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

Directors' Report and Audited Financial Statements
31 December 2023

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

**Contents**

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## 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 |

**Dividends (cont'd.)**

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**

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.

**Other statutory information (cont'd.)**

(e) At the date of this report, there does not exist:

(i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or

(ii) any contingent liability in respect of the Group or of the Company which has arisen since the end of the financial year.

(f) In the opinion of the Directors:

(i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and

(ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

**Auditors and auditors' remuneration**

Total fees for statutory 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

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## 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 12 to 108 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 12 to 108 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,

PESURUHJAYA SUMPAH
No. W881
Nama: YM TENGKU NUR ATHIYA TENGKU FARIDDUDIN
1 MAC 2022 - 31 DEC 2024
MALAYSIA

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

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Ernst & Young PLT
202006000003 (LLP0022760-LCA) & AF 0039
SST ID: W10-2002-32000062
Chartered Accountants
Level 23A Menara Milenium
Jalan Damanlela
Pusat Bandar Damansara
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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 12 to 108.

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.

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

*Key audit matters (cont'd.)*

We have fulfilled the responsibilities described in the *Auditors' responsibilities for the audit of the financial statements* section of our report, including in relation to these matters.

Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis of our audit opinion on the accompanying financial statements.

| Description | Responses |
|---|---|
| The risk that (i) goodwill and (ii) investment in subsidiaries may be impaired.<br><br>(i) Goodwill<br>The Group's and Company's goodwill balances as at 31 December 2023 stood at RM42,957,000 and RM29,494,000, respectively.<br><br>(ii) Investment in subsidiaries<br>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.<br><br>On an annual basis, management is required to perform impairment assessments for goodwill and investment in subsidiaries with impairment indicators. | Our audit procedures included, among others, evaluating the assumptions and methodologies used by the Group and the Company in performing the impairment assessments.<br><br>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.<br><br>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. |

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

*Key audit matters (cont'd.)*

| Description | Responses |
|---|---|
| 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.<br><br>This risk is also described in Note 2.5 to the financial statements. | 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.<br><br>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.

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Independent auditors' report to the members of
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Report on the audit of the financial statements (cont'd.)

*Information other than the financial statements and auditors' report thereon (cont'd.)*

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.

*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:

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

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

- 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.

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Independent auditors' report to the members of
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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

Chan Hooi Lam
No. 02844/02/2024 J
Chartered Accountant

Kuala Lumpur, Malaysia
31 January 2024

**Bursa Malaysia Berhad**
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## Statements of profit or loss
## For the financial year ended 31 December 2023

| | | Group | | Company | |
|---|---|---|---|---|---|
| | **Note** | **2023** | **2022** | **2023** | **2022** |
| | | **RM'000** | **RM'000** | **RM'000** | **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.

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## Statements of comprehensive income
## For the financial year ended 31 December 2023

| | Group | | Company | |
|---|---|---|---|---|
| | **2023** | **2022** | **2023** | **2022** |
| | **RM'000** | **RM'000** | **RM'000** | **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.

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**Statements of financial position**
**As at 31 December 2023**

| | Note | Group 2023 RM'000 | Group 2022 RM'000 | Company 2023 RM'000 | Company 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 |

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**Statements of financial position (cont'd.)**
**As at 31 December 2023**

| | Note | Group 2023 RM'000 | Group 2022 RM'000 | Company 2023 RM'000 | Company 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.

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

## Statements of changes in equity
## For the financial year ended 31 December 2023

| | | Attributable to owners of the Company | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Non-distributable | | | | Distributable | | | |
| **Group** | **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** |
| **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 |

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**Registration No. 197601004668 (30632-P)**
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**Statements of changes in equity (cont'd.)**
**For the financial year ended 31 December 2023**

| | | Attributable to owners of the Company | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | Non-distributable | | | | Distributable | | | |
| **Group** | **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** |
| **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 |

**Statements of changes in equity (cont'd.)**
**For the financial year ended 31 December 2023**

| | | Non-distributable | | Distributable | |
|---|---|---|---|---|---|
| **Company** | **Note** | **Share capital RM'000** | **FVTOCI reserve RM'000** | **Retained earnings RM'000** | **Total equity RM'000** |
| **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.

**Bursa Malaysia Berhad**
**Registration No. 197601004668 (30632-P)**
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**Statements of cash flows**
**For the financial year ended 31 December 2023**

| | Note | Group 2023 RM'000 | Group 2022 RM'000 | Company 2023 RM'000 | Company 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) |

**Bursa Malaysia Berhad**
**Registration No. 197601004668 (30632-P)**
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**Statements of cash flows (cont'd.)**
**For the financial year ended 31 December 2023**

| | Note | Group 2023 RM'000 | Group 2022 RM'000 | Company 2023 RM'000 | Company 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*

## 2. Significant accounting policies (cont'd.)

### 2.2 Adoption of Amendments to Standards (cont'd.)

The accounting standards adopted by the Group and the Company are consistent with those adopted in the previous year, except for the following: (cont'd.)

Amendments to MFRS 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.

### 2.3 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.

## 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

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.

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.

**2. Significant accounting policies (cont'd.)**

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

**(a) Subsidiaries and basis of consolidation (cont'd.)**

**(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 |

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.

## 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 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.

## 2. Significant accounting policies (cont'd.)

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

#### (c) Intangible assets (cont'd.)

##### (ii) Computer software (cont'd.)

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.

#### (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.

## 2. Significant accounting policies (cont'd.)

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

#### (d) Leases (cont'd.)

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

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.

## 2. Significant accounting policies (cont'd.)

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

#### (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.

#### (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.

## 2. Significant accounting policies (cont'd.)

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

#### (h) Financial assets (cont'd.)

##### (ii) Financial assets measured subsequently at fair value

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

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

Financial assets that are debt instruments which do not satisfy the requirements to be measured at amortised cost or FVTOCI, are measured at FVTPL. The Group and the Company do not have any financial assets measured at FVTPL as at the current and previous financial year ends.

Equity instruments are classified as financial assets measured at FVTPL if they are held for trading or are designated as such upon initial recognition. Equity instruments are classified as held for trading if they are acquired principally for sale in the near term or are derivatives that do not meet the hedge accounting criteria (including separated embedded derivatives).

Subsequent to initial recognition, financial assets that are equity instruments are measured at fair value. For financial assets classified at FVTOCI, any gains or losses arising from the changes in fair value are recognised in other comprehensive income and are not subsequently transferred to profit or loss. Dividends on equity instruments are recognised in profit or loss when the Group's or the Company's right to receive payment is established.

A financial asset is derecognised when the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income is recognised in profit or loss.

## 2. Significant accounting policies (cont'd.)

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

#### (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 occuring within the next 12-months considering the loss given default of that financial asset.

## 2. Significant accounting policies (cont'd.)

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

#### (i) Impairment of financial assets (cont'd.)

##### (ii) Lifetime expected credit loss

For a financial asset for which there is a significant increase in credit risk since initial recognition, a lifetime expected credit loss for that financial asset is recognised as the allowance for impairment loss by the Group and the Company. If, in a subsequent period the significant increase in credit risk since initial recognition is no longer evident, the Group and the Company revert the allowance for impairment loss measurement from lifetime expected credit loss to 12-months expected credit loss.

For trade and other receivables which are financial assets, the Group and the Company apply the simplified approach in accordance with MFRS 9 *Financial Instruments* and measure the allowance for impairment loss based on a lifetime expected credit loss from initial recognition.

The carrying amount of the financial asset is reduced through the use of an allowance for impairment loss account and the amount of impairment loss is recognised in profit or loss. When a financial asset becomes uncollectible, it is written off against the allowance for impairment loss account.

#### (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.

## 2. Significant accounting policies (cont'd.)

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

#### (j) Financial liabilities (cont'd.)

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

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.

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.

## 2. Significant accounting policies (cont'd.)

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

#### (k) Fair value measurement (cont'd.)

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.

## 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.

## 2. Significant accounting policies (cont'd.)

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

#### (o) Revenue recognition (cont'd.)

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

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

**(i) Trade fees**

Trade fees on securities traded on the securities exchange, 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.

## 2. Significant accounting policies (cont'd.)

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

#### (o) Revenue recognition (cont'd.)

**(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.

**(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.

**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 (cont'd.)**

- **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.

## 2. Significant accounting policies (cont'd.)

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

#### (p) Employee benefits (cont'd.)

**(ii) Defined contribution plans**

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

**(iii) Defined benefit plan**

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

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

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

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

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

**(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.

## 2. Significant accounting policies (cont'd.)

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

#### (p) Employee benefits (cont'd.)

##### (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.

#### (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.

## 2. Significant accounting policies (cont'd.)

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

#### (r) Income taxes (cont'd.)

##### (ii) Deferred tax (cont'd.)

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.

#### (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.

## 2. Significant accounting policies (cont'd.)

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

#### (s) Foreign currency (cont'd.)

##### (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.

## 2. Significant accounting policies (cont'd.)

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

#### (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.

### 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.

## 2. Significant accounting policies (cont'd.)

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

**Key sources of estimation uncertainty (cont'd.)**

**(c) Impairment of investment securities - debt securities**

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.

**(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.

## 3. Operating revenue

| | Group 2023 RM'000 | Group 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 | Company 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).

(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.

## 3. Operating revenue (cont'd.)

| 2023 | 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 |
|---|---|---|---|---|---|---|---|
| **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 |
| Conference 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 |

## 3. Operating revenue (cont'd.)

| **2022** | **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** |
|---|---|---|---|---|---|---|---|
| **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 |
| Conference 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.

## 4. Other income

| | Group | | Company | |
|---|---|---|---|---|
| | **2023** | **2022** | **2023** | **2022** |
| | **RM'000** | **RM'000** | **RM'000** | **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** | **2022** | **2023** | **2022** |
| | **RM'000** | **RM'000** | **RM'000** | **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 2023 RM'000 | Group 2022 RM'000 | Company 2023 RM'000 | Company 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 2023 RM'000 | Group 2022 RM'000 | Company 2023 RM'000 | Company 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 |

## 7. Other operating expenses (cont'd.)

(a) Assurance-related services rendered are in respect of annual review of the statement on internal control and risk management, quarterly limited reviews performed for the Group and agreed-upon-procedures.

(b) Other services rendered are in respect of tax compliance and tax advisory services.

(c) 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.

## 8. Finance costs

| | Group and Company | |
|---|---|---|
| | **2023** | **2022** |
| | **RM'000** | **RM'000** |
| Interest expense on lease liabilities (Note 15(b)) | 533 | 533 |

## 9. Directors' remuneration

| | Group and Company | |
|---|---|---|
| | **2023** | **2022** |
| | **RM'000** | **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 |

## 9. Directors' remuneration (cont'd.)

| | Group and Company 2023 RM'000 | Group and Company 2022 RM'000 |
|---|---|---|
| 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 |

| Group and Company | 2023 Directors' fees RM'000 | 2023 Other allowances (Note a)/ salaries RM'000 | 2022 Directors' fees RM'000 | 2022 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.
(2) Resigned on 16 August 2023.
(3) Retired on 23 June 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 2023 RM'000 | Group 2022 RM'000 | Company 2023 RM'000 | Company 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 |

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 2023 RM'000 | Group 2022 RM'000 | Company 2023 RM'000 | Company 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 |

## 10. Taxation and zakat (cont'd.)

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

| | Dividends in respect of the year | | Dividends recognised in year | |
|---|---|---|---|---|
| **Group and Company** | **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.

## 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 |

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

| Group | Note | Buildings and office lots (Note a) RM'000 | Office equipment, furniture and fittings RM'000 | Computers and office automation RM'000 | Motor vehicles RM'000 | Projects-in-progress RM'000 | Total RM'000 |
|---|---|---|---|---|---|---|---|
| **As at 31 December 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 |

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

| **Company** | **Note** | **Buildings and office lots (Note a) RM'000** | **Office equipment, furniture and fittings RM'000** | **Computers and office automation RM'000** | **Motor vehicles RM'000** | **Projects-in-progress RM'000** | **Total RM'000** |
|---|---|---|---|---|---|---|---|
| **As at 31 December 2022** | | | | | | | |
| **Cost** | | | | | | | |
| At 1 January 2022 | | 342,150 | 36,836 | 62,018 | 978 | 2,308 | 444,290 |
| Additions | | 23,072 | 2,373 | 10,939 | - | 11,380 | 47,764 |
| Reclassifications | | 1,477 | - | 567 | - | (2,102) | (58) |
| Disposals | | - | - | (218) | - | - | (218) |
| Write-offs | | (3,176) | (10,217) | - | - | - | (13,393) |
| At 31 December 2022 | | 363,523 | 28,992 | 73,306 | 978 | 11,586 | 478,385 |
| **Accumulated depreciation** | | | | | | | |
| At 1 January 2022 | | 187,956 | 33,626 | 49,037 | 632 | - | 271,251 |
| Depreciation charge for the year | 6 | 9,291 | 1,377 | 6,003 | 157 | - | 16,828 |
| Disposals | | - | - | (218) | - | - | (218) |
| Write-offs | | (3,176) | (10,217) | - | - | - | (13,393) |
| At 31 December 2022 | | 194,071 | 24,786 | 54,822 | 789 | - | 274,468 |
| **Net carrying amount at 31 December 2022** | | 169,452 | 4,206 | 18,484 | 189 | 11,586 | 203,917 |

## 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 |

## 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 |

## 15. Right-of-use assets and lease liabilities

### (a) Right-of-use assets

| | Group and Company | |
|---|---|---|
| | **2023** | **2022** |
| | **RM'000** | **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** | **2022** |
| | **RM'000** | **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** | **2022** |
| | **RM'000** | **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** | **2022** | **2023** | **2022** |
| | **RM'000** | **RM'000** | **RM'000** | **RM'000** |
| At 1 January/31 December | 42,957 | 42,957 | 29,494 | 29,494 |

## 16. Goodwill (cont'd.)

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** | **2022** | **2023** | **2022** |
| | **RM'000** | **RM'000** | **RM'000** | **RM'000** |
| Securities market | 33,273 | 33,273 | 29,494 | 29,494 |
| Derivatives market | 9,684 | 9,684 | - | - |
| | 42,957 | 42,957 | 29,494 | 29,494 |

**Key assumptions used in value-in-use calculations**

The following describes the key assumptions on which the Group and the Company have based their cash flow projections to undertake impairment assessment of goodwill:

**(a) Securities and Derivatives markets**

The recoverable amount of 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.

## 17. Other intangible asset

Other intangible asset represents carbon credits, and the movements are as below:

| | Group and Company | |
|---|---|---|
| | **2023** | **2022** |
| | **RM'000** | **RM'000** |
| **Cost** | | |
| At 1 January | - | - |
| Additions | 2,448 | - |
| Retired | (543) | - |
| At 31 December | 1,905 | - |
| **Net carrying amount as at 31 December** | 1,905 | - |

## 18. Investment in subsidiaries

| | Company 2023 RM'000 | Company 2022 RM'000 |
|---|---|---|
| Unquoted shares, at cost | 332,387 | 321,388 |
| Less: Accumulated impairment losses | (20,218) | (20,218) |
| | 312,169 | 301,170 |

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

| Name of subsidiaries | Ownership interest 2023 % | Ownership interest 2022 % | Share capital 2023 RM'000 | Share capital 2022 RM'000 | Principal activities |
|---|---|---|---|---|---|
| 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. |

## 18. Investment in subsidiaries (cont'd.)

(a) The details of the subsidiaries are as follows: (cont'd.)

| Name of subsidiaries | Ownership interest 2023 % | Ownership interest 2022 % | Share capital 2023 RM'000 | Share capital 2022 RM'000 | Principal activities |
|---|---|---|---|---|---|
| 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. |
| **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. |

## 18. Investment in subsidiaries (cont'd.)

(a) The details of the subsidiaries are as follows: (cont'd.)

| Name of subsidiaries | Ownership interest 2023 % | Ownership interest 2022 % | Share capital 2023 RM'000 | Share capital 2022 RM'000 | Principal activities |
|---|---|---|---|---|---|
| **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 | ~ | ~ | Act 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.

## 18. Investment in subsidiaries (cont'd.)

(b) During the current financial year: (cont'd.)

(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.

(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** | **2022** | **2023** | **2022** |
| | **RM'000** | **RM'000** | **RM'000** | **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 |

## 21. Deferred tax assets/(liabilities)

| | Group | | Company | |
|---|---|---|---|---|
| | **2023** | **2022** | **2023** | **2022** |
| | **RM'000** | **RM'000** | **RM'000** | **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** | **2022** | **2023** | **2022** |
| | **RM'000** | **RM'000** | **RM'000** | **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 |

## 21. Deferred tax assets/(liabilities) (cont'd.)

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 |

## 21. Deferred tax assets/(liabilities) (cont'd.)

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

| | Provision for retirement benefits RM'000 | Other provisions and payables RM'000 | Allowance for impairment losses RM'000 | Depreciation in excess of capital allowances RM'000 | Unused capital allowances RM'000 | Unutilised tax losses RM'000 | Total RM'000 |
|---|---|---|---|---|---|---|---|
| **As at 31 December 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 |

**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) |

## 21. Deferred tax assets/(liabilities) (cont'd.)

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 2023 RM'000 | Group 2022 RM'000 | Company 2023 RM'000 | Company 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).

## 25. Amount due from/(to) subsidiaries

| | Company 2023 RM'000 | Company 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** | **2022** |
| | **RM'000** | **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 |

(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** | **2022** |
| | **RM'000** | **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 |

## 26. Cash for equity margins, derivatives trading margins, security deposits, eDividend and eRights distributions, gold dinar and carbon credits (cont'd.)

(c) Non-cash collaterals for equity margins, derivatives trading margins and security deposits held by, but not belonging to, the Group and which are not included in the Group's statement of financial position as at the financial year end are as follows:

| | Group 2023 RM'000 | Group 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 |

## 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 |

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

| Group | Participants' contributions RM'000 | Cash set aside by the Group RM'000 | Total RM'000 |
|---|---|---|---|
| **As at 31 December 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.

## 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 |

## 30. Other reserves (cont'd.)

### (b) Clearing fund reserves (cont'd.)

#### (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 | 2022 |
| | RM'000 | 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 |

## 32. Employee benefits (cont'd.)

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

(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 |

(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 |

## 32. Employee benefits (cont'd.)

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

(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** | **2022** | **2023** | **2022** |
| | **RM'000** | **RM'000** | **RM'000** | **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** | **2022** | **2023** | **2022** |
| | **RM'000** | **RM'000** | **RM'000** | **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** | **2022** |
| | **RM'000** | **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 |

## 34. Other payables

| | Group 2023 RM'000 | Group 2022 RM'000 | Company 2023 RM'000 | Company 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 2023 RM'000 | Group 2022 RM'000 | Company 2023 RM'000 | Company 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.

**35. Bursa Malaysia Depository - Compensation Fund ("Depository - CF") (cont'd.)**

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 |

## 36. Operating lease arrangements (cont'd.)

### (b) The Company as lessor of building (cont'd.)

Office space rental income earned by the Company for the current and previous financial years are disclosed in Notes 3 and 38(a).

### (c) The Company as lessor of computer equipment

The Company has entered into an operating lease arrangement with its subsidiaries for the use of computer equipment. The computer equipment is leased between three to ten years with no purchase option included in the contract.

The future aggregate minimum lease payments receivable under the operating leases contracted for as at the financial year end but not recognised as receivables are as follows:

| | Company | |
|---|---|---|
| | 2023 | 2022 |
| | RM'000 | 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 | 2022 | 2023 | 2022 |
| | RM'000 | RM'000 | RM'000 | 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 |

## 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.

## 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.

**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.

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

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

**Interest/profit rate exposure (cont'd.)**

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

## 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.

| | Maturity | | | | |
|---|---|---|---|---|---|
| | On demand RM'000 | Less than one year RM'000 | One year to five years RM'000 | More than five years RM'000 | Total RM'000 |
| **Group** | | | | | |
| **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 |

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

### (c) Liquidity risk (cont'd.)

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

| | Maturity | | | | |
|---|---|---|---|---|---|
| | On demand RM'000 | Less than one year RM'000 | One year to five years RM'000 | More than five years RM'000 | Total RM'000 |
| **Group** | | | | | |
| **As at 31 December 2022** | | | | | |
| Other payables which are financial liabilities* | 25,872 | 22,861 | - | - | 48,733 |
| Lease liabilities** | - | 505 | 2,188 | 34,872 | 37,565 |
| | 25,872 | 23,366 | 2,188 | 34,872 | 86,298 |
| **Company** | | | | | |
| **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 subsidiary | - | 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).

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

### (c) Liquidity risk (cont'd.)

#### (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:

| | Note | Group On demand 2023 RM'000 | Group On demand 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) |
| | | - | - |

### (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.

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

### (d) Credit risk (cont'd.)

**Investment securities and cash and bank balances**

The counterparty credit rating of the Group's and of the Company's investment securities and cash and bank balances rated by credit rating agencies (RAM Holdings Berhad and Malaysian Rating Corporation Berhad) as at the financial year end is as follows:

| | Government Guaranteed RM'000 | Counterparty credit rating<br>P1 RM'000 | AAA RM'000 | AA RM'000 | A RM'000 | Total 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.

## 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 |

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

### (d) Credit risk (cont'd.)

**Receivables**

The ageing analysis of the Group's and of the Company's gross receivables (before deducting allowance for impairment losses) are as follows:

| | | | | 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 assets* | 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 assets* | 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** |
| **As 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 | - | - | - | - | - | - |
| **As 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.

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

### (d) Credit risk (cont'd.)

**Receivables (cont'd.)**

Receivables that are neither past due nor credit impaired are creditworthy debtors with good payment records with the Group and with the Company. The credit terms for trade receivables range from 7 days to 30 days, except for trade receivables relating to fees due from clearing participants for clearing and settlement services whereby the payments are due two market days from the month end.

None of the Group's and the Company's receivables that are neither past due nor credit impaired have been renegotiated during the current and previous financial years.

The Group and the Company have no significant concentration of credit risk that may arise from exposures to a single clearing participant or counterparty.

Receivables are not secured by any collaterals or credit enhancements other than as disclosed in Note 26.

**Impairment on receivables**

The Group and the Company apply the simplified approach whereby allowance for impairment losses are measured at lifetime ECL. The movements of the allowance for impairment losses on receivables are as follows:

| | Trade receivables | | | Other receivables | | |
|---|---|---|---|---|---|---|
| **Group** | **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 |

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

### (d) Credit risk (cont'd.)

**Impairment on receivables (cont'd.)**

| | Trade receivables | | | Other receivables | | | Amount due from subsidiary |
|---|---|---|---|---|---|---|---|
| **Company** | **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 |

(a) Receivables that are individually determined to be credit impaired at the financial year end relate to debtors who are in significant financial difficulties and have defaulted on payments.

(b) The Group's allowance for impairment losses on trade and other receivables decreased by 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.

(c) 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.

## 40. Classification of financial instruments (cont'd.)

| | Group 2023 RM'000 | Group 2022 RM'000 | Company 2023 RM'000 | Company 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.

## 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<br>RM'000 | 2022<br>RM'000 | 2023<br>RM'000 | 2022<br>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.

## 42. Capital management (cont'd.)

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.

## 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.

## 43. Segment information (cont'd.)

### (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 |

## 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 2023** | | | | | | | |
| **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 |

## 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 |

## 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** | | | | | | | |
| **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 |