



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

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2013**

**29 January 2014**

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

**CONDENSED CONSOLIDATED INCOME STATEMENT**  
**FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2013**

RM'000	Note	3 months ended		12 months ended	
		31.12.2013	31.12.2012	31.12.2013	31.12.2012
		Reviewed	Reviewed (Restated)	Audited	Audited (Restated)
Operating revenue	8	103,893	94,549	439,822	388,466
Other income	9	10,034	9,684	35,172	36,121
		113,927	104,233	474,994	424,587
Staff costs		(35,990)	(27,082)	(119,965)	(101,813)
Depreciation and amortisation		(8,375)	(8,476)	(34,964)	(33,713)
Other operating expenses	10	(21,262)	(18,605)	(74,485)	(73,722)
Profit before tax		48,300	50,070	245,580	215,339
Income tax expense	23	(13,358)	(12,673)	(66,195)	(58,453)
<b>Profit for the period/year</b>		<b>34,942</b>	<b>37,397</b>	<b>179,385</b>	<b>156,886</b>
<b>Profit attributable to:</b>					
Owners of the Company		33,842	35,758	173,075	150,598
Non-controlling interest		1,100	1,639	6,310	6,288
		34,942	37,397	179,385	156,886
<b>Earnings per share (EPS)</b> <b>attributable to owners of the</b> <b>Company (sen):</b>					
Basic EPS	29(a)	6.4	6.7	32.5	28.3
Diluted EPS	29(b)	6.3	6.7	32.4	28.3

*The above condensed consolidated income statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2012 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 YEAR ENDED 31 DECEMBER 2013**

RM'000	3 months ended		12 months ended	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
	Reviewed	Reviewed (Restated)	Audited	Audited (Restated)
Profit for the period/year	34,942	37,397	179,385	156,886
<b>Other comprehensive income:</b>				
<b>Items that will not be subsequently reclassified to profit or loss:</b>				
Actuarial (losses)/gains on defined benefit obligations	(1,029)	3,413	(1,029)	3,413
Income tax relating to actuarial gains and losses	257	(854)	257	(854)
	(772)	2,559	(772)	2,559
<b>Items that may be subsequently reclassified to profit or loss:</b>				
Foreign currency translation	15	(7)	112	(99)
Net fair value changes in available-for-sale (AFS) financial assets	6,240	(7,875)	38,171	160
Income tax relating to AFS financial assets	44	12	143	14
	6,299	(7,870)	38,426	75
<b>Total other comprehensive income, net of income tax</b>	<b>5,527</b>	<b>(5,311)</b>	<b>37,654</b>	<b>2,634</b>
<b>Total comprehensive income</b>	<b>40,469</b>	<b>32,086</b>	<b>217,039</b>	<b>159,520</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	39,369	30,447	210,729	153,232
Non-controlling interest	1,100	1,639	6,310	6,288
	40,469	32,086	217,039	159,520

*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 2012 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 31 DECEMBER 2013**

RM'000	Note	As at 31.12.2013	As at 31.12.2012	As at 01.01.2012
		Audited	Audited (Restated)	Audited (Restated)
<b>Assets</b>				
Property, plant and equipment		206,356	209,733	218,397
Computer software		61,404	61,274	59,614
Goodwill		42,957	42,957	42,957
Investment securities		163,495	123,782	93,371
Staff loans receivable		7,122	9,140	11,678
Deferred tax assets		1,648	1,278	1,034
<b>Non-current assets</b>		<b>482,982</b>	<b>448,164</b>	<b>427,051</b>
Trade receivables		32,733	28,462	27,632
Other receivables		15,794	16,081	13,170
Tax recoverable		6,612	4,296	388
Investment securities		51,183	54,936	33,441
Cash and bank balances not belonging to the Group	13	770,917	1,175,000	671,880
Cash and bank balances of the Group	14	381,442	471,503	499,943
<b>Current assets</b>		<b>1,258,681</b>	<b>1,750,278</b>	<b>1,246,454</b>
<b>Total assets</b>		<b>1,741,663</b>	<b>2,198,442</b>	<b>1,673,505</b>
<b>Equity and liabilities</b>				
Share capital		266,306	266,012	265,800
Share premium		94,167	90,505	87,553
Other reserves		67,716	26,828	25,429
Retained earnings	24	382,962	474,256	462,062
Equity attributable to owners of the Company		811,151	857,601	840,844
Non-controlling interest		16,330	15,770	14,232
<b>Total equity</b>		<b>827,481</b>	<b>873,371</b>	<b>855,076</b>
Retirement benefit obligations		28,950	30,023	33,599
Deferred capital grants		7,768	9,934	11,850
Deferred tax liabilities		12,892	7,895	7,564
<b>Non-current liabilities</b>		<b>49,610</b>	<b>47,852</b>	<b>53,013</b>
Trade payables	13	734,318	1,137,234	636,166
Clearing Funds' contributions	13	35,374	35,938	34,485
Other payables		89,134	94,479	79,913
Tax payable		5,746	9,568	14,852
<b>Current liabilities</b>		<b>864,572</b>	<b>1,277,219</b>	<b>765,416</b>
<b>Total liabilities</b>		<b>914,182</b>	<b>1,325,071</b>	<b>818,429</b>
<b>Total equity and liabilities</b>		<b>1,741,663</b>	<b>2,198,442</b>	<b>1,673,505</b>
<b>Net assets per share attributable to owners of the Company (RM)</b>		<b>1.52</b>	<b>1.61</b>	<b>1.58</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 2012 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 YEAR ENDED 31 DECEMBER 2013**

RM'000	Attributable to owners of the Company								Retained earnings	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				
<b>At 1 January 2013</b>	266,012	90,505	13,900	5,250	(40)	2,320	30,000	(24,602)	492,106	875,451	15,770	891,221
Effects of MFRS adoption and changes in accounting policies disclosed in Note 2.3	-	-	-	-	-	-	-	-	(17,850)	(17,850)	-	(17,850)
<b>At 1 January 2013 (restated)</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 year	-	-	-	-	-	-	-	-	173,075	173,075	6,310	179,385
Other comprehensive income, net of income tax	-	-	-	-	112	-	-	38,314	(772)	37,654	-	37,654
Total comprehensive income	-	-	-	-	112	-	-	38,314	172,303	210,729	6,310	217,039
<b>Transactions with owners of the Company:</b>												
Issuance of ordinary shares pursuant to Share Grant Plan (SGP)	294	3,662	-	-	-	(3,956)	-	-	-	-	-	-
Issuance of preference shares by a subsidiary	-	-	200	-	-	-	-	-	-	200	-	200
SGP expense	-	-	-	-	-	6,218	-	-	-	6,218	-	6,218
Dividends paid (Note 7)	-	-	-	-	-	-	-	-	(263,597)	(263,597)	-	(263,597)
Dividends paid to non-controlling interest	-	-	-	-	-	-	-	-	-	-	(5,750)	(5,750)
<b>At 31 December 2013</b>	266,306	94,167	14,100	5,250	72	4,582	30,000	13,712	382,962	811,151	16,330	827,481
<b>At 1 January 2012</b>	265,800	87,553	13,900	5,250	59	996	30,000	(24,776)	481,611	860,393	14,232	874,625
Effects of MFRS adoption and changes in accounting policies disclosed in Note 2.3	-	-	-	-	-	-	-	-	(19,549)	(19,549)	-	(19,549)
<b>At 1 January 2012 (restated)</b>	265,800	87,553	13,900	5,250	59	996	30,000	(24,776)	462,062	840,844	14,232	855,076
Profit for the year	-	-	-	-	-	-	-	-	150,598	150,598	6,288	156,886
Other comprehensive income, net of income tax	-	-	-	-	(99)	-	-	174	2,559	2,634	-	2,634
Total comprehensive income	-	-	-	-	(99)	-	-	174	153,157	153,232	6,288	159,520
<b>Transactions with owners of the Company:</b>												
Issuance of ordinary shares pursuant to SGP	212	2,952	-	-	-	(3,164)	-	-	-	-	-	-
SGP expense	-	-	-	-	-	4,488	-	-	-	4,488	-	4,488
Dividends paid (Note 7)	-	-	-	-	-	-	-	-	(140,963)	(140,963)	-	(140,963)
Dividends paid to non-controlling interest	-	-	-	-	-	-	-	-	-	-	(4,750)	(4,750)
<b>At 31 December 2012 (restated)</b>	266,012	90,505	13,900	5,250	(40)	2,320	30,000	(24,602)	474,256	857,601	15,770	873,371

**Note a**

Included in non-controlling interests of the Group at 31 December 2013 are 85 (31 December 2012: 84) 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. During the financial year, Bursa Malaysia Derivatives proposed to revamp its participant structure. Further details of the revamp is disclosed in Note 19.

*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 2012 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 YEAR ENDED 31 DECEMBER 2013**

RM'000	Note	12 months ended	
		31.12.2013	31.12.2012
		Audited	Audited (Restated)
<b>Cash flows from operating activities</b>			
Profit before tax		245,580	215,339
Adjustments for:			
Amortisation of premium less accretion of discount		631	723
Depreciation and amortisation		34,964	33,713
Dividend income from investment securities	9	(3,825)	(3,038)
Grant income	9	(2,166)	(1,916)
Interest income		(22,133)	(23,167)
Net loss/(gain) on disposal of investment securities	9	130	(257)
Net impairment loss on trade and other receivables	10	23	1,239
Net gain on disposal of property, plant and equipment		-	(4)
Property, plant and equipment and computer software written off		1,568	17
Retirement benefit obligations		1,481	1,906
Reversal of provision for short-term accumulating compensated unutilised leave		(441)	(266)
SGP expense		6,218	4,488
Unrealised loss/(gain) on foreign exchange differences		79	(25)
Operating profit before working capital changes		262,109	228,752
(Increase)/decrease in receivables		(3,153)	218
Increase in payables		2,459	5,980
Cash generated from operations		261,415	234,950
Staff loans repaid, net of disbursements		2,355	3,135
Retirement benefits paid		(3,583)	(2,069)
Taxes paid, net of refunds		(67,863)	(71,016)
<b>Net cash from operating activities</b>		<b>192,324</b>	<b>165,000</b>
<b>Cash flows from investing activities</b>			
Interest received		22,385	21,118
Decrease in other deposits not for short-term funding requirements		100,569	43,909
Proceeds from disposal of investment securities		81,401	82,646
Proceeds from disposal of motor vehicles		-	4
Purchases of investment securities		(79,951)	(134,425)
Purchases of property, plant and equipment and computer software		(40,111)	(18,441)
<b>Net cash from/(used in) investing activities</b>		<b>84,293</b>	<b>(5,189)</b>

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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2013 (CONT'D.)**

RM'000	Note	12 months ended	
		31.12.2013	31.12.2012
		Audited	Audited (Restated)
<b>Cash flows from financing activities</b>			
Dividends paid	7	(263,597)	(140,963)
Dividends paid by a subsidiary to non-controlling interest		(5,750)	(4,750)
Dividends received		2,942	1,476
Preference share issued by a subsidiary		200	-
<b>Net cash used in financing activities</b>		<b>(266,205)</b>	<b>(144,237)</b>
<b>Net increase in cash and cash equivalents</b>			
Effects of exchange rate changes		96	(105)
Cash and cash equivalents at beginning of year		236,100	220,631
<b>Cash and cash equivalents at end of year (Note)</b>	14	<b>246,608</b>	<b>236,100</b>

**NOTE**

Included in cash and cash equivalents as at the end of the financial year are the following:

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

RM'000	As at	As at
	31.12.2013	31.12.2012
Bursa Malaysia Securities Clearing Sdn. Bhd.'s (Bursa Malaysia Securities Clearing) appropriation to the Clearing Guarantee Fund (CGF)	25,000	25,000
Bursa Malaysia Derivatives Clearing Berhad's (Bursa Malaysia Derivatives Clearing) appropriation to the Derivatives Clearing Fund (DCF)	5,000	5,000
	<b>30,000</b>	<b>30,000</b>

- (ii) An amount of RM2,207,000 (31.12.2012: RM7,233,000) 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.

*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 2012 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 (revised)*.

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 2012. 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 2012.

**2. SIGNIFICANT ACCOUNTING POLICIES**

**2.1 Adoption of Standards, Amendments and Issues Committee (IC) Interpretations and changes in accounting policies**

**(a) Adoption of Standards, Amendments and IC Interpretations**

The Group adopted the following Standards, Amendments and IC Interpretations:-

MFRS 3	<i>Business Combinations</i>
MFRS 10	<i>Consolidated Financial Statements</i>
MFRS 11	<i>Joint Arrangements</i>
MFRS 12	<i>Disclosure of Interests in Other Entities</i>
MFRS 13	<i>Fair Value Measurement</i>
MFRS 119	<i>Employee Benefits (revised)</i>
MFRS 127	<i>Consolidated and Separate Financial Statements (revised)</i>
MFRS 128	<i>Investments in Associates and Joint Ventures (revised)</i>
Amendments to MFRS 1	<i>First-time Adoption of MFRS - Government Loans</i>
Amendments to MFRS 7	<i>Financial Instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities</i>
Amendments to MFRS 10	<i>Consolidated Financial Statements: Transition Guidance</i>
Amendments to MFRS 11	<i>Joint Arrangements: Transition Guidance</i>
Amendments to MFRS 12	<i>Disclosure of Interests in Other Entities: Transition Guidance</i>
Amendments to MFRS 101	<i>Presentation of Items of Other Comprehensive Income</i>
Annual Improvements to IC Interpretations and MFRSs 2009 - 2011 Cycle	

The adoption of the above pronouncements did not have any impact on the financial statements of the Group, except for the following:

**(i) Amendments to MFRS 101 *Presentation of Items of Other Comprehensive Income***

The amendments to MFRS 101 *Presentation of Items of Other Comprehensive Income* change the grouping of items presented in other comprehensive income. Items that could be reclassified to profit or loss at a future point in time (for example, exchange differences on translation of foreign operations and net gains or losses on AFS financial assets) would be presented separately from items that will never be reclassified (for example, actuarial gains and losses on defined benefit plans).

The adoption of this amendment affects the presentation only and has no financial impact on the Group's financial statements.



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

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

**2.1 Adoption of Standards, Amendments and Issues Committee (IC) Interpretations and changes in accounting policies (Cont'd.)**

**(a) Adoption of Standards, Amendments and IC Interpretations (Cont'd.)**

**(ii) MFRS 119 *Employee Benefits (revised)***

The Group has adopted MFRS 119 *Employee Benefits (revised)* and applied this standard retrospectively during the financial period.

As a result of MFRS 119 *Employee Benefits (Revised)* adoption, actuarial gains and losses are recognised immediately through other comprehensive income in order for the net retirement benefit asset or liability recognised in the statement of financial position to reflect the full value of the plan deficit or surplus. The expected returns on plan assets of defined retirement benefit scheme are not recognised in profit or loss. Instead, the interest on net defined benefit obligation (net of the plan assets) is recognised in profit or loss, calculated using the discount rate used to measure the net retirement benefit pension obligations or assets.

The financial effects arising from the adoption of MFRS 119 *Employee Benefits (revised)* is disclosed in Note 2.3.

**(b) Change in accounting policy on fines**

The Capital Market Education and Integrity Fund ("CMEIF") was established on 1 January 2013 to strengthen the governance of fines utilisation.

Prior to its establishment, fines and related expenses were recognised in profit or loss. Following its establishment, fines and related expenses were recorded as a liability and the change in accounting policy was applied retrospectively with effect from that date.

The financial impact on the Group's financial statements arising from the change in accounting policy is disclosed in Note 2.3.

**2.2 Standards issued but not yet effective**

**Effective for financial periods beginning on or after 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>Consolidated and 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>

**Effective for financial periods beginning on or after 1 January 2015**

Amendments to MFRS 9	<i>Mandatory Effective Date of MFRS 9 and Transition Disclosures</i>
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**PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134**

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

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

The Group will adopt the above pronouncements when they become effective in the respective financial periods. These pronouncement are not expected to have any effect to the financial statements of the Group upon their initial application, except as described below:

**MFRS 9 *Financial Instruments***

MFRS 9 *Financial instruments*, addresses the classification, measurement and recognition of financial assets and financial liabilities. MFRS 9 was issued in November 2009 and October 2010. It replaces the parts of MFRS 139 that relate to the classification and measurement of financial instruments. MFRS 9 requires financial assets to be classified into two measurement categories: those measured as at fair value and those measured at amortised cost. The determination is made at initial recognition. The classification depends on the entity's business model for managing its financial instruments and the contractual cash flow characteristics of the instrument. For financial liabilities, the standard retains most of the MFRS 139 requirements. The main change is that, in cases where the fair value option is taken for financial liabilities, the part of a fair value change due to an entity's own credit risk is recorded in other comprehensive income rather than the income statement, unless this creates an accounting mismatch.

The Group will quantify the effect of adopting this standard when the full standard is issued.

**2.3 Financial effects arising from the adoption of MFRS 119 *Employee Benefits (revised)* and change in accounting policy on fines**

Accordingly, the financial statements for the previous financial years have been restated as follows:

**(a) Condensed consolidated statement of financial position**

RM'000	As previously reported	Note 2.1(a)(ii) Effect of adoption of MFRS 119	Note 2.1(b) Effect of change in accounting policy for fines	Restated
<b><u>As at 1 January 2012</u></b>				
<b>Equity attributable to owners of the Company</b>				
Retained earnings	481,611	(6,966)	(12,583)	462,062
<b>Non-current liabilities</b>				
Retirement benefit obligations	24,311	9,288	-	33,599
Deferred tax liabilities	9,886	(2,322)	-	7,564
<b>Current liabilities</b>				
Other payables	67,330	-	12,583	79,913
<b><u>As at 31 December 2012</u></b>				
<b>Equity attributable to owners of the Company</b>				
Retained earnings	492,106	(3,906)	(13,944)	474,256
<b>Non-current liabilities</b>				
Retirement benefit obligations	24,816	5,207	-	30,023
Deferred tax liabilities	9,196	(1,301)	-	7,895
<b>Current liabilities</b>				
Other payables	80,535	-	13,944	94,479

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

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

**2.3 Financial effects arising from the adoption of MFRS 119 *Employee Benefits (revised)* and change in accounting policy on fines (cont'd.)**

**(b) Condensed consolidated income statement**

RM'000	As previously reported	Note 2.1(a)(ii) Effect of adoption of MFRS 119	Note 2.1(b) Effect of change in accounting policy for fines	Restated
<b><u>Year Ended 31 December 2012</u></b>				
Other income	38,617	-	(2,496)	36,121
Staff costs	(102,481)	668	-	(101,813)
Other operating expenses	(74,857)	-	1,135	(73,722)
Profit before tax	216,032	668	(1,361)	215,339
Income tax expense	(58,286)	(167)	-	(58,453)
Profit for the year	157,746	501	(1,361)	156,886

**(c) Condensed consolidated statement of comprehensive income**

RM'000	As previously reported	Note 2.1(a)(ii) Effect of adoption of MFRS 119	Note 2.1(b) Effect of change in accounting policy for fines	Restated
<b><u>Year Ended 31 December 2012</u></b>				
Profit for the year	157,746	501	(1,361)	156,886
Actuarial gains on defined benefit obligations	-	3,413	-	3,413
Income tax relating to actuarial gains on defined benefit obligations	-	(854)	-	(854)
Total comprehensive income for the year	157,821	3,060	(1,361)	159,520

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

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

**2.3 Financial effects arising from the adoption of MFRS 119 *Employee Benefits (revised)* and change in accounting policy on fines (cont'd.)**

**(d) Condensed consolidated statement of cash flows**

RM'000	As previously reported	Note 2.1(a)(ii) Effect of adoption of MFRS 119	Note 2.1(b) Effect of change in accounting policy for fines	Restated
<b><u>Year Ended 31 December 2012</u></b>				
Profit before tax	216,032	668	(1,361)	215,339
Retirement benefit obligations	2,574	(668)	-	1,906
Operating profit before working capital changes	230,113	-	(1,361)	228,752
Increase in payables	4,619	-	1,361	5,980

**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 year ended 31 December 2013.

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

There were no changes in estimates that have had any material effect on the quarter and year ended 31 December 2013.

**6. DEBT AND EQUITY SECURITIES**

There were no issuances, repurchases and repayments of debt and equity securities during the quarter and year ended 31 December 2013 other than the following:

- (i) On 1 April 2013, the Company issued 250,000 new ordinary shares of RM0.50 each pursuant to the SGP; and
- (ii) On 11 July 2013, the Company issued 338,000 new ordinary shares of RM0.50 each pursuant to the SGP.

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

**7. DIVIDENDS PAID**

The following dividends were paid during the current and previous corresponding quarter:

	<b>31.12.2013</b>	<b>31.12.2012</b>
<b>Special dividend</b>		
Approved and declared on	18 July 2013	-
Paid on	15 August 2013	-
Number of ordinary shares on which dividends were paid ('000)	532,612	-
Dividend per share (single-tier)	20.0 sen	-
Net dividend paid (RM'000)	106,522	-
<b>Interim dividend</b>		
For the financial year	31 December 2013	31 December 2012
Approved and declared on	18 July 2013	18 July 2012
Paid on	15 August 2013	15 August 2012
Number of ordinary shares on which dividends were paid ('000)	532,612	532,024
Dividend per share (single-tier)	16.0 sen	13.5 sen
Net dividend paid (RM'000)	85,218	71,823
<b>Final dividend</b>		
For the financial year	31 December 2012	31 December 2011
Approved and declared on	28 March 2013	29 March 2012
Paid on	16 April 2013	17 April 2012
Number of ordinary shares on which dividends were paid ('000)	532,274	531,849
Dividend per share (single-tier)	13.5 sen	13.0 sen
Net dividend paid (RM'000)	71,857	69,140

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

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

**8. OPERATING REVENUE**

RM'000	3 months ended		12 months ended	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Securities clearing fees	41,023	32,788	175,530	144,638
Securities trade fees	5,311	4,434	23,647	19,265
Other securities revenue	4,058	3,852	18,124	14,595
<b>Securities trading revenue</b>	<b>50,392</b>	<b>41,074</b>	<b>217,301</b>	<b>178,498</b>
Derivatives clearing fees	3,533	3,478	14,552	12,600
Derivatives trade fees	9,789	9,950	41,047	36,738
Other derivatives revenue	3,065	4,089	14,651	13,994
<b>Derivatives trading revenue</b>	<b>16,387</b>	<b>17,517</b>	<b>70,250</b>	<b>63,332</b>
Bursa Suq Al-Sila (BSAS) trading revenue	1,765	1,125	5,790	3,410
Listing and issuer services	13,991	12,411	51,305	51,433
Depository services	8,963	9,497	37,061	36,416
Market data	6,473	6,211	26,035	24,122
Member services and connectivity	5,922	6,714	26,467	25,660
Other operating revenue	-	-	5,613	5,595
<b>Total operating revenue</b>	<b>103,893</b>	<b>94,549</b>	<b>439,822</b>	<b>388,466</b>

**9. OTHER INCOME**

RM'000	3 months ended		12 months ended	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Interest income from:				
- Investments	4,792	5,705	21,740	22,733
- Others	130	101	393	434
Net (loss)/gain on disposal of investment securities	(100)	-	(130)	257
Net gain on disposal of property, plant and equipment	-	4	-	4
Rental income	1,727	1,577	6,593	6,249
Dividend income	2,674	1,434	3,825	3,038
Grant income	688	480	2,166	1,916
Miscellaneous income	123	383	585	1,490
<b>Total other income</b>	<b>10,034</b>	<b>9,684</b>	<b>35,172</b>	<b>36,121</b>

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

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

**10. OTHER OPERATING EXPENSES**

<b>RM'000</b>	<b>3 months ended</b>		<b>12 months ended</b>	
	<b>31.12.2013</b>	<b>31.12.2012</b>	<b>31.12.2013</b>	<b>31.12.2012</b>
Marketing and development costs	2,684	1,779	8,344	8,861
Technology charges:				
- Information technology maintenance	4,655	4,038	17,836	16,229
- Service fees	3,786	4,174	15,781	13,574
Central Depository System (CDS) consumables	771	850	3,758	3,210
Professional fees	743	971	1,540	5,118
Building management costs	2,849	2,642	10,659	10,356
Administrative expenses	1,593	1,771	6,279	7,034
Net impairment loss/(reversal of impairment loss) on trade and other receivables	28	(58)	23	1,239
Property, plant and equipment and computer software written off	1,568	17	1,568	17
Net foreign exchange (gain)/loss	(43)	86	(98)	115
Miscellaneous expenses	2,628	2,335	8,795	7,969
<b>Total other operating expenses</b>	<b>21,262</b>	<b>18,605</b>	<b>74,485</b>	<b>73,722</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 31 DECEMBER 2013</b>					
Operating revenue	81,159	18,481	2,323	1,930	103,893
Other income	2,552	1,009	6,445	28	10,034
Direct costs	(28,355)	(10,895)	(8,949)	(1,689)	(49,888)
<b>Segment profit/(loss)</b>	<b>55,356</b>	<b>8,595</b>	<b>(181)</b>	<b>269</b>	<b>64,039</b>
Overheads					(15,739)
<b>Profit before tax</b>	<b>55,356</b>	<b>8,595</b>	<b>(181)</b>	<b>269</b>	<b>48,300</b>

<b>RESULTS FOR 3 MONTHS ENDED 31 DECEMBER 2012</b>					
Operating revenue	70,696	19,603	2,984	1,266	94,549
Other income	2,470	644	6,530	40	9,684
Direct costs	(21,433)	(9,953)	(6,838)	(1,296)	(39,520)
<b>Segment profit</b>	<b>51,733</b>	<b>10,294</b>	<b>2,676</b>	<b>10</b>	<b>64,713</b>
Overheads					(14,643)
<b>Profit before tax</b>	<b>51,733</b>	<b>10,294</b>	<b>2,676</b>	<b>10</b>	<b>50,070</b>

<b>RESULTS FOR 12 MONTHS ENDED 31 DECEMBER 2013</b>					
Operating revenue	338,827	84,433	10,191	6,371	439,822
Other income	10,108	3,284	21,654	126	35,172
Direct costs	(92,089)	(43,168)	(28,130)	(5,615)	(169,002)
<b>Segment profit</b>	<b>256,846</b>	<b>44,549</b>	<b>3,715</b>	<b>882</b>	<b>305,992</b>
Overheads					(60,412)
<b>Profit before tax</b>	<b>256,846</b>	<b>44,549</b>	<b>3,715</b>	<b>882</b>	<b>245,580</b>

<b>RESULTS FOR 12 MONTHS ENDED 31 DECEMBER 2012</b>					
Operating revenue	295,876	76,563	12,091	3,936	388,466
Other income	10,299	2,546	23,147	129	36,121
Direct costs	(82,923)	(36,920)	(29,421)	(4,641)	(153,905)
<b>Segment profit/(loss)</b>	<b>223,252</b>	<b>42,189</b>	<b>5,817</b>	<b>(576)</b>	<b>270,682</b>
Overheads					(55,343)
<b>Profit before tax</b>	<b>223,252</b>	<b>42,189</b>	<b>5,817</b>	<b>(576)</b>	<b>215,339</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 31 DECEMBER 2013</b>					
Assets that belong to the Group	440,821	133,963	357,617	30,085	962,486
Assets that do not belong to the Group	15,120	755,797	-	-	770,917
Segment assets	455,941	889,760	357,617	30,085	1,733,403
Unallocated corporate assets					8,260
<b>Total assets</b>	<b>455,941</b>	<b>889,760</b>	<b>357,617</b>	<b>30,085</b>	<b>1,741,663</b>
Liabilities that belong to the Group	19,696	11,877	62,683	30,371	124,627
Liabilities that do not belong to the Group	15,120	755,797	-	-	770,917
Segment liabilities	34,816	767,674	62,683	30,371	895,544
Unallocated corporate liabilities					18,638
<b>Total liabilities</b>	<b>34,816</b>	<b>767,674</b>	<b>62,683</b>	<b>30,371</b>	<b>914,182</b>

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

**12. RELATED PARTY DISCLOSURES**

Significant related party transactions are as follows:

RM'000	3 months ended		12 months ended	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Administration fee income from Bursa Malaysia Securities Berhad - Compensation Fund (BMSB - CF), a fund managed by Bursa Malaysia Berhad	-	236	158	935
Administration fee income from Bursa Malaysia Derivatives Berhad - Fidelity Fund (BMDB - FF), a fund managed by Bursa Malaysia Derivatives Berhad	-	30	20	120

As at 28 February 2013, Bursa Malaysia Securities Berhad and Bursa Malaysia Derivatives Berhad transferred the functions and funds of BMSB - CF and BMDB - FF to the Capital Market Compensation Fund Corporation (CMC) pursuant to Part IV of the Capital Markets and Services (Amendment) Act 2012. Bursa Malaysia Berhad will no longer earn administration fees as the functions and funds of BMSB - CF and BMDB - FF were transferred to CMC.

The Directors are of the opinion that the above transactions had 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 31.12.2013
Derivatives margins and security deposits	733,601
Securities Borrowing and Lending collaterals	717
Trade payables	734,318
CGF contributions	13,178
DCF contributions	22,196
Clearing Funds' contributions	35,374
Cash received for eDividend distributions (included within other payables)	1,225
<b>Total cash and bank balances not belonging to the Group</b>	<b>770,917</b>

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

**13. CASH AND BANK BALANCES NOT BELONGING TO THE GROUP (Cont'd.)**

The amount of non-cash collaterals and contributions held by the Group not included in the consolidated statement of financial position as at 31 December 2013 comprise the following:

<b>RM'000</b>	<b>As at 31.12.2013</b>
Collaterals in the form of letters of credit	499,385
Collaterals in the form of shares	3,216
Contributions to the CGF in the form of bank guarantees	4,438
	<b>507,039</b>

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

<b>RM'000</b>	<b>As at 31.12.2013</b>
Cash and bank balances	2,375
Deposits for short-term funding requirements	244,233
Cash and cash equivalents	246,608
Other deposits not for short-term funding requirements	134,834
<b>Total cash and bank balances of the Group</b>	<b>381,442</b>

**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 year were as follows:

<b>RM'000</b>	<b>Approved and contracted for</b>	<b>Approved but not contracted for</b>
Computers and office automation	4,200	7,838
Office equipment	19	-
Renovations	96	-
<b>Total capital commitments</b>	<b>4,315</b>	<b>7,838</b>

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

**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 2012.

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

There were no changes in the composition of the Group during the quarter and year ended 31 December 2013.

**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 year but not recognised as liabilities are as follows:

<b>RM'000</b>	<b>As at 31.12.2013</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 year but not recognised as liabilities are as follows:

<b>RM'000</b>	<b>As at 31.12.2013</b>
Not later than 1 year	152
Later than 1 year and not later than 5 years	430
<b>Total future minimum lease payments</b>	<b>582</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 year but not recognised as receivables are as follows:

<b>RM'000</b>	<b>As at 31.12.2013</b>
Not later than 1 year	6,382
Later than 1 year and not later than 2 years	6,263
Later than 2 years and not later than 5 years	2,982
<b>Total future minimum lease receivables</b>	<b>15,627</b>

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

**19. EVENT AFTER THE REPORTING PERIOD**

On 6 December 2013, the Board of Directors of Bursa Malaysia Derivatives approved the proposed revamp of Bursa Malaysia Derivatives' participants structure by creating of a single trading right which would enable Bursa Malaysia Derivatives TPs to trade all categories of products on the derivatives exchange ("the Proposed Revamp").

The Proposed Revamp involves the following:

- (1) A capital reduction exercise via the cancellation of all the issued and paid-up non-cumulative "A", "B" and "C" preference shares of RM1.00 each and repayment of the par value thereof. The number of existing non-cumulative preference shares in issue as at 31 December 2013 are as follows:
  - (i) 40 non-cumulative "A" preference shares;
  - (ii) 17 non-cumulative "B" preference shares; and
  - (iii) 28 non-cumulative "C" preference shares.

The capital reduction via the cancellation of the existing preference shares and repayment of the par value thereof was approved by the ordinary shareholders and the holders of the non-cumulative "A", "B" and "C" preference shares of Bursa Malaysia Derivatives on 24 January 2014. This would need to be further confirmed by the High Court of Malaya.

- (2) Subject to the completion of (1), new redeemable "A" or "B" preference shares of RM1.00 each will be issued to the entitled non-cumulative "A", "B" and "C" preference shareholders and redeemed based on the terms and conditions of the new redeemable preference shares. The transactions will fully utilise the balance in Bursa Malaysia Derivatives' share premium account.

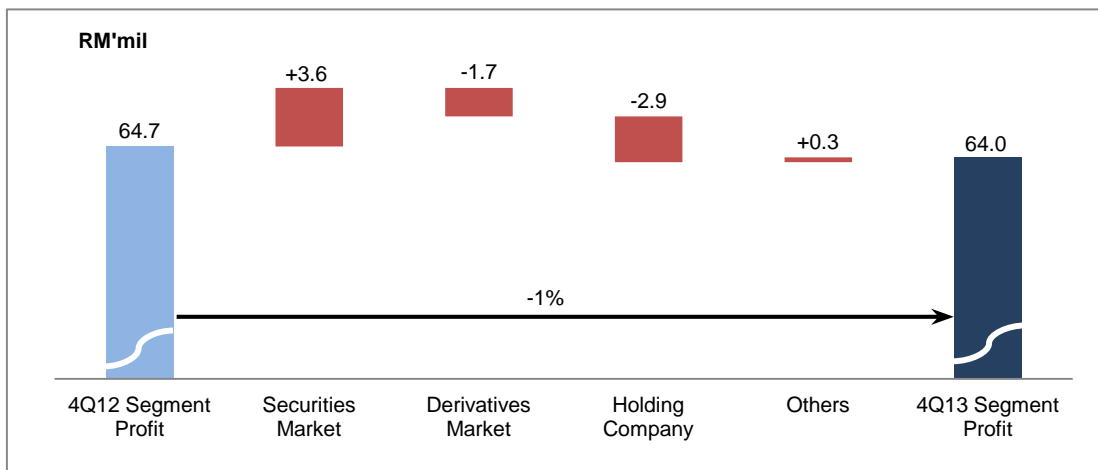
**PART B: EXPLANATORY NOTES PURSUANT TO MAIN  
MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**20. OPERATING SEGMENTS REVIEW**

**(a) 4Q13 vs. 4Q12**

Profit before tax (PBT) for the quarter ended 31 December 2013 (4Q13) was RM48.3 million, a decrease of 4 per cent from RM50.1 million in the quarter ended 31 December 2012 (4Q12). PBT is made up of segment profits less overheads (as depicted in Note 11).

Total segment profit for 4Q13 was RM64.0 million, a decrease of 1 per cent from RM64.7 million in 4Q12. The quarter movements in the segment profits are depicted in the graph below:

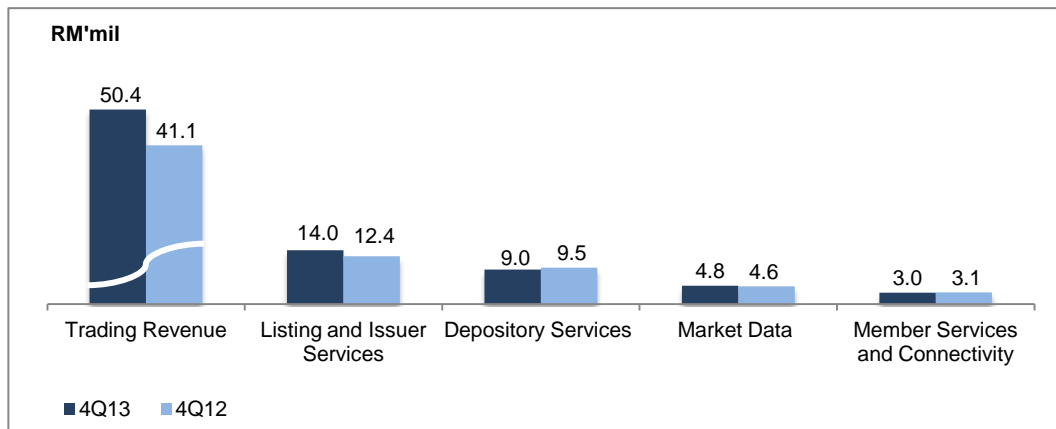


**Securities Market**

The securities market recorded a segment profit of RM55.3 million in 4Q13, an increase of 7 per cent compared to RM51.7 million in 4Q12. The higher profit was mainly due to higher trading value on securities market in 4Q13 compared to 4Q12.

**(i) Operating Revenue**

Operating revenue for 4Q13 was RM81.2 million, representing an increase of 15 per cent compared to RM70.7 million in 4Q12. The increase came mainly from trading revenue and listing and issuer services, as shown in the chart below:



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

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

**(a) 4Q13 vs. 4Q12 (Cont'd.)**

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

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

- > Trading revenue increased by 23 per cent to RM50.4 million in 4Q13 compared to 4Q12. 4Q13 saw higher average daily value (ADV) for on-market trades (OMT) and direct business trades (DBT) of RM2.33 billion compared to RM1.51 billion in 4Q12.
- > Listing and issuer services increased by 13 per cent to RM14.0 million in 4Q13 compared to 4Q12. The increase in 4Q13 mainly due to a higher number of Initial Public Offerings (IPOs) and higher perusal and processing fees earned from higher number of corporate exercises.

Key operating drivers in the securities market are as follows:

		<b>4Q13</b>	<b>4Q12</b>	<b>%</b>
FBM KLCI	(points)	1,866.96	1,688.95	11
Average daily trading value (OMT and DBT)	(RM'billion)	2.33	1.51	54
Average daily trading volume (OMT and DBT)	(billion)	1.71	1.05	63
Effective clearing fee rate	(basis points)	2.38	2.24	6
Velocity	(per cent)	25	25	-
Number of IPOs		7	3	133
Number of new structured warrant listings		107	138	-22
Total funds raised:				
- IPOs	(RM'billion)	4.84	4.63	5
- Secondary issues	(RM'billion)	4.37	4.40	-1
Market capitalisation at end of period	(RM'billion)	1,702.15	1,465.70	16

**(ii) Operating Expenses**

Segment expenses increased by 32 per cent to RM28.4 million in 4Q13 compared to RM21.4 million in 4Q12 mainly due to higher staff costs, a write off of obsolete computer software and higher marketing and development activities.

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

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

**(a) 4Q13 vs. 4Q12 (Cont'd.)**

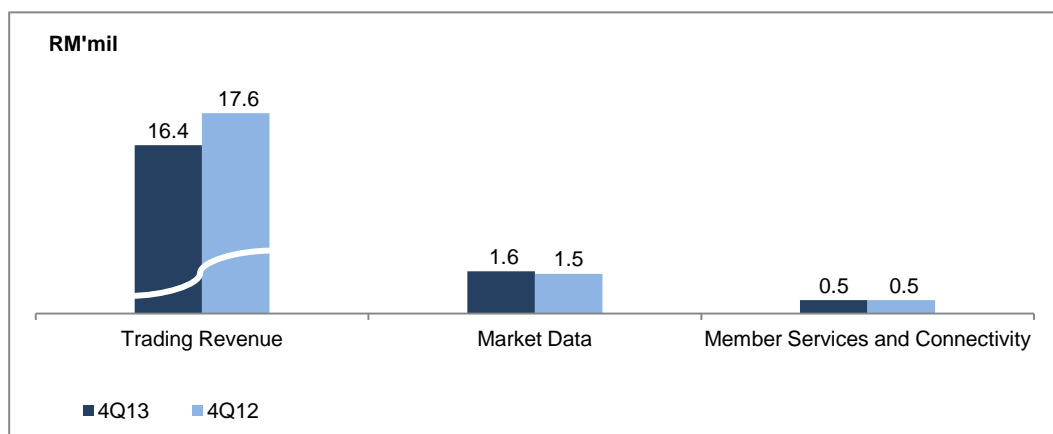
**Derivatives Market**

The derivatives market recorded a segment profit of RM8.6 million in 4Q13, a decrease of 17 per cent compared to RM10.3 million in 4Q12. The lower profit in 4Q13 was mainly due to lower operating revenue and higher operating expenses as compared to 4Q12.

**(i) Operating Revenue**

Operating revenue for 4Q13 was RM18.5 million, representing a decrease of 6 per cent compared to RM19.6 million in 4Q12. The decrease came mainly from trading revenue. Daily average contracts were 41,535 in 4Q13 compared to 43,555 in 4Q12.

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:

		4Q13	4Q12	%
FCPO contracts	(million)	2.03	2.21	-8
FKLI contracts	(million)	0.56	0.48	17
Other contracts	(million)	0.03	0.01	200
Total	(million)	2.62	2.70	-3
Daily average contracts		41,535	43,555	-5
Average number of open interests		204,247	186,732	9

**(ii) Operating Expenses**

Segment expenses increased by 9 per cent to RM10.9 million in 4Q13 compared to RM10.0 million in 4Q12 mainly due to maintenance fee for the new clearing system.



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

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

**(a) 4Q13 vs. 4Q12 (Cont'd.)**

**Exchange Holding Company**

The exchange holding company recorded a segment loss position of RM0.2 million in 4Q13 compared to the 4Q12 as a result of higher staff costs.

**Others**

Others segment is made up of our BSAS business, bonds trading and offshore exchange. The Others segment improved from RM0.1 million in 4Q12 to RM0.3 million in 4Q13 as a result of the increasing use of BSAS as a commodity murabahah trading platform.

**Overheads**

Overheads increased by 7 per cent to RM15.7 million in 4Q13 compared to RM14.6 million in 4Q12 as a result of higher corporate advertisements in 4Q13.

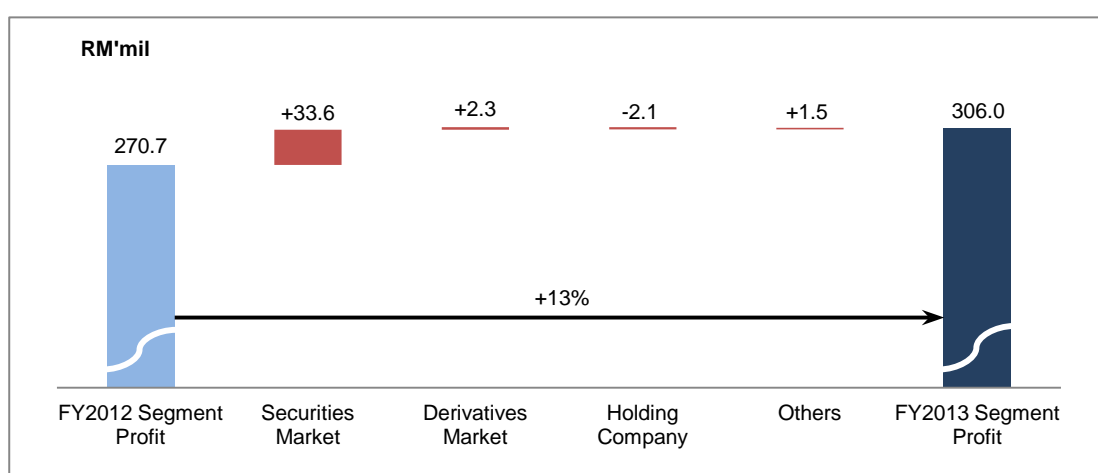
**PART B: EXPLANATORY NOTES PURSUANT TO MAIN  
MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

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

**(b) FY2013 vs. FY2012**

PBT for the year ended 31 December 2013 (FY2013) was RM245.6 million, an increase of 14 per cent from RM215.3 million in the year ended 31 December 2012 (FY2012). PBT is made up of segment profits less overheads.

Total segment profit for FY2013 was RM306.0 million, an increase of 13 per cent from RM270.7 million in FY2012. The year on year movement in the segment profits are depicted in the graph below:

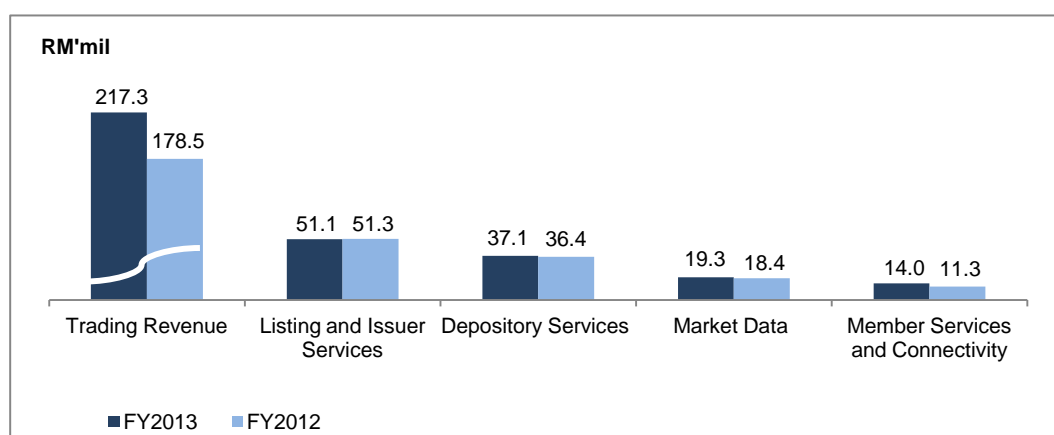


**Securities Market**

The securities market recorded a segment profit of RM256.8 million in FY2013 compared to RM223.2 million in FY2012. The higher profit in FY2013 was mainly a result of higher trading value on the securities market as compared to FY2012.

**(i) Operating Revenue**

Operating revenue for FY2013 was RM338.8 million, representing an increase of 15 per cent compared to RM295.9 million in FY2012. The increase came mainly from trading revenue, as shown in the chart below:



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

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

**(b) FY2013 vs. FY2012 (Cont'd.)**

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

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

- > Trading revenue increased by 22 per cent to RM217.3 million in FY2013 compared to FY2012. FY2013 saw a higher ADV for OMT and DBT of RM2.14 billion compared to RM1.67 billion in FY2012.
- > Member services and connectivity increased by 24 per cent to RM14.0 million in FY2013 compared to FY2012. The higher revenue was a result of a revision in fee structure for Bursa access fees in 2013.

Key operating drivers in the securities market are as follows:

		<b>FY2013</b>	<b>FY2012</b>	<b>%</b>
FBM KLCI	(points)	1,866.96	1,688.95	11
Average daily trading value (OMT and DBT)	(RM'billion)	2.14	1.67	28
Average daily trading volume (OMT and DBT)	(billion)	1.57	1.36	15
Effective clearing fee rate	(basis points)	2.30	2.29	-
Velocity	(per cent)	30	28	7
Number of IPOs		18	17	6
Number of new structured warrant listings		410	551	-26
Total funds raised:				
- IPOs	(RM'billion)	8.21	22.94	-64
- Secondary issues	(RM'billion)	14.34	8.79	63
Market capitalisation at end of year	(RM'billion)	1,702.15	1,465.70	16

**(ii) Operating Expenses**

Segment expenses increased by 11 per cent to RM92.1 million in FY2013 compared to RM82.9 million in FY2012 mainly due to a write off of obsolete computer software and higher staff costs and information technology maintenance expenses.

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

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

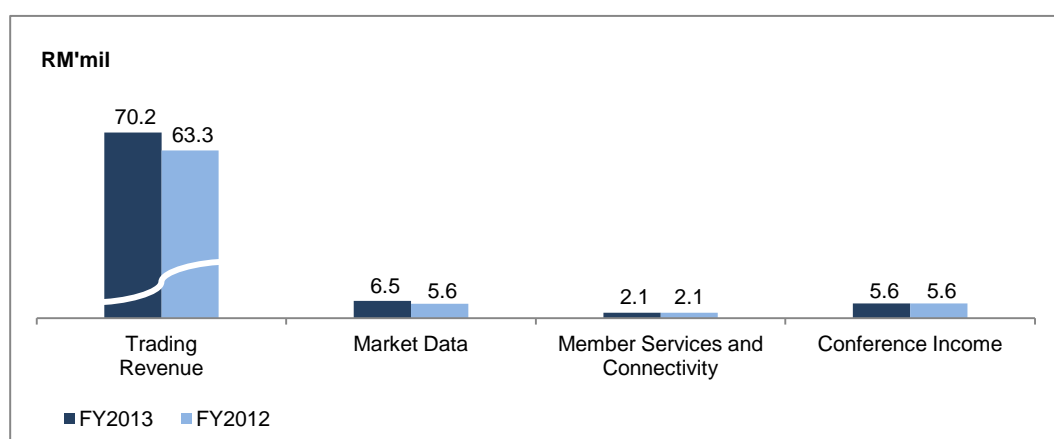
**(b) FY2013 vs. FY2012 (Cont'd.)**

**Derivatives Market**

The derivatives market recorded a segment profit of RM44.5 million in FY2013, an increase of 6 per cent compared to RM42.2 million in FY2012. The higher profit in FY2013 was attributed to a higher number of contracts traded.

**(i) Operating Revenue**

Operating revenue for FY2013 was RM84.4 million, representing an increase of 10 per cent compared to RM76.6 million in FY2012. The increase came mainly from trading revenue, as shown in the chart below:



- > Trading revenue increased by 11 per cent to RM70.2 million in FY2013 compared to FY2012. 10.74 million contracts were traded in FY2013 compared to 9.65 million contracts in FY2012.
- > Market data increased by 18 per cent to RM6.5 million in FY2013 compared to FY2012. The higher revenue was a result of a higher number of subscribers.

Key operating drivers in the derivatives market are as follows:

		<b>FY2013</b>	<b>FY2012</b>	<b>%</b>
FCPO contracts	(million)	8.01	7.46	7
FKLI contracts	(million)	2.68	2.13	26
Other contracts	(million)	0.05	0.06	-17
<b>Total</b>	<b>(million)</b>	<b>10.74</b>	<b>9.65</b>	<b>11</b>
Daily average contracts		43,490	39,387	10
Average number of open interests		212,828	171,518	24

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

**(b) FY2013 vs. FY2012 (Cont'd.)**

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

**(ii) Operating Expenses**

Segment expenses increased by 17 per cent to RM43.2 million in FY2013 compared to RM36.9 million in FY2012. The increase was mainly due to higher service fees charged as a result of the increase in trade volumes and higher staff costs.

**Exchange Holding Company**

The exchange holding company recorded a segment profit of RM3.7 million in FY2013 compared to RM5.8 million in FY2012. The lower profit in FY2013 mainly due to lower broker service fees and interest income.

**Others**

Others segment is made up of our BSAS business, bonds trading and offshore exchange. The Others segment improved from a loss position of RM0.6 million in FY2012 to a profit position of RM0.9 million in FY2013 as a result of increasing use of BSAS as a commodity murabahah trading platform.

**Overheads**

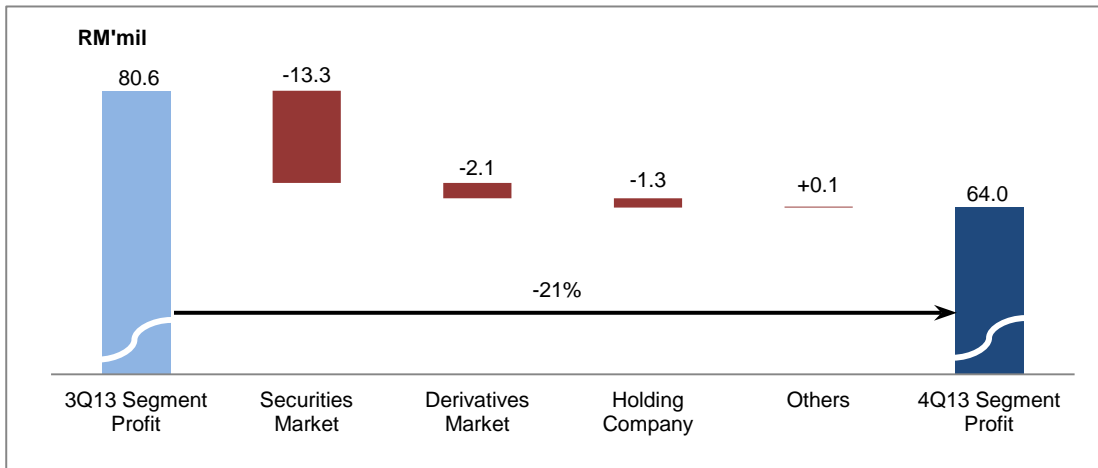
Overheads increased by 9 per cent to RM60.4 million in FY2013 compared to RM55.3 million in FY2012. The higher overheads in FY2013 mainly due to higher staff costs.

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

PBT for 4Q13 was RM48.3 million, a decrease of 25 per cent from RM64.5 million in the quarter ended 30 September 2013 (3Q13). PBT is made up of segment profits less overheads.

Total segment profit for 4Q13 were RM64.0 million, a decrease of 21 per cent from RM80.6 million in 3Q13. The quarter on quarter movements in the segment profits are depicted in the graph below:

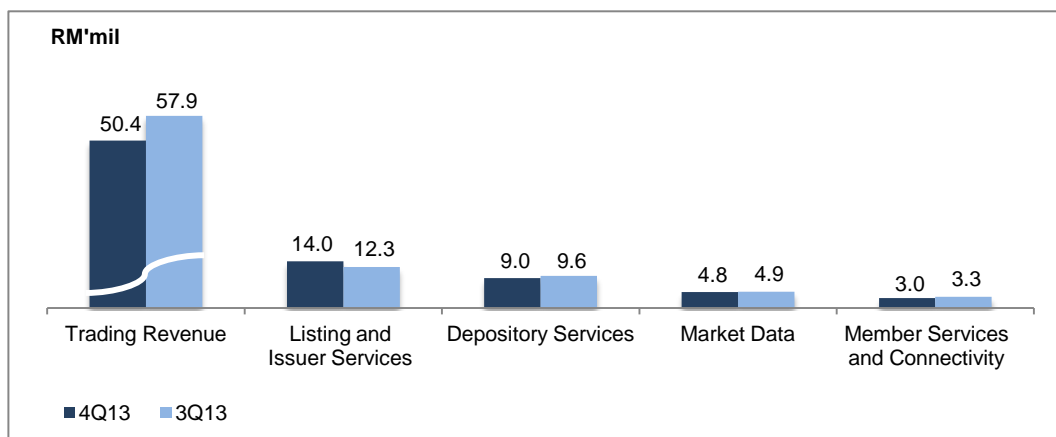


**Securities Market**

The securities market recorded a segment profit of RM55.3 million in 4Q13, a decrease of 19 per cent compared to RM68.6 million in 3Q13. The lower profit in 4Q13 was mainly due to lower operating revenue on the securities market.

**(i) Operating Revenue**

Securities market operating revenue decreased by 8 per cent to RM81.2 million in 4Q13 compared to RM88.0 million in 3Q13. The decrease came mainly from trading revenue, as shown in the chart below:



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**21. 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 decreased by 13 per cent to RM50.4 million in 4Q13 compared to 3Q13. ADV for OMT and DBT in 4Q13 was higher compared to 3Q13 as it included a trading value of RM34 billion in DBT resulting from a shares transfer transaction by a corporate entity which earned a minimal fee. 4Q13 saw a lower ADV for OMT of RM1.69 billion compared to RM2.00 billion in 3Q13.
- > Listing and issuer services increased by 14 per cent to RM14.0 million in 4Q13 compared to 3Q13. The increase in 4Q13 was mainly due to higher number of IPOs and higher perusal and processing fees earned from higher number of corporate exercises.
- > Depository services decreased by 6 per cent to RM9.0 million in 4Q13 compared to 3Q13. The decrease was mainly due to lower Record Of Depositors (ROD) requests in 4Q13.

Key operating drivers in the securities market are as follows:

		<b>4Q13</b>	<b>3Q13</b>	<b>%</b>
FBM KLCI	(points)	1,866.96	1,768.62	6
Average daily trading value (OMT and DBT)	(RM'billion)	2.33	2.08	12
Average daily trading volume (OMT and DBT)	(billion)	1.71	1.74	-2
Effective clearing fee rate	(basis points)	2.38	2.31	3
Velocity	(per cent)	25	31	-19
Number of IPOs		7	4	75
Number of new structured warrant listings		107	113	-5
Total funds raised:				
- IPOs	(RM'billion)	4.84	1.58	206
- Secondary issues	(RM'billion)	4.37	1.34	226
Market capitalisation at end of period	(RM'billion)	1,702.15	1,611.20	6

**(ii) Operating Expenses**

Segment expenses increased by 30 per cent to RM28.4 million in 4Q13 compared to RM21.9 million in 3Q13 was mainly due adjustments to performance rewards, a write off of obsolete computer software and more marketing and development activities.

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

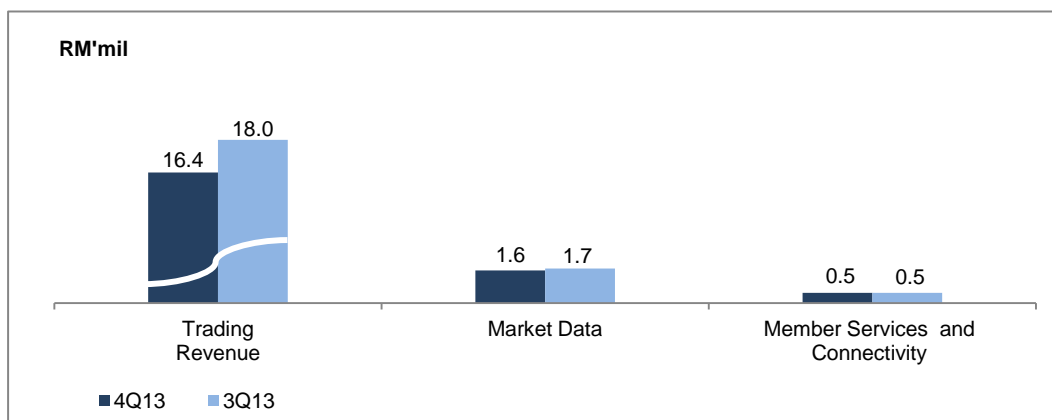
**Derivatives Market**

The derivatives market recorded a segment profit of RM8.6 million for 4Q13, a decrease of 19 per cent compared to RM10.6 million in 3Q13. The lower profit in 4Q13 was attributed to lower number of contracts traded.

**(i) Operating Revenue**

The derivatives market recorded an operating revenue of RM18.5 million for 4Q13, a decrease of 8 per cent compared to RM20.2 million in 3Q13.

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>4Q13</b>	<b>3Q13</b>	<b>%</b>
FCPO contracts	(million)	2.03	2.15	-6
FKLI contracts	(million)	0.56	0.72	-22
Other contracts	(million)	0.03	0.01	200
<b>Total</b>	<b>(million)</b>	<b>2.62</b>	<b>2.88</b>	<b>-9</b>
Daily average contracts		41,535	45,700	-9
Average number of open interests		204,247	223,440	-9

**(ii) Operating Expenses**

Segment expenses increased by 4 per cent to RM10.9 million in 4Q13 compared to RM10.5 million in 3Q13 mainly due to adjustments to performance rewards.



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**21. 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 segment loss of RM0.2 million in 4Q13 compared to 3Q13. The segmental loss in 4Q13 was mainly due to lower investment income and adjustments to performance rewards.

**Others**

Others segment is made up of our BSAS business, bonds trading and offshore exchange. The Others segment profit was fairly stable at RM0.3 million in 4Q13 and 3Q13.

**Overheads**

Overheads decreased by 2 per cent to RM15.7 million in 4Q13 compared to RM16.1 million in 3Q13. The lower overheads in 4Q13 was mainly due to lower information technology maintenance.

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

Moving forward, we expect the global environment to continue to be challenging. Malaysia's economy is however expected to remain resilient, supported by sustained domestic demand, private investment and targeted economic measures to boost the country's fiscal health. Interest on the securities market is expected to continue to be affected by global events and domestic developments described above.

On the derivatives front, with the expected Quantitative Easing tapering and the extreme cold weather patterns that have impacted many parts of the world, the financial, equity and commodity markets are expected to be uncertain and volatile. We thus expect our derivatives trading volumes to continue to move on an upward trend in 2014.

The Exchange will continue to focus on unlocking the potential within the Malaysian capital market by extracting value from past initiatives and driving growth from new opportunities. We will pursue our efforts to expand product and service offerings and to further enhance market accessibility for both market participants and investors. The refresh of our trading and clearing systems has strengthened our marketplace and we will continue to enhance our regulatory framework to ensure an efficient, orderly and transparent market.

Barring any unforeseen circumstances, we expect our financial performance to improve in the coming year.

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**23. INCOME TAX EXPENSE**

RM'000	3 months ended		12 months ended	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Income tax				
- Current provision	13,561	13,146	68,602	58,584
- (Over)/under provision of tax in prior years	-	-	(7,434)	622
	13,561	13,146	61,168	59,206
Deferred tax				
- Relating to origination and reversal of temporary differences	(203)	(448)	(2,288)	(427)
- Under/(over) provision of tax in prior years	-	(25)	7,315	(326)
	(203)	(473)	5,027	(753)
<b>Total income tax expense</b>	<b>13,358</b>	<b>12,673</b>	<b>66,195</b>	<b>58,453</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.

**24. RETAINED EARNINGS**

RM'000	As at	As at	As at
	31.12.2013	31.12.2012	01.01.2012
Realised	395,350	475,418	456,989
Unrealised	(11,414)	(6,474)	(6,338)
	383,936	468,944	450,651
Consolidation adjustments	(974)	5,312	11,411
<b>Total retained earnings</b>	<b>382,962</b>	<b>474,256</b>	<b>462,062</b>

**25. CORPORATE PROPOSALS**

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

**26. BORROWINGS AND DEBT SECURITIES**

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

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**27. CHANGES IN MATERIAL LITIGATION**

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

**28. PROPOSED DIVIDENDS**

At the forthcoming Annual General Meeting, a final dividend under the single-tier system in respect of the financial year ended 31 December 2013 of 16.0 sen per share on 532,612,000 ordinary shares, amounting to a dividend payable of approximately RM85,218,000 will be proposed for shareholders' approval.

**29. EPS**

**(a) Basic EPS**

	3 months ended		12 months ended	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Profit attributable to the Owners of the Company (RM'000)	33,842	35,758	173,075	150,598
Weighted average number of ordinary shares in issue ('000)	532,612	532,024	532,373	531,869
<b>Basic EPS (sen)</b>	<b>6.4</b>	<b>6.7</b>	<b>32.5</b>	<b>28.3</b>

**(b) Diluted EPS**

	3 months ended		12 months ended	
	31.12.2013	31.12.2012	31.12.2013	31.12.2012
Profit attributable to Owners of the Company (RM'000)	33,842	35,758	173,075	150,598
Weighted average number of ordinary shares in issue ('000)	532,612	532,024	532,373	531,869
Effect of dilution of share grants ('000)	2,042	867	1,454	695
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	534,654	532,891	533,827	532,564
<b>Diluted EPS (sen)</b>	<b>6.3</b>	<b>6.7</b>	<b>32.4</b>	<b>28.3</b>

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

The auditors' report on the financial statements for the financial year ended 31 December 2012 was unqualified.

**31. 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 each of the three quarters ended 31 March 2013, 30 June 2013, and 30 September 2013 during the financial year, 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* issued by the IASB. The report was made to the Board in accordance to the terms of reference with the external auditors and for no other purpose.

**32. 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 29 January 2014.