



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

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2012**

**31 January 2013**

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

**CONDENSED CONSOLIDATED INCOME STATEMENT**  
**FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2012**

RM'000	Note	3 months ended		12 months ended	
		31.12.2012	31.12.2011	31.12.2012	31.12.2011
		Reviewed	Reviewed	Audited	Audited
Operating revenue	8	94,547	84,988	388,480	381,503
Other income	9	9,848	10,681	38,603	38,639
		104,395	95,669	427,083	420,142
Staff costs		(27,249)	(25,110)	(102,481)	(104,122)
Depreciation and amortisation		(8,476)	(8,931)	(33,713)	(38,444)
Other operating expenses	10	(18,691)	(17,319)	(74,857)	(71,463)
Profit before tax		49,979	44,309	216,032	206,113
Income tax expense	25	(12,632)	(11,407)	(58,286)	(54,779)
<b>Profit for the period</b>		<b>37,347</b>	<b>32,902</b>	<b>157,746</b>	<b>151,334</b>
<b>Profit attributable to:</b>					
Owners of the Company		35,708	31,337	151,458	146,160
Non-controlling interest		1,639	1,565	6,288	5,174
		37,347	32,902	157,746	151,334
<b>Earnings per share (EPS)</b> <b>attributable to owners of the</b> <b>Company (sen):</b>					
Basic EPS	31(a)	6.7	5.9	28.5	27.5
Diluted EPS	31(b)	6.7	5.9	28.4	27.5

*The above condensed consolidated income statement should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.*

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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2012**

RM'000	3 months ended		12 months ended	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
	Reviewed	Reviewed	Audited	Audited
Profit for the period	37,347	32,902	157,746	151,334
Foreign currency translation	(7)	(19)	(99)	59
Net fair value changes in available-for-sale (AFS) financial assets	(7,875)	(1,348)	160	(16,920)
Cumulative loss reclassified to income statement*	-	1,164	-	1,164
Income tax relating to AFS financial assets	12	32	14	(25)
<b>Total comprehensive income</b>	<b>29,477</b>	<b>32,731</b>	<b>157,821</b>	<b>135,612</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	27,838	31,166	151,533	130,446
Non-controlling interest	1,639	1,565	6,288	5,166
	29,477	32,731	157,821	135,612

\* The cumulative loss reclassified to income statement is in relation to a recognition of impairment loss on an investment security.

*The above condensed consolidated statement of comprehensive income should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.*

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

**CONDENSED CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2012**

RM'000	Note	As at 31.12.2012 Audited	As at 31.12.2011 Audited	As at 01.01.2011 Audited
<b>ASSETS</b>				
Property, plant and equipment		209,733	218,397	231,104
Computer software		61,274	59,614	73,056
Goodwill		42,957	42,957	42,957
Investment securities	16	123,782	93,371	110,404
Staff loans receivable		9,140	11,678	13,805
Deferred tax assets		1,278	1,034	1,023
<b>Non-current Assets</b>		<b>448,164</b>	<b>427,051</b>	<b>472,349</b>
Trade receivables		30,262	27,870	33,526
Other receivables		14,281	12,932	10,197
Tax recoverable		4,296	388	4,586
Investment securities	16	54,936	33,441	27,335
Cash and bank balances not belonging to the Group	14	1,175,000	671,880	710,323
Cash and bank balances of the Group	15	471,503	499,943	449,938
<b>Current Assets</b>		<b>1,750,278</b>	<b>1,246,454</b>	<b>1,235,905</b>
<b>TOTAL ASSETS</b>		<b>2,198,442</b>	<b>1,673,505</b>	<b>1,708,254</b>
<b>EQUITY AND LIABILITIES</b>				
Share capital		266,012	265,800	265,700
Share premium		90,505	87,553	86,101
Other reserves		26,828	25,429	40,147
Retained earnings	26	492,106	481,611	460,356
Equity attributable to owners of the Company		875,451	860,393	852,304
Non-controlling interests		15,770	14,232	11,266
<b>Total Equity</b>		<b>891,221</b>	<b>874,625</b>	<b>863,570</b>
Retirement benefit obligations		24,816	24,311	22,825
Deferred capital grants	12	9,934	11,850	10,986
Deferred tax liabilities		9,196	9,886	18,349
<b>Non-current Liabilities</b>		<b>43,946</b>	<b>46,047</b>	<b>52,160</b>
Trade payables	14	1,137,234	636,166	676,576
Clearing Funds' contributions	14	35,938	34,485	33,543
Other payables		80,535	67,330	68,916
Tax payable		9,568	14,852	13,489
<b>Current Liabilities</b>		<b>1,263,275</b>	<b>752,833</b>	<b>792,524</b>
<b>Total Liabilities</b>		<b>1,307,221</b>	<b>798,880</b>	<b>844,684</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>2,198,442</b>	<b>1,673,505</b>	<b>1,708,254</b>
<b>Net assets per share attributable to owners of the Company (RM)</b>		<b>1.65</b>	<b>1.62</b>	<b>1.60</b>

The above condensed consolidated statements of financial position should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.

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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2012**

RM'000	Attributable to owners of the Company										Non-controlling interests	Total equity
	Non-distributable					Distributable						
	Share capital	Share premium	Capital reserve	Capital redemption reserve	AFS reserve	Foreign currency translation reserve	Share grant reserve	Clearing Fund reserves	Retained earnings	Total		
<b>At 1 January 2011</b>	265,700	86,101	13,900	5,250	(9,003)	-	-	30,000	460,356	852,304	11,266	863,570
Total comprehensive income for the period	-	-	-	-	(15,773)	59	-	-	146,160	130,446	5,166	135,612
<b>Transactions with owners of the Company:</b>												
Issuance of ordinary shares pursuant to Share Grant Plan (SGP)	100	1,452	-	-	-	-	(1,552)	-	-	-	-	-
SGP expense	-	-	-	-	-	-	2,548	-	-	2,548	-	2,548
Dividends paid (Note 7)	-	-	-	-	-	-	-	-	(124,905)	(124,905)	-	(124,905)
Dividends paid to non-controlling interest	-	-	-	-	-	-	-	-	-	-	(2,200)	(2,200)
<b>At 31 December 2011</b>	265,800	87,553	13,900	5,250	(24,776)	59	996	30,000	481,611	860,393	14,232	874,625
<b>At 1 January 2012</b>	265,800	87,553	13,900	5,250	(24,776)	59	996	30,000	481,611	860,393	14,232	874,625
Total comprehensive income for the period	-	-	-	-	174	(99)	-	-	151,458	151,533	6,288	157,821
<b>Transactions with owners of the Company:</b>												
Issuance of ordinary shares pursuant to SGP	212	2,952	-	-	-	-	(3,164)	-	-	-	-	-
SGP expense	-	-	-	-	-	-	4,488	-	-	4,488	-	4,488
Dividends paid (Note 7)	-	-	-	-	-	-	-	-	(140,963)	(140,963)	-	(140,963)
Dividends paid to non-controlling interest	-	-	-	-	-	-	-	-	-	-	(4,750)	(4,750)
<b>At 31 December 2012</b>	266,012	90,505	13,900	5,250	(24,602)	(40)	2,320	30,000	492,106	875,451	15,770	891,221

**Note a**

**Note a**

Included in non-controlling interests of the Group at 31 December 2012 are 84 non-cumulative preference shares of RM1 each in Bursa Malaysia Derivatives Berhad (Bursa Malaysia Derivatives), a subsidiary, for registration as Trading Participants, at a subscription price determined by Bursa Malaysia Derivatives. The preference shareholders are not entitled to a refund of any part of the premium paid for the preference shares.

*The above condensed consolidated statements of changes in equity should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.*

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

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW**  
**FOR THE YEAR ENDED 31 DECEMBER 2012**

RM'000	Note	12 months ended	
		31.12.2012	31.12.2011
		Audited	Audited
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before tax		216,032	206,113
Adjustments for:			
Amortisation of premium less accretion of discount		723	152
Depreciation and amortisation		33,713	38,444
Dividend income from investment securities		(3,038)	(930)
Grant income	12	(1,916)	(2,636)
Interest income	9	(23,153)	(21,267)
Net gain on disposal of investment securities	9	(257)	(328)
Net impairment loss/(reversal of impairment loss) on trade and other receivables	10	1,239	(188)
Net (gain)/loss on disposal of property, plant and equipment	9	(4)	13
Impairment loss on investment security	10	-	1,164
Impairment loss on computer software	10	-	335
Property, plant and equipment and computer software written off		17	836
Retirement benefit obligations		2,574	1,542
Reversal of provision for short term accumulating compensated unutilised leave		(266)	(70)
SGP expense		4,488	2,548
Unrealised (gain)/loss on foreign exchange differences		(25)	37
Operating profit before working capital changes		230,127	225,765
Decrease in receivables		218	7,317
Increase in payables		4,619	1,434
Cash generated from operations		234,964	234,516
Staff loans repaid, net of disbursements		3,135	2,861
Retirement benefits paid		(2,069)	(56)
Taxes paid, net of refunds		(71,016)	(60,188)
<b>Net cash from operating activities</b>		<b>165,014</b>	<b>177,133</b>

**BURSA MALAYSIA BERHAD (30632-P)**  
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**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW**  
**FOR THE YEAR ENDED 31 DECEMBER 2012 (CONT'D.)**

RM'000	Note	12 months ended	
		31.12.2012	31.12.2011
		Audited	Audited
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Decrease/(increase) in other deposits not for short-term funding requirement		26,872	(34,218)
Interest received		21,104	18,200
Proceeds from disposal of investment securities		82,646	78,306
Proceeds from disposal of motor vehicles		4	156
Purchases of investment securities		(134,425)	(83,666)
Purchases of property, plant and equipment and computer software		(18,441)	(17,654)
<b>Net cash used in investing activities</b>		<b>(22,240)</b>	<b>(38,876)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Dividends paid	7	(140,963)	(124,905)
Dividends paid by a subsidiary to non-controlling interest		(4,750)	(2,200)
Dividends received		1,476	1,073
Grant received		-	3,500
<b>Net cash used in financing activities</b>		<b>(144,237)</b>	<b>(122,532)</b>
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(1,463)</b>	<b>15,725</b>
Effect of exchange rate changes on cash and cash equivalents		(105)	62
Cash and cash equivalents at beginning of year	15	155,343	139,556
<b>Cash and cash equivalents at end of period (Note A)</b>	<b>15</b>	<b>153,775</b>	<b>155,343</b>

*The above condensed consolidated statements of cash flows should be read in conjunction with the accompanying explanatory notes attached to these interim financial statements.*

**BURSA MALAYSIA BERHAD (30632-P)**  
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**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOW**  
**FOR THE YEAR ENDED 31 DECEMBER 2012 (CONT'D.)**

**NOTE A**

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

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

<b>RM'000</b>	<b>As at 31.12.2012</b>	<b>As at 31.12.2011</b>
Bursa Malaysia Securities Clearing Sdn. Bhd.'s (Bursa Malaysia Securities Clearing) appropriation to the Clearing Guarantee Fund (CGF)	25,000	25,000
Bursa Malaysia Derivatives Clearing Berhad's (Bursa Malaysia Derivatives Clearing) appropriation to the Derivatives Clearing Fund (DCF)	5,000	5,000
	<b>30,000</b>	<b>30,000</b>

- (ii) An amount of RM7,233,000 (31.12.2011: RM7,772,000) 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.



## **1. FIRST-TIME ADOPTION OF MALAYSIAN FINANCIAL REPORTING STANDARDS (MFRS)**

This condensed consolidated interim financial statements (Condensed Report) have been prepared in accordance with *MFRS 134: Interim Financial Reporting* and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad. This Condensed Report also complies with *IAS 34: Interim Financial Reporting* issued by the International Accounting Standards Board (IASB). For the periods up to and including the year ended 31 December 2011, the Group prepared its financial statements in accordance with Financial Reporting Standards (FRS).

The Condensed Reports for the financial year ended 31 December 2012 are the Group's first set of MFRS compliant Condensed Report and hence *MFRS 1: First-Time Adoption of Malaysian Financial Reporting Standards* (MFRS 1) has been applied.

The MFRS are effective for the Group from 1 January 2012 and the date of transition to the MFRS framework for the purpose of the first MFRS compliant Condensed Report is 1 January 2011. At that transition date, the Group reviewed its accounting policies and considered the transitional opportunities under MFRS 1. The impact of the transition from FRS to MFRS is described in Note 2.1 below.

## **2. SIGNIFICANT ACCOUNTING POLICIES**

### **2.1 Application of MFRS 1**

The audited financial statements of the Group for the year ended 31 December 2011 were prepared in accordance with FRS. As the requirements under FRS and MFRS are similar, the significant accounting policies adopted in preparing this Condensed Report are consistent with those of the audited financial statements for the year ended 31 December 2011 except as discussed below:

#### **(a) Definition of Cash and Cash Equivalents**

Under FRS, the Group defined all its cash on hand and at banks and short-term deposits as cash and cash equivalents where they are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value.

Upon transition to MFRS, the Group redefined its cash and cash equivalents to mean cash at banks and on hand, and short-term deposits for purposes of meeting short-term funding requirements. The comparative information for the relevant periods in the condensed consolidated statements of cash flow has been restated accordingly.

<b>RM'000</b>	<b>FRS for year ended 31.12.2011</b>	<b>Reclassifications</b>	<b>MFRS for year ended 31.12.2011</b>
Decrease in other deposits not for short-term funding requirement	-	(34,218)	(34,218)
Net cash used in investing activities	(4,658)	(34,218)	(38,876)
Cash and cash equivalents at beginning of the year	449,938	(310,382)	139,556
Cash and cash equivalents at end of the year	499,943	(344,600)	155,343

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

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

**2.1 Application of MFRS 1 (Cont'd.)**

**(b) Foreign currency translation reserve**

Under FRS, the Group recognised translation differences on foreign operations as a separate component of equity. Cumulative foreign currency translation differences for all foreign operations are deemed to be nil as at the date of transition to MFRS.

Accordingly, at the date of transition to MFRS, the cumulative foreign currency translation differences of RM1,294,000 (31 December 2011: RM1,294,000) were adjusted to retained earnings.

The reconciliations of equity for comparative periods and of equity at the date of transition reported under FRS to those reported for those periods and at the date of transition under MFRS are provided below:

Reconciliation of equity as at 1 January 2011

<b>RM'000</b>	<b>FRS as at 01.01.2011</b>	<b>Reclassifications</b>	<b>MFRS as at 01.01.2011</b>
<b>Equity</b>			
Foreign currency translation reserve	(1,294)	1,294	-
Retained earnings	461,650	(1,294)	460,356

Reconciliation of equity as at 31 December 2011

<b>RM'000</b>	<b>FRS as at 31.12.2011</b>	<b>Reclassifications</b>	<b>MFRS as at 31.12.2011</b>
<b>Equity</b>			
Foreign currency translation reserve	(1,235)	1,294	59
Retained earnings	482,905	(1,294)	481,611

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 MFRS, Amendments to MFRS and IC Interpretation issued but not yet effective

As at the date of authorisation of the Condensed Report, the following Standards, Amendments and Issues Committee ("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:

**Effective for financial periods beginning on or after 1 July 2012**

Amendments to MFRS 101 *Presentation of Items of Other Comprehensive Income*

**Effective for financial periods beginning on or after 1 January 2013**

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*  
Annual Improvements to IC Interpretations and MFRSs 2009 - 2011 Cycle

**Effective for financial periods beginning on or after 1 January 2014**

Amendments to MFRS 132 *Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities*

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

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

3. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS

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

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

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

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the quarter and year ended 31 December 2012.

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

There were no changes in estimates that had any material effect on the quarter and year ended 31 December 2012.

**6. DEBT AND EQUITY SECURITIES**

There were no issuances, repurchases and repayments of debt and equity securities during the quarter ended 31 December 2012. In the previous quarters, the Company issued 424,700 new ordinary shares of RM0.50 each pursuant to the SGP.

**7. DIVIDENDS PAID**

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

	<b>31.12.2012</b>	<b>31.12.2011</b>
Interim dividend for the financial year	31 December 2012	31 December 2011
Approved and declared on	18 July 2012	19 July 2011
Date paid	15 August 2012	16 August 2011
Number of ordinary shares on which dividends were paid ('000)	532,024	531,599
Dividend per share (single-tier)	13.5 sen	13.0 sen
Net dividend paid (RM'000)	71,823	69,108
Final dividend for the financial year	31 December 2011	31 December 2010
Approved and declared on	29 March 2012	14 April 2011
Date paid	17 April 2012	4 May 2011
Number of ordinary shares on which dividends were paid ('000)	531,849	531,399
Dividend per share (single-tier)	13.0 sen	10.5 sen
Net dividend paid (RM'000)	69,140	55,797

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

**8. OPERATING REVENUE**

RM'000	3 months ended		12 months ended	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
Securities clearing fees	32,788	33,140	144,638	159,381
Securities trade fees	4,434	4,090	19,265	20,808
Institutional Settlement Service (ISS) fees	3,624	3,023	13,693	12,317
Buying-in commission	138	57	703	477
Trading revenue from securities market	40,984	40,310	178,299	192,983
Derivatives clearing fees	3,478	2,929	12,600	11,529
Derivatives trade fees	9,950	8,343	36,738	33,970
Other derivatives trading revenue	1,963	1,286	6,625	5,747
Trading revenue from derivatives market	15,391	12,558	55,963	51,246
<b>Total trading revenue</b>	<b>56,375</b>	<b>52,868</b>	<b>234,262</b>	<b>244,229</b>
Listing fees	10,244	8,828	41,849	38,226
Depository services	9,267	6,582	35,789	31,747
Information services	6,212	4,695	24,122	19,205
Broker services	2,985	2,985	12,092	11,742
Access fees	3,024	3,136	10,800	8,666
Participants' fees	702	1,000	2,764	3,235
<b>Total stable revenue</b>	<b>32,434</b>	<b>27,226</b>	<b>127,416</b>	<b>112,821</b>
<b>Other operating revenue</b>	<b>5,738</b>	<b>4,894</b>	<b>26,802</b>	<b>24,453</b>
<b>Total operating revenue</b>	<b>94,547</b>	<b>84,988</b>	<b>388,480</b>	<b>381,503</b>

**9. OTHER INCOME**

RM'000	3 months ended		12 months ended	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
Rental income	1,577	1,559	6,249	6,199
Interest income from:				
- Investments	5,708	5,516	22,719	20,732
- Others	101	119	434	535
Net gain on disposal of investment securities	-	90	257	328
Fines *	162	1,421	2,537	5,136
Dividend income	1,434	242	3,038	930
Net gain on disposal of property, plant and equipment	4	-	4	(13)
Miscellaneous income	862	1,734	3,365	4,792
<b>Total other income</b>	<b>9,848</b>	<b>10,681</b>	<b>38,603</b>	<b>38,639</b>

\* In view of the establishment of the Capital Market Education and Integrity Fund ("CMEIF") to account for fines received and strengthen the governance of fines utilisation, fines will no longer be recognised as income effective 16 October 2012. The accumulated fines in retained earnings will be transferred to CMEIF upon its set up in 2013.

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

**10. OTHER OPERATING EXPENSES**

<b>RM'000</b>	<b>3 months ended</b>		<b>12 months ended</b>	
	<b>31.12.2012</b>	<b>31.12.2011</b>	<b>31.12.2012</b>	<b>31.12.2011</b>
Marketing development	1,791	1,809	9,513	9,976
Technology charges:				
- Information technology maintenance	4,038	4,053	16,229	15,775
- Service fees	4,174	2,852	13,574	11,476
CDS consumables	850	629	3,210	3,885
Professional fees	971	541	5,118	1,955
Building management costs	2,642	2,966	10,356	10,667
Administrative expenses	1,781	1,642	7,140	7,180
Net impairment loss/(reversal of impairment loss) on trade and other receivables	(58)	(184)	1,239	(188)
Impairment loss on investments	-	1,164	-	1,164
Impairment loss on computer software	-	335	-	335
Net foreign exchange loss/(gain)	86	(185)	115	(32)
Miscellaneous expenses	2,416	1,697	8,363	9,270
<b>Total other operating expenses</b>	<b>18,691</b>	<b>17,319</b>	<b>74,857</b>	<b>71,463</b>

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

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

**11. SEGMENTAL INFORMATION**

RM'000	Securities market	Derivatives market	Holding company	Others	Consolidated
<b>RESULTS FOR 3 MONTHS ENDED 31 DECEMBER 2012</b>					
Operating revenue	70,694	19,603	2,984	1,266	94,547
Other income	2,775	502	6,139	432	9,848
Direct costs	(20,926)	(9,829)	(5,763)	(2,421)	(38,939)
<b>Segment profit/(loss)</b>	<b>52,543</b>	<b>10,276</b>	<b>3,360</b>	<b>(723)</b>	<b>65,456</b>
Overheads					(15,477)
<b>Profit/(loss) before tax</b>	<b>52,543</b>	<b>10,276</b>	<b>3,360</b>	<b>(723)</b>	<b>49,979</b>

<b>RESULTS FOR 3 MONTHS ENDED 31 DECEMBER 2011</b>					
Operating revenue	65,679	15,662	2,985	662	84,988
Other income	4,021	903	5,341	416	10,681
Direct costs	(23,004)	(7,695)	(5,107)	(3,205)	(39,011)
<b>Segment profit/(loss)</b>	<b>46,696</b>	<b>8,870</b>	<b>3,219</b>	<b>(2,127)</b>	<b>56,658</b>
Overheads					(12,349)
<b>Profit/(loss) before tax</b>	<b>46,696</b>	<b>8,870</b>	<b>3,219</b>	<b>(2,127)</b>	<b>44,309</b>

<b>RESULTS FOR 12 MONTHS ENDED 31 DECEMBER 2012</b>					
Operating revenue	295,890	76,563	12,091	3,936	388,480
Other income	12,781	2,546	21,581	1,695	38,603
Direct costs	(83,065)	(37,164)	(24,678)	(9,599)	(154,506)
<b>Segment profit/(loss)</b>	<b>225,606</b>	<b>41,945</b>	<b>8,994</b>	<b>(3,968)</b>	<b>272,577</b>
Overheads					(56,545)
<b>Profit/(loss) before tax</b>	<b>225,606</b>	<b>41,945</b>	<b>8,994</b>	<b>(3,968)</b>	<b>216,032</b>

<b>RESULTS FOR 12 MONTHS ENDED 31 DECEMBER 2011</b>					
Operating revenue	298,480	69,048	11,742	2,233	381,503
Other income	15,093	3,369	18,539	1,638	38,639
Direct costs	(92,678)	(35,456)	(18,545)	(12,521)	(159,200)
<b>Segment profit/(loss)</b>	<b>220,895</b>	<b>36,961</b>	<b>11,736</b>	<b>(8,650)</b>	<b>260,942</b>
Overheads					(54,829)
<b>Profit/(loss) before tax</b>	<b>220,895</b>	<b>36,961</b>	<b>11,736</b>	<b>(8,650)</b>	<b>206,113</b>

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

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

RM'000	Securities market	Derivatives market	Holding company	Others	Consolidated
<b>ASSETS AND LIABILITIES AS AT 31 DECEMBER 2012</b>					
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
<b>Total assets</b>	<b>429,127</b>	<b>1,278,448</b>	<b>450,143</b>	<b>35,150</b>	<b>2,198,442</b>
Liabilities that belong to the Group	18,400	12,079	49,631	33,347	113,457
Liabilities that do not belong to the Group	27,763	1,147,237	-	-	1,175,000
Segment liabilities	46,163	1,159,316	49,631	33,347	1,288,457
Unallocated corporate liabilities					18,764
<b>Total liabilities</b>	<b>46,163</b>	<b>1,159,316</b>	<b>49,631</b>	<b>33,347</b>	<b>1,307,221</b>



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

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

**12. DEFERRED CAPITAL GRANTS**

**RM'000**

At 1 January 2012	11,850
Grant income	(1,916)
<b>At 31 December 2012</b>	<b>9,934</b>

**13. RELATED PARTY DISCLOSURES**

Significant related party transactions are as follows:

<b>RM'000</b>	<b>3 months ended</b>		<b>12 months ended</b>	
	<b>31.12.2012</b>	<b>31.12.2011</b>	<b>31.12.2012</b>	<b>31.12.2011</b>
Administration fee income from Bursa Malaysia Securities Berhad Compensation Fund, a fund managed by Bursa Malaysia Berhad	236	230	935	911
Administration fee income from Bursa Malaysia Derivatives Berhad Fidelity Fund, a fund managed by Bursa Malaysia Derivatives Berhad	30	30	120	120

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.

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

<b>RM'000</b>	<b>As at 31.12.2012</b>
Trade margins, collaterals and security deposits	1,123,660
Securities Borrowing and Lending collaterals	13,574
Trade payables	1,137,234
CGF contributions	12,361
DCF contributions	23,577
Clearing Funds' contributions	35,938
Cash received for eDividend distributions (included within other payables)	1,828
<b>Total cash and bank balances not belonging to the Group</b>	<b>1,175,000</b>

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

**14. CASH AND BANK BALANCES NOT BELONGING TO THE GROUP (CONT'D.)**

The amount of non-cash collaterals and contributions held by the Group not included in the consolidated statement of financial position as at 31 December 2012 comprise the following:

<b>RM'000</b>	<b>As at 31.12.2012</b>
Collaterals in the form of letters of credit	406,500
Collaterals in the form of shares	22
Contributions to the CGF in the form of bank guarantees	5,776
	<b>412,298</b>

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

<b>RM'000</b>	<b>As at 31.12.2012</b>	<b>As at 31.12.2011</b>	<b>As at 01.01.2011</b>
Cash and bank balances	4,872	3,768	7,512
Deposits for short-term funding requirement	148,903	151,575	132,044
Cash and cash equivalents	153,775	155,343	139,556
Other deposits not for short-term funding requirement	317,728	344,600	310,382
<b>Total cash and bank balances of the Group</b>	<b>471,503</b>	<b>499,943</b>	<b>449,938</b>

**16. INVESTMENT SECURITIES**

The Group's investment securities comprise AFS and Held-To-Maturity (HTM) financial assets. AFS financial assets comprise quoted shares and unquoted bonds while HTM financial assets comprise commercial papers.

**17. CAPITAL COMMITMENTS**

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

<b>RM'000</b>	<b>Approved and contracted for</b>	<b>Approved but not contracted for</b>
Computers and office automation	14,839	26,688
Renovations	218	-
<b>Total capital commitments</b>	<b>15,057</b>	<b>26,688</b>

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

**18. CONTINGENT ASSETS AND LIABILITIES**

There were no contingent assets and no changes in the contingent liability in respect of the put and call options with Chicago Merchantile Exchange Group over the ordinary shares of Bursa Malaysia Derivatives since 31 December 2011.

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

There were no changes in the composition of the Group during the quarter and year ended 31 December 2012.

**20. OPERATING LEASE ARRANGEMENTS**

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

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

<b>RM'000</b>	<b>As at 31.12.2012</b>
Not later than 1 year	539
Later than 1 year and not later than 5 years	2,155
Later than 5 years	40,253
<b>Total future minimum lease payments</b>	<b>42,947</b>

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

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

<b>RM'000</b>	<b>As at 31.12.2012</b>
Not later than 1 year	6,028
Later than 1 year and not later than 2 years	6,283
Later than 2 years and not later than 5 years	9,207
<b>Total future minimum lease receivables</b>	<b>21,518</b>

**21. EVENTS AFTER THE REPORTING PERIOD**

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

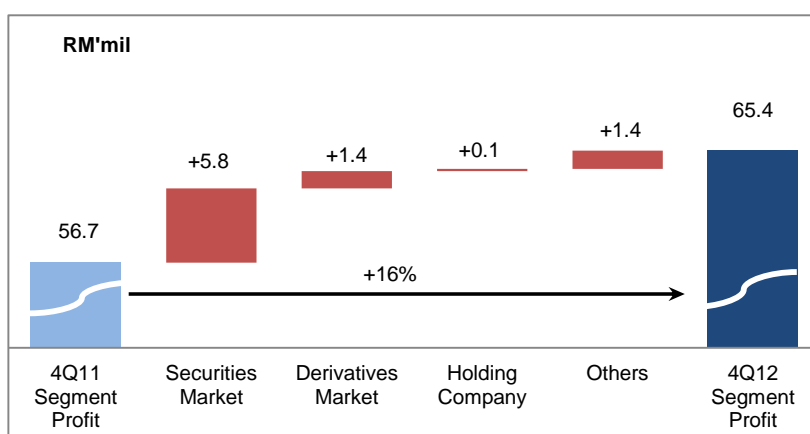
**PART B: EXPLANATORY NOTES PURSUANT TO MAIN  
MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**22. OPERATING SEGMENTS REVIEW**

**(a) 4Q12 vs. 4Q11**

Profit before tax (PBT) for the quarter ended 31 December 2012 (4Q12) was RM50.0 million, a marginal increase of 13 per cent from RM44.3 million in the quarter ended 31 December 2011 (4Q11). PBT is made up of segment profits less overheads (as depicted in Note 11).

Total segment profit for 4Q12 was RM65.4 million, an increase of 16 per cent from RM56.7 million in 4Q11. The quarter movements in the segment profits are depicted in the graph below:



**Securities Market**

The securities market recorded a segment profit of RM52.5 million in 4Q12, an increase of 13 per cent compared to RM46.7 million in 4Q11. The higher profit in 4Q12 was mainly a result of an improvement in revenue and lower costs.

**(i) Operating Revenue**

Securities market operating revenue comprises mainly trading revenue, listing fees, depository revenue, information sales, access fees and perusal and processing fees. Operating revenue for 4Q12 was RM70.7 million, representing an increase of 8 per cent compared to RM65.7 million in 4Q11.

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

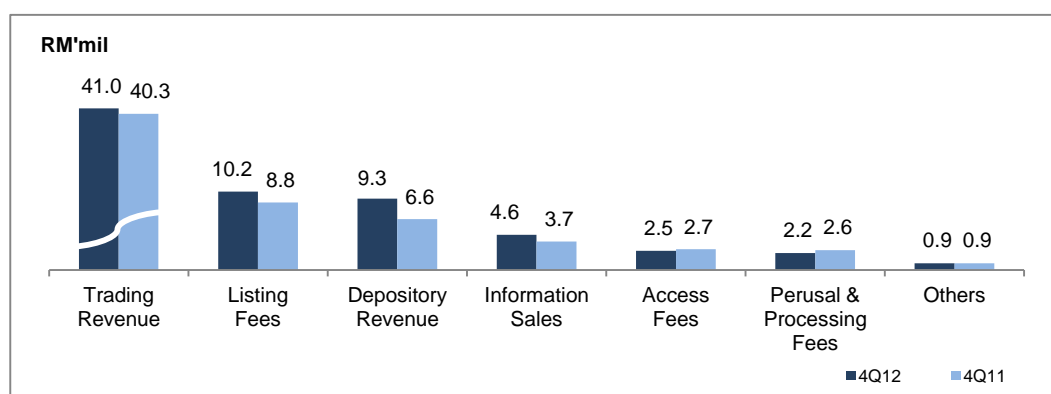
**22. OPERATING SEGMENTS REVIEW (CONT'D.)**

**(a) 4Q12 vs. 4Q11 (Cont'd.)**

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

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

The increase in operating revenue mainly from non-trading revenue, as shown in the chart below:



- > Trading revenue increased by 2 per cent to RM41 million in 4Q12 compared to 4Q11. 4Q12 saw higher average daily value (ADV) for on-market trades (OMT) and direct business trades (DBT) of RM1.51 billion compared to RM1.41 billion in 4Q11.
- > Listing fees increased by 16 per cent to RM10.2 million in 4Q12 compared to 4Q11. The increase was mainly attributable to the higher number of new structured warrant listings.
- > Depository revenue increased by 41 per cent to RM9.3 million in 4Q12 compared to 4Q11. The higher revenue came mainly from the listing of a large IPO and a merger of 2 broking houses in 4Q12.
- > Information sales increased by 24 per cent to RM4.6 million in 4Q12 compared to 4Q11. The higher revenue was a result of the upward revision of rates in January 2012.
- > Perusal and processing fees decreased by 16 per cent to RM2.2 million in 4Q12 compared to 4Q11. The decrease was due to lower applications for ACE market listings in 4Q12.

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

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

**(a) 4Q12 vs. 4Q11 (Cont'd.)**

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

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

Key operating drivers in the securities market are as follows:

		<b>4Q12</b>	<b>4Q11</b>
FBM KLCI	(points)	1,688.95	1,530.73
Average daily trading value (OMT and DBT)	(RM'billion)	1.51	1.41
Average daily trading volume (OMT and DBT)	(billion)	1.05	1.62
Effective clearing fee rate	(basis points)	2.24	2.54
Velocity	(per cent)	25	27
Number of Initial Public Offerings (IPOs)		3	2
Number of new structured warrant listings		138	70
Total funds raised:			
- IPOs	(RM'billion)	4.63	0.71
- Secondary issues	(RM'billion)	4.40	1.36
Market capitalisation at end of period	(RM'billion)	1,465.70	1,284.54

**(ii) Other Income**

Other income decreased by 31 per cent to RM2.8 million in 4Q12 compared to RM4.0 million in 4Q11 mainly due to lower fines income.

**(iii) Expenses**

Segment expenses decreased by 9 per cent to RM20.9 million in 4Q12 compared to RM23.0 million in 4Q11 mainly due to lower depreciation expenses as certain assets have been fully depreciated and lower staff costs.

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

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

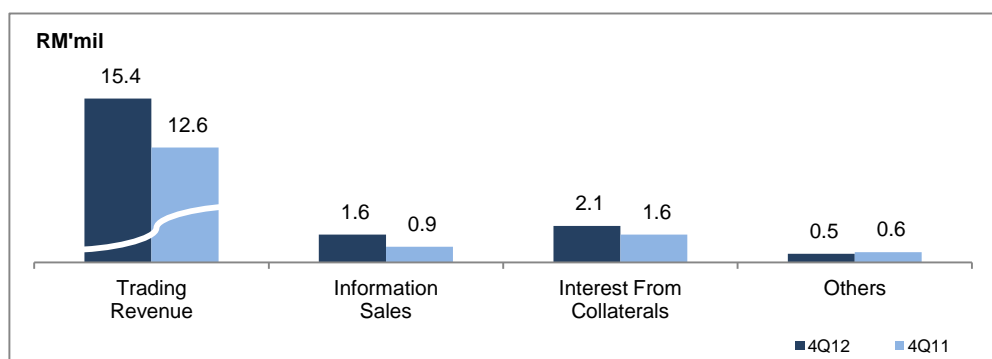
**(a) 4Q12 vs. 4Q11 (Cont'd.)**

**Derivatives Market**

The derivatives market recorded a segment profit of RM10.3 million in 4Q12, an increase of 16 per cent compared to RM8.8 million in 4Q11. The higher profit in 4Q12 was attributed to a higher number of contracts traded.

**(i) Operating Revenue**

Derivatives market operating revenue comprises mainly trading revenue, information sales and interest from collaterals. Operating revenue for 4Q12 was RM19.6 million, representing an increase of 25 per cent compared to RM15.7 million in 4Q11. The increase mainly arose from trading revenue, as shown in the chart below:



- > Trading revenue increased by 23 per cent to RM15.4 million in 4Q12 compared to 4Q11. 2.7 million contracts were traded in 4Q12 compared to 2.12 million contracts in 4Q11.
- > Information sales increased by 78 per cent to RM1.6 million in 4Q12 compared to 4Q11. The increase was mainly a result of the upward revision of rates in January 2012 and an increase in subscribers.
- > Interest from collaterals increased by 31 per cent to RM2.1 million in 4Q12 compared to 4Q11 as a result of higher open interests.

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

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

**(a) 4Q12 vs. 4Q11 (Cont'd.)**

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

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

Key operating drivers in the derivatives market are as follows:

		<b>4Q12</b>	<b>4Q11</b>
FCPO contracts	(million)	2.21	1.49
FKLI contracts	(million)	0.48	0.63
Other contracts	(million)	0.01	~
Total	(million)	2.70	2.12
Daily average contracts		43,555	34,779
Average number of open interests		186,732	169,986

**(ii) Other Income**

Other income decreased to RM0.5 million in 4Q12 compared to RM0.9 million in 4Q11 was mainly due to lower grant income in 4Q12.

**(iii) Expenses**

Segment expenses increased by 28 per cent to RM9.8 million in 4Q12 compared to RM7.7 million in 4Q11. This was mainly due to higher service fees charged as a result of higher trade volumes in 4Q12 compared to 4Q11.

**Exchange Holding Company**

The exchange holding company recorded a segment profit of RM3.4 million in 4Q12, a marginal increase compared to RM3.2 million in 4Q11, mainly due to higher dividend income in 4Q12.

**Others**

The loss in the Others segment, which is made up of our BSAS business, bonds trading and offshore exchange, improved by 66 per cent from a loss position of RM2.1 million in 4Q11 to a lower loss position of RM0.7 million in 4Q12 as a result of the following:

- > Segment revenue grew due to the increasing use of BSAS as a commodity murabahah trading platform.
- > Segment costs were lower due to an impairment loss of computer software in 4Q11.

**Overheads**

Overheads increased by 25 per cent to RM15.5 million in 4Q12 compared to RM12.3 million in 4Q11 as a result of higher staff costs and certain allocation adjustments.



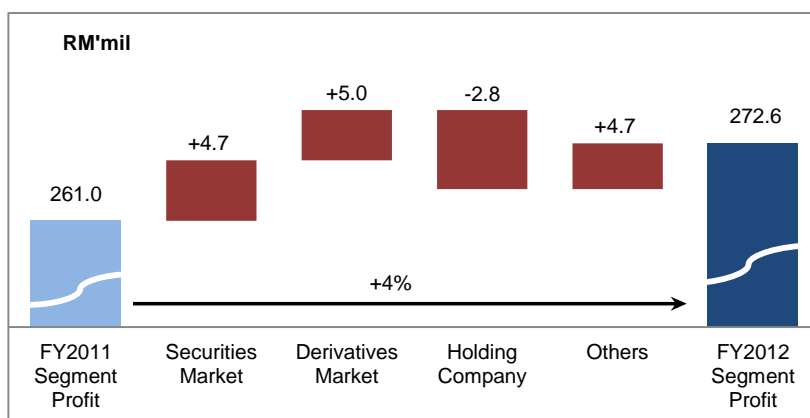
**PART B: EXPLANATORY NOTES PURSUANT TO MAIN  
MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

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

**(b) FY2012 vs. FY2011**

PBT for the year ended 31 December 2012 (FY2012) was RM216.0 million, an increase of 5 per cent from RM206.1 million in the year ended 31 December 2011 (FY2011). PBT is made up of segment profits less overheads.

Total segment profit for FY2012 was RM272.6 million, an increase of 4 per cent from RM261.0 million in FY2011. The year on year movement in the segment profits are depicted in the graph below:

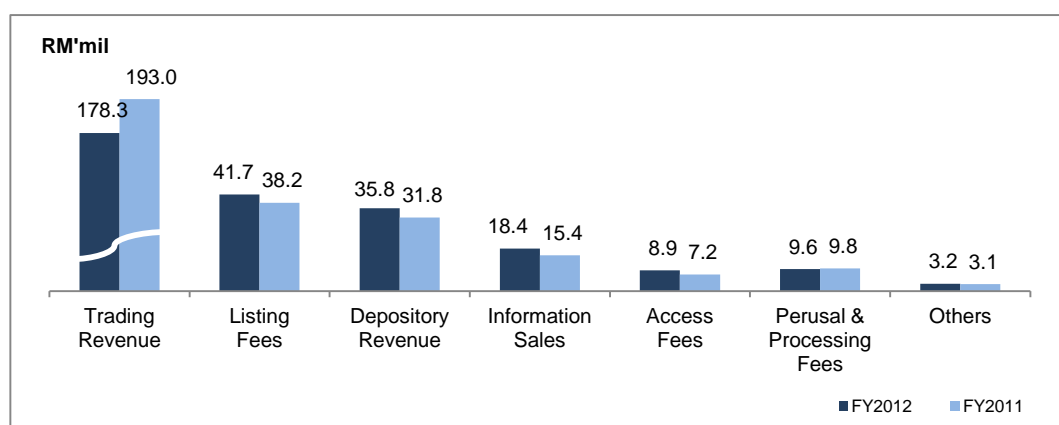


**Securities Market**

The securities market recorded a segment profit of RM225.6 million in FY2012 compared to RM220.9 million in FY2011. The higher profit in FY2012 was mainly a result of lower costs.

**(i) Operating Revenue**

Securities market operating revenue comprises mainly trading revenue, listing fees, depository revenue, information sales, access fees and perusal and processing fees. Operating revenue for FY2012 was RM295.9 million, representing a marginal decrease of 1 per cent compared to RM298.5 million in FY2011. The decrease came mainly from trading revenue, as shown in the chart below:



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

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

**(b) FY2012 vs. FY2011 (Cont'd.)**

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

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

- > Trading revenue decreased by 8 per cent to RM178.3 million in FY2012 compared to FY2011. FY2012 saw a lower ADV for OMT and DBT of RM1.67 billion compared to RM1.79 billion in FY2011.
- > Listing fees increased by 9 per cent to RM41.7 million in FY2012 compared to FY2011. The increase was mainly attributable to the higher number of new structured warrant listings.
- > Depository revenue increased by 13 per cent to RM35.8 million in FY2012 compared to FY2011. The higher revenue in FY2012 was mainly due to the listing of 3 larger IPOs and a 2 broking house merger during the year.
- > Information sales increased by 18 per cent to RM18.4 million in FY2012 compared to FY2011. The higher revenue was a result of the upward revision of rates in January 2012.
- > Access fees increased by 24 per cent to RM8.9 million in FY2012 compared to FY2011 due to higher subscription of direct market access.

Key operating drivers in the securities market are as follows:

		<b>FY2012</b>	<b>FY2011</b>
FBM KLCI	(points)	1,688.95	1,530.73
Average daily trading value (OMT and DBT)	(RM'billion)	1.67	1.79
Average daily trading volume (OMT and DBT)	(billion)	1.36	1.34
Effective clearing fee rate	(basis points)	2.29	2.37
Velocity	(per cent)	28	33
Number of IPOs		17	28
Number of new structured warrant listings		551	363
Total funds raised:			
- IPOs	(RM'billion)	22.94	6.66
- Secondary issues	(RM'billion)	8.79	8.29
Market capitalisation at end of period	(RM'billion)	1,465.70	1,284.54

**(ii) Other Income**

Other income decreased by 15 per cent to RM12.8 million in FY2012 compared to RM15.1 million in FY2011 mainly due to lower fines income.

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

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

**(b) FY2012 vs. FY2011 (Cont'd.)**

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

**(iii) Expenses**

Segment expenses decreased by 10 per cent to RM83.1 million in FY2012 compared to RM92.7 million in FY2011 mainly due to the following:

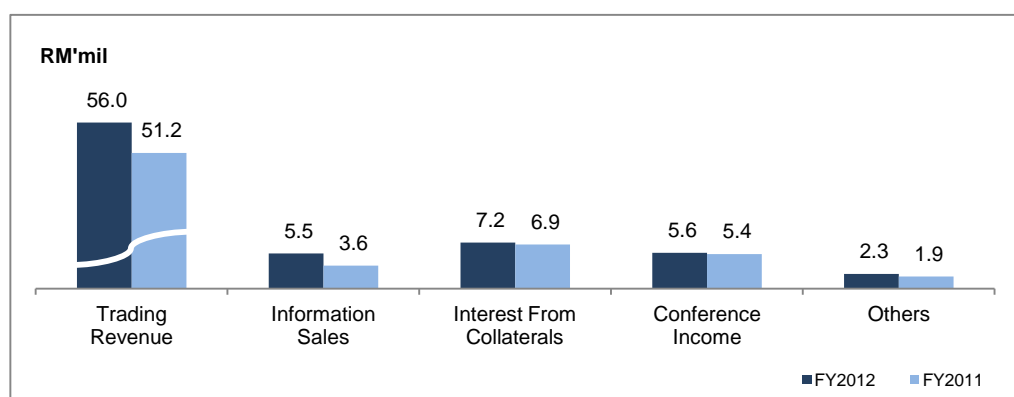
- > Lower staff costs due to a reduction in the number of employees.
- > Lower depreciation and amortisation expenses as certain IT assets were fully depreciated.
- > A write off of computer software in FY2011.

**Derivatives Market**

The derivatives market recorded a segment profit of RM42.0 million in FY2012, an increase of 13 per cent compared to RM37.0 million in FY2011. The higher profit in FY2012 was attributed to a higher number of contracts traded.

**(i) Operating Revenue**

Derivatives market operating revenue comprises mainly trading revenue, information sales, interest from collaterals and conference income. Operating revenue for FY2012 was RM76.6 million, representing an increase of 11 per cent compared to RM69.0 million in FY2011. The increase came mainly from trading revenue, as shown in the chart below:



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

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

**(b) FY2012 vs. FY2011 (Cont'd.)**

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

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

- > Trading revenue increased by 9 per cent to RM56.0 million in FY2012 compared to FY2011. 9.65 million contracts were traded in FY2012 compared to 8.45 million contracts in FY2011.
- > Information sales increased by 52 per cent to RM5.5 million in FY2012 compared to FY2011. The increase was mainly a result of the upward revision of rates in January 2012 and an increase in subscribers.

Key operating drivers in the derivatives market are as follows:

		<b>FY2012</b>	<b>FY2011</b>
FCPO contracts	(million)	7.46	5.87
FKLI contracts	(million)	2.13	2.48
Other contracts	(million)	0.06	0.10
Total	(million)	9.65	8.45
Daily average contracts		39,387	34,474
Average number of open interests		171,518	161,443

**(ii) Other Income**

Other income decreased by 24 per cent to RM2.5 million in FY2012 compared to RM3.4 million in FY2011 mainly due to lower grant income.

**(iii) Expenses**

Segment expenses increased by 5 per cent to RM37.2 million in FY2012 compared to RM35.5 million in FY2011. This was mainly due to higher service fees charged as a result of the increase in trade volumes in FY2012 compared to FY2011.

**Exchange Holding Company**

The exchange holding company recorded a segment profit of RM9.0 million in FY2012, a decrease of 23 per cent compared to RM11.7 million in FY2011. The lower profit in FY2012 was mainly due to higher staff costs and consultancy fees.

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

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

**(b) FY2012 vs. FY2011 (Cont'd.)**

**Others**

The loss in the Others segment, which is made up of our BSAS business, bonds trading and offshore exchange, improved by 54 per cent from a loss position of RM8.7 million in FY2011 to a lower loss position of RM4.0 million in FY2012 as a result of the following:

- > Segment revenue grew due to the increasing use of BSAS as a commodity murabahah trading platform.
- > Segment costs were lower due to lower staff costs in FY2012 and an impairment loss of computer software in FY2011.

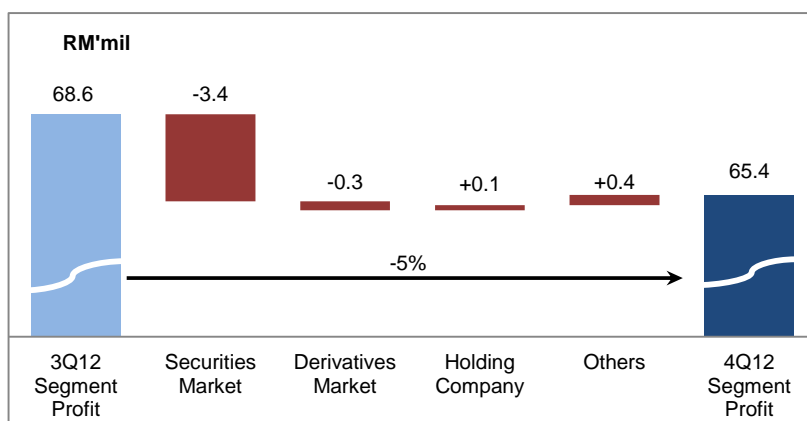
**Overheads**

Overheads increased by 3 per cent to RM56.5 million in FY2012 compared to RM54.8 million in FY2011 as a result of higher staff costs and certain allocation adjustments.

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

PBT for 4Q12 was RM50 million, a decrease of 8 per cent from RM54.5 million in the quarter ended 30 September 2012 (3Q12). PBT is made up of segment profits less overheads.

Total segment profit for 4Q12 was RM65.4 million, a decrease of 5 per cent from RM68.6 million in 3Q12. The quarter on quarter movements in the segment profits are depicted in the graph below:



**Securities Market**

The securities market recorded a segment profit of RM52.5 million in 4Q12, a decrease of 6 per cent compared to RM55.9 million in 3Q12. The lower profit in 4Q12 was mainly due to lower revenue.

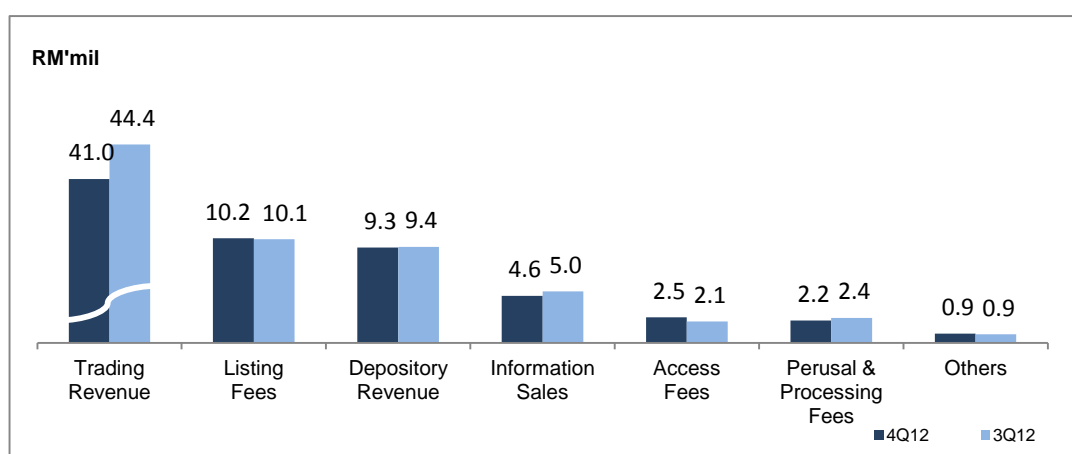
**PART B: EXPLANATORY NOTES PURSUANT TO MAIN  
MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

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

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

**(i) Operating Revenue**

Securities market operating revenue for 4Q12 was RM70.7 million, representing a decrease of 5 per cent compared to RM74.3 million in 3Q12. The decrease came mainly from trading revenue, as shown in the chart below:



- > Trading revenue decreased by 8 per cent to RM41.0 million in 4Q12 compared to 3Q12. 4Q12 saw a lower ADV for OMT and DBT of RM1.51 billion compared to RM1.68 billion in 3Q12.
- > Information sales decreased by 8 per cent to RM4.6 million in 4Q12 compared to 3Q12. This was mainly attributable to a reversal of overaccrued income in 4Q12.

Key operating drivers in the securities market are as follows:

		<b>4Q12</b>	<b>3Q12</b>
FBM KLCI	(points)	1,688.95	1,636.66
Average daily trading value (OMT and DBT)	(RM'billion)	1.51	1.68
Average daily trading volume (OMT and DBT)	(billion)	1.05	1.20
Effective clearing fee rate	(basis points)	2.24	2.25
Velocity	(per cent)	25	28
Number of IPOs		3	6
Number of new structured warrant listings		138	146
Total funds raised:			
- IPOs	(RM'billion)	4.63	7.30
- Secondary issues	(RM'billion)	4.40	1.66
Market capitalisation at end of period	(RM'billion)	1,465.70	1,417.29

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

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

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

**(ii) Other Income**

Other income decreased by 19 per cent to RM2.8 million in 4Q12 compared to RM3.4 million in 3Q12 mainly due to lower fines income.

**(iii) Expenses**

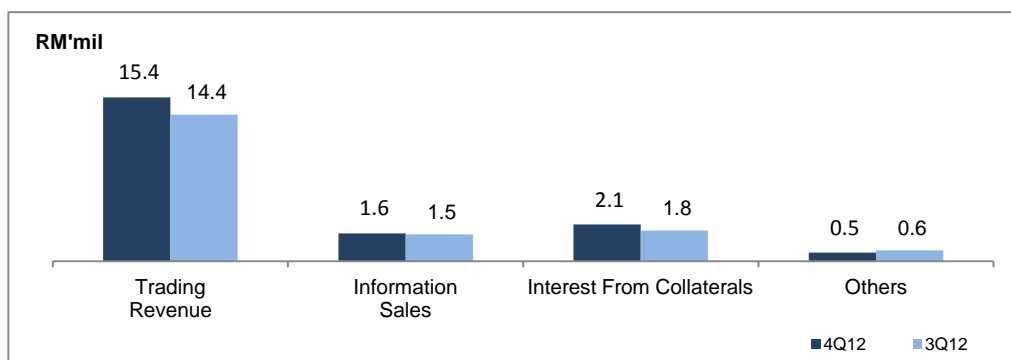
Segment expenses decreased by 4 per cent to RM20.9 million in 4Q12 compared to RM21.8 million in 3Q12 mainly due to lower staff cost.

**Derivatives Market**

The derivatives market recorded a segment profit of RM10.3 million for 4Q12, a marginal decrease of 3 per cent compared to RM10.6 million in 3Q12.

**(i) Operating Revenue**

Derivatives market operating revenue for 4Q12 was RM19.6 million, representing an increase of 7 per cent compared to RM18.3 million in 3Q12. The increase came mainly from trading revenue, as shown in the chart below:



Trading revenue increased by 7 per cent to RM15.4 million in 4Q12 compared to 3Q12. 2.7 million contracts were traded in 4Q12 compared to 2.58 million contracts in 3Q12.

Key operating drivers in the derivatives market are as follows:

		<b>4Q12</b>	<b>3Q12</b>
FCPO contracts	(million)	2.21	2.05
FKLI contracts	(million)	0.48	0.52
Other contracts	(million)	0.01	0.01
<b>Total</b>	<b>(million)</b>	<b>2.70</b>	<b>2.58</b>
Daily average contracts		43,555	42,234
Average number of open interests		186,732	166,155

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

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

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

**(ii) Other Income**

Other income decreased by 32 per cent to RM0.5 million in 4Q12 compared to RM0.7 million in 3Q12 mainly due to lower grant income.

**(iii) Expenses**

Segment expenses increased by 17 per cent to RM9.8 million in 4Q12 compared to RM8.4 million in 3Q12. This was mainly due to higher service fees charged as a result of higher trade volumes.

**Exchange Holding Company**

The exchange holding company recorded a segment profit of RM3.4 million in 4Q12, a marginal increase compared to RM3.2 million in 3Q12.

**Others**

The Others segment, which is made up of our BSAS business, bonds trading and offshore exchange, showed a lower loss of RM0.7 million in 4Q12 compared to the RM1.1 million loss in 3Q12. This was due to the growing use of BSAS as a commodity murabahah trading platform.

**Overheads**

Overheads increased marginally by 9 per cent to RM15.5 million in 4Q12 compared to RM14.1 million in 3Q12 mainly due to higher staff costs.



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

The Malaysian economy has weathered the global slowdown relatively well in 2012 and looking ahead in 2013, we remain confident of the country's economic prospects and business fundamentals. Malaysia's strong domestic demand will continue to be the main driver of growth, supported by the catalytic initiatives under the Government Transformation Program and the Economic Transformation Program.

The securities market is very much affected by events on the local and global fronts. A sustainable macroeconomic environment in Malaysia augurs well for the local bourse. For 2013, we will continue to keep our focus on building the securities market by further enhancing our infrastructure and introducing new asset classes to our product offerings.

On the derivatives front, we will continue to widen our distribution channels and increase the breadth and depth of our product offering. The price volatility of our key product, the CPO futures, is expected to continue into 2013. We thus expect our volumes to continue the upward trend in 2013.

Despite the above, the Board is cognisant of the impact of the continuing global economic uncertainties on the Group's performance. As such, there is a need for Bursa to review its strategies and mid-term targets in response to the changing market demands and environment, while maintaining our focus on the growth, vibrancy and resilience of our capital market.

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

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

**25. INCOME TAX EXPENSE**

RM'000	3 months ended		12 months ended	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
Income tax				
- Current provision	13,146	14,431	58,584	64,207
- Under/(over) provision of tax in prior year	-	-	622	(929)
	13,146	14,431	59,206	63,278
Deferred tax				
- Relating to origination and reversal of temporary differences	(489)	(3,024)	(594)	(8,238)
- Over provision of tax in prior year	(25)	-	(326)	(261)
	(514)	(3,024)	(920)	(8,499)
<b>Total income tax expense</b>	<b>12,632</b>	<b>11,407</b>	<b>58,286</b>	<b>54,779</b>

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

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

**26. RETAINED EARNINGS**

RM'000	As at	As at
	31.12.2012	31.12.2011
Realised	494,569	478,860
Unrealised	(7,775)	(8,660)
	486,794	470,200
Consolidation adjustments	5,312	11,411
<b>Total retained earnings</b>	<b>492,106</b>	<b>481,611</b>

**27. CORPORATE PROPOSALS**

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

**28. BORROWINGS AND DEBT SECURITIES**

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

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

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

**29. CHANGES IN MATERIAL LITIGATION**

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

**30. PROPOSED DIVIDEND**

At the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 31 December 2012, of 13.5 sen per share under the single tier system on 532,024,000 ordinary shares, amounting to a dividend payable of approximately RM71,823,000 will be proposed for shareholders' approval.

**31. EPS**

**(a) Basic EPS**

	3 months ended		12 months ended	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
Profit attributable to the Owners of the Company (RM'000)	35,708	31,337	151,458	146,160
Weighted average number of ordinary shares in issue ('000)	532,024	531,599	531,869	531,493
<b>Basic EPS (sen)</b>	<b>6.7</b>	<b>5.9</b>	<b>28.5</b>	<b>27.5</b>

**(b) Diluted EPS**

	3 months ended		12 months ended	
	31.12.2012	31.12.2011	31.12.2012	31.12.2011
Profit attributable to Owners of the Company (RM'000)	35,708	31,337	151,458	146,160
Weighted average number of ordinary shares in issue ('000)	532,024	531,599	531,869	531,493
Effect of dilution ('000)	867	467	695	454
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	532,891	532,066	532,564	531,947
<b>Diluted EPS (sen)</b>	<b>6.7</b>	<b>5.9</b>	<b>28.4</b>	<b>27.5</b>

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

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

The auditors' report on the financial statements for the financial year ended 31 December 2011 was unqualified.

**33. REVIEWS BY EXTERNAL AUDITORS**

The Board had engaged the external auditors to review and report on the condensed consolidated financial statements of Bursa Malaysia Berhad for each of the three quarters ended 31 March 2012, 30 June 2012 and 30 September 2012 during the financial year, in accordance with International Standard on Review Engagements 2410 (ISRE 2410), "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

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

**34. AUTHORISED FOR ISSUE**

The condensed consolidated interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 31 January 2013.