



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

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE QUARTER AND SIX MONTHS ENDED 30 JUNE 2014**

**17 July 2014**

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

**CONDENSED CONSOLIDATED INCOME STATEMENT**  
**FOR THE QUARTER AND SIX MONTHS ENDED 30 JUNE 2014**

RM'000	Note	3 months ended		6 months ended	
		30.06.2014	30.06.2013	30.06.2014	30.06.2013
		Reviewed	Reviewed	Reviewed	Reviewed
Operating revenue	8	115,484	122,167	230,623	223,865
Other income	9	7,667	8,185	15,695	16,922
		123,151	130,352	246,318	240,787
Staff costs		(32,531)	(28,037)	(65,082)	(55,198)
Depreciation and amortisation		(6,393)	(8,707)	(12,807)	(17,468)
Other operating expenses	10	(18,427)	(16,328)	(39,701)	(35,297)
Profit before tax		65,800	77,280	128,728	132,824
Income tax expense	24	(17,889)	(20,886)	(33,921)	(36,044)
<b>Profit for the period</b>		<b>47,911</b>	<b>56,394</b>	<b>94,807</b>	<b>96,780</b>
<b>Profit attributable to:</b>					
Owners of the Company		46,851	54,824	91,999	93,024
Non-controlling interest		1,060	1,570	2,808	3,756
		47,911	56,394	94,807	96,780
<b>Earnings per share (EPS) attributable to owners of the Company (sen per share):</b>					
Basic EPS	30(a)	8.8	10.3	17.3	17.5
Diluted EPS	30(b)	8.8	10.3	17.2	17.5

*The above condensed consolidated income statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to these interim financial statements.*

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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE QUARTER AND SIX MONTHS ENDED 30 JUNE 2014**

RM'000	3 months ended		6 months ended	
	30.06.2014	30.06.2013	30.06.2014	30.06.2013
	Reviewed	Reviewed	Reviewed	Reviewed
Profit for the period	47,911	56,394	94,807	96,780
<b>Items that may be subsequently reclassified to profit or loss:</b>				
Foreign currency translation	(28)	45	(41)	55
Net fair value changes in available-for-sale (AFS) financial assets	(4,989)	19,751	(11,786)	32,837
Income tax relating to AFS financial assets	4	(17)	39	(3)
<b>Total other comprehensive income, net of income tax</b>	<b>(5,013)</b>	<b>19,779</b>	<b>(11,788)</b>	<b>32,889</b>
<b>Total comprehensive income</b>	<b>42,898</b>	<b>76,173</b>	<b>83,019</b>	<b>129,669</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	41,838	74,603	80,211	125,913
Non-controlling interest	1,060	1,570	2,808	3,756
	<b>42,898</b>	<b>76,173</b>	<b>83,019</b>	<b>129,669</b>

*The above condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to these interim financial statements.*

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2014**

RM'000	Note	As at 30.06.2014	As at 31.12.2013
		Reviewed	Audited
<b>Assets</b>			
Property, plant and equipment		201,927	206,356
Computer software		57,919	61,404
Goodwill		42,957	42,957
Investment securities		156,790	163,495
Staff loans receivable		6,562	7,122
Deferred tax assets		1,504	1,648
<b>Non-current assets</b>		<b>467,659</b>	<b>482,982</b>
Trade receivables		38,868	32,733
Other receivables		14,744	15,794
Tax recoverable		5,125	6,612
Investment securities		52,852	51,183
Cash and bank balances not belonging to the Group	13	692,033	770,917
Cash and bank balances of the Group	14	375,113	381,442
<b>Current assets</b>		<b>1,178,735</b>	<b>1,258,681</b>
<b>Total assets</b>		<b>1,646,394</b>	<b>1,741,663</b>
<b>Equity and liabilities</b>			
Share capital		266,431	266,306
Share premium		95,930	94,167
Other reserves		44,996	67,716
Retained earnings	25	389,703	382,962
Equity attributable to owners of the Company		797,060	811,151
Non-controlling interest		11,013	16,330
<b>Total equity</b>		<b>808,073</b>	<b>827,481</b>
Retirement benefit obligations		29,383	28,950
Deferred capital grants		6,393	7,768
Deferred tax liabilities		13,003	12,892
<b>Non-current liabilities</b>		<b>48,779</b>	<b>49,610</b>
Trade payables	13	655,060	734,318
Clearing Funds' contributions	13	36,957	35,374
Other payables		90,374	89,134
Tax payable		7,151	5,746
<b>Current liabilities</b>		<b>789,542</b>	<b>864,572</b>
<b>Total liabilities</b>		<b>838,321</b>	<b>914,182</b>
<b>Total equity and liabilities</b>		<b>1,646,394</b>	<b>1,741,663</b>
<b>Net assets per share attributable to owners of the Company (RM)</b>		<b>1.50</b>	<b>1.52</b>

*The above condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to these interim financial statements.*

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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2014**

RM'000	Attributable to owners of the Company									Total	Non-controlling interest (Note a)	Total equity
	Non-distributable					Distributable						
	Share capital	Share premium	Capital reserve	Capital redemption reserve	Foreign currency translation reserve	Share grant reserve	Clearing fund reserves	AFS reserve	Retained earnings			
<b>At 1 January 2014</b>	266,306	94,167	14,100	5,250	72	4,582	30,000	13,712	382,962	811,151	16,330	827,481
Profit for the period	-	-	-	-	-	-	-	-	91,999	91,999	2,808	94,807
Other comprehensive income, net of income tax	-	-	-	-	(41)	-	-	(11,747)	-	(11,788)	-	(11,788)
Total comprehensive income	-	-	-	-	(41)	-	-	(11,747)	91,999	80,211	2,808	83,019
<b>Transactions with owners of the Company:</b>												
Issuance of ordinary shares pursuant to Share Grant Plan (SGP)	125	1,763	-	-	-	(1,888)	-	-	-	-	-	-
SGP expense	-	-	-	-	-	5,056	-	-	-	5,056	-	5,056
Redemption of preference shares (Note 6.2)	-	-	(14,100)	-	-	-	-	-	-	(14,100)	-	(14,100)
Dividends paid (Note 7)	-	-	-	-	-	-	-	-	(85,258)	(85,258)	-	(85,258)
Dividends paid to non-controlling interest	-	-	-	-	-	-	-	-	-	-	(8,125)	(8,125)
<b>At 30 June 2014</b>	<b>266,431</b>	<b>95,930</b>	<b>-</b>	<b>5,250</b>	<b>31</b>	<b>7,750</b>	<b>30,000</b>	<b>1,965</b>	<b>389,703</b>	<b>797,060</b>	<b>11,013</b>	<b>808,073</b>
<b>At 1 January 2013</b>	266,012	90,505	13,900	5,250	(40)	2,320	30,000	(24,602)	474,256	857,601	15,770	873,371
Profit for the period	-	-	-	-	-	-	-	-	93,024	93,024	3,756	96,780
Other comprehensive income, net of income tax	-	-	-	-	55	-	-	32,834	-	32,889	-	32,889
Total comprehensive income	-	-	-	-	55	-	-	32,834	93,024	125,913	3,756	129,669
<b>Transactions with owners of the Company:</b>												
Issuance of ordinary shares pursuant to SGP	125	1,613	-	-	-	(1,738)	-	-	-	-	-	-
SGP expense	-	-	-	-	-	3,017	-	-	-	3,017	-	3,017
Dividends paid (Note 7)	-	-	-	-	-	-	-	-	(71,857)	(71,857)	-	(71,857)
Dividends paid to non-controlling interest	-	-	-	-	-	-	-	-	-	-	(5,750)	(5,750)
<b>At 30 June 2013</b>	<b>266,137</b>	<b>92,118</b>	<b>13,900</b>	<b>5,250</b>	<b>15</b>	<b>3,599</b>	<b>30,000</b>	<b>8,232</b>	<b>495,423</b>	<b>914,674</b>	<b>13,776</b>	<b>928,450</b>

**Note a**

Included in non-controlling interest of the Group as at 1 January 2014 are 85 non-cumulative preference shares of RM1 each in Bursa Malaysia Derivatives Berhad (Bursa Malaysia Derivatives), a subsidiary, for registration as Trading Participants (TPs), at a subscription price determined by Bursa Malaysia Derivatives. On 16 April 2014, the revamp of Bursa Malaysia Derivatives' participantship structure was completed and all existing non-cumulative preference shares were cancelled, as disclosed in Note 6.2.

*The above condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to these interim financial statements.*

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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2014**

RM'000	Note	Quarter ended	
		30.06.2014	30.06.2013
		Reviewed	Reviewed
<b>Cash flows from operating activities</b>			
Profit before tax		128,728	132,824
Adjustments for:			
Amortisation of premium less accretion of discount		81	373
Dividend income from investment securities	9	(814)	(764)
Depreciation and amortisation		12,807	17,468
Grant income	9	(1,375)	(791)
Retirement benefit obligations		706	740
Interest income	9	(9,977)	(11,835)
Net loss on disposal of investment securities	9	187	-
Net (reversal of impairment loss)/impairment loss on trade and other receivables	10	(210)	32
Unrealised (gain)/loss on foreign exchange differences		(116)	87
SGP expense		5,056	3,017
Operating profit before working capital changes		135,073	141,151
Increase in receivables		(7,581)	(13,564)
Increase in other payables		5,346	11,802
Cash generated from operations		132,838	139,389
Staff loans repaid, net of disbursements		858	1,013
Retirement benefits paid		(273)	(410)
Taxes paid, net of refund		(30,735)	(27,792)
<b>Net cash from operating activities</b>		<b>102,688</b>	<b>112,200</b>
<b>Cash flows from investing activities</b>			
Decrease in other deposits not for short-term funding requirements		112,669	151,154
Dividends received		3,015	2,182
Interest received		10,183	11,195
Proceeds from disposal of investment securities		40,079	53,068
Purchases of investment securities		(47,097)	(43,273)
Purchases of property, plant and equipment and computer software		(7,673)	(21,421)
<b>Net cash from investing activities</b>		<b>111,176</b>	<b>152,905</b>

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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE SIX MONTHS ENDED 30 JUNE 2014 (CONT'D.)**

RM'000	Note	Quarter ended	
		30.06.2014	30.06.2013
		Reviewed	Reviewed
<b>Cash flows from financing activities</b>			
Dividends paid	7	(85,258)	(71,857)
Dividends paid by a subsidiary to non-controlling interest		(8,125)	(5,750)
Redemption of preference shares		(14,100)	-
<b>Net cash from financing activities</b>		<b>(107,483)</b>	<b>(77,607)</b>
<b>Net increase in cash and cash equivalents</b>			
Effect of exchange rate changes		(41)	44
Cash and cash equivalents at beginning of year		246,608	153,775
<b>Cash and cash equivalents at end of period</b>	14	<b>352,948</b>	<b>341,317</b>

*The above condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to these interim financial statements.*

**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134**

**1. BASIS OF PREPARATION**

This condensed consolidated interim financial statements (Condensed Report), other than for financial instruments and retirement benefit obligations, have been prepared under the historical cost convention. Certain financial instruments have been carried at fair value in accordance to Malaysian Financial Reporting Standard (MFRS) 139 *Financial Instruments: Recognition and Measurement*, and the retirement benefit obligations include actuarial gains and losses in accordance with MFRS 119 *Employee Benefits*.

This Condensed Report also has been prepared in accordance with the requirements of MFRS 134 *Interim Financial Reporting* and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

This Condensed Report should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013. The explanatory notes attached to the Condensed Report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2013.

**2. SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies adopted in the preparation of the Condensed Report are consistent with those followed in the preparation of the Group's audited financial statements for the financial year ended 31 December 2013, except for the adoption of Amendments to Standards and Issue Committee (IC) interpretations effective as of 1 January 2014.

**2.1 Adoption of Amendments to Standards and IC Interpretations**

The Group has adopted the following Amendments to Standards and IC Interpretations, with a date of initial application of 1 January 2014.

Amendments to MFRS 10	<i>Consolidated Financial Statements: Investment Entities</i>
Amendments to MFRS 12	<i>Disclosure of Interests in Other Entities: Investment Entities</i>
Amendments to MFRS 127	<i>Separate Financial Statements: Investment Entities</i>
Amendments to MFRS 132	<i>Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities</i>
Amendments to MFRS 136	<i>Impairment of Assets - Recoverable Amount Disclosures for Non-Financial Assets</i>
Amendments to MFRS 139	<i>Novation of Derivatives and Continuation of Hedge Accounting</i>
IC Interpretation 21	<i>Levies</i>

The adoption of the above pronouncements did not have any impact on the financial statements of the Group.

**2.2 Standards issued but not yet effective**

At the date of authorisation of the Condensed Report, the following Standards were issued but not yet effective and have not been adopted by the Group:

<b>Description</b>	<b>Effective for financial periods beginning on or after</b>
MFRS 9 <i>Financial Instruments (IFRS 9 issued by International Accounting Standards Board (IASB) in November 2009)</i>	To be announced by Malaysian Accounting Standards Board (MASB)



**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134**

**2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)**

**2.2 Standards issued but not yet effective (Cont'd.)**

Description	Effective for financial periods beginning on or after
MFRS 9 <i>Financial Instruments (IFRS 9 issued by IASB in October 2010)</i>	To be announced by MASB
MFRS 9 <i>Financial Instruments: Mandatory Effective Date of MFRS 9 and Transition Disclosures (Amendments to MFRS 9 and MFRS 7)</i>	To be announced by MASB
MFRS 9 <i>Financial Instruments (Hedge Accounting and amendments to MFRS 9, MFRS 7 and MFRS 139)</i>	To be announced by MASB
Amendments to MFRS 119 <i>Defined Benefit Plans: Employee Contributions</i>	1 July 2014
Annual Improvements to MFRSs 2010 - 2012 Cycle	1 July 2014
Annual Improvements to MFRSs 2011 - 2013 Cycle	1 July 2014

The Group will adopt the above pronouncements when they become effective in the respective financial periods. These pronouncements are not expected to have any effect to the financial statements of the Group upon their initial application, other than for MFRS 9 *Financial Instruments*. The Group will assess the financial implications of MFRS 9 *Financial Instruments* when the full standard is issued.

**3. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS**

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

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

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the quarter and six months ended 30 June 2014.

**5. SIGNIFICANT ESTIMATES AND CHANGES IN ESTIMATES**

There were no changes in estimates that have had any material effect on the quarter and six months ended 30 June 2014.

**6. DEBT AND EQUITY SECURITIES**

The following are the changes in debt and equity securities during the quarter and six months ended 30 June 2014:

**6.1 Issuance of shares**

On 1 April 2014, the Company issued 250,000 new ordinary shares of RM0.50 each pursuant to the SGP.

**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134**

**6. DEBT AND EQUITY SECURITIES (CONT'D.)**

**6.2 Revamp of Bursa Malaysia Derivatives participantship structure**

The revamp of Bursa Malaysia Derivatives' participantship structure was approved and subsequently completed in the following manner upon obtaining all the requisite approval and confirmation:

- (i) On 14 April 2014, the Rules of Bursa Malaysia Derivatives were amended and non-cumulative preference shares of RM1 each, existing at this date, were cancelled:
  - (i) 40 non-cumulative "A" preference shares;
  - (ii) 17 non-cumulative "B" preference shares; and
  - (iii) 28 non-cumulative "C" preference shares.

Accordingly, the issued and paid-up share capital of Bursa Malaysia Derivatives was reduced from RM50,000,095 to RM50,000,010.

- (ii) On 15 April 2014, 19 new redeemable "A" and 14 new redeemable "B" preference shares of RM1.00 each were issued and allotted to the previous holders of non-cumulative "A", "B" and "C" preference shares who were entitled to the new redeemable "A" and "B" shares of RM1.00 each.
- (iii) On 16 April 2014, all the new redeemable "A" and "B" preference shares were redeemed based on the terms and conditions of the new redeemable preference shares as set out in the Articles of Association of Bursa Malaysia Derivatives. Bursa Malaysia Derivatives' share premium account was fully utilised for the redemption.

**7. DIVIDENDS PAID**

The following dividend was paid during the current and previous corresponding quarter:

	<b>30.06.2014</b>	<b>30.06.2013</b>
Final dividend for the financial year	31 December 2013	31 December 2012
Approved and declared on	27 March 2014	28 March 2013
Date paid	16 April 2014	16 April 2013
Number of ordinary shares on which dividends were paid ('000)	532,862	532,274
Dividend per share (single-tier)	16.0 sen	13.5 sen
Net dividend paid (RM'000)	85,258	71,857

**BURSA MALAYSIA BERHAD (30632-P)**  
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**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134**

**8. OPERATING REVENUE**

RM'000	3 months ended		6 months ended	
	30.06.2014	30.06.2013	30.06.2014	30.06.2013
Securities clearing fees	48,057	53,053	94,556	87,393
Securities trade fees	6,466	7,269	12,565	12,029
Other securities revenue	4,797	5,452	9,257	9,582
<b>Securities trading revenue</b>	<b>59,320</b>	<b>65,774</b>	<b>116,378</b>	<b>109,004</b>
Derivatives clearing fees	3,636	3,622	7,545	7,138
Derivatives trade fees	9,893	10,310	20,523	20,237
Other derivatives revenue	2,546	3,512	5,180	8,518
<b>Derivatives trading revenue</b>	<b>16,075</b>	<b>17,444</b>	<b>33,248</b>	<b>35,893</b>
Bursa Suq Al-Sila (BSAS) trading revenue	1,938	1,288	3,732	2,586
Listing and issuer services	14,247	13,678	27,270	25,026
Depository services	10,119	10,698	17,893	18,510
Market data	7,897	6,456	14,805	12,927
Member services and connectivity	5,731	6,829	11,121	14,269
Other operating revenue	157	-	6,176	5,650
<b>Total operating revenue</b>	<b>115,484</b>	<b>122,167</b>	<b>230,623</b>	<b>223,865</b>

**9. OTHER INCOME**

RM'000	3 months ended		6 months ended	
	30.06.2014	30.06.2013	30.06.2014	30.06.2013
Interest income from:				
- Investments	4,772	5,700	9,830	11,655
- Others	72	89	147	180
Net loss on disposal of investment securities	(187)	-	(187)	-
Rental income	1,739	1,588	3,463	3,152
Dividend income	403	381	814	764
Grant income	687	357	1,375	791
Miscellaneous income	181	70	253	380
<b>Total other income</b>	<b>7,667</b>	<b>8,185</b>	<b>15,695</b>	<b>16,922</b>

**10. OTHER OPERATING EXPENSES**

RM'000	3 months ended		6 months ended	
	30.06.2014	30.06.2013	30.06.2014	30.06.2013
Marketing and development costs	2,938	1,292	6,970	5,012
Technology charges:				
- Information technology maintenance	4,165	3,880	9,225	8,379
- Service fees	4,081	3,679	8,450	7,447
Central Depository System (CDS) consumables	953	1,240	1,928	2,169
Professional fees	256	357	493	527
Building management costs	2,664	2,658	5,494	5,108
Administrative expenses	1,658	1,379	3,163	3,040
Net (reversal of impairment loss)/impairment loss on trade and other receivables	(154)	(23)	(210)	32
Foreign exchange loss/(gain)	90	80	87	(56)
Miscellaneous expenses	1,776	1,786	4,101	3,639
<b>Total other operating expenses</b>	<b>18,427</b>	<b>16,328</b>	<b>39,701</b>	<b>35,297</b>

**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134**

**11. SEGMENTAL INFORMATION**

RM'000	Securities market	Derivatives market	Holding company	Others	Consolidated
<b>RESULTS FOR 3 MONTHS ENDED 30 JUNE 2014</b>					
Operating revenue	92,991	18,709	1,710	2,074	115,484
Other income	3,048	763	3,817	39	7,667
Direct costs	(22,778)	(11,210)	(6,914)	(1,275)	(42,177)
<b>Segment profit/(loss)</b>	<b>73,261</b>	<b>8,262</b>	<b>(1,387)</b>	<b>838</b>	<b>80,974</b>
Overheads					(15,174)
<b>Profit/(Loss) before tax</b>	<b>73,261</b>	<b>8,262</b>	<b>(1,387)</b>	<b>838</b>	<b>65,800</b>

<b>RESULTS FOR 3 MONTHS ENDED 30 JUNE 2013</b>					
Operating revenue	98,431	19,630	2,660	1,446	122,167
Other income	2,319	594	5,228	44	8,185
Direct costs	(21,096)	(9,579)	(6,936)	(1,317)	(38,928)
<b>Segment profit</b>	<b>79,654</b>	<b>10,645</b>	<b>952</b>	<b>173</b>	<b>91,424</b>
Overheads					(14,144)
<b>Profit before tax</b>	<b>79,654</b>	<b>10,645</b>	<b>952</b>	<b>173</b>	<b>77,280</b>

<b>RESULTS FOR 6 MONTHS ENDED 30 JUNE 2014</b>					
Operating revenue	179,254	43,955	3,414	4,000	230,623
Other income	5,980	1,836	7,816	63	15,695
Direct costs	(43,652)	(25,512)	(15,222)	(2,645)	(87,031)
<b>Segment profit/(loss)</b>	<b>141,582</b>	<b>20,279</b>	<b>(3,992)</b>	<b>1,418</b>	<b>159,287</b>
Overheads					(30,559)
<b>Profit/(Loss) before tax</b>	<b>141,582</b>	<b>20,279</b>	<b>(3,992)</b>	<b>1,418</b>	<b>128,728</b>

<b>RESULTS FOR 6 MONTHS ENDED 30 JUNE 2013</b>					
Operating revenue	169,660	45,789	5,524	2,892	223,865
Other income	5,043	1,281	10,529	69	16,922
Direct costs	(41,848)	(21,751)	(13,285)	(2,547)	(79,431)
<b>Segment profit</b>	<b>132,855</b>	<b>25,319</b>	<b>2,768</b>	<b>414</b>	<b>161,356</b>
Overheads					(28,532)
<b>Profit before tax</b>	<b>132,855</b>	<b>25,319</b>	<b>2,768</b>	<b>414</b>	<b>132,824</b>

**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134**

**11. SEGMENTAL INFORMATION (CONT'D.)**

RM'000	Securities market	Derivatives market	Holding company	Others	Consolidated
<b>ASSETS AND LIABILITIES AS AT 30 JUNE 2014</b>					
Assets that belong to the Group	488,362	95,604	331,004	32,762	947,732
Assets that do not belong to the Group	14,386	677,647	-	-	692,033
Segment assets	502,748	773,251	331,004	32,762	1,639,765
Unallocated corporate assets					6,629
<b>Total assets</b>	<b>502,748</b>	<b>773,251</b>	<b>331,004</b>	<b>32,762</b>	<b>1,646,394</b>
Liabilities that belong to the Group	39,052	10,483	43,313	33,286	126,134
Liabilities that do not belong to the Group	14,386	677,647	-	-	692,033
Segment liabilities	53,438	688,130	43,313	33,286	818,167
Unallocated corporate liabilities					20,154
<b>Total liabilities</b>	<b>53,438</b>	<b>688,130</b>	<b>43,313</b>	<b>33,286</b>	<b>838,321</b>

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

**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134**

**12. RELATED PARTY DISCLOSURES**

Significant related party transactions are as follows:

RM'000	3 months ended		6 months ended	
	30.06.2014	30.06.2013	30.06.2014	30.06.2013
Administration fee income from Bursa Malaysia Securities Berhad - Compensation Fund, a fund managed by Bursa Malaysia Berhad	-	-	-	158
Administration fee income from Bursa Malaysia Derivatives Berhad - Fidelity Fund, a fund managed by Bursa Malaysia Derivatives	-	-	-	20

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.

**13. CASH AND BANK BALANCES NOT BELONGING TO THE GROUP**

RM'000	As at 30.06.2014
Trade margins, collaterals and security deposits	654,363
Securities Borrowing and Lending collaterals	697
Trade payables	655,060
Derivatives Clearing Fund (DCF) contributions	23,284
Clearing Guarantee Fund (CGF) contributions	13,673
Clearing Funds' contributions	36,957
Cash received for eDividend distributions (included within other payables)	16
<b>Total cash and bank balances not belonging to the Group</b>	<b>692,033</b>

The amount of non-cash collaterals not included in the consolidated statement of financial position as at 30 June 2014 comprise the following:

RM'000	As at 30.06.2014
Collaterals in the form of letters of credit	545,615
Collaterals in the form of shares	16,432
Contributions to the CGF in the form of bank guarantees	4,467
	<b>566,514</b>

**BURSA MALAYSIA BERHAD (30632-P)**  
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**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134**

**14. CASH AND BANK BALANCES OF THE GROUP**

<b>RM'000</b>	<b>As at 30.06.2014</b>
Cash and bank balances	2,840
Deposits for short-term funding requirements	350,108
Cash and cash equivalents	352,948
Other deposits not for short-term funding requirements	22,165
<b>Total cash and bank balances of the Group</b>	<b>375,113</b>

Included in cash and bank balances of the Group as at the end of the financial period are the following:

- (i) Cash set aside for the following Clearing Funds:

<b>RM'000</b>	<b>As at 30.06.2014</b>
Bursa Malaysia Securities Clearing Sdn Bhd's appropriation to the CGF	25,000
Bursa Malaysia Derivatives Clearing Berhad's appropriation to the DCF	5,000
	<b>30,000</b>

- (ii) An amount of RM1,669,000 (30.06.2013: RM6,694,000) has been set aside to meet or secure the claims of creditors and certain lease payments pursuant to the High Court order issued in relation to the reduction of capital of the Company on 27 January 2005.

**15. CAPITAL COMMITMENTS**

Capital commitments for the purchase of property, plant and equipment and computer software not provided for in the condensed report as at the end of the financial period were as follows:

<b>RM'000</b>	<b>Approved and contracted for</b>	<b>Approved but not contracted for</b>
Computers and office automation	5,011	3,451
Other assets	145	-
<b>Total capital commitments</b>	<b>5,156</b>	<b>3,451</b>

**16. CONTINGENT ASSETS AND LIABILITIES**

There were no contingent assets and no changes in the contingent liability in respect of the put and call options with Chicago Mercantile Exchange Group over the ordinary shares of Bursa Malaysia Derivatives since 31 December 2013.

**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134**

**17. CHANGES IN COMPOSITION OF THE GROUP**

There were no changes in the composition of the Group during the quarter and six months ended 30 June 2014.

**18. OPERATING LEASE ARRANGEMENTS**

**(a) As Lessee - for the lease of land**

The future aggregate minimum lease payments payable under non-cancellable operating leases contracted for as at the end of the financial period but not recognised as liabilities are as follows:

<b>RM'000</b>	<b>As at 30.06.2014</b>
Not later than 1 year	539
Later than 1 year and not later than 5 years	2,155
Later than 5 years	39,175
<b>Total future minimum lease payments</b>	<b>41,869</b>

**(b) As Lessee - for the lease of equipment**

The future aggregate minimum lease payments payable under operating leases contracted for as at the end of the financial period but not recognised as liabilities are as follows:

<b>RM'000</b>	<b>As at 30.06.2014</b>
Not later than 1 year	152
Later than 1 years and not later than 5 years	354
<b>Total future minimum lease payments</b>	<b>506</b>

**(c) As Lessor - for building rental**

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

<b>RM'000</b>	<b>As at 30.06.2014</b>
Not later than 1 year	5,963
Later than 1 year and not later than 2 years	5,215
<b>Total future minimum lease receivables</b>	<b>11,178</b>



**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134**

**19. FINANCIAL INSTRUMENTS**

**19.1 Classification**

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

RM'000	AFS	Held-To-Maturity (HTM)	Loans and Receivables	Liabilities At Amortised Cost	Total
<b>As at 30 June 2014</b>					
<b>Assets</b>					
Investments securities					
- Shares (quoted equity)	87,072	-	-	-	87,072
- Bonds	107,902	-	-	-	107,902
- Commercial papers	-	14,668	-	-	14,668
	194,974	14,668	-	-	209,642
Staff loans receivable	-	-	7,353	-	7,353
Trade receivables	-	-	38,868	-	38,868
Other receivables which are financial assets	-	-	7,437	-	7,437
Cash and bank balances not belonging to the Group	-	-	692,033	-	692,033
Cash and bank balances of the Group	-	-	375,113	-	375,113
<b>Total financial assets</b>	194,974	14,668	1,120,804	-	1,330,446
<b>Liabilities</b>					
Trade payables	-	-	-	655,060	655,060
Clearing Funds' contributions	-	-	-	36,957	36,957
Other payables which are financial liabilities	-	-	-	23,886	23,886
<b>Total financial liabilities</b>	-	-	-	715,903	715,903

**19.2 Fair Value**

**(a) Financial instruments that are carried at fair value**

AFS financial assets are measured at fair value at different measurement hierarchies (i.e. Level 1, 2 and 3). The hierarchies reflect the level of objectiveness of inputs used when measuring the fair value.

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

Quoted equity is measured at Level 1. The fair value of quoted equity is determined directly by reference to its published market bid price as at 30 June 2014.

**19. FINANCIAL INSTRUMENTS (CONT'D.)**

**19.2 Fair Value (Cont'd.)**

**(a) Financial instruments that are carried at fair value (Cont'd.)**

**(ii) Level 2: Inputs other than quoted prices included within Level 1 that are observable for the assets, either directly (prices) or indirectly (derived from prices)**

Unquoted bonds are measured at Level 2. The fair value of unquoted bonds is determined by reference to the published market bid price of unquoted fixed income securities based on information provided by Bond Pricing Agency Malaysia Sdn Bhd.

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

The Group does not have any financial instruments in Level 3 as at 30 June 2014.

RM'000	Level 1	Level 2	Total
<b>AFS Financial Assets</b>			
Quoted equity	87,072	-	87,072
Unquoted bonds	-	107,902	107,902
	87,072	107,902	194,974

There were no transfers between Level 1 and Level 2 during the six months and quarter ended 30 June 2014.

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

Financial instruments classified as HTM investments, loans and receivables and financial liabilities are carried at amortised cost.

The carrying amount of these financial instruments, other than staff loans receivable, are reasonable approximation of their fair values due to their short term nature.

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. This represents a Level 3 input under the measurement hierarchy.

**20. EVENTS AFTER THE REPORTING PERIOD**

There was no material event subsequent to the end of the current quarter.

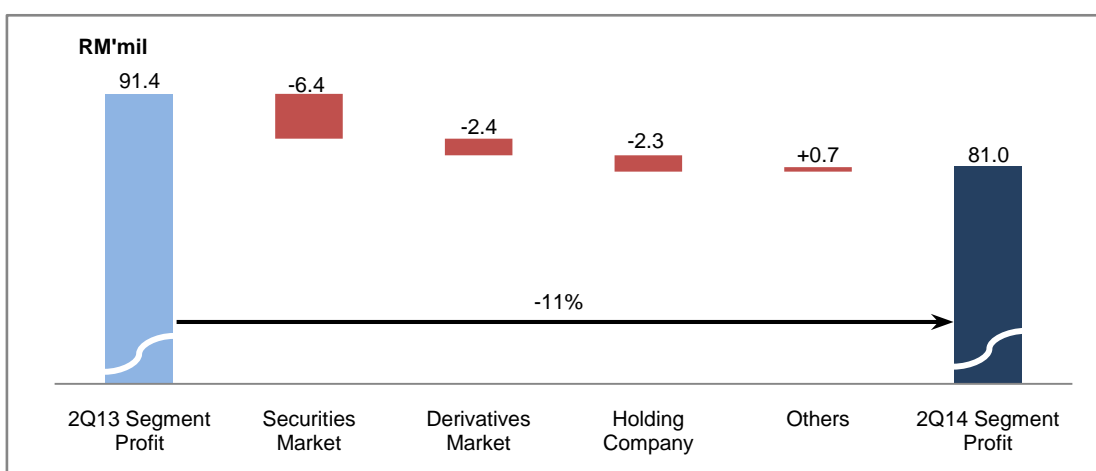
**PART B: EXPLANATORY NOTES PURSUANT TO MAIN  
MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**21. OPERATING SEGMENTS REVIEW**

**(a) 2Q14 vs. 2Q13**

Profit before tax (PBT) for the quarter ended 30 June 2014 (2Q14) was RM65.8 million, a decrease of 15 per cent from RM77.3 million in the quarter ended 30 June 2013 (2Q13). PBT is made up of segment profits less overheads (as depicted in Note 11).

Total segment profit for 2Q14 was RM81.0 million, a decrease of 11 per cent from RM91.4 million in 2Q13. The quarter movements in the segment profits are depicted in the graph below:

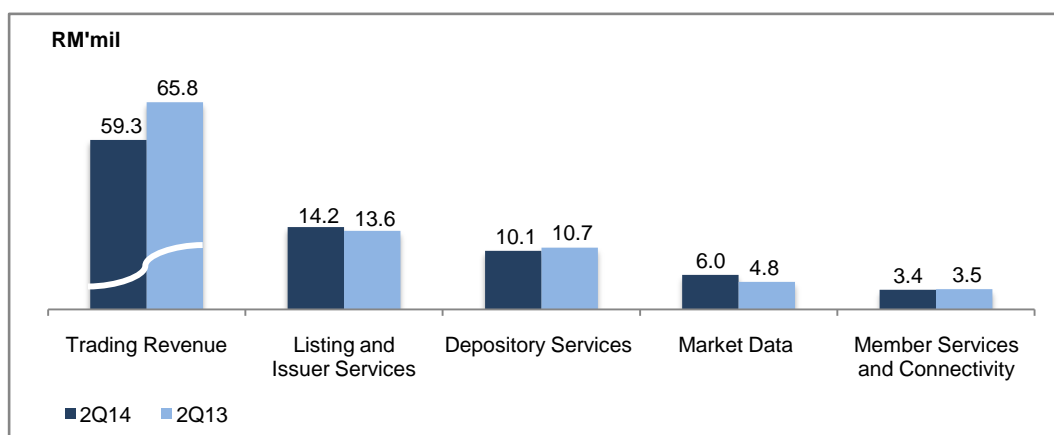


**Securities Market**

The securities market recorded a segment profit of RM73.3 million in 2Q14, a decrease of 8 per cent compared to RM79.7 million in 2Q13. The lower profit in 2Q14 was a result of the exceptional volatility in 2Q13 as a result of the 2013 general election.

**(i) Operating Revenue**

Securities market operating revenue for 2Q14 was RM93.0 million, representing a decrease of 6 per cent compared to RM98.4 million in 2Q13. The decrease came mainly from trading revenue, as shown in the chart below:



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**21. OPERATING SEGMENTS REVIEW (CONT'D.)**

**(a) 2Q14 vs. 2Q13 (Cont'd.)**

**Securities Market (Cont'd.)**

**(i) Operating Revenue (Cont'd.)**

- > Trading revenue decreased by 10 per cent to RM59.3 million in 2Q14 compared to 2Q13. 2Q14 saw lower average daily value (ADV) for on-market trades (OMT) and direct business trades (DBT) of RM2.19 billion compared to RM2.39 billion in 2Q13.
- > Market data increased by 25 per cent to RM6.0 million in 2Q14 compared to 2Q13. The market data revenue was higher in 2Q14 as a result of new information services introduced and commencement of market data charges to Participant Organisations (POs).

Key operating drivers in the securities market are as follows:

		<b>2Q14</b>	<b>2Q13</b>	<b>%</b>
FBM KLCI	(points)	1,882.71	1,773.54	6
Average daily trading value (OMT and DBT)	(RM'billion)	2.19	2.39	-8
Average daily trading volume (OMT and DBT)	(billion)	1.88	1.71	10
Effective clearing fee rate	(basis points)	2.30	2.28	1
Velocity	(per cent)	29	37	-22
Number of IPOs		4	5	-20
Number of new structured warrant listings		63	68	-7
Total funds raised:				
- IPOs	(RM'billion)	2.80	1.41	99
- Secondary issues	(RM'billion)	7.95	6.61	20
Market capitalisation at end of period	(RM'billion)	1,770.42	1,598.81	11

**(ii) Operating Expenses**

Segment expenses increased by 8 per cent to RM22.8 million in 2Q14 compared to 2Q13. The increase in 2Q14 was mainly due to higher staff costs and information technology maintenance. The increase is partially offset by lower depreciation.

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

**21. OPERATING SEGMENTS REVIEW (CONT'D.)**

**(a) 2Q14 vs. 2Q13 (Cont'd.)**

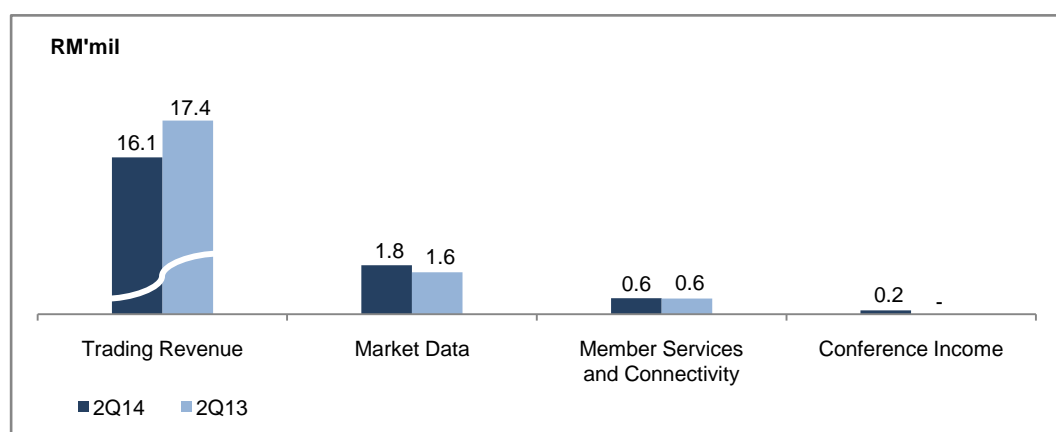
**Derivatives Market**

The derivatives market recorded a segment profit of RM8.3 million in 2Q14, a decrease of 22 per cent compared to RM10.6 million in 2Q13. Despite higher trading volume in 2Q14, derivatives market segmental profit was lower as a result of lower margin requirement.

**(i) Operating Revenue**

Derivatives market operating revenue for 2Q14 was RM18.7 million, representing a decrease of 5 per cent compared to RM19.6 million in 2Q13. The decrease came mainly from lower guarantee and collateral management fees earned, which are components of trading revenue.

The components of operating revenue and key operating drivers are shown in the chart and table below respectively.



Key operating drivers in the derivatives market are as follows:

		2Q14	2Q13	%
FCPO contracts	(million)	2.23	1.82	23
FKLI contracts	(million)	0.50	0.79	-37
Other contracts	(million)	0.05	0.01	400
Total	(million)	2.78	2.62	6
Daily average contracts		44,082	41,673	6
Open interests at end of period		238,883	212,879	12

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

**21. OPERATING SEGMENTS REVIEW (CONT'D.)**

**(a) 2Q14 vs. 2Q13 (Cont'd.)**

**Derivatives Market (Cont'd.)**

**(ii) Operating Expenses**

Segment expenses increased by 17 per cent to RM11.2 million in 2Q14 compared to 2Q13. The increase in 2Q14 was mainly due to higher staff costs, service fees charged as a result of higher in trading volumes in 2Q14 compared to 2Q13 and more marketing activities.

**Exchange Holding Company**

The exchange holding company recorded a segment loss of RM1.4 million in 2Q14 compared to a segment profit of RM1.0 million in 2Q13 mainly due to lower broker services and interest income earned, as well as higher staff costs.

**Others**

Others segment is made up of our BSAS business, bonds trading and offshore exchange. The Others segment profit increased by 384 per cent to RM0.8 million in 2Q14 from RM0.2 million in 2Q13 as a result of the increasing use of BSAS as a commodity murabahah trading platform.

**Overheads**

Overheads increased by 7 per cent to RM15.2 million in 2Q14 compared to RM14.1 million in 2Q13 mainly due to higher staff costs.

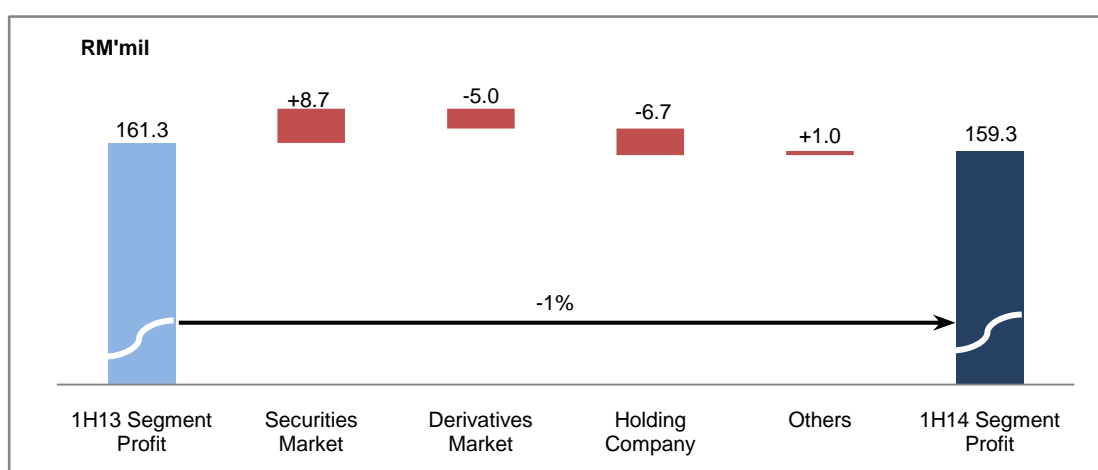
**PART B: EXPLANATORY NOTES PURSUANT TO MAIN  
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**21. OPERATING SEGMENTS REVIEW (CONT'D.)**

**(b) 1H2014 vs. 1H2013**

PBT for the six months ended 30 June 2014 (1H14) was RM128.7 million, a decrease of 3 per cent from RM132.8 million in the six months ended 30 June 2013 (1H13). PBT is made up of segment profits less overheads.

Total segment profit for 1H14 was RM159.3 million, a marginal decrease of 1 per cent from RM161.3 million in 1H13. The six months movement in the segment profits are depicted in the graph below:

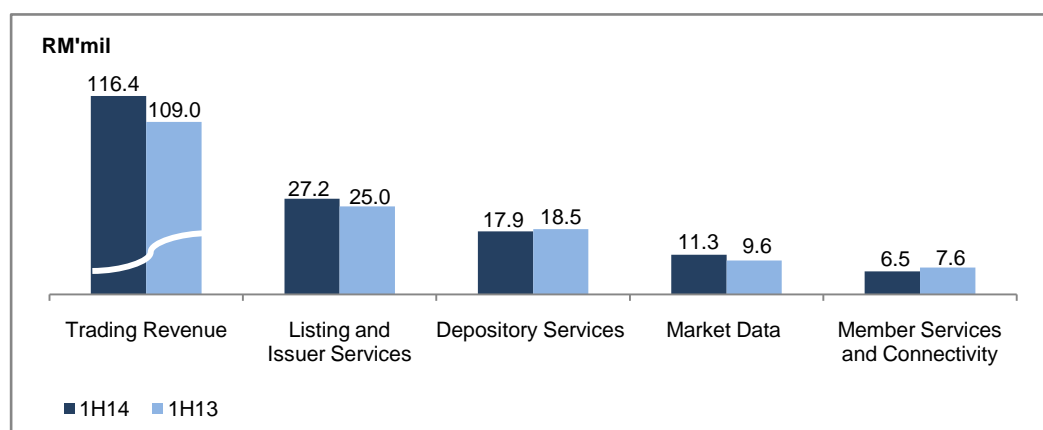


**Securities Market**

The securities market recorded a segment profit of RM141.6 million in 1H14 compared to RM132.9 million in 1H13. The higher profit in 1H14 was mainly a result of higher trading activity on the securities market as compared to 1H13.

**(i) Operating Revenue**

Operating revenue for 1H14 was RM179.3 million, representing an increase of 6 per cent compared to RM169.7 million in 1H13. The increase came mainly from trading revenue, as shown in the chart below:



**PART B: EXPLANATORY NOTES PURSUANT TO MAIN  
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**21. OPERATING SEGMENTS REVIEW (CONT'D.)**

**(b) 1H14 vs. 1H13 (Cont'd.)**

**Securities Market (Cont'd.)**

**(i) Operating Revenue (Cont'd.)**

- > Trading revenue increased by 7 per cent to RM116.4 million in 1H14 compared to 1H13. 1H14 saw a higher ADV for OMT and DBT of RM2.18 billion (1H13: RM2.06 billion) and a higher effective clearing fee rate of 2.33 basis points (1H13: 2.25 basis points).
- > Listing and issuer services increased by 9 per cent to RM27.2 million in 1H14 compared to 1H13. The increase was mainly attributable to higher number of new structured warrant listings and larger IPOs in 1H14 compared to 1H13.
- > Market data increased by 17 per cent to RM11.3 million in 1H14 compared to 1H13. The market data revenue in 1H14 was higher as a result of new information services introduced and commencement of market data charges to POs.
- > Member services and connectivity decreased by 14 per cent to RM6.5 million in 1H14 compared to 1H13. The lower revenue was a result of a revision in fee structure for Bursa access fees.

Key operating drivers in the securities market are as follows:

		<b>1H14</b>	<b>1H13</b>	<b>%</b>
FBM KLCI	(points)	1,882.71	1,773.54	6
Average daily trading value (OMT and DBT)	(RM'billion)	2.18	2.06	6
Average daily trading volume (OMT and DBT)	(billion)	1.96	1.41	39
Effective clearing fee rate	(basis points)	2.33	2.25	4
Velocity	(per cent)	30	33	-9
Number of IPOs		6	7	-14
Number of new structured warrant listings		219	190	15
Total funds raised:				
- IPOs	(RM'billion)	4.71	1.79	163
- Secondary issues	(RM'billion)	13.45	8.64	56
Market capitalisation at end of period	(RM'billion)	1,770.42	1,598.81	11

**(ii) Expenses**

Segment expenses increased by 4 per cent to RM43.7 million in 1H14 compared to 1H13. The increase in 1H14 was mainly due to higher staff costs and information technology maintenance. The increase is partially offset by lower depreciation.



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

**21. OPERATING SEGMENTS REVIEW (CONT'D.)**

**(b) 1H14 vs. 1H13 (Cont'd.)**

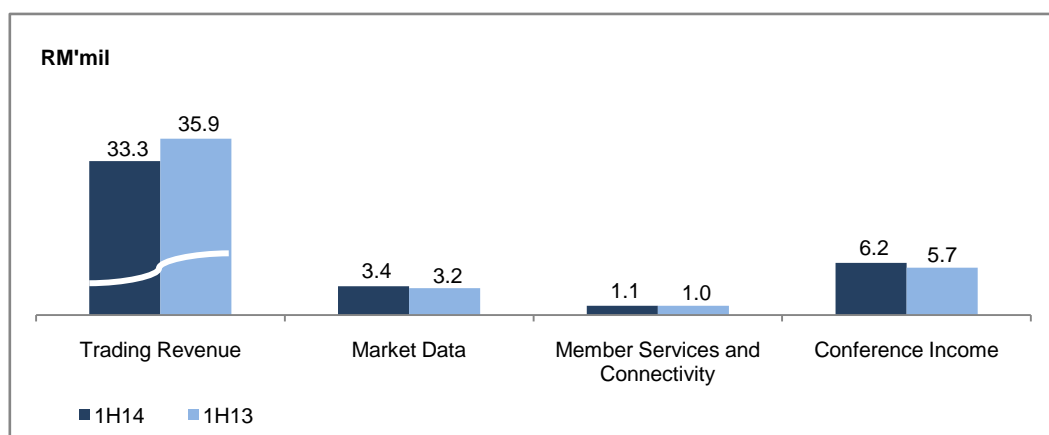
**Derivatives Market**

The derivatives market recorded a segment profit of RM20.3 million in 1H14, a decrease of 20 per cent compared to RM25.3 million in 1H13. Despite higher trading volume in 1H14, derivatives market segmental profit was lower as a result of lower margin requirement.

**(i) Operating Revenue**

Operating revenue for 1H14 was RM44.0 million, representing a decrease of 4 per cent compared to RM45.8 million in 1H13. The decrease came mainly from lower guarantee and collateral management fees earned, which are components of trading revenue.

The components of operating revenue and key operating drivers are shown in the chart and table below respectively.



Key operating drivers in the derivatives market are as follows:

		<b>1H14</b>	<b>1H13</b>	<b>%</b>
FCPO contracts	(million)	4.57	3.83	19
FKLI contracts	(million)	1.08	1.40	-23
Other contracts	(million)	0.08	0.02	300
<b>Total</b>	<b>(million)</b>	<b>5.73</b>	<b>5.25</b>	<b>9</b>
Daily average contracts		46,966	43,358	8
Open interests at end of period		238,883	212,879	12

**PART B: EXPLANATORY NOTES PURSUANT TO MAIN  
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**21. OPERATING SEGMENTS REVIEW (CONT'D.)**

**(b) 1H14 vs. 1H13 (Cont'd.)**

**Derivatives Market (Cont'd.)**

**(ii) Expenses**

Segment expenses increased by 17 per cent to RM25.5 million in 1H14 compared to RM21.8 million in 1H13. The increase in 1H14 was mainly due to higher staff costs, service fees charged as a result of higher trading volumes in 1H14 compared to 1H13 and more marketing activities.

**Exchange Holding Company**

The exchange holding company recorded a segment loss of RM4.0 million in 1H14 compared to a segment profit of RM2.8 million in 1H13 mainly due to lower broker services and interest income earned, as well as higher staff costs.

**Others**

Others segment is made up of our BSAS business, bonds trading and offshore exchange. The Others segment profit increased by 243 per cent to RM1.4 million in 1H14 from RM0.4 million in 1H13 as a result of the increasing use of BSAS as a commodity murabahah trading platform.

**Overheads**

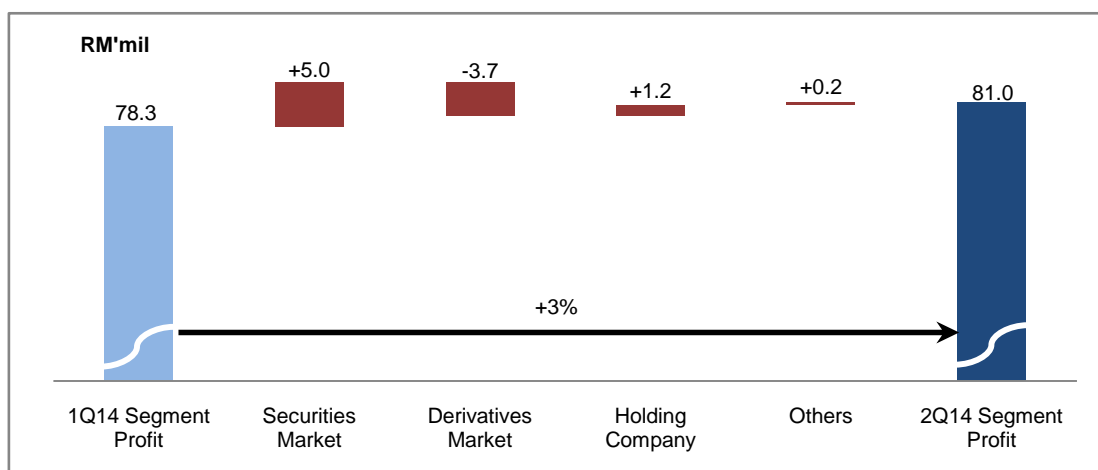
Overheads increased by 7 per cent to RM30.6 million in 1H14 compared to RM28.5 million in 1H13 mainly due to higher staff costs.

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MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

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

PBT for 2Q14 was RM65.8 million, an increase of 5 per cent from RM62.9 million in the quarter ended 31 March 2014 (1Q14). PBT is made up of segment profits less overheads.

Total segment profit for 2Q14 was RM81.0 million, an increase of 3 per cent from RM78.3 million in 1Q14. The quarter on quarter movements in the segment profits are depicted in the graph below:

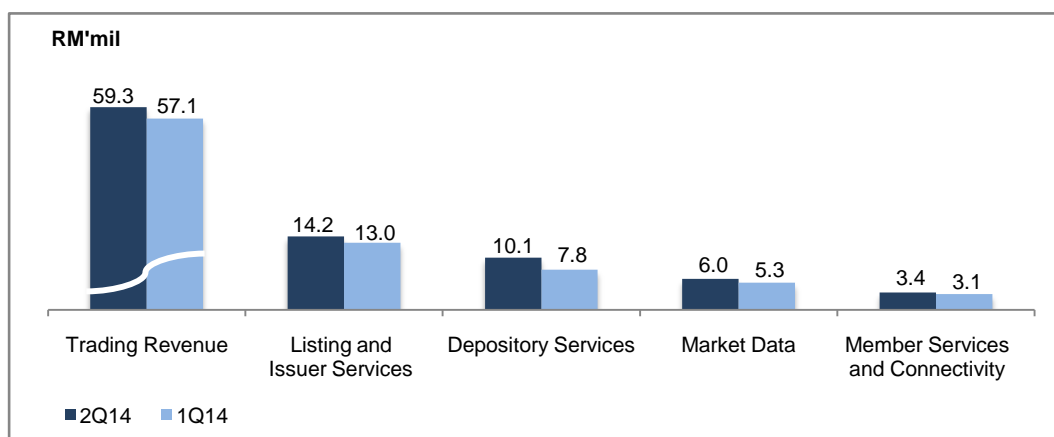


**Securities Market**

The securities market recorded a segment profit of RM73.3 million in 2Q14, an increase of 7 per cent compared to RM68.3 million in 1Q14. The higher profit in 2Q14 was mainly a result of higher trading activity, number of IPOs and corporate exercises on the securities market as compared to 1Q14.

**(i) Operating Revenue**

Securities market operating revenue increased by 8 per cent to RM93.0 million in 2Q14 compared to RM86.3 million in 1Q14. The increase came mainly from trading revenue and depository services, as shown in the chart below:



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

**Securities Market (Cont'd.)**

**(i) Operating Revenue (Cont'd.)**

- > Trading revenue increased by 4 per cent to RM59.3 million in 2Q14 compared to 1Q14. 2Q14 saw a higher ADV for OMT and DBT of RM2.19 billion compared to RM2.16 billion in 1Q14.
- > Listing and issuer services increased by 9 per cent to RM14.2 million in 2Q14 compared to 1Q14. The increase in 2Q14 was mainly due to higher perusal and processing fees and additional listing fees earned from a higher number of corporate exercises.
- > Depository services increased by 30 per cent to RM10.1 million in 2Q14 compared to 1Q14. The higher revenue in 2Q14 was mainly attributable to higher public issue fees earned from IPOs listed in 2Q14.

Key operating drivers in the securities market are as follows:

		<b>2Q14</b>	<b>1Q14</b>	<b>%</b>
FBM KLCI	(points)	1,882.71	1,849.21	2
Average daily trading value (OMT and DBT)	(RM'billion)	2.19	2.16	1
Average daily trading volume (OMT and DBT)	(billion)	1.88	2.05	-8
Effective clearing fee rate	(basis points)	2.30	2.37	-3
Velocity	(per cent)	29	30	-3
Number of IPOs		4	2	100
Number of new structured warrant listings		63	156	-60
Total funds raised:				
- IPOs	(RM'billion)	2.80	1.90	47
- Secondary issues	(RM'billion)	7.95	5.51	44
Market capitalisation at end of period	(RM'billion)	1,770.42	1,719.11	3

**(ii) Operating Expenses**

Segment expenses increased by 9 per cent to RM22.8 million in 2Q14 compared to 1Q14. The increase in 2Q14 was mainly due to more marketing activities in 2Q14.

**PART B: EXPLANATORY NOTES PURSUANT TO MAIN  
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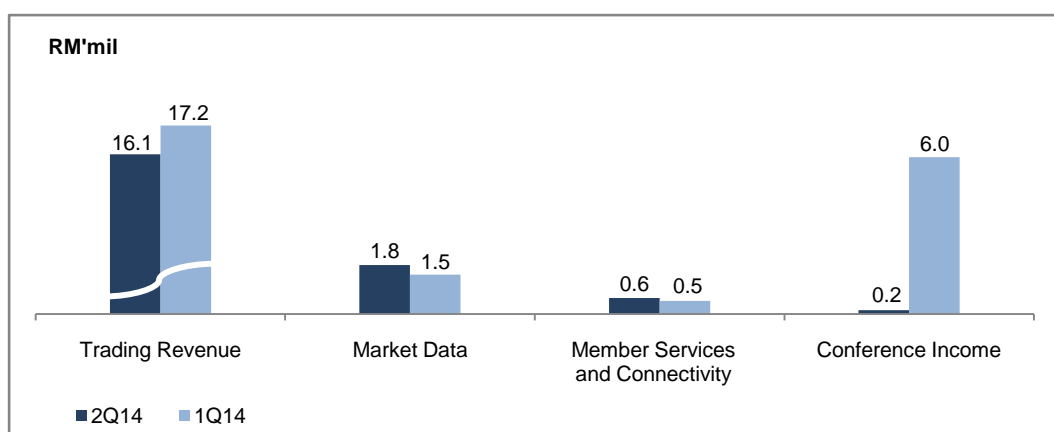
**22. MATERIAL CHANGE IN PERFORMANCE OF OPERATING SEGMENTS OF CURRENT QUARTER COMPARED WITH PRECEDING QUARTER (CONT'D.)**

**Derivatives Market**

The derivatives market recorded a segment profit of RM8.3 million for 2Q14, a decrease of 31 per cent compared to RM12.0 million in 1Q14. The lower profit in 2Q14 was mainly due to the conference income from Palm and Lauric Oils Conference & Exhibition Price Outlook 2014 (POC) conference in 1Q14.

**(i) Operating Revenue**

Derivatives market operating revenue for 2Q14 was RM18.7 million, representing a decrease of 26 per cent compared to RM25.2 million in 1Q14. The decrease mainly due to conference income, as shown in the chart below:



- > Trading revenue decreased by 6 per cent to RM16.1 million in 2Q14 compared to 1Q14 as a result of lower contract traded. 2.78 million contracts were traded in 2Q14 compared to 2.95 million contracts in 1Q14.
- > Conference income decreased from RM6.0 million in 1Q14 to RM0.2 million in 2Q14 mainly due to POC conference held in 1Q14.

Key operating drivers in the derivatives market are as follows:

		2Q14	1Q14	%
FCPO contracts	(million)	2.23	2.34	-5
FKLI contracts	(million)	0.50	0.58	-14
Other contracts	(million)	0.05	0.03	67
Total	(million)	2.78	2.95	-6
Daily average contracts		44,082	50,046	-12
Open interests at end of period		238,883	218,002	10

**(ii) Operating Expenses**

Segment expenses decreased by 22 per cent to RM11.2 million in 2Q14 compared to RM14.3 million in 1Q14 mainly due to conference expenses incurred for the POC conference held in 1Q14.

**PART B: EXPLANATORY NOTES PURSUANT TO MAIN  
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**22. MATERIAL CHANGE IN PERFORMANCE OF OPERATING SEGMENTS OF CURRENT QUARTER  
COMPARED WITH PRECEDING QUARTER (CONT'D.)**

**Exchange Holding Company**

The exchange holding company recorded a lower segment loss of RM1.4 million in 2Q14 compared to RM2.6 million in 1Q14. The lower segmental loss in 2Q14 was mainly due to donations made in 1Q14.

**Others**

Others segment is made up of our BSAS business, bonds trading and offshore exchange. The Others segment profit increased by 44 per cent to RM0.8 million in 2Q14 from RM0.6 million in 1Q14 as a result of the increasing use of BSAS as a commodity murabahah trading platform.

**Overheads**

Overheads decreased marginally by 1 per cent to RM15.2 million in 2Q14 compared to RM15.4 million in 1Q14.

### **23. COMMENTARY ON PROSPECTS AND TARGETS**

The global economic environment has shown marginal improvement albeit at a slow pace. Looking ahead, economic growth is expected to remain uneven across the globe. According to the IMF, strong recovery is expected in the advanced economies, with growth forecasted in the United States (2014 forecast: 2.8%; 2013 actual: 1.9%) while growth is projected to be positive but varied in the Eurozone (2014 forecast: 1.2%; 2013 actual -0.50%). As for emerging markets, growth is expected to be moderate, aided by stronger external demand from advanced economies. Continued uncertainties over the economic and monetary developments in key global economies as well as geopolitical developments are likely to generate continued volatility in the global financial markets.

The Malaysian economy registered a strong growth of 6.2% in the first quarter of 2014, driven by a stronger expansion in domestic demand and recovery in exports. Moving forward, Malaysia's economy is expected to grow at a slower but stable pace of a forecasted 4.5% to 5.5% for the year. The underlying strong fundamentals of the Malaysian economy and economic growth prospects are expected to continue to support investors' confidence. The recent increase in the overnight policy rate will further strengthen the country's economic position. The ample liquidity in the financial system is also sufficient to support the capital market over the medium term.

Against this backdrop, we expect the equity market to see more foreign inflow and continuing support from local institutions. Crucial to the growth of our market in the current economy are our outreach activities as well as the ability to provide diversified and investable products to existing and potential investors.

The challenges and uncertainties which affect investor sentiment and appetite on the equities market and the dry El Nino weather (which will affect palm oil production) will continue to affect the trading of our two key contracts on the derivatives market - the FKL1 and FCPO contracts. We expect the latter contract to pick up in volume in the remaining months of the year. Our efforts to deepen our distribution channels, promote our products and widen our range of derivatives offerings are expected to further improve volume traded this year.

The Islamic capital market continues to register positive growth. The need for Shariah compliant products is expected to increase further due to the demand from Islamic funds as well as those funds dedicated to ethical investments. Wider usage of Murabahah contracts is expected to spur greater utilisation of our commodity trading platform, Bursa Suq Al-Sila' (BSAS).

We remain focused in developing our securities, derivatives and Islamic markets, despite the challenging environment, to ensure sustainable performance.

**BURSA MALAYSIA BERHAD (30632-P)**  
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**PART B: EXPLANATORY NOTES PURSUANT TO MAIN  
MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**24. INCOME TAX EXPENSE**

RM'000	3 months ended		6 months ended	
	30.06.2014	30.06.2013	30.06.2014	30.06.2013
Income tax	20,203	23,055	33,627	36,160
Deferred tax	(2,314)	(2,169)	294	(116)
<b>Total income tax expense</b>	<b>17,889</b>	<b>20,886</b>	<b>33,921</b>	<b>36,044</b>

Income tax is calculated at the Malaysian statutory tax rate of 25% of the estimated assessable profit for the period.

The effective tax rate of the Group for the current and previous corresponding quarters were higher than the statutory tax rate of the respective year principally due to certain expenses which were not deductible for tax purposes.

The Malaysian statutory tax rate will be reduced to 24% from the current year's rate of 25%, effective from year of assessment 2016.

**25. RETAINED EARNINGS**

RM'000	As at	As at
	30.06.2014	31.12.2013
Realised	404,948	395,350
Unrealised	(11,476)	(11,414)
	393,472	383,936
Consolidation adjustments	(3,769)	(974)
<b>Total retained earnings</b>	<b>389,703</b>	<b>382,962</b>

**26. CORPORATE PROPOSALS**

There were no corporate proposals announced but not completed as at the reporting date.

**27. BORROWINGS AND DEBT SECURITIES**

As at the reporting date, there were no short-term borrowings and the Group had not issued any debt securities.

**28. CHANGES IN MATERIAL LITIGATION**

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



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**29. PROPOSED DIVIDENDS**

The details of interim and special dividends under the single-tier system approved and declared by the Board of Directors are as follows:

	<b>30.06.2014</b>	<b>30.06.2013</b>
Dividends for financial year ended	31 December 2014	31 December 2013
Interim dividend per share (single-tier)	16.0 sen	16.0 sen
Special dividend per share (single-tier)	20.0 sen	20.0 sen
Approved and declared on	17 July 2014	18 July 2013
Entitlement to dividends based on		
Record of Depositors as at	5 August 2014	2 August 2013
Date payable	14 August 2014	15 August 2013

**30. EPS**

**(a) Basic EPS**

	<b>3 months ended</b>		<b>6 months ended</b>	
	<b>30.06.2014</b>	<b>30.06.2013</b>	<b>30.06.2014</b>	<b>30.06.2013</b>
Profit attributable to the owners of the Company (RM'000)	46,851	54,824	91,999	93,024
Weighted average number of ordinary shares in issue ('000)	532,862	532,274	532,737	532,149
<b>Basic EPS (sen)</b>	<b>8.8</b>	<b>10.3</b>	<b>17.3</b>	<b>17.5</b>

**(b) Diluted EPS**

	<b>3 months ended</b>		<b>6 months ended</b>	
	<b>30.06.2014</b>	<b>30.06.2013</b>	<b>30.06.2014</b>	<b>30.06.2013</b>
Profit attributable to owners of the Company (RM'000)	46,851	54,824	91,999	93,024
Weighted average number of ordinary shares in issue ('000)	532,862	532,274	532,737	532,149
Effect of dilution ('000)	1,946	844	1,944	844
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	534,808	533,118	534,681	532,993
<b>Diluted EPS (sen)</b>	<b>8.8</b>	<b>10.3</b>	<b>17.2</b>	<b>17.5</b>

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

**31. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS**

The auditors' report on the financial statements for the financial year ended 31 December 2013 was unqualified.

**32. REVIEW BY EXTERNAL AUDITORS**

The Board had engaged the external auditors to review and report on the condensed consolidated financial statements of Bursa Malaysia Berhad for the quarter and six months ended 30 June 2014 in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

The external auditors reported to the Board that nothing has come to their attention that causes them to believe that the said condensed consolidated financial statements were not prepared, in all material respects, in accordance with MFRS 134 *Interim Financial Reporting* and in accordance with IAS 34 *Interim Financial Reporting*. The report was made to the Board in accordance to the terms of reference with the external auditors and for no other purpose.

**33. AUTHORISED FOR ISSUE**

The condensed consolidated interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 17 July 2014.