



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

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2017

5 February 2018

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

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2017

	Note	Quarter Ended			Year Ended		
		31.12.2017	31.12.2016	Changes	31.12.2017	31.12.2016	Changes
		RM'000	RM'000	%	RM'000	RM'000	%
		(Reviewed)	(Reviewed)		(Audited)	(Audited)	
Operating revenue	8	130,022	112,539	15.5	522,080	472,708	10.4
Other income	9	11,181	11,197	(0.1)	34,752	34,075	2.0
		141,203	123,736	14.1	556,832	506,783	9.9
Staff costs		(37,295)	(29,084)	28.2	(137,525)	(128,550)	7.0
Depreciation and amortisation		(5,783)	(6,082)	(4.9)	(23,800)	(24,227)	(1.8)
Other operating expenses	10	(23,365)	(19,612)	19.1	(89,089)	(83,416)	6.8
Profit from operations		74,760	68,958	8.4	306,418	270,590	13.2
Finance costs		(134)	-	-	(535)	-	-
Profit before tax		74,626	68,958	8.2	305,883	270,590	13.0
Income tax expense	25	(17,351)	(16,568)	4.7	(75,674)	(67,929)	11.4
Profit for the period/year		57,275	52,390	9.3	230,209	202,661	13.6
Profit attributable to:							
Owners of the Company		55,270	50,167	10.2	223,040	193,621	15.2
Non-controlling interest		2,005	2,223	(9.8)	7,169	9,040	(20.7)
		57,275	52,390	9.3	230,209	202,661	13.6

	Note	Quarter Ended		Year Ended	
		31.12.2017	31.12.2016	31.12.2017	31.12.2016
		Sen per share	Sen per share	Sen per share	Sen per share
		(Reviewed)	(Reviewed)	(Audited)	(Audited)
Earnings Per Share ("EPS") attributable to owners of the Company:					
Basic EPS	31(a)	10.3	9.4	41.5	36.2
Diluted EPS	31(b)	10.2	9.3	41.4	36.0

The above condensed consolidated statement of profit or loss should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 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 2017

	Quarter Ended			Year Ended		
	31.12.2017 RM'000	31.12.2016 RM'000	Changes %	31.12.2017 RM'000	31.12.2016 RM'000	Changes %
	(Reviewed)	(Reviewed)		(Audited)	(Audited)	
Profit for the period/year	57,275	52,390	9.3	230,209	202,661	13.6
Other comprehensive income:						
Items that may be subsequently reclassified to profit or loss:						
(Loss)/Gain on foreign currency translation	(131)	251	(152.2)	(329)	150	(319.3)
Net fair value changes in unquoted bonds at Fair Value Through Other Comprehensive Income ("FVTOCI")	(372)	(49)	659.2	36	356	(89.9)
Income tax effects relating to unquoted bonds at FVTOCI	13	44	(70.5)	(16)	2	(900.0)
	(490)	246	(299.2)	(309)	508	(160.8)
Items that will not be subsequently reclassified to profit or loss:						
Actuarial gain/(loss) on defined benefit obligations	350	(627)	(155.8)	350	(627)	(155.8)
Net fair value changes in quoted shares at FVTOCI	7,686	32,204	(76.1)	29,155	48,984	(40.5)
Income tax effects relating to actuarial (gain)/loss on defined benefit obligations	(84)	151	(155.6)	(84)	151	(155.6)
	7,952	31,728	(74.9)	29,421	48,508	(39.3)
Total other comprehensive income, net of income tax	7,462	31,974	(76.7)	29,112	49,016	(40.6)
Total comprehensive income	64,737	84,364	(23.3)	259,321	251,677	3.0
Total comprehensive income attributable to:						
Owners of the Company	62,732	82,141	(23.6)	252,152	242,637	3.9
Non-controlling interest	2,005	2,223	(9.8)	7,169	9,040	(20.7)
	64,737	84,364	(23.3)	259,321	251,677	3.0

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 2016 and the accompanying explanatory notes attached to these interim financial statements.

BURSA MALAYSIA BERHAD (30632-P)
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CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2017

	Note	As at 31.12.2017 RM'000 (Audited)	As at 31.12.2016 RM'000 (Audited)
Assets			
Property, plant and equipment		179,298	183,240
Computer software		40,841	47,107
Right-of-use assets		8,407	-
Goodwill		42,957	42,957
Investment securities		281,779	237,188
Staff loans receivable		2,918	3,525
Deferred tax assets		6,747	4,087
Non-current assets		562,947	518,104
Trade receivables	26	47,218	43,541
Other receivables		15,964	23,999
Tax recoverable		4,352	2,871
Investment securities		25,039	34,939
Cash for equity margins, derivatives trading margins, security deposits, Securities Borrowing and Lending ("SBL") collaterals and eDividend distributions	13	1,168,526	1,381,059
Cash and bank balances of Clearing Funds	14	129,628	126,213
Cash and bank balances of the Group	15	271,207	305,626
Current assets		1,661,934	1,918,248
Total assets		2,224,881	2,436,352
Equity and liabilities			
Share capital		402,169	268,136
Share premium		-	119,052
Other reserves		179,938	157,843
Retained earnings		267,881	323,909
Equity attributable to owners of the Company		849,988	868,940
Non-controlling interest		12,469	18,300
Total equity		862,457	887,240
Retirement benefit obligations		21,860	25,079
Deferred grants		2,038	3,092
Lease liabilities		7,470	-
Deferred tax liabilities		1,729	2,123
Non-current liabilities		33,097	30,294
Trade payables	13	1,166,024	1,378,595
Participants' contributions to Clearing Funds	14	39,628	36,213
Other payables		115,989	100,509
Lease liabilities		505	-
Tax payable		7,181	3,501
Current liabilities		1,329,327	1,518,818
Total liabilities		1,362,424	1,549,112
Total equity and liabilities		2,224,881	2,436,352
		RM	RM
Net assets per share attributable to owners of the Company	32	1.58	1.62

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 2016 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 2017

	← Attributable to owners of the Company →							← Distributable →			
	Non-distributable			Non-distributable				Distributable		Non-distributable	
	Share capital	Share premium	Capital redemption reserve	Foreign currency translation reserve	Share grant reserve	Clearing fund reserves	FVTOCI reserve	Retained earnings	Total	Non-controlling interest	Total equity
Audited	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
At 1 January 2017	268,136	119,052	5,250	860	8,350	30,000	113,383	323,909	868,940	18,300	887,240
Adjustments for effects of Companies Act 2016 (Note a)	124,302	(119,052)	(5,250)	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	-	223,040	223,040	7,169	230,209
Other comprehensive income, net of income tax	-	-	-	(329)	-	-	29,175	266	29,112	-	29,112
Total comprehensive income	-	-	-	(329)	-	-	29,175	223,306	252,152	7,169	259,321
Transactions with owners of the Company:											
Issuance of ordinary shares pursuant to the Share Grant Plan ("SGP")	9,731	-	-	-	(9,731)	-	-	-	-	-	-
SGP expense	-	-	-	-	8,230	-	-	-	8,230	-	8,230
Dividends paid (Note 7)	-	-	-	-	-	-	-	(279,334)	(279,334)	-	(279,334)
Dividends paid to non-controlling interest	-	-	-	-	-	-	-	-	-	(13,000)	(13,000)
Total transactions with owners of the Company	9,731	-	-	-	(1,501)	-	-	(279,334)	(271,104)	(13,000)	(284,104)
At 31 December 2017	402,169	-	-	531	6,849	30,000	142,558	267,881	849,988	12,469	862,457
At 1 January 2016	267,307	107,443	5,250	710	10,049	30,000	64,041	318,206	803,006	16,010	819,016
Profit for the year	-	-	-	-	-	-	-	193,621	193,621	9,040	202,661
Other comprehensive income, net of income tax	-	-	-	150	-	-	49,342	(476)	49,016	-	49,016
Total comprehensive income	-	-	-	150	-	-	49,342	193,145	242,637	9,040	251,677
Transactions with owners of the Company:											
Issuance of ordinary shares pursuant to the SGP	829	11,609	-	-	(12,438)	-	-	-	-	-	-
SGP expense	-	-	-	-	10,739	-	-	-	10,739	-	10,739
Dividends paid (Note 7)	-	-	-	-	-	-	-	(187,442)	(187,442)	-	(187,442)
Dividends paid to non-controlling interest	-	-	-	-	-	-	-	-	-	(6,750)	(6,750)
Total transactions with owners of the Company	829	11,609	-	-	(1,699)	-	-	(187,442)	(176,703)	(6,750)	(183,453)
At 31 December 2016	268,136	119,052	5,250	860	8,350	30,000	113,383	323,909	868,940	18,300	887,240

Note a

With the Companies Act 2016 ("New Act") coming into effect on 31 January 2017, the credits standing in the share premium and capital redemption reserve accounts of RM119,052,000 and RM5,250,000 respectively have been transferred to the share capital account. Pursuant to subsection 618(3) and 618(4) of the New Act, the Company, as disclosed in Note 27, has proposed that the bonus issue to be utilised against the credit amount transferred from the share premium account.

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 2016 and the accompanying explanatory notes attached to these interim financial statements.

BURSA MALAYSIA BERHAD (30632-P)
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2017

	Note	Year Ended	
		31.12.2017 RM'000 (Audited)	31.12.2016 RM'000 (Audited)
Cash flows from operating activities			
Profit before tax		305,883	270,590
Adjustments for:			
(Accretion of discount)/Amortisation of premium, net		(10)	52
Depreciation and amortisation		23,800	24,227
Dividend income from investment securities	9	(6,852)	(6,505)
Grant income	9	(1,559)	(1,170)
Interest income	9	(19,309)	(19,803)
Finance costs		535	-
Lease of equipment		194	222
Net gain on disposal of investment securities	9	(25)	(47)
Net (reversal of impairment loss)/impairment loss on:			
- Investment securities	10	(207)	286
- Trade and other receivables	10	1,582	(347)
Property, plant and equipment written off	10	-	5
Provision/(Reversal of provision) for short-term accumulating compensated unutilised leave		154	(55)
Retirement benefit obligations		1,174	1,319
SGP expense		8,230	10,739
Unrealised loss on foreign exchange differences		23	428
Operating profit before working capital changes		313,613	279,941
Decrease in receivables		2,341	2,922
Increase/(Decrease) in other payables		11,038	(5,160)
Cash generated from operations		326,992	277,703
Interest paid		(535)	-
Repayment on lease of equipment		(194)	(222)
Staff loans repaid, net of disbursements		520	743
Retirement benefits paid		(4,043)	(2,979)
Net tax paid		(76,628)	(73,316)
Net cash from operating activities		246,112	201,929
Cash flows from/(used in) investing activities			
Dividends received		5,828	8,306
Decrease/(Increase) in deposits not for short-term funding requirements		68,503	(84,510)
Interest received		20,708	18,814
Proceeds from disposal of investment securities		39,739	40,012
Purchases of investment securities		(44,997)	(29,641)
Purchases of property, plant and equipment and computer software		(9,124)	(10,881)
Net cash from/(used in) investing activities		80,657	(57,900)
Cash flows used in financing activities			
Dividends paid	7	(279,334)	(187,442)
Dividends paid by a subsidiary to non-controlling interest		(13,000)	(6,750)
Repayment on lease liabilities		(4)	-
Net cash used in financing activities		(292,338)	(194,192)
Net increase/(decrease) in cash and cash equivalents			
Effect of exchange rate changes		(347)	153
Cash and cash equivalents at beginning of year		214,048	264,058
Cash and cash equivalents at end of year	15	248,132	214,048

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

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

This Condensed Report should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016. The explanatory notes attached to the Condensed Report provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2016.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Adoption of Standards, Amendments to Standards, Annual Improvements to Standards and Issues Committee ("IC") Interpretation

The accounting policies adopted in the preparation of the Condensed Report are consistent with those used in the preparation of the Group's audited financial statements for the financial year ended 31 December 2016, except for the following:

(i) Amendments to Standards and Annual Improvements to Standards effective for financial periods beginning on or after 1 January 2017

Amendments to MFRS 107 Statement of Cash Flows - *Disclosure Initiative*
Amendments to MFRS 112 Income Taxes - *Recognition of Deferred Tax Assets for Unrealised Losses*
Amendments to MFRS 12 Disclosure of Interests in Other Entities (*Annual Improvements to MFRSs 2014 - 2016 Cycle*)

The above pronouncements are either not relevant or do not have any impact on the financial statements of the Group, except for the Amendments to MFRS 107 Statement of Cash Flows - *Disclosure Initiative*.

These amendments to MFRS 107 Statement of Cash Flows - *Disclosure Initiative* require the Group to disclose a reconciliation between the opening and closing balances for liabilities arising from financing activities, including changes arising from both cash flow and non-cash flow items. The adoption of these amendments does not require additional disclosure in the Condensed Report, but such disclosure will be required in the annual financial statements.

(ii) Early adoption of Standards, Amendments to Standards, Annual Improvements to Standards and IC Interpretation

Effective for financial periods beginning on or after 1 January 2018

Amendments to MFRS 2 Share-based Payment - *Classification and Measurement of Share-based Payment Transactions*
Amendments to MFRS 4 Insurance Contracts - *Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts*
Amendments to MFRS 140 Investment Property - *Transfers of Investment Property*
Amendments to MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards (*Annual Improvements to MFRSs 2014 - 2016 Cycle*)

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.1 Adoption of Standards, Amendments to Standards and Annual Improvements to Standards and IC Interpretation (Cont'd.)

(ii) Early adoption of Standards, Amendments to Standards, Annual Improvements to Standards and IC Interpretation (Cont'd.)

Effective for financial periods beginning on or after 1 January 2018 (Cont'd.)

Amendments to MFRS 128 Investments in Associates and Joint Ventures (*Annual Improvements to MFRSs 2014 - 2016 Cycle*)
IC Interpretation 22 Foreign Currency Transactions and Advance Consideration

Effective for financial periods beginning on or after 1 January 2019

MFRS 16 Leases

The Group has elected to early adopt the above pronouncements which are mandatory for financial periods beginning on or after 1 January 2018 and 1 January 2019. These pronouncements are either not relevant or do not have any impact on the financial statements of the Group, other than the Standard described below:

MFRS 16 Leases

The Group has early adopted MFRS 16 *Leases* and applied this Standard retrospectively during the financial period. In accordance with the transition requirements under the Appendix C, paragraph 5(b) of this Standard, comparatives are not restated.

As a result of the adoption of MFRS 16 *Leases*, the existing requirements for a lessee to distinguish between finance leases and operating leases under the MFRS 117 *Leases* are no longer required. This Standard introduces a single accounting model, requiring the lessee to recognise the right-of-use of the underlying lease asset and the future lease payments liabilities in the statement of financial position. For a lessor, MFRS 16 *Leases* continues to allow the lessor to classify leases as either operating leases or finance leases and to account for these two types of leases differently.

The following table presents the impact of changes to the consolidated statement of financial position of the Group resulting from the early adoption of MFRS 16 *Leases* as at 1 January 2017:

Group	Note	As at 31 December 2016 RM'000	Changes RM'000	As at 1 January 2017 RM'000
Non-current assets				
Right-of-use assets	(a)	-	8,518	8,518
Current assets				
Other receivables	(b)	23,999	(539)	23,460
Non-current liabilities				
Lease liabilities		-	7,474	7,474
Current liabilities				
Lease liabilities		-	505	505
Total lease liabilities	(c)	-	7,979	7,979

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.1 Adoption of Standards, Amendments to Standards and Annual Improvements to Standards and IC Interpretation (Cont'd.)

(ii) Early adoption of Standards, Amendments to Standards, Annual Improvements to Standards and IC Interpretation (Cont'd.)

MFRS 16 Leases (Cont'd.)

Note:

- (a) The right-of-use assets comprise 2 pieces of freehold land leased from the Government and recognised during the period. Subsequent to initial recognition, the right-of-use assets are measured at cost less any accumulated depreciation, accumulated impairment losses and adjusted for any remeasurement of lease liabilities. The right-of-use assets are measured at the amount equal to the lease liabilities, adjusted by any prepaid or accrued lease payments relating to the existing lease immediately before 1 January 2017.
- (b) Prepaid lease payments which were previously classified as other receivables are now recognised as part of right-of-use assets.
- (c) The lease liabilities arising from the freehold land leased from the Government are recognised and discounted using the Group's weighted average incremental borrowing rate of 6.7% on RM40,796,000 disclosed as operating lease commitments as at 31 December 2016. Subsequent to initial recognition, the Group measures the lease liabilities by increasing the carrying amount to reflect the interest on the lease liabilities, reducing the carrying amount to reflect lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications.
- (d) There is no impact to the Group's retained earnings as at 1 January 2017.

Other than the above, the Group elected to apply exemptions for a lease of equipment expiring within 12 months from date of application under the Appendix C, paragraph 10(c) of this Standard. The lease payments are recognised as an expense on a straight line basis over the remaining lease term during the current financial year.

2.2 Standards issued but not yet effective

As at the date of authorisation of the Condensed Report, the following Standards, Amendments to Standards, Annual Improvements to Standards and IC Interpretation have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective and have not been adopted by the Group. These pronouncements are either not relevant or do not impact the financial statements of the Group:

Effective for financial periods beginning on or after 1 January 2019

Amendments to MFRS 3 Business Combinations (*Annual Improvements to MFRSs Standards 2015–2017 Cycle*)

Amendments to MFRS 9 - Prepayment Features with Negative Compensation

Amendments to MFRS 11 Joint Arrangements (*Annual Improvements to MFRSs Standards 2015–2017 Cycle*)

Amendments to MFRS 112 Income Taxes (*Annual Improvements to MFRSs Standards 2015–2017 Cycle*)

Amendments to MFRS 123 Borrowing Costs (*Annual Improvements to MFRSs Standards 2015–2017 Cycle*)

Amendments to MFRS 128 Investments in Associates and Joint Ventures - *Long-term Interests in Associates and Joint Ventures*

IC Interpretation 23 Uncertainty over Income Tax Treatments

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

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

Effective for financial periods beginning on or after 1 January 2021

MFRS 17 Insurance Contracts

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

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

3. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS

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

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

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter and year ended 31 December 2017.

5. SIGNIFICANT ESTIMATES AND CHANGES IN ESTIMATES

There were no changes in estimates that have had any material effect during the current quarter and year ended 31 December 2017.

6. DEBT AND EQUITY SECURITIES

During the financial year ended 31 December 2017, the Company has issued new ordinary shares pursuant to the SGP as follows:

- (i) On 3 April 2017, the Company issued 250,000 new ordinary shares at RM9.78 each; and
- (ii) On 13 July 2017, the Company issued 978,500 new ordinary shares comprising:
 - (a) 334,600 new ordinary shares at RM6.71 each;
 - (b) 319,400 new ordinary shares at RM7.43 each; and
 - (c) 324,500 new ordinary shares at RM8.22 each.

Other than the above, there were no issuances, repurchases and repayments of debt and equity securities during the current quarter and year ended 31 December 2017.

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PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

7. DIVIDENDS PAID

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

	31.12.2017	31.12.2016
Interim and special dividends		
For the financial year ended	31 December 2017	31 December 2016
Approved and declared on	26 July 2017	25 July 2016
Date paid	23 August 2017	19 August 2016
Number of ordinary shares on which dividends were paid ('000)	537,501	536,272
Interim dividend per share (single-tier)	20.0 sen	17.0 sen
Special dividend per share* (single-tier)	15.0 sen	-
Net dividend paid (RM'000)	188,125	91,166
Final dividend		
For the financial year ended	31 December 2016	31 December 2015
Approved and declared on	29 March 2017	31 March 2016
Date paid	18 April 2017	18 April 2016
Number of ordinary shares on which dividends were paid ('000)	536,522	534,864
Dividend per share (single-tier)	17.0 sen	18.0 sen
Net dividend paid (RM'000)	91,209	96,276

* This special dividend was paid due to the cash surplus to the requirements in the Group.

8. OPERATING REVENUE

	Quarter Ended			Year Ended		
	31.12.2017 RM'000	31.12.2016 RM'000	Changes %	31.12.2017 RM'000	31.12.2016 RM'000	Changes %
Clearing fees	51,151	38,114	34.2	209,043	168,382	24.1
Trade fees	7,181	5,239	37.1	28,117	22,294	26.1
Others	6,257	5,637	11.0	22,457	22,245	1.0
Total Securities trading revenue	64,589	48,990	31.8	259,617	212,921	21.9
Clearing fees	4,495	4,653	(3.4)	18,299	19,469	(6.0)
Trade fees	11,226	12,301	(8.7)	46,098	49,764	(7.4)
Others	4,370	4,933	(11.4)	16,152	19,495	(17.1)
Total Derivatives trading revenue	20,091	21,887	(8.2)	80,549	88,728	(9.2)
Bursa Suq Al-Sila ("BSAS") trading revenue	4,132	3,875	6.6	15,825	16,439	(3.7)
Listing and issuer services	16,404	14,011	17.1	61,775	53,540	15.4
Depository services	10,938	9,804	11.6	42,376	39,035	8.6
Market data	8,580	8,816	(2.7)	34,524	35,292	(2.2)
Member services and connectivity	5,288	5,156	2.6	21,408	21,001	1.9
Conference fees and exhibition related income	-	-	-	6,006	5,752	4.4
	45,342	41,662	8.8	181,914	171,059	6.3
Total operating revenue	130,022	112,539	15.5	522,080	472,708	10.4

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PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

8. OPERATING REVENUE (CONT'D.)

Disaggregation of revenue

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

OPERATING REVENUE FOR THE QUARTER ENDED

	Securities Market			Derivatives Market			Exchange Holding Company			Others			Total		
	31.12.2017 RM'000	31.12.2016 RM'000	Changes %	31.12.2017 RM'000	31.12.2016 RM'000	Changes %	31.12.2017 RM'000	31.12.2016 RM'000	Changes %	31.12.2017 RM'000	31.12.2016 RM'000	Changes %	31.12.2017 RM'000	31.12.2016 RM'000	Changes %
Major products or services:															
Securities trading revenue	64,589	48,995	31.8	-	-	-	-	-	-	-	(5)	-	64,589	48,990	31.8
Derivatives trading revenue	-	-	-	20,091	21,887	(8.2)	-	-	-	-	-	-	20,091	21,887	(8.2)
BSAS trading revenue	-	-	-	-	-	-	-	-	-	4,132	3,875	6.6	4,132	3,875	6.6
Listing and issuer services	16,359	13,958	17.2	-	-	-	-	-	-	45	53	(15.1)	16,404	14,011	17.1
Depository services	10,938	9,804	11.6	-	-	-	-	-	-	-	-	-	10,938	9,804	11.6
Market data	6,557	6,629	(1.1)	1,963	2,129	(7.8)	-	-	-	60	58	3.4	8,580	8,816	(2.7)
Member services and connectivity	3,467	3,243	6.9	41	39	5.1	1,748	1,835	(4.7)	32	39	(17.9)	5,288	5,156	2.6
	101,910	82,629	23.3	22,095	24,055	(8.1)	1,748	1,835	(4.7)	4,269	4,020	6.2	130,022	112,539	15.5
Timing of revenue recognition:															
At a point in time	89,165	70,936	25.7	21,080	23,069	(8.6)	-	-	-	4,189	3,932	6.5	114,434	97,937	16.8
Over time	12,745	11,693	9.0	1,015	986	2.9	1,748	1,835	(4.7)	80	88	(9.1)	15,588	14,602	6.8
	101,910	82,629	23.3	22,095	24,055	(8.1)	1,748	1,835	(4.7)	4,269	4,020	6.2	130,022	112,539	15.5

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

8. OPERATING REVENUE (CONT'D.)

Disaggregation of revenue (Cont'd.)

OPERATING REVENUE FOR YEAR ENDED

	Securities Market			Derivatives Market			Exchange Holding Company			Others			Total		
	31.12.2017 RM'000	31.12.2016 RM'000	Changes %	31.12.2017 RM'000	31.12.2016 RM'000	Changes %	31.12.2017 RM'000	31.12.2016 RM'000	Changes %	31.12.2017 RM'000	31.12.2016 RM'000	Changes %	31.12.2017 RM'000	31.12.2016 RM'000	Changes %
Major products or services:															
Securities trading revenue	259,617	212,921	21.9	-	-	-	-	-	-	-	-	-	259,617	212,921	21.9
Derivatives trading revenue	-	-	-	80,549	88,728	(9.2)	-	-	-	-	-	-	80,549	88,728	(9.2)
BSAS trading revenue	-	-	-	-	-	-	-	-	-	15,825	16,439	(3.7)	15,825	16,439	(3.7)
Listing and issuer services	61,611	53,342	15.5	-	-	-	-	-	-	164	198	(17.2)	61,775	53,540	15.4
Depository services	42,376	39,035	8.6	-	-	-	-	-	-	-	-	-	42,376	39,035	8.6
Market data	26,137	26,803	(2.5)	8,146	8,254	(1.3)	-	-	-	241	235	2.6	34,524	35,292	(2.2)
Member services and connectivity	13,576	13,184	3.0	160	167	(4.2)	7,529	7,500	0.4	143	150	(4.7)	21,408	21,001	1.9
Conference fees and exhibition related income	-	-	-	6,006	5,752	4.4	-	-	-	-	-	-	6,006	5,752	4.4
	403,317	345,285	16.8	94,861	102,901	(7.8)	7,529	7,500	0.4	16,373	17,022	(3.8)	522,080	472,708	10.4
Timing of revenue recognition:															
At a point in time	353,278	297,121	18.9	90,786	98,924	(8.2)	-	-	-	16,034	16,684	(3.9)	460,098	412,729	11.5
Over time	50,039	48,164	3.9	4,075	3,977	2.5	7,529	7,500	0.4	339	338	0.3	61,982	59,979	3.3
	403,317	345,285	16.8	94,861	102,901	(7.8)	7,529	7,500	0.4	16,373	17,022	(3.8)	522,080	472,708	10.4

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PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

9. OTHER INCOME

	Quarter Ended			Year Ended		
	31.12.2017 RM'000	31.12.2016 RM'000	Changes %	31.12.2017 RM'000	31.12.2016 RM'000	Changes %
Interest income from:						
Deposits and investments	4,369	4,651	(6.1)	19,168	19,634	(2.4)
Others	33	39	(15.4)	141	169	(16.6)
Dividend income	4,552	4,528	0.5	6,852	6,505	5.3
Grant income	478	301	58.8	1,559	1,170	33.2
Net gain on disposal of investment securities	-	-	-	25	47	(46.8)
Rental income	1,461	1,658	(11.9)	6,423	6,398	0.4
Miscellaneous income	288	20	1,340.0	584	152	284.2
Total other income	11,181	11,197	(0.1)	34,752	34,075	2.0

10. OTHER OPERATING EXPENSES

	Quarter Ended			Year Ended		
	31.12.2017 RM'000	31.12.2016 RM'000	Changes %	31.12.2017 RM'000	31.12.2016 RM'000	Changes %
Administrative expenses	1,546	1,520	1.7	6,569	6,771	(3.0)
Building management expenses	3,109	2,986	4.1	11,360	11,698	(2.9)
Central Depository System ("CDS") consumables	178	520	(65.8)	2,767	3,561	(22.3)
Marketing and development expenses	3,331	2,033	63.8	11,422	10,003	14.2
Professional fees	2,077	574	261.8	3,207	3,532	(9.2)
Technology expenses:						
Information technology maintenance	5,041	4,807	4.9	19,581	17,339	12.9
Service fees	4,969	5,153	(3.6)	23,416	22,113	5.9
Net loss/(gain) on foreign exchange differences	167	(415)	(140.2)	649	280	131.8
Net (reversal of impairment loss)/impairment loss on:						
Investment securities	(304)	326	(193.3)	(207)	286	(172.4)
Trade and other receivables	(4)	(43)	(90.7)	1,582	(347)	(555.9)
Property, plant and equipment written off	-	5	(100.0)	-	5	(100.0)
Miscellaneous expenses	3,255	2,146	51.7	8,743	8,175	6.9
Total other operating expenses	23,365	19,612	19.1	89,089	83,416	6.8

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PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

11. SEGMENTAL INFORMATION

RESULTS FOR THE QUARTER ENDED

	Securities Market			Derivatives Market			Exchange Holding Company			Others			Total		
	31.12.2017	31.12.2016	Changes	31.12.2017	31.12.2016	Changes	31.12.2017	31.12.2016	Changes	31.12.2017	31.12.2016	Changes	31.12.2017	31.12.2016	Changes
	RM'000	RM'000	%	RM'000	RM'000	%	RM'000	RM'000	%	RM'000	RM'000	%	RM'000	RM'000	%
Operating revenue															
(Note 8)	101,910	82,629	23.3	22,095	24,055	(8.1)	1,748	1,835	(4.7)	4,269	4,020	6.2	130,022	112,539	15.5
Other income	3,325	3,070	8.3	424	645	(34.3)	7,377	7,454	(1.0)	55	28	96.4	11,181	11,197	(0.1)
Direct costs	(24,228)	(20,694)	17.1	(10,785)	(10,447)	3.2	(9,998)	(4,075)	145.3	(1,766)	(1,659)	6.4	(46,777)	(36,875)	26.9
Segment profit/(loss)	81,007	65,005	24.6	11,734	14,253	(17.7)	(873)	5,214	(116.7)	2,558	2,389	7.1	94,426	86,861	8.7
Overheads													(19,800)	(17,903)	10.6
Profit before tax													74,626	68,958	8.2

RESULTS FOR YEAR ENDED

	Securities Market			Derivatives Market			Exchange Holding Company			Others			Total		
	31.12.2017	31.12.2016	Changes	31.12.2017	31.12.2016	Changes	31.12.2017	31.12.2016	Changes	31.12.2017	31.12.2016	Changes	31.12.2017	31.12.2016	Changes
	RM'000	RM'000	%	RM'000	RM'000	%	RM'000	RM'000	%	RM'000	RM'000	%	RM'000	RM'000	%
Operating revenue															
(Note 8)	403,317	345,285	16.8	94,861	102,901	(7.8)	7,529	7,500	0.4	16,373	17,022	(3.8)	522,080	472,708	10.4
Other income	13,489	13,191	2.3	1,998	2,465	(18.9)	19,113	18,218	4.9	152	201	(24.4)	34,752	34,075	2.0
Direct costs	(90,200)	(89,043)	1.3	(48,544)	(46,966)	3.4	(35,918)	(25,546)	40.6	(6,363)	(6,278)	1.4	(181,025)	(167,833)	7.9
Segment profit/(loss)	326,606	269,433	21.2	48,315	58,400	(17.3)	(9,276)	172	(5,493.0)	10,162	10,945	(7.2)	375,807	338,950	10.9
Overheads													(69,924)	(68,360)	2.3
Profit before tax													305,883	270,590	13.0

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

11. SEGMENTAL INFORMATION (CONT'D.)

	Securities Market RM'000	Derivatives Market RM'000	Exchange Holding Company RM'000	Others RM'000	Total RM'000
ASSETS AND LIABILITIES AS AT 31 DECEMBER 2017					
Assets	395,584	98,654	393,025	28,365	915,628
Clearing Funds	102,577	27,051	-	-	129,628
Cash for equity margins, derivatives trading margins, security deposits, SBL collaterals and eDividend distributions	117,846	1,050,680	-	-	1,168,526
Segment assets	616,007	1,176,385	393,025	28,365	2,213,782
Unallocated corporate assets	-	-	-	-	11,099
Total assets	616,007	1,176,385	393,025	28,365	2,224,881
Liabilities	38,892	12,712	79,067	14,689	145,360
Participants' contributions to Clearing Funds	17,577	22,051	-	-	39,628
Equity margins, derivatives trading margins, security deposits, SBL collaterals and eDividend distributions	117,846	1,050,680	-	-	1,168,526
Segment liabilities	174,315	1,085,443	79,067	14,689	1,353,514
Unallocated corporate liabilities	-	-	-	-	8,910
Total liabilities	174,315	1,085,443	79,067	14,689	1,362,424

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

12. RELATED PARTY DISCLOSURES

All related party transactions within the Group had been entered into in the normal course of business and were carried out on normal commercial terms.

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

	As at 31.12.2017 RM'000
Equity margins, derivatives trading margins, security deposits and SBL collaterals, representing trade payables	1,166,024
Cash received for eDividend distributions (included in other payables)	2,502
Total cash for equity margins, derivatives trading margins, security deposits, SBL collaterals and eDividend distributions	1,168,526

The amount of non-cash collaterals for equity margins, derivatives trading margins, security deposits and SBL collaterals held by, but not belonging to, the Group and which are not included in the consolidated statement of financial position as at 31 December 2017 comprise the following:

	As at 31.12.2017 RM'000
Collaterals in the form of letters of credit	581,830
Collaterals in the form of shares	525
	582,355

14. CASH AND BANK BALANCES OF CLEARING FUNDS

	Participants' contributions RM'000	Cash set aside by the Group RM'000	As at 31.12.2017 RM'000
Contributions from Trading Clearing Participants ("TCPs") of Bursa Malaysia Securities Clearing Sdn. Bhd. ("BMSC")	17,577	-	17,577
Contribution from BMSC	-	25,000	25,000
Additional cash resources from BMSC	-	60,000	60,000
Clearing Guarantee Fund ("CGF") contributions (Note a)	17,577	85,000	102,577
Contributions from Clearing Participants ("CPs") of Bursa Malaysia Derivatives Clearing Bhd. ("BMDC")	22,051	-	22,051
Contribution from BMDC	-	5,000	5,000
Derivatives Clearing Fund ("DCF") contributions (Note b)	22,051	5,000	27,051
Total cash and bank balances of Clearing Funds	39,628	90,000	129,628

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

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

(a) Total cash and non-cash components of the CGF are as follows:

	As at 31.12.2017 RM'000
Cash and bank balances	102,577
Bank guarantees from TCPs of BMSC	2,940
Total CGF	105,517

The bank guarantees above are lodged and accepted by the Group prior to the effective date of the removal of the bank guarantee as an acceptable form of contribution to the CGF pursuant to the amendments to the Rules of Bursa Malaysia Securities Clearing on 18 December 2017.

(b) There are no non-cash collaterals from CPs of BMDC for DCF held by the Group as at 31 December 2017.

15. CASH AND BANK BALANCES OF THE GROUP

	As at 31.12.2017 RM'000
Cash and bank balances	4,299
Deposits for short-term funding requirements	243,833
Cash and cash equivalents	248,132
Deposits not for short-term funding requirements	23,075
Total cash and bank balances	271,207

16. CAPITAL COMMITMENTS

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

	As at 31.12.2017	
	Approved and contracted for RM'000	Approved but not contracted for RM'000
Computers and office automation	1,669	60
Office equipment and renovations	12	50
Total capital commitments	1,681	110

17. CONTINGENT ASSETS AND LIABILITIES

There are no contingent assets and no changes in the contingent liability in respect of the put and call options with the Chicago Mercantile Exchange ("CME") Group over the ordinary shares of Bursa Malaysia Derivatives Berhad held by CME Group since 31 December 2016.

18. CHANGES IN COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the current quarter and year ended 31 December 2017.

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PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

19. OPERATING LEASE ARRANGEMENTS

The Group has entered into operating lease arrangements as the lessor for the lease of office space in the building. The future aggregate minimum lease payments receivable under operating leases contracted for as at 31 December 2017 but not recognised as receivables are as follows:

	As at 31.12.2017 RM'000
Not later than 1 year	427
Later than 1 year and not later than 5 years	88
Total future minimum lease receivables	515

20. FINANCIAL INSTRUMENTS

20.1 Classification

The following table analyses the financial assets and financial liabilities of the Group in the consolidated statement of financial position by the classes and categories of financial instruments to which they are assigned by their measurement basis as at 31 December 2017.

	Financial assets at FVTOCI RM'000	Financial assets at amortised cost RM'000	Financial liabilities at amortised cost RM'000	Total RM'000
As at 31 December 2017				
Assets				
Investments securities:				
Quoted shares (outside Malaysia)	226,806	-	-	226,806
Unquoted bonds	80,012	-	-	80,012
	306,818	-	-	306,818
Staff loans receivable	-	3,453	-	3,453
Trade receivables	-	47,218	-	47,218
Other receivables which are financial assets*	-	11,440	-	11,440
Cash for equity margins, derivatives trading margins, security deposits, SBL collaterals and eDividend distributions	-	1,168,526	-	1,168,526
Cash and bank balances of Clearing Funds	-	129,628	-	129,628
Cash and bank balances of the Group	-	271,207	-	271,207
Total financial assets	306,818	1,631,472	-	1,938,290
Liabilities				
Trade payables	-	-	1,166,024	1,166,024
Participants' contributions to Clearing Funds	-	-	39,628	39,628
Other payables which are financial liabilities**	-	-	33,595	33,595
Lease liabilities	-	-	7,975	7,975
Total financial liabilities	-	-	1,247,222	1,247,222

* Other receivables which are financial assets include deposits, interest receivables and sundry receivables, net of allowance for impairment loss.

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

20. FINANCIAL INSTRUMENTS (CONT'D.)

20.2 Fair Value

(a) Financial instruments that are carried at fair value

The Group's financial assets at FVTOCI 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) of identical assets in active markets

Quoted shares are measured at Level 1. The fair value of quoted shares (outside Malaysia) is determined directly by reference to their published market bid prices as at 31 December 2017.

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

Unquoted bonds are measured at Level 2. The fair value of unquoted bonds is determined by reference to the published market bid prices 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 measured at Level 3 as at 31 December 2017.

	Level 1 RM'000	Level 2 RM'000	Total RM'000
As at 31 December 2017			
Financial assets at FVTOCI			
- Quoted shares (outside Malaysia)	226,806	-	226,806
- Unquoted bonds	-	80,012	80,012
	226,806	80,012	306,818

There were no transfers between Level 1 and Level 2 during the current quarter and year ended 31 December 2017.

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

The carrying amount of financial assets and financial liabilities at amortised cost are reasonable approximation of their fair values.

21. EVENT AFTER THE REPORTING PERIOD

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

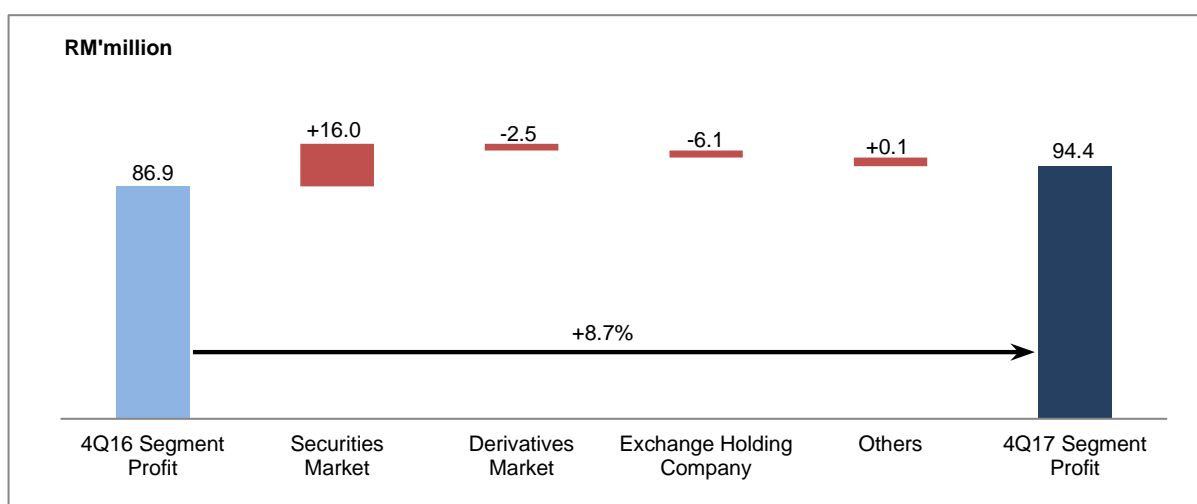
PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

22. OPERATING SEGMENTS REVIEW

(a) 4Q17 vs. 4Q16

Profit Before Tax ("PBT") for the quarter ended 31 December 2017 ("4Q17") was RM74.6 million, an increase of 8.2 per cent compared to RM69.0 million in the quarter ended 31 December 2016 ("4Q16"). PBT is made up of segment profits less overheads (as depicted in Note 11).

Total segment profit for 4Q17 was RM94.4 million, an increase of 8.7 per cent compared to RM86.9 million in 4Q16. The movements in the segment profits are depicted in the graph below:



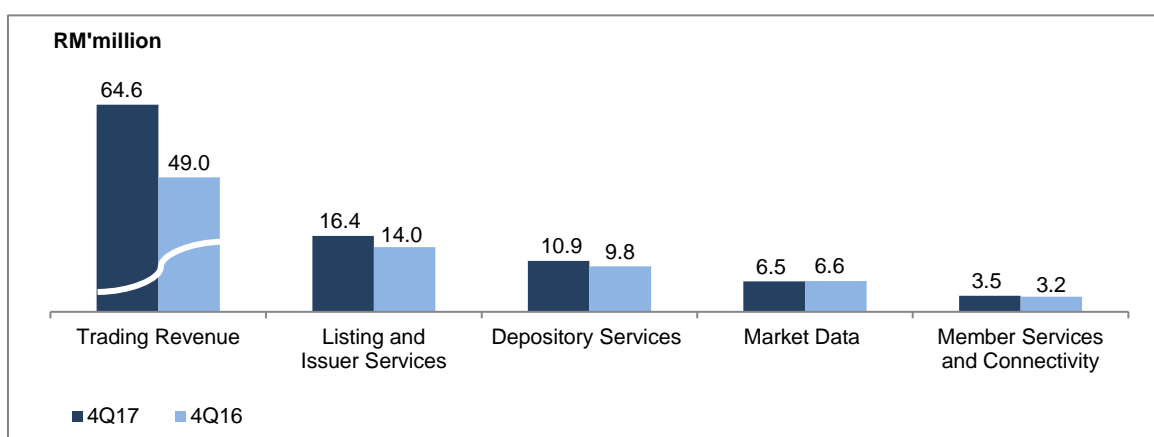
Total comprehensive income for 4Q17 was RM64.7 million, a decrease of 23.3 per cent compared to RM84.4 million in 4Q16. The decrease was mainly due to the fair value changes in quoted shares in 4Q17 compared to 4Q16.

Securities Market

The Securities Market recorded a segment profit of RM81.0 million in 4Q17, an increase of 24.6 per cent compared to RM65.0 million in 4Q16 as a result of higher trading revenue and listing and issuer services.

(i) Operating Revenue

The Securities Market operating revenue for 4Q17 was RM101.9 million, representing an increase of 23.3 per cent compared to RM82.6 million in 4Q16. The details by revenue category are shown in the chart below:



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

22. OPERATING SEGMENTS REVIEW (CONT'D.)

(a) 4Q17 vs. 4Q16 (Cont'd.)

Securities Market (Cont'd.)

(i) Operating Revenue (Cont'd.)

- > Trading revenue increased by 31.8 per cent to RM64.6 million in 4Q17. 4Q17 saw a higher Average Daily trading Value ("ADV") for On-Market Trades ("OMT") and Direct Business Trades ("DBT") of RM2.62 billion compared to RM1.93 billion in 4Q16.
- > Listing and issuer services revenue increased by 17.2 per cent to RM16.4 million in 4Q17. The increase was mainly due to higher initial listing fees earned from a large corporate exercise and higher processing fees earned from higher number of corporate exercises in 4Q17.
- > Depository services revenue increased by 11.6 per cent to RM10.9 million in 4Q17 as a result of higher CDS custody fees and additional issue fees earned from higher number of corporate exercises.

Key operating drivers in the Securities Market are as follows:

		4Q17	4Q16	Changes (%)
FBMKLCI	(points)	1,796.81	1,641.73	9.4
ADV (OMT and DBT)	(RM'billion)	2.62	1.93	35.8
Average daily trading volume (OMT and DBT)	(billion shares)	2.66	1.54	72.7
Effective clearing fee rate	(basis points)	2.19	2.22	(1.4)
Velocity	(per cent)	31	25	24.0
Number of Initial Public Offerings ("IPOs")		3	4	(25.0)
Number of new structured warrants listed		234	259	(9.7)
Total funds raised:				
- IPOs	(RM'billion)	0.04	0.16	(75.0)
- Secondary issues	(RM'billion)	4.24	4.62	(8.2)
Market capitalisation as at end of period	(RM'billion)	1,906.84	1,667.37	14.4
Number of trading days		62	62	-

(ii) Operating Expenses

Segment expenses increased by 17.1 per cent to RM24.2 million mainly due to higher staff costs.

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

22. OPERATING SEGMENTS REVIEW (CONT'D.)

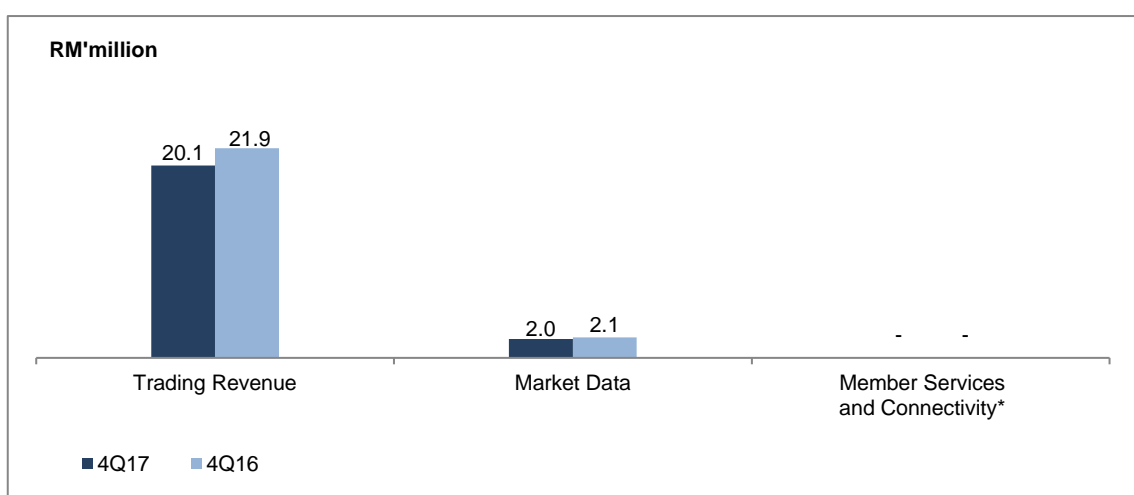
(a) 4Q17 vs. 4Q16 (Cont'd.)

Derivatives Market

The Derivatives Market recorded a segment profit of RM11.7 million in 4Q17, a decrease of 17.7 per cent from RM14.2 million in 4Q16 as a result of lower trading revenue.

(i) Operating Revenue

The Derivatives Market operating revenue of RM22.1 million in 4Q17, representing a decrease of 8.1 per cent from RM24.0 million in 4Q16. The details by revenue category are shown in the chart below:



*Member services and connectivity is below RM0.1 million in both 4Q17 and 4Q16.

- > Trading revenue decreased by 8.1 per cent to RM20.1 million in 4Q17 as a result of lower number of contracts traded and guarantee fees earned due to revision in guarantee fee rate. 3.37 million contracts were traded in 4Q17 compared to 3.43 million contracts in 4Q16.

Key operating drivers in the Derivatives Market are as follows:

	4Q17	4Q16	Changes (%)
Crude Palm Oil Futures ("FCPO") contracts (million)	2.88	2.76	4.3
FBMKLCI Futures ("FKLI") contracts (million)	0.47	0.66	(28.8)
Other contracts (million)	0.02	0.01	100.0
Total (million)	3.37	3.43	(1.7)
Average daily number of contracts traded	54,348	55,289	(1.7)
Average number of open interest positions	284,822	240,069	18.6
Number of trading days	62	62	-

(ii) Operating Expenses

Segment expenses increased by 3.2 per cent to RM10.8 million in 4Q17 mainly due to higher staff costs incurred.

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

22. OPERATING SEGMENTS REVIEW (CONT'D.)

(a) 4Q17 vs. 4Q16 (Cont'd.)

Exchange Holding Company

The Exchange Holding Company recorded a segment loss of RM0.9 million in 4Q17 compared to segmental profit of RM5.2 million in 4Q16 mainly due to higher staff costs and certain operating costs incurred.

Others

This segment is made up of BSAS business, bonds trading and offshore exchange. The segment profits increased by 7.1 per cent to RM2.6 million in 4Q17 mainly due to higher BSAS trading revenue earned.

Overheads

Overheads increased by 10.6 per cent to RM19.8 million in 4Q17 mainly due to higher staff costs.

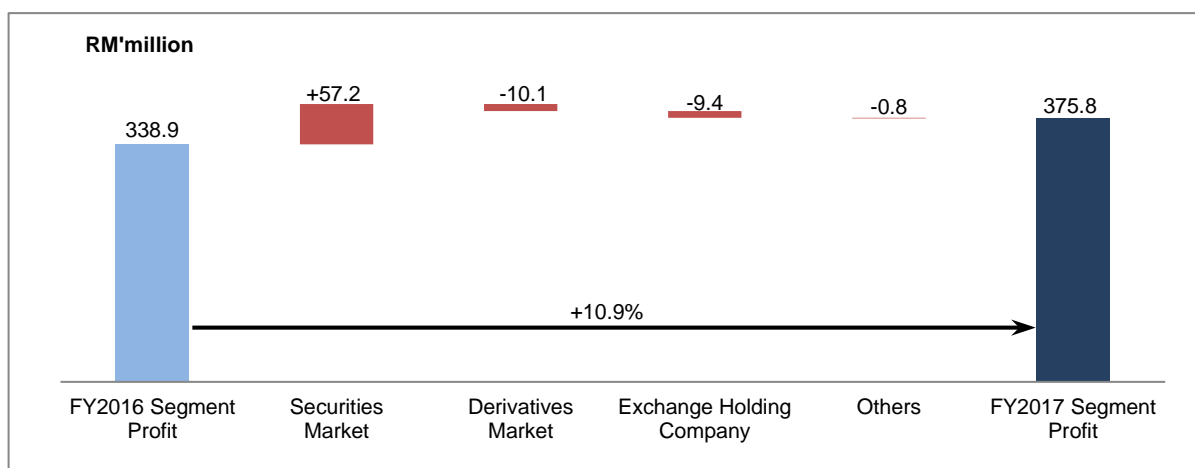
PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

22. OPERATING SEGMENTS REVIEW (CONT'D.)

(b) FY2017 vs. FY2016

PBT for the financial year ended 31 December 2017 ("FY2017") was RM305.9 million, an increase of 13.0 per cent from RM270.6 million in the financial year ended 31 December 2016 ("FY2016"). PBT is made up of segment profits less overheads.

Total segment profit for FY2017 was RM375.8 million, an increase of 10.9 per cent from RM338.9 million in FY2016. The movements in the segment profits are depicted in the graph below:



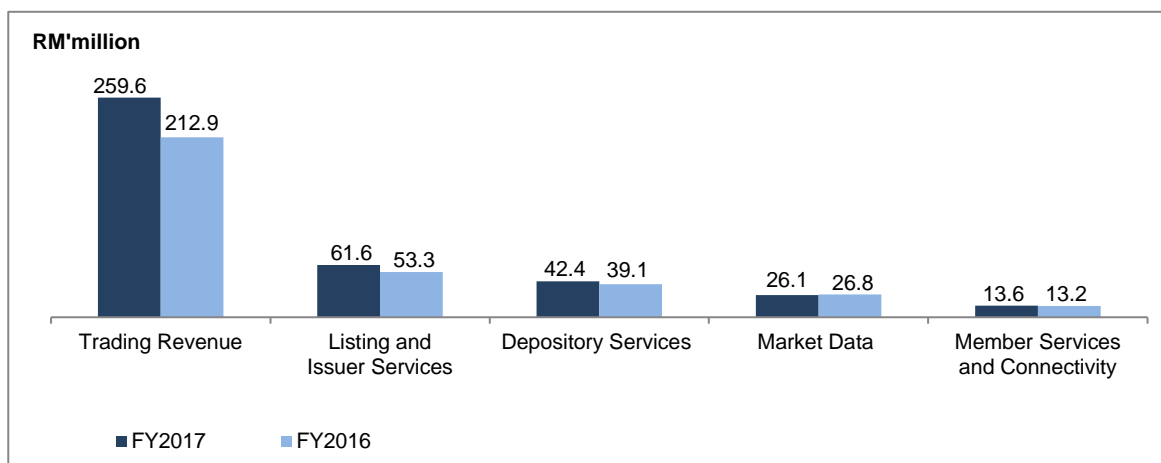
Total comprehensive income for FY2017 was RM259.3 million, an increase of 3.0 per cent compared to RM251.7 million in FY2016 as a result of higher profit in FY2017 compared to FY2016. This was partially offset by the impact of fair value changes of quoted shares.

Securities Market

The Securities Market recorded a segment profit of RM326.6 million in FY2017, an increase of 21.2 per cent compared to RM269.4 million in FY2016 as a result of higher trading revenue, listing and issuer services, and depository services.

(i) Operating Revenue

The Securities Market operating revenue for FY2017 was RM403.3 million, representing an increase of 16.8 per cent from RM345.3 million in FY2016. The details by revenue category are shown in the chart below:



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

22. OPERATING SEGMENTS REVIEW (CONT'D.)

(b) FY2017 vs. FY2016 (Cont'd.)

Securities Market (Cont'd.)

(i) Operating Revenue (Cont'd.)

- > Trading revenue increased by 21.9 per cent to RM259.6 million in FY2017 resulting from higher ADV for OMT and DBT of RM2.53 billion compared to RM1.97 billion in FY2016.
- > Listing and issuer services revenue increased by 15.5 per cent to RM61.6 million in FY2017. The increase was mainly due to higher initial and additional listing fees earned as a result of higher number of IPOs and new structured warrants listed in FY2017, as well as perusal and processing fees earned from higher number of corporate exercises in FY2017.
- > Depository services revenue increased by 8.6 per cent to RM42.4 million in FY2017, mainly due to higher public issue fees earned from larger IPOs, and higher CDS custody fees earned.

Key operating drivers in the Securities Market are as follows:

		FY2017	FY2016	Changes (%)
FBMKLCI	(points)	1,796.81	1,641.73	9.4
ADV (OMT and DBT)	(RM'billion)	2.53	1.97	28.4
Average daily trading volume (OMT and DBT)	(billion shares)	2.64	1.76	50.0
Effective clearing fee rate	(basis points)	2.30	2.33	(1.3)
Velocity	(per cent)	32	27	18.5
Number of IPOs		13	11	18.2
Number of new structured warrants listed		911	731	24.6
Total funds raised:				
- IPOs	(RM'billion)	7.41	0.65	1,040.0
- Secondary issues	(RM'billion)	14.51	12.18	19.1
Market capitalisation as at end of period	(RM'billion)	1,906.84	1,667.37	14.4
Number of trading days		243	246	(1.2)

(ii) Operating Expenses

Segment expenses marginally increased by 1.3 per cent to RM90.2 million in FY2017.

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

22. OPERATING SEGMENTS REVIEW (CONT'D.)

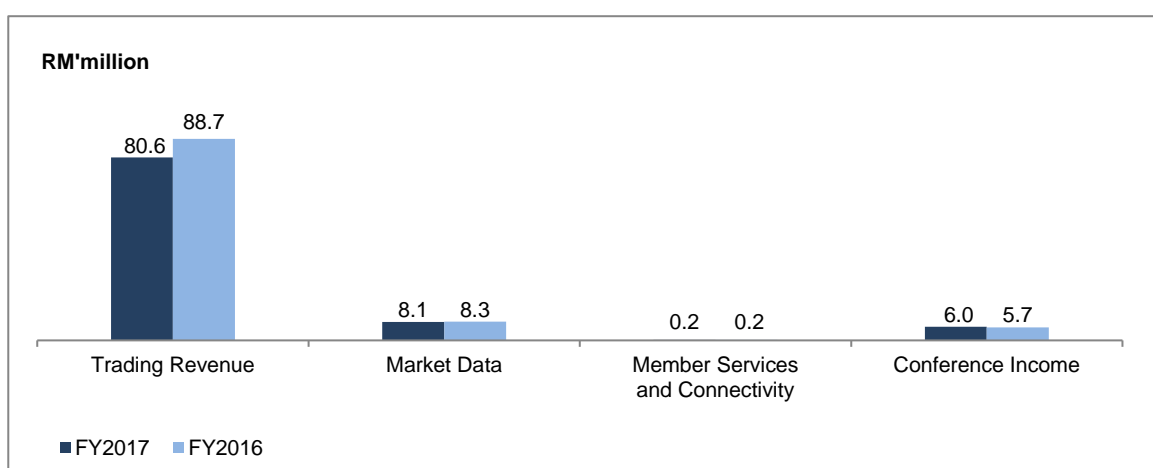
(b) FY2017 vs. FY2016 (Cont'd.)

Derivatives Market

The Derivatives Market recorded a segment profit of RM48.3 million in FY2017, a decrease of 17.3 per cent compared to RM58.4 million in FY2016, which was mainly due to lower trading revenue.

(i) Operating Revenue

The Derivatives Market operating revenue of RM94.9 million in FY2017, representing a decrease of 7.8 per cent compared to RM102.9 million in FY2016. The details by revenue category are shown in the chart below:



- > Trading revenue decreased by 9.2 per cent to RM80.6 million in FY2017 as a result of lower number of contracts traded and guarantee fees earned due to revision in guarantee fee rate. 14.01 million contracts were traded in FY2017 compared to 14.23 million contracts in FY2016.

Key operating drivers in the Derivatives Market are as follows:

		FY2017	FY2016	Changes (%)
FCPO contracts	(million)	11.92	11.42	4.4
FKLI contracts	(million)	2.03	2.75	(26.2)
Other contracts	(million)	0.06	0.06	-
Total	(million)	14.01	14.23	(1.5)
Average daily number of contracts traded		57,677	57,829	(0.3)
Average number of open interest positions		261,279	267,345	(2.3)
Number of trading days		243	246	(1.2)

(ii) Operating Expenses

Segment expenses increased by 3.4 per cent to RM48.5 million in FY2017 mainly due to higher service fees incurred.

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

22. OPERATING SEGMENTS REVIEW (CONT'D.)

(b) FY2017 vs. FY2016 (Cont'd.)

Exchange Holding Company

The Exchange Holding Company recorded a segment loss of RM9.3 million in FY2017 from a segment profit of RM0.1 million in FY2016 mainly due to higher staff costs and certain operating costs incurred.

Others

This segment is made up of BSAS business, bonds trading and offshore exchange. The segment profit decreased by 7.2 per cent to RM10.2 million in FY2017 mainly due to lower BSAS trading revenue earned.

Overheads

Overheads increased by 2.3 per cent to RM69.9 million mainly due to higher staff costs.

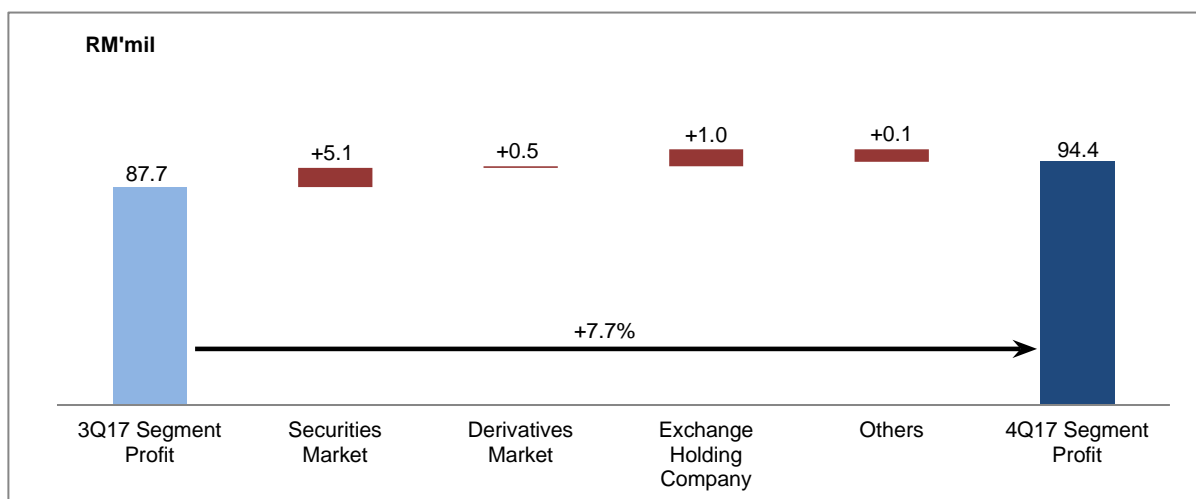
**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET
LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

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

Financial Results	Quarter Ended		Changes %
	31.12.2017 RM'000	30.9.2017 RM'000	
Operating revenue	130,022	122,626	6.0
Other income	11,181	7,647	46.2
	141,203	130,273	8.4
Staff costs	(37,295)	(31,773)	17.4
Depreciation and amortisation	(5,783)	(5,932)	(2.5)
Other operating expenses	(23,365)	(21,360)	9.4
Profit from operations	74,760	71,208	5.0
Finance costs	(134)	(134)	-
Profit before tax	74,626	71,074	5.0

PBT for 4Q17 was RM74.6 million, an increase of 5.0 per cent from RM71.1 million in the third quarter ended 30 September 2017 ("3Q17"). PBT is made up of segment profits less overheads.

Total segment profit for 4Q17 was RM94.4 million, an increase of 7.7 per cent from RM87.7 million in 3Q17. The quarter on quarter movements in the segment profits are depicted in the graph below:



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

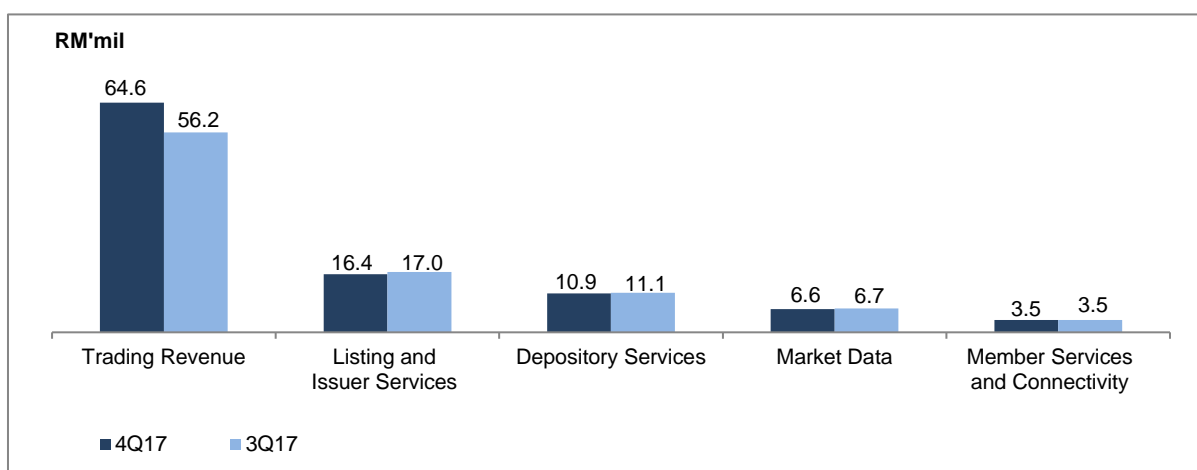
23. MATERIAL CHANGE IN PERFORMANCE OF OPERATING SEGMENTS OF CURRENT QUARTER COMPARED WITH IMMEDIATE PRECEDING QUARTER (CONT'D.)

Securities Market

The Securities Market recorded a segment profit of RM81.0 million in 4Q17, an increase of 6.7 per cent compared to RM75.9 million in 3Q17. The increase was mainly from higher trading revenue earned.

(i) Operating Revenue

The Securities Market operating revenue for 4Q17 was RM101.9 million, representing an increase of 7.8 per cent compared to RM94.5 million in 3Q17. The details by revenue category are shown in the chart below:



- > Trading revenue increased by 14.8 per cent to RM64.6 million in 4Q17 due to a higher ADV for OMT and DBT of RM2.62 billion in 4Q17 compared to RM2.16 billion in 3Q17.

Key operating drivers in the Securities Market are as follows:

		4Q17	3Q17	Changes (%)
FBMKLCI	(points)	1,796.81	1,755.58	2.3
ADV (OMT and DBT)	(RM'billion)	2.62	2.16	21.3
Average daily trading volume (OMT and DBT)	(billion shares)	2.66	2.08	27.9
Effective clearing fee rate	(basis points)	2.19	2.35	(6.8)
Velocity	(per cent)	31	26	19.2
Number of IPOs		3	2	50.0
Number of new structured warrants listed		234	278	(15.8)
Total funds raised:				
- IPOs	(RM'billion)	0.04	3.85	(99.0)
- Secondary issues	(RM'billion)	4.24	5.61	(24.4)
Market capitalisation as at end of period	(RM'billion)	1,906.84	1,845.49	3.3
Number of trading days		62	61	1.6

(ii) Operating Expenses

Segment expenses increased by 10.0 per cent to RM24.2 million in 4Q17 mainly due to higher staff costs.

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

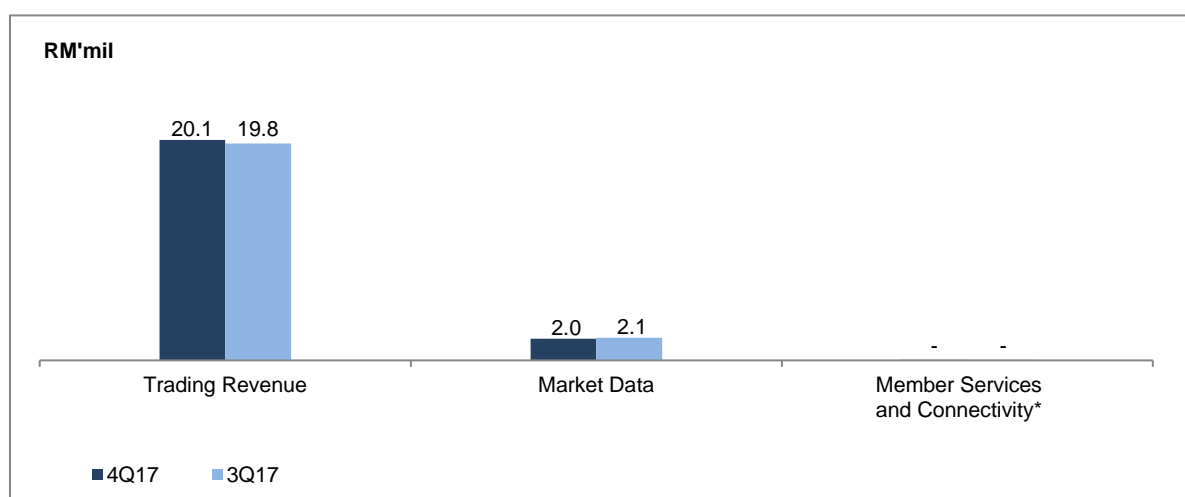
**23. MATERIAL CHANGE IN PERFORMANCE OF OPERATING SEGMENTS OF CURRENT QUARTER
COMPARED WITH IMMEDIATE PRECEDING QUARTER (CONT'D.)**

Derivatives Market

The Derivatives Market recorded a segment profit of RM11.7 million for 4Q17, an increase of 4.3 per cent from RM11.2 million in 3Q17 mainly due to higher trading revenue.

(i) Operating Revenue

The Derivatives Market operating revenue of RM22.1 million in 4Q17, representing an increase of 1.0 per cent from RM21.9 million in 3Q17. The details by revenue category are as shown in the chart below:



*Member services and connectivity is below RM0.1 million in both 4Q17 and 3Q17.

Key operating drivers in the Derivatives Market are as follows:

		4Q17	3Q17	Changes (%)
FCPO contracts	(million)	2.88	2.98	(3.4)
FKLI contracts	(million)	0.47	0.47	-
Other contracts	(million)	0.02	0.02	-
Total	(million)	3.37	3.47	(2.9)
Average daily number of contracts traded		54,348	56,848	(4.4)
Average number of open interest positions		284,822	257,626	10.6
Number of trading days		62	61	1.6

(ii) Operating Expenses

Segment expenses decreased by 2.6 per cent to RM10.8 million.

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

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

Exchange Holding Company

The Exchange Holding Company recorded a lower segmental loss of RM0.9 million in 4Q17 compared to RM1.9 million in 3Q17 mainly due to higher dividend income earned in 4Q17.

Others

This segment is made up of BSAS business, bonds trading and offshore exchange. The segment profits increased by 5.3 per cent to RM2.6 million in 4Q17.

Overheads

Overheads increased by 19.2 per cent to RM19.8 million mainly due to higher staff costs.

24. COMMENTARY ON PROSPECTS AND TARGETS

The International Monetary Fund (“IMF”), in its January 2018 report, projected a higher global growth of 3.9% in 2018 compared to its previous forecast of 3.7%. For Malaysia’s economic growth in 2018, IMF expects the Gross Domestic Product (“GDP”) to grow at 5.0% - 5.5% from the earlier estimated growth of 4.8%, whilst the World Bank has projected Malaysia’s GDP to grow at 5.2% in 2018 from the earlier estimated growth of 4.9%. Although Bank Negara Malaysia has yet to announce the economic growth projection for 2018, on 25 January 2018, the Overnight Policy Rate was increased by 25 basis points to 3.25%.

The Securities Market segment is expected to remain resilient, given the recent economic data and equity market performance, strengthening of the Ringgit and expected positive corporate earnings. Trading volatilities however, may be influenced by local and external factors, such as geopolitical developments and the tightening of monetary policies in major economies in 2018. In the Derivatives Market, volatility in commodity prices and the underlying equity market will continue to affect hedging and trading activities of the FCPO and FKLI contracts. On the Islamic Capital Market front, the introduction of Islamic Securities Selling and Buying - Negotiated Transaction, the world’s first Shariah-compliant alternative to Securities Borrowing and Lending, will complement the efforts to promote Shariah-compliant investing on Bursa Malaysia-*i* platform as well as to add vibrancy to the market. Bursa Suq Al-Sila’, on the other hand, will continue its reach into new regions in 2018.

The introduction of the stamp duty exemption for exchange-traded funds and structured warrants effective from 1 January 2018, is expected to enhance trading and vibrancy in the equity market. Bursa Malaysia will continue with its initiatives to enhance the breadth and depth of the ecosystem, amongst others, through the digitalisation of services, liberalisation of rules framework and greater diversification of the investor base to ensure that the Malaysian equity and derivatives markets are attractive and vibrant.

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

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

25. INCOME TAX EXPENSE

	Quarter Ended			Year Ended		
	31.12.2017 RM'000	31.12.2016 RM'000	Changes %	31.12.2017 RM'000	31.12.2016 RM'000	Changes %
Income tax:						
Current provision	20,087	18,236	10.2	78,251	70,766	10.6
(Over)/Under provision of tax in prior years	(388)	-	-	577	(198)	(391.4)
	19,699	18,236	8.0	78,828	70,568	11.7
Deferred tax:						
Relating to origination and reversal of temporary differences	(2,348)	(1,668)	40.8	(3,076)	(2,580)	19.2
Overprovision of tax in prior years	-	-	-	(78)	(59)	32.2
	(2,348)	(1,668)	40.8	(3,154)	(2,639)	19.5
Total income tax expense	17,351	16,568	4.7	75,674	67,929	11.4

Income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated assessable profit for the period.

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

26. TRADE RECEIVABLES

	As at 31.12.2017 RM'000
Trade receivables	48,398
Less: Allowance for impairment loss	(1,180)
	47,218

The ageing analysis of the Group's trade receivables as at 31 December 2017 is as follows:

	As at 31.12.2017 RM'000
Neither past due nor impaired	39,398
Past due not impaired:	
< 30 days	3,293
31 - 60 days	1,904
61 - 90 days	505
91 - 180 days	1,181
> 181 days	1,533
Impaired	584
Gross trade receivables	48,398
Less: Allowance for impairment loss	(1,180)
	47,218

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

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

27. CORPORATE PROPOSALS

On 27 November 2017, the Company announced the following:

- (i) Proposed bonus issue of up to 269,834,150 new bonus shares to be capitalised as fully paid-up on the basis of one (1) bonus share for every two (2) existing shares of the Company held on the entitlement date that will be determined later; and
- (ii) Proposed establishment and implementation of a new Employees' Share Grant Plan ("ESGP") of up to four percent (4%) of the issued share capital of the Company (excluding treasury shares) at any point in time during the tenure of the proposed ESGP.

The completion of the above proposals are subject to the approval of the shareholders at the forthcoming Extraordinary General Meeting.

28. BORROWINGS AND DEBT SECURITIES

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

29. CHANGES IN MATERIAL LITIGATION

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

30. DECLARED DIVIDEND

On 5 February 2018, the Board of Directors approved and declared a second interim dividend of 18.5 sen per share under the single-tier system in respect of the financial year ended 31 December 2017, amounting to RM99,438,000.

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

31. EARNINGS PER SHARE ("EPS")

(a) Basic EPS

	Quarter Ended		Year Ended	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Profit attributable to the owners of the Company (RM'000)	55,270	50,167	223,040	193,621
Weighted average number of ordinary shares in issue ('000)	537,501	536,272	536,920	535,550
Basic EPS (sen)	10.3	9.4	41.5	36.2

(b) Diluted EPS

	Quarter Ended		Year Ended	
	31.12.2017	31.12.2016	31.12.2017	31.12.2016
Profit attributable to owners of the Company (RM'000)	55,270	50,167	223,040	193,621
Weighted average number of ordinary shares in issue ('000)	537,501	536,272	536,920	535,550
Effect of dilution of share grants ('000)	1,734	2,349	1,721	2,509
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	539,235	538,621	538,641	538,059
Diluted EPS (sen)	10.2	9.3	41.4	36.0

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

Net Assets Per Share ("NAPS") as at 31 December 2017 was RM1.58, a decrease of 2.5% compared to NAPS of RM1.62 as at 31 December 2016 as a result of issuance of new ordinary shares pursuant to the SGP and dividends paid in FY2017.

33. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements for the financial year ended 31 December 2016 was unmodified.

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

34. REVIEW BY EXTERNAL AUDITORS

The Board of Directors ("Board") had engaged the external auditors to review and report on the Condensed Report of Bursa Malaysia Berhad for the quarter and year ended 31 December 2017 in accordance with the International Standard on Review Engagements 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*".

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

35. AUTHORISED FOR ISSUE

The Condensed Report was authorised for issue by the Board in accordance with a resolution of the Directors on 5 February 2018.