm.com.my/Pages/LegalFramework/Companies-Act-2016.aspx |
| FTSE Bursa Malaysia Index Series | https://www.ftserussell.com/products/indices/bursa-malaysia |
| FTSE Bursa Malaysia Indices | https://www.bursamalaysia.com/trade/our_products_services/indices/ftse_bursa_malaysia_indices/overview |
| FTSE4Good Bursa Malaysia Index | https://www.bursamalaysia.com/trade/our_products_services/indices/ftse4good-bursa-malaysia-f4gbm-index |
| Global Reporting Initiative | https://www.globalreporting.org |
| International Financial Reporting Standards | https://www.ifrs.org |
| International Integrated Reporting (<IR>) Framework | https://integratedreporting.ifrs.org |
| International Organization of Securities Commissions | https://www.iosco.org |
| Labuan International Finance Exchange Inc | https://www.bursamalaysia.com/trade/our_products_services/lfx/about_the_exchange |
| Malaysian Code on Corporate Governance | https://www.sc.com.my/regulation/corporate-governance |
| Malaysian Financial Reporting Standards | https://www.masb.org.my |
| Ministry of Finance Malaysia Annual Budget 2024 | https://belanjawan.mof.gov.my/pdf/belanjawan2024/ucapan/ub24-BI.pdf |
| Ministry of Finance Malaysia Economic Outlook 2024 | https://belanjawan.mof.gov.my/en/economy |
| National Energy Transition Roadmap (NETR) | https://www.ekonomi.gov.my |
| Principles for Financial Market Infrastructures | https://www.bis.org/cpmi/info_pfm.htm |
| Rules of Bursa Malaysia Bonds | https://www.bursamalaysia.com/regulation/bonds/rules_of_bursa_malaysia_bonds |
| Rules of Bursa Malaysia Derivatives | https://www.bursamalaysia.com/regulation/derivatives/rules_of_bursa_malaysia_derivatives |
| Rules of Labuan International Financial Exchange | https://www.bursamalaysia.com/regulation/lfx/rules_of_lfx |
| Rules of Bursa Malaysia Suq Al-Sila' | https://www.bursamalaysia.com/regulation/islamic_market/rules_of_bursa_suq_al_sila |
| Rules of Bursa Malaysia Securities | https://www.bursamalaysia.com/regulation/securities/rules_of_bursa_malaysia_securities |
| Sustainability Accounting Standards Board | https://www.sasb.org |
| Task Force on Climate-related Financial Disclosures | https://www.fsb-tcfd.org |
| The New Industrial Master Plan 2030 | https://www.nimp2030.gov.my |
| The Securities Commission Malaysia | https://www.sc.com.my |
| The Ten Principles of the United Nations Global Compact | https://www.unglobalcompact.org/what-is-gc/mission/principles |
| World Federation of Exchanges (WFE) | https://www.world-exchanges.org |
| WFE Sustainability Principles | https://www.world-exchanges.org/our-work/articles/wfe-sustainability-principles |

Abbreviation

| | |
|----------------|--|
| ACE LR | Bursa Malaysia Securities Berhad ACE Market Listing Requirements |
| ACSR | Advisory Committee on Sustainability Reporting |
| ADA | Authorised Depository Agent |
| ADC | Average Daily Contract |
| ADV | Average Daily Trading Value |
| AGM | Annual General Meeting |
| AUM | Assets Under Management |
| BCM | Business Continuity Management |
| BCP | Business Continuity Plan |
| BCS | Bursa Connectivity Services |
| BCX | Bursa Carbon Exchange |
| BGD | Bursa Gold Dinar |
| BI | Bursa Intelligence |
| BMD | Bursa Malaysia Derivatives Berhad |
| BMDC | Bursa Malaysia Derivatives Clearing Berhad |
| BMS | Bursa Malaysia Securities Berhad |
| BMSC | Bursa Malaysia Securities Clearing Sdn Bhd |
| BNM | Bank Negara Malaysia |
| BSAS | Bursa Suq Al-Sila' |
| CA 2016 | Companies Act 2016 |
| CAN | CEO Action Network |
| Capex | Capital Expenditure |
| CCP | Central Counterparty |
| CDS | Central Depository System |
| CF | Clearing Fund |
| CG | Corporate Governance |
| CGF | Clearing Guarantee Fund |
| CIOC | China International Oils and Oilseed Conference |
| CMDF | Capital Market Development Fund |
| CME | Chicago Mercantile Exchange Inc |
| CMEIF | Capital Market Education and Integrity Fund |
| CMSA | Capital Markets and Services Act 2007 |
| COI | Conflict of Interest |
| CP | Clearing Participant |
| CPO | Crude Palm Oil |
| CSI | Centralised Sustainability Intelligence |
| CX | Customer Experience |
| DBT | Direct Business Transaction |
| DCE | Dalian Commodity Exchange |
| DCF | Derivatives Clearing Fund |
| DOSM | Department of Statistics Malaysia |
| DR | Disaster Recovery |
| DRC | Disaster Recovery Centre |
| DRP | Disaster Recovery Plan |
| DT | Discretionary Trading |

| | |
|---------------------|--|
| DTS | Derivatives Trading Simulator |
| DVTC | Derivatives Virtual Trading Challenge |
| EBITDA | Earnings Before Interest, Tax, Zakat, Depreciation and Amortisation |
| eDRP | Electronic Dividend Reinvestment Plan |
| emPOC | East Malaysia Palm and Lauric Oils Price Outlook Conference & Exhibition |
| EPS | Earnings per Share |
| EPT | Equity Post Trade |
| ESG | Environmental, Social and Governance |
| ESMA | European Securities Market Authority |
| ETBS | Exchange-Traded Bonds and Sukuk |
| ETF | Exchange-Traded Fund |
| ERM | Enterprise Risk Management |
| EU | European Union |
| F4GM | FTSE4Good Bursa Malaysia Index Futures |
| F4GBM Index | FTSE4Good Bursa Malaysia Index |
| F4GBMS Index | FTSE4Good Bursa Malaysia Shariah Index |
| FBM100LC | FTSE Bursa Malaysia Top 100 ESG Low Carbon Select Index |
| FBM100LS | FTSE Bursa Malaysia Top 100 ESG Low Carbon Select Shariah Index |
| FBMKLCI | FTSE Bursa Malaysia KLCI |
| FCNH | Mini USD/CNH Futures |
| FCPO | Crude Palm Oil Futures |
| FEPO | East Malaysia Crude Palm Oil Futures |
| FGLD | Gold Futures |
| FKB3 | 3-month Kuala Lumpur Interbank Offered Rate (KLIBOR) Futures |
| FKLI | FTSE Bursa Malaysia KLCI Futures |
| FM70 | Mini FTSE Bursa Malaysia Mid 70 Index Futures |
| FMG3 | 3-Year Malaysian Government Securities Futures |
| FMG5 | 5-Year Malaysian Government Securities Futures |
| FMGA | 10-Year Malaysian Government Securities Futures |
| FPKO | Crude Palm Kernel Oil Futures |
| FPOL | USD RBD Palm Olein Futures |
| FSOY | Bursa Malaysia DCE Soybean Oil Futures |
| FY | Financial Year |
| GDP | Gross Domestic Product |
| GHG | Greenhouse Gas |
| GLICs | Government-linked Investment Companies |
| GRI | Global Reporting Initiative |
| IAR | Integrated Annual Report |
| IAS | International Accounting Standard |
| IDSS | Intraday Short Selling |
| IETA | International Emissions Trading Association |
| IFN | Islamic Finance News |
| IFRS | International Financial Reporting Standards |

| | |
|----------------|--|
| IGRC | Integrated Governance, Risk and Compliance |
| IM | Invest Malaysia |
| IOSCO | International Organisation of Securities Commissions |
| IPO | Initial Public Offering |
| ISMS | Information Security Management System |
| ISR | Illustrative Sustainability Report |
| ISSBNT | Islamic Securities Selling and Buying-Negotiated Transaction |
| JC3 | Joint Committee on Climate Change |
| KPI | Key Performance Indicator |
| KSM | Key Senior Management |
| LEAP | Leading Entrepreneur Accelerator Platform |
| LFX | Labuan International Financial Exchange |
| LR | Listing Requirements of BMS |
| MACC | Malaysian Anti-Corruption Commission |
| MCCG | Malaysian Code on Corporate Governance |
| MFRS | Malaysian Financial Reporting Standards |
| MIA | Malaysian Institute of Accountants |
| MICPA | Malaysian Institute of Certified Public Accountants |
| MLT | Mirror, Learn and Trade |
| Main LR | BMS Main Market Listing Requirements |
| MOC | Memorandum of Collaboration |
| MOU | Memorandum of Understanding |
| MPOCC | Malaysian Palm Oil Certification Council |
| MSPO | Malaysian Sustainable Palm Oil |
| MSWG | Minority Shareholders Watch Group |
| MVP | Minimum Viable Product |
| MWh | Megawatt Hour |
| OCPO | Options on Crude Palm Oil Futures |
| OMT | On-Market Transaction |
| OPOL | USD RBD Palm Olein Options |
| OPR | Overnight Policy Rate |
| OSH | Occupational Safety and Health |
| PAT | Profit after Tax and Zakat |
| PATAMI | Profit after Tax, Zakat and Minority Interest |
| PE | Price-to-earnings |
| PFMI | Principles for Financial Market Infrastructure |
| PLC | Public Listed Company |
| PLCT | PLC Transformation |
| PM | Prime Minister |
| PMMP | Pilot Market Making Programme |
| PO | Participating Organisation |

| | |
|-------------------------|--|
| PoC | Proof-of-concept |
| POC | Palm and Lauric Oils Price Outlook Conference & Exhibition |
| PSS | Permitted Short Selling |
| RACC | Regulatory and Conflicts Committee |
| RBD | Refined, Bleached and Deodorised |
| REC | Renewable Energy Certificates |
| REIT | Real Estate Investment Trust |
| RMC | Risk Management Committee |
| ROE | Return on Equity |
| RTO | Recovery Time Objectives |
| RTP | Remote Trading Participant |
| SAC | Shariah Advisory Council |
| SBL | Securities Borrowing and Lending |
| SC | Securities Commission Malaysia |
| SDG | Sustainable Development Goal |
| SFTS | Security Futures Trading System |
| SME | Small and Medium Enterprise |
| SOP | Standard Operating Procedure |
| SPAC | Special Purpose Acquisition Company |
| SR | Sustainability Report |
| SRI | Sustainable and Responsible Investment |
| SSE | United Nations Sustainable Stock Exchanges |
| SSF | Single Stock Futures |
| STP | Straight-Through Processing |
| SW | Structured Warrant |
| TCFD | Task Force on Climate-related Financial Disclosure |
| tCO₂e | tonnes of carbon dioxide equivalent |
| TCP | Trading Clearing Participant |
| TP | Trading Participant |
| UMA | Unusual Market Activity |
| US Fed | United States Federal Reserve |
| VBIP | Volume-based Incentive Programme |
| VCM | Voluntary Carbon Market |
| VIP | Vibrancy Initiative Programme |
| WPP | Whistleblower Policy and Procedure |
| WQ-FF | Waqf-Featured Fund Framework |

Glossary

A

ACE Market

The ACE Market is a sponsor-driven market designed for companies with business prospects. It replaced the formerly known MESDAQ (Malaysian Exchange of Securities Dealing and Automated Quotation) Market in 2009.

B

BR Capital Debt Fundraising Platform

Launched on 22 December 2023, the platform serves as an alternative fundraising avenue for listed and unlisted companies, primarily SMEs, with funding goals of at least RM5.0 million. Participating companies can raise funds by issuing credit-rated investment notes with a minimum tenure of one year.

Bursa Anywhere

A mobile application for retail investors to access a wide range of Central Depository System (CDS) account services and conduct permitted CDS transactions electronically through their personal devices with no physical forms.

Bursa Carbon Exchange (BCX)

Launched on 9 December 2022, BCX is Malaysia's voluntary carbon market (VCM) exchange and the world's first Shariah-compliant carbon exchange. BCX is a multi-environmental product exchange that facilitates the continuous and off-market trading of high-quality carbon credits via standardised carbon contracts. The BCX is intended to support corporates with options to achieve their environmental, social and governance (ESG) aspirations.

Bursa Connectivity Services

A universal connectivity solution that allows global access to Bursa Malaysia's pool of data quickly and seamlessly, providing coverage across more than 900 data centers in 32 countries spanning Asia, Europe and United States.

Bursa Gold Dinar (BGD)

Launched on 16 January 2024, BGD is a Shariah-compliant gold investment platform, providing investors with digital convenience to invest in physical gold through a mobile app.

Bursa Malaysia-i

A fully integrated Islamic securities exchange platform with a comprehensive range of Shariah-compliant exchange-related facilities including listing, trading, clearing, settlement and depository services.

Bursa Marketplace

An online portal that provides investors and traders with the information they need to conduct analysis, investing and trading.

Bursa Suq Al-Sila' (BSAS)

A Shariah-compliant commodity Murabahah trading platform dedicated to facilitate Islamic liquidity management and Islamic financial transactions globally.

Bursa Digital Research

A multifaceted in-house research portal that serves to provide investors with an added source of research and data analysis with the objective of improving financial literacy and facilitating informed investment decision making.

Bursa Fund Platform

An interactive fund information platform that provides the investing public comprehensive information on Unit Trusts and Wholesale Funds to help investors make better informed investment decision.

Bursa Sustain

A one-stop repository of information on corporate governance, sustainability and responsible investment.

C

Capital

The capitals are stocks of value that are increased, decreased or transformed through the activities and outputs of the organisation.

Capital Market Education and Integrity Fund (CMEIF)

The fund was set up on 1 January 2013 to account for all fines and transfer fees imposed and collected by Bursa Malaysia Berhad (Bursa Malaysia or Exchange). These monies are segregated and used to educate market participants and investors as well as to defray legal or court expenses relating to Bursa Malaysia's regulatory actions.

Central Depository System (CDS)

The CDS is a system that is fully owned and operated by Bursa Malaysia Depository Sdn Bhd, a wholly owned subsidiary of Bursa Malaysia.

The CDS is the core system for depository services. It serves as record keeping for shareholding and account information of depositors. The system also keeps records of shareholders for issuers. It manages transactions of trade settlement and share movement.

Centralised Sustainability Intelligence (CSI) Platform

Developed in collaboration with the London Stock Exchange Group to serve as a repository for ESG disclosures for Public-Listed Companies (PLCs) along with their local and international suppliers in their supply chains. The CSI Platform enables companies to calculate and track their carbon emissions impact, while facilitating green financing and encourage decarbonisation efforts.

Clearing Participant (CP)

A participant as defined in the Capital Markets and Services Act 2007, in relation to the relevant clearing house of Bursa Malaysia.

Closed-End Fund

A closed-end fund involves a listed company that invests in shares of other companies. A closed-end fund company has a fixed number of shares in issue at any point of time, the price of which will fluctuate according to net asset value and market forces.

Coronavirus Disease (COVID-19)

Coronavirus disease (COVID-19) is a mild to severe respiratory disease. It is transmitted chiefly by contact with infectious material such as respiratory droplets or with objects or surfaces contaminated by the causative virus, and is characterised by fever, cough, and shortness of breath, among others, and may progress to pneumonia and respiratory failure.

Corporate Liability Provision

This refers to the new Section 17A of the Malaysian Anti-Corruption Commission (MACC) Act 2009, which came into force on 1 June 2020. This provision states that a commercial organisation commits an offence if any individual associated with the organisation commits a corrupt act to obtain or retain business or an advantage for the commercial organisation. Commercial organisations can raise a defence if they can show that they have 'adequate procedures' in place.

D**Data Intelligent Robots (DiBots)**

DiBots is an analytics platform comprising a rich global database that has been collecting data since 1994. The universe of data includes reference and fundamental data of public listed companies across the globe, financial data from private companies in India, Malaysia, Thailand and Vietnam as well as non-financial data from private companies in 11 other countries, among others.

Derivatives

A derivative is a contract whose value derives from and is dependent on the value, delivery or payment obligations of one or more underlying assets, such as commodities, securities, indices or any of its combination. Derivatives products available on Bursa Malaysia Derivatives include equity, interest rate, bond, currency, agricultural (crude palm oil and palm kernel oil) and metal (gold and tin).

Direct Business Transaction (DBT)

A DBT refers to the business transacted by an Exchange Participant who acts for both the buyer and the seller, whether as principal or agent.

E**Equities**

An instrument that signifies an ownership position, or equity, in a corporation, and represents a claim on its proportionate share in the corporation's assets and profits. A person holding such an ownership in the company does not enjoy the highest claim on the company's earnings. Instead, an equity holder's claim is subordinated to a creditor's claims, and the equity holder will only enjoy distributions from earnings after these higher priority claims are satisfied.

Exempt Regime

A regime under which the sukuk or debt securities are listed but not quoted for trading on the Exchange.

Exchange Traded Fund (ETF)

An open-ended investment fund listed and traded on a stock exchange. ETF combines the features of an index fund and a stock. The liquidity of an ETF reflects the liquidity of the underlying basket of shares. Generally, there are three types of ETFs: equity ETFs, fixed income ETFs and commodity ETFs. These ETFs consist of baskets of stocks, bonds or commodities based on an index which instantly offers broad diversification and avert the risk involved in owning stocks of a single company. With units in an ETF, investors can gain exposure to a geographical region, market, industry or sector, commodity such as gold or even a specific investment style such as growth or value.

F**FTSE4Good Bursa Malaysia (F4GBM) Index**

F4GBM Index measures the ESG performance of PLCs and was launched in December 2014. The constituents are drawn from companies on the FTSE Bursa Malaysia Emas Index and are reviewed every June and December against international benchmarks developed in collaboration with FTSE Russell.

Glossary

FTSE4Good Bursa Malaysia Shariah (F4GBMS) Index

F4GBMS Index is the ESG themed index designed to track constituents in the F4GBM Index that are Shariah-compliant, according to the Securities Commission Malaysia Shariah Advisory Council screening methodology.

G

Global Reporting Initiative (GRI) Standards

The GRI standards are the first global standards for sustainability. They feature a modular, interrelated structure, and represent the global best practice for reporting on a range of economic, environmental and social impacts.

I

International Integrated Reporting (<IR>) Framework

The <IR> Framework was designed to improve disclosure of financial and non-financial performance, while enhancing the way organisations articulate and report on value creation. The <IR> Framework was issued in 2013 with revisions made and published in January 2021. As of August 2022, the IFRS Foundation assumed responsibility for the <IR> Framework.

Intraday Short Selling (IDSS)

Under the IDSS framework, investors are able to sell securities first and buy the securities later within the trading day itself. IDSS can be carried out on securities that meet the prescribed criteria and are declared by BMS as approved securities for the purposes of short selling.

Initial Public Offering (IPO)

An IPO refers to the process of offering the shares and/or securities of a listing applicant to the public on a recognised stock exchange for the first time. The shares and/or securities then become publicly listed and traded.

IR4U Programme

The Bursa IR4U Programme is an initiative by the Exchange to promote and deepen the culture of investor relations amongst public listed companies in Malaysia.

L

Leading Entrepreneur Accelerator Platform (LEAP) Market

The LEAP Market is a qualified market which serves as an alternative avenue for SMEs and smaller companies to raise funds from sophisticated investors. It brings together potential SMEs and companies, intermediaries and sophisticated investors onto a single platform to create a conducive marketplace for fundraising.

Listing Requirements (LR)

The respective listing requirements which govern the admission and post listing obligations of an issuer listed on the Main Market, ACE Market or LEAP Market of the Exchange.

M

Material Matters

Material Matters refer to matters that are of most importance to Bursa Malaysia, based on our significant economic, environmental, and social impacts and which substantively influence the assessments and decisions of our key stakeholders. They are also determined based on how they impact or are impacted by our value creation activities.

Main Market

The Main Market is a prime market for listing of established companies that have achieved certain minimum profit track record or size. It is also a platform to list other capital market products such as debt securities, ETFs, REITs and structured warrants.

Market Surveillance System (MSS)

The market surveillance system is a system that facilitates real-time and post trade monitoring and analysis of both equities and derivatives trading activities as well as facilitates the detection of a wide range of possible market misconduct on real-time basis.

Murabahah

An Islamic financing structure. Murabahah refers to a sale contract with a disclosure of the asset cost price and profit margin to the buyer.

Musawamah

A sale between seller and buyer who negotiate the terms (price) of the subject matter i.e. commodity to be traded without any preconditions.

O

On-Market Transactions (OMT)

OMT is a transaction that is concluded by way of automated matching of orders entered into the order book maintained in the Automated Trading System or an On-Market Married Transaction.

P**Participating Organisation (PO)**

A PO, as defined in the Capital Markets and Services Act 2007, is a person that carries on the business of dealing in securities and is recognised as a PO under the BMS Rules.

Islamic PO is a PO which conducts its stockbroking business in accordance with Shariah principles whether on a full-fledged basis or 'window' basis.

Primary Market

A part of the capital market that deals with issuance of new securities for the first time.

Public Listed Company (PLC)/Listed Issuer

A public company or corporation listed on the Exchange.

Public Listed Companies Transformation (PLCT) Programme

The PLCT Programme (2022–2025) aims to steer Corporate Malaysia to higher levels of performance. The PLCT Programme is spearheaded by Bursa Malaysia to increase the attractiveness (investability) of Malaysian listed companies by strengthening the growth narratives of public listed companies (PLCs) of all sizes. PLCs are provided with best practices and guidance to improve engagements with investors and achieve desired outcomes. The overall approach of the PLCT Programme entails the principles of Information Sharing (5 Guidebooks), Engagement, and Transparency. The PLCT Programme is anticipated to continue until 2025, over a period of four years.

R**Real Estate Investment Trust (REIT)**

A REIT is a collective investment scheme that invests or proposes to invest primarily in income-generating real estate.

S**Secondary Market**

The public market on which securities, once issued, are traded.

Shares

A share is a security which represents a portion of the owner's capital in a business. Shareholders are the owners of the business and share the success or failure of the business. Shares are also commonly referred to as stock.

Shares2share

A Securities donation scheme that provides a platform for investor donors to donate their listed securities or proceeds from the sale of the listed securities towards charity through Yayasan Bursa Malaysia.

Stapled Securities

An arrangement in which different classes of securities are listed and traded as one security. Stapled securities may involve different classes of securities issued by an issuer or different issuers.

Structured Warrants

Structured warrants are proprietary instruments issued by a third-party issuer, namely an eligible broker or financial institution that give holders the right, but not the obligation, to buy or sell the underlying instrument in the future for a fixed price. Essentially, one makes a 'reservation' to buy or sell a pre-determined number of the underlying instrument at a certain price in the future when investing in a structured warrant. Structured warrants can be issued over an underlying asset such as equity, ETF, index, commodity futures or a basket of stocks.

Sustainable Development Goals (SDGs)

The United Nations (UN) SDGs are the blueprint to achieve a better and more sustainable future for all. They address the global challenges we face, including those related to poverty, inequality, climate, environmental degradation, prosperity as well as peace and justice.

Sustainability Reporting Framework (Framework)

The Framework prescribed under the Main LR and ACE LR respectively pertaining to sustainability disclosure where PLCs are required to provide a narrative statement on the management of material economic, environmental and social risks and opportunities in their Annual Reports. The Framework also includes a comprehensive Sustainability Reporting Guide, the Illustrative Sustainability Reporting Guide, and six Toolkits to aid PLCs in embedding and reporting on sustainability practices. On 20 September 2023, Bursa Malaysia issued an Enhanced Sustainability Reporting Framework.

Sustainable and Responsible Investment (SRI)

SRI is an approach to investing that aims to incorporate ESG factors into investment decisions, to better manage risk and generate sustainable, long-term returns.

Glossary

Sustainable Stock Exchanges (SSE) Initiative

The SSE Initiative is a peer-to-peer learning platform for exchanges, in collaboration with investors, regulators, and companies, to explore how corporate transparency and performance on ESG issues can be enhanced and to further encourage the uptake of sustainable investment. The SSE is a project of the UN, co-organised by the UN Conference on Trade and Development, the UN Global Compact, the UN Environment Programme Finance Initiative and the UN-supported Principles for Responsible Investment.

T

Task Force on Climate-related Financial Disclosures (TCFD)

The TCFD seeks to develop recommendations for voluntary climate-related financial disclosures that are consistent, comparable, reliable, clear, and efficient, and provide decision-useful information to lenders, insurers, and investors.

Tawarruq

An Islamic financing structure. A Tawarruq involves purchasing a commodity on a deferred price either in the form of Murabahah or Musawamah, later selling it to a third party with the objective of obtaining cash.

Trading Participant

A company that carries on the business of dealing in derivatives on the Exchange and is admitted as a Trading Participant under Rules of Bursa Malaysia Derivatives Berhad.

V

Value

An integrated report explains how an organisation creates, preserves or erodes value over time. Value is created through relationships with stakeholders, influenced by external environment and dependent on various resources.

Voluntary Carbon Market

Voluntary carbon markets are trading schemes that operate on a voluntary basis, which creates financial incentives for activities that reduce or remove greenhouse gas emissions.

W

Warrants

Warrants are issued by a company and give the holder the right, but not an obligation, to subscribe for new ordinary shares at a specified price during a specified period of time. Warrants have a maturity date (up to 10 years) after which they expire and are worthless unless the holder exercises the right to subscribe for the new shares before the maturity date.

Waqf

Waqf is a form of charitable endowment in which property or assets are donated for the use and benefits of the public. The endowment is intended to be perpetual, with the assets held in trust and the income generated from the assets are used for charitable purposes.

Waqf-Featured Securities

An Islamic REIT or an Islamic ETF with *Waqf* feature is a listed fund that enables investors to retain their ownership rights over the units purchased while donating all or a portion of the income distribution from their investment in the REIT or ETF for *Waqf* purposes i.e. channeled to *Waqf* initiatives.

The World Federation of Exchanges (WFE)

Established in 1961, the WFE is the global industry association for exchanges and clearing houses. Headquartered in London, it represents over 250 market infrastructure providers, including standalone central counterparties (CCPs) that are not part of exchange groups.

WFE exchanges are home to over 50,000 listed companies, and the market capitalisation of these entities is over \$100 trillion; around \$140 trillion (EOB) in trading annually passes through WFE members (as at end 2022).

Z

Zakat

Zakat is one of the fundamental obligations in Islam. Its principal objectives are to develop balanced socio-economic growth and to purify one's soul and wealth. The positive impact of zakat on the economy via an effective mechanism to raise the standard living of the poor, as well as an important source of public revenue in enhancing the expenditure of developing nations. Zakat has been described, as a major source of public finance and treated as a critical component of socioeconomic justice.

Form of Proxy

BURSA MALAYSIA BERHAD

Registration No. 197601004668 (30632-P)
(Incorporated in Malaysia under the Companies Act 2016)

CDS account no. of authorised nominee (Note 1)

I/We _____
(Full Name as per NRIC/Passport/Certificate of Incorporation in capital letters)

NRIC (new & old)/Passport/Registration No. _____ Tel No. _____

of _____
(Full address)

being a member of BURSA MALAYSIA BERHAD hereby appoint:

| Full name of proxy in capital letters | NRIC (new & old)/Passport No. of proxy | Proportion of shareholdings to be represented | |
|---------------------------------------|--|---|---|
| | | No. of shares | % |
| | | | |

and (if more than one (1) proxy)

| Full name of proxy in capital letters | NRIC (new & old)/Passport No. of proxy | Proportion of shareholdings to be represented | |
|---------------------------------------|--|---|---|
| | | No. of shares | % |
| | | | |

or failing him/her, the Chairman of the Meeting as my/our proxy to vote for me/us and on my/our behalf at the 47th Annual General Meeting (AGM) of Bursa Malaysia Berhad (the Company) to be held on Tuesday, 26 March 2024 at 10.00 a.m. at the Ground Floor, Annexe Building, Bursa Malaysia Berhad, Exchange Square, Bukit Kewangan, 50200 Kuala Lumpur, Malaysia ("Main Venue") and virtually by way of electronic means via the TIIH Online website at <https://tiih.online> ("Online Platform") and at any adjournment thereof, on the following resolutions referred to in the Notice of the 47th AGM. My/our proxy is to vote as indicated below:

| No. | Resolution | | For | Against |
|-----|---|-----------------------|-----|---------|
| 1. | To re-elect Datuk Muhamad Umar Swift as Director of the Company | Ordinary Resolution 1 | | |
| 2. | To re-elect Ms. Tan Ler Chin as Director of the Company | Ordinary Resolution 2 | | |
| 3. | To approve the payment of Directors' fees amounting to RM300,000 per annum for the Non-Executive Chairman and RM200,000 per annum for each of the Non-Executive Directors in respect of the financial year ended 31 December 2023 | Ordinary Resolution 3 | | |
| 4. | To approve the payment of benefits payable to the Non-Executive Chairman and Non-Executive Directors up to an amount of RM2,000,000 from 27 March 2024 until the next AGM of the Company | Ordinary Resolution 4 | | |
| 5. | To appoint Ernst & Young PLT as Auditors of the Company for the financial year ending 31 December 2024 and to authorise the Board of Directors to determine their remuneration | Ordinary Resolution 5 | | |

Please indicate with an "X" in the appropriate space how you wish your vote to be cast. If you do not indicate how you wish your proxy to vote on any resolution, the proxy shall vote as he/she thinks fit, or at his/her discretion, abstain from voting.

Dated this _____ day of _____, 2024.

Signature/Common Seal of Member

NOTES:

- 1. Applicable to shares held through a nominee account.
- 2. Every Member including authorised nominees as defined under the Securities Industry (Central Depositories) Act 1991 (SICDA), and Exempt Authorised Nominees who hold ordinary shares in the Company for multiple owners in one securities account (Omnibus Account), is entitled to appoint another person as his proxy to exercise all or any of his rights to attend, participate, speak and vote instead of him at the AGM, and that such proxy need not be a Member.
- 3. Where a member appoints more than one (1) proxy, the appointment shall be invalid unless he specifies the proportion of his shareholding to be represented by each proxy.
- 4. The instrument appointing a proxy shall be in writing under the hand of the Member or of his attorney duly authorised in writing, or if the Member is a corporation, shall either be executed under its common seal or under the hand of two (2) authorised officers, one of whom shall be a director, or its attorney duly authorised in writing.
- 5. Pursuant to Paragraph 8.29A of Bursa Malaysia Securities Berhad Main Market Listing Requirements, all resolutions set out in the Notice of the 47th AGM will be put to vote on a poll.
- 6. As approved by the Board with reference to Article 17.2 of the Company's Constitution, proxy forms and/or documents relating to the appointment of proxy for the 47th AGM shall be deposited or submitted in the

following manner not later than **10.00 a.m.** on **Monday, 25 March 2024** in accordance with Article 17.3 of the Company's Constitution:

- (a) In hard copy:
 - (i) By hand or post: to the office of the Share Registrar of the Company, Tricor Investor & Issuing House Services Sdn Bhd (TIIH) at Unit 32-01, Level 32, Tower A, Vertical Business Suite, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur or its Customer Service Centre at Unit G-3, Ground Floor, Vertical Podium, Avenue 3, Bangsar South, No. 8, Jalan Kerinchi, 59200 Kuala Lumpur
 - (ii) By fax at 03-2783 9222 or e-mail to is.enquiry@my.tricorglobal.com
 - (b) In electronic form via TIIH Online.
- The detailed requirements and procedures for the submission of proxy forms are set out in the Administrative Guide.
- 7. For the purpose of determining a member who shall be entitled to attend this 47th AGM, the Company shall be requesting Bursa Malaysia Depository Sdn Bhd in accordance with Article 15.9 of the Company's Constitution and Section 34(1) of the Securities Industry (Central Depositories) Act 1991, to issue a General Meeting Record of Depositors as at 19 March 2024. Only a depositor whose name appears on the Record of Depositors as at 19 March 2024 shall be entitled to attend the said meeting or appoint proxies to attend and/or vote on his/her behalf.

2. FOLD THIS FLAP TO SEAL

AFFIX
STAMP

The Share Registrar

TRICOR INVESTOR & ISSUING HOUSE SERVICES SDN. BHD.
Registration No. 197101000970 (11324-H)
Unit 32-01, Level 32, Tower A
Vertical Business Suite
Avenue 3, Bangsar South
No. 8, Jalan Kerinchi
59200 Kuala Lumpur

1. FOLD HERE

Bursa Malaysia Berhad

197601004668 (30632-P)

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E: Bursa2U@bursamalaysia.com

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