



BURSA MALAYSIA BERHAD
Registration No. 197601004668 (30632-P)
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2021**

28 January 2022

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2021**

| | Note | Quarter Ended | | | Year Ended | | |
|-----------------------------------|------|---------------|----------------|---------------|----------------|----------------|--------------|
| | | 31.12.2021 | 31.12.2020 | Changes | 31.12.2021 | 31.12.2020 | Changes |
| | | RM'000 | RM'000 | % | RM'000 | RM'000 | % |
| | | (Reviewed) | (Reviewed) | | (Audited) | (Audited) | |
| Operating revenue | 8 | 161,599 | 224,807 | (28.1) | 751,626 | 778,805 | (3.5) |
| Other income | 9 | 3,582 | 5,894 | (39.2) | 15,911 | 20,168 | (21.1) |
| | | 165,181 | 230,701 | (28.4) | 767,537 | 798,973 | (3.9) |
| Staff costs | | (38,947) | (42,278) | (7.9) | (157,949) | (155,596) | 1.5 |
| Depreciation and amortisation | | (6,102) | (5,179) | 17.8 | (21,994) | (21,395) | 2.8 |
| Other operating expenses | 10 | (30,352) | (43,954) | (30.9) | (108,617) | (114,807) | (5.4) |
| Profit from operations | | 89,780 | 139,290 | (35.5) | 478,977 | 507,175 | (5.6) |
| Finance costs | | (133) | (134) | (0.7) | (533) | (538) | (0.9) |
| Profit before tax and zakat | | 89,647 | 139,156 | (35.6) | 478,444 | 506,637 | (5.6) |
| Income tax expense and zakat | 26 | (24,694) | (34,302) | (28.0) | (123,190) | (128,890) | (4.4) |
| Profit for the period/year | | 64,953 | 104,854 | (38.1) | 355,254 | 377,747 | (6.0) |

| | Note | Quarter Ended | | Year Ended | |
|--|-------|---------------|---------------|---------------|---------------|
| | | 31.12.2021 | 31.12.2020 | 31.12.2021 | 31.12.2020 |
| | | Sen per share | Sen per share | Sen per share | Sen per share |
| | | (Reviewed) | (Reviewed) | (Audited) | (Audited) |
| Earnings per share ("EPS") attributable to owners of the Company: | | | | | |
| Basic EPS | 32(a) | 8.0 | 13.0 | 43.9 | 46.7 |
| Diluted EPS | 32(b) | 8.0 | 13.0 | 43.9 | 46.7 |

The above condensed consolidated statement of profit or loss should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to these interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2021**

| | Quarter Ended | | | Year Ended | | |
|--|----------------------|----------------------|---------------|----------------------|----------------------|----------------|
| | 31.12.2021 RM'000 | 31.12.2020 RM'000 | Changes % | 31.12.2021 RM'000 | 31.12.2020 RM'000 | Changes % |
| | (Reviewed) | (Reviewed) | | (Audited) | (Audited) | |
| Profit for the period/year | 64,953 | 104,854 | (38.1) | 355,254 | 377,747 | (6.0) |
| Other comprehensive income: | | | | | | |
| Items that may be subsequently reclassified to profit or loss: | | | | | | |
| (Loss)/Gain on foreign currency translation | (11) | (109) | (89.9) | 123 | (62) | (298.4) |
| Net fair value changes in unquoted bonds at fair value through other comprehensive income ("FVTOCI") | (315) | (176) | 79.0 | (1,325) | 508 | (360.8) |
| Income tax effects relating to unquoted bonds at FVTOCI | 46 | 40 | 15.0 | 238 | (137) | (273.7) |
| | (280) | (245) | 14.3 | (964) | 309 | (412.0) |
| Items that will not be subsequently reclassified to profit or loss: | | | | | | |
| Actuarial gain/(loss) on defined benefit obligations | 303 | (456) | (166.4) | 303 | (456) | (166.4) |
| Net fair value changes in quoted shares at FVTOCI | 8,377 | 7,400 | 13.2 | 31,063 | (17,091) | (281.8) |
| Income tax effects relating to actuarial (gain)/loss on defined benefit obligations | (73) | 109 | (167.0) | (73) | 109 | (167.0) |
| | 8,607 | 7,053 | 22.0 | 31,293 | (17,438) | (279.5) |
| Total other comprehensive income/(loss), net of income tax | 8,327 | 6,808 | 22.3 | 30,329 | (17,129) | (277.1) |
| Total comprehensive income | 73,280 | 111,662 | (34.4) | 385,583 | 360,618 | 6.9 |

The above condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to these interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021**

| Note | As at 31.12.2021 RM'000 (Audited) | As at 31.12.2020 RM'000 (Audited) |
|--|--|--|
| Assets | | |
| | 173,718 | 164,104 |
| Property, plant and equipment | | |
| | 38,988 | 33,331 |
| Computer software | | |
| | 7,963 | 8,074 |
| Right-of-use assets | | |
| | 42,957 | 42,957 |
| Goodwill | | |
| | 40,049 | 196,076 |
| Investment securities | | |
| | 970 | 1,329 |
| Staff loans receivable | | |
| | 17,323 | 14,957 |
| Deferred tax assets | | |
| Non-current assets | 321,968 | 460,828 |
| Trade receivables | 27 | 48,098 |
| Other receivables | | 14,034 |
| Tax recoverable | | 15,334 |
| Investment securities | | 20,173 |
| Cash for equity margins, derivatives trading margins, security deposits and eDividend and eRights distributions | 13 | 3,265,387 |
| Cash and bank balances of Clearing Funds | 14 | 157,899 |
| Cash and bank balances of the Group | 15 | 499,149 |
| Current assets | 4,020,074 | 2,772,046 |
| Total assets | 4,342,042 | 3,232,874 |
| Equity and liabilities | | |
| | 435,621 | 433,820 |
| Share capital | | |
| | 30,778 | 130,868 |
| Other reserves | | |
| | 350,740 | 336,107 |
| Retained earnings | | |
| Total equity | 817,139 | 900,795 |
| Retirement benefit obligations | 13,365 | 15,387 |
| Deferred income | 3,938 | 4,102 |
| Lease liabilities | 7,451 | 7,456 |
| Deferred tax liabilities | 557 | 845 |
| Non-current liabilities | 25,311 | 27,790 |
| Trade payables | 13 | 3,263,791 |
| Participants' contributions to Clearing Funds | 14 | 62,899 |
| Other payables | | 167,714 |
| Lease liabilities | | 505 |
| Tax payable and zakat | | 4,683 |
| Current liabilities | 3,499,592 | 2,304,289 |
| Total liabilities | 3,524,903 | 2,332,079 |
| Total equity and liabilities | 4,342,042 | 3,232,874 |
| | RM | RM |
| Net assets per share attributable to owners of the Company | 33 | 1.01 |
| | | 1.11 |

The above condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to these interim financial statements.

BURSA MALAYSIA BERHAD

Registration No. 197601004668 (30632-P)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2021**

| | Non-distributable | | | | Distributable | | Total equity RM'000 |
|--|-------------------------|--|-------------------------------|----------------------------------|--------------------------|-----------------------------|------------------------|
| | Share capital RM'000 | Foreign currency translation reserve RM'000 | Share grant reserve RM'000 | Clearing fund reserves RM'000 | FVTOCI reserve RM'000 | Retained earnings RM'000 | |
| (Audited) | | | | | | | |
| At 1 January 2021 | 433,820 | 504 | 1,739 | 30,000 | 98,625 | 336,107 | 900,795 |
| Profit for the year | - | - | - | - | - | 355,254 | 355,254 |
| Other comprehensive income, net of income tax | - | 123 | - | - | 29,976 | 230 | 30,329 |
| Total comprehensive income | - | 123 | - | - | 29,976 | 355,484 | 385,583 |
| Transactions with owners: | | | | | | | |
| Issuance of ordinary shares pursuant to share grant plan ("SGP") | 1,801 | - | (1,801) | - | - | - | - |
| SGP expense | - | - | 62 | - | - | - | 62 |
| Dividends paid (Note 7) | - | - | - | - | - | (469,301) | (469,301) |
| Total transactions with owners | 1,801 | - | (1,739) | - | - | (469,301) | (469,239) |
| Transfer of gain on disposal of quoted shares at FVTOCI | - | - | - | - | (128,450) | 128,450 | - |
| At 31 December 2021 | 435,621 | 627 | - | 30,000 | 151 | 350,740 | 817,139 |
| At 1 January 2020 | 430,395 | 566 | 4,133 | 30,000 | 115,345 | 180,326 | 760,765 |
| Profit for the year | - | - | - | - | - | 377,747 | 377,747 |
| Other comprehensive income, net of income tax | - | (62) | - | - | (16,720) | (347) | (17,129) |
| Total comprehensive income | - | (62) | - | - | (16,720) | 377,400 | 360,618 |
| Transactions with owners: | | | | | | | |
| Issuance of ordinary shares pursuant to SGP | 3,425 | - | (3,425) | - | - | - | - |
| SGP expense | - | - | 1,031 | - | - | - | 1,031 |
| Dividends paid (Note 7) | - | - | - | - | - | (221,619) | (221,619) |
| Total transactions with owners | 3,425 | - | (2,394) | - | - | (221,619) | (220,588) |
| At 31 December 2020 | 433,820 | 504 | 1,739 | 30,000 | 98,625 | 336,107 | 900,795 |

The above condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to these interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021**

| | Note | Year Ended | |
|---|------|-----------------------------------|-----------------------------------|
| | | 31.12.2021 RM'000 (Audited) | 31.12.2020 RM'000 (Audited) |
| Cash flows from operating activities | | | |
| Profit before tax and zakat | | 478,444 | 506,637 |
| Adjustments for: | | | |
| Amortisation of premium | | 3 | 2 |
| Depreciation and amortisation | | 21,994 | 21,395 |
| Dividend income from investment securities | 9 | (973) | (3,249) |
| Equipments written off | | 3 | - |
| Grant income | 9 | (883) | (950) |
| Interest expense on lease liabilities | | 533 | 538 |
| Interest/profit income | 9 | (13,148) | (14,436) |
| Lease of equipment | | 220 | 219 |
| Net gain on disposals: | | | |
| - motor vehicles | 9 | - | (69) |
| - computer hardware | 9 | (165) | - |
| Net impairment losses/(reversal of impairment losses) on: | | | |
| - investment securities | 10 | 75 | (51) |
| - trade and other receivables | 10 | (96) | 563 |
| (Reversal)/Provision for short-term accumulating compensated unutilised leave | | (20) | 191 |
| Retirement benefit obligations | | 457 | 652 |
| SGP expense | | 62 | 1,031 |
| Unrealised loss on foreign exchange differences | | 39 | 106 |
| Operating profit before working capital changes | | 486,545 | 512,579 |
| Decrease/(Increase) in receivables | | 39,716 | (44,201) |
| (Decrease)/Increase in other payables | | (1,626) | 72,875 |
| Cash generated from operations | | 524,635 | 541,253 |
| Contributions to defined benefit retirement scheme | | (2,150) | (3,666) |
| Interest paid | | (533) | (538) |
| Repayment of staff loans, net of disbursements | | 371 | 536 |
| Repayment of lease liabilities | | (220) | (219) |
| Net tax and zakat paid | | (145,489) | (120,128) |
| Net cash from operating activities | | 376,614 | 417,238 |
| Cash flows from investing activities | | | |
| Dividends received | | 2,788 | 3,180 |
| Increase in deposits not for short-term funding requirements | | (31,031) | (86,169) |
| Interest/profit income received | | 14,210 | 13,628 |
| Proceeds from disposals of: | | | |
| - investment securities | | 175,512 | 10,000 |
| - motor vehicles and computer hardware | | 165 | 69 |
| Purchases of: | | | |
| - investment securities | | (9,974) | (15,000) |
| - property, plant and equipment and computer software | | (29,899) | (16,219) |
| Net cash from/(used in) investing activities | | 121,771 | (90,511) |

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2021**

| | Note | Year Ended | |
|--|-------|-----------------------------------|-----------------------------------|
| | | 31.12.2021 RM'000 (Audited) | 31.12.2020 RM'000 (Audited) |
| Cash flows from financing activities | | | |
| Additional cash resource to Clearing Fund | 14(a) | - | (5,000) |
| Dividends paid | 7 | (469,301) | (221,619) |
| Grant received | | - | 1,000 |
| Repayment of lease liabilities | | (5) | (5) |
| Net cash used in financing activities | | (469,306) | (225,624) |
| Net increase in cash and cash equivalents | | 29,079 | 101,103 |
| Effects of exchange rate changes | | 68 | (60) |
| Cash and cash equivalents at beginning of year | | 286,534 | 185,491 |
| Cash and cash equivalents at end of year | 15 | 315,681 | 286,534 |

The above condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020 and the accompanying explanatory notes attached to these interim financial statements.

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

1. BASIS OF PREPARATION

These condensed consolidated financial statements ("Condensed Report") have been prepared in accordance with the Malaysian Financial Reporting Standard ("MFRS") 134 *Interim Financial Reporting*, the International Accounting Standard ("IAS") 34 *Interim Financial Reporting* and the requirements of the Companies Act 2016 in Malaysia, where applicable. This Condensed Report, other than for financial instruments and retirement benefit obligations, has been prepared under the historical cost convention. Certain financial instruments are carried at fair value in accordance with MFRS 9 *Financial Instruments* and the retirement benefit obligations, including actuarial gains and losses are recognised in accordance with MFRS 119 *Employee Benefits*.

This Condensed Report has also been prepared in accordance with paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

This Condensed Report should be read in conjunction with the audited financial statements for the financial year ended 31 December 2020. The explanatory notes attached to this Condensed Report provide explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2020.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Adoption of Amendments to Standards

The accounting standards adopted in the preparation of the Condensed Report are consistent with those adopted in the preparation of the Group's audited financial statements for the financial year ended 31 December 2020, except for the following which were adopted at the beginning of the current financial year:

Amendment to MFRS 16 Leases - *Covid-19 - Related Rent Concessions*

Amendments to MFRS 9 Financial Instruments, MFRS 139 Financial Instruments: Recognition and Measurement, MFRS 7 Financial Instruments: Disclosures, MFRS 4 Insurance Contracts and MFRS 16 Leases - *Interest Rate Benchmark Reform - Phase 2*

2.2 Standards issued but not yet effective

As at the date of authorisation of this Condensed Report, the following Standards and amendments to Standards have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective to the Group's current financial year.

Effective for financial periods beginning on or after 1 April 2021

Amendment to MFRS 16 Leases - *Covid-19 - Related Rent Concessions beyond 30 June 2021*

Effective for financial periods beginning on or after 1 January 2022

Amendments to MFRS 3 Business Combinations - *Reference to the Conceptual Framework*

Amendments to MFRS 116 Property, Plant and Equipment - *Proceeds before Intended Use*

Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets - *Onerous Contracts - Cost of Fulfilling a Contract*

Annual Improvements to MFRS Standards 2018 - 2020:

- Amendment to MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards
- Amendment to MFRS 9 Financial Instruments
- Amendment to MFRS 141 Agriculture

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Standards issued but not yet effective (cont'd)

Effective for financial periods beginning on or after 1 January 2023

MFRS 17 Insurance Contracts ("MFRS 17") and Amendments to MFRS 17
Amendments to MFRS 101 Presentation of Financial Statements - *Classification of Liabilities as Current or Non-current* and *Disclosure of Accounting Policies*
Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors - *Definition of Accounting Estimates*
Amendments to MFRS 112 Income Taxes - *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*

Effective date of these Amendments to Standards has been deferred, and yet to be announced

Amendments to MFRS 10 Consolidated Financial Statements and MFRS 128 Investments in Associates and Joint Ventures - *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*

The above pronouncements are either not relevant or do not have any impact on the financial statements of the Group.

3. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS

The Group's performance is affected by the level of activities in the securities, derivatives and Islamic capital markets but not by any seasonal or cyclical factors.

4. UNUSUAL ITEMS DUE TO THEIR NATURE, SIZE OR INCIDENCE

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter and year ended 31 December 2021.

5. SIGNIFICANT ESTIMATES AND CHANGES IN ESTIMATES

There were no changes in estimates that have had any material effect during the current quarter and year ended 31 December 2021.

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

6. DEBT AND EQUITY SECURITIES

There were no issuances, repurchases and repayments of debt and equity securities during the current quarter and year ended 31 December 2021 other than the issuance of 272,300 new ordinary shares of the Company on 12 April 2021, pursuant to the SGP. The details of the new issuance of ordinary shares are as follows:

| SGP grants | Number of new ordinary shares | Issue price (RM per share) |
|--|-------------------------------|----------------------------|
| (i) 2017 Restricted Share Plan ("RSP") grant | 9,900 | 6.22 |
| (ii) 2018 RSP grant (second tranche) | 7,800 | 6.89 |
| (iii) 2018 RSP grant (third tranche) | 254,600 | 6.62 |
| Total | 272,300 | 6.61* |

* Representing the weighted average issue price per share.

7. DIVIDENDS PAID

The following dividends were paid during the current and previous financial year ended:

| | 31.12.2021 | 31.12.2020 |
|---|------------------|------------------|
| Interim dividend | | |
| Dividend per share (single-tier) | 24.0 sen | 17.0 sen |
| For the financial year ended | 31 December 2021 | 31 December 2020 |
| Approved and declared on | 28 July 2021 | 28 July 2020 |
| Date paid | 27 August 2021 | 26 August 2020 |
| Number of ordinary shares on which dividend was paid ('000) | 809,299 | 809,027 |
| Net dividend paid (RM'000) | 194,232 | 137,535 |
| Final and special dividends | | |
| Final dividend per share (single-tier) | 26.0 sen | 10.4 sen |
| Special dividend per share (single-tier) | 8.0 sen | - |
| For the financial year ended | 31 December 2020 | 31 December 2019 |
| Approved and declared on | 2 February 2021 | 30 January 2020 |
| Date paid | 3 March 2021 | 28 February 2020 |
| Number of ordinary shares on which dividend was paid ('000) | 809,027 | 808,503 |
| Net dividend paid (RM'000) | 275,069 | 84,084 |

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

8. OPERATING REVENUE

| | Quarter Ended | | | Year Ended | | |
|---|----------------------|----------------------|---------------|----------------------|----------------------|---------------|
| | 31.12.2021 RM'000 | 31.12.2020 RM'000 | Changes % | 31.12.2021 RM'000 | 31.12.2020 RM'000 | Changes % |
| Trade fees | 7,981 | 15,439 | (48.3) | 43,425 | 51,377 | (15.5) |
| Clearing fees | 67,089 | 127,658 | (47.4) | 368,040 | 421,440 | (12.7) |
| Others | 7,920 | 6,598 | 20.0 | 31,461 | 26,087 | 20.6 |
| Total Securities trading revenue | 82,990 | 149,695 | (44.6) | 442,926 | 498,904 | (11.2) |
| Trade fees | 12,512 | 13,615 | (8.1) | 52,755 | 55,767 | (5.4) |
| Clearing fees | 5,846 | 6,053 | (3.4) | 24,188 | 24,274 | (0.4) |
| Others | 3,139 | 2,183 | 43.8 | 10,371 | 11,050 | (6.1) |
| Total Derivatives trading revenue | 21,497 | 21,851 | (1.6) | 87,314 | 91,091 | (4.1) |
| Bursa Suq Al-Sila ("BSAS") trade fees | 3,880 | 3,460 | 12.1 | 13,959 | 13,083 | 6.7 |
| Listing and issuer services | 18,486 | 16,866 | 9.6 | 70,875 | 57,026 | 24.3 |
| Depository services | 13,923 | 14,815 | (6.0) | 58,221 | 49,226 | 18.3 |
| Market data | 14,502 | 12,426 | 16.7 | 54,035 | 48,142 | 12.2 |
| Member services and connectivity | 6,321 | 5,475 | 15.5 | 24,239 | 21,114 | 14.8 |
| Conference fees and exhibition-related income | - | 219 | (100.0) | 57 | 219 | (74.0) |
| Total other operating revenue | 57,112 | 53,261 | 7.2 | 221,386 | 188,810 | 17.3 |
| Total operating revenue | 161,599 | 224,807 | (28.1) | 751,626 | 778,805 | (3.5) |

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

8. OPERATING REVENUE (CONT'D)

Disaggregation of revenue

The following tables illustrate the Group's revenue as disaggregated by major products or services and provide a reconciliation of the disaggregated revenue with the Group's four major market segments as disclosed in Note 11. The tables also include the timing of revenue recognition.

OPERATING REVENUE FOR THE QUARTER ENDED

| | Securities Market | | | Derivatives Market | | | Exchange Holding Company | | | Others | | | Total | | |
|---|----------------------|----------------------|---------------|----------------------|----------------------|--------------|--------------------------|----------------------|--------------|----------------------|----------------------|--------------|----------------------|----------------------|---------------|
| | 31.12.2021 RM'000 | 31.12.2020 RM'000 | Changes % | 31.12.2021 RM'000 | 31.12.2020 RM'000 | Changes % | 31.12.2021 RM'000 | 31.12.2020 RM'000 | Changes % | 31.12.2021 RM'000 | 31.12.2020 RM'000 | Changes % | 31.12.2021 RM'000 | 31.12.2020 RM'000 | Changes % |
| Major products or services: | | | | | | | | | | | | | | | |
| Securities trading revenue | 82,990 | 149,695 | (44.6) | - | - | - | - | - | - | - | - | - | 82,990 | 149,695 | (44.6) |
| Derivatives trading revenue | - | - | - | 21,497 | 21,851 | (1.6) | - | - | - | - | - | - | 21,497 | 21,851 | (1.6) |
| BSAS trade fees | - | - | - | - | - | - | - | - | - | 3,880 | 3,460 | 12.1 | 3,880 | 3,460 | 12.1 |
| Listing and issuer services | 18,459 | 16,839 | 9.6 | - | - | - | - | - | - | 27 | 27 | - | 18,486 | 16,866 | 9.6 |
| Depository services | 13,923 | 14,815 | (6.0) | - | - | - | - | - | - | - | - | - | 13,923 | 14,815 | (6.0) |
| Market data | 11,613 | 9,609 | 20.9 | 2,820 | 2,757 | 2.3 | - | - | - | 69 | 60 | 15.0 | 14,502 | 12,426 | 16.7 |
| Member services and connectivity | 4,203 | 3,423 | 22.8 | 38 | 35 | 8.6 | 2,059 | 1,991 | 3.4 | 21 | 26 | (19.2) | 6,321 | 5,475 | 15.5 |
| Conference fees and exhibition-related income | - | - | - | - | 219 | (100.0) | - | - | - | - | - | - | - | 219 | (100.0) |
| | 131,188 | 194,381 | (32.5) | 24,355 | 24,862 | (2.0) | 2,059 | 1,991 | 3.4 | 3,997 | 3,573 | 11.9 | 161,599 | 224,807 | (28.1) |
| Timing of revenue recognition: | | | | | | | | | | | | | | | |
| At a point in time | 110,693 | 177,277 | (37.6) | 22,709 | 23,035 | (1.4) | - | - | - | 3,899 | 3,482 | 12.0 | 137,301 | 203,794 | (32.6) |
| Over time | 20,495 | 17,104 | 19.8 | 1,646 | 1,827 | (9.9) | 2,059 | 1,991 | 3.4 | 98 | 91 | 7.7 | 24,298 | 21,013 | 15.6 |
| | 131,188 | 194,381 | (32.5) | 24,355 | 24,862 | (2.0) | 2,059 | 1,991 | 3.4 | 3,997 | 3,573 | 11.9 | 161,599 | 224,807 | (28.1) |

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

8. OPERATING REVENUE (CONT'D)

Disaggregation of revenue (cont'd)

OPERATING REVENUE FOR THE YEAR ENDED

| | Securities Market | | | Derivatives Market | | | Exchange Holding Company | | | Others | | | Total | | |
|---|----------------------|----------------------|--------------|----------------------|----------------------|--------------|--------------------------|----------------------|--------------|----------------------|----------------------|--------------|----------------------|----------------------|--------------|
| | 31.12.2021 RM'000 | 31.12.2020 RM'000 | Changes % | 31.12.2021 RM'000 | 31.12.2020 RM'000 | Changes % | 31.12.2021 RM'000 | 31.12.2020 RM'000 | Changes % | 31.12.2021 RM'000 | 31.12.2020 RM'000 | Changes % | 31.12.2021 RM'000 | 31.12.2020 RM'000 | Changes % |
| Major products or services: | | | | | | | | | | | | | | | |
| Securities trading revenue | 442,926 | 498,904 | (11.2) | - | - | - | - | - | - | - | - | - | 442,926 | 498,904 | (11.2) |
| Derivatives trading revenue | - | - | - | 87,314 | 91,091 | (4.1) | - | - | - | - | - | - | 87,314 | 91,091 | (4.1) |
| BSAS trade fees | - | - | - | - | - | - | - | - | - | 13,959 | 13,083 | 6.7 | 13,959 | 13,083 | 6.7 |
| Listing and issuer services | 70,762 | 56,912 | 24.3 | - | - | - | - | - | - | 113 | 114 | (0.9) | 70,875 | 57,026 | 24.3 |
| Depository services | 58,221 | 49,226 | 18.3 | - | - | - | - | - | - | - | - | - | 58,221 | 49,226 | 18.3 |
| Market data | 42,876 | 36,343 | 18.0 | 10,872 | 11,362 | (4.3) | - | - | - | 287 | 437 | (34.3) | 54,035 | 48,142 | 12.2 |
| Member services and connectivity | 16,050 | 13,122 | 22.3 | 148 | 142 | 4.2 | 7,955 | 7,741 | 2.8 | 86 | 109 | (21.1) | 24,239 | 21,114 | 14.8 |
| Conference fees and exhibition-related income | - | - | - | 57 | 219 | (74.0) | - | - | - | - | - | - | 57 | 219 | (74.0) |
| | 630,835 | 654,507 | (3.6) | 98,391 | 102,814 | (4.3) | 7,955 | 7,741 | 2.8 | 14,445 | 13,743 | 5.1 | 751,626 | 778,805 | (3.5) |
| Timing of revenue recognition: | | | | | | | | | | | | | | | |
| At a point in time | 557,991 | 592,667 | (5.9) | 91,714 | 95,204 | (3.7) | - | - | - | 14,038 | 13,185 | 6.5 | 663,743 | 701,056 | (5.3) |
| Over time | 72,844 | 61,840 | 17.8 | 6,677 | 7,610 | (12.3) | 7,955 | 7,741 | 2.8 | 407 | 558 | (27.1) | 87,883 | 77,749 | 13.0 |
| | 630,835 | 654,507 | (3.6) | 98,391 | 102,814 | (4.3) | 7,955 | 7,741 | 2.8 | 14,445 | 13,743 | 5.1 | 751,626 | 778,805 | (3.5) |

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

9. OTHER INCOME

| | Quarter Ended | | | Year Ended | | |
|--------------------------------------|----------------------|----------------------|---------------|----------------------|----------------------|---------------|
| | 31.12.2021 RM'000 | 31.12.2020 RM'000 | Changes % | 31.12.2021 RM'000 | 31.12.2020 RM'000 | Changes % |
| Interest/profit income from: | | | | | | |
| - deposits and investment securities | 3,303 | 3,469 | (4.8) | 13,103 | 14,372 | (8.8) |
| - others | 10 | 14 | (28.6) | 45 | 64 | (29.7) |
| Dividend income | - | 1,832 | (100.0) | 973 | 3,249 | (70.1) |
| Grant income | 191 | 159 | 20.1 | 883 | 950 | (7.1) |
| Net gain on disposals of: | | | | | | |
| - motor vehicles | - | 69 | (100.0) | - | 69 | (100.0) |
| - computer hardware | - | - | - | 165 | - | 100.0 |
| Rental income | 14 | 254 | (94.5) | 483 | 1,189 | (59.4) |
| Miscellaneous income | 64 | 97 | (34.0) | 259 | 275 | (5.8) |
| Total other income | 3,582 | 5,894 | (39.2) | 15,911 | 20,168 | (21.1) |

10. OTHER OPERATING EXPENSES

| | Quarter Ended | | | Year Ended | | |
|--|----------------------|----------------------|---------------|----------------------|----------------------|--------------|
| | 31.12.2021 RM'000 | 31.12.2020 RM'000 | Changes % | 31.12.2021 RM'000 | 31.12.2020 RM'000 | Changes % |
| Administrative expenses | 1,980 | 1,729 | 14.5 | 7,481 | 7,200 | 3.9 |
| Building management expenses | 3,359 | 3,571 | (5.9) | 11,437 | 11,473 | (0.3) |
| Central Depository System ("CDS") consumables | 1,773 | 1,779 | (0.3) | 4,914 | 3,572 | 37.6 |
| Marketing and development expenses | 4,669 | 2,388 | 95.5 | 8,666 | 5,796 | 49.5 |
| Professional fees | 2,343 | 4,406 | (46.8) | 4,694 | 14,416 | (67.4) |
| Technology expenses: | | | | | | |
| - information technology maintenance | 6,073 | 5,441 | 11.6 | 23,499 | 23,821 | (1.4) |
| - service fees | 4,717 | 5,138 | (8.2) | 20,216 | 22,506 | (10.2) |
| Net (gain)/loss on foreign exchange differences | (953) | 563 | (269.3) | (1,370) | 993 | (238.0) |
| Net impairment losses/ (reversal of impairment losses) on: | | | | | | |
| - investment securities | 25 | 2 | 1,150.0 | 75 | (51) | (247.1) |
| - trade and other receivables | (527) | (183) | 188.0 | (96) | 563 | (117.1) |
| Miscellaneous expenses | 6,893 | 19,120 | (63.9) | 29,101 | 24,518 | 18.7 |
| Total other operating expenses | 30,352 | 43,954 | (30.9) | 108,617 | 114,807 | (5.4) |

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

11. SEGMENT INFORMATION

RESULTS FOR THE QUARTER ENDED

| | Securities Market | | | Derivatives Market | | | Exchange Holding Company | | | Others | | | Total | | |
|------------------------------------|-------------------|----------------|---------------|--------------------|--------------|-------------|--------------------------|----------------|---------------|--------------|------------|--------------|----------------|----------------|---------------|
| | 31.12.2021 | 31.12.2020 | Changes | 31.12.2021 | 31.12.2020 | Changes | 31.12.2021 | 31.12.2020 | Changes | 31.12.2021 | 31.12.2020 | Changes | 31.12.2021 | 31.12.2020 | Changes |
| | RM'000 | RM'000 | % | RM'000 | RM'000 | % | RM'000 | RM'000 | % | RM'000 | RM'000 | % | RM'000 | RM'000 | % |
| Operating revenue (Note 8) | 131,188 | 194,381 | (32.5) | 24,355 | 24,862 | (2.0) | 2,059 | 1,991 | 3.4 | 3,997 | 3,573 | 11.9 | 161,599 | 224,807 | (28.1) |
| Other income | 1,948 | 2,743 | (29.0) | 320 | 333 | (3.9) | 1,295 | 2,796 | (53.7) | 19 | 22 | (13.6) | 3,582 | 5,894 | (39.2) |
| Direct costs | (28,842) | (35,042) | (17.7) | (13,977) | (19,396) | (27.9) | (5,068) | (8,534) | (40.6) | (1,927) | (2,997) | (35.7) | (49,814) | (65,969) | (24.5) |
| Segment profit/(loss) | 104,294 | 162,082 | (35.7) | 10,698 | 5,799 | 84.5 | (1,714) | (3,747) | (54.3) | 2,089 | 598 | 249.3 | 115,367 | 164,732 | (30.0) |
| Overheads | | | | | | | | | | | | | (25,720) | (25,576) | 0.6 |
| Profit before tax and zakat | | | | | | | | | | | | | 89,647 | 139,156 | (35.6) |

RESULTS FOR THE YEAR ENDED

| | Securities Market | | | Derivatives Market | | | Exchange Holding Company | | | Others | | | Total | | |
|------------------------------------|-------------------|----------------|--------------|--------------------|---------------|--------------|--------------------------|-----------------|-------------|--------------|--------------|-------------|----------------|----------------|--------------|
| | 31.12.2021 | 31.12.2020 | Changes | 31.12.2021 | 31.12.2020 | Changes | 31.12.2021 | 31.12.2020 | Changes | 31.12.2021 | 31.12.2020 | Changes | 31.12.2021 | 31.12.2020 | Changes |
| | RM'000 | RM'000 | % | RM'000 | RM'000 | % | RM'000 | RM'000 | % | RM'000 | RM'000 | % | RM'000 | RM'000 | % |
| Operating revenue (Note 8) | 630,835 | 654,507 | (3.6) | 98,391 | 102,814 | (4.3) | 7,955 | 7,741 | 2.8 | 14,445 | 13,743 | 5.1 | 751,626 | 778,805 | (3.5) |
| Other income | 9,363 | 11,205 | (16.4) | 1,223 | 1,701 | (28.1) | 5,249 | 7,122 | (26.3) | 76 | 140 | (45.7) | 15,911 | 20,168 | (21.1) |
| Direct costs | (106,753) | (109,495) | (2.5) | (54,064) | (56,037) | (3.5) | (30,300) | (29,768) | 1.8 | (7,540) | (7,632) | (1.2) | (198,657) | (202,932) | (2.1) |
| Segment profit/(loss) | 533,445 | 556,217 | (4.1) | 45,550 | 48,478 | (6.0) | (17,096) | (14,905) | 14.7 | 6,981 | 6,251 | 11.7 | 568,880 | 596,041 | (4.6) |
| Overheads | | | | | | | | | | | | | (90,436) | (89,404) | 1.2 |
| Profit before tax and zakat | | | | | | | | | | | | | 478,444 | 506,637 | (5.6) |

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

11. SEGMENT INFORMATION (CONT'D)

| | Securities Market RM'000 | Derivatives Market RM'000 | Exchange Holding Company RM'000 | Others RM'000 | Total RM'000 |
|--|--------------------------------|---------------------------------|--|------------------|------------------|
| ASSETS AND LIABILITIES AS AT 31 DECEMBER 2021 | | | | | |
| Assets | 380,870 | 114,003 | 369,377 | 21,849 | 886,099 |
| Clearing Funds | 104,678 | 53,221 | - | - | 157,899 |
| Cash for equity margins, derivatives trading margins, security deposits and eDividend and eRights distributions | 201,720 | 3,063,667 | - | - | 3,265,387 |
| Segment assets | 687,268 | 3,230,891 | 369,377 | 21,849 | 4,309,385 |
| Unallocated corporate assets | - | - | - | - | 32,657 |
| Total assets | 687,268 | 3,230,891 | 369,377 | 21,849 | 4,342,042 |
| Liabilities | 67,716 | 27,384 | 80,383 | 15,894 | 191,377 |
| Participants' contributions to Clearing Funds | 19,678 | 43,221 | - | - | 62,899 |
| Equity margins, derivatives trading margins, security deposits and eDividend and eRights distributions | 201,720 | 3,063,667 | - | - | 3,265,387 |
| Segment liabilities | 289,114 | 3,134,272 | 80,383 | 15,894 | 3,519,663 |
| Unallocated corporate liabilities | - | - | - | - | 5,240 |
| Total liabilities | 289,114 | 3,134,272 | 80,383 | 15,894 | 3,524,903 |

| | | | | | |
|--|----------------|------------------|----------------|---------------|------------------|
| ASSETS AND LIABILITIES AS AT 31 DECEMBER 2020 | | | | | |
| Assets | 550,887 | 106,365 | 311,295 | 20,929 | 989,476 |
| Clearing Funds | 104,145 | 45,758 | - | - | 149,903 |
| Cash for equity margins, derivatives trading margins, security deposits and eDividend distributions | 207,511 | 1,862,445 | - | - | 2,069,956 |
| Segment assets | 862,543 | 2,014,568 | 311,295 | 20,929 | 3,209,335 |
| Unallocated corporate assets | - | - | - | - | 23,539 |
| Total assets | 862,543 | 2,014,568 | 311,295 | 20,929 | 3,232,874 |
| Liabilities | 73,791 | 20,430 | 78,506 | 15,907 | 188,634 |
| Participants' contributions to Clearing Funds | 19,145 | 35,758 | - | - | 54,903 |
| Equity margins, derivatives trading margins, security deposits and eDividend distributions | 207,511 | 1,862,445 | - | - | 2,069,956 |
| Segment liabilities | 300,447 | 1,918,633 | 78,506 | 15,907 | 2,313,493 |
| Unallocated corporate liabilities | - | - | - | - | 18,586 |
| Total liabilities | 300,447 | 1,918,633 | 78,506 | 15,907 | 2,332,079 |

12. RELATED PARTY DISCLOSURES

All related party transactions and balances within the Group had been entered into in the normal course of business and were carried out on normal commercial terms during the current quarter and year ended 31 December 2021.

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

13. CASH FOR EQUITY MARGINS, DERIVATIVES TRADING MARGINS, SECURITY DEPOSITS AND eDIVIDEND AND eRIGHTS DISTRIBUTIONS

| | As at 31.12.2021 RM'000 | As at 31.12.2020 RM'000 |
|--|-------------------------------|-------------------------------|
| Equity margins | 200,124 | 206,260 |
| Derivatives trading margins | 3,035,847 | 1,835,211 |
| Security deposits from Clearing Participants ("CPs") of Bursa Malaysia Derivatives Clearing Berhad ("BMDC") | 27,820 | 27,234 |
| Total equity margins, derivatives trading margins and security deposits, representing trade payables | 3,263,791 | 2,068,705 |
| Cash received for eDividend and eRights distributions (included in other payables) | 1,596 | 1,251 |
| Total cash for equity margins, derivatives trading margins, security deposits and eDividend and eRights distributions | 3,265,387 | 2,069,956 |

The non-cash collaterals for equity margins, derivatives trading margins and security deposits from CPs of BMDC held by, but not belonging to the Group and which are not included in the condensed consolidated statement of financial position, comprise the following:

| | As at 31.12.2021 RM'000 | As at 31.12.2020 RM'000 |
|---|-------------------------------|-------------------------------|
| Collaterals in the form of letters of credit for: | | |
| - equity margins | 11,000 | 7,000 |
| - derivatives trading margins | 687,848 | 609,785 |
| - security deposits from CPs of BMDC | 16,000 | 16,000 |
| | 714,848 | 632,785 |
| Collaterals in the form of shares for derivatives trading margins | 784 | 531 |
| | 715,632 | 633,316 |

14. CASH AND BANK BALANCES OF CLEARING FUNDS

| | Participants' contributions RM'000 | Cash set aside by the Group RM'000 | Total RM'000 |
|---|--|--|-----------------|
| As at 31 December 2021 | | | |
| Contributions from Trading Clearing Participants ("TCPs") of Bursa Malaysia Securities Clearing Sdn Bhd ("BMSC") | 19,678 | - | 19,678 |
| Contributions from BMSC | - | 85,000 | 85,000 |
| Clearing Guarantee Fund ("CGF") balance | 19,678 | 85,000 | 104,678 |
| Contributions from CPs of BMDC | 43,221 | - | 43,221 |
| Contributions from BMDC (note a) | - | 10,000 | 10,000 |
| Derivatives Clearing Fund ("DCF") balance | 43,221 | 10,000 | 53,221 |
| Total cash and bank balances of Clearing Funds | 62,899 | 95,000 | 157,899 |

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

14. CASH AND BANK BALANCES OF CLEARING FUNDS (CONT'D)

| | Participants' contributions RM'000 | Cash set aside by the Group RM'000 | Total RM'000 |
|---|--|--|-----------------|
| As at 31 December 2020 | | | |
| Contributions from TCPs of BMSC | 19,145 | - | 19,145 |
| Contributions from BMSC | - | 85,000 | 85,000 |
| CGF balance | 19,145 | 85,000 | 104,145 |
| Contributions from CPs of BMDC | 35,758 | - | 35,758 |
| Contributions from BMDC (note a) | - | 10,000 | 10,000 |
| DCF balance | 35,758 | 10,000 | 45,758 |
| Total cash and bank balances of Clearing Funds | 54,903 | 95,000 | 149,903 |

(a) In the previous financial year ended 31 December 2020, BMDC had increased the DCF balance by an additional cash resource of RM5,000,000.

15. CASH AND BANK BALANCES OF THE GROUP

| | As at 31.12.2021 RM'000 | As at 31.12.2020 RM'000 |
|--|-------------------------------|-------------------------------|
| Cash and bank balances | 3,522 | 3,356 |
| Deposits for short-term funding requirements | 312,159 | 283,178 |
| Cash and cash equivalents | 315,681 | 286,534 |
| Deposits not for short-term funding requirements | 183,468 | 152,437 |
| Total cash and bank balances | 499,149 | 438,971 |

16. CAPITAL COMMITMENTS

Capital commitments for the purchase of property, plant and equipment and computer software not provided for in the Condensed Report as at the end of the financial years are as follows:

| | As at 31.12.2021 RM'000 | As at 31.12.2020 RM'000 |
|---|-------------------------------|-------------------------------|
| Approved and contracted for: | | |
| Computers and office automation | 2,619 | 2,107 |
| Office equipment and renovations | 6,785 | 78 |
| | 9,404 | 2,185 |
| Approved but not contracted for: | | |
| Computers and office automation | 2,560 | 2,955 |
| Office equipment and renovations | 4,170 | 10 |
| | 6,730 | 2,965 |

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

17. CONTINGENT ASSETS AND LIABILITIES

There were no contingent assets and contingent liabilities as at 31 December 2021.

18. CHANGES IN COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the quarter and year ended 31 December 2021 except for the following:

- (i) On 8 January 2021, the Company's subscription for 10,000,000 ordinary shares of Bursa Malaysia Regulation Sdn. Bhd. at an issue price of RM1.00 each for a total cash consideration of RM10,000,000;
- (ii) On 21 September 2021, Bursa Malaysia Depository Sdn Bhd, a wholly owned subsidiary, reduced its issued and fully paid-up share capital from RM30,000,000 divided into 25,000,000 ordinary shares to RM15,000,000 divided into 10,000,000 ordinary shares for the purpose of distributing its excess funds to the Company; and
- (iii) On 29 October 2021, Bursa Malaysia Securities Berhad, a wholly owned subsidiary, reduced its issued and fully paid-up share capital from RM25,250,000 divided into 25,000,000 ordinary shares to RM10,250,000 divided into 10,000,000 ordinary shares for the purpose of distributing its excess funds to the Company.

19. OPERATING LEASE ARRANGEMENTS

The Group has entered into operating lease arrangements as the lessor for the lease of office space in its building. The future aggregate minimum lease payments receivable under the operating leases contracted for but not recognised in the financial statements as receivables are as follows:

| | As at 31.12.2021 RM'000 | As at 31.12.2020 RM'000 |
|---|-------------------------------|-------------------------------|
| Not later than 1 year | 72 | 438 |
| Later than 1 year and not later than 5 years | 8 | 62 |
| Total future minimum lease receivables | 80 | 500 |

20. FINANCIAL INSTRUMENTS

20.1 Classification

The following table analyses the financial assets and financial liabilities of the Group in the condensed consolidated statement of financial position by the classes and categories of financial instruments to which they are assigned by their measurement basis.

| | As at 31.12.2021 RM'000 | As at 31.12.2020 RM'000 |
|------------------------------------|-------------------------------|-------------------------------|
| Assets | | |
| Financial assets at FVTOCI | | |
| Investment securities: | | |
| - quoted shares (outside Malaysia) | - | 139,451 |
| - unquoted bonds | 60,222 | 56,625 |
| | 60,222 | 196,076 |

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

20. FINANCIAL INSTRUMENTS (CONT'D)

20.1 Classification (cont'd)

| | As at 31.12.2021 RM'000 | As at 31.12.2020 RM'000 |
|---|-------------------------------|-------------------------------|
| Financial assets at amortised cost | | |
| Staff loans receivable | 1,232 | 1,629 |
| Trade receivables | 48,098 | 87,431 |
| Other receivables which are financial assets* | 5,125 | 7,963 |
| Cash for equity margins, derivatives trading margins, security deposits and eDividend and eRights distributions | 3,265,387 | 2,069,956 |
| Cash and bank balances of Clearing Funds | 157,899 | 149,903 |
| Cash and bank balances of the Group | 499,149 | 438,971 |
| | 3,976,890 | 2,755,853 |
| Total financial assets | 4,037,112 | 2,951,929 |
| Liabilities | | |
| Financial liabilities at amortised cost | | |
| Trade payables | 3,263,791 | 2,068,705 |
| Participants' contributions to Clearing Funds | 62,899 | 54,903 |
| Other payables which are financial liabilities** | 34,467 | 48,426 |
| Lease liabilities | 7,956 | 7,961 |
| Total financial liabilities | 3,369,113 | 2,179,995 |

* Other receivables which are financial assets include deposits, interest/profit income receivables and sundry receivables, net of allowance for impairment losses.

** Other payables which are financial liabilities include the amount due to the Securities Commission Malaysia and sundry payables.

20.2 Fair value

(a) Financial instruments that are carried at fair value

Financial assets at FVTOCI are measured 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 value.

(i) Level 1: Quoted prices (unadjusted) of identical assets in active markets

The shares quoted outside Malaysia are measured at Level 1 and the Group had disposed all of the remaining balance of its investment in quoted shares during the financial year ended 31 December 2021. The fair value of quoted shares as at 31 December 2020 was determined directly by reference to the published market bid prices.

(ii) Level 2: Inputs other than at quoted prices included within Level 1 that are observable for the assets, either directly (prices) or indirectly (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 prices based on information provided by Bond Pricing Agency Malaysia Sdn Bhd.

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

20. FINANCIAL INSTRUMENTS (CONT'D)

20.2 Fair value (cont'd)

(a) Financial instruments that are carried at fair value (cont'd)

(iii) Level 3: Inputs for the assets that are not based on observable market data (unobservable inputs)

The Group does not have any financial instruments measured at Level 3 as at 31 December 2021 and 31 December 2020.

| | Level 1 RM'000 | Level 2 RM'000 | Total RM'000 |
|------------------------------------|-------------------|-------------------|-----------------|
| As at 31 December 2021 | | | |
| Financial assets at FVTOCI: | | | |
| - unquoted bonds | - | 60,222 | 60,222 |
| As at 31 December 2020 | | | |
| Financial assets at FVTOCI: | | | |
| - quoted shares (outside Malaysia) | 139,451 | - | 139,451 |
| - unquoted bonds | - | 56,625 | 56,625 |
| | 139,451 | 56,625 | 196,076 |

There were no transfers between Level 1 and Level 2 during the current quarter and year ended 31 December 2021.

(b) Financial instruments that are not carried at fair value

The carrying amounts of financial assets and financial liabilities at amortised cost are reasonable approximation of their fair values due to their short-term nature.

21. EVENT AFTER THE REPORTING PERIOD

There was no material event subsequent to the financial year ended 31 December 2021.

22. SIGNIFICANT EVENT DURING THE FINANCIAL PERIOD

There was no significant event during the financial year ended 31 December 2021.

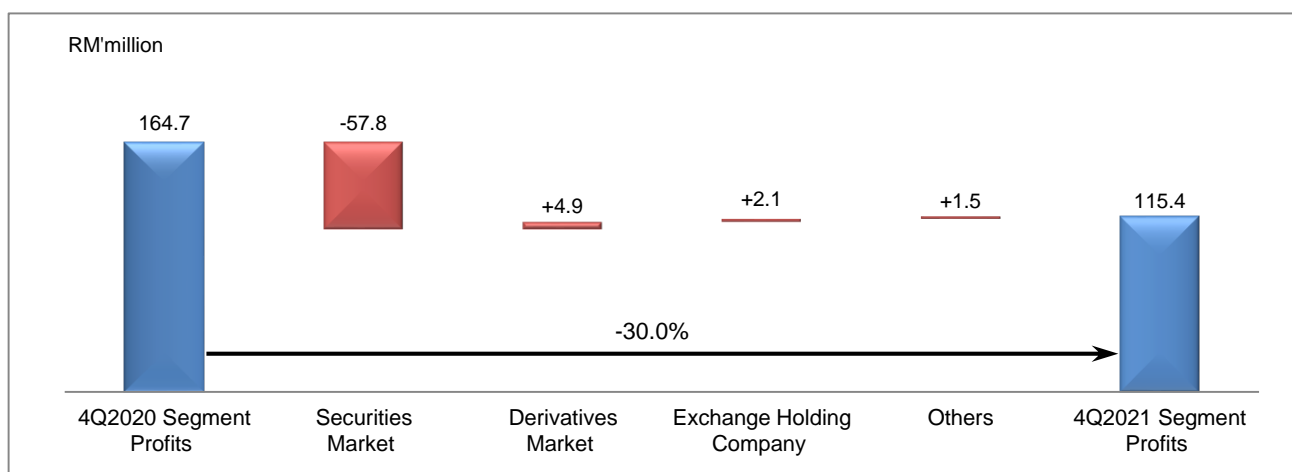
PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

23. OPERATING SEGMENTS REVIEW

4Q2021 vs. 4Q2020

Profit before tax and zakat ("PBT") for the quarter ended 31 December 2021 ("4Q2021") was RM89.6 million, a decrease of 35.6 per cent compared to RM139.2 million in the quarter ended 31 December 2020 ("4Q2020"). PBT is made up of segment profits less overheads (as depicted in Note 11). The cost-to-income ratio in 4Q2021 was 46%, an increase of 6 percentage points compared to 40% in 4Q2020 mainly due to lower operating revenue in 4Q2021 compared to 4Q2020.

Total segment profits for 4Q2021 were RM115.4 million, a decrease of 30.0 per cent compared to RM164.7 million in 4Q2020. Movements in the segment profits are shown in the chart below:



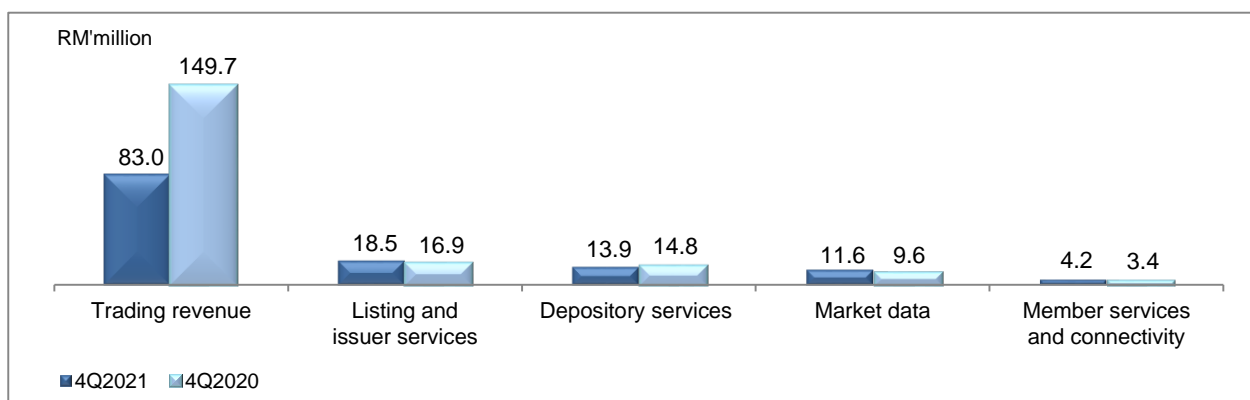
Total comprehensive income for 4Q2021 was RM73.3 million, a decrease of 34.4 per cent compared to RM111.7 million in 4Q2020. This was mainly due to lower profit earned in 4Q2021 compared to 4Q2020.

Securities Market

The Securities Market recorded a segment profit of RM104.3 million in 4Q2021, a decrease of 35.7 per cent compared to RM162.1 million in 4Q2020 mainly due to lower operating revenue in 4Q2021.

(i) Operating Revenue

The Securities Market's operating revenue for 4Q2021 was RM131.2 million, a decrease of 32.5 per cent compared to RM194.4 million in 4Q2020. Details by revenue category are shown in the chart below:



**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET
LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

23. OPERATING SEGMENTS REVIEW (CONT'D)

4Q2021 vs. 4Q2020 (cont'd)

Securities Market (cont'd)

(i) Operating Revenue (cont'd)

- > Trading revenue decreased by 44.6 per cent to RM83.0 million in 4Q2021 from RM149.7 million in 4Q2020 mainly due to lower Average Daily trading Value ("ADV") for On-Market Trades ("OMT") and Direct Business Trades ("DBT"), which decreased by 46.6 per cent to RM2.66 billion in 4Q2021 compared to RM4.98 billion in 4Q2020. Trading velocity in 4Q2021 was lower by 34 percentage points to 35% compared to 69% in 4Q2020.
- > Listing and issuer services revenue increased by 9.6 per cent to RM18.5 million in 4Q2021 from RM16.9 million in 4Q2020 mainly due to higher initial listing fees earned from the higher number of structured warrants listed in 4Q2021.
- > Depository services revenue decreased by 6.0 per cent to RM13.9 million in 4Q2021 from RM14.8 million in 4Q2020 mainly due to lower transfer fees earned in 4Q2021.
- > Market data revenue increased by 20.9 per cent to RM11.6 million in 4Q2021 from RM9.6 million in 4Q2020 contributed by higher number of subscribers in 4Q2021.

Key operating drivers of the Securities Market are as follows:

| Key operating drivers | | 4Q2021 | 4Q2020 | Changes (%) |
|--|------------------|---------------|---------------|--------------------|
| ADV (OMT) | (RM'billion) | 2.53 | 4.83 | (47.6) |
| ADV (DBT) | (RM'billion) | 0.13 | 0.15 | (13.3) |
| Total ADV (OMT and DBT) | (RM'billion) | 2.66 | 4.98 | (46.6) |
| Average daily trading volume (OMT) | (billion shares) | 3.50 | 8.97 | (61.0) |
| Average daily trading volume (DBT) | (billion shares) | 0.18 | 0.16 | 12.5 |
| Total average daily trading volume (OMT and DBT) | (billion shares) | 3.68 | 9.13 | (59.7) |
| FBMKLCI | (points) | 1,567.53 | 1,627.21 | (3.7) |
| Effective clearing fee rate | (basis points) | 2.66 | 2.66 | - |
| Velocity | (per cent) | 35 | 69 | (34.0) |
| Number of IPOs | | 6 | 6 | - |
| Number of new structured warrants listed | | 363 | 314 | 15.6 |
| Total funds raised: | | | | |
| - IPOs | (RM'million) | 497.10 | 1,687.18 | (70.5) |
| - Secondary issues | (RM'million) | 3,394.87 | 5,475.98 | (38.0) |
| Market capitalisation as at end of period | (RM'billion) | 1,789.12 | 1,816.84 | (1.5) |
| Number of trading days | | 63 | 64 | -1 day |

(ii) Operating Expenses

Segment expenses decreased by 17.7 per cent to RM28.8 million in 4Q2021 compared to RM35.0 million in 4Q2020 due to lower staff costs in 4Q2021.

**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET
LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

23. OPERATING SEGMENTS REVIEW (CONT'D)

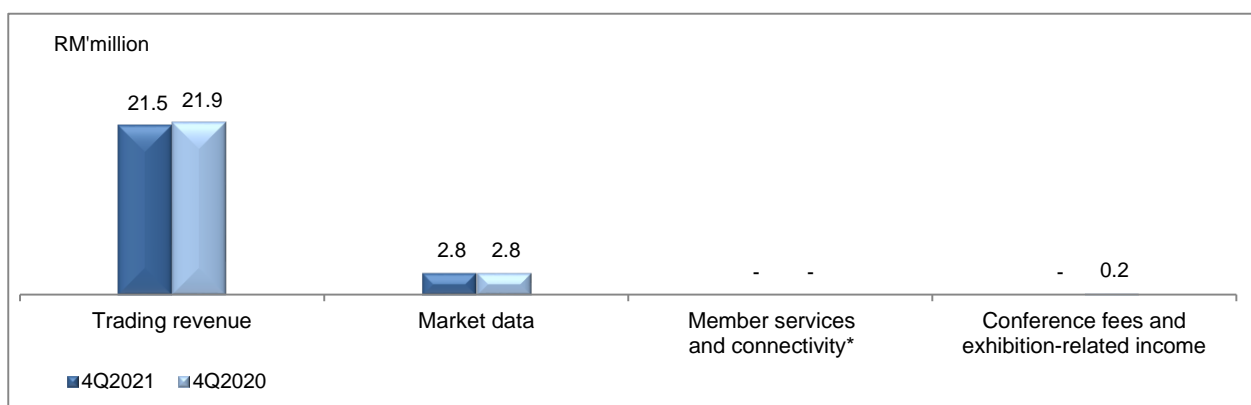
4Q2021 vs. 4Q2020 (cont'd)

Derivatives Market

The Derivatives Market recorded a segment profit of RM10.7 million in 4Q2021, an increase of 84.5 per cent from RM5.8 million in 4Q2020 mainly due to lower operating expenses in 4Q2021.

(i) Operating Revenue

The Derivatives Market's operating revenue for 4Q2021 was RM24.3 million, a decrease of 2.0 per cent compared to RM24.9 million in 4Q2020. Details by revenue category are shown in the chart below:



* Member services and connectivity fees income are below RM0.1 million for 4Q2021 and 4Q2020.

Key operating drivers of the Derivatives Market are as follows:

| Key operating drivers | 4Q2021 | 4Q2020 | Changes (%) |
|---|-----------|-----------|-------------|
| Crude Palm Oil Futures ("FCPO") contracts | 3,804,065 | 3,715,084 | 2.4 |
| FTSE Bursa Malaysia KLCI Futures ("FKLI") contracts | 602,010 | 810,207 | (25.7) |
| Other contracts | 28,403 | 17,418 | 63.1 |
| Total contracts | 4,434,478 | 4,542,709 | (2.4) |
| Average daily number of contracts traded | 70,389 | 70,980 | (0.8) |
| Average number of open interest positions | 251,065 | 236,227 | 6.3 |
| Number of trading days | 63 | 64 | -1 day |

(ii) Operating Expenses

Segment expenses decreased by 27.9 per cent to RM14.0 million in 4Q2021 compared to RM19.4 million in 4Q2020 mainly due to lower professional fees incurred and Globex service fees in 4Q2021.

**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET
LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

23. OPERATING SEGMENTS REVIEW (CONT'D)

4Q2021 vs. 4Q2020 (cont'd)

Exchange Holding Company

The Exchange Holding Company recorded a lower segment loss of RM1.7 million in 4Q2021 compared to RM3.8 million in 4Q2020 due to lower Corporate Social Responsibilities ("CSR") expenditure incurred in 4Q2021.

Others

This segment is made up of BSAS, bonds and offshore exchange businesses. The segment profit increased by 249.3 per cent to RM2.1 million in 4Q2021 compared to RM0.6 million in 4Q2020 mainly due to lower operating expenses in 4Q2021. The increase in BSAS trade fees earned in 4Q2021 also contributed to the higher segment profit.

Overheads

Overheads of approximately RM26 million was incurred in both 4Q2021 and 4Q2020.

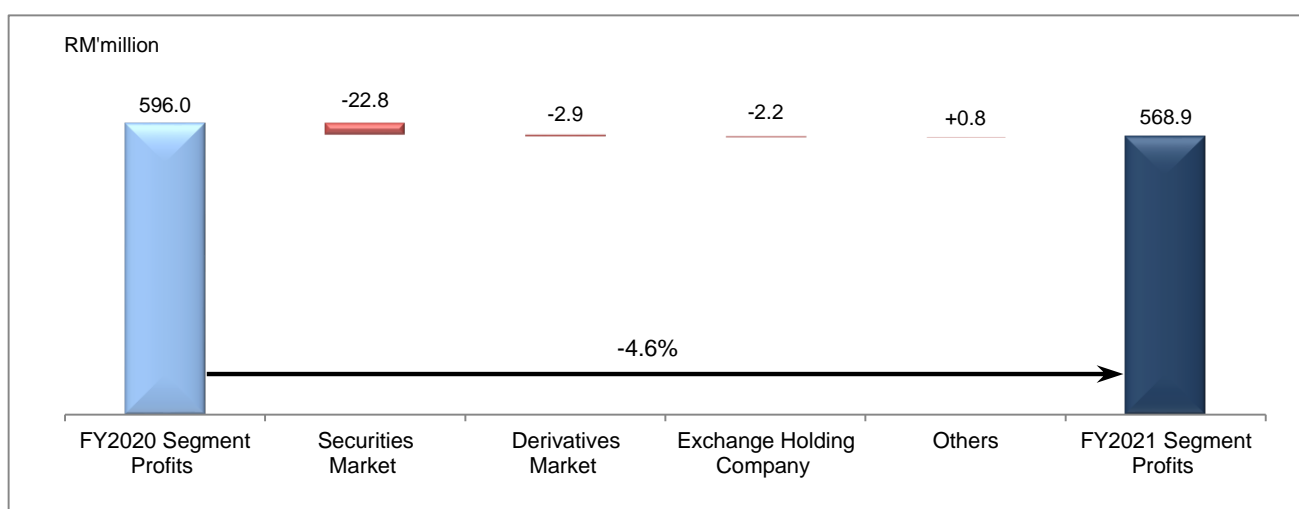
PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

23. OPERATING SEGMENTS REVIEW (CONT'D)

FY2021 vs. FY2020

PBT for the year ended 31 December 2021 ("FY2021") was RM478.4 million, a decrease of 5.6 per cent compared to RM506.6 million in the year ended 31 December 2020 ("FY2020"). PBT is made up of segment profits less overheads (as depicted in Note 11). The cost-to-income ratio in FY2021 was 38%, an increase of 1 percentage point compared to 37% in FY2020.

Total segment profits for FY2021 were RM568.9 million, a decrease of 4.6 per cent compared to RM596.0 million in FY2020. Movements in the segment profits are shown in the chart below:



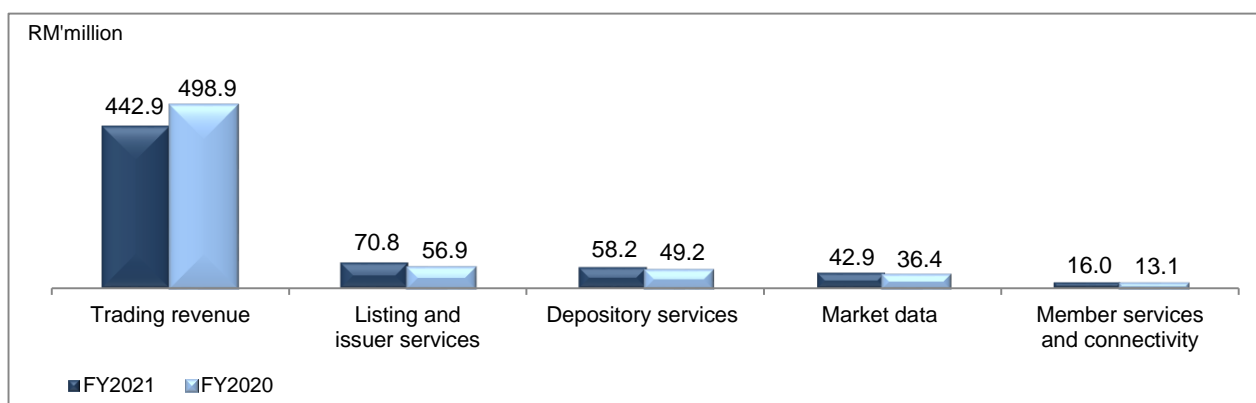
Total comprehensive income for FY2021 was RM385.6 million, an increase of 6.9 per cent compared to RM360.6 million in FY2020 mainly due to the gain in net fair value of CME shares held in FY2021.

Securities Market

The Securities Market recorded a segment profit of RM533.4 million in FY2021, a decrease of 4.1 per cent compared to RM556.2 million in FY2020 mainly due to lower operating revenue in FY2021.

(i) Operating Revenue

The Securities Market's operating revenue for FY2021 was RM630.8 million, a decrease of 3.6 per cent compared to RM654.5 million in FY2020. Details by revenue category are shown in the chart below:



**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET
LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

23. OPERATING SEGMENTS REVIEW (CONT'D)

FY2021 vs. FY2020 (cont'd)

Securities Market (cont'd)

(i) Operating Revenue (cont'd)

- > Trading revenue decreased by 11.2 per cent to RM442.9 million in FY2021 from RM498.9 million in FY2020 mainly due to lower ADV for OMT and DBT, which decreased by 15.1 per cent to RM3.66 billion in FY2021 compared to RM4.31 billion in FY2020. Trading velocity in FY2021 was lower by 15 percentage points to 49% compared to 64% in FY2020.
- > Listing and issuer services revenue increased by 24.3 per cent to RM70.8 million in FY2021 from RM56.9 million in FY2020 mainly due to higher perusal fees, processing fees, initial listing fees and additional listing fees earned. The increase in these fees resulted from the higher number of corporate exercises and structured warrants listed in FY2021. The lower rebate given for the 2021 annual listing fees to aid targeted listed issuers also contributed to the increase in the annual listing fees in FY2021.
- > Depository services revenue increased by 18.3 per cent to RM58.2 million in FY2021 from RM49.2 million in FY2020 mainly due to higher Record of Depositors ("ROD") fees, additional issue fees and CDS custody fees earned in FY2021.
- > Market data revenue increased by 18.0 per cent to RM42.9 million in FY2021 from RM36.4 million in FY2020 contributed by higher number of subscribers in FY2021.
- > Member services and connectivity revenue increased by 22.3 per cent to RM16.0 million in FY2021 from RM13.1 million in FY2020 contributed by the higher subscription for Bursa Access and the additional participant fees earned from two new ACE Market Sponsors in FY2021.

Key operating drivers of the Securities Market are as follows:

| Key operating drivers | | FY2021 | FY2020 | Changes (%) |
|--|------------------|---------------|---------------|--------------------|
| ADV (OMT) | (RM'billion) | 3.54 | 4.21 | (15.9) |
| ADV (DBT) | (RM'billion) | 0.12 | 0.10 | 20.0 |
| Total ADV (OMT and DBT) | (RM'billion) | 3.66 | 4.31 | (15.1) |
| Average daily trading volume (OMT) | (billion shares) | 5.71 | 7.32 | (22.0) |
| Average daily trading volume (DBT) | (billion shares) | 0.14 | 0.16 | (12.5) |
| Total average daily trading volume (OMT and DBT) | (billion shares) | 5.85 | 7.48 | (21.8) |
| FBMKLCI | (points) | 1,567.53 | 1,627.21 | (3.7) |
| Effective clearing fee rate | (basis points) | 2.71 | 2.60 | 4.2 |
| Velocity | (per cent) | 49 | 64 | (15.0) |
| Number of IPOs | | 30 | 19 | 57.9 |
| Number of new structured warrants listed | | 1,451 | 1,208 | 20.1 |
| Total funds raised: | | | | |
| - IPOs | (RM'million) | 2,747.58 | 2,004.62 | 37.1 |
| - Secondary issues | (RM'million) | 14,320.05 | 7,996.12 | 79.1 |
| Market capitalisation as at end of period | (RM'billion) | 1,789.12 | 1,816.84 | (1.5) |
| Number of trading days | | 245 | 248 | -3 days |

(ii) Operating Expenses

Segment expenses decreased by 2.5 per cent to RM106.8 million in FY2021 compared to RM109.5 million in FY2020 mainly due to lower staff costs in FY2021 but was partially offsetted by higher marketing and development activities incurred in FY2021.

**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET
LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

23. OPERATING SEGMENTS REVIEW (CONT'D)

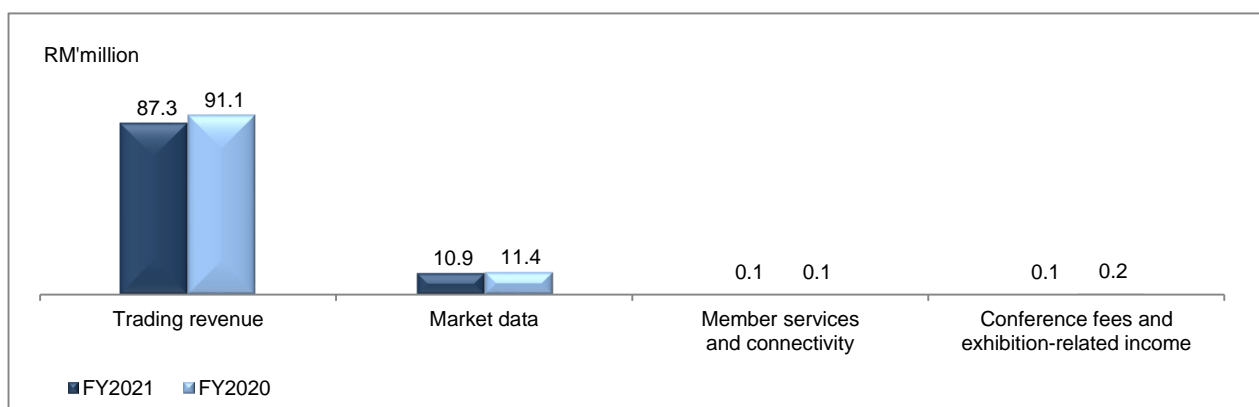
FY2021 vs. FY2020 (cont'd)

Derivatives Market

The Derivatives Market recorded a segment profit of RM45.6 million in FY2021, a decrease of 6.0 per cent from RM48.5 million in FY2020 mainly due to lower operating revenue in FY2021.

(i) Operating Revenue

The Derivatives Market's operating revenue for FY2021 was RM98.4 million, a decrease of 4.3 per cent compared to RM102.8 million in FY2020. Details by revenue category are shown in the chart below:



- > Trading revenue decreased by 4.1 per cent to RM87.3 million in FY2021 from RM91.1 million in FY2020 mainly due to lower collateral management fees earned subsequent to the reduction in the collateral management fee rate to 0.5% effective July 2020, and also the lower trade fees earned from the declining FKLI contracts traded in FY2021.

Key operating drivers of the Derivatives Market are as follows:

| Key operating drivers | FY2021 | FY2020 | Changes (%) |
|--|-------------------|-------------------|-------------|
| FCPO contracts | 15,608,075 | 14,606,684 | 6.9 |
| FKLI contracts | 2,700,398 | 3,497,416 | (22.8) |
| Mini FTSE Bursa Malaysia Mid 70 Index Futures ("FM70") contracts | 5,632 | 56,131 | (90.0) |
| Other contracts | 104,613 | 73,557 | 42.2 |
| Total contracts | 18,418,718 | 18,233,788 | 1.0 |
| Average daily number of contracts traded | 75,178 | 73,523 | 2.3 |
| Average number of open interest positions | 249,426 | 259,433 | (3.9) |
| Number of trading days | 245 | 248 | -3 days |

(ii) Operating Expenses

Segment expenses decreased by 3.5 per cent to RM54.1 million in FY2021 compared to RM56.0 million in FY2020 mainly due to lower Globex service fees in FY2021.

**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET
LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

23. OPERATING SEGMENTS REVIEW (CONT'D)

FY2021 vs. FY2020 (cont'd)

Exchange Holding Company

The Exchange Holding Company recorded a higher segment loss of RM17.1 million in FY2021 compared to RM14.9 million in FY2020 mainly due to higher CSR expenditure incurred in FY2021.

Others

This segment is made up of BSAS, bonds and offshore exchange businesses. The segment profit increased by 11.7 per cent to RM7.0 million in FY2021 compared to RM6.2 million in FY2020 mainly due to higher BSAS trade fees earned in FY2021.

Overheads

Overheads increased marginally by 1.2 per cent to RM90.4 million in FY2021 compared to RM89.4 million in FY2020.

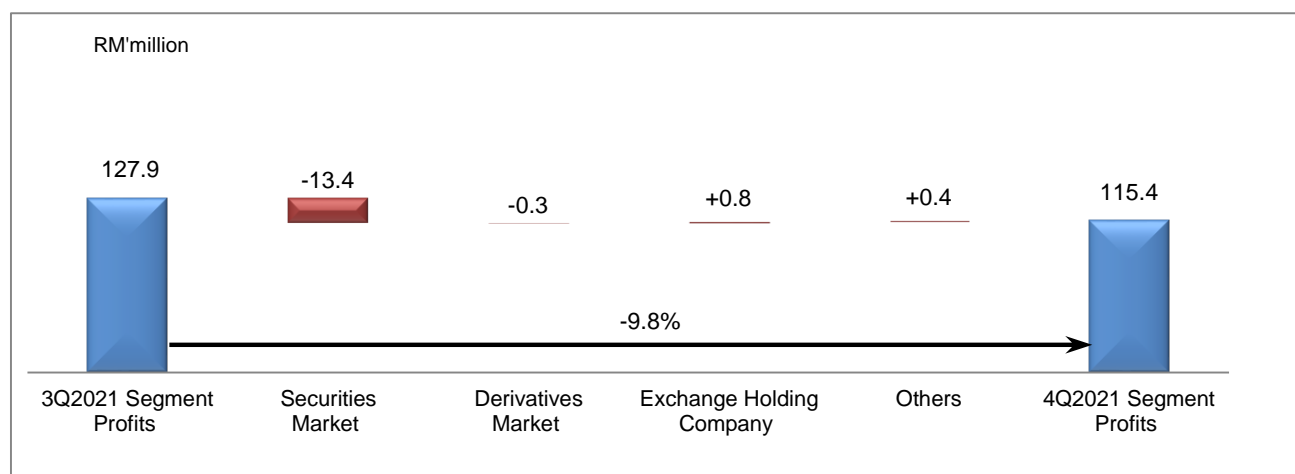
**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET
LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**24. MATERIAL CHANGE IN PERFORMANCE OF OPERATING SEGMENTS OF CURRENT QUARTER
COMPARED WITH IMMEDIATE PRECEDING QUARTER**

| Financial Results | Quarter Ended | | Changes % |
|-------------------------------|----------------------|----------------------|---------------|
| | 31.12.2021 RM'000 | 30.09.2021 RM'000 | |
| Operating revenue | 161,599 | 169,864 | (4.9) |
| Other income | 3,582 | 4,119 | (13.0) |
| | 165,181 | 173,983 | (5.1) |
| Staff costs | (38,947) | (37,016) | 5.2 |
| Depreciation and amortisation | (6,102) | (5,394) | 13.1 |
| Other operating expenses | (30,352) | (24,697) | 22.9 |
| Profit from operations | 89,780 | 106,876 | (16.0) |
| Finance costs | (133) | (133) | - |
| PBT | 89,647 | 106,743 | (16.0) |

PBT for 4Q2021 was RM89.6 million, a decrease of 16.0 per cent from RM106.7 million in the quarter ended 30 September 2021 ("3Q2021"). PBT is made up of segment profits less overheads. The cost-to-income ratio in 4Q2021 was 46%, an increase of 7 percentage points compared to 39% in 3Q2021.

Total segment profits for 4Q2021 were RM115.4 million, a decrease of 9.8 per cent from RM127.9 million in 3Q2021. The quarter-on-quarter movements in the segment profits are depicted in the chart below:



Securities Market

The Securities Market recorded a segment profit of RM104.3 million in 4Q2021, a decrease of 11.4 per cent from RM117.7 million in 3Q2021 mainly due to lower trading revenue in 4Q2021.

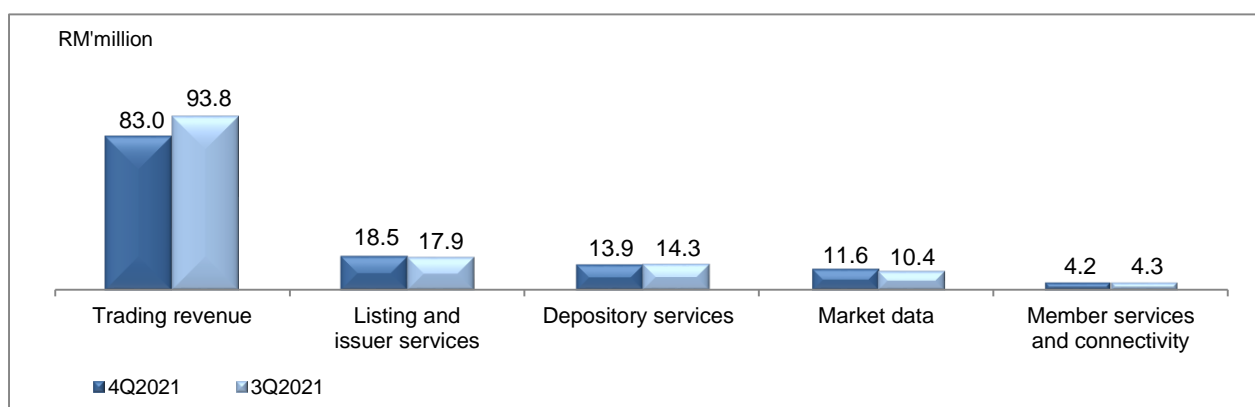
**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET
LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

24. MATERIAL CHANGE IN PERFORMANCE OF OPERATING SEGMENTS OF CURRENT QUARTER COMPARED WITH IMMEDIATE PRECEDING QUARTER (CONT'D)

Securities Market (cont'd)

(i) Operating Revenue

The Securities Market's operating revenue for 4Q2021 was RM131.2 million, a decrease of 6.8 per cent compared to RM140.7 million in 3Q2021. Details by revenue category are shown in the chart below:



- > Trading revenue decreased by 11.5 per cent to RM83.0 million in 4Q2021 from RM93.8 million in 3Q2021 mainly due to lower ADV for OMT and DBT of RM2.66 billion in 4Q2021 compared to RM3.02 billion in 3Q2021. Trading velocity in 4Q2021 was lower by 5 percentage points to 35% compared to 40% in 3Q2021.
- > Market data revenue increased by 11.7 per cent to RM11.6 million in 4Q2021 from RM10.4 million in 3Q2021 driven by higher number of subscribers in 4Q2021.

Key operating drivers of the Securities Market are as follows:

| Key operating drivers | | 4Q2021 | 3Q2021 | Changes (%) |
|--|------------------|----------|----------|-------------|
| ADV (OMT) | (RM'billion) | 2.53 | 2.89 | (12.5) |
| ADV (DBT) | (RM'billion) | 0.13 | 0.13 | - |
| Total ADV (OMT and DBT) | (RM'billion) | 2.66 | 3.02 | (11.9) |
| Average daily trading volume (OMT) | (billion shares) | 3.50 | 4.57 | (23.4) |
| Average daily trading volume (DBT) | (billion shares) | 0.18 | 0.13 | 38.5 |
| Total average daily trading volume (OMT and DBT) | (billion shares) | 3.68 | 4.70 | (21.7) |
| FBMKLCI | (points) | 1,567.53 | 1,537.80 | 1.9 |
| Effective clearing fee rate | (basis points) | 2.66 | 2.76 | (3.6) |
| Velocity | (per cent) | 35 | 40 | (5.0) |
| Number of IPOs | | 6 | 10 | (40.0) |
| Number of new structured warrants listed | | 363 | 396 | (8.3) |
| Total funds raised: | | | | |
| - IPOs | (RM'million) | 497.10 | 1,861.77 | (73.3) |
| - Secondary issues | (RM'million) | 3,394.87 | 3,544.84 | (4.2) |
| Market capitalisation as at end of period | (RM'billion) | 1,789.12 | 1,802.13 | (0.7) |
| Number of trading days | | 63 | 62 | +1 day |

(ii) Operating Expenses

Segment expenses increased by 13.9 per cent to RM28.8 million in 4Q2021 compared to RM25.3 million in 3Q2021 mainly due higher marketing and development expenses and CDS consumables expense incurred in 4Q2021.

**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET
LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

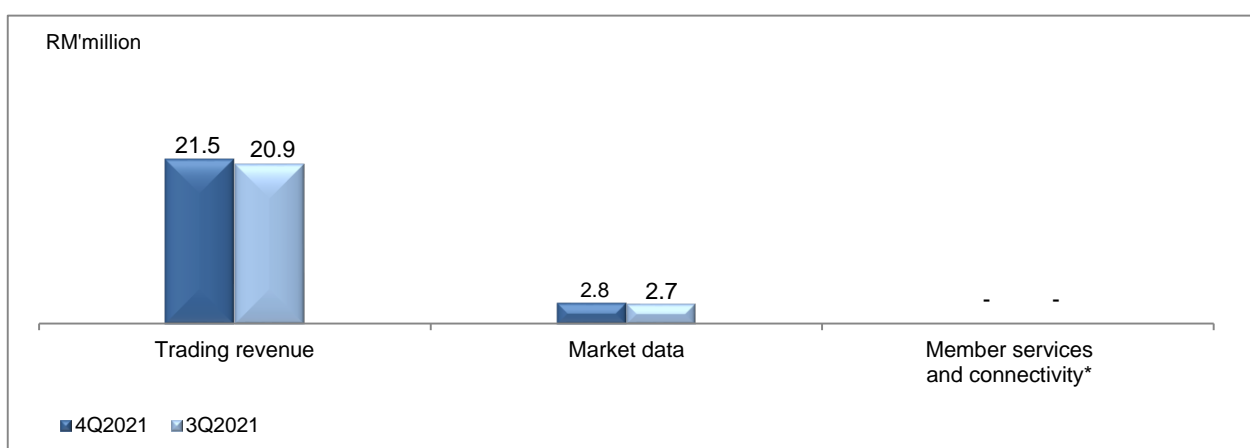
24. MATERIAL CHANGE IN PERFORMANCE OF OPERATING SEGMENTS OF CURRENT QUARTER COMPARED WITH IMMEDIATE PRECEDING QUARTER (CONT'D)

Derivatives Market

The Derivatives Market recorded a segment profit of RM10.7 million in 4Q2021, a decrease of 2.8 per cent from RM11.0 million in 3Q2021 mainly due to higher operating expenses in 4Q2021.

(i) Operating Revenue

The Derivatives Market's operating revenue for 4Q2021 was RM24.3 million, an increase of 3.2 per cent from RM23.6 million in 3Q2021. Details by revenue category are shown in the chart below:



* Member services and connectivity fees income was below RM0.1 million for both 4Q2021 and 3Q2021.

Key operating drivers of the Derivatives Market are as follows:

| Key operating drivers | 4Q2021 | 3Q2021 | Changes (%) |
|---|-----------|-----------|-------------|
| FCPO contracts | 3,804,065 | 3,690,545 | 3.1 |
| FKLI contracts | 602,010 | 657,407 | (8.4) |
| Other contracts | 28,403 | 28,979 | (2.0) |
| Total contracts | 4,434,478 | 4,376,931 | 1.3 |
| Average daily number of contracts traded | 70,389 | 70,596 | (0.3) |
| Average number of open interest positions | 251,065 | 253,841 | (1.1) |
| Number of trading days | 63 | 62 | +1 day |

(ii) Operating Expenses

Segment expenses increased by 8.5 per cent to RM14.0 million in 4Q2021 compared to RM12.9 million in 3Q2021 mainly due to higher marketing and development expenses and professional fees incurred in 4Q2021.

**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET
LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**24. MATERIAL CHANGE IN PERFORMANCE OF OPERATING SEGMENTS OF CURRENT QUARTER
COMPARED WITH IMMEDIATE PRECEDING QUARTER (CONT'D)**

Exchange Holding Company

The Exchange Holding Company recorded a lower segment loss of RM1.7 million in 4Q2021 compared to RM2.5 million in 3Q2021 mainly due to lower staff costs in 4Q2021.

Others

This segment is made up of BSAS, bonds and offshore exchange businesses. The segment profit increased by 25.8 per cent to RM2.1 million in 4Q2021 compared to RM1.7 million in 3Q2021 mainly due to higher BSAS trade fees earned in 4Q2021.

Overheads

Overheads increased by 21.8 per cent to RM25.7 million in 4Q2021 compared to RM21.1 million in 3Q2021 mainly due to higher staff costs and professional fees in 4Q2021.

PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**25. COMMENTARY ON PROSPECTS AND TARGETS**

The World Bank in its January 2022 Global Economic Prospects report projected the global economy to grow by 4.1% in 2022, reflecting continued COVID-19 flare-ups, diminished fiscal support and lingering supply bottlenecks. The World Bank had also, in December 2021, projected Malaysia's economy to grow by 5.8% in 2022, anchored by a rebound in domestic demand and continued expansion in exports. Bank Negara Malaysia projected that Malaysia's economic growth to improve by 5.5% to 6.5% in 2022, given the resumption of economic activities, higher private sector expenditure, continued policy support and expansion in global demand.

The re-opening of the economic sectors is expected to have a positive impact to the performance of the listed issuers and generate investors' interest. The ongoing developments surrounding COVID-19, the direction of the interest rate policy and the developments in the global economy and markets will continue to influence the volatility in the Securities Market in 2022. The Exchange will continue with its initiative to sustain retail and institutional participation via Bursa Digital Research, a multi-faceted research portal, and Investor Relations & Public Relations Incentive Programme which aims to bring greater investor access to information. Effective 1 January 2022, the Exchange became the sole approving authority for ACE Market Initial Public Offerings ("IPOs"), which will improve the efficiency and efficacy of the ACE Market IPO process, providing a more facilitative regime for companies that are seeking to list on the Exchange.

In the Derivatives Market, the level of supply and demand in the palm oil market will continue to influence the price of palm oil and its volatility. The tight supply and high demand for palm oil is expected to continue in 2022 driven by the labour shortage and the resumption of economic activities. The volatility of the FKL I will continue to be affected by the ongoing developments in the securities market. The After-Hours ("T+1") Night Trading Session launched by the Exchange recently saw strong participation from both local and foreign market participants, with an average daily contracts of 3,220 traded during the month of December 2021. The Exchange will continue to explore new products while revamping the current products to fulfil the diverse needs of the market and further develop the ecosystem for a vibrant market.

As for the Islamic Markets, the Exchange will continue its efforts in developing new Shariah-compliant products and services by creating greater alignment between Shariah investing and Sustainable and Responsible Investment as well as product expansion across the value chain of the Islamic wealth management solutions and promoting this market segment. Trading activity on BSAS is expected to continue its growth momentum in 2022 through its system improvement and continuous promotion to new customers.

The Exchange is working towards achieving carbon neutrality by 2022 and net zero greenhouse gas emissions by 2050 across its entire operations, in line with Malaysia's target to be a net zero greenhouse gas nation as early as 2050. The Exchange has been entrusted to establish a Voluntary Carbon Market to facilitate the country's aspiration. An Industry Working Group is being formalised to provide insights on implementation strategies that are vital for the creation of a sustainable voluntary carbon market ecosystem for Malaysia.

In 2022, the developments in the global and domestic markets will continue to influence the performance of both the Securities and Derivatives Markets. The Exchange anticipates a more challenging and competitive environment in 2022, and its performance is expected to moderate compared to 2021.

**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET
LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

26. INCOME TAX EXPENSE AND ZAKAT

| | Quarter Ended | | | Year Ended | | |
|---|----------------------|----------------------|---------------|----------------------|----------------------|--------------|
| | 31.12.2021 RM'000 | 31.12.2020 RM'000 | Changes % | 31.12.2021 RM'000 | 31.12.2020 RM'000 | Changes % |
| Income tax | | | | | | |
| Current provision | 22,845 | 33,401 | (31.6) | 124,504 | 133,836 | (7.0) |
| Underprovision of tax in previous years | 62 | - | 100.0 | 388 | 66 | 487.9 |
| | 22,907 | 33,401 | (31.4) | 124,892 | 133,902 | (6.7) |
| Deferred tax | | | | | | |
| Relating to origination and reversal of temporary differences | 1,430 | 234 | 511.1 | (2,462) | (5,868) | (58.0) |
| (Over)/Under provision of tax in previous year | - | - | - | (27) | 189 | (114.3) |
| | 1,430 | 234 | 511.1 | (2,489) | (5,679) | (56.2) |
| Total income tax expense | 24,337 | 33,635 | (27.6) | 122,403 | 128,223 | (4.5) |
| Zakat | 357 | 667 | (46.5) | 787 | 667 | 18.0 |
| Total income tax expense and zakat | 24,694 | 34,302 | (28.0) | 123,190 | 128,890 | (4.4) |

Income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated assessable profit for the current and previous corresponding periods.

The effective tax rates of the Group for the current and previous corresponding periods were higher than the statutory tax rates of the respective periods principally due to certain expenses being not deductible for tax purposes.

27. TRADE RECEIVABLES

| | As at 31.12.2021 RM'000 | As at 31.12.2020 RM'000 |
|---------------------------------------|-------------------------------|-------------------------------|
| Trade receivables | 49,779 | 89,317 |
| Less: Allowance for impairment losses | (1,681) | (1,886) |
| | 48,098 | 87,431 |

**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET
LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

27. TRADE RECEIVABLES (CONT'D)

The ageing analysis of the Group's trade receivables is as follows:

| | As at 31.12.2021 RM'000 | As at 31.12.2020 RM'000 |
|---------------------------------------|-------------------------------|-------------------------------|
| Not past due and not credit impaired | 41,351 | 79,559 |
| Past due and not credit impaired: | | |
| < 30 days | 3,805 | 3,394 |
| 31 - 60 days | 1,903 | 2,652 |
| 61 - 90 days | 772 | 1,217 |
| 91 - 180 days | 89 | 552 |
| > 181 days | 766 | 664 |
| Credit impaired | 1,093 | 1,279 |
| Trade receivables (gross) | 49,779 | 89,317 |
| Less: Allowance for impairment losses | (1,681) | (1,886) |
| | 48,098 | 87,431 |

Trade receivables that are past due and not impaired are creditworthy debtors. The Group has no significant concentration of credit risk that may arise from exposures to a single clearing participant or counterparty.

28. CORPORATE PROPOSAL

There was no corporate proposal announced that is not completed as at the reporting date.

29. BORROWINGS AND DEBT SECURITIES

As at the reporting date, there was no short-term borrowing and the Group has not issued any debt securities.

30. CHANGES IN MATERIAL LITIGATION

There was no material litigation against the Group as at the reporting date.

31. DECLARED DIVIDEND

On 28 January 2022, the Board of Directors ("Board") approved and declared a final dividend of 17.0 sen per share under the single-tier system in respect of the financial year ended 31 December 2021, amounting to approximately RM137,581,000.

**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET
LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

32. EARNINGS PER SHARE ("EPS")

(a) Basic EPS

| | Quarter Ended | | Year Ended | |
|--|---------------|-------------|-------------|-------------|
| | 31.12.2021 | 31.12.2020 | 31.12.2021 | 31.12.2020 |
| Profit attributable to the owners of the Company (RM'000) | 64,953 | 104,854 | 355,254 | 377,747 |
| Weighted average number of ordinary shares in issue ('000) | 809,299 | 808,503 | 809,226 | 808,749 |
| Basic EPS (sen) | 8.0 | 13.0 | 43.9 | 46.7 |

(b) Diluted EPS

| | Quarter Ended | | Year Ended | |
|--|---------------|-------------|-------------|-------------|
| | 31.12.2021 | 31.12.2020 | 31.12.2021 | 31.12.2020 |
| Profit attributable to the owners of the Company (RM'000) | 64,953 | 104,854 | 355,254 | 377,747 |
| Weighted average number of ordinary shares in issue ('000) | 809,299 | 808,503 | 809,226 | 808,749 |
| Effects of dilution of share grants ('000) | - | 292 | 74 | 586 |
| Adjusted weighted average number of ordinary shares in issue and issuable ('000) | 809,299 | 808,795 | 809,300 | 809,335 |
| Diluted EPS (sen) | 8.0 | 13.0 | 43.9 | 46.7 |

33. NET ASSETS PER SHARE ATTRIBUTABLE TO OWNERS OF THE COMPANY

Net assets per share as at 31 December 2021 stood at RM1.01, a decrease of 9.0% compared to RM1.11 as at 31 December 2020 mainly due to the dividends paid during the financial year ended 31 December 2021.

34. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements for the financial year ended 31 December 2020 was unmodified.

**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET
LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

35. REVIEW BY EXTERNAL AUDITORS

The Board had engaged the external auditors to review and report on the Condensed Report of Bursa Malaysia Berhad for the quarter and year ended 31 December 2021 in accordance with the International Standard on Review Engagements 2410, *“Review of Interim Financial Information Performed by the Independent Auditor of the Entity”*.

The external auditors reported to the Board that nothing had come to their attention to cause them to believe that the Condensed Report was not prepared, in all material respects, in accordance with the MFRS 134 *Interim Financial Reporting* and IAS 34 *Interim Financial Reporting*. The report was made to the Board in accordance with the terms of the engagement letter with the external auditors and for no other purpose.

36. AUTHORISED FOR ISSUE

The Condensed Report was authorised for issue by the Board in accordance with a resolution of the Directors on 28 January 2022.