



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

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2019

30 January 2020

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2019**

	Note	Quarter Ended			Year Ended		
		31.12.2019	31.12.2018	Changes	31.12.2019	31.12.2018	Changes
		RM'000	RM'000	%	RM'000	RM'000	%
		(Reviewed)	(Reviewed)		(Audited)	(Audited)	
Operating revenue	8	122,659	121,027	1.3	480,135	523,291	(8.2)
Other income	9	6,671	7,889	(15.4)	22,354	26,713	(16.3)
		129,330	128,916	0.3	502,489	550,004	(8.6)
Staff costs		(32,291)	(28,874)	11.8	(133,717)	(135,293)	(1.2)
Depreciation and amortisation		(5,390)	(5,424)	(0.6)	(20,776)	(21,970)	(5.4)
Other operating expenses	10	(28,220)	(22,824)	23.6	(91,697)	(84,032)	9.1
Profit from operations		63,429	71,794	(11.7)	256,299	308,709	(17.0)
Finance costs		(133)	(133)	-	(534)	(534)	-
Profit before tax		63,296	71,661	(11.7)	255,765	308,175	(17.0)
Income tax expense	26	(17,739)	(18,023)	(1.6)	(66,207)	(77,561)	(14.6)
Profit for the period/year		45,557	53,638	(15.1)	189,558	230,614	(17.8)
Profit attributable to:							
Owners of the Company		45,557	51,855	(12.1)	185,855	224,042	(17.0)
Non-controlling interest		-	1,783	(100.0)	3,703	6,572	(43.7)
		45,557	53,638	(15.1)	189,558	230,614	(17.8)

	Note	Quarter Ended		Year Ended	
		31.12.2019	31.12.2018	31.12.2019	31.12.2018
		Sen per share	Sen per share	Sen per share	Sen per share
		(Reviewed)	(Reviewed)	(Audited)	(Audited)
Earnings per share ("EPS") attributable to owners of the Company:					
Basic EPS	32(a)	5.6	6.4	23.0	27.8
Diluted EPS	32(b)	5.6	6.4	23.0	27.7

The above condensed consolidated statement of profit or loss should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to these interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2019**

	Quarter Ended			Year Ended		
	31.12.2019 RM'000 (Reviewed)	31.12.2018 RM'000 (Reviewed)	Changes %	31.12.2019 RM'000 (Audited)	31.12.2018 RM'000 (Audited)	Changes %
Profit for the period/year	45,557	53,638	(15.1)	189,558	230,614	(17.8)
Other comprehensive income:						
Items that may be subsequently reclassified to profit or loss:						
(Loss)/Gain on foreign currency translation	(80)	1	(8,100.0)	(39)	74	(152.7)
Net fair value changes in unquoted bonds at fair value through other comprehensive income ("FVTOCI")	(120)	29	(513.8)	830	21	3,852.4
Income tax effects relating to unquoted bonds at FVTOCI	25	(5)	(600.0)	(204)	(23)	787.0
	(175)	25	(800.0)	587	72	715.3
Items that will not be subsequently reclassified to profit or loss:						
Actuarial (loss)/gain on defined benefit obligations	(819)	246	(432.9)	(819)	246	(432.9)
Net fair value changes in quoted shares at FVTOCI	(17,659)	28,421	(162.1)	22,774	71,187	(68.0)
Income tax effects relating to actuarial loss/(gain) on defined benefit obligations	197	(59)	(433.9)	197	(59)	(433.9)
	(18,281)	28,608	(163.9)	22,152	71,374	(69.0)
Total other comprehensive income, net of income tax	(18,456)	28,633	(164.5)	22,739	71,446	(68.2)
Total comprehensive income	27,101	82,271	(67.1)	212,297	302,060	(29.7)
Total comprehensive income attributable to:						
Owners of the Company	27,101	80,488	(66.3)	208,594	295,488	(29.4)
Non-controlling interest	-	1,783	(100.0)	3,703	6,572	(43.7)
	27,101	82,271	(67.1)	212,297	302,060	(29.7)

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 2018 and the accompanying explanatory notes attached to these interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2019

Note	As at 31.12.2019 RM'000 (Audited)	As at 31.12.2018 RM'000 (Audited)
Assets		
	166,950	171,424
Property, plant and equipment		
	39,942	40,347
Computer software		
	8,185	8,296
Right-of-use assets		
	42,957	42,957
Goodwill		
	197,558	338,140
Investment securities		
	1,790	2,287
Staff loans receivable		
	9,504	7,455
Deferred tax assets		
Non-current assets	466,886	610,906
Trade receivables	27 42,260	38,600
Other receivables	18,014	18,572
Tax recoverable	6,966	2,961
Investment securities	10,052	34,935
Cash for equity margins, derivatives trading margins, security deposits and eDividend distributions	13 1,395,899	1,375,995
Cash and bank balances of Clearing Funds	14 129,204	129,806
Cash and bank balances of the Group	15 251,759	222,785
Current assets	1,854,154	1,823,654
Total assets	2,321,040	2,434,560
Equity and liabilities		
	430,395	424,142
Share capital		
	150,044	251,311
Other reserves		
	180,326	199,705
Retained earnings		
Equity attributable to owners of the Company	760,765	875,158
Non-controlling interest	-	12,291
Total equity	760,765	887,449
Retirement benefit obligations	17,945	18,082
Deferred income	3,050	2,805
Lease liabilities	7,461	7,466
Deferred tax liabilities	1,043	1,388
Non-current liabilities	29,499	29,741
Trade payables	13 1,395,877	1,375,955
Participants' contributions to Clearing Funds	14 39,204	39,806
Other payables	93,506	97,498
Lease liabilities	505	505
Tax payable	1,684	3,606
Current liabilities	1,530,776	1,517,370
Total liabilities	1,560,275	1,547,111
Total equity and liabilities	2,321,040	2,434,560
	RM	RM
Net assets per share attributable to owners of the Company	33 0.94	1.08

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 2018 and the accompanying explanatory notes attached to these interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2019**

	← Attributable to owners of the Company →								
	← Non-distributable →				Distributable				
(Audited)	Share capital RM'000	Foreign currency translation reserve RM'000	Share grant reserve RM'000	Clearing fund reserves RM'000	FVTOCI reserve RM'000	Retained earnings RM'000	Total RM'000	Non- controlling interest RM'000	Total equity RM'000
At 1 January 2019	424,142	605	6,963	30,000	213,743	199,705	875,158	12,291	887,449
Profit for the year	-	-	-	-	-	185,855	185,855	3,703	189,558
Other comprehensive income, net of income tax	-	(39)	-	-	23,400	(622)	22,739	-	22,739
Total comprehensive income	-	(39)	-	-	23,400	185,233	208,594	3,703	212,297
Transactions with owners:									
Issuance of ordinary shares pursuant to share grant plan ("SGP")	6,253	-	(6,253)	-	-	-	-	-	-
SGP expense	-	-	3,423	-	-	-	3,423	-	3,423
Dividends paid to owners of the Company (Note 7)	-	-	-	-	-	(177,751)	(177,751)	-	(177,751)
Acquisition of non-controlling interest (Note 22(a))	-	-	-	-	-	(148,659)	(148,659)	(15,994)	(164,653)
Total transactions with owners	6,253	-	(2,830)	-	-	(326,410)	(322,987)	(15,994)	(338,981)
Transfer of gain on disposal of quoted shares at FVTOCI (Note 22(b))	-	-	-	-	(121,798)	121,798	-	-	-
At 31 December 2019	430,395	566	4,133	30,000	115,345	180,326	760,765	-	760,765
At 1 January 2018	402,169	531	6,849	30,000	142,558	267,881	849,988	12,469	862,457
Profit for the year	-	-	-	-	-	224,042	224,042	6,572	230,614
Other comprehensive income, net of income tax	-	74	-	-	71,185	187	71,446	-	71,446
Total comprehensive income	-	74	-	-	71,185	224,229	295,488	6,572	302,060
Transactions with owners:									
Issuance of ordinary shares pursuant to:									
- bonus issue	15,323	-	-	-	-	(15,323)	-	-	-
- SGP	6,650	-	(6,650)	-	-	-	-	-	-
SGP expense	-	-	6,764	-	-	-	6,764	-	6,764
Dividends paid to owners of the Company (Note 7)	-	-	-	-	-	(277,082)	(277,082)	-	(277,082)
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	(6,750)	(6,750)
Total transactions with owners	21,973	-	114	-	-	(292,405)	(270,318)	(6,750)	(277,068)
At 31 December 2018	424,142	605	6,963	30,000	213,743	199,705	875,158	12,291	887,449

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 2018 and the accompanying explanatory notes attached to these interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	Year Ended	
		31.12.2019 RM'000 (Audited)	31.12.2018 RM'000 (Audited)
Cash flows from operating activities			
Profit before tax		255,765	308,175
Adjustments for:			
(Accretion of discount)/Amortisation of premium, net		(2)	2
Depreciation and amortisation		20,776	21,970
Dividend income from investment securities	9	(4,281)	(4,960)
Grant income	9	(979)	(1,338)
Interest expense on lease liabilities		534	534
Interest and profit income	9	(15,587)	(18,313)
Lease of equipment		210	214
Net loss/(gain) on disposals of:			
- motor vehicles	9	269	(68)
- computer hardware	9	(46)	-
- investment securities	9	(104)	-
Net impairment loss/(reversal of impairment loss) on:			
- computer software	10	3,300	-
- investment securities	10	(89)	(104)
- trade and other receivables	10	605	429
Provision for short-term accumulating compensated unutilised leave		27	173
Retirement benefit obligations		842	989
SGP expense		3,423	6,764
Unrealised loss on foreign exchange differences		231	8
Operating profit before working capital changes		264,894	314,475
Decrease in receivables		169	2,162
Decrease in other payables		(1,854)	(16,799)
Cash generated from operations		263,209	299,838
Interest paid		(534)	(534)
Repayment of lease liabilities		(210)	(214)
Repayment of staff loans, net of disbursements		496	595
Retirement benefits paid		(1,798)	(4,521)
Net tax paid		(74,535)	(80,875)
Net cash from operating activities		186,628	214,289
Cash flows from investing activities			
Acquisition of non-controlling interest	22(a)	(164,653)	-
Dividends received		5,171	7,247
Increase in deposits not for short-term funding requirements		(11,443)	(31,750)
Interest and profit income received		15,398	19,502
Proceeds from disposals of:			
- investment securities		204,327	30,000
- motor vehicles and computer hardware		314	68
Purchases of:			
- investment securities		(19,967)	(24,910)
- property, plant and equipment and computer software		(20,448)	(12,959)
Net cash from/(used in) investing activities		8,699	(12,802)

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2019

	Note	Year Ended	
		31.12.2019 RM'000 (Audited)	31.12.2018 RM'000 (Audited)
Cash flows from financing activities			
Dividends paid to owners of the Company	7	(177,751)	(277,082)
Dividend paid by a subsidiary to non-controlling interest		-	(6,750)
Grant received		-	2,105
Repayment of lease liabilities		(5)	(4)
Net cash used in financing activities		(177,756)	(281,731)
Net increase/(decrease) in cash and cash equivalents		17,571	(80,244)
Effects of exchange rate changes		(40)	72
Cash and cash equivalents at beginning of year		167,960	248,132
Cash and cash equivalents at end of year	15	185,491	167,960

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 2018 and the accompanying explanatory notes attached to these interim financial statements.

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

1. BASIS OF PREPARATION

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

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

This Condensed Report should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018. The explanatory notes attached to the Condensed Report provide explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2018.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the Condensed Report are consistent with those adopted in the preparation of the Group's audited financial statements for the financial year ended 31 December 2018. As at the date of authorisation of this Condensed Report, the following Standards and amendments to Standards have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective. These pronouncements are either not relevant or do not have any material impact on the financial statements of the Group.

Standards issued but not yet effective

Effective for financial periods beginning on or after 1 January 2020

Amendments to MFRS 3 Business Combinations - *Definition of a Business*
Amendments to MFRS 7 Financial Instruments: Disclosures, MFRS 9 Financial Instruments and
MFRS 139 Financial Instruments: Recognition and Measurement - *Interest Rate Benchmark Reform*
Amendments to MFRS 101 Presentation of Financial Statements and MFRS 108 Accounting Policies,
Changes in Accounting Estimates and Errors - *Definition of Material*

Effective for financial periods beginning on or after 1 January 2021

MFRS 17 Insurance Contracts

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

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

3. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS

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

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

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter and year ended 31 December 2019 other than the change in composition of the Group arising from the acquisition of the non-controlling interest and the disposals of investment securities (i.e. shares quoted outside Malaysia) to finance the said acquisition as disclosed in Note 22.

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

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 2019.

6. DEBT AND EQUITY SECURITIES

There were no issuances, repurchases and repayments of debt and equity securities during the current quarter and year ended 31 December 2019 other than the issuance of 1,028,450 new ordinary shares of the Company on 11 July 2019, pursuant to the SGP. The details of the new issuance of ordinary shares are as follows:

SGP grants	Number of new ordinary shares			Issue price (RM per share)
	Employees	Former Chief Executive Officer ("CEO") (Note a)	Total	
(i) 2016 Restricted Share Plan ("RSP") grant (third tranche)	413,250	9,600	422,850	5.02
(ii) 2017 RSP grant (second tranche)	271,500	9,600	281,100	6.48
(iii) 2017 RSP grant (third tranche)	-	9,600	9,600	6.22
(iv) 2018 RSP grant (first tranche)	295,700	6,400	302,100	7.16
(v) 2018 RSP grant (second tranche)	-	6,400	6,400	6.89
(vi) 2018 RSP grant (third tranche)	-	6,400	6,400	6.62
Total	980,450	48,000	1,028,450	6.08*

* Representing the weighted average issue price per share.

(a) A total of 48,000 new ordinary shares were issued to the former CEO pursuant to the SGP.

7. DIVIDENDS PAID

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

	31.12.2019	31.12.2018
Interim/First interim and special dividends		
Interim/First interim dividend per share (single-tier)	10.4 sen	14.0 sen
Special dividend per share* (single-tier)	-	8.0 sen
Total interim/first interim and special dividends per share	10.4 sen	22.0 sen
For the financial year ended	31 December 2019	31 December 2018
Approved and declared on	1 August 2019	30 July 2018
Date paid	30 August 2019	29 August 2018
Number of ordinary shares on which dividends were paid ('000)	808,503	807,475
Net dividends paid (RM'000)	84,084	177,644
Second interim dividend		
Second interim dividend per share (single-tier)	11.6 sen	18.5 sen
For the financial year ended	31 December 2018	31 December 2017
Approved and declared on	30 January 2019	5 February 2018
Date paid	28 February 2019	5 March 2018
Number of ordinary shares on which dividend was paid ('000)	807,475	537,501
Net dividend paid (RM'000)	93,667	99,438

* The special dividend paid in the previous financial year was due to surplus cash in excess of the requirements of the Group.

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

8. OPERATING REVENUE

	Quarter Ended			Year Ended		
	31.12.2019 RM'000	31.12.2018 RM'000	Changes %	31.12.2019 RM'000	31.12.2018 RM'000	Changes %
Trade fees	5,841	5,980	(2.3)	23,409	28,968	(19.2)
Clearing fees	47,041	45,847	2.6	185,138	211,592	(12.5)
Others	6,321	6,253	1.1	24,293	25,249	(3.8)
Total Securities trading revenue	59,203	58,080	1.9	232,840	265,809	(12.4)
Trade fees	11,978	10,292	16.4	41,435	42,828	(3.3)
Clearing fees	5,414	4,353	24.4	18,168	17,238	5.4
Others	3,144	4,494	(30.0)	12,665	16,629	(23.8)
Total Derivatives trading revenue	20,536	19,139	7.3	72,268	76,695	(5.8)
Bursa Suq Al-Sila ("BSAS") trading fees	2,864	4,104	(30.2)	13,986	14,932	(6.3)
Listing and issuer services	14,326	14,908	(3.9)	54,018	60,112	(10.1)
Depository services	10,450	10,346	1.0	41,938	42,170	(0.6)
Market data	10,000	9,019	10.9	38,563	36,208	6.5
Member services and connectivity	5,280	5,431	(2.8)	21,499	21,835	(1.5)
Conference fees and exhibition-related income	-	-	-	5,023	5,530	(9.2)
Total other operating revenue	42,920	43,808	(2.0)	175,027	180,787	(3.2)
Total operating revenue	122,659	121,027	1.3	480,135	523,291	(8.2)

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		
	31.12.2019 RM'000	31.12.2018 RM'000	Changes %	31.12.2019 RM'000	31.12.2018 RM'000	Changes %	31.12.2019 RM'000	31.12.2018 RM'000	Changes %	31.12.2019 RM'000	31.12.2018 RM'000	Changes %	31.12.2019 RM'000	31.12.2018 RM'000	Changes %
Major products or services:															
Securities trading	59,203	58,080	1.9	-	-	-	-	-	-	-	-	-	59,203	58,080	1.9
Derivatives trading	-	-	-	20,536	19,139	7.3	-	-	-	-	-	-	20,536	19,139	7.3
BSAS trading	-	-	-	-	-	-	-	-	-	2,864	4,104	(30.2)	2,864	4,104	(30.2)
Listing and issuer services	14,292	14,877	(3.9)	-	-	-	-	-	-	34	31	9.7	14,326	14,908	(3.9)
Depository services	10,450	10,346	1.0	-	-	-	-	-	-	-	-	-	10,450	10,346	1.0
Market data	7,722	6,792	13.7	2,227	2,173	2.5	-	-	-	51	54	(5.6)	10,000	9,019	10.9
Member services and connectivity	3,317	3,377	(1.8)	45	38	18.4	1,880	1,993	(5.7)	38	23	65.2	5,280	5,431	(2.8)
	94,984	93,472	1.6	22,808	21,350	6.8	1,880	1,993	(5.7)	2,987	4,212	(29.1)	122,659	121,027	1.3
Timing of revenue recognition:															
At a point in time	79,574	78,109	1.9	21,460	20,107	6.7	-	-	-	2,903	4,127	(29.7)	103,937	102,343	1.6
Over time	15,410	15,363	0.3	1,348	1,243	8.4	1,880	1,993	(5.7)	84	85	(1.2)	18,722	18,684	0.2
	94,984	93,472	1.6	22,808	21,350	6.8	1,880	1,993	(5.7)	2,987	4,212	(29.1)	122,659	121,027	1.3

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

8. OPERATING REVENUE (CONT'D)

Disaggregation of revenue (cont'd)

OPERATING REVENUE FOR THE YEAR ENDED

	Securities Market			Derivatives Market			Exchange Holding Company			Others			Total		
	31.12.2019 RM'000	31.12.2018 RM'000	Changes %	31.12.2019 RM'000	31.12.2018 RM'000	Changes %	31.12.2019 RM'000	31.12.2018 RM'000	Changes %	31.12.2019 RM'000	31.12.2018 RM'000	Changes %	31.12.2019 RM'000	31.12.2018 RM'000	Changes %
Major products or services:															
Securities trading	232,840	265,809	(12.4)	-	-	-	-	-	-	-	-	-	232,840	265,809	(12.4)
Derivatives trading	-	-	-	72,268	76,695	(5.8)	-	-	-	-	-	-	72,268	76,695	(5.8)
BSAS trading	-	-	-	-	-	-	-	-	-	13,986	14,932	(6.3)	13,986	14,932	(6.3)
Listing and issuer services	53,892	59,980	(10.2)	-	-	-	-	-	-	126	132	(4.5)	54,018	60,112	(10.1)
Depository services	41,938	42,170	(0.6)	-	-	-	-	-	-	-	-	-	41,938	42,170	(0.6)
Market data	29,927	27,589	8.5	8,427	8,389	0.5	-	-	-	209	230	(9.1)	38,563	36,208	6.5
Member services and connectivity	13,650	13,917	(1.9)	261	155	68.4	7,462	7,652	(2.5)	126	111	13.5	21,499	21,835	(1.5)
Conference fees and exhibition-related income	-	-	-	5,023	5,530	(9.2)	-	-	-	-	-	-	5,023	5,530	(9.2)
	372,247	409,465	(9.1)	85,979	90,769	(5.3)	7,462	7,652	(2.5)	14,447	15,405	(6.2)	480,135	523,291	(8.2)
Timing of revenue recognition:															
At a point in time	313,974	349,438	(10.1)	81,015	86,180	(6.0)	-	-	-	14,121	15,072	(6.3)	409,110	450,690	(9.2)
Over time	58,273	60,027	(2.9)	4,964	4,589	8.2	7,462	7,652	(2.5)	326	333	(2.1)	71,025	72,601	(2.2)
	372,247	409,465	(9.1)	85,979	90,769	(5.3)	7,462	7,652	(2.5)	14,447	15,405	(6.2)	480,135	523,291	(8.2)

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

9. OTHER INCOME

	Quarter Ended			Year Ended		
	31.12.2019 RM'000	31.12.2018 RM'000	Changes %	31.12.2019 RM'000	31.12.2018 RM'000	Changes %
Interest and profit income from:						
- deposits and investment securities	3,765	4,061	(7.3)	15,501	18,202	(14.8)
- others	19	25	(24.0)	86	111	(22.5)
Dividend income	1,785	2,728	(34.6)	4,281	4,960	(13.7)
Grant income	516	700	(26.3)	979	1,338	(26.8)
Net gain/(loss) on disposal of:						
- motor vehicles (Note a)	9	-	-	(269)	68	(495.6)
- computer hardware	46	-	-	46	-	-
- investment securities	104	-	-	104	-	-
Rental income	342	319	7.2	1,311	1,278	2.6
Miscellaneous income	85	56	51.8	315	756	(58.3)
Total other income	6,671	7,889	(15.4)	22,354	26,713	(16.3)

(a) Included within net (loss)/gain on disposals of motor vehicles of the Group is a net loss of RM278,000 recognised on the disposals of motor vehicles to the former Chairman and former Chief Executive Officer of the Company during the year ended 31 December 2019.

10. OTHER OPERATING EXPENSES

	Quarter Ended			Year Ended		
	31.12.2019 RM'000	31.12.2018 RM'000	Changes %	31.12.2019 RM'000	31.12.2018 RM'000	Changes %
Administrative expenses	1,703	1,433	18.8	6,490	6,339	2.4
Building management expenses	3,186	2,898	9.9	11,261	10,522	7.0
Central Depository System ("CDS") consumables	495	399	24.1	1,979	2,422	(18.3)
Marketing and development expenses	4,460	4,280	4.2	14,908	12,007	24.2
Professional fees	1,612	2,476	(34.9)	3,506	4,765	(26.4)
Technology expenses:						
- information technology maintenance	4,836	4,125	17.2	19,944	18,325	8.8
- service fees	5,242	3,863	35.7	19,974	19,226	3.9
Net loss on foreign exchange differences	517	146	254.1	624	590	5.8
Net impairment loss/(reversal of impairment loss) on:						
- computer software	3,300	-	-	3,300	-	-
- investment securities	(35)	23	(252.2)	(89)	(104)	(14.4)
- trade and other receivables	19	67	(71.6)	605	429	41.0
Miscellaneous expenses	2,885	3,114	(7.4)	9,195	9,511	(3.3)
Total other operating expenses	28,220	22,824	23.6	91,697	84,032	9.1

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

11. SEGMENT INFORMATION

RESULTS FOR THE QUARTER ENDED

	Securities Market			Derivatives Market			Exchange Holding Company			Others			Total		
	31.12.2019 RM'000	31.12.2018 RM'000	Changes %	31.12.2019 RM'000	31.12.2018 RM'000	Changes %	31.12.2019 RM'000	31.12.2018 RM'000	Changes %	31.12.2019 RM'000	31.12.2018 RM'000	Changes %	31.12.2019 RM'000	31.12.2018 RM'000	Changes %
Operating revenue (Note 8)	94,984	93,472	1.6	22,808	21,350	6.8	1,880	1,993	(5.7)	2,987	4,212	(29.1)	122,659	121,027	1.3
Other income	2,920	3,256	(10.3)	545	431	26.5	3,151	4,143	(23.9)	55	59	(6.8)	6,671	7,889	(15.4)
Direct costs	(23,139)	(19,954)	16.0	(11,811)	(10,341)	14.2	(10,469)	(6,228)	68.1	(2,210)	(2,081)	6.2	(47,629)	(38,604)	23.4
Segment profit/(loss)	74,765	76,774	(2.6)	11,542	11,440	0.9	(5,438)	(92)	5,810.9	832	2,190	(62.0)	81,701	90,312	(9.5)
Overheads													(18,405)	(18,651)	(1.3)
Profit before tax													63,296	71,661	(11.7)

RESULTS FOR THE YEAR ENDED

	Securities Market			Derivatives Market			Exchange Holding Company			Others			Total		
	31.12.2019 RM'000	31.12.2018 RM'000	Changes %	31.12.2019 RM'000	31.12.2018 RM'000	Changes %	31.12.2019 RM'000	31.12.2018 RM'000	Changes %	31.12.2019 RM'000	31.12.2018 RM'000	Changes %	31.12.2019 RM'000	31.12.2018 RM'000	Changes %
Operating revenue (Note 8)	372,247	409,465	(9.1)	85,979	90,769	(5.3)	7,462	7,652	(2.5)	14,447	15,405	(6.2)	480,135	523,291	(8.2)
Other income	12,315	13,927	(11.6)	2,031	1,845	10.1	7,813	10,694	(26.9)	195	247	(21.1)	22,354	26,713	(16.3)
Direct costs	(88,851)	(87,623)	1.4	(48,594)	(46,813)	3.8	(31,029)	(30,740)	0.9	(7,133)	(6,843)	4.2	(175,607)	(172,019)	2.1
Segment profit/(loss)	295,711	335,769	(11.9)	39,416	45,801	(13.9)	(15,754)	(12,394)	27.1	7,509	8,809	(14.8)	326,882	377,985	(13.5)
Overheads													(71,117)	(69,810)	1.9
Profit before tax													255,765	308,175	(17.0)

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

11. SEGMENT INFORMATION (CONT'D)

	Securities Market RM'000	Derivatives Market RM'000	Exchange Holding Company RM'000	Others RM'000	Total RM'000
ASSETS AND LIABILITIES AS AT 31 DECEMBER 2019					
Assets	360,148	115,025	280,351	23,943	779,467
Clearing Funds	103,920	25,284	-	-	129,204
Cash for equity margins, derivatives trading margins, security deposits and eDividend distributions	117,341	1,278,558	-	-	1,395,899
Segment assets	581,409	1,418,867	280,351	23,943	2,304,570
Unallocated corporate assets	-	-	-	-	16,470
Total assets	581,409	1,418,867	280,351	23,943	2,321,040
Liabilities	38,484	13,682	55,525	14,754	122,445
Participants' contributions to Clearing Funds	18,920	20,284	-	-	39,204
Equity margins, derivatives trading margins, security deposits and eDividend distributions	117,341	1,278,558	-	-	1,395,899
Segment liabilities	174,745	1,312,524	55,525	14,754	1,557,548
Unallocated corporate liabilities	-	-	-	-	2,727
Total liabilities	174,745	1,312,524	55,525	14,754	1,560,275

ASSETS AND LIABILITIES AS AT 31 DECEMBER 2018					
Assets	370,088	93,534	428,587	26,134	918,343
Clearing Funds	103,768	26,038	-	-	129,806
Cash for equity margins, derivatives trading margins, security deposits and eDividend distributions	125,425	1,250,570	-	-	1,375,995
Segment assets	599,281	1,370,142	428,587	26,134	2,424,144
Unallocated corporate assets	-	-	-	-	10,416
Total assets	599,281	1,370,142	428,587	26,134	2,434,560
Liabilities	33,168	12,749	64,775	15,624	126,316
Participants' contributions to Clearing Funds	18,768	21,038	-	-	39,806
Equity margins, derivatives trading margins, security deposits and eDividend distributions	125,425	1,250,570	-	-	1,375,995
Segment liabilities	177,361	1,284,357	64,775	15,624	1,542,117
Unallocated corporate liabilities	-	-	-	-	4,994
Total liabilities	177,361	1,284,357	64,775	15,624	1,547,111

12. RELATED PARTY DISCLOSURES

All related party transactions and balances within the Group had been entered into in the normal course of business and were carried out on normal commercial terms except for the disposals of motor vehicles to the former Chairman and former CEO of the Company as disclosed in Note 9(a).

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

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

	As at 31.12.2019 RM'000	As at 31.12.2018 RM'000
Equity margins	117,319	125,385
Derivatives trading margins	1,253,993	1,223,643
Security deposits from Clearing Participants ("CPs") of Bursa Malaysia Derivatives Clearing Berhad ("BMDC")	24,565	26,927
Total equity margins, derivatives trading margins and security deposits, representing trade payables	1,395,877	1,375,955
Cash received for eDividend distributions (included in other payables)	22	40
Total cash for equity margins, derivatives trading margins, security deposits and eDividend distributions	1,395,899	1,375,995

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

	As at 31.12.2019 RM'000	As at 31.12.2018 RM'000
Collaterals in the form of letters of credit for:		
- equity margins	9,900	9,900
- derivatives trading margins	520,578	592,919
- security deposits from CPs of BMDC	17,000	18,000
	547,478	620,819
Collaterals in the form of shares for derivatives trading margins	413	307
	547,891	621,126

14. CASH AND BANK BALANCES OF CLEARING FUNDS

	Participants' contributions RM'000	Cash set aside by the Group RM'000	Total RM'000
As at 31 December 2019			
Contributions from Trading Clearing Participants ("TCPs") of Bursa Malaysia Securities Clearing Sdn Bhd ("BMSC")	18,920	-	18,920
Contribution from BMSC	-	25,000	25,000
Additional cash resources from BMSC	-	60,000	60,000
Clearing Guarantee Fund ("CGF") balance	18,920	85,000	103,920
Contributions from CPs of BMDC	20,284	-	20,284
Contribution from BMDC	-	5,000	5,000
Derivatives Clearing Fund ("DCF") balance	20,284	5,000	25,284
Total cash and bank balances of Clearing Funds	39,204	90,000	129,204

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

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

	Participants' contributions RM'000	Cash set aside by the Group RM'000	Total RM'000
As at 31 December 2018			
Contributions from TCPs of BMSC	18,768	-	18,768
Contribution from BMSC	-	25,000	25,000
Additional cash resources from BMSC	-	60,000	60,000
CGF balance	18,768	85,000	103,768
Contributions from CPs of BMDC	21,038	-	21,038
Contribution from BMDC	-	5,000	5,000
DCF balance	21,038	5,000	26,038
Total cash and bank balances of Clearing Funds	39,806	90,000	129,806

15. CASH AND BANK BALANCES OF THE GROUP

	As at 31.12.2019 RM'000	As at 31.12.2018 RM'000
Cash and bank balances	4,874	3,678
Deposits for short-term funding requirements	180,617	164,282
Cash and cash equivalents	185,491	167,960
Deposits not for short-term funding requirements	66,268	54,825
Total cash and bank balances	251,759	222,785

16. CAPITAL COMMITMENTS

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

	As at 31.12.2019 RM'000	As at 31.12.2018 RM'000
Approved and contracted for:		
Computers and office automation	3,988	2,193
Office equipment and renovations	124	364
	4,112	2,557
Approved but not contracted for:		
Computers and office automation	1,323	2,851
Office equipment and renovations	1,313	-
	2,636	2,851

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

17. CONTINGENT ASSETS AND LIABILITIES

On 16 September 2019, CME Group Inc. ("CME Group") exercised its put option, which required the Company to acquire the remaining 25% equity interest (i.e. 12,500,000 ordinary shares) in Bursa Malaysia Derivatives Berhad ("BMD"). The total consideration for the said consideration was settled by the Company on 6 December 2019, as disclosed in Note 22(a).

As at 31 December 2019, there are no contingent assets and contingent liabilities.

18. CHANGES IN COMPOSITION OF THE GROUP

Other than the completion of the acquisition of the remaining 25% equity interest in BMD by the Company on 6 December 2019 as disclosed in Note 22(a), there were no other changes in the composition of the Group during the quarter and year ended 31 December 2019.

Upon the completion of the said acquisition, BMD is a wholly owned subsidiary of the Company.

19. OPERATING LEASE ARRANGEMENTS

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

	As at 31.12.2019 RM'000	As at 31.12.2018 RM'000
Not later than 1 year	1,012	950
Later than 1 year and not later than 5 years	458	1,187
Total future minimum lease receivables	1,470	2,137

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

20. FINANCIAL INSTRUMENTS

20.1 Classification

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

	As at 31.12.2019 RM'000	As at 31.12.2018 RM'000
Assets		
Financial assets at FVTOCI		
Investment securities:		
- quoted shares (outside Malaysia)	156,542	297,993
- unquoted bonds	51,068	70,159
	207,610	368,152
Financial assets at amortised cost		
Investment securities - commercial paper	-	4,923
Staff loans receivable	2,165	2,747
Trade receivables	42,260	38,600
Other receivables which are financial assets*	12,730	8,417
Cash for equity margins, derivatives trading margins, security deposits and eDividend distributions	1,395,899	1,375,995
Cash and bank balances of Clearing Funds	129,204	129,806
Cash and bank balances of the Group	251,759	222,785
	1,834,017	1,783,273
Total financial assets	2,041,627	2,151,425
Liabilities		
Financial liabilities at amortised cost		
Trade payables	1,395,877	1,375,955
Participants' contributions to Clearing Funds	39,204	39,806
Other payables which are financial liabilities**	29,524	25,708
Lease liabilities	7,966	7,971
Total financial liabilities	1,472,571	1,449,440

* 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 the amount due to the Securities Commission Malaysia and sundry payables.

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

20. FINANCIAL INSTRUMENTS (CONT'D)

20.2 Fair value

(a) Financial instruments that are carried at fair value

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

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

Shares quoted outside Malaysia are measured at Level 1. The fair value of quoted shares is determined directly by reference to the published market bid prices as at 31 December 2019 and 31 December 2018.

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

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

(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 2019 and 31 December 2018.

	Level 1 RM'000	Level 2 RM'000	Total RM'000
As at 31 December 2019			
Financial assets at FVTOCI:			
- quoted shares (outside Malaysia)	156,542	-	156,542
- unquoted bonds	-	51,068	51,068
	156,542	51,068	207,610
As at 31 December 2018			
Financial assets at FVTOCI:			
- quoted shares (outside Malaysia)	297,993	-	297,993
- unquoted bonds	-	70,159	70,159
	297,993	70,159	368,152

There were no transfers between Level 1 and Level 2 during the current quarter and year ended 31 December 2019.

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

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

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

21. EVENT AFTER THE REPORTING YEAR

There was no material event subsequent to the financial year ended 31 December 2019.

22. SIGNIFICANT EVENT DURING THE FINANCIAL YEAR

The following are the significant events during the financial year ended 31 December 2019:

(a) Acquisition of the remaining 25% equity interest in a subsidiary

On 16 September 2019, CME Group exercised its put option under the Shareholders Agreement entered into between Bursa Malaysia Berhad (the "Company"), BMD, CME Group Strategic Investments LLC ("CMEGSI") and CME Group on 30 November 2009 ("Shareholders Agreement"), which required the Company to acquire the 12,500,000 ordinary shares in BMD from CMEGSI at RM164,653,000 based on the considerations below:

- (i) the Put Option Price of RM162,471,000 for the acquisition of 12,500,000 ordinary shares, which represents the remaining 25% equity interest in BMD. This valuation was based on the pre-agreed valuation formula as defined in the Shareholders Agreement ("the Formula") which took into consideration the earnings before interest, taxes, depreciation and amortisation ("EBITDA") of BMD and its subsidiary, and the enterprise value over EBITDA multiple of 17.8 times which was derived based on 12 listed exchanges as prescribed in the Formula; and
- (ii) an additional sum of RM2,182,000 which was based on the 25% of the 70% of BMD's operating profit before tax for the second and third quarters of the financial year ended 31 December 2019 ("Additional Sum").

On 18 September 2019, the Board of Directors ("Board") of the Company approved the Put Option Price, while the Additional Sum was determined on 21 November 2019 after the finalisation of BMD's second and third quarters financial results. Subsequently, the total consideration of RM164,653,000 for the said acquisition was settled by the Company on 6 December 2019.

The Group accounted for these transactions as an equity transaction with the owners of the Company and derecognised the non-controlling interest of RM15,994,000 in accordance with the provisions of MFRS 10 *Consolidated Financial Statements*. The difference between the Put Option Price including the Additional Sum and the derecognised non-controlling interest of RM148,659,000 was offset against the retained earnings of the Group in the condensed consolidated statement of changes in equity.

(b) Disposal of investment securities - quoted shares (outside Malaysia)

During the current quarter and year ended 31 December 2019, the Group sold a portion of its investment in quoted shares accounted for at FVTOCI totaling 191,885 ordinary shares of CME Group Class A common stock at a cost of RM42,425,000 for RM164,223,000 and realised a gain on disposal of RM121,798,000. This disposal was undertaken to finance the acquisition of the remaining 25% equity interest in BMD from CMEGSI. Upon the disposal of these quoted shares, the Group had transferred the realised gain of RM121,798,000 from the FVTOCI reserve to retained earnings accordingly.

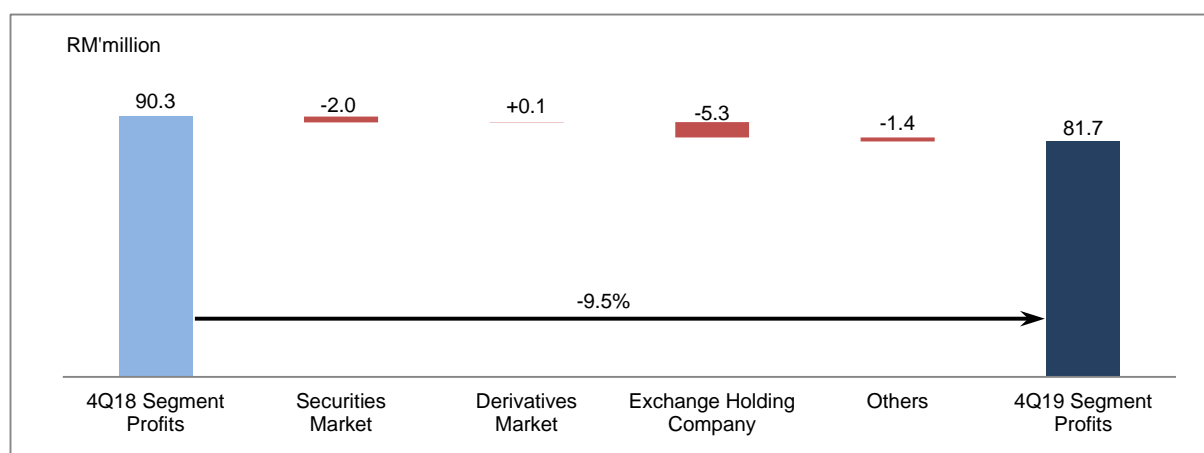
**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET
LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

23. OPERATING SEGMENTS REVIEW

(a) 4Q19 vs. 4Q18

Profit Before Tax ("PBT") for the quarter ended 31 December 2019 ("4Q19") was RM63.3 million, a decrease of 11.7 per cent compared to RM71.7 million in the quarter ended 31 December 2018 ("4Q18"). PBT is made up of segment profits less overheads (as depicted in Note 11).

Total segment profits for 4Q19 were RM81.7 million, a decrease of 9.5 per cent compared to RM90.3 million in 4Q18. Movements in the segment profits are shown in the chart below:



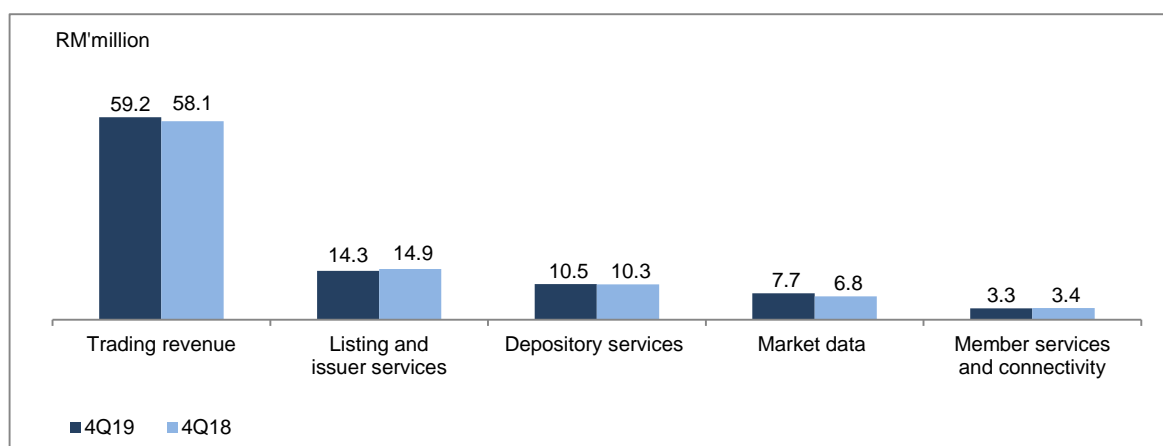
Total comprehensive income for 4Q19 was RM27.1 million, a decrease of 67.1 per cent compared to RM82.3 million in 4Q18. This was mainly due to the lower fair value of quoted shares (outside Malaysia) in 4Q19 compared to 4Q18.

Securities Market

The Securities Market recorded a segment profit of RM74.8 million in 4Q19, a decrease of 2.6 per cent compared to RM76.8 million in 4Q18 mainly due to higher operating expenses.

(i) Operating Revenue

The Securities Market's operating revenue for 4Q19 was RM95.0 million, an increase of 1.6 per cent compared to RM93.5 million in 4Q18. Details by revenue category are shown in the chart below:



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

23. OPERATING SEGMENTS REVIEW (CONT'D)

(a) 4Q19 vs. 4Q18 (cont'd)

Securities Market (cont'd)

(i) Operating Revenue (cont'd)

- > Trading revenue increased by 1.9 per cent to RM59.2 million in 4Q19 mainly due to higher Average Daily trading Value ("ADV") for On-Market Trades ("OMT") and Direct Business Trades ("DBT"), which increased by 0.5 per cent to RM2.05 billion in 4Q19 compared to RM2.04 billion in 4Q18.
- > Listing and issuer services revenue decreased by 3.9 per cent to RM14.3 million in 4Q19 mainly due to lower perusal and processing fees earned in 4Q19 resulting from lower number of corporate exercises and circular submissions.
- > Market data revenue increased by 13.7 per cent to RM7.7 million in 4Q19 driven by higher number of subscribers in 4Q19.

Key operating drivers of the Securities Market are as follows:

Key operating drivers	4Q19	4Q18	Changes (%)
FBMKLCI (points)	1,588.76	1,690.58	(6.0)
ADV (OMT and DBT) (RM'billion)	2.05	2.04	0.5
Average daily trading volume (OMT and DBT) (billion shares)	2.62	2.14	22.4
Effective clearing fee rate (basis points)	2.37	2.37	-
Velocity (per cent)	26	28	(2.0)
Number of Initial Public Offerings ("IPOs")	7	5	40.0
Number of new structured warrants listed	252	252	-
Total funds raised:			
- IPOs (RM'million)	295.70	85.33	246.5
- Secondary issues (RM'million)	2,028.00	3,972.87	(49.0)
Market capitalisation as at end of period (RM'billion)	1,711.84	1,700.37	0.7
Number of trading days	64	63	1 day

(ii) Operating Expenses

Segment expenses increased by 16.0 per cent to RM23.1 million in 4Q19 compared to RM19.9 million in 4Q18 mainly due to higher staff costs incurred in 4Q19.

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

23. OPERATING SEGMENTS REVIEW (CONT'D)

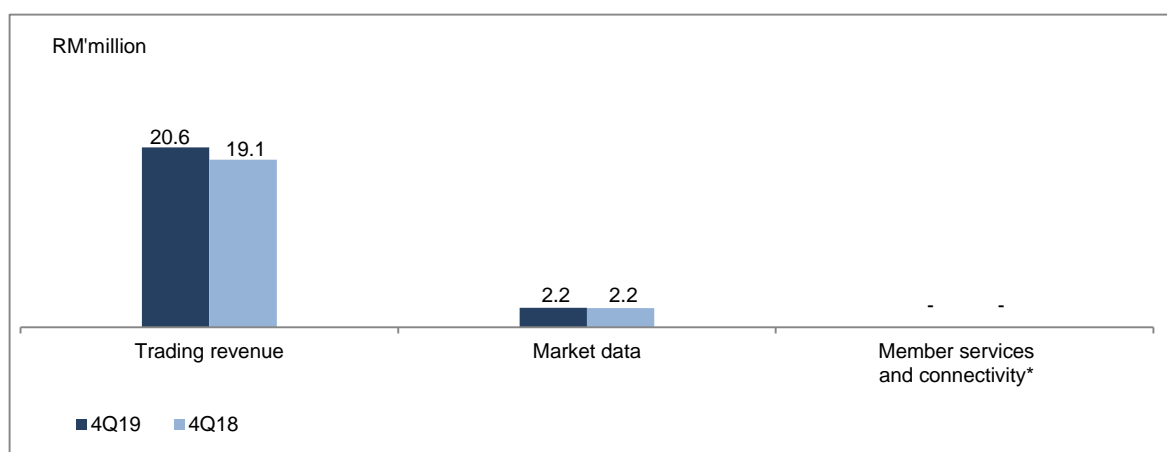
(a) 4Q19 vs. 4Q18 (cont'd)

Derivatives Market

The Derivatives Market recorded a segment profit of RM11.5 million in 4Q19, a marginal increase of 0.9 per cent from RM11.4 million in 4Q18.

(i) Operating Revenue

The Derivatives Market's operating revenue for 4Q19 was RM22.8 million, an increase of 6.8 per cent compared to RM21.3 million in 4Q18. Details by revenue category are shown in the chart below:



* Member services and connectivity fee income is below RM0.1 million for 4Q19 and 4Q18.

- > Trading revenue increased by 7.3 per cent to RM20.6 million in 4Q19 mainly due to higher number of Crude Palm Oil Futures ("FCPO") and FTSE Bursa Malaysia KLCI Futures ("FKLI") contracts traded in 4Q19 compared to 4Q18.

Key operating drivers of the Derivatives Market are as follows:

Key operating drivers	4Q19	4Q18	Changes (%)
FCPO contracts	3,234,258	2,615,444	23.7
FKLI contracts	647,972	622,468	4.1
US Dollar denominated Refined, Bleached and Deodorised Palm Olein Futures ("FPOL") contracts	45,371	283,703	(84.0)
Mini FTSE Bursa Malaysia Mid 70 Index Futures ("FM70") contracts	85,068	148,745	(42.8)
Other contracts	22,168	15,951	39.0
Total contracts	4,034,837	3,686,311	9.5
Average daily number of contracts traded	63,044	58,513	7.7
Average number of open interest positions	270,673	285,185	(5.1)
Number of trading days	64	63	1 day

(ii) Operating Expenses

Segment expenses increased by 14.2 per cent to RM11.8 million in 4Q19 compared to RM10.3 million in 4Q18 mainly due to higher service fees incurred from the higher number of contracts traded in 4Q19.

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

23. OPERATING SEGMENTS REVIEW (CONT'D)

(a) 4Q19 vs. 4Q18 (cont'd)

Exchange Holding Company

The Exchange Holding Company recorded a higher segment loss of RM5.4 million in 4Q19 compared to RM0.1 million in 4Q18 mainly due to the recognition of an impairment loss allowance on computer software of RM3.3 million in 4Q19.

Others

This segment is made up of BSAS, bonds and offshore exchange businesses. The segment profit decreased by 62.0 per cent to RM0.8 million in 4Q19 compared to RM2.2 million in 4Q18 mainly due to lower trading fees earned from BSAS trades in 4Q19.

Overheads

Overheads decreased marginally by 1.3 per cent to RM18.4 million in 4Q19 compared to RM18.6 million in 4Q18.

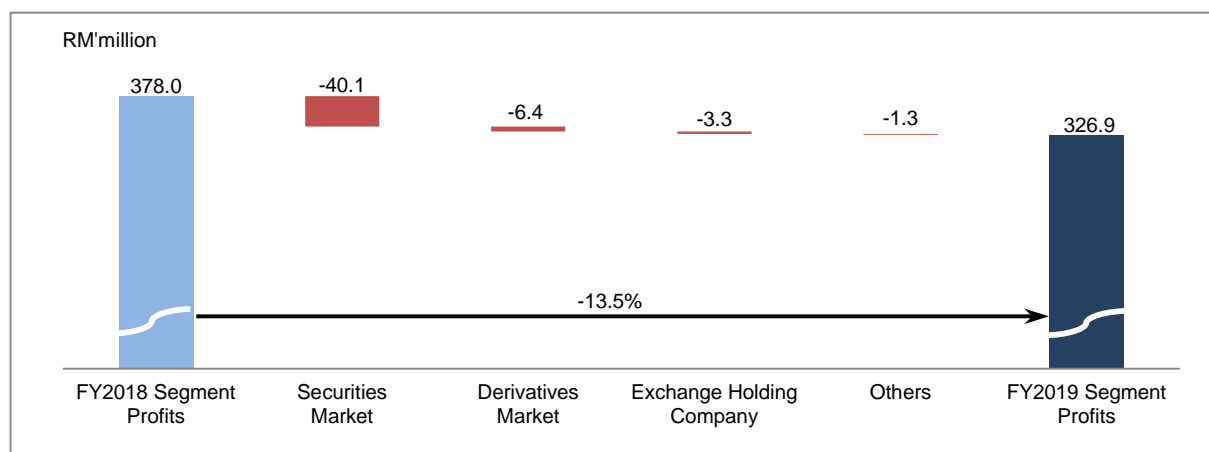
**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET
LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

23. OPERATING SEGMENTS REVIEW (CONT'D)

(b) FY2019 vs. FY2018

PBT for the year-to-date ended 31 December 2019 ("FY2019") was RM255.8 million, a decrease of 17.0 per cent from RM308.2 million in the year ended 31 December 2018 ("FY2018"). PBT is made up of segment profits less overheads (as depicted in Note 11).

Total segment profits for FY2019 were RM326.9 million, a decrease of 13.5 per cent from RM378.0 million in FY2018. Movements in the segment profits are shown in the chart below:



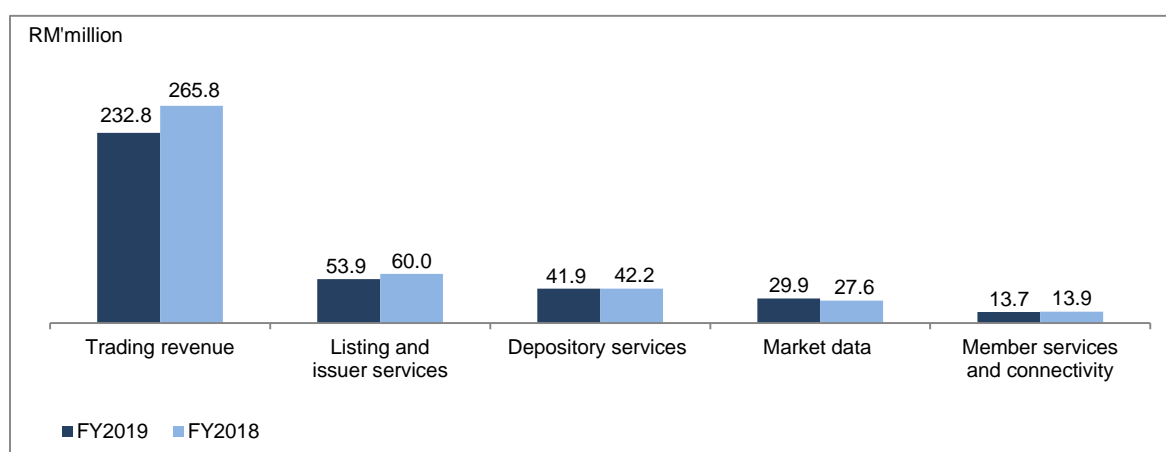
Total comprehensive income for FY2019 was RM212.3 million, a decrease of 29.7 per cent compared to RM302.1 million in FY2018. This was mainly due to the lower changes in fair value of quoted shares (outside Malaysia) in FY2019 compared to FY2018.

Securities Market

The Securities Market recorded a segment profit of RM295.7 million in FY2019, a decrease of 11.9 per cent compared to RM335.8 million in FY2018 mainly due to lower operating revenue.

(i) Operating Revenue

The Securities Market's operating revenue for FY2019 was RM372.2 million, a decrease of 9.1 per cent compared to RM409.5 million in FY2018. Details by revenue category are shown in the chart below:



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

23. OPERATING SEGMENTS REVIEW (CONT'D)

(b) FY2019 vs. FY2018 (cont'd)

Securities Market (cont'd)

(i) Operating Revenue (cont'd)

- > Trading revenue decreased by 12.4 per cent to RM232.8 million in FY2019 mainly due to lower ADV for OMT and DBT of RM2.15 billion in FY2019 compared to RM2.57 billion in FY2018. Trading velocity was also lower by 4 percentage points to 28 per cent in FY2019 compared to 32 per cent in FY2018.
- > Listing and issuer services revenue decreased by 10.2 per cent to RM53.9 million in FY2019 from RM60.0 million in FY2018. This was mainly due to lower listing fees and perusal and processing fees earned in FY2019 resulting from lower number of corporate exercises and circular submissions respectively.
- > Market data revenue increased by 8.5 per cent to RM29.9 million in FY2019 driven by higher number of subscribers in FY2019.

Key operating drivers of the Securities Market are as follows:

Key operating drivers	FY2019	FY2018	Changes (%)
FBMKLCI (points)	1,588.76	1,690.58	(6.0)
ADV (OMT and DBT) (RM'billion)	2.15	2.57	(16.3)
Average daily trading volume (OMT and DBT) (billion shares)	2.68	2.65	1.1
Effective clearing fee rate (basis points)	2.27	2.27	-
Velocity (per cent)	28	32	(4.0)
Number of IPOs	30	21	42.9
Number of new structured warrants listed	1,105	1,034	6.9
Total funds raised:			
- IPOs (RM'million)	2,049.69	663.12	209.1
- Secondary issues (RM'million)	4,550.28	8,505.28	(46.5)
Market capitalisation as at end of year (RM'billion)	1,711.84	1,700.37	0.7
Number of trading days	244	243	1 day

(ii) Operating Expenses

Segment expenses increased by 1.4 per cent to RM88.9 million in FY2019 compared to RM87.6 million in FY2018 mainly due to higher marketing and development expenses incurred in FY2019.

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

23. OPERATING SEGMENTS REVIEW (CONT'D)

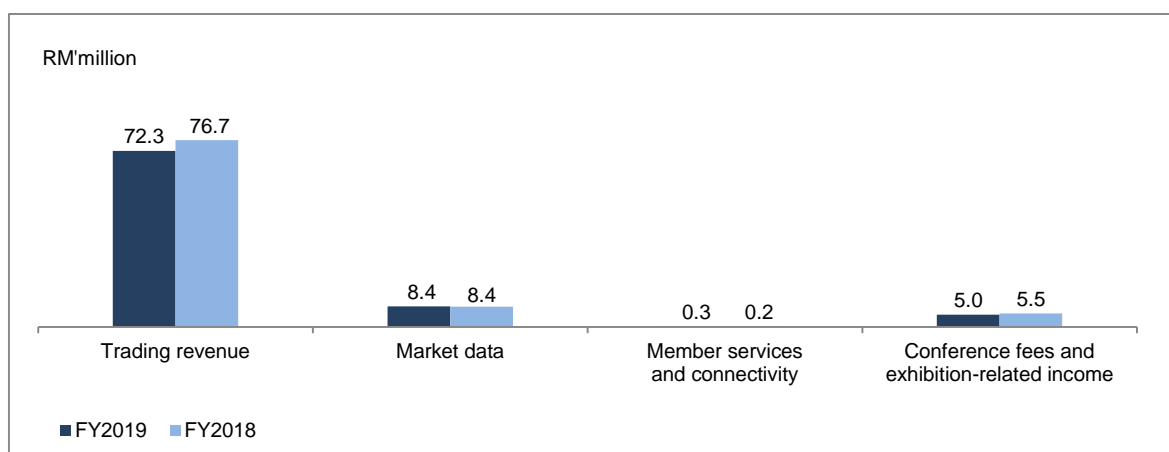
(b) FY2019 vs. FY2018 (cont'd)

Derivatives Market

The Derivatives Market recorded a segment profit of RM39.4 million in FY2019, a decrease of 13.9 per cent compared to RM45.8 million in FY2018 mainly due to lower operating revenue.

(i) Operating Revenue

The Derivatives Market's operating revenue for FY2019 was RM86.0 million, a decrease of 5.3 per cent compared to RM90.8 million in FY2018. Details by revenue category are shown in the chart below:



- > Trading revenue decreased by 5.8 per cent to RM72.3 million in FY2019 mainly due to lower number of contracts traded for FPOL and FKLI, lower collateral management fees and lower guarantee fees earned in FY2019.

Key operating drivers of the Derivatives Market are as follows:

Key operating drivers	FY2019	FY2018	Changes (%)
FCPO contracts	10,704,273	10,471,357	2.2
FKLI contracts	2,281,506	2,497,513	(8.6)
FPOL contracts	104,492	507,394	(79.4)
FM70 contracts	353,344	173,132	104.1
Other contracts	67,135	77,171	(13.0)
Total contracts	13,510,750	13,726,567	(1.6)
Average daily number of contracts traded	55,372	56,488	(2.0)
Average number of open interest positions	251,698	288,323	(12.7)
Number of trading days	244	243	1 day

(ii) Operating Expenses

Segment expenses increased by 3.8 per cent to RM48.6 million in FY2019 compared to RM46.8 million in FY2018 mainly due to higher service fees and marketing and development expenses incurred in FY2019.

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

23. OPERATING SEGMENTS REVIEW (CONT'D)

(b) FY2019 vs. FY2018 (cont'd)

Exchange Holding Company

The Exchange Holding Company recorded a higher segment loss of RM15.7 million in FY2019 compared to RM12.4 million in FY2018 mainly due to lower dividend income earned and the recognition of an impairment loss allowance on computer software of RM3.3 million in FY2019.

Others

This segment is made up of BSAS, bonds and offshore exchange businesses. The segment profit decreased by 14.8 per cent to RM7.5 million in FY2019 compared to RM8.8 million in FY2018 mainly due to lower BSAS trading fees earned in FY2019 resulting from higher proportion of trades where lower fee is applicable.

Overheads

Overheads increased by 1.9 per cent to RM71.1 million in FY2019 compared to RM69.8 million in FY2018 mainly due to higher building management expenses and information technology maintenance expenses incurred in FY2019.

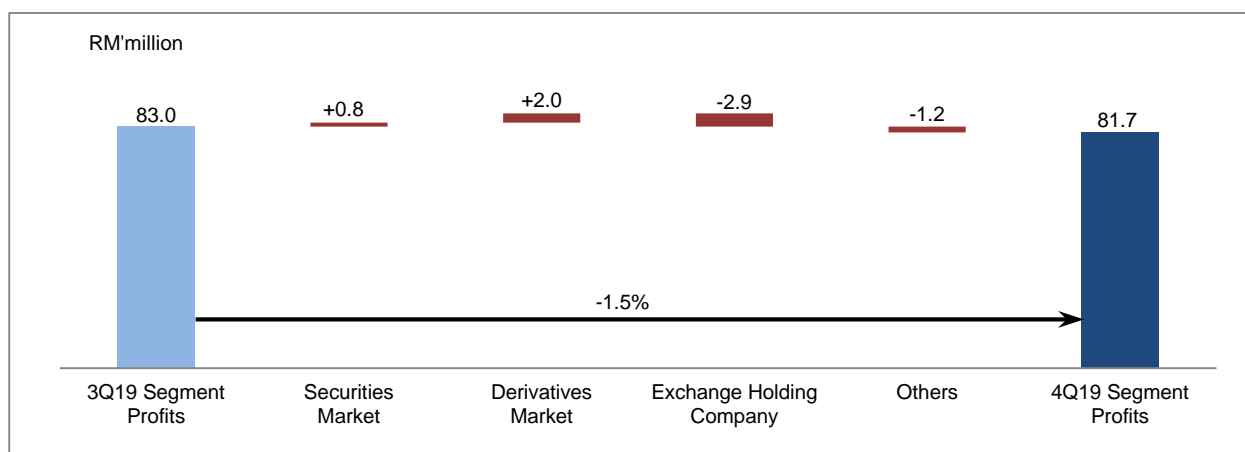
**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET
LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

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

Financial Results	Quarter Ended		Changes %
	31.12.2019 RM'000	30.09.2019 RM'000	
Operating revenue	122,659	117,478	4.4
Other income	6,671	5,193	28.5
Staff costs	129,330	122,671	5.4
Depreciation and amortisation	(32,291)	(32,821)	(1.6)
Other operating expenses	(5,390)	(5,165)	4.4
Other operating expenses	(28,220)	(19,728)	43.0
Profit from operations	63,429	64,957	(2.4)
Finance costs	(133)	(134)	(0.7)
PBT	63,296	64,823	(2.4)

PBT for 4Q19 was RM63.3 million, a decrease of 2.4 per cent from RM64.8 million in the quarter ended 30 September 2019 ("3Q19"). PBT is made up of segment profits less overheads.

Total segment profits for 4Q19 were RM81.7 million, a decrease of 1.5 per cent from RM83.0 million in 3Q19. The quarter-on-quarter movements in the segment profits are depicted in the chart below:



Securities Market

The Securities Market recorded a segment profit of RM74.8 million in 4Q19, an increase of 1.1 per cent from RM74.0 million in 3Q19 mainly due to higher operating revenue, partially offset by higher operating expenses.

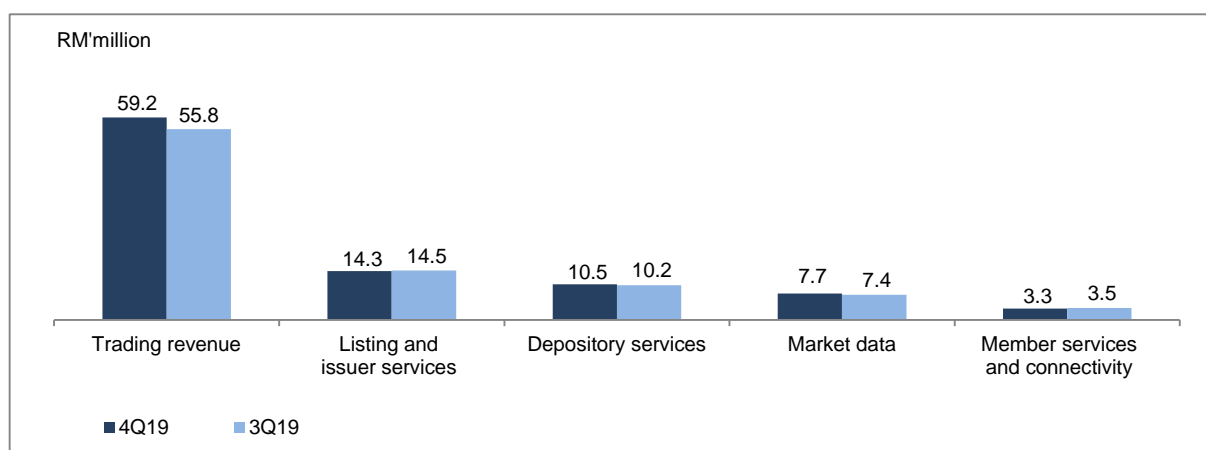
**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET
LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

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

Securities Market (cont'd)

(i) Operating Revenue

The Securities Market's operating revenue for 4Q19 was RM95.0 million, an increase of 3.9 per cent compared to RM91.4 million in 3Q19. Details by revenue category are shown in the chart below:



- > Trading revenue increased by 6.0 per cent to RM59.2 million in 4Q19 mainly attributed to higher ADV for OMT and DBT of RM2.05 billion in 4Q19 compared to RM1.95 billion in 3Q19, as well as higher number of trading days in 4Q19.

Key operating drivers of the Securities Market are as follows:

Key operating drivers		4Q19	3Q19	Changes (%)
FBMKLCI	(points)	1,588.76	1,583.91	0.3
ADV (OMT and DBT)	(RM'billion)	2.05	1.95	5.1
Average daily trading volume (OMT and DBT)	(billion shares)	2.62	2.54	3.1
Effective clearing fee rate	(basis points)	2.37	2.49	(4.8)
Velocity	(per cent)	26	27	(1.0)
Number of IPOs		7	9	(22.2)
Number of new structured warrants listed		252	319	(21.0)
Total funds raised:				
- IPOs	(RM'million)	295.70	394.82	(25.1)
- Secondary issues	(RM'million)	2,028.00	770.93	163.1
Market capitalisation as at end of period	(RM'billion)	1,711.84	1,673.63	2.3
Number of trading days		64	61	3 days

(ii) Operating Expenses

Segment expenses increased by 12.7 per cent to RM23.1 million from RM20.5 million in 3Q19 mainly due to higher marketing and development expenses incurred in 4Q19.

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

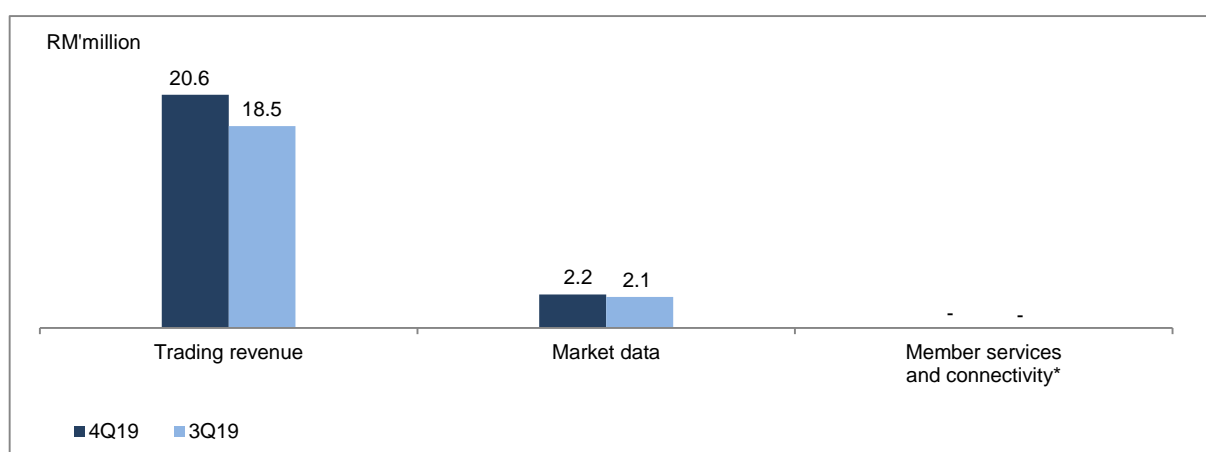
24. MATERIAL CHANGE IN PERFORMANCE OF OPERATING SEGMENTS OF CURRENT QUARTER COMPARED WITH IMMEDIATE PRECEDING QUARTER (CONT'D)

Derivatives Market

The Derivatives Market recorded a segment profit of RM11.5 million in 4Q19, representing an increase of 21.5 per cent from RM9.5 million in 3Q19 mainly due to higher operating revenue.

(i) Operating Revenue

The Derivatives Market's operating revenue for 4Q19 was RM22.8 million, an increase of 10.8 per cent from RM20.6 million in 3Q19. Details by revenue category are shown in the chart below:



* Member services and connectivity fee income is below RM0.1 million for both 4Q19 and 3Q19.

- > Trading revenue increased by 11.2 per cent to RM20.6 million in 4Q19 mainly attributed to higher number of contracts traded for FCPO and FKLI, as well as higher number of trading days in 4Q19.

Key operating drivers of the Derivatives Market are as follows:

Key operating drivers	4Q19	3Q19	Changes (%)
FCPO contracts	3,234,258	2,877,263	12.4
FKLI contracts	647,972	563,681	15.0
FPOL contracts	45,371	43,504	4.3
FM70 contracts	85,068	95,947	(11.3)
Other contracts	22,168	22,781	(2.7)
Total contracts	4,034,837	3,603,176	12.0
Average daily number of contracts traded	63,044	59,068	6.7
Average number of open interest positions	270,673	232,484	16.4
Number of trading days	64	61	3 days

(ii) Operating Expenses

Segment expenses increased by 2.0 per cent to RM11.8 million in 4Q19 compared to RM11.6 million in 3Q19.

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

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

Exchange Holding Company

The Exchange Holding Company recorded a higher segment loss of RM5.4 million in 4Q19 compared to RM2.5 million in 3Q19 mainly due to the recognition of an impairment loss allowance on computer software of RM3.3 million in 4Q19.

Others

This segment is made up of BSAS, bonds and offshore exchange businesses. The segment profit decreased by 59.9 per cent to RM0.8 million in 4Q19 compared to RM2.0 million in 3Q19 mainly due to lower BSAS trading fees earned in 4Q19 resulting from lower BSAS trades.

Overheads

Overheads increased by 1.4 per cent to RM18.4 million in 4Q19 compared to RM18.2 million in 3Q19.

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

25. COMMENTARY ON PROSPECTS AND TARGETS

The International Monetary Fund (“IMF”) in its January 2020 World Economic Outlook report, revised its global growth estimates for 2019 to 2.9%, a downward revision of 0.1% from its last forecast in October 2019. For 2020, the IMF has projected a global growth of 3.3%. The IMF also projected the gross domestic product (“GDP”) for Malaysia to remain stable at 4.5% in 2020, with domestic demand to remain the main driver of growth. Similarly, the World Bank, in its January 2020 report, projected for Malaysia’s economy to grow at 4.5% in 2020, largely underpinned by strong domestic demand. Meanwhile, Bank Negara Malaysia (“BNM”) expects the growth of Malaysia’s economy to gradually improve in 2020, with continued support from household spending, better export performance and modest recovery in overall investment activity by both the public and private sectors. On 22 January 2020, BNM reduced the overnight policy rate by 25 basis points to 2.75%.

The Securities Market performance in the last quarter of 2019 was influenced by global and domestic developments such as continued concern over the geopolitical tensions and soft domestic corporate earnings. Notwithstanding the external factors, the year 2020 has started on a better note with broader strength in some commodity prices, de-escalation of US-China trade tensions and stronger MYR/USD performance. The Securities Market’s performance in 2020 is expected to be resilient, supported by the implementation of the Government’s expansionary measures as announced in the Budget 2020 and the recent signing of phase one of the trade agreement between the United States and China.

In the Derivatives Market, the external factors such as the restriction of India’s palm oil imports from Malaysia and the progress of the United States-China trade negotiations will continue to influence the volatility in crude palm oil prices and the underlying equities market. The Exchange recorded an improved performance in the fourth quarter of 2019 and registered the highest quarterly average daily contracts as the volatility in crude palm oil prices increased with the rally in crude palm oil prices. The ongoing initiatives focusing on the Greater China region are expected to further broaden the derivatives trading community and contribute positively to trading performance in 2020. In 2019, the Exchange facilitated new inter-broke relationships and onboarded new market makers and liquidity providers from the Greater China region. The Exchange also recently, launched the world’s first options contract on US Dollar Denominated Refined, Bleached and Deodorised Palm Olein Futures on 13 January 2020, which broadens the array of possible risk management tools for palm oil players and elevates the level and sophistication of derivatives trading to attract new categories of participants.

As for the Islamic Capital Market, with the continuous engagement and marketing efforts carried out during the year, the Exchange expects greater participation of institutional investors on the Bursa Malaysia-*i* platform. Bursa Suq Al-Sila’ (“BSAS”), on the other hand, is expected to sustain its growth momentum through its system improvement as well as continuous onboarding of new domestic and foreign participants onto its platform. The current quarter under review saw the onboarding of 11 new participants for BSAS.

In 2020, we expect greater volatility in both the Securities and Derivatives Markets arising from global and local developments such as the on-going US-China trade negotiations and the recent novel coronavirus outbreak. Barring any unforeseen circumstances, the Exchange is expected to benefit from this volatility which will provide greater activity in the respective markets. The Exchange will continue to expand and strengthen its products and service offerings to enhance the market attractiveness and vibrancy.

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

26. INCOME TAX EXPENSE

	Quarter Ended			Year Ended		
	31.12.2019 RM'000	31.12.2018 RM'000	Changes %	31.12.2019 RM'000	31.12.2018 RM'000	Changes %
Income tax:						
Current provision	17,956	19,466	(7.8)	68,767	78,916	(12.9)
Over provision of tax in previous year	-	-	-	(159)	(224)	(29.0)
	17,956	19,466	(7.8)	68,608	78,692	(12.8)
Deferred tax:						
Relating to origination and reversal of temporary differences	(217)	(1,443)	(85.0)	(2,307)	(1,528)	51.0
(Over)/Under provision of tax in previous year	-	-	-	(94)	397	(123.7)
	(217)	(1,443)	(85.0)	(2,401)	(1,131)	112.3
Total income tax expense	17,739	18,023	(1.6)	66,207	77,561	(14.6)

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

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

27. TRADE RECEIVABLES

	As at 31.12.2019 RM'000	As at 31.12.2018 RM'000
Trade receivables	44,578	40,345
Less: Allowance for impairment loss	(2,318)	(1,745)
	42,260	38,600

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

27. TRADE RECEIVABLES (CONT'D)

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

	As at 31.12.2019 RM'000	As at 31.12.2018 RM'000
Not past due and not credit impaired	35,099	33,103
Past due and not credit impaired:		
< 30 days	3,704	2,779
31 - 60 days	1,429	2,032
61 - 90 days	278	279
91 - 180 days	1,943	413
> 181 days	471	598
Credit impaired	1,654	1,141
Trade receivables (gross)	44,578	40,345
Less: Allowance for impairment loss	(2,318)	(1,745)
	42,260	38,600

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

28. CORPORATE PROPOSAL

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

29. BORROWINGS AND DEBT SECURITIES

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

30. CHANGES IN MATERIAL LITIGATION

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

31. DECLARED DIVIDEND

On 30 January 2020, the Board of Directors approved and declared a final dividend of 10.4 sen per share under the single-tier system in respect of the financial year ended 31 December 2019, amounting to approximately RM84,084,000.

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

32. EARNINGS PER SHARE ("EPS")

(a) Basic EPS

	Quarter Ended		Year Ended	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Profit attributable to the owners of the Company (RM'000)	45,557	51,855	185,855	224,042
Weighted average number of ordinary shares in issue ('000)	808,503	807,475	807,962	806,831
Basic EPS (sen)	5.6	6.4	23.0	27.8

(b) Diluted EPS

	Quarter Ended		Year Ended	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018
Profit attributable to the owners of the Company (RM'000)	45,557	51,855	185,855	224,042
Weighted average number of ordinary shares in issue ('000)	808,503	807,475	807,962	806,831
Effects of dilution of share grants ('000)	889	2,233	1,461	2,529
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	809,392	809,708	809,423	809,360
Diluted EPS (sen)	5.6	6.4	23.0	27.7

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

Net assets per share as at 31 December 2019 stood at RM0.94, a decrease of 13.0% compared to RM1.08 as at 31 December 2018 mainly due to the consideration paid for the acquisition of the remaining 25% equity interest in BMD as disclosed in Note 22(a).

34. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements for the financial year ended 31 December 2018 was unmodified.

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

35. REVIEW BY EXTERNAL AUDITORS

The Board had engaged the external auditors to review and report on the Condensed Report of Bursa Malaysia Berhad for the quarter and year ended 31 December 2019 in accordance with the International Standard on Review Engagements 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*".

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

36. AUTHORISED FOR ISSUE

The Condensed Report was authorised for issue by the Board in accordance with a resolution of the Directors on 30 January 2020.