Notes to the Financial Statements

31 December 2013

1. Corporate information

The Company is a public limited company, incorporated and domiciled in Malaysia, and is listed on the Main Market of Bursa Malaysia Securities Berhad. The registered office of the Company is located at 15th Floor, Exchange Square, Bukit Kewangan, 50200 Kuala Lumpur.

The Company is an exchange holding company, whose principal activities are treasury management and the provision of management and administrative services to its subsidiaries. The principal activities of the subsidiaries are to operate the Malaysian securities, derivatives and offshore exchanges and the Shari'ah compliant commodity trading platform, to operate the related depository function and clearing houses, and to disseminate information relating to securities quoted on the exchanges. The principal activities of the subsidiaries are disclosed in Note 15.

There have been no significant changes in the nature of these principal activities during the financial year.

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 29 January 2014.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with MFRSs, IFRSs and the requirements of the CA in Malaysia.

At the beginning of the current financial year, the Group and the Company adopted new and revised MFRSs which are mandatory for the financial periods beginning on or after 1 January 2013 and changed its accounting policy on fines. The financial impact of these changes are disclosed in Note 2.2.

The financial statements, other than for financial instruments and retirement benefit obligations, have been prepared on historical cost basis. Certain financial instruments are carried at fair value in accordance to MFRS 139 *Financial Instruments: Recognition and Measurement*, and the retirement benefit obligations include actuarial gains and losses in accordance with MFRS 119 *Employee Benefits (revised).*

The financial statements are presented in Ringgit Malaysia (RM) and all values are rounded to the nearest thousand (RM'000 or '000), except when otherwise indicated.

2. Significant accounting policies (cont'd.)

2.2 Adoption of new and revised MFRSs and changes in accounting policies

(a) Adoption of Standards, Amendments and Issues Committee (IC) Interpretations

The accounting policies adopted by the Group and the Company are consistent with those adopted in the previous year, except as follows:

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

Annual Improvements to IC Interpretations and MFRSs 2009 - 2011 Cycle

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

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

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

The amendments to MFRS 119 *Employee Benefits (revised)* changed the accounting for defined benefit plans and termination benefits. The amendments require the recognition of changes in defined benefit obligations and in fair value of plan assets when they occur, and hence eliminate the 'corridor method' permitted under the previous version of MFRS 119 *Employee Benefits* and accelerate the recognition of past service costs.

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

The financial effects arising from the adoption of MFRS 119 *Employee Benefits (revised)* is disclosed in Note 2.2(c).

2. Significant accounting policies (cont'd.)

2.2 Adoption of new and revised MFRSs and changes in accounting policies (cont'd.)

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

(ii) MFRS 12 *Disclosures of Interests in Other Entities*

MFRS 12 *Disclosures of Interests in Other Entities* sets out the required disclosures for entities reporting under the new standard, MFRS 10 *Consolidated Financial Statements*. It requires entities to disclose information that helps financial statement readers to evaluate the nature, risks and financial effects associated with the entity's interests in subsidiaries.

The adoption of this standard affects disclosures in the financial statements only and has no financial impact on the Group's financial statements.

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

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

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

(b) Change in accounting policy on fines

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

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

The financial impact on the Group and Company's financial statements arising from the change in accounting policy is disclosed in Note 2.2(c).

2. Significant accounting policies (cont'd.)

2.2 Adoption of new and revised MFRSs and changes in accounting policies (cont'd.)

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

(i) The following are reconciliations of statements of financial position of the Group and of the Company as at 1 January 2012 and 31 December 2012:

	As previously reported RM'000	Note 2.2(a)(i) Effect of adoption of MFRS 119 RM'000	Note 2.2(b) Effect of change in accounting policy for fines RM'000	Restated RM'000
Group				
As at 1 January 2012				
Equity attributable to owners of the Company				
Retained earnings	481,611	(6,966)	(12,583)	**462,062**
Non-current liabilities				
Retirement benefit obligations	24,311	9,288	-	**33,599**
Deferred tax liabilities	9,886	(2,322)	-	**7,564**
Current liabilities				
Other payables	67,330	-	12,583	**79,913**
As at 31 December 2012				
Equity attributable to owners of the Company				
Retained earnings	492,106	(3,906)	(13,944)	**474,256**
Non-current liabilities				
Retirement benefit obligations	24,816	5,207	-	**30,023**
Deferred tax liabilities	9,196	(1,301)	-	**7,895**
Current liabilities				
Other payables	80,535	-	13,944	**94,479**

2. Significant accounting policies (cont'd.)

2.2 Adoption of new and revised MFRSs and changes in accounting policies (cont'd.)

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

(i) The following are reconciliations of statements of financial position of the Group and of the Company as at 1 January 2012 and 31 December 2012 (cont'd.):

	As previously reported RM'000	Note 2.2(a)(i) Effect of adoption of MFRS 119 RM'000	Note 2.2(b) Effect of change in accounting policy for fines RM'000	Restated RM'000
Company				
As at 1 January 2012				
Current assets				
Due from subsidiaries	25,949	-	11,910	**37,859**
Equity attributable to owners of the Company				
Retained earnings	419,268	(6,966)	(673)	**411,629**
Non-current liabilities				
Retirement benefit obligations	24,311	9,288	-	**33,599**
Deferred tax liabilities	9,886	(2,322)	-	**7,564**
Current liabilities				
Other payables	49,388	-	12,583	**61,971**
As at 31 December 2012				
Current assets				
Due from subsidiaries	29,850	-	14,186	**44,036**
Equity attributable to owners of the Company				
Retained earnings	428,853	(3,906)	(786)	**424,161**
Non-current liabilities				
Retirement benefit obligations	24,816	5,207	-	**30,023**
Deferred tax liabilities	5,327	(1,301)	-	**4,026**
Current liabilities				
Other payables	59,424	-	14,972	**74,396**

2. Significant accounting policies (cont'd.)

2.2 Adoption of new and revised MFRSs and changes in accounting policies (cont'd.)

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

(ii) The following are reconciliations of income statements of the Group and of the Company for the financial year ended 31 December 2012:

	As previously reported RM'000	Note 2.2(a)(i) Effect of adoption of MFRS 119 RM'000	Note 2.2(b) Effect of change in accounting policy for fines RM'000	Restated RM'000
Group				
Other income	38,617	-	(2,496)	**36,121**
Staff costs	(102,481)	668	-	**(101,813)**
Other operating expenses	(74,857)	-	1,135	**(73,722)**
Profit before tax	216,032	668	(1,361)	**215,339**
Income tax expense	(58,286)	(167)	-	**(58,453)**
Profit for the year	157,746	501	(1,361)	**156,886**
Company				
Operating revenue	315,214	-	(1,248)	**313,966**
Staff costs	(94,656)	668	-	**(93,988)**
Other operating expenses	(53,815)	-	1,135	**(52,680)**
Profit before tax	159,796	668	(113)	**160,351**
Income tax expense	(9,248)	(167)	-	**(9,415)**
Profit for the year	150,548	501	(113)	**150,936**

2. Significant accounting policies (cont'd.)

2.2 Adoption of new and revised MFRSs and changes in accounting policies (cont'd.)

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

(iii) The following are reconciliations of statements of comprehensive income of the Group and of the Company for the financial year ended 31 December 2012:

	As previously reported RM'000	Note 2.2(a)(i) Effect of adoption of MFRS 119 RM'000	Note 2.2(b) Effect of change in accounting policy for fines RM'000	Restated RM'000
Group				
Profit for the year	157,746	501	(1,361)	**156,886**
Actuarial gains on defined benefit obligations	-	3,413	-	**3,413**
Income tax relating to actuarial gains on defined benefit obligations	-	(854)	-	**(854)**
Total comprehensive income for the year	157,821	3,060	(1,361)	**159,520**
Company				
Profit for the year	150,548	501	(113)	**150,936**
Actuarial gains on defined benefit obligations	-	3,413	-	**3,413**
Income tax relating to actuarial gains on defined benefit obligations	-	(854)	-	**(854)**
Total comprehensive income for the year	150,646	3,060	(113)	**153,593**

2. Significant accounting policies (cont'd.)

2.2 Adoption of new and revised MFRSs and changes in accounting policies (cont'd.)

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

(iv) The following are reconciliations of statements of cash flows of the Group and of the Company for the financial year ended 31 December 2012:

	As previously reported RM'000	Note 2.2(a)(i) Effect of adoption of MFRS 119 RM'000	Note 2.2(b) Effect of change in accounting policy for fines RM'000	Restated RM'000
Group				
Profit before tax	216,032	668	(1,361)	**215,339**
Retirement benefit obligations	2,574	(668)	-	**1,906**
Operating profit before working capital changes	230,113	-	(1,361)	**228,752**
Increase in payables	4,619	-	1,361	**5,980**
Company				
Profit before tax	159,796	668	(113)	**160,351**
Retirement benefit obligations	2,574	(668)	-	**1,906**
Operating profit before working capital changes	17,332	-	(113)	**17,219**
Increase in payables	1,615	-	2,389	**4,004**
Changes in subsidiaries' balance	(6,952)	-	(2,276)	**(9,228)**

2.3 Standards issued but not yet effective

As at the date of authorisation of these financial statements, the following Amendments to Standards and IC Interpretations have been issued by the Malaysian Accounting Standards Board (MASB) but are not yet effective and have not been adopted by the Group and the Company:

Effective for financial periods beginning on or after 1 January 2014

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

2. Significant accounting policies (cont'd.)

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

Effective for financial periods beginning on or after 1 January 2015

Amendments to MFRS 9	*Mandatory Effective Date of MFRS 9 and Transition Disclosures*

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

MFRS 9 *Financial Instruments*

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

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

2.4 Summary of significant accounting policies

(a) Subsidiaries and basis of consolidation

(i) Subsidiaries

Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

In the Company's separate financial statements, investments in subsidiaries are accounted for at cost less accumulated impairment losses. On disposal of such investments, the difference between net disposal proceeds and their carrying amounts is recognised in profit or loss.

(ii) Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at the financial year end. The financial statements of the subsidiaries used in the preparation of the consolidated financial statements are prepared for the same financial year end as the Company. Consistent accounting policies are applied to like transactions and events in similar circumstances.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases.

2. Significant accounting policies (cont'd.)

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

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

(ii) Basis of consolidation (cont'd.)

All intra-group balances, income and expenses and unrealised gains and losses resulting from intra-group transactions are eliminated in full.

Acquisition of subsidiaries are accounted for using the purchase method except for business combinations arising from common control transfers. Business combinations involving entities under common control are accounted for by applying the pooling of interest method. The assets and liabilities of the combining entities are reflected at their carrying amounts reported in the consolidated financial statements of the controlling holding company. Any difference between the consideration paid and the share capital of the "acquired" entity is reflected within equity as merger reserve or merger deficit. Merger deficit is adjusted against suitable reserves of the entity acquired to the extent that laws or statutes do not prohibit the use of such reserves.

The statement of comprehensive income reflects the results of the combining entities for the full year, irrespective of when the combination takes place. Comparatives are presented as if the entities have always been combined since the date the entities had come under common control.

Under the purchase method of accounting, identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values at the date of acquisition. Adjustments to those fair values relating to previously held interests are treated as a revaluation and recognised in other comprehensive income. The cost of a business combination is measured as the aggregate of the fair values, at the date of exchange, of the assets given, liabilities incurred or assumed, and equity instruments issued, plus any costs directly attributable to the business combination.

Any excess of the cost of business combination over the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities is recorded as goodwill on the statement of financial position. The accounting policy for goodwill is set out in Note 2.4(c)(i). Any excess of the Group's share in the net fair value of the acquired subsidiary's identifiable assets, liabilities and contingent liabilities over the cost of business combination is recognised as income in profit or loss on the date of acquisition. When the Group acquires a business, embedded derivatives separated from the host contract by the acquiree are reassessed on acquisition unless the business combination results in a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required under the contract.

(iii) Transactions with non-controlling interest

Non-controlling interest represents the portion of profit or loss and net assets in subsidiaries not held by the Group and are presented separately in profit or loss of the Group and within equity in the consolidated statements of financial position, separately from parent shareholders' equity. Transactions with non-controlling interest are accounted for using the entity concept method, whereby, transactions with non-controlling interests are accounted for as transactions with owners. On acquisition of non-controlling interest, the difference between the consideration and book value of the share of the net assets acquired is recognised directly in equity. Gain or loss on disposal to non-controlling interest is recognised directly in equity.

2. Significant accounting policies (cont'd.)

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

(b) Property, plant and equipment and depreciation

All items of property, plant and equipment are initially recorded at cost. The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably.

Subsequent to recognition, costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the Company and the cost of the item can be measured reliably. The carrying amount of the replaced part is derecognised. All other repairs and maintenance are recognised in profit or loss as incurred.

Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Projects-in-progress are not depreciated as these assets are not yet available for use. Depreciation of other property, plant and equipment is computed on a straight-line basis over the estimated useful lives of the assets as follows:

Building and office lots	Fifty years
Renovation	Five years
Office equipment and furniture and fittings	Three to five years
Computers and office automation	Three to ten years
Motor vehicles	Five years

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The residual values, useful lives and depreciation methods are reviewed at each financial year end, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in the profit or loss in the year the asset is derecognised.

(c) Intangible assets

(i) Goodwill

Goodwill is initially measured at cost. Following initial recognition, goodwill is measured at cost less any accumulated impairment losses.

For the purpose of impairment testing, goodwill acquired is allocated, from the acquisition date, to each of the Group and of the Company's cash-generating units (CGUs) that are expected to benefit from the synergies of the combination.

Where goodwill forms part of a CGU and part of the operation within that CGU is disposed of, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss on disposal of the operation. Goodwill disposed of in this circumstance is measured based on the relative fair values of the operations disposed of and the portion of the CGU retained.

2. Significant accounting policies (cont'd.)

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

(c) Intangible assets (cont'd.)

(ii) Computer software

Computer software is initially measured at cost. Following initial recognition, computer software is measured at cost less accumulated amortisation and accumulated impairment losses.

The useful lives of computer software is assessed to be finite. Computer software is amortised over their estimated useful lives of five to ten years and assessed for impairment whenever there is an indication that it may be impaired. The amortisation period and the amortisation method are reviewed at least at each financial year end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on computer software with finite lives is recognised in profit or loss.

Projects-in-progress are not amortised as these computer software are not yet available for use.

Gains or losses arising from derecognition of computer software is measured as the difference between the net disposal proceeds and the carrying amount of the asset and is recognised in profit or loss when the asset is derecognised.

(d) Impairment of non-financial assets

The Group and the Company assess at each financial year end whether there is an indication that an asset may be impaired. If any such indication exists, or when an annual impairment assessment for an asset is required, the Group and the Company make an estimate of the asset's recoverable amount.

For property, plant and equipment, computer software and goodwill that are not yet available for use, the recoverable amount is estimated at each financial year end or more frequently when indicators of impairment are identified.

An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value-in-use. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (i.e. CGUs). In assessing value-in-use, the estimated future cash flows expected to be generated by the asset are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. Where the carrying amount of an asset exceeds its recoverable amount, the asset is written down to its recoverable amount. Impairment losses recognised in respect of a CGU or groups of CGUs are allocated first to reduce the carrying amount of any goodwill allocated to those units or groups of units and then, to reduce the carrying amount of the other assets in the unit or groups of units on a pro-rata basis.

Impairment losses are recognised in profit or loss except for assets that are previously revalued where the revaluation was taken to other comprehensive income. In this case, the impairment is also recognised in other comprehensive income up to the amount of any previous revaluation.

An assessment is made at each financial year end as to whether there is any indication that previously recognised impairment losses may no longer exist or may have decreased. A previously recognised impairment loss for an asset, other than goodwill, is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. If that is the case, the carrying amount of the asset is increased to its revised recoverable amount. That increase cannot exceed the carrying amount that would have been determined (net of amortisation or depreciation) had no impairment loss been recognised previously. Such reversal is recognised in profit or loss unless the asset is measured at revalued amount, in which case the reversal is treated as a revaluation increase. Impairment loss on goodwill is not reversed in a subsequent period.

2. Significant accounting policies (cont'd.)

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

(e) Financial assets

Financial assets are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument.

When financial assets are initially recognised, they are measured at fair value, plus, in the case of financial assets not at fair value through profit or loss, directly attributable transaction costs.

The Group and the Company determine the classification of financial assets upon initial recognition. The categories include financial assets at fair value through profit or loss (FVTPL), loans and receivables, held-to-maturity (HTM) investments and AFS financial assets.

(i) Financial assets at FVTPL

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

Subsequent to initial recognition, financial assets at FVTPL are measured at fair value. Any gains or losses arising from changes in fair value are recognised in profit or loss. Net gains or net losses on financial assets at FVTPL do not include exchange differences, interest and dividend income. Exchange differences, interest and dividend income on financial assets at FVTPL are recognised separately in profit or loss as part of other income or other losses.

Financial assets at FVTPL could be presented as current or non-current. Financial assets that are held primarily for trading purposes are presented as current, whereas financial assets that are not held primarily for trading purposes are presented as current or non-current based on the settlement date.

The Group and the Company do not have any financial assets at FVTPL at the current and previous financial year ends.

(ii) Loans and receivables

Financial assets with fixed or determinable payments that are not quoted in an active market are classified as loans and receivables.

Subsequent to initial recognition, loans and receivables are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss through the amortisation process and when the loans and receivables are impaired or derecognised.

Loans and receivables are classified as current assets, except for those having maturity dates later than 12 months after the financial year end; these are classified as non-current.

2. Significant accounting policies (cont'd.)

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

(e) Financial assets (cont'd.)

(iii) HTM investments

Financial assets with fixed or determinable payments and fixed maturities are classified as HTM when the Group and the Company have the positive intention and ability to hold the investments to maturity.

Subsequent to initial recognition, HTM investments are measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss through the amortisation process and when the HTM investments are impaired or derecognised.

HTM investments are classified as non-current assets, except for those having maturity within 12 months after the financial year end; these are classified as current.

(iv) AFS financial assets

AFS financial assets are financial assets that are designated as such or are not classified in any of the three preceding categories.

After initial recognition, AFS financial assets are measured at fair value. Any gains or losses from changes in fair value of the financial assets are recognised in other comprehensive income, except that impairment losses, foreign exchange gains and losses on monetary instruments and interest calculated using the effective interest method are recognised in profit or loss. The cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss as a reclassification adjustment when the financial asset is derecognised. Interest income calculated using the effective interest method is recognised in profit or loss. Dividends on an AFS equity instrument are recognised in profit or loss when the Group and the Company's right to receive payment is established.

AFS financial assets which are not expected to be realised within 12 months after the financial year end are classified as non-current assets.

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

Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the period generally established by regulation or convention in the marketplace concerned. All regular way purchases and sales of financial assets are recognised or derecognised on the settlement date, i.e. the date that the asset is delivered to or by the Group and the Company.

2. Significant accounting policies (cont'd.)

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

(f) Impairment of financial assets

The Group and the Company assess at each financial year end whether there is any objective evidence that a financial asset is impaired.

(i) Loans and receivables and HTM investments

To determine whether there is objective evidence that an impairment loss on financial assets has been incurred, the Group and the Company consider factors such as the probability of insolvency or significant financial difficulties of the debtor, default or significant delay in payments, and delinquency in interest or principal payments and other financial reorganisation where observable data indicate that there is a measurable decrease in the estimated future cash flows.

For certain categories of financial assets, such as trade receivables, assets that are assessed not to be impaired individually are subsequently assessed for impairment on a collective basis based on similar risk characteristics. Objective evidence of impairment for a portfolio of receivables could include the Group and the Company's past experience of collecting payments, an increase in the number of delayed payments in the portfolio past the average credit period and observable changes in national or local economic conditions that correlate with default on receivables.

If any such evidence exists, the amount of impairment loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The impairment loss is recognised in profit or loss.

The carrying amount of the financial asset is reduced by the impairment loss directly for all financial assets with the exception of trade and other receivables, and staff loan receivables, where the carrying amount is reduced through the use of an allowance account. When a trade or other receivable or staff loan receivable becomes uncollectible, it is written off against the allowance account.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be objectively related to an event occurring after the impairment was recognised, the previously recognised impairment loss is reversed to the extent that the carrying amount of the asset does not exceed its amortised cost at the reversal date. The amount of reversal is recognised in profit or loss.

(ii) AFS financial assets

To determine whether there is objective evidence that investment securities classified as AFS financial assets are impaired, the Group and the Company consider factors such as significant and/or prolonged decline in fair value below cost, significant financial difficulties of the issuer or obligor, and the disappearance of an active trading market.

If an AFS financial asset is impaired, an amount comprising the difference between its cost (net of any principal payment and amortisation or accretion) and its current fair value, less any impairment loss previously recognised in profit or loss, is transferred from equity to profit or loss.

Impairment losses on AFS equity investments are not reversed in profit or loss in the subsequent periods. Increase in fair value, if any, subsequent to impairment loss is recognised in other comprehensive income. For AFS debt investments, impairment losses are subsequently reversed in profit or loss if an increase in the fair value of the investment can be objectively related to an event occurring after the recognition of the impairment loss in profit or loss.

2. Significant accounting policies (cont'd.)

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

(g) Cash and cash equivalents

Cash and cash equivalents consist of cash at banks and on hand, and short-term deposits used by the Group and the Company in the management of their short-term funding requirements.

(h) Financial liabilities

Financial liabilities are classified according to the substance of the contractual arrangements entered into and the definition of a financial liability.

Financial liabilities are recognised in the statements of financial position when, and only when, the Group and the Company become a party to the contractual provisions of the financial instrument. Financial liabilities are classified as either financial liabilities at FVTPL or other financial liabilities.

(i) Financial liabilities at FVTPL

Financial liabilities at FVTPL include financial liabilities held for trading and financial liabilities designated upon initial recognition as at FVTPL.

Financial liabilities are classified as held for trading if they are acquired for the purpose of selling in the near term. This includes derivatives entered into by the Group and the Company that do not meet the hedge accounting criteria. Derivatives liabilities are initially measured at fair value and subsequently stated at fair value, with any resultant gains or losses recognised in profit or loss. Net gains or losses on derivatives include exchange differences.

The Group and the Company do not have any financial liabilities at FVTPL at the current and previous financial year ends.

(ii) Other financial liabilities

Other financial liabilities are recognised initially at fair value plus directly attributable transaction costs and subsequently measured at amortised cost using the effective interest method.

For other financial liabilities, gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

A financial liability is derecognised when the obligation under the liability is extinguished.

When an existing financial liability is replaced by another instrument from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

2. Significant accounting policies (cont'd.)

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

(i) Provisions

Provisions are recognised when the Group and the Company have a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of economic resources will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at each financial year end and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

(j) Deferred capital grants

Grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all conditions will be met. Where the grant relates to an asset, the fair value is recognised as deferred capital grant in the statements of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by its related depreciation or amortisation charges.

(k) Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of the Group and of the Company after deducting all of its liabilities. Ordinary shares are equity instruments.

Ordinary shares are recorded at the proceeds received, net of directly attributable incremental transaction costs. Ordinary shares are classified as equity. Dividends on ordinary shares are recognised in equity in the period in which they are declared.

(l) Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the Company and the revenue can be reliably measured. Revenue is measured at the fair value of consideration received or receivable.

(i) Trade fees

Trade fees on securities traded on the securities exchange are recognised on a trade date basis. Trade fees on derivatives contracts are recognised net of rebates on a trade date basis. Trade fees on commodities are recognised on a trade date basis net of amount payable to commodities suppliers and brokers, whenever applicable.

(ii) Clearing fees

Fees for clearing and settlement between clearing participants for trades in securities transacted on the securities exchange are recognised net of Securities Commission (SC) levy when services are rendered. Clearing fees on derivatives contracts are recognised net of rebates on the clearing date.

(iii) Other securities trading revenue

Other securities trading revenue mainly comprises institutional settlement services fees (ISS). ISS fees from the securities exchange are recognised in full when services are rendered.

2. Significant accounting policies (cont'd.)

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

(l) Revenue recognition (cont'd.)

(iv) Other derivatives trading revenue

Other derivatives trading revenue mainly comprises collateral management services fee, guarantee and tender fees. Collateral management services fee is recognised on an accrual basis. Guarantee fees are recognised on a daily basis on day end margin requirements for open contracts. Tender fees are recognised on per contract tendered.

(v) Listing and issuer services

Listing and issuer services revenue comprises of:

(a) Listing fees

Initial listing fees for Initial Public Offering (IPO) exercises are recognised upon the listing of an applicant. Annual listing fees are recognised on an accrual basis. Additional listing fees are recognised upon the listing of new securities issued by applicants.

(b) Perusal and processing fees

Perusal fees for circulars or notices issued are recognised when the services are rendered. Processing fees for corporate related exercises on securities traded on the securities exchange are recognised when the related services are rendered.

(vi) Depository services

Fees from depository services are recognised when the services are rendered.

(vii) Market data

Fees from sale of information are recognised when the services are rendered.

(viii) Member services and connectivity

Member services and connectivity mainly comprise of:

(a) Access fees

Access fees are recognised over the period that the access to the required services are provided.

(b) Participants' fees

Initial application fees are recognised upon registration or admission into the securities or derivatives exchange. Annual subscription fees are recognised on an accrual basis.

(c) Broker services

Fees from broker services are recognised when the services are rendered.

2. Significant accounting policies (cont'd.)

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

(l) Revenue recognition (cont'd.)

(ix) Other operating revenue

Other operating revenue represents conference fees and exhibition related income and are recognised when the events are held.

(x) Other income

- Accretion of discounts and amortisation of premiums on investments are recognised on an effective yield basis.
- Dividend income is recognised when the right to receive payment is established.
- Interest income is recognised on an accrual basis that reflects the effective yield of the asset.
- Management fees are recognised when services are rendered.
- Rental income from the letting of office space and equipment is recognised on a straight-line basis over the term of the rental agreement.

(m) Employee benefits

(i) Short-term benefits

Wages, salaries, bonuses and social security contributions are recognised as an expense in the year in which the associated services are rendered by employees. Short-term accumulating compensated absences such as paid annual leave are recognised as a liability when they accrue to the employees. The estimated liability for paid annual leave is recognised for services rendered by employees up to the reporting date. Short-term non-accumulating compensated absences such as sick leave are recognised when the absences occur.

(ii) Defined contribution plans

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

(iii) Defined benefit plan

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

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

2. Significant accounting policies (cont'd.)

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

(m) Employee benefits (cont'd.)

(iii) Defined benefit plan (cont'd.)

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

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

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

(iv) Share-based compensation

The Company's SGP (implemented on 18 April 2011), an equity-settled, share-based compensation plan, allows eligible employees of the Group to be entitled for ordinary shares of the Company. The total fair value of shares granted to employees are recognised as an employee cost with a corresponding increase in the share grant reserve within equity over the vesting period while taking into account the probability that the shares will vest. The fair value of shares are measured at grant date, taking into account, if any, the market vesting conditions upon which the shares were granted but excluding the impact of any non-market vesting conditions. Non-market vesting conditions are included in assumptions in respect of the number of shares that are expected to be granted on vesting date.

At each financial year end, the Group and the Company revise its estimate of the number of shares that are expected to be granted on vesting date. It recognises the impact of revision of original estimates, if any, in profit or loss, and a corresponding adjustment to equity over the remaining vesting period. The equity amount is recognised in the share grant reserve.

(v) Separation benefits

Separation benefits are payable when employment ceases before the normal retirement date or expiry of employment contract date. The Group and the Company recognise separation benefits as a liability and an expense when it is demonstrably committed to cease the employment of current employees according to a detailed plan without possibility of withdrawal. Benefits falling due more than 12 months after financial year end are discounted to present value.

(n) Leases

(i) The Group and the Company as lessee

Finance leases which transfer to the Group and the Company substantially all the risks and rewards incidental to ownership of the leased item, are capitalised at the inception of the lease at the fair value of the leased asset or, if lower, at the present value of the minimum lease payments.

All of the Group and the Company's leases are classified as operating lease. Operating lease payments are recognised as an expense in profit or loss on a straight-line basis over the lease term.

2. Significant accounting policies (cont'd.)

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

(n) Leases (cont'd.)

(ii) The Group and the Company as lessor

Leases where the Group and the Company retain substantially all the risks and rewards of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. The accounting policy for rental income is set out in Note 2.4(l)(x).

(o) Borrowing costs

Borrowing costs are recognised in profit or loss in the period they are incurred. Borrowing costs consist of interest and other costs that the Group and the Company incurred in connection with the borrowing of funds.

(p) Income taxes

(i) Current tax

Current tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the financial year end.

Current taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity.

(ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the financial year end between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognised for all taxable temporary differences, except for the deferred tax liability that arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, unused tax losses and unused tax credits, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, unused tax losses and unused tax credits can be utilised except where the deferred tax asset arises from the initial recognition of an asset or liability in a transaction that, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets are reviewed at each financial year end and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilised.

Unrecognised deferred tax assets are reassessed at each financial year end and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax assets to be utilised.

2. Significant accounting policies (cont'd.)

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

(p) Income taxes (cont'd.)

(ii) Deferred tax (cont'd.)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted at the financial year end.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction in other comprehensive income or directly in equity and deferred tax arising from a business combination is adjusted against goodwill on acquisition.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(q) Foreign currency

(i) Functional and presentation currency

The individual financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in RM, which is also the Company's functional currency.

(ii) Foreign currency transactions

In preparing the financial statements of the individual entities, transactions in foreign currencies are measured in the respective functional currencies at the exchange rates approximating those ruling at the transaction dates. At each financial year end, monetary assets and liabilities denominated in foreign currencies are translated at the rates of exchange ruling at the financial year end. Non-monetary items denominated in foreign currencies that are measured at historical cost are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items denominated in foreign currencies measured at fair value are translated using the exchange rates at the date when the fair value was determined.

Exchange differences arising from the settlement of monetary items, or on translating monetary items at the financial year end are recognised in profit or loss except for exchange differences arising on monetary items that form part of the Group's net investment in foreign operations, which are recognised initially in other comprehensive income and accumulated under foreign currency translation reserve in equity. The foreign currency translation reserve is reclassified from equity to profit or loss of the Group on disposal of the foreign operation.

Exchange differences arising on the translation of non-monetary items carried at fair value are not included in profit or loss for the period until their impairment and disposal.

2. Significant accounting policies (cont'd.)

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

(q) Foreign currency (cont'd.)

(iii) Malaysian subsidiary with foreign currency as its functional currency

The results and financial position of a subsidiary that has a functional currency different from the presentation currency of the consolidated financial statements are translated into RM as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate prevailing at the financial year end;
- Income and expenses for each statement of comprehensive income or separate income statement presented are translated at average monthly exchange rates, which approximates the exchange rates at the dates of the transactions; and
- All resulting exchange differences are recognised directly in other comprehensive income. On disposal of a subsidiary with foreign currency as its functional currency, the cumulative amount recognised in other comprehensive income and accumulated in equity under foreign currency translation reserve relating to that particular subsidiary is recognised in profit or loss.

(r) Contingencies

A contingent liability or asset is a possible obligation or benefit that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of uncertain future event(s) not wholly within the control of the Group and of the Company.

Contingent liabilities and assets are not recognised in the statements of financial position of the Group and of the Company in the current and previous financial year ends.

2.5 Significant accounting judgements and estimates

Key sources of estimation uncertainty

The preparation of financial statements in accordance with MFRSs requires the use of certain accounting estimates and exercise of judgement. Estimates and judgements are continually evaluated and are based on past experience, reasonable expectations of future events and other factors.

The key assumptions concerning the future and other key sources of estimation uncertainty at the financial year end, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

(a) Impairment of computer hardware and software

The Group and the Company review its computer hardware and software at each financial year end to determine if there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated to determine the amount of impairment loss. The Group and the Company carried out the impairment test based on a variety of estimation including the value-in-use of the CGUs to which the computer hardware and software are allocated to. Estimating the value-in-use requires the Group and the Company to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amounts of computer hardware and software as at the financial year end are disclosed in Notes 12 and 13 respectively.

2. Significant accounting policies (cont'd.)

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

Key sources of estimation uncertainty (cont'd.)

(b) Impairment of goodwill

The Group and the Company determine whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of the CGUs to which goodwill is allocated. Estimating a value-in-use amount requires management to make an estimate of the expected future cash flows from the CGU and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill as at the financial year end is disclosed in Note 14.

(c) Impairment of investment securities

The Group and the Company review its investment securities and assess at each financial year end whether there is any objective evidence that the investment is impaired. If there are indicators or objective evidence, the investment securities are subject to impairment review.

The impairment review comprises the following judgement made by management:

(i) Determination whether its investment security is impaired following certain indicators such as, amongst others, prolonged decline in fair value, significant financial difficulties of the issuers or obligors, the disappearance of an active trading market and deterioration of the credit quality of the issuers or obligors.

(ii) Determination of "significant" or "prolonged" requires judgement and management evaluation on various factors, such as historical fair value movement and the significant reduction in fair value.

The carrying amount of investment securities as at the financial year end are disclosed in Note 16.

(d) Depreciation/amortisation of system hardware and software

The cost of system hardware and software is depreciated and amortised on a straight-line basis over the useful lives of these assets. Management estimates the useful lives of these assets to be between three to ten years. Technological advancements could impact the useful lives and the residual values of these assets, therefore future depreciation and amortisation charges could be revised. The total carrying amounts of computer hardware and software as at the financial year end are disclosed in Notes 12 and 13 respectively.

(e) Deferred tax assets

Deferred tax assets are recognised for all unutilised tax losses and unused capital allowances to the extent that it is probable that taxable profit will be available against which the losses and capital allowances can be utilised. Significant management judgement is required to determine the amounts of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits together with future tax planning strategies. As at the financial year end, the total carrying value of unrecognised tax losses of the Group are as follows:

	Group	
	2013	2012
	RM'000	RM'000
Unrecognised tax losses	**17,485**	17,131

2. Significant accounting policies (cont'd.)

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

Key sources of estimation uncertainty (cont'd.)

(f) Defined benefit plan

The cost of the defined benefit plan and the present value of the defined benefit obligation is determined using actuarial valuations. The actuarial valuation involves making assumptions about discount rates, expected rate of salary increases and mortality rates. All assumptions are reviewed at each financial year end.

In determining the appropriate discount rate, the valuation is based on market yield of high quality corporate bonds with AA rating and above with terms similar to the term of the liabilities.

(g) Share grant plan

The Group and the Company measure the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the date which they are granted. In estimating the fair value of the share-based payment transactions, it requires the determination of the appropriate valuation model and the inputs (for example, expected volatility of the share price and/or dividend yield) to the valuation model. The key assumptions are disclosed in Note 27(b).

3. Operating revenue

	Group	
	2013 RM'000	2012 RM'000
Clearing fees [1]	**175,530**	144,638
Trade fees	**23,647**	19,265
Other securities revenue	**18,124**	14,595
Securities trading revenue	**217,301**	178,498
Clearing fees	**14,552**	12,600
Trade fees	**41,047**	36,738
Other derivatives revenue	**14,651**	13,994
Derivatives trading revenue	**70,250**	63,332
Listing and issuer services	**51,305**	51,433
Depository services	**37,061**	36,416
Market data	**26,035**	24,122
Member services and connectivity	**26,467**	25,660
Bursa Suq Al-Sila trading revenue	**5,790**	3,410
Other operating revenue	**5,613**	5,595
Total operating revenue	**439,822**	388,466

[1] Clearing fees of the Group is stated net of the amount payable to the SC of RM45,473,000 (2012: RM36,088,000).

3. Operating revenue (cont'd.)

	Company 2013 RM'000	Company 2012 RM'000 (Restated)
Broker services	**10,191**	12,092
Income from subsidiaries:		
Dividend income	**142,569**	165,259
Management fees	**114,197**	108,217
Office space rental income	**5,042**	5,297
Lease rental income	**23,909**	23,101
	295,908	313,966

4. Other income

	Group 2013 RM'000	Group 2012 RM'000 (Restated)	Company 2013 RM'000	Company 2012 RM'000 (Restated)
Interest income from:				
Deposits with financial institutions	**16,027**	17,864	**7,102**	8,976
Investment securities	**5,713**	4,869	**2,373**	2,351
Others	**393**	434	**323**	408
Net (loss)/gain on disposal of investment securities	**(130)**	257	**(46)**	257
Net gain on disposal of property, plant and equipment	**-**	4	**-**	-
Rental income	**6,593**	6,249	**6,593**	6,249
Dividend income	**3,825**	3,038	**3,825**	3,038
Grant income (Note 28)	**2,166**	1,916	**1,155**	1,566
Miscellaneous income	**585**	1,490	**478**	1,207
	35,172	36,121	**21,803**	24,052

5. Staff costs

	Group		Company	
	2013 RM'000	2012 RM'000 (Restated)	2013 RM'000	2012 RM'000 (Restated)
Wages and salaries	**68,399**	60,382	**62,123**	54,920
Bonus	**23,011**	17,664	**20,345**	16,507
Social security contributions	**343**	332	**323**	314
Contributions to a defined contribution plan - EPF	**13,524**	11,599	**12,623**	10,965
Reversal of short-term accumulating compensated unutilised leave	**(441)**	(266)	**(307)**	(250)
Retirement benefit obligations (Note 27(a))	**1,481**	1,906	**1,481**	1,906
SGP expense	**6,218**	4,488	**5,807**	4,215
Other benefits	**7,430**	5,708	**6,895**	5,411
	119,965	101,813	**109,290**	93,988

Included in staff costs of the Group and of the Company are the Executive Directors' remuneration of RM5,613,000 (2012: RM5,630,000), as further disclosed in Note 8.

6. Depreciation and amortisation

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Depreciation of property, plant and equipment (Note 12)	**14,677**	15,557	**13,492**	14,533
Amortisation of computer software (Note 13)	**20,287**	18,156	**17,683**	16,466
	34,964	33,713	**31,175**	30,999

7. Other operating expenses

	Group 2013 RM'000	Group 2012 RM'000 (Restated)	Company 2013 RM'000	Company 2012 RM'000 (Restated)
Administrative expenses	**5,571**	6,023	**5,298**	5,748
Amortisation of premium less accretion of discount	**631**	723	**578**	637
Auditors' remuneration:				
Statutory audit	**295**	281	**68**	65
Tax and assurance related [1]	**171**	179	**99**	98
Other non-audit services	**42**	-	**28**	-
Building management costs:				
Office rental	**83**	83	**83**	83
Upkeep and maintenance	**10,576**	10,273	**10,576**	10,273
CDS consumables	**3,758**	3,210	**3,758**	3,210
Commitment fees	**96**	200	**-**	-
Net impairment loss/(reversal of impairment loss) on:				
Amount due from a subsidiary	**-**	-	**-**	3,324
Investment in subsidiaries	**-**	-	**-**	(3,166)
Trade and other receivables	**23**	1,239	**(32)**	1,043
Marketing and development expenses	**8,344**	8,861	**3,148**	2,849
Net (gain)/loss on foreign exchange differences	**(98)**	115	**28**	57
Operating lease payments	**539**	539	**539**	539
Professional fees	**1,032**	4,658	**949**	4,628
Property, plant and equipment and computer software written off	**1,568**	17	**1,568**	15
Rental of equipment	**169**	472	**162**	453
Technology charges:				
Information technology maintenance	**17,836**	16,229	**15,378**	16,218
Service fees	**15,781**	13,574	**1,385**	372
Others	**8,068**	7,046	**7,264**	6,234
	74,485	73,722	**50,877**	52,680

[1] Tax and assurance related services provided by the auditors are in respect of tax compliance, quarterly limited reviews, annual review of the statement of internal control and risk management, and scrutineer fees for the Company's Annual General Meeting.

Notes to the Financial Statements

31 December 2013

8. Directors' remuneration

	Group and Company	
	2013	**2012**
	RM'000	**RM'000**
Executive Director's remuneration (Note 5):		
Salaries and other emoluments	**5,195**	5,212
Defined contribution plan - EPF	**418**	418
	5,613	5,630
Estimated monetary value of benefits-in-kind	**32**	32
	5,645	5,662
Non-executive Directors' remuneration:		
Fees	**608**	705
Other emoluments	**1,333**	1,432
	1,941	2,137
Estimated monetary value of benefits-in-kind	**32**	32
	1,973	2,169
Total Directors' remuneration	**7,618**	7,831
Total Directors' remuneration excluding benefits-in-kind	**7,554**	7,767
Estimated monetary value of benefits-in-kind	**64**	64
Total Directors' remuneration including benefits-in-kind	**7,618**	7,831

8. Directors' remuneration (cont'd.)

	2013		2012	
	Directors' fees RM'000	Other allowances [1]/ salaries RM'000	Directors' fees RM'000	Other allowances [1]/ salaries RM'000
Tun Mohamed Dzaiddin bin Haji Abdullah	**90**	**737**	90	754
Dato' Tajuddin bin Atan	**-**	**5,645**	-	5,662
Datuk Dr. Md Tap bin Salleh	**60**	**88**	60	85
Datuk Dr. Syed Muhamad bin Syed Abdul Kadir	**60**	**90**	60	71
Tan Sri Datuk Dr. Abdul Samad bin Haji Alias	**60**	**64**	60	62
Dato' Saiful Bahri bin Zainuddin	**60**	**88**	60	80
Tan Sri Ong Leong Huat @ Wong Joo Hwa	**60**	**53**	60	48
Datuk Karownakaran @ Karunakaran a/l Ramasamy	**46**	**47**	-	-
Chay Wai Leong	**46**	**41**	-	-
Ghazali bin Hj Darman	**46**	**58**	-	-
Dato' Wong Puan Wah @ Wong Sulong	**14**	**14**	60	69
Izham bin Yusoff	**14**	**16**	60	64
Dato' Dr. Thillainathan a/l Ramasamy	**14**	**14**	60	75
Cheah Tek Kuang	**14**	**25**	60	73
Datuk Puteh Rukiah binti Abd Majid	**24**	**30**	60	54
Datin Paduka Siti Sa'diah binti Sheikh Bakir	**-**	**-**	15	29
	608	**7,010**	705	7,126

[1] Other allowances comprise the Chairman's allowance and meeting allowances which vary from one Director to another, depending on the number of committees they sit on and the number of meetings attended.

9. Income tax expense

	Group		Company	
	2013 RM'000	2012 RM'000 (Restated)	2013 RM'000	2012 RM'000 (Restated)
Income tax:				
Current year provision	**68,602**	58,584	**1,810**	13,185
(Over)/under provision of tax in prior years	**(7,434)**	622	**(2,132)**	568
	61,168	59,206	**(322)**	13,753
Deferred tax (Note 18):				
Relating to origination and reversal of temporary differences	**(2,288)**	(427)	**(1,504)**	(4,029)
Under/(over) provision of tax in prior years	**7,315**	(326)	**7,192**	(309)
	5,027	(753)	**5,688**	(4,338)
Total income tax expense	**66,195**	58,453	**5,366**	9,415

9. Income tax expense (cont'd.)

The reconciliation between tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 December 2013 and 31 December 2012 is as follows:

	Group		Company	
	2013 RM'000	2012 RM'000 (Restated)	2013 RM'000	2012 RM'000 (Restated)
Accounting profit before tax	**245,580**	215,339	**126,369**	160,351
Taxation at Malaysian statutory tax rate of 25%	**61,395**	53,835	**31,592**	40,088
Deferred tax not recognised in respect of current year's tax losses	**89**	488	**-**	-
Effect of tax rate of 3% on (profit)/loss before tax for subsidiary incorporated in Labuan	**(35)**	327	**-**	-
Effect of expenses not deductible for tax purposes	**5,981**	5,573	**5,181**	3,824
Effect of income not subject to tax	**(911)**	(899)	**(36,262)**	(33,617)
Utilisation of previously unrecognised tax losses by a subsidiary	**-**	(28)	**-**	-
Utilisation of subsidiaries losses under group relief	**(205)**	(1,139)	**(205)**	(1,139)
(Over)/under provision of income tax in prior years	**(7,434)**	622	**(2,132)**	568
Under/(over) provision of deferred tax in prior years	**7,315**	(326)	**7,192**	(309)
Tax expense for the year	**66,195**	58,453	**5,366**	9,415

The Group and the Company's tax charge for the year has been reduced by RM205,000 (2012: RM1,139,000) as unabsorbed losses of certain subsidiaries are offset against its taxable income. No payment will be made by the Company to its subsidiaries for the surrendering of these tax losses.

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

10. Earnings per share (EPS)

(a) Basic EPS

Basic EPS is calculated by dividing profit for the year, net of tax, attributable to owners of the Company by the weighted average number of ordinary shares outstanding during the financial year.

	Group	
	2013	2012 (Restated)
Profit for the year, net of tax, attributable to owners of the Company (RM'000)	**173,075**	150,598
Weighted average number of ordinary shares in issue ('000)	**532,373**	531,869
Basic EPS (sen)	**32.5**	28.3

10. Earnings per share (EPS) (cont'd.)

(b) Diluted EPS

For the purpose of calculating diluted EPS, the weighted average number of ordinary shares in issue during the financial year have been adjusted for the dilutive effects of ordinary shares issued to employees under the SGP and potential ordinary shares which may arise from the SGP grants which have not vested as at the end of the year.

	Group 2013	Group 2012 (Restated)
Profit for the year, net of tax, attributable to owners of the Company (RM'000)	**173,075**	150,598
Weighted average number of ordinary shares in issue ('000)	**532,373**	531,869
Effect of dilution of share grants ('000)	**1,454**	695
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	**533,827**	532,564
Diluted EPS (sen)	**32.4**	28.3

11. Dividends

	Dividends in respect of year 2013 RM'000	Dividends in respect of year 2012 RM'000	Dividends recognised in year 2013 RM'000	Dividends recognised in year 2012 RM'000
Special dividend on ordinary shares				
20.0 sen per share under the single-tier system, on 532,612,000 ordinary shares	**-**	-	**106,522**	-
Interim dividends on ordinary shares				
16.0 sen per share under the single-tier system, on 532,612,000 ordinary shares	**85,218**	-	**85,218**	-
13.5 sen per share under the single-tier system, on 532,024,000 ordinary shares	**-**	71,823	**-**	71,823
Final dividends on ordinary shares				
13.5 sen per share under the single-tier system, on 532,274,000 ordinary shares	**-**	71,857	**71,857**	-
13.0 sen per share under the single-tier system, on 531,849,000 ordinary shares	**-**	-	**-**	69,140
	85,218	143,680	**263,597**	140,963

At the forthcoming Annual General Meeting, a final dividend under the single-tier system in respect of the financial year ended 31 December 2013 of 16.0 sen per share on 532,612,000 ordinary shares, amounting to a dividend payable of approximately RM85,218,000 will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2014.

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12. Property, plant and equipment

Group	Note	Land and buildings (Note a) RM'000	Office equipment, furniture and fittings RM'000	Computers and office automation RM'000	Motor vehicles RM'000	Projects-in-progress RM'000	Total RM'000
Cost							
At 1 January 2013		**319,580**	**31,205**	**84,963**	**2,157**	**725**	**438,630**
Additions		**1,121**	**890**	**7,616**	**-**	**1,673**	**11,300**
Write-offs		**-**	**(499)**	**(32,618)**	**-**	**-**	**(33,117)**
Exchange differences		**22**	**7**	**151**	**-**	**-**	**180**
Reclassification		**-**	**-**	**673**	**-**	**(673)**	**-**
At 31 December 2013		**320,723**	**31,603**	**60,785**	**2,157**	**1,725**	**416,993**
Accumulated depreciation							
At 1 January 2013		**126,286**	**30,250**	**71,182**	**1,179**	**-**	**228,897**
Depreciation charge for the year	6	**6,404**	**588**	**7,259**	**426**	**-**	**14,677**
Write-offs		**-**	**(499)**	**(32,618)**	**-**	**-**	**(33,117)**
Exchange differences		**22**	**7**	**151**	**-**	**-**	**180**
At 31 December 2013		**132,712**	**30,346**	**45,974**	**1,605**	**-**	**210,637**
Net carrying amount at 31 December 2013		**188,011**	**1,257**	**14,811**	**552**	**1,725**	**206,356**
Cost							
At 1 January 2012		319,332	31,889	118,692	2,215	2,990	475,118
Additions		784	549	4,739	-	701	6,773
Disposals		-	-	-	(56)	-	(56)
Write-offs		(530)	(1,234)	(41,664)	-	-	(43,428)
Exchange differences		(6)	1	93	(2)	-	86
Reclassification		-	-	3,103	-	(2,966)	137
At 31 December 2012		319,580	31,205	84,963	2,157	725	438,630
Accumulated depreciation							
At 1 January 2012		119,906	30,979	105,030	806	-	256,721
Depreciation charge for the year	6	6,916	504	7,706	431	-	15,557
Disposals		-	-	-	(56)	-	(56)
Write-offs		(530)	(1,234)	(41,647)	-	-	(43,411)
Exchange differences		(6)	1	93	(2)	-	86
At 31 December 2012		126,286	30,250	71,182	1,179	-	228,897
Net carrying amount at 31 December 2012		193,294	955	13,781	978	725	209,733

12. Property, plant and equipment (cont'd.)

Company	Note	Land and buildings (Note a) RM'000	Office equipment, furniture and fittings RM'000	Computers and office automation RM'000	Motor vehicles RM'000	Projects-in-progress RM'000	Total RM'000
Cost							
At 1 January 2013		**319,367**	**30,736**	**83,160**	**1,979**	**724**	**435,966**
Additions		**1,093**	**890**	**7,565**	**-**	**1,673**	**11,221**
Write-offs		**-**	**(460)**	**(31,305)**	**-**	**-**	**(31,765)**
Reclassification		**-**	**-**	**673**	**-**	**(673)**	**-**
At 31 December 2013		**320,460**	**31,166**	**60,093**	**1,979**	**1,724**	**415,422**
Accumulated depreciation							
At 1 January 2013		**126,079**	**29,853**	**72,818**	**1,073**	**-**	**229,823**
Depreciation charge for the year	6	**6,399**	**566**	**6,137**	**390**	**-**	**13,492**
Write-offs		**-**	**(460)**	**(31,305)**	**-**	**-**	**(31,765)**
At 31 December 2013		**132,478**	**29,959**	**47,650**	**1,463**	**-**	**211,550**
Net carrying amount at 31 December 2013		**187,982**	**1,207**	**12,443**	**516**	**1,724**	**203,872**
Cost							
At 1 January 2012		319,103	31,271	101,995	1,979	1,039	455,387
Additions		784	526	4,173	-	701	6,184
Write-offs		(520)	(1,061)	(24,024)	-	-	(25,605)
Reclassification		-	-	1,016	-	(1,016)	-
At 31 December 2012		319,367	30,736	83,160	1,979	724	435,966
Accumulated depreciation							
At 1 January 2012		119,686	30,427	90,089	678	-	240,880
Depreciation charge for the year	6	6,913	486	6,739	395	-	14,533
Write-offs		(520)	(1,060)	(24,010)	-	-	(25,590)
At 31 December 2012		126,079	29,853	72,818	1,073	-	229,823
Net carrying amount at 31 December 2012		193,288	883	10,342	906	724	206,143

12. Property, plant and equipment (cont'd.)

(a) Land and buildings

Group	Buildings RM'000	Office lots RM'000	Renovations RM'000	Total RM'000
Cost				
At 1 January 2013	**285,960**	**19,862**	**13,758**	**319,580**
Additions	**-**	**-**	**1,121**	**1,121**
Exchange differences	**-**	**-**	**22**	**22**
At 31 December 2013	**285,960**	**19,862**	**14,901**	**320,723**
Accumulated depreciation				
At 1 January 2013	**104,464**	**10,175**	**11,647**	**126,286**
Depreciation charge for the year	**5,242**	**281**	**881**	**6,404**
Exchange differences	**-**	**-**	**22**	**22**
At 31 December 2013	**109,706**	**10,456**	**12,550**	**132,712**
Net carrying amount at 31 December 2013	**176,254**	**9,406**	**2,351**	**188,011**
Cost				
At 1 January 2012	285,960	19,862	13,510	319,332
Additions	-	-	784	784
Write-offs	-	-	(530)	(530)
Exchange differences	-	-	(6)	(6)
At 31 December 2012	285,960	19,862	13,758	319,580
Accumulated depreciation				
At 1 January 2012	99,222	9,894	10,790	119,906
Depreciation charge for the year	5,242	281	1,393	6,916
Write-offs	-	-	(530)	(530)
Exchange differences	-	-	(6)	(6)
At 31 December 2012	104,464	10,175	11,647	126,286
Net carrying amount at 31 December 2012	181,496	9,687	2,111	193,294

12. Property, plant and equipment (cont'd.)

(a) Land and buildings (cont'd.)

Company	Buildings RM'000	Office lots RM'000	Renovations RM'000	Total RM'000
Cost				
At 1 January 2013	**285,960**	**19,862**	**13,545**	**319,367**
Additions	**-**	**-**	**1,093**	**1,093**
At 31 December 2013	**285,960**	**19,862**	**14,638**	**320,460**
Accumulated depreciation				
At 1 January 2013	**104,464**	**10,175**	**11,440**	**126,079**
Depreciation charge for the year	**5,242**	**281**	**876**	**6,399**
At 31 December 2013	**109,706**	**10,456**	**12,316**	**132,478**
Net carrying amount at 31 December 2013	**176,254**	**9,406**	**2,322**	**187,982**
Cost				
At 1 January 2012	285,960	19,862	13,281	319,103
Additions	-	-	784	784
Write-offs	-	-	(520)	(520)
At 31 December 2012	285,960	19,862	13,545	319,367
Accumulated depreciation				
At 1 January 2012	99,222	9,894	10,570	119,686
Depreciation charge for the year	5,242	281	1,390	6,913
Write-offs	-	-	(520)	(520)
At 31 December 2012	104,464	10,175	11,440	126,079
Net carrying amount at 31 December 2012	181,496	9,687	2,105	193,288

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13. Computer software

Group	Note	2013 Implemented projects RM'000	2013 Projects-in-progress RM'000	2013 Total RM'000	2012 Implemented projects RM'000	2012 Projects-in-progress RM'000	2012 Total RM'000
Cost							
At 1 January		**133,969**	**7,176**	**141,145**	113,130	10,619	123,749
Additions		**19,724**	**2,261**	**21,985**	13,470	6,483	19,953
Write-offs		**(53,543)**	**-**	**(53,543)**	(2,420)	-	(2,420)
Reclassification		**7,176**	**(7,176)**	**-**	9,789	(9,926)	(137)
At 31 December		**107,326**	**2,261**	**109,587**	133,969	7,176	141,145
Accumulated amortisation							
At 1 January		**79,871**	**-**	**79,871**	64,135	-	64,135
Amortisation charge for the year	6	**20,287**	**-**	**20,287**	18,156	-	18,156
Write-offs		**(51,975)**	**-**	**(51,975)**	(2,420)	-	(2,420)
At 31 December		**48,183**	**-**	**48,183**	79,871	-	79,871
Net carrying amount at 31 December		**59,143**	**2,261**	**61,404**	54,098	7,176	61,274
Company							
Cost							
At 1 January		**114,952**	**7,176**	**122,128**	107,960	1,417	109,377
Additions		**19,608**	**2,261**	**21,869**	7,554	6,483	14,037
Write-offs		**(53,543)**	**-**	**(53,543)**	(1,286)	-	(1,286)
Reclassification		**7,176**	**(7,176)**	**-**	724	(724)	-
At 31 December		**88,193**	**2,261**	**90,454**	114,952	7,176	122,128
Accumulated amortisation							
At 1 January		**77,408**	**-**	**77,408**	62,228	-	62,228
Amortisation charge for the year	6	**17,683**	**-**	**17,683**	16,466	-	16,466
Write-offs		**(51,975)**	**-**	**(51,975)**	(1,286)	-	(1,286)
At 31 December		**43,116**	**-**	**43,116**	77,408	-	77,408
Net carrying amount at 31 December		**45,077**	**2,261**	**47,338**	37,544	7,176	44,720

14. Goodwill

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
At 1 January/31 December	**42,957**	42,957	**29,494**	29,494

Goodwill is in respect of acquisitions of subsidiaries by the Group and has been allocated to the CGUs in the following market segments:

	Group	
	2013	2012
	RM'000	RM'000
Securities market	**33,273**	33,273
Derivatives market	**9,684**	9,684
	42,957	42,957

Key assumptions used in value-in-use calculations

The following describes the key assumptions on which management has based its cash flow projections to undertake impairment assessment of goodwill:

(i) Securities market

The recoverable amount of this CGU has been determined based on value-in-use calculations using five year financial projections. Revenue growth has been capped at 5% per annum, while expenses have been assumed to grow at 6% for the first two years and subsequent years at 3% per annum. No revenue and expense growth was projected from the sixth year to perpetuity.

(ii) Derivatives market

The recoverable amount of this CGU has been determined based on value-in-use calculations using five year financial projections. The anticipated annual revenue and expenses growth included in the financial projections was between 10% to 25% based on the expected developments over the next five years. No revenue and expense growth was projected from the sixth year to perpetuity.

(iii) Discount rate

A discount rate of 11% was applied in determining the recoverable amount of the respective CGU. The discount rate was based on the Group's weighted average cost of capital.

Sensitivity to changes in assumptions

Management believes that no reasonable possible changes in any of the key assumptions above would cause the carrying values of the CGUs to materially exceed their recoverable amounts.

15. Investments in subsidiaries

	Company 2013 RM'000	Company 2012 RM'000
Unquoted shares, at cost	**174,183**	174,183
Less: Accumulated impairment losses	**(22,041)**	(22,041)
	152,142	152,142

In the previous financial year, the Company reversed an impairment loss of RM4,755,000 in relation to the Company's investment in its subsidiary, Bursa Malaysia Derivatives, on the basis that the recoverable amount is in excess of the carrying amount. The Company also recognised an impairment loss of RM1,589,000 in relation to its wholly owned subsidiary, Labuan International Financial Exchange Inc., on the basis that the carrying amount is in excess of the recoverable amount.

Details of the subsidiaries, all of which are incorporated in Malaysia, are as follows:

Name of subsidiaries	Proportion of ownership interest 2013 %	Proportion of ownership interest 2012 %	Ordinary paid-up capital as at 31.12.2013 RM'000	Principal activities
Bursa Malaysia Securities Berhad (Bursa Malaysia Securities)	**100**	100	**25,000**	Provide, operate and maintain a securities exchange.
Bursa Malaysia Derivatives Berhad (Bursa Malaysia Derivatives)	**75**	75	**50,000**	Provide, operate and maintain a derivatives exchange.
Labuan International Financial Exchange Inc. (LFX) *	**100**	100	**5,500 (in USD'000)**	Provide, operate and maintain an offshore financial exchange.
Bursa Malaysia Securities Clearing Sdn Bhd (Bursa Malaysia Securities Clearing)	**100**	100	**50,000**	Provide, operate and maintain a clearing house for the securities exchange.
Bursa Malaysia Depository Sdn Bhd (Bursa Malaysia Depository)	**100**	100	**25,000**	Provide, operate and maintain a central depository for securities listed on the securities exchange.

15. Investments in subsidiaries (cont'd.)

Name of subsidiaries	Proportion of ownership interest 2013 %	2012 %	Ordinary paid-up capital as at 31.12.2013 RM'000	Principal activities
Bursa Malaysia Information Sdn Bhd (Bursa Malaysia Information)	**100**	100	**250**	Provide and disseminate prices and other information relating to securities quoted on exchanges within the Group.
Bursa Malaysia Bonds Sdn Bhd (Bursa Malaysia Bonds)	**100**	100	**2,600**	Provide, operate and maintain an electronic trading platform for the bond market.
Bursa Malaysia Islamic Services Sdn Bhd (Bursa Malaysia Islamic Services)	**100**	100	**2,600**	Provide, operate and maintain a Shari'ah compliant commodity trading platform.
Subsidiary held through Bursa Malaysia Depository				
Bursa Malaysia Depository Nominees Sdn Bhd (Bursa Malaysia Depository Nominees)	**100**	100	**~**	Act as a nominee for Bursa Malaysia Depository and receive securities on deposit or for safe-custody or management.
Subsidiary held through Bursa Malaysia Derivatives				
Bursa Malaysia Derivatives Clearing Berhad (Bursa Malaysia Derivatives Clearing)	**75**	75	**20,000**	Provide, operate and maintain a clearing house for the derivatives exchange.

* Incorporated in the Federal Territory of Labuan, Malaysia.

~ Denotes RM2.

15. Investments in subsidiaries (cont'd.)

All subsidiaries are consolidated. The proportion of the voting rights in the subsidiaries held directly by the parent company does not differ from the proportion of ordinary shares held.

The summarised financial information of Bursa Malaysia Derivatives Group that has a non-controlling interests, representing 25% of ownership interest, is as follows:

(a) Summarised consolidated statement of financial position

	2013 RM'000	2012 RM'000
Assets		
Non-current assets	**21,436**	24,766
Current assets	**836,067**	1,221,785
Total assets	**857,503**	1,246,551
Equity attributable to owners of the Company	**84,420**	81,981
Liabilities		
Non-current liabilities	**6,447**	7,869
Current liabilities	**766,636**	1,156,701
Total liabilities	**773,083**	1,164,570
Total equity and liabilities	**857,503**	1,246,551

(b) Summarised consolidated income statement

	2013 RM'000	2012 RM'000
Revenue	**87,688**	79,112
Expenses	**(53,370)**	(45,217)
Profit for the year	**25,239**	25,153
Dividend paid to non-controlling interests	**5,750**	4,750

(c) Summarised consolidated statement of cash flows

	2013 RM'000	2012 RM'000
Net cash from operating activities	**28,265**	27,454
Net cash from/(used in) investing activities	**2,300**	(5,421)
Net cash used in financing activities	**(23,220)**	(19,548)
Net increase in cash and cash equivalents	**7,345**	2,485
Cash and cash equivalents at the beginning of year	**69,827**	67,342
Cash and cash equivalents at the end of year	**77,172**	69,827

The summarised financial information represents the amount before inter-company eliminations between Bursa Malaysia Berhad Group and Bursa Malaysia Derivatives Group.

16. Investment securities

	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
Non-current				
AFS financial assets				
- Shares (quoted outside Malaysia)	**98,584**	59,322	**98,584**	59,322
- Bonds (unquoted)	**64,911**	64,460	**-**	-
	163,495	123,782	**98,584**	59,322
Current				
AFS financial assets				
- Bonds (unquoted)	**36,551**	35,138	**26,545**	30,125
HTM investment				
- Commercial papers	**14,632**	19,798	**9,723**	14,840
	51,183	54,936	**36,268**	44,965
Total investments	**214,678**	178,718	**134,852**	104,287

17. Staff loans receivable

	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
Housing loans	**7,787**	9,901	**7,104**	9,168
Vehicle loans	**83**	61	**83**	61
Computer loans	**74**	68	**72**	60
	7,944	10,030	**7,259**	9,289
Less: Portion within 12 months, included in other receivables (Note 20)	**(822)**	(890)	**(745)**	(809)
	7,122	9,140	**6,514**	8,480

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18. Deferred tax assets/(liabilities)

	Group		Company	
	31.12.2013 RM'000	31.12.2012 RM'000 (Restated)	31.12.2013 RM'000	31.12.2012 RM'000 (Restated)
At 1 January	**(6,617)**	(6,530)	**(4,026)**	(7,564)
Recognised in income statement (Note 9)	**(5,027)**	753	**(5,688)**	4,338
Recognised in other comprehensive income	**400**	(840)	**326**	(800)
At 31 December	**(11,244)**	(6,617)	**(9,388)**	(4,026)

Presented after appropriate offsetting as follows:

	Group			Company		
	31.12.2013 RM'000	31.12.2012 RM'000 (Restated)	1.1.2012 RM'000 (Restated)	31.12.2013 RM'000	31.12.2012 RM'000 (Restated)	1.1.2012 RM'000 (Restated)
Deferred tax assets	**1,648**	1,278	1,034	**-**	-	-
Deferred tax liabilities	**(12,892)**	(7,895)	(7,564)	**(9,388)**	(4,026)	(7,564)
	(11,244)	(6,617)	(6,530)	**(9,388)**	(4,026)	(7,564)

Deferred tax assets of the Group:

	Provision for retirement benefits RM'000	Other provisions and payables RM'000	Allowance for impairment of receivables RM'000	Depreciation in excess of capital allowances RM'000	Unused capital allowances RM'000	Total RM'000
At 1 January 2013	**7,505**	**6,705**	**847**	**38**	**-**	**15,095**
Recognised in income statement	**(526)**	**1,696**	**(837)**	**4**	**3,321**	**3,658**
Recognised in other comprehensive income	**257**	**-**	**-**	**-**	**-**	**257**
At 31 December 2013	**7,236**	**8,401**	**10**	**42**	**3,321**	**19,010**
At 1 January 2012 (Restated)	8,400	6,252	542	13	-	15,207
Recognised in income statement	(41)	453	305	25	-	742
Recognised in other comprehensive income	(854)	-	-	-	-	(854)
At 31 December 2012 (Restated)	7,505	6,705	847	38	-	15,095

18. Deferred tax assets/(liabilities) (cont'd.)

Deferred tax assets of the Company:

	Provision for retirement benefits RM'000	Other provisions and payables RM'000	Allowance for impairment of receivables RM'000	Depreciation in excess of capital allowances RM'000	Unused capital allowances RM'000	Total RM'000
At 1 January 2013	**7,506**	**5,286**	**692**	**35**	**-**	**13,519**
Recognised in income statement	**(526)**	**1,185**	**(681)**	**2**	**3,321**	**3,301**
Recognised in other comprehensive income	**257**	**-**	**-**	**-**	**-**	**257**
At 31 December 2013	**7,237**	**6,471**	**11**	**37**	**3,321**	**17,077**
At 1 January 2012 (Restated)	8,400	4,843	422	11	-	13,676
Recognised in income statement	(40)	443	270	24	-	697
Recognised in other comprehensive income	(854)	-	-	-	-	(854)
At 31 December 2012 (Restated)	7,506	5,286	692	35	-	13,519

Deferred tax liabilities of the Group:

	Accelerated capital allowances RM'000	AFS investments RM'000	Total RM'000
At 1 January 2013	**(21,607)**	**(105)**	**(21,712)**
Recognised in income statement	**(8,425)**	**(260)**	**(8,685)**
Recognised in other comprehensive income	**-**	**143**	**143**
At 31 December 2013	**(30,032)**	**(222)**	**(30,254)**
At 1 January 2012	(21,495)	(242)	(21,737)
Recognised in income statement	(112)	123	11
Recognised in other comprehensive income	-	14	14
At 31 December 2012	(21,607)	(105)	(21,712)

18. Deferred tax assets/(liabilities) (cont'd.)

Deferred tax liabilities of the Company:

	Accelerated capital allowances RM'000	AFS investments RM'000	Total RM'000
At 1 January 2013	**(17,435)**	**(110)**	**(17,545)**
Recognised in income statement	**(8,943)**	**(46)**	**(8,989)**
Recognised in other comprehensive income	**-**	**69**	**69**
At 31 December 2013	**(26,378)**	**(87)**	**(26,465)**
At 1 January 2012	(21,072)	(168)	(21,240)
Recognised in income statement	3,637	4	3,641
Recognised in other comprehensive income	-	54	54
At 31 December 2012	(17,435)	(110)	(17,545)

At the financial year end, the Group has tax losses of approximately RM17,485,000 (2012: RM17,131,000) that are available for offset against future taxable profits of the companies in which the losses arose. No deferred tax asset is recognised on this amount due to uncertainty of its recoverability. The availability of unused tax losses for offsetting against future taxable profits of the respective subsidiaries in Malaysia are subject to no substantial changes in shareholdings of those subsidiaries under the Income Tax Act, 1967 and guidelines issued by the tax authority.

19. Trade receivables

	Group		Company	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Trade receivables	**33,234**	28,920	**1,480**	1,581
Less: Allowance for impairment	**(501)**	(458)	**(194)**	(206)
	32,733	28,462	**1,286**	1,375

20. Other receivables

	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
Deposits	**733**	816	**613**	698
Prepayments	**5,282**	3,727	**4,931**	3,712
Interest receivables	**4,708**	5,302	**1,593**	2,747
Staff loans receivable within 12 months (Note 17)	**822**	890	**745**	809
Sundry receivables	**11,253**	12,370	**6,677**	5,284
	22,798	23,105	**14,559**	13,250
Less: Allowance for impairment	**(7,004)**	(7,024)	**(2,675)**	(2,695)
	15,794	16,081	**11,884**	10,555

21. Related company balances

The amounts due from subsidiaries are unsecured, receivable within 30 days and bear late interest charges of 2% above the prevailing base lending rate.

22. Cash and bank balances not belonging to the Group

	Group 2013 RM'000	Group 2012 RM'000
Derivatives margins and security deposits	**733,601**	1,123,660
Securities Borrowing and Lending (SBL) collaterals	**717**	13,574
Trade payables	**734,318**	1,137,234
Clearing Guarantee Fund (CGF) (Note 25(e)(i))	**13,178**	12,361
Derivatives Clearing Fund (DCF) (Note 25(e)(ii))	**22,196**	23,577
Clearing funds	**35,374**	35,938
Cash received for eDividend distributions (included within other payables (Note 29))	**1,225**	1,828
Total cash and bank balances not belonging to the Group	**770,917**	1,175,000

Notes to the Financial Statements

31 December 2013

22. Cash and bank balances not belonging to the Group (cont'd.)

Note a

The cash received from CPs and TCPs are placed in interest-bearing deposits and interest earned is credited to the CPs' and TCPs' accounts net of service charges. Cash received for eDividend distributions is placed in interest-bearing deposits until such time when dividend payment is due. Details of the cash received are as follows:

	Group	
	2013 RM'000	2012 RM'000
Cash on hand and at banks	**170,884**	178,402
Deposits with licensed financial institutions	**600,033**	996,598
	770,917	1,175,000

Note b

The amount of non-cash collaterals and contributions held by, but not belonging to, the Group and which are not included in the Group's statement of financial position as at the financial year end comprise the following:

	Group	
	2013 RM'000	2012 RM'000
Collaterals in the form of letters of credit	**499,385**	406,500
Collaterals in the form of shares	**3,216**	216
Contributions to the CGF in the form of bank guarantees (Note 25(e)(i))	**4,438**	5,776
	507,039	412,492

Note c

Trade payables comprise margins and security deposits which are derived from cash received from CPs of Bursa Malaysia Derivatives Clearing for their open interests in derivatives contracts. Collaterals are also lodged by TCPs of Bursa Malaysia Securities Clearing for borrowings under the SBL framework.

23. Cash and bank balances

	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
Cash on hand and at banks	**2,375**	4,872	**362**	1,820
Deposits with:				
Licensed banks	**316,231**	408,918	**120,203**	222,118
Licensed investment banks	**62,836**	57,713	**24,194**	44,437
	379,067	466,631	**144,397**	266,555
Total cash and bank balances	**381,442**	471,503	**144,759**	268,375

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

	Group 2013 RM'000	Group 2012 RM'000
Bursa Malaysia Securities Clearing's contribution to the CGF (Note 25(e)(i))	**25,000**	25,000
Bursa Malaysia Derivatives Clearing's contribution to the DCF (Note 25(e)(ii))	**5,000**	5,000
	30,000	30,000

(ii) An amount of RM2,207,000 (2012: RM7,233,000) which has been set aside to meet or secure the claims of creditors and certain lease payments pursuant to the High Court order issued in relation to the reduction of capital of the Company on 27 January 2005.

(iii) For the purpose of statements of cash flows, cash and cash equivalents comprise the following as at the end of the financial year:

	Group 2013 RM'000	Group 2012 RM'000	Company 2013 RM'000	Company 2012 RM'000
Total cash and bank balances	**381,442**	471,503	**144,759**	268,375
Less: Other deposits not for short-term funding requirements	**(134,834)**	(235,403)	**(56,087)**	(163,102)
	246,608	236,100	**88,672**	105,273

24. Share capital

	Number of ordinary shares of RM0.50 each		Amount	
	2013	2012	2013	2012
	'000	'000	RM'000	RM'000
Authorised				
At 1 January/31 December	**2,000,000**	2,000,000	**1,000,000**	1,000,000
Issued and fully paid				
At 1 January	**532,024**	531,599	**266,012**	265,800
Issued during the year pursuant to SGP (Note 27(b))	**588**	425	**294**	212
At 31 December	**532,612**	532,024	**266,306**	266,012

The holders of ordinary shares are entitled to receive dividends as declared from time to time and are entitled to one vote per share at meetings of the Company. All ordinary shares rank equally with regards to the Company's residual assets.

25. Other reserves

		Group		Company	
		2013	2012	2013	2012
	Note	RM'000	RM'000	RM'000	RM'000
Capital reserve	(a)	**14,100**	13,900	**-**	-
Capital redemption reserve	(b)	**5,250**	5,250	**-**	-
Foreign currency translation reserve	(c)	**72**	(40)	**-**	-
Share grant reserve	(d)	**4,582**	2,320	**4,582**	2,320
Clearing fund reserves	(e)	**30,000**	30,000	**-**	-
AFS reserve	(f)	**13,712**	(24,602)	**13,969**	(24,901)
		67,716	26,828	**18,551**	(22,581)

25. Other reserves (cont'd.)

(a) Capital reserve

Capital reserve is in relation to share premium in Bursa Malaysia Derivatives, which arises from "B" and "C" non-cumulative preference shares of RM1.00 each in Bursa Malaysia Derivatives. The composition of share premium in Bursa Malaysia Derivatives is as follows:

Financial year of issue	Type of preference shares	No. of shares issued	Share premium RM'000
2001	"B" preference shares	16	8,000
2001	"C" preference shares	15	3,000
2002	"C" preference shares	6	1,200
2003	"C" preference shares	1	200
2006	"C" preference shares	1	200
2007	"B" preference shares	1	500
2007	"C" preference shares	2	400
2008	"C" preference shares	1	200
2010	"C" preference shares	1	200
2013	"C" preference shares	1	200
			14,100

The share premium arising from the above issues are not refundable to the preference shareholders and thus are treated as a non-distributable capital reserve. The "B" and "C" preference shares have been accounted for as part of the Group's non-controlling interest.

During the financial year, Bursa Malaysia Derivatives proposed the revamp of its participantship structure. Further details of the revamp is disclosed in Note 41.

(b) Capital redemption reserve

The capital redemption reserve relates to the capitalisation of retained earnings arising from the redemption of preference shares by the following subsidiaries:

	Group	
	2013 RM'000	2012 RM'000
Bursa Malaysia Depository	**5,000**	5,000
Bursa Malaysia Securities	**250**	250
	5,250	5,250

The capital redemption reserve is non-distributable in the form of dividends but may be applied in paying up unissued shares of the subsidiaries to be issued to the shareholder of the subsidiaries as fully paid bonus shares.

25. Other reserves (cont'd.)

(c) Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising from the translation of the financial statements of a subsidiary whose functional currency differs from the Group's presentation currency.

(d) Share grant reserve

The share grant reserve represents the value of equity-settled shares granted to employees under the SGP. This reserve is made up of the cumulative value of services received from employees recorded on grant of shares.

(e) Clearing fund reserves

		Group	
		2013	2012
	Note	RM'000	RM'000
Amount set aside for:			
CGF, in accordance with Rules of Bursa Malaysia Securities Clearing	(i)	**25,000**	25,000
DCF, in accordance with Rules of Bursa Malaysia Derivatives Clearing	(ii)	**5,000**	5,000
		30,000	30,000

(i) CGF reserve

The CGF reserve is an amount set aside following the implementation of the CGF. The quantum of the CGF was set at RM100,000,000 and may increase by the quantum of interest arising from investments of the fixed contributions. The CGF comprises contributions from TCPs, appropriation from Bursa Malaysia Securities Clearing, and other financial resources (currently in the form of a Standby Credit Facility from the Company).

As at the financial year end, the CGF composition was as follows:

	2013	2012
	RM'000	RM'000
Contributions from TCPs of Bursa Malaysia Securities Clearing (Note 22)	**13,178**	12,361
Contribution from Bursa Malaysia Securities Clearing (Note 23(i))	**25,000**	25,000
Standby Credit Facility from the Company (Note 32(b))	**60,000**	60,000
	98,178	97,361
Non-cash collaterals from TCPs of Bursa Malaysia Securities Clearing (Note 22(b))	**4,438**	5,776
	102,616	103,137

(ii) DCF reserve

Pursuant to the Rules of Bursa Malaysia Derivatives Clearing, Bursa Malaysia Derivatives Clearing set up a DCF for derivatives clearing and settlement. The DCF comprises contributions from CPs and appropriation of certain amounts from Bursa Malaysia Derivatives Clearing's retained earnings.

25. Other reserves (cont'd.)

(e) Clearing fund reserves (cont'd.)

(ii) DCF reserve (cont'd.)

As at the financial year end, the DCF composition was as follows:

	2013 RM'000	2012 RM'000
Contributions from CPs of Bursa Malaysia Derivatives Clearing (Note 22)	**22,196**	23,577
Contribution from Bursa Malaysia Derivatives Clearing (Note 23(i))	**5,000**	5,000
	27,196	28,577

There were no non-cash collaterals from CPs of Bursa Malaysia Derivatives Clearing for DCF held by the Group as at 31 December 2013 and 31 December 2012.

(f) AFS reserve

AFS reserve represents the cumulative fair value changes, net of tax, of AFS financial assets until they are disposed or impaired.

26. Retained earnings

The Company has elected for the irrevocable option under the Finance Act, 2007 to disregard the Section 108 balance as at 30 September 2009. Following that, the Company will be able to distribute dividends out of its entire retained earnings under the single-tier system.

27. Employee benefits

(a) Retirement benefit obligations

The Group operates a funded, defined Retirement Benefit Scheme (the Scheme) for its eligible employees. Contributions to the Scheme are made to a separately administered fund. Under the Scheme, eligible employees are entitled to a lump sum, upon leaving service, calculated based on the multiplication of two times the Final Scheme Salary, Pensionable Service and a variable factor based on service years, less EPF offset. The Scheme was closed to new entrants effective 1 September 2003.

The amounts recognised in the statements of financial position were determined as follows:

	Group and Company		
	31.12.2013 RM'000	31.12.2012 RM'000 (Restated)	1.1.2012 RM'000 (Restated)
Present value of funded defined benefit obligations	**30,440**	31,392	35,010
Fair value of plan assets	**(1,490)**	(1,369)	(1,411)
Net liability arising from defined benefit obligations	**28,950**	30,023	33,599

27. Employee benefits (cont'd.)

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

The movements in the net liability were as follows:

	Group and Company		
	Present value of funded defined benefit obligations RM'000	Fair value of plan assets RM'000	Total RM'000
At 1 January 2013	**31,392**	**(1,369)**	**30,023**
Interest expense/(income) (Note 5)	**1,551**	**(70)**	**1,481**
	32,943	**(1,439)**	**31,504**
Remeasurements:			
Return on plan assets	**-**	**45**	**45**
Experience losses	**984**	**-**	**984**
	984	**45**	**1,029**
Contributions by employer	**-**	**(3,249)**	**(3,249)**
Payments from plan	**(3,487)**	**3,153**	**(334)**
At 31 December 2013	**30,440**	**(1,490)**	**28,950**
At 1 January 2012 (Restated)	35,010	(1,411)	33,599
Interest expense/(income) (Note 5)	1,987	(81)	1,906
	36,997	(1,492)	35,505
Remeasurements:			
Return on plan assets	-	63	63
Gain from change in financial assumptions	(3,044)	-	(3,044)
Experience gains	(432)	-	(432)
	(3,476)	63	(3,413)
Contributions by employer	-	(1,761)	(1,761)
Payments from plan	(2,129)	1,821	(308)
At 31 December 2012 (Restated)	31,392	(1,369)	30,023

The plan assets comprise:

	Group and Company	
	31.12.2013 %	31.12.2012 %
Malaysian Government Securities	**40**	66
Cash and fixed deposits	**60**	34

27. Employee benefits (cont'd.)

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

Principal actuarial assumptions used:

	Group and Company	
	31.12.2013	31.12.2012
	%	%
Discount rate	**5.0**	5.0
Expected rate of salary increase	**5.0**	*

* First year at 13% and second year onwards at 5%.

The discount rate is determined based on the values of AA rated corporate bond yields with three to fifteen years of maturity.

Significant actuarial assumptions for determination of the defined benefits obligation are discount rate and expected salary increase. The sensitivity analysis below has been determined based on changes to individual assumptions, with all other assumptions held constant:

	Group and Company
	31.12.2013
	RM'000
A 1% decrease/increase in discount rate will increase/decrease the defined benefit obligation by	**2,134**
A 1% increase/decrease in expected salary growth will increase/decrease the defined benefit obligation by	**2,198**

The sensitivity analysis presented above may not be representative of the actual change in defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some assumptions may be correlated.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the previous year.

27. Employee benefits (cont'd.)

(b) SGP

The SGP is governed by the By-Laws approved by the shareholders at an Extraordinary General Meeting held on 14 April 2011. The SGP was implemented on 18 April 2011 and is in force for a maximum period of 10 years from the date of implementation.

The SGP comprises two types of performance-based awards, namely RSP and PSP.

The salient features and terms of the SGP are as follows:

(i) The Committee (appointed by the Board of Directors to administer the SGP) may, in its discretion and where necessary, direct the implementation and administration of the plan. The Committee may at any time within the duration of the plan, offer RSP and PSP awards under the SGP to eligible employees and/or Executive Directors of the Group, in which such offer shall lapse should the eligible employees or Executive Directors of the Group fail to accept within the period stipulated.

(ii) To facilitate the implementation of the SGP, a Trust to be administered in accordance to the Trust Deed by the Trustee appointed by the Company was established. The Trustee shall subscribe for new ordinary shares of RM0.50 each in the Company and transfer the shares to eligible employees and/or Executive Directors of the Group participating in the SGP. The Trustee will obtain financial funding from the Company and/or its subsidiaries and/or third parties for purposes of administering the Trust.

(iii) The total number of shares to be issued under the SGP shall not exceed in aggregate 10% of the issued and paid-up share capital (excluding treasury shares) of the Company at any point of time during the tenure of the SGP and out of which not more than 50% of the shares shall be allocated, in aggregate, to Executive Directors and senior management of the Group. In addition, not more than 10% of the shares available under the SGP shall be allocated to any individual employee or Executive Director who, either individually or collectively through persons connected with him/her, holds 20% or more in the issued and paid-up capital of the Company.

(iv) All new ordinary shares issued pursuant to the SGP will rank pari passu in all respect with the then existing ordinary shares of the Company, except that the new ordinary shares so issued will not be entitled to any rights, dividends or other distributions declared, made or paid to shareholders prior to the date of allotment of such new ordinary shares, and will be subject to all the provisions of the Articles of Association of the Company relating to transfer, transmission or otherwise.

(v) The shares granted will only be vested to the eligible employees and/or Executive Directors of the Group who have duly accepted the offer of awards under the SGP, on their respective vesting dates, provided the following vesting conditions are fully and duly satisfied:

- Eligible employees or Executive Directors of the Group must remain in employment with the Group and shall not have given notice of resignation or received notice of termination of service as at the vesting dates.

- In respect of the PSP, eligible employees and/or Executive Directors of the Group having achieved his/her performance targets as stipulated by the Committee and as set out in their offer of awards.

27. Employee benefits (cont'd.)

(b) SGP (cont'd.)

The following table illustrates the movement of shares granted under SGP during the financial year:

		Movements during the year			
	At 1 January '000	Granted '000	Vested '000	Forfeited '000	At 31 December '000
2013					
2011 grant:					
RSP	**306**	**-**	**(154)**	**(12)**	**140**
2012 grants:					
RSP	**549**	**-**	**(184)**	**(34)**	**331**
PSP	**380**	**-**	**-**	**(156)**	**224**
2013 grants:					
RSP	**-**	**1,375**	**(250)**	**(29)**	**1,096**
PSP	**-**	**475**	**-**	**-**	**475**
	1,235	**1,850**	**(588)**	**(231)**	**2,266**
2012					
2011 grant:					
RSP	541	-	(175)	(60)	306
2012 grants:					
RSP	-	829	(250)	(30)	549
PSP	-	398	-	(18)	380
	541	1,227	(425)	(108)	1,235

As disclosed in Note 24, share grants vested during the financial year resulted in the issuance of 588,000 ordinary shares of RM0.50 each (2012: 425,000 ordinary shares of RM0.50 each). The weighted average share price at the date of vesting for the financial year was RM7.42 (2012: RM6.86).

The outstanding share grants at the end of the financial year are to be vested on specific dates in the following periods:

(i) The 2011 grant is to be vested within the next year.

(ii) The 2012 grants are to be vested within the next two years.

(iii) The 2013 grants are to be vested within the next three years.

27. Employee benefits (cont'd.)

(b) SGP (cont'd.)

Fair value of shares granted during the financial year

The fair values of shares granted during the financial year were measured at grant date and the assumptions were as follows:

(i) The fair value of RSP shares granted during the year was estimated using a discounted cash flow model, taking into account the vesting conditions upon which the RSP shares were granted. The weighted average share price at the grant date was RM7.45 (2012: RM6.57). An average expected dividend yield of 4.7% (2012: 4.5%) was used in measuring the fair values.

(ii) The performance conditions for the PSP includes a non-market based hurdle and a market based hurdle. The non-market based hurdle is valued using a discounted cash flow model while the market based hurdle uses assumptions underlying the Black-Scholes methodology to produce a Monte-Carlo simulation. The key assumptions used in these models are as follows:

	2013	2012
Share price	**RM7.56**	RM6.75
Expected dividend yield	**4.9%**	4.4%
Expected volatility	**18.0%**	20.0%
Risk free rate	**3.3%**	3.1%

28. Deferred capital grants

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
At 1 January	**9,934**	11,850	**5,934**	7,500
Grant income (Note 4)	**(2,166)**	(1,916)	**(1,155)**	(1,566)
At 31 December	**7,768**	9,934	**4,779**	5,934

The deferred capital grants of the Group refer to grants for the development of the bond trading platform, the development of clearing facilities and licence for the order management system for the derivatives market. The deferred capital grant of the Company refers to the grant for the development of the bond trading platform.

29. Other payables

	Group			Company		
	31.12.2013 RM'000	31.12.2012 RM'000 (Restated)	1.1.2012 RM'000 (Restated)	31.12.2013 RM'000	31.12.2012 RM'000 (Restated)	1.1.2012 RM'000 (Restated)
Accruals	**18,071**	21,564	11,569	**14,985**	19,394	9,496
Amount due to SC	**3,963**	2,849	3,550	**-**	-	-
CMEIF	**17,701**	15,398	13,121	**17,701**	15,398	13,121
Provision for employee benefits	**28,268**	22,577	21,134	**25,619**	20,889	19,253
Receipts in advance	**2,536**	11,659	11,186	**791**	10,041	9,891
Sundry payables	**18,595**	20,432	19,353	**7,403**	8,674	10,210
	89,134	94,479	79,913	**66,499**	74,396	61,971

Included in sundry payables of the Group is cash received for eDividend distributions amounting to RM1,225,000 (2012: RM1,828,000).

30. Compensation funds

The Group maintains the following funds to compensate investors who have suffered losses under the circumstances specified in the relevant rules and regulations.

The net assets of the funds are as follows:

	2013 RM'000	2012 RM'000
Bursa Malaysia Securities Berhad - Compensation Fund (BMSB - CF)	**-**	313,270
Bursa Malaysia Derivatives Berhad - Fidelity Fund (BMDB - FF)	**-**	14,537
Bursa Malaysia Depository Sdn Bhd - Compensation Fund (Depository - CF)	**50,000**	50,000

The assets of the funds are segregated from the financial statements of the Group and are accounted for separately.

(a) BMSB - CF and BMDB - FF

The functions and funds of BMSB - CF and BMDB - FF were transferred to Capital Market Compensation Fund Corporation (CMC) during the financial year pursuant to Part IV of the Capital Markets and Services (Amendment) Act, 2012 (Amendment Act).

Prior to the Amendment Act, BMSB - CF and BMDB - FF were established, maintained and administered by Bursa Malaysia Securities and Bursa Malaysia Derivatives respectively.

30. Compensation funds (cont'd.)

(b) Depository - CF

In 1997, pursuant to the provisions of Section 5(1)(b)(vii) of the Securities Industry (Central Depositories) Act, 1991, Bursa Malaysia Depository, a wholly-owned subsidiary, established a scheme of compensation for the purpose of settling claims by depositors against Bursa Malaysia Depository, its authorised depository agents and Bursa Malaysia Depository Nominees. The scheme comprises monies in the Depository - CF and insurance policies. Bursa Malaysia Depository's policy is to maintain the balance in the Depository - CF at RM50,000,000. In consideration for the above, all revenue accruing to the Depository - CF's deposits and investments are to be credited to Bursa Malaysia Depository and all expenditure incurred for and on behalf of the Depository - CF will be paid for by Bursa Malaysia Depository.

31. Operating lease arrangements

(a) The Group and Company as lessee of building

The Company has entered into two non-cancellable operating lease agreements for the use of land. The leases are for a period of 99 years with no renewal or purchase option included in the contracts. The leases do not allow the Company to assign, transfer or sublease or create any charge, lien or trust in respect of or dispose of the whole or any part of the land. Tenancy is however allowed with the consent of the lessor.

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

	Group and Company	
	2013	2012
	RM'000	RM'000
Not later than one year	**539**	539
Later than one year and not later than five years	**2,155**	2,155
Later than five years	**39,175**	40,253
	41,869	42,947

The lease rental for the current financial year is disclosed in Note 7.

(b) The Group and Company as lessee of equipment

The Company has entered into an operating lease arrangement for the use of computer equipment. The leases have lives of five years with no renewal or purchase option included in the contracts.

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

	Group and Company	
	2013	2012
	RM'000	RM'000
Not later than one year	**152**	152
Later than one year and not later than five years	**430**	582
	582	734

The lease rental for the current financial year is disclosed in Note 7.

31. Operating lease arrangements (cont'd.)

(c) The Group and Company as lessor of building

The Company has entered into operating lease agreements for the rental of office space in the building. The lease is for a period of three years with a renewal option of another three years included in the agreements. The leases have a fixed rental rate for the existing lease period with an upward revision to the rental rate for the renewed lease period.

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

	Group and Company	
	2013	2012
	RM'000	RM'000
Not later than one year	**6,382**	6,028
Later than one year and not later than two years	**6,263**	6,283
Later than two years and not later than five years	**2,982**	9,207
	15,627	21,518

The lease rental for the current financial year is disclosed in Note 4.

(d) The Company as lessor of building

The Company has entered into an operating lease arrangement with its subsidiaries for the use of office space. The lease is for a period of three years and shall be automatically renewed for further periods of three years for each renewal unless terminated.

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

	Company	
	2013	2012
	RM'000	RM'000
Not later than one year	**4,607**	5,253
Later than one year and not later than two years	**4,607**	4,775
Later than two years but not later than five years	**11,615**	14,324
	20,829	24,352

The lease rental for the current financial year is disclosed in Notes 3 and 33(a).

31. Operating lease arrangements (cont'd.)

(e) The Company as lessor of equipment

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

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

	Company	
	2013	2012
	RM'000	RM'000
Not later than one year	**15,075**	25,652
Later than one year and not later than five years	**47,744**	58,405
Later than five years	**12,759**	31,785
	75,578	115,842

The lease rental for the current financial year is disclosed in Notes 3 and 33(a).

32. Commitments

(a) Capital commitments

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Approved and contracted for				
Computers and office automation	**4,200**	14,839	**4,200**	14,839
Office equipment	**19**	-	**19**	-
Renovations	**96**	218	**96**	218
	4,315	15,057	**4,315**	15,057
Approved but not contracted for				
Computers and office automation	**7,838**	26,688	**7,838**	26,688

(b) Other commitments

A standby credit facility of RM60,000,000 (2012: RM60,000,000) was provided by the Company to Bursa Malaysia Securities Clearing in respect of the CGF (Note 25(e)(i)).

33. Significant related party disclosures

(a) Transactions with subsidiaries

Significant transactions between the Company and its subsidiaries are as follows:

	2013 RM'000	2012 RM'000 (Restated)
Management fee income from:		
Bursa Malaysia Securities	**67,290**	60,063
Bursa Malaysia Derivatives	**9,618**	8,701
Bursa Malaysia Securities Clearing	**6,786**	6,132
Bursa Malaysia Derivatives Clearing	**3,275**	2,907
Bursa Malaysia Depository	**17,316**	15,767
Bursa Malaysia Information	**4,562**	5,100
Bursa Malaysia Islamic Services	**5,337**	4,895
Bursa Malaysia Bonds	**2**	3,102
LFX	**11**	1,550
	114,197	108,217

	2013 RM'000	2012 RM'000
Office space rental income from:		
Bursa Malaysia Securities	**2,110**	2,110
Bursa Malaysia Derivatives	**522**	522
Bursa Malaysia Securities Clearing	**675**	675
Bursa Malaysia Depository	**935**	935
Bursa Malaysia Information	**389**	389
Bursa Malaysia Islamic Services	**411**	411
Bursa Malaysia Bonds	**-**	154
LFX	**-**	101
	5,042	5,297

33. Significant related party disclosures (cont'd.)

(a) Transactions with subsidiaries (cont'd.)

Significant transactions between the Company and its subsidiaries are as follows (cont'd.):

	2013 RM'000	2012 RM'000
Lease rental income from:		
Bursa Malaysia Securities	**19,688**	18,990
Bursa Malaysia Derivatives	**682**	543
Bursa Malaysia Securities Clearing	**856**	957
Bursa Malaysia Derivatives Clearing	**198**	159
Bursa Malaysia Depository	**1,110**	845
Bursa Malaysia Information	**145**	158
Bursa Malaysia Islamic Services	**1,230**	1,227
Bursa Malaysia Bonds	**-**	175
LFX	**-**	47
	23,909	23,101
Dividend income from:		
Bursa Malaysia Securities	**55,800**	63,600
Bursa Malaysia Derivatives	**17,669**	14,749
Bursa Malaysia Securities Clearing	**16,300**	40,110
Bursa Malaysia Depository	**40,800**	37,400
Bursa Malaysia Information	**12,000**	9,400
	142,569	165,259

Management fee charged to subsidiaries are in respect of operational and administrative functions of the subsidiaries which are performed by employees of the Company.

Information regarding outstanding balances arising from related party transactions as at the financial year end are disclosed in Note 21.

The Directors are of the opinion that the above transactions have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

33. Significant related party disclosures (cont'd.)

(b) Transactions with other related parties

Significant transactions between the Group and the Company and other related parties are as follows:

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Administration fee income from BMSB - CF, a fund managed by the Company	**158**	935	**158**	935
Administration fee income from BMDB - FF, a fund managed by a subsidiary	**20**	120	**-**	-

The Group and the Company will no longer earn administration fees as the functions and funds of BMSB - CF and BMDB - FF were transferred to CMC during the financial year, as disclosed in Note 30(a).

The Directors are of the opinion that the above transactions have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

Certain Directors are also directors of stockbroking companies and banks. The transactions entered into with these stockbroking companies and banks have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

Government-linked and other entities are related to the Company by virtue of the substantial shareholdings of the Minister of Finance (Incorporated) in the Company. The transactions entered into with these entities have been established on terms and conditions that are not materially different from those obtainable in transactions with unrelated parties.

(c) Compensation of key management personnel

Key management personnel refers to the management committee of the Group. The remuneration of key management personnel during the financial year was as follows:

	Group and Company	
	2013	2012
	RM'000	RM'000
Short-term employee benefits	**9,364**	9,062
Contributions to defined contribution plan - EPF	**1,047**	1,018
Shares granted under SGP	**2,460**	2,066
	12,871	12,146

33. Significant related party disclosures (cont'd.)

(c) Compensation of key management personnel (cont'd.)

Included in total remuneration of key management personnel is:

	Group and Company	
	2013	2012
	RM'000	RM'000
Executive Director's remuneration (Note 8)	5,613	5,630
Benefits-in-kind (Note 8)	32	32
	5,645	5,662

The Executive Director of the Group and of the Company and other key management personnel have been granted the following number of shares under the SGP:

	Group and Company	
	2013	2012
	'000	'000
At 1 January	288	25
Granted	670	545
Vested	(280)	(262)
Forfeited	(74)	(20)
At 31 December	604	288

34. Contingent liability

In connection with the partial disposal of Bursa Malaysia Derivatives on 30 November 2009, the Company had entered into put and call options with Chicago Mercantile Exchange (CME) Group over the ordinary shares of Bursa Malaysia Derivatives representing the 25% equity interest disposed of to CME Group. The exercise price for the put and call options shall be determined based on a pre-agreed formula which takes into consideration the performance of Bursa Malaysia Derivatives and other peer exchanges.

35. Financial risk management objectives and policies

The Group and the Company are exposed to market risk (which comprises equity price risk, interest rate risk and foreign exchange risk), liquidity risk and credit risk arising from its business activities.

The Group and the Company ensure that the above risks are managed in order to minimise the effects of the unpredictability of the financial markets on the performance of the Group and of the Company. There has been no change in the nature of the risks which the Group and the Company are exposed to, nor the objectives, policies and processes to manage those risks compared to the previous year.

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

(a) Market risk: Equity price risk

Equity price risk is the risk that the value of an equity instrument will fluctuate as a result of changes in market prices. The Group and the Company are exposed to equity price risk through the Company's holding of shares in CME Group. The shares were obtained as part of the purchase consideration in the strategic alliance forged with CME Group.

The Group and the Company monitor the value of the equity holding by considering the movements in the quoted price, the potential future value to the Group and the sell down restrictions surrounding the equity holding.

An increase/decrease of 1% (2012: 1%) in the quoted price of the instrument would result in an increase/decrease in equity of RM986,000 (2012: RM593,000).

(b) Market risk: Interest rate risk

Interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group and the Company are exposed to interest rate risk through the holding of unquoted bonds, commercial papers and deposits in licensed financial institutions.

The Group and the Company manage interest rate risk by investing in varied asset classes.

Interest rate risk sensitivity

The following table demonstrates the sensitivity of the Group and of the Company's profit after tax and equity to a 25 basis point (2012: 25 basis point) increase/decrease in interest rates with all other variables held constant:

	Group		Company	
	2013	2012	2013	2012
	RM'000	RM'000	RM'000	RM'000
Increase/decrease in profit after tax	**713**	875	**271**	500
Increase/decrease in equity	**86**	191	**43**	293

The sensitivity is the effect of the assumed changes in interest rates on:

- the net interest income for the year, based on the financial assets held at the end of the financial year; and
- changes in fair value of investment securities for the year, based on revaluing fixed rate financial assets at the end of the financial year.

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

(b) Market risk: Interest rate risk (cont'd.)

Interest rate risk exposure

The following table analyses the Group and the Company's interest rate risk exposure. The unquoted bonds, commercial papers and deposits with licensed financial institutions are categorised by maturity dates.

	Maturity				
	Less than one year RM'000	One to five years RM'000	More than five years RM'000	Total RM'000	Effective interest rate %
Group					
At 31 December 2013					
Investment securities	**25,511**	**67,358**	**23,225**	**116,094**	**4.31**
Deposits with licensed financial institutions	**379,067**	**-**	**-**	**379,067**	**3.36**
At 31 December 2012					
Investment securities	30,000	59,545	29,851	119,396	4.38
Deposits with licensed financial institutions	466,631	-	-	466,631	3.34
Company					
At 31 December 2013					
Investment securities	**10,596**	**12,391**	**13,281**	**36,268**	**4.34**
Deposits with licensed financial institutions	**144,397**	**-**	**-**	**144,397**	**3.40**
At 31 December 2012					
Investment securities	20,029	10,312	14,624	44,965	4.41
Deposits with licensed financial institutions	266,555	-	-	266,555	3.39

(c) Market risk: Foreign currency risk

Foreign currency risk is the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group and the Company are exposed to foreign currency risk primarily through the holding of CME Group shares which are denominated in United States Dollar (USD) and transactions in USD.

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

(c) Market risk: Foreign currency risk (cont'd.)

The Group and the Company do not hedge their currency exposures. The following table shows the accumulated amount of material financial assets and liabilities which are unhedged:

	2013		2012	
	USD RM'000	SGD RM'000	USD RM'000	EUR RM'000
Group				
Financial assets				
Investment securities - shares quoted outside Malaysia	**98,584**	**-**	59,322	-
Trade receivables	**1,063**	**-**	573	-
	99,647	**-**	59,895	-
Financial liabilities				
Other payables	**3,662**	**54**	3,957	87
Company				
Financial assets				
Investment securities - shares quoted outside Malaysia	**98,584**	**-**	59,322	-
Financial liabilities				
Other payables	**66**	**54**	256	87

The Group is not exposed to foreign currency risk from the holding of margins and collaterals as the risks are borne by the participants. The following table depicts this through the netting off of monies held as margins and collaterals against the corresponding liability.

	USD RM'000	SGD RM'000	JPY RM'000	Total RM'000
Group				
At 31 December 2013				
Financial assets				
Cash and bank balances	**275,500**	**1,045**	**-**	**276,545**
Financial liabilities				
Trade payables	**(275,500)**	**(1,045)**	**-**	**(276,545)**
	-	-	-	-

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

(c) Market risk: Foreign currency risk (cont'd.)

	USD RM'000	SGD RM'000	JPY RM'000	Total RM'000
Group				
At 31 December 2012				
Financial assets				
Cash and bank balances	206,579	209	17,618	224,406
Financial liabilities				
Trade payables	(206,579)	(209)	(17,618)	(224,406)
	-	-	-	-

The following table demonstrates the sensitivity of the Group and of the Company's profit after tax and equity to a reasonably possible change in the exchange rates against the respective functional currencies of the Group's entities, with all other variables held constant.

	Group		Company	
	Profit after tax RM'000	Equity RM'000	Profit after tax RM'000	Equity RM'000
At 31 December 2013				
USD - strengthen by 5% against RM	**(98)**	**4,927**	**(3)**	**4,927**
SGD - strengthen by 5% against RM	**(2)**	**(2)**	**(2)**	**(2)**
At 31 December 2012				
USD - strengthen by 5% against RM	(127)	2,956	(10)	2,956
EUR - strengthen by 5% against RM	(3)	(3)	(3)	(3)

An equivalent weakening of the foreign currency as shown above would have resulted in an equivalent, but opposite, impact.

(d) Liquidity risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting its financial obligations due to a shortage of funds.

(i) Liabilities related risk

The Group and the Company maintain sufficient levels of cash and cash equivalents to meet working capital requirements. The Group and the Company also maintain a reasonable level of banking facilities for contingency operational requirements.

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

(d) Liquidity risk (cont'd.)

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

The table below summarises the maturity profile of the Group and of the Company's liabilities at the financial year end based on contractual undiscounted repayment obligations.

	Maturity			
	On demand RM'000	Less than three months RM'000	Three to twelve months RM'000	Total RM'000
Group				
At 31 December 2013				
Current liabilities				
Other payables which are financial liabilities	**10,600**	**10,590**	**1,368**	**22,558**
At 31 December 2012 (Restated)				
Current liabilities				
Other payables which are financial liabilities	10,893	9,843	2,545	23,281
Company				
At 31 December 2013				
Current liabilities				
Other payables which are financial liabilities	**3,044**	**2,991**	**1,368**	**7,403**
At 31 December 2012 (Restated)				
Current liabilities				
Other payables which are financial liabilities	3,273	2,856	2,545	8,674

(ii) Clearing and settlement related risk

The clearing house subsidiaries of the Group acts as a counterparty to eligible trades concluded on the securities and derivatives markets through the novation of obligations of the buyers and sellers. The Group mitigates this exposure by establishing financial criteria for admission as participants, monitoring participants' position limits and requiring that margins and collaterals on outstanding positions be placed with the clearing houses. CGF and DCF, as disclosed in Note 25(e), were set up and banking facilities are also taken to further mitigate this risk.

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

(d) Liquidity risk (cont'd.)

(ii) Clearing and settlement related risk (cont'd.)

The liabilities and corresponding assets in relation to clearing and settlement risk as at the financial year end are shown below:

	On demand	
	2013	**2012**
	RM'000	**RM'000**
Group		
Current assets		
Cash and bank balances not belonging to the Group	**769,692**	1,173,172
Current liabilities		
Trade payables	**(734,318)**	(1,137,234)
CPs and TCPs contributions to clearing funds	**(35,374)**	(35,938)
	-	-

(e) Credit risk

Credit risk is the risk of loss that may arise on outstanding financial instruments should a counterparty default on its obligations. The Group and the Company are exposed to credit risk primarily from investment securities, staff loans receivable, trade receivables, other receivables which are financial assets and cash and bank balances with financial institutions.

As at the current and previous financial year end, the Group and the Company's maximum exposure to credit risk is represented by the carrying amount of each class of financial assets recognised in the statements of financial position.

For investment securities and cash and bank balances with financial institutions, the Group and the Company minimise credit risk by adopting an investment policy which allows dealing with counterparties with good credit ratings only. Receivables are monitored to ensure that exposure to bad debts are minimised.

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

(e) Credit risk (cont'd.)

Investment securities and cash and bank balances

The counterparty risk rating of the Group and of the Company's investment securities and cash and bank balances with financial institutions at the financial year end are as follows:

	Counterparty risk ratings						
	GG	P1	AAA	AA	A	BB	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group							
At 31 December 2013							
Cash and bank balances	**-**	**-**	**710,502**	**388,697**	**53,160**	**-**	**1,152,359**
AFS financial assets - unquoted bonds	**1,939**	**-**	**26,840**	**72,683**	**-**	**-**	**101,462**
HTM investment - commercial papers	**-**	**14,632**	**-**	**-**	**-**	**-**	**14,632**
At 31 December 2012							
Cash and bank balances	-	-	848,475	673,201	124,827	-	1,646,503
AFS financial assets - unquoted bonds	496	-	17,366	73,292	4,586	3,858	99,598
HTM investment - commercial papers	-	19,798	-	-	-	-	19,798
						Note a	

Note a
The risk rating of this AFS unquoted bond was downgraded from AA to BBB in 2010 and subsequently to BB in 2011. This bond was disposed off during the financial year.

	Counterparty risk ratings					
	GG	P1	AAA	AA	A	Total
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Company						
At 31 December 2013						
Cash and bank balances	**-**	**-**	**42,506**	**81,973**	**20,280**	**144,759**
AFS financial assets - unquoted bonds	**1,939**	**-**	**6,861**	**17,745**	**-**	**26,545**
HTM investment - commercial papers	**-**	**9,723**	**-**	**-**	**-**	**9,723**
At 31 December 2012						
Cash and bank balances	-	-	130,698	83,963	53,714	268,375
AFS financial assets - unquoted bonds	496	-	7,229	17,814	4,586	30,125
HTM investment - commercial papers	-	14,840	-	-	-	14,840

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

(e) Credit risk (cont'd.)

Receivables

The ageing analysis of the Group and the Company's receivables are as follows:

	Total	Impaired	Neither past due nor impaired	Past due not impaired < 30 days	31-60 days	61-90 days	91-180 days	>181 days	Total past due not impaired
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000
Group									
At 31 December 2013									
Staff loans receivable	**7,944**	**-**	**7,944**	**-**	**-**	**-**	**-**	**-**	**-**
Trade receivables	**33,234**	**501**	**26,388**	**3,394**	**1,167**	**380**	**480**	**924**	**6,345**
Other receivables which are financial assets	**16,694**	**7,004**	**9,690**	**-**	**-**	**-**	**-**	**-**	**-**
At 31 December 2012									
Staff loans receivable	10,030	-	10,030	-	-	-	-	-	-
Trade receivables	28,920	458	22,075	3,166	1,103	590	365	1,163	6,387
Other receivables which are financial assets	18,488	7,024	11,464	-	-	-	-	-	-
Company									
At 31 December 2013									
Staff loans receivable	**7,259**	**-**	**7,259**	**-**	**-**	**-**	**-**	**-**	**-**
Trade receivables	**1,480**	**194**	**498**	**506**	**63**	**56**	**54**	**109**	**788**
Other receivables which are financial assets	**8,883**	**2,675**	**6,208**	**-**	**-**	**-**	**-**	**-**	**-**
Due from subsidiaries	**42,533**	**11,851**	**30,682**	**-**	**-**	**-**	**-**	**-**	**-**
At 31 December 2012 (Restated)									
Staff loans receivable	9,289	-	9,289	-	-	-	-	-	-
Trade receivables	1,581	206	568	546	-	94	61	106	807
Other receivables which are financial assets	8,729	2,695	6,034	-	-	-	-	-	-
Due from subsidiaries	55,887	11,851	44,036	-	-	-	-	-	-

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

(e) Credit risk (cont'd.)

(i) Receivables that are neither past due nor impaired

Receivables that are neither past due nor impaired are creditworthy debtors with good payment records with the Group and with the Company. The Group and the Company's trade receivables credit term ranges from 7 days to 30 days, except for trade receivables relating to fees due from clearing participants for clearing and settlement services where payment is due three market days from the month end.

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

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

(ii) Receivables that are impaired

The Group and the Company's receivables that are impaired at the financial year end and the movement of the allowance accounts used to record the impairment are as follows:

	Trade receivables		Other receivables		Due from subsidiaries	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Group						
At nominal amounts	**601**	628	**7,004**	7,024	**-**	-
Less: Allowance for impairment	**(501)**	(458)	**(7,004)**	(7,024)	**-**	-
	100	170	**-**	-	**-**	-
Movement in allowance accounts:						
At 1 January	**458**	719	**7,024**	5,809	**-**	-
Charge/(reversal) of impairment loss for the year	**43**	24	**(20)**	1,215	**-**	-
Written off	**-**	(285)	**-**	-	**-**	-
At 31 December	**501**	458	**7,004**	7,024	**-**	-

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

(e) Credit risk (cont'd.)

(ii) Receivables that are impaired (cont'd.)

	Trade receivables		Other receivables		Due from subsidiaries	
	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000	2013 RM'000	2012 RM'000
Company						
At nominal amounts	**194**	276	**2,675**	2,695	**11,851**	11,851
Less: Allowance for impairment	**(194)**	(206)	**(2,675)**	(2,695)	**(11,851)**	(11,851)
	-	70	**-**	-	**-**	-
Movement in allowance accounts:						
At 1 January	**206**	238	**2,695**	1,647	**11,851**	8,527
(Reversal)/charge of impairment loss for the year	**(12)**	(5)	**(20)**	1,048	**-**	3,324
Written off	**-**	(27)	**-**	-	**-**	-
At 31 December	**194**	206	**2,675**	2,695	**11,851**	11,851

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

Receivables are not secured by any collateral or credit enhancements other than as disclosed in Note 22.

36. Fair value of financial instruments

(a) Fair value of financial instruments by classes that are not carried at fair value and whose carrying amounts are not reasonable approximations of fair value

	Group		Company	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
At 31 December 2013				
Staff loans receivable (Note 17)	**7,944**	**5,974**	**7,259**	**5,449**
At 31 December 2012				
Staff loans receivable (Note 17)	10,030	7,163	9,289	6,606

36. Fair value of financial instruments (cont'd.)

(b) Determination of fair value

(i) Financial instruments that are not carried at fair value and whose carrying amounts are reasonable approximations of fair value

The following are classes of financial instruments that have carrying amounts which are reasonable approximations of fair value due to their short-term nature:

	Note
HTM investment	16
Trade receivables	19
Other receivables which are financial assets (except staff loans receivable within 12 months)	20
Due from subsidiaries	21
Cash and bank balances not belonging to the Group	22
Cash and bank balances of the Group	23
Trade payables and clearing funds	22
Other payables which are financial liabilities	29

(ii) Staff loans receivable

The fair value of staff loans receivable is estimated by discounting the expected future cash flows using the current interest rates for loans with similar risk profiles.

(iii) Quoted equity instrument

Fair value is determined directly by reference to its published market bid price at the financial year end.

(iv) Unquoted bonds

Fair value is determined by reference to the published market bid price of unquoted fixed income securities based on information provided by Bond Pricing Agency Malaysia Sdn Bhd.

37. Classification of financial instruments

The Group and the Company's financial assets and financial liabilities are measured on an ongoing basis at either fair value or at amortised cost based on their respective classification. The significant accounting policies in Note 2.4 describe how the classes of financial instruments are measured, and how income and expenses, including fair value gains and losses, are recognised. The following table analyses the financial assets and liabilities of the Group and of the Company in the statements of financial position by the classes and categories of financial instrument to which they are assigned, and therefore by the measurement basis.

	AFS RM'000	HTM RM'000	Loans and receivables RM'000	Financial liabilities at amortised cost RM'000	Total RM'000
Group					
At 31 December 2013					
Assets					
Investment securities	200,046	14,632	-	-	214,678
Staff loans receivable	-	-	7,944	-	7,944
Trade receivables	-	-	32,733	-	32,733
Other receivables which are financial assets	-	-	9,690	-	9,690
Cash and bank balances not belonging to the Group	-	-	770,917	-	770,917
Cash and bank balances of the Group	-	-	381,442	-	381,442
Total financial assets	200,046	14,632	1,202,726	-	1,417,404
Liabilities					
Trade payables	-	-	-	734,318	734,318
Clearing funds	-	-	-	35,374	35,374
Other payables which are financial liabilities	-	-	-	22,558	22,558
Total financial liabilities	-	-	-	792,250	792,250

37. Classification of financial instruments (cont'd.)

	AFS RM'000	HTM RM'000	Loans and receivables RM'000	Financial liabilities at amortised cost RM'000	Total RM'000
Group					
At 31 December 2012 (Restated)					
Assets					
Investment securities	158,920	19,798	-	-	178,718
Staff loans receivable	-	-	10,030	-	10,030
Trade receivables	-	-	28,462	-	28,462
Other receivables which are financial assets	-	-	11,464	-	11,464
Cash and bank balances not belonging to the Group	-	-	1,175,000	-	1,175,000
Cash and bank balances of the Group	-	-	471,503	-	471,503
Total financial assets	158,920	19,798	1,696,459	-	1,875,177
Liabilities					
Trade payables	-	-	-	1,137,234	1,137,234
Clearing funds	-	-	-	35,938	35,938
Other payables which are financial liabilities	-	-	-	23,281	23,281
Total financial liabilities	-	-	-	1,196,453	1,196,453
Company					
At 31 December 2013					
Assets					
Investment securities	**125,129**	**9,723**	**-**	**-**	**134,852**
Staff loans receivable	**-**	**-**	**7,259**	**-**	**7,259**
Trade receivables	**-**	**-**	**1,286**	**-**	**1,286**
Other receivables which are financial assets	**-**	**-**	**6,208**	**-**	**6,208**
Due from subsidiaries	**-**	**-**	**30,682**	**-**	**30,682**
Cash and bank balances	**-**	**-**	**144,759**	**-**	**144,759**
Total financial assets	**125,129**	**9,723**	**190,194**	**-**	**325,046**
Liabilities					
Other payables which are financial liabilities	**-**	**-**	**-**	**7,403**	**7,403**

37. Classification of financial instruments (cont'd.)

	AFS RM'000	HTM RM'000	Loans and receivables RM'000	Financial liabilities at amortised cost RM'000	Total RM'000
Company					
At 31 December 2012 (Restated)					
Assets					
Investment securities	89,447	14,840	-	-	104,287
Staff loans receivable	-	-	9,289	-	9,289
Trade receivables	-	-	1,375	-	1,375
Other receivables which are financial assets	-	-	6,034	-	6,034
Due from subsidiaries	-	-	44,036	-	44,036
Cash and bank balances	-	-	268,375	-	268,375
Total financial assets	89,447	14,840	329,109	-	433,396
Liabilities					
Other payables which are financial liabilities	-	-	-	8,674	8,674

38. Fair value hierarchies of financial instruments

The fair value measurement hierarchies used to measure financial assets carried at fair value in the statements of financial position are as follows:

(a) Level 1 : Quoted prices (unadjusted) in active markets for identical assets or liabilities.

(b) Level 2 : Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. prices) or indirectly (i.e. derived from prices).

(c) Level 3 : Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

38. Fair value hierarchies of financial instruments (cont'd.)

	Level 1 RM'000	Level 2 RM'000	Total RM'000
Group			
At 31 December 2013			
Asset			
AFS financial assets	**98,584**	**101,462**	**200,046**
At 31 December 2012			
Asset			
AFS financial assets	59,322	99,598	158,920
Company			
At 31 December 2013			
Asset			
AFS financial assets	**98,584**	**26,545**	**125,129**
At 31 December 2012			
Asset			
AFS financial assets	59,322	30,125	89,447

There were no transfers between Level 1 and Level 2 during the current and previous financial years.

The Group and the Company do not have any financial liabilities carried at fair value nor any financial instruments classified as Level 3 as at 31 December 2013 and 31 December 2012.

In relation to financial assets which are not carried at fair value and for which the fair values have been disclosed, staff loans receivable is classified as Level 3.

39. Capital management

The Group manages its capital with the objective of maximising shareholders returns. To achieve this, the Group takes into consideration and ensures the sufficiency of funds for operations, risk management and development. Although the Group's policy is to distribute 75% of its profits to shareholders, it has been able thus far to distribute at least 90% of its profits every year whilst ensuring that its pool of funds for future development is at a sufficient level.

The Group is not subject to any externally imposed capital requirements. However, the Group is required to set aside funds for the CGF and DCF in accordance with the business rules of its clearing house subsidiaries.

Total capital managed at Group level, which comprises shareholders' funds and deferred capital grants, stood at RM818,919,000 (2012: RM867,535,000) as at the end of the respective financial year.

There has been no change in the above capital management objectives, policies and processes compared to the previous year.

40. Segment information

(a) Reporting format

For management reporting purposes, the Group is organised into operating segments based on market segments as the Group's risks and rates of return are affected predominantly by the macro environment of the different markets.

The securities, derivatives and others market segments are managed by the respective segment divisional heads responsible for the performance of the respective segments under their charge.

(b) Market segments

The four major market segments of the Group are as follows:

(i) The securities market mainly comprises the provision and operation of the listing, trading, clearing, depository services and provision and dissemination of information relating to equity securities quoted on exchanges for the securities market.

(ii) The derivatives market mainly comprises the provision and operation of the trading, clearing, depository services and provision and dissemination of information relating to derivatives products quoted on exchanges for the derivatives market.

(iii) The exchange holding business refers to the operation of the Company which functions as an investment holding company.

(iv) The others mainly comprises the provision of a Sha'riah compliant commodity trading platform, a reporting platform for bond traders and the provision of an offshore market.

(c) Allocation basis and transfer pricing

Segment results, assets and liabilities include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Unallocated items comprise mainly corporate assets and liabilities, overheads and income tax expenses.

Management monitors the operating results of its market segments separately for the purpose of making decisions about resource allocation and performance assessment.

Transfer prices between segments are set on an arm's length basis in a manner similar to transactions with third parties.

40. Segment information (cont'd.)

Market segments

	Securities market RM'000	Derivatives market RM'000	Exchange holding RM'000	Others RM'000	Consolidated RM'000
At 31 December 2013					
Operating revenue	338,827	84,433	10,191	6,371	439,822
Other income	10,108	3,284	21,654	126	35,172
Direct costs	(92,089)	(43,168)	(28,130)	(5,615)	(169,002)
Segment profit	256,846	44,549	3,715	882	305,992
Overheads					(60,412)
Profit before tax					245,580
Segment assets					
Assets that belong to the Group	440,821	133,963	357,617	30,085	962,486
Assets that do not belong to the Group	15,120	755,797	-	-	770,917
Segment assets	455,941	889,760	357,617	30,085	1,733,403
Unallocated corporate assets					8,260
Total assets					1,741,663
Segment liabilities					
Liabilities that belong to the Group	19,696	11,877	62,683	30,371	124,627
Liabilities that do not belong to the Group	15,120	755,797	-	-	770,917
Segment liabilities	34,816	767,674	62,683	30,371	895,544
Unallocated corporate liabilities					18,638
Total liabilities					914,182
Other information					
Depreciation and amortisation in:					
Segments	17,541	3,974	1,283	1,046	23,844
Overheads	-	-	-	-	11,120
Other significant non-cash expenses:					
Net impairment loss/(reversal of impairment loss) on trade and other receivables	79	(24)	(32)	-	23
Property, plant and equipment and computer software written off	1,568	-	-	-	1,568
Retirement benefit obligations	-	-	-	-	1,481
SGP expense in:					
Segments	2,084	633	2,320	79	5,116
Overheads	-	-	-	-	1,102

40. Segment information (cont'd.)

Market segments (cont'd.)

	Securities market RM'000	Derivatives market RM'000	Exchange holding RM'000	Others RM'000	Consolidated RM'000
At 31 December 2012 (Restated)					
Operating revenue	295,876	76,563	12,091	3,936	388,466
Other income	10,299	2,546	23,147	129	36,121
Direct costs	(82,923)	(36,920)	(29,421)	(4,641)	(153,905)
Segment profit/(loss)	223,252	42,189	5,817	(576)	270,682
Overheads					(55,343)
Profit before tax					215,339
Segment assets					
Assets that belong to the Group	401,364	131,211	450,143	35,150	1,017,868
Assets that do not belong to the Group	27,763	1,147,237	-	-	1,175,000
Segment assets	429,127	1,278,448	450,143	35,150	2,192,868
Unallocated corporate assets					5,574
Total assets					2,198,442
Segment liabilities					
Liabilities that belong to the Group	18,400	12,079	68,782	33,347	132,608
Liabilities that do not belong to the Group	27,763	1,147,237	-	-	1,175,000
Segment liabilities	46,163	1,159,316	68,782	33,347	1,307,608
Unallocated corporate liabilities					17,463
Total liabilities					1,325,071
Other information					
Depreciation and amortisation in:					
Segments	17,002	2,910	1,785	1,002	22,699
Overheads	-	-	-	-	11,014
Other significant non-cash expenses:					
Net impairment loss/(reversal of impairment loss) on trade and other receivables	212	(15)	1,042	-	1,239
Property, plant and equipment and computer software written off	-	2	15	-	17
Retirement benefit obligations	-	-	-	-	1,906
SGP expense in:					
Segments	1,333	391	2,055	53	3,832
Overheads	-	-	-	-	656

41. Subsequent event

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

The Proposed Revamp involves the following:

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

   (i) 40 non-cumulative "A" preference shares;

   (ii) 17 non-cumulative "B" preference shares; and

   (iii) 28 non-cumulative "C" preference shares.

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

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

Notes to the Financial Statements

31 December 2013

42. Supplementary information pursuant to Bursa Malaysia Securities Listing Requirements

The breakdown and components of retained earnings are identified and disclosed in accordance with the listing requirements of Bursa Malaysia Securities as follows:

		Group			Company	
	31.12.2013 RM'000	31.12.2012 RM'000 (Restated)	1.1.2012 RM'000 (Restated)	31.12.2013 RM'000	31.12.2012 RM'000 (Restated)	1.1.2012 RM'000 (Restated)
Total retained earnings:						
Realised	**395,350**	475,418	456,989	**290,150**	428,085	419,011
Unrealised	**(11,414)**	(6,474)	(6,338)	**(9,355)**	(3,924)	(7,382)
	383,936	468,944	450,651	**280,795**	424,161	411,629
Consolidation adjustments	**(974)**	5,312	11,411	**-**	-	-
	382,962	474,256	462,062	**280,795**	424,161	411,629