



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

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2018**

**30 January 2019**

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

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
**FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2018**

	Note	Quarter Ended			Year Ended		
		31.12.2018	31.12.2017	Changes	31.12.2018	31.12.2017	Changes
		RM'000	RM'000	%	RM'000	RM'000	%
		(Reviewed)	(Reviewed)		(Audited)	(Audited)	
Operating revenue	8	121,027	130,022	(6.9)	523,291	522,080	0.2
Other income	9	7,889	11,181	(29.4)	26,713	34,752	(23.1)
		128,916	141,203	(8.7)	550,004	556,832	(1.2)
Staff costs		(28,874)	(37,295)	(22.6)	(135,293)	(137,525)	(1.6)
Depreciation and amortisation		(5,424)	(5,783)	(6.2)	(21,970)	(23,800)	(7.7)
Other operating expenses	10	(22,824)	(23,365)	(2.3)	(84,032)	(89,089)	(5.7)
Profit from operations		71,794	74,760	(4.0)	308,709	306,418	0.7
Finance costs		(133)	(134)	(0.7)	(534)	(535)	(0.2)
Profit before tax		71,661	74,626	(4.0)	308,175	305,883	0.7
Income tax expense	26	(18,023)	(17,351)	3.9	(77,561)	(75,674)	2.5
<b>Profit for the period/year</b>		<b>53,638</b>	<b>57,275</b>	<b>(6.4)</b>	<b>230,614</b>	<b>230,209</b>	<b>0.2</b>
<b>Profit attributable to:</b>							
Owners of the Company		51,855	55,270	(6.2)	224,042	223,040	0.4
Non-controlling interest		1,783	2,005	(11.1)	6,572	7,169	(8.3)
		53,638	57,275	(6.4)	230,614	230,209	0.2

	Note	Quarter Ended		Year Ended	
		31.12.2018	31.12.2017	31.12.2018	31.12.2017
		Sen per share	Sen per share	Sen per share	Sen per share
		(Reviewed)	(Reviewed)	(Audited)	(Audited)
<b>Earnings per share attributable to owners of the Company:</b>					
Basic EPS	32(a)	6.4	6.9	27.8	27.7
Diluted EPS	32(b)	6.4	6.8	27.7	27.6

*The above condensed consolidated statement of profit or loss should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to these interim financial statements.*

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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME  
FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2018**

	Quarter Ended			Year Ended		
	31.12.2018 RM'000 (Reviewed)	31.12.2017 RM'000 (Reviewed)	Changes %	31.12.2018 RM'000 (Audited)	31.12.2017 RM'000 (Audited)	Changes %
Profit for the period/year	53,638	57,275	(6.4)	230,614	230,209	0.2
<b>Other comprehensive income:</b>						
<b>Items that may be subsequently reclassified to profit or loss:</b>						
Gain/(Loss) on foreign currency translation	1	(131)	(100.8)	74	(329)	(122.5)
Net fair value changes in unquoted bonds at fair value through other comprehensive income ("FVTOCI")	29	(372)	(107.8)	21	36	(41.7)
Income tax effects relating to unquoted bonds at FVTOCI	(5)	13	(138.5)	(23)	(16)	43.8
	25	(490)	(105.1)	72	(309)	(123.3)
<b>Items that will not be subsequently reclassified to profit or loss:</b>						
Actuarial gain on defined benefit obligations	246	350	(29.7)	246	350	(29.7)
Net fair value changes in quoted shares at FVTOCI	28,421	7,686	269.8	71,187	29,155	144.2
Income tax effects relating to actuarial gain on defined benefit obligations	(59)	(84)	(29.8)	(59)	(84)	(29.8)
	28,608	7,952	259.8	71,374	29,421	142.6
<b>Total other comprehensive income, net of income tax</b>	<b>28,633</b>	<b>7,462</b>	<b>283.7</b>	<b>71,446</b>	<b>29,112</b>	<b>145.4</b>
<b>Total comprehensive income</b>	<b>82,271</b>	<b>64,737</b>	<b>27.1</b>	<b>302,060</b>	<b>259,321</b>	<b>16.5</b>
<b>Total comprehensive income attributable to:</b>						
Owners of the Company	80,488	62,732	28.3	295,488	252,152	17.2
Non-controlling interest	1,783	2,005	(11.1)	6,572	7,169	(8.3)
	82,271	64,737	27.1	302,060	259,321	16.5

*The above condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to these interim financial statements.*

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2018**

	Note	As at 31.12.2018 RM'000 (Audited)	As at 31.12.2017 RM'000 (Audited)
<b>Assets</b>			
Property, plant and equipment		171,424	179,298
Computer software		40,347	40,841
Right-of-use assets		8,296	8,407
Goodwill		42,957	42,957
Investment securities		338,140	281,779
Staff loans receivable		2,287	2,918
Deferred tax assets		7,455	6,747
<b>Non-current assets</b>		<b>610,906</b>	<b>562,947</b>
Trade receivables	27	38,600	47,218
Other receivables		18,572	15,964
Tax recoverable		2,961	4,352
Investment securities		34,935	25,039
Cash for equity margins, derivatives trading margins, security deposits and eDividend distributions	13	1,375,995	1,168,526
Cash and bank balances of Clearing Funds	14	129,806	129,628
Cash and bank balances of the Group	15	222,785	271,207
<b>Current assets</b>		<b>1,823,654</b>	<b>1,661,934</b>
<b>Total assets</b>		<b>2,434,560</b>	<b>2,224,881</b>
<b>Equity and liabilities</b>			
Share capital		424,142	402,169
Other reserves		251,311	179,938
Retained earnings		199,705	267,881
Equity attributable to owners of the Company		875,158	849,988
Non-controlling interest		12,291	12,469
<b>Total equity</b>		<b>887,449</b>	<b>862,457</b>
Retirement benefit obligations		18,082	21,860
Deferred grants		2,805	2,038
Lease liabilities		7,466	7,470
Deferred tax liabilities		1,388	1,729
<b>Non-current liabilities</b>		<b>29,741</b>	<b>33,097</b>
Trade payables	13	1,375,955	1,166,024
Participants' contributions to Clearing Funds	14	39,806	39,628
Other payables		97,498	115,989
Lease liabilities		505	505
Tax payable		3,606	7,181
<b>Current liabilities</b>		<b>1,517,370</b>	<b>1,329,327</b>
<b>Total liabilities</b>		<b>1,547,111</b>	<b>1,362,424</b>
<b>Total equity and liabilities</b>		<b>2,434,560</b>	<b>2,224,881</b>
		<b>RM</b>	<b>RM</b>
<b>Net assets per share attributable to owners of the Company</b>	33	<b>1.08</b>	<b>1.58</b>

*The above condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to these interim financial statements.*

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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

	← Attributable to owners of the Company →						→ Distributable →				
	Non-distributable			Foreign currency translation reserve			Distributable				
(Audited)	Share capital RM'000	Share premium RM'000	Capital redemption reserve RM'000	Foreign currency translation reserve RM'000	Share grant reserve RM'000	Clearing fund reserves RM'000	FVTOCI reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interest RM'000	Total equity RM'000
<b>At 1 January 2018</b>	402,169	-	-	531	6,849	30,000	142,558	267,881	849,988	12,469	862,457
Profit for the year	-	-	-	-	-	-	-	224,042	224,042	6,572	230,614
Other comprehensive income, net of income tax	-	-	-	74	-	-	71,185	187	71,446	-	71,446
Total comprehensive income	-	-	-	74	-	-	71,185	224,229	295,488	6,572	302,060
<b>Transactions with owners:</b>											
Issuance of ordinary shares pursuant to (Note 6):											
- bonus issue	15,323	-	-	-	-	-	-	(15,323)	-	-	-
- Share Grant Plan ("SGP")	6,650	-	-	-	(6,650)	-	-	-	-	-	-
SGP expense	-	-	-	-	6,764	-	-	-	6,764	-	6,764
Dividends paid to owners of the Company (Note 7)	-	-	-	-	-	-	-	(277,082)	(277,082)	-	(277,082)
Dividends paid to non-controlling interest	-	-	-	-	-	-	-	-	-	(6,750)	(6,750)
Total transactions with owners	21,973	-	-	-	114	-	-	(292,405)	(270,318)	(6,750)	(277,068)
<b>At 31 December 2018</b>	<b>424,142</b>	<b>-</b>	<b>-</b>	<b>605</b>	<b>6,963</b>	<b>30,000</b>	<b>213,743</b>	<b>199,705</b>	<b>875,158</b>	<b>12,291</b>	<b>887,449</b>
<b>At 1 January 2017</b>	268,136	119,052	5,250	860	8,350	30,000	113,383	323,909	868,940	18,300	887,240
Adjustments for effects of Companies Act 2016 (Note a)	124,302	(119,052)	(5,250)	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	-	-	-	-	223,040	223,040	7,169	230,209
Other comprehensive income, net of income tax	-	-	-	(329)	-	-	29,175	266	29,112	-	29,112
Total comprehensive income	-	-	-	(329)	-	-	29,175	223,306	252,152	7,169	259,321
<b>Transactions with owners:</b>											
Issuance of ordinary shares pursuant to SGP	9,731	-	-	-	(9,731)	-	-	-	-	-	-
SGP expense	-	-	-	-	8,230	-	-	-	8,230	-	8,230
Dividends paid to owners of the Company (Note 7)	-	-	-	-	-	-	-	(279,334)	(279,334)	-	(279,334)
Dividends paid to non-controlling interest	-	-	-	-	-	-	-	-	-	(13,000)	(13,000)
Total transactions with owners	9,731	-	-	-	(1,501)	-	-	(279,334)	(271,104)	(13,000)	(284,104)
<b>At 31 December 2017</b>	<b>402,169</b>	<b>-</b>	<b>-</b>	<b>531</b>	<b>6,849</b>	<b>30,000</b>	<b>142,558</b>	<b>267,881</b>	<b>849,988</b>	<b>12,469</b>	<b>862,457</b>

**Note a**

The credits standing in the share premium and capital redemption reserve accounts of RM119,052,000 and RM5,250,000 respectively were transferred to the share capital account on the commencement of the Companies Act 2016 ("New Act") on 31 January 2017. Pursuant to subsection 618(3) of the New Act, the credit amount transferred from the share premium account was fully utilised for the bonus issue of the Company as disclosed in Note 6(a).

*The above condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to these interim financial statements.*

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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	Year Ended	
		31.12.2018 RM'000 (Audited)	31.12.2017 RM'000 (Audited)
<b>Cash flows from operating activities</b>			
Profit before tax		308,175	305,883
Adjustments for:			
Amortisation of premium/(accretion of discount), net		2	(10)
Depreciation and amortisation		21,970	23,800
Dividend income from investment securities	9	(4,960)	(6,852)
Grant income	9	(1,338)	(1,559)
Interest income	9	(18,313)	(19,309)
Finance costs		534	535
Lease of equipment		214	194
Net gain on disposal of investment securities	9	-	(25)
Net gain on disposal of motor vehicle	9	(68)	-
Net (reversal of impairment loss)/impairment loss on:			
- investment securities	10	(104)	(207)
- trade and other receivables	10	429	1,582
Provision for short-term accumulating compensated unutilised leave		173	154
Retirement benefit obligations		989	1,174
SGP expense		6,764	8,230
Unrealised loss on foreign exchange differences		8	23
Operating profit before working capital changes		314,475	313,613
Decrease in receivables		2,162	1,836
(Decrease)/Increase in other payables		(16,799)	11,038
Cash generated from operations		299,838	326,487
Interest paid		(534)	(535)
Repayment on lease of equipment		(214)	(194)
Staff loans repaid, net of disbursements		595	520
Retirement benefits paid		(4,521)	(4,043)
Tax paid, net		(80,875)	(76,628)
<b>Net cash from operating activities</b>		<b>214,289</b>	<b>245,607</b>
<b>Cash flows from investing activities</b>			
Dividend income received		7,247	5,828
(Increase)/Decrease in deposits not for short-term funding requirements		(31,750)	68,503
Interest income received		19,502	20,708
Proceeds from sale of investment securities		30,000	39,739
Proceeds from sale of a motor vehicle		68	-
Purchases of investment securities		(24,910)	(44,997)
Purchases of property, plant and equipment and computer software		(12,959)	(9,124)
<b>Net cash (used in)/from investing activities</b>		<b>(12,802)</b>	<b>80,657</b>
<b>Cash flows from financing activities</b>			
Dividends paid to owners of the Company	7	(277,082)	(279,334)
Dividends paid by a subsidiary to non-controlling interest		(6,750)	(13,000)
Grant received		2,105	505
Repayment on lease liabilities		(4)	(4)
<b>Net cash used in financing activities</b>		<b>(281,731)</b>	<b>(291,833)</b>

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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	Year Ended	
		RM'000	RM'000
		(Audited)	(Audited)
<b>Net (decrease)/increase in cash and cash equivalents</b>		<b>(80,244)</b>	<b>34,431</b>
Effect of exchange rate changes		72	(347)
Cash and cash equivalents at beginning of year		248,132	214,048
<b>Cash and cash equivalents at end of year</b>	15	<b>167,960</b>	<b>248,132</b>

*The above condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017 and the accompanying explanatory notes attached to these interim financial statements.*

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

**1. BASIS OF PREPARATION**

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

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

This Condensed Report should be read in conjunction with the audited financial statements for the financial year ended 31 December 2017. The explanatory notes attached to the Condensed Report provide explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2017.

**2. SIGNIFICANT ACCOUNTING POLICIES**

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

The accounting policies adopted in the preparation of the Condensed Report are consistent with those used in the preparation of the Group's audited financial statements for the financial year ended 31 December 2017, except for the following:

**Early adoption of Standards, Amendments to Standards, Annual Improvements to Standards and IC Interpretations**

**Effective for financial periods beginning on or after 1 January 2019**

Amendments to MFRS 9 Financial Instruments - *Prepayment Features with Negative Compensation*

Amendments to MFRS 119 Employee Benefits - *Plan Amendment, Curtailment or Settlement*

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

Annual Improvements to MFRS Standards 2015 - 2017 Cycle:

- Amendments to MFRS 3 Business Combinations - *Previously held interest in a joint operation*
- Amendments to MFRS 11 Joint Arrangements - *Previously held interest in a joint operation*
- Amendments to MFRS 112 Income Taxes - *Income tax consequences of payments on financial instruments classified as equity*
- Amendments to MFRS 123 Borrowing Costs - *Borrowing costs eligible for capitalisation*

IC Interpretation 23 Uncertainty over Income Tax Treatments

**Effective for financial periods beginning on or after 1 January 2020**

Conceptual Framework in MFRS Standards:

- Amendments to MFRS 2 Share-based Payment
- Amendments to MFRS 3 Business Combinations
- Amendments to MFRS 6 Exploration for and Evaluation of Mineral Resources
- Amendment to MFRS 14 Regulatory Deferral Accounts
- Amendments to MFRS 101 Presentation of Financial Statements
- Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors



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

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

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

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

**Effective for financial periods beginning on or after 1 January 2020 (cont'd.)**

Conceptual Framework in MFRS Standards (cont'd.):

- Amendments to MFRS 134 Interim Financial Reporting
- Amendment to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets
- Amendment to MFRS 138 Intangible Assets
- Amendments to IC Interpretation 12 Service Concession Arrangements
- Amendments to IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments
- Amendments to IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine
- Amendments to IC Interpretation 22 Foreign Currency Transactions and Advance Consideration
- Amendments to IC Interpretation 132 Intangible Assets - Web Site Costs

**IFRS 15 Revenue from Contracts with Customers - Assessment of promised goods or services**

In September 2018, the IFRS Interpretations Committee (“IFRIC”) issued a clarification guidance on the recognition of non-refundable upfront fee charged by a stock exchange for admission and initial listing services. The IFRIC concluded, in its meeting on 16 January 2019, that a stock exchange does not promise to transfer any service to the customer other than the service of being listed on the exchange. In view of this, the Group now recognises revenue from initial listing services over a period when the services are provided. Prior to the application of the IFRIC’s conclusion, the Group recognised initial listing fees from initial public offerings at a point in time upon the listing of an applicant’s securities. The Group has assessed that the impact of the retrospective application of the IFRIC’s conclusion on the Group’s financial statements to be immaterial.

**2.2 Standards issued but not yet effective**

**Effective for financial periods beginning on or after 1 January 2020**

- Amendments to MFRS 3 Business Combinations - *Definition of a Business*
- Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors - *Definition of Material*
- Amendment to MFRS 101 Presentation of Financial Statements - *Definition of Material*

**Effective for financial periods beginning on or after 1 January 2021**

MFRS 17 Insurance Contracts

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

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

The above pronouncements are either not relevant or do not have any impact on the financial statements of the Group.

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

**3. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS**

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

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

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter and year ended 31 December 2018.

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

There were no changes in estimates that have had any material effect during the current quarter and year ended 31 December 2018.

**6. DEBT AND EQUITY SECURITIES**

There were no issuances, repurchases and repayments of debt and equity securities during the current quarter and year ended 31 December 2018 other than the following:

- (a) On 13 April 2018, ordinary shares of the Company increased from 537,500,900 to 806,251,271 due to a bonus issue of 268,750,371 new ordinary shares, credited as fully paid up share capital on the basis of one new ordinary share for every two existing ordinary shares through capitalisation of the share premium and retained earnings of the Company of RM119,052,000 and RM15,323,000 respectively; and
- (b) On 13 July 2018, the Company issued 1,223,400 new ordinary shares at a weighted average issue price of RM5.44 per share amounting to RM6,650,000 pursuant to the SGP. The details are as follows:

SGP grants	Number of new ordinary shares	Issue price (RM per share)
2015 RSP grant	464,550	4.72
2016 RSP grant	440,550	5.25
2016 RSP grant	2,100	5.02
2017 RSP grant	307,800	6.75
2017 RSP grant	1,200	6.48
2017 RSP grant	1,500	6.22
2018 RSP grant	1,900	7.16
2018 RSP grant	1,900	6.89
2018 RSP grant	1,900	6.62
<b>Total</b>	<b>1,223,400</b>	<b>5.44*</b>

\* Weighted average issue price.

**7. DIVIDENDS PAID**

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

	31.12.2018	31.12.2017
<b>First interim and special dividends</b>		
For the financial year ended	31 December 2018	31 December 2017
Approved and declared on	30 July 2018	26 July 2017
Date paid	29 August 2018	23 August 2017
Number of ordinary shares on which dividends were paid ('000)	807,475	537,501
Interim dividend per share (single-tier)	14.0 sen	20.0 sen
Special dividend per share* (single-tier)	8.0 sen	15.0 sen
Net dividends paid (RM'000)	177,644	188,125

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

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

**7. DIVIDENDS PAID (CONT'D.)**

The following dividends were paid during the current and previous financial year ended: (Cont'd.)

	31.12.2018	31.12.2017
<b>Second interim dividend</b>		
For the financial year ended	31 December 2017	31 December 2016
Approved and declared on	5 February 2018	29 March 2017
Date paid	5 March 2018	18 April 2017
Number of ordinary shares on which dividends were paid ('000)	537,501	536,522
Dividend per share (single-tier)	18.5 sen	17.0 sen
Net dividend paid (RM'000)	99,438	91,209

\* The special dividends paid in the current and previous financial years were due to surplus cash in excess of the requirements of the Group.

**8. OPERATING REVENUE**

	Quarter Ended			Year Ended		
	31.12.2018 RM'000	31.12.2017 RM'000	Changes %	31.12.2018 RM'000	31.12.2017 RM'000	Changes %
Trade fees	5,980	7,181	(16.7)	28,968	28,117	3.0
Clearing fees	45,847	51,151	(10.4)	211,592	209,043	1.2
Others	6,253	6,257	(0.1)	25,249	22,457	12.4
<b>Total Securities trading revenue</b>	<b>58,080</b>	<b>64,589</b>	<b>(10.1)</b>	<b>265,809</b>	<b>259,617</b>	<b>2.4</b>
Trade fees	10,292	11,226	(8.3)	42,828	46,098	(7.1)
Clearing fees	4,353	4,495	(3.2)	17,238	18,299	(5.8)
Others	4,494	4,370	2.8	16,629	16,152	3.0
<b>Total Derivatives trading revenue</b>	<b>19,139</b>	<b>20,091</b>	<b>(4.7)</b>	<b>76,695</b>	<b>80,549</b>	<b>(4.8)</b>
Bursa Suq Al-Sila ("BSAS") trading revenue	4,104	4,132	(0.7)	14,932	15,825	(5.6)
Listing and issuer services	14,908	16,404	(9.1)	60,112	61,775	(2.7)
Depository services	10,346	10,938	(5.4)	42,170	42,376	(0.5)
Market data	9,019	8,580	5.1	36,208	34,524	4.9
Member services and connectivity	5,431	5,288	2.7	21,835	21,408	2.0
Conference fees and exhibition-related income	-	-	-	5,530	6,006	(7.9)
<b>Total other operating revenue</b>	<b>43,808</b>	<b>45,342</b>	<b>(3.4)</b>	<b>180,787</b>	<b>181,914</b>	<b>(0.6)</b>
<b>Total operating revenue</b>	<b>121,027</b>	<b>130,022</b>	<b>(6.9)</b>	<b>523,291</b>	<b>522,080</b>	<b>0.2</b>

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

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

**8. OPERATING REVENUE (CONT'D.)**

**Disaggregation of revenue**

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

**OPERATING REVENUE FOR THE QUARTER ENDED**

	Securities Market			Derivatives Market			Exchange Holding Company			Others			Total		
	31.12.2018 RM'000	31.12.2017 RM'000	Changes %	31.12.2018 RM'000	31.12.2017 RM'000	Changes %	31.12.2018 RM'000	31.12.2017 RM'000	Changes %	31.12.2018 RM'000	31.12.2017 RM'000	Changes %	31.12.2018 RM'000	31.12.2017 RM'000	Changes %
<b>Major products or services:</b>															
Securities trading	58,080	64,589	(10.1)	-	-	-	-	-	-	-	-	-	58,080	64,589	(10.1)
Derivatives trading	-	-	-	19,139	20,091	(4.7)	-	-	-	-	-	-	19,139	20,091	(4.7)
BSAS trading	-	-	-	-	-	-	-	-	-	4,104	4,132	(0.7)	4,104	4,132	(0.7)
Listing and issuer services	14,877	16,359	(9.1)	-	-	-	-	-	-	31	45	(31.1)	14,908	16,404	(9.1)
Depository services	10,346	10,938	(5.4)	-	-	-	-	-	-	-	-	-	10,346	10,938	(5.4)
Market data	6,792	6,557	3.6	2,173	1,963	10.7	-	-	-	54	60	(10.0)	9,019	8,580	5.1
Member services and connectivity	3,377	3,467	(2.6)	38	41	(7.3)	1,993	1,748	14.0	23	32	(28.1)	5,431	5,288	2.7
	<b>93,472</b>	<b>101,910</b>	<b>(8.3)</b>	<b>21,350</b>	<b>22,095</b>	<b>(3.4)</b>	<b>1,993</b>	<b>1,748</b>	<b>14.0</b>	<b>4,212</b>	<b>4,269</b>	<b>(1.3)</b>	<b>121,027</b>	<b>130,022</b>	<b>(6.9)</b>
<b>Timing of revenue recognition:</b>															
At a point in time	79,799	89,165	(10.5)	20,107	21,080	(4.6)	-	-	-	4,127	4,189	(1.5)	104,033	114,434	(9.1)
Over time	13,673	12,745	7.3	1,243	1,015	22.5	1,993	1,748	14.0	85	80	6.3	16,994	15,588	9.0
	<b>93,472</b>	<b>101,910</b>	<b>(8.3)</b>	<b>21,350</b>	<b>22,095</b>	<b>(3.4)</b>	<b>1,993</b>	<b>1,748</b>	<b>14.0</b>	<b>4,212</b>	<b>4,269</b>	<b>(1.3)</b>	<b>121,027</b>	<b>130,022</b>	<b>(6.9)</b>

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

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

**8. OPERATING REVENUE (CONT'D.)**

**Disaggregation of revenue (cont'd.)**

**OPERATING REVENUE FOR YEAR ENDED**

	Securities Market			Derivatives Market			Exchange Holding Company			Others			Total		
	31.12.2018 RM'000	31.12.2017 RM'000	Changes %	31.12.2018 RM'000	31.12.2017 RM'000	Changes %	31.12.2018 RM'000	31.12.2017 RM'000	Changes %	31.12.2018 RM'000	31.12.2017 RM'000	Changes %	31.12.2018 RM'000	31.12.2017 RM'000	Changes %
<b>Major products or services:</b>															
Securities trading	265,809	259,617	2.4	-	-	-	-	-	-	-	-	-	265,809	259,617	2.4
Derivatives trading	-	-	-	76,695	80,549	(4.8)	-	-	-	-	-	-	76,695	80,549	(4.8)
BSAS trading	-	-	-	-	-	-	-	-	-	14,932	15,825	(5.6)	14,932	15,825	(5.6)
Listing and issuer services	59,980	61,611	(2.6)	-	-	-	-	-	-	132	164	(19.5)	60,112	61,775	(2.7)
Depository services	42,170	42,376	(0.5)	-	-	-	-	-	-	-	-	-	42,170	42,376	(0.5)
Market data	27,589	26,137	5.6	8,389	8,146	3.0	-	-	-	230	241	(4.6)	36,208	34,524	4.9
Member services and connectivity	13,917	13,576	2.5	155	160	(3.1)	7,652	7,529	1.6	111	143	(22.4)	21,835	21,408	2.0
Conference fees and exhibition-related income	-	-	-	5,530	6,006	(7.9)	-	-	-	-	-	-	5,530	6,006	(7.9)
	<b>409,465</b>	<b>403,317</b>	<b>1.5</b>	<b>90,769</b>	<b>94,861</b>	<b>(4.3)</b>	<b>7,652</b>	<b>7,529</b>	<b>1.6</b>	<b>15,405</b>	<b>16,373</b>	<b>(5.9)</b>	<b>523,291</b>	<b>522,080</b>	<b>0.2</b>
<b>Timing of revenue recognition:</b>															
At a point in time	356,230	353,278	0.8	86,180	90,786	(5.1)	-	-	-	15,086	16,034	(5.9)	457,496	460,098	(0.6)
Over time	53,235	50,039	6.4	4,589	4,075	12.6	7,652	7,529	1.6	319	339	(5.9)	65,795	61,982	6.2
	<b>409,465</b>	<b>403,317</b>	<b>1.5</b>	<b>90,769</b>	<b>94,861</b>	<b>(4.3)</b>	<b>7,652</b>	<b>7,529</b>	<b>1.6</b>	<b>15,405</b>	<b>16,373</b>	<b>(5.9)</b>	<b>523,291</b>	<b>522,080</b>	<b>0.2</b>

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

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

**9. OTHER INCOME**

	Quarter Ended			Year Ended		
	31.12.2018 RM'000	31.12.2017 RM'000	Changes %	31.12.2018 RM'000	31.12.2017 RM'000	Changes %
Interest income from:						
- deposits and investment securities	4,061	4,369	(7.0)	18,202	19,168	(5.0)
- others	25	33	(24.2)	111	141	(21.3)
Dividend income	2,728	4,552	(40.1)	4,960	6,852	(27.6)
Grant income	700	478	46.4	1,338	1,559	(14.2)
Net gain on disposal of investment securities	-	-	-	-	25	(100.0)
Net gain on disposal of motor vehicle	-	-	-	68	-	-
Rental income	319	1,461	(78.2)	1,278	6,423	(80.1)
Miscellaneous income	56	288	(80.6)	756	584	29.5
<b>Total other income</b>	<b>7,889</b>	<b>11,181</b>	<b>(29.4)</b>	<b>26,713</b>	<b>34,752</b>	<b>(23.1)</b>

**10. OTHER OPERATING EXPENSES**

	Quarter Ended			Year Ended		
	31.12.2018 RM'000	31.12.2017 RM'000	Changes %	31.12.2018 RM'000	31.12.2017 RM'000	Changes %
Administrative expenses	1,433	1,546	(7.3)	6,339	6,569	(3.5)
Building management expenses	2,898	3,109	(6.8)	10,522	11,360	(7.4)
Central Depository System ("CDS") consumables	399	178	124.2	2,422	2,767	(12.5)
Marketing and development expenses	4,280	3,331	28.5	12,007	11,422	5.1
Professional fees	2,476	2,077	19.2	4,765	3,207	48.6
Technology expenses:						
Information technology maintenance	4,125	5,041	(18.2)	18,325	19,581	(6.4)
Service fees	3,863	4,969	(22.3)	19,226	23,416	(17.9)
Net loss on foreign exchange differences	146	167	(12.6)	590	649	(9.1)
Net impairment loss/(reversal of impairment loss) on:						
- investment securities	23	(304)	(107.6)	(104)	(207)	(49.8)
- trade and other receivables	67	(4)	(1,775.0)	429	1,582	(72.9)
Miscellaneous expenses	3,114	3,255	(4.3)	9,511	8,743	8.8
<b>Total other operating expenses</b>	<b>22,824</b>	<b>23,365</b>	<b>(2.3)</b>	<b>84,032</b>	<b>89,089</b>	<b>(5.7)</b>

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

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

**11. SEGMENT INFORMATION**

**RESULTS FOR THE QUARTER ENDED**

	Securities Market			Derivatives Market			Exchange Holding Company			Others			Total		
	31.12.2018	31.12.2017	Changes	31.12.2018	31.12.2017	Changes	31.12.2018	31.12.2017	Changes	31.12.2018	31.12.2017	Changes	31.12.2018	31.12.2017	Changes
	RM'000	RM'000	%	RM'000	RM'000	%	RM'000	RM'000	%	RM'000	RM'000	%	RM'000	RM'000	%
Operating revenue (Note 8)	93,472	101,910	(8.3)	21,350	22,095	(3.4)	1,993	1,748	14.0	4,212	4,269	(1.3)	121,027	130,022	(6.9)
Other income	3,256	3,325	(2.1)	431	424	1.7	4,143	7,377	(43.8)	59	55	7.3	7,889	11,181	(29.4)
Direct costs	(19,954)	(24,228)	(17.6)	(10,341)	(10,785)	(4.1)	(6,228)	(9,998)	(37.7)	(2,081)	(1,766)	17.8	(38,604)	(46,777)	(17.5)
<b>Segment profit/(loss)</b>	<b>76,774</b>	<b>81,007</b>	<b>(5.2)</b>	<b>11,440</b>	<b>11,734</b>	<b>(2.5)</b>	<b>(92)</b>	<b>(873)</b>	<b>(89.5)</b>	<b>2,190</b>	<b>2,558</b>	<b>(14.4)</b>	<b>90,312</b>	<b>94,426</b>	<b>(4.4)</b>
Overheads													(18,651)	(19,800)	(5.8)
<b>Profit before tax</b>													<b>71,661</b>	<b>74,626</b>	<b>(4.0)</b>

**RESULTS FOR YEAR ENDED**

	Securities Market			Derivatives Market			Exchange Holding Company			Others			Total		
	31.12.2018	31.12.2017	Changes	31.12.2018	31.12.2017	Changes	31.12.2018	31.12.2017	Changes	31.12.2018	31.12.2017	Changes	31.12.2018	31.12.2017	Changes
	RM'000	RM'000	%	RM'000	RM'000	%	RM'000	RM'000	%	RM'000	RM'000	%	RM'000	RM'000	%
Operating revenue (Note 8)	409,465	403,317	1.5	90,769	94,861	(4.3)	7,652	7,529	1.6	15,405	16,373	(5.9)	523,291	522,080	0.2
Other income	13,927	13,489	3.2	1,845	1,998	(7.7)	10,694	19,113	(44.0)	247	152	62.5	26,713	34,752	(23.1)
Direct costs	(87,623)	(90,200)	(2.9)	(46,813)	(48,544)	(3.6)	(30,740)	(35,918)	(14.4)	(6,843)	(6,363)	7.5	(172,019)	(181,025)	(5.0)
<b>Segment profit/(loss)</b>	<b>335,769</b>	<b>326,606</b>	<b>2.8</b>	<b>45,801</b>	<b>48,315</b>	<b>(5.2)</b>	<b>(12,394)</b>	<b>(9,276)</b>	<b>33.6</b>	<b>8,809</b>	<b>10,162</b>	<b>(13.3)</b>	<b>377,985</b>	<b>375,807</b>	<b>0.6</b>
Overheads													(69,810)	(69,924)	(0.2)
<b>Profit before tax</b>													<b>308,175</b>	<b>305,883</b>	<b>0.7</b>

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

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

	Securities Market RM'000	Derivatives Market RM'000	Exchange Holding Company RM'000	Others RM'000	Total RM'000
<b>ASSETS AND LIABILITIES AS AT 31 DECEMBER 2018</b>					
Assets	370,088	93,534	428,587	26,134	918,343
Clearing Funds	103,768	26,038	-	-	129,806
Cash for equity margins, derivatives trading margins, security deposits and eDividend distributions	125,425	1,250,570	-	-	1,375,995
Segment assets	599,281	1,370,142	428,587	26,134	2,424,144
Unallocated corporate assets	-	-	-	-	10,416
<b>Total assets</b>	<b>599,281</b>	<b>1,370,142</b>	<b>428,587</b>	<b>26,134</b>	<b>2,434,560</b>
Liabilities	33,168	12,749	64,775	15,624	126,316
Participants' contributions to Clearing Funds	18,768	21,038	-	-	39,806
Equity margins, derivatives trading margins, security deposits and eDividend distributions	125,425	1,250,570	-	-	1,375,995
Segment liabilities	177,361	1,284,357	64,775	15,624	1,542,117
Unallocated corporate liabilities	-	-	-	-	4,994
<b>Total liabilities</b>	<b>177,361</b>	<b>1,284,357</b>	<b>64,775</b>	<b>15,624</b>	<b>1,547,111</b>
<b>ASSETS AND LIABILITIES AS AT 31 DECEMBER 2017</b>					
Assets	395,584	98,654	393,025	28,365	915,628
Clearing Funds	102,577	27,051	-	-	129,628
Cash for equity margins, derivatives trading margins, security deposits and eDividend distributions	117,846	1,050,680	-	-	1,168,526
Segment assets	616,007	1,176,385	393,025	28,365	2,213,782
Unallocated corporate assets	-	-	-	-	11,099
<b>Total assets</b>	<b>616,007</b>	<b>1,176,385</b>	<b>393,025</b>	<b>28,365</b>	<b>2,224,881</b>
Liabilities	38,892	12,712	79,067	14,689	145,360
Participants' contributions to Clearing Funds	17,577	22,051	-	-	39,628
Equity margins, derivatives trading margins, security deposits and eDividend distributions	117,846	1,050,680	-	-	1,168,526
Segment liabilities	174,315	1,085,443	79,067	14,689	1,353,514
Unallocated corporate liabilities	-	-	-	-	8,910
<b>Total liabilities</b>	<b>174,315</b>	<b>1,085,443</b>	<b>79,067</b>	<b>14,689</b>	<b>1,362,424</b>



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

**12. RELATED PARTY DISCLOSURES**

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

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

	As at 31.12.2018 RM'000	As at 31.12.2017 RM'000
Equity margins, derivatives trading margins and security deposits, representing trade payables	1,375,955	1,166,024
Cash received for eDividend distributions (included in other payables)	40	2,502
<b>Total cash for equity margins, derivatives trading margins, security deposits and eDividend distributions</b>	<b>1,375,995</b>	<b>1,168,526</b>

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

	As at 31.12.2018 RM'000	As at 31.12.2017 RM'000
Collaterals in the form of letters of credit	620,819	581,830
Collaterals in the form of shares	307	525
	<b>621,126</b>	<b>582,355</b>

**14. CASH AND BANK BALANCES OF CLEARING FUNDS**

	Participants' contributions RM'000	Cash set aside by the Group RM'000	Total RM'000
<b>As at 31 December 2018</b>			
Contributions from Trading Clearing Participants ("TCPs") of Bursa Malaysia Securities Clearing Sdn Bhd ("BMSC")	18,768	-	18,768
Contribution from BMSC	-	25,000	25,000
Additional cash resources from BMSC	-	60,000	60,000
Clearing Guarantee Fund ("CGF") contributions (Note a)	18,768	85,000	103,768
Contributions from Clearing Participants ("CPs") of Bursa Malaysia Derivatives Clearing Bhd ("BMDC")	21,038	-	21,038
Contribution from BMDC	-	5,000	5,000
Derivatives Clearing Fund ("DCF") contributions (Note b)	21,038	5,000	26,038
<b>Total cash and bank balances of Clearing Funds</b>	<b>39,806</b>	<b>90,000</b>	<b>129,806</b>

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

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

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

	Participants' contributions RM'000	Cash set aside by the Group RM'000	Total RM'000
<b>As at 31 December 2017</b>			
Contributions from TCPs of BMSC	17,577	-	17,577
Contribution from BMSC	-	25,000	25,000
Additional cash resources from BMSC	-	60,000	60,000
<b>CGF contributions (Note a)</b>	<b>17,577</b>	<b>85,000</b>	<b>102,577</b>
Contributions from CPs of BMDC	22,051	-	22,051
Contribution from BMDC	-	5,000	5,000
<b>DCF contributions (Note b)</b>	<b>22,051</b>	<b>5,000</b>	<b>27,051</b>
<b>Total cash and bank balances of Clearing Funds</b>	<b>39,628</b>	<b>90,000</b>	<b>129,628</b>

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

	As at 31.12.2018 RM'000	As at 31.12.2017 RM'000
Cash and bank balances	103,768	102,577
Bank guarantees from TCPs of BMSC	-	2,940
<b>Total CGF</b>	<b>103,768</b>	<b>105,517</b>

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

(b) There are no non-cash collaterals from CPs of BMDC as at 31 December 2018 and 31 December 2017.

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

	As at 31.12.2018 RM'000	As at 31.12.2017 RM'000
Cash and bank balances	3,678	4,299
Deposits for short-term funding requirements	164,282	243,833
Cash and cash equivalents	167,960	248,132
Deposits not for short-term funding requirements	54,825	23,075
<b>Total cash and bank balances</b>	<b>222,785</b>	<b>271,207</b>

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

**16. CAPITAL COMMITMENTS**

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

	As at 31.12.2018 RM'000	As at 31.12.2017 RM'000
<b>Approved and contracted for:</b>		
Computers and office automation	2,193	1,669
Office equipment and renovations	364	12
	<b>2,557</b>	<b>1,681</b>
<b>Approved but not contracted for:</b>		
Computers and office automation	2,851	60
Office equipment and renovations	-	50
	<b>2,851</b>	<b>110</b>

**17. CONTINGENT ASSETS AND LIABILITIES**

There are no contingent assets and no changes in the contingent liability in respect of the put and call options with Chicago Mercantile Exchange ("CME") Group over the ordinary shares of Bursa Malaysia Derivatives Berhad held by CME Group since 31 December 2017.

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

There were no changes in the composition of the Group during the current quarter and year ended 31 December 2018.

**19. OPERATING LEASE ARRANGEMENTS**

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

	As at 31.12.2018 RM'000	As at 31.12.2017 RM'000
Not later than 1 year	950	427
Later than 1 year and not later than 5 years	1,187	88
<b>Total future minimum lease receivables</b>	<b>2,137</b>	<b>515</b>

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

**20. FINANCIAL INSTRUMENTS**

**20.1 Classification**

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

	As at 31.12.2018 RM'000	As at 31.12.2017 RM'000
<b>Assets</b>		
<b>Financial assets at FVTOCI</b>		
Investment securities:		
Quoted shares (outside Malaysia)	297,993	226,806
Unquoted bonds	70,159	80,012
	<b>368,152</b>	<b>306,818</b>
<b>Financial assets at amortised cost</b>		
Investment securities - commercial paper	4,923	-
Staff loans receivable	2,747	3,453
Trade receivables	38,600	47,218
Other receivables which are financial assets*	8,417	11,440
Cash for equity margins, derivatives trading margins, security deposits and eDividend distributions	1,375,995	1,168,526
Cash and bank balances of Clearing Funds	129,806	129,628
Cash and bank balances of the Group	222,785	271,207
	<b>1,783,273</b>	<b>1,631,472</b>
<b>Total financial assets</b>	<b>2,151,425</b>	<b>1,938,290</b>
<b>Liabilities</b>		
<b>Financial liabilities at amortised cost</b>		
Trade payables	1,375,955	1,166,024
Participants' contributions to Clearing Funds	39,806	39,628
Other payables which are financial liabilities**	25,709	33,595
Lease liabilities	7,971	7,975
<b>Total financial liabilities</b>	<b>1,449,441</b>	<b>1,247,222</b>

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

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

**20.2 Fair Value**

**(a) Financial instruments that are carried at fair value**

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

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

Shares quoted outside Malaysia are measured at Level 1. The fair value of quoted shares is determined directly by reference to their published market bid prices as at 31 December 2018 and 31 December 2017.

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

**20. FINANCIAL INSTRUMENTS (CONT'D.)**

**20.2 Fair Value (Cont'd.)**

**(a) Financial instruments that are carried at fair value (cont'd.)**

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

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

**(iii) Level 3: Inputs for the assets that are not based on observable market data (unobservable inputs)**

The Group does not have any financial instruments measured at Level 3 as at 31 December 2018 and 31 December 2017.

	Level 1 RM'000	Level 2 RM'000	Total RM'000
<b>As at 31 December 2018</b>			
Financial assets at FVTOCI:			
Quoted shares (outside Malaysia)	297,993	-	297,993
Unquoted bonds	-	70,159	70,159
	<b>297,993</b>	<b>70,159</b>	<b>368,152</b>
<b>As at 31 December 2017</b>			
Financial assets at FVTOCI:			
Quoted shares (outside Malaysia)	226,806	-	226,806
Unquoted bonds	-	80,012	80,012
	<b>226,806</b>	<b>80,012</b>	<b>306,818</b>

There were no transfers between Level 1 and Level 2 during the current quarter and year ended 31 December 2018.

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

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

**21. EVENT AFTER THE REPORTING YEAR**

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

**22. SIGNIFICANT EVENT DURING THE YEAR**

The bonus issue proposed by the Company on 27 November 2017 was approved by the shareholders at the Extraordinary General Meeting held on 28 March 2018. The bonus issue was completed on 13 April 2018 and the details are disclosed in Note 6(a).

Other than the above, there were no other significant events during the year.

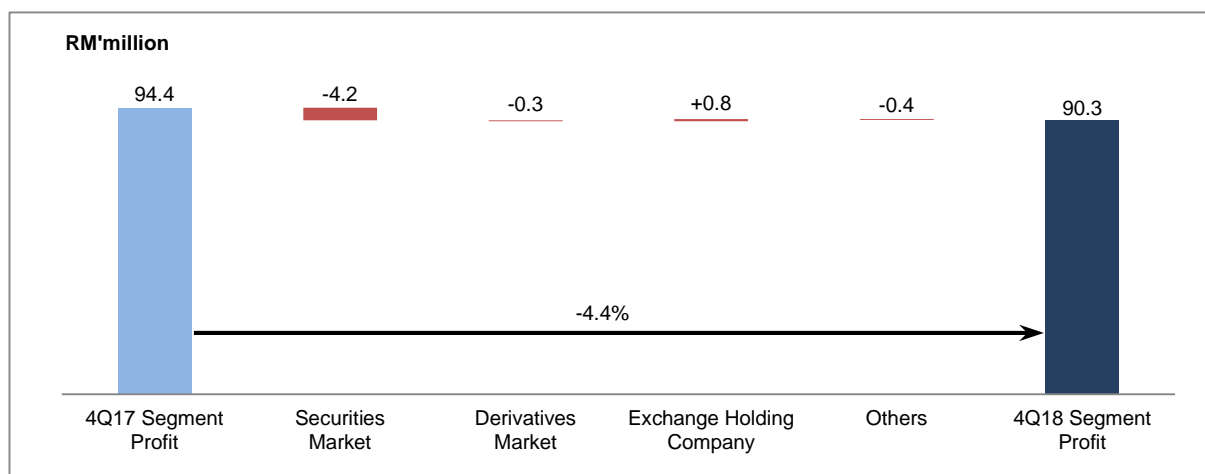
**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET  
LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**23. OPERATING SEGMENTS REVIEW**

**(a) 4Q18 vs. 4Q17**

Profit Before Tax ("PBT") for the quarter ended 31 December 2018 ("4Q18") was RM71.7 million, a decrease of 4.0 per cent compared to RM74.6 million in the quarter ended 31 December 2017 ("4Q17"). PBT is made up of segment profits less overheads (as depicted in Note 11).

Total segment profit for 4Q18 was RM90.3 million, a decrease of 4.4 per cent compared to RM94.4 million in 4Q17. Movements in the segment profits are depicted in the graph below:



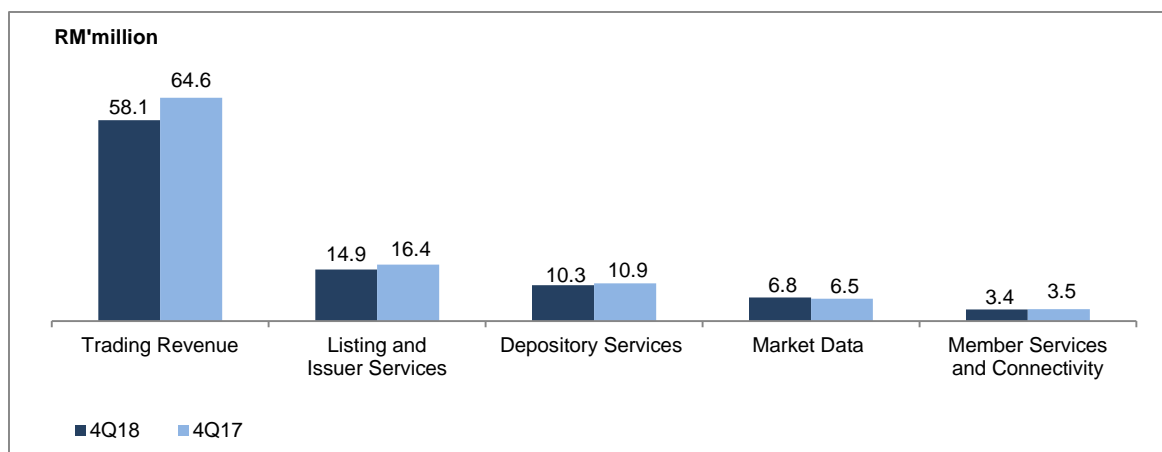
Total comprehensive income for 4Q18 was RM82.3 million, an increase of 27.1 per cent compared to RM64.7 million in 4Q17. The increase was mainly due to higher net fair value changes in quoted shares in 4Q18 compared to 4Q17.

**Securities Market**

Securities Market recorded a segment profit of RM76.8 million in 4Q18, a decrease of 5.2 per cent compared to RM81.0 million in 4Q17 mainly due to lower operating revenue.

**(i) Operating Revenue**

Securities Market's operating revenue for 4Q18 was RM93.5 million, a decrease of 8.3 per cent compared to RM101.9 million in 4Q17. Details by revenue category are shown in the chart below:



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

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

**(a) 4Q18 vs. 4Q17 (Cont'd.)**

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

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

- > Trading revenue decreased by 10.1 per cent to RM58.1 million in 4Q18, which was mainly attributed to a lower Average Daily trading Value ("ADV") for On-Market Trades ("OMT") and Direct Business Trades ("DBT") of RM2.04 billion in 4Q18 compared to RM2.62 billion in 4Q17.
- > Listing and issuer services revenue decreased by 9.1 per cent to RM14.9 million in 4Q18. The decrease was mainly due to lower listing fees and perusal fees earned in 4Q18 as a result of lower number of corporate exercises and lower number of circulars submissions respectively.

Key operating drivers of the Securities Market are as follows:

<b>Key operating drivers</b>	<b>4Q18</b>	<b>4Q17</b>	<b>Changes (%)</b>
FBMKLCI (points)	1,690.58	1,796.81	(5.9)
ADV (OMT and DBT) (RM'billion)	2.04	2.62	(22.1)
Average daily trading volume (OMT and DBT) (billion shares)	2.14	2.66	(19.5)
Effective clearing fee rate (basis points)	2.37	2.19	8.2
Velocity (per cent)	28	31	(3.0)
Number of Initial Public Offerings ("IPOs")	5	3	66.7
Number of new structured warrants listed	252	234	7.7
Total funds raised:			
IPOs (RM'million)	85.33	40.50	110.7
Secondary issues (RM'million)	3,972.87	4,244.42	(6.4)
Market capitalisation as at end of period (RM'billion)	1,700.37	1,906.84	(10.8)
Number of trading days	63	62	

**(ii) Operating Expenses**

Segment expenses decreased by 17.6 per cent to RM19.9 million in 4Q18 compared to RM24.2 million in 4Q17 mainly due to lower staff costs.

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

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

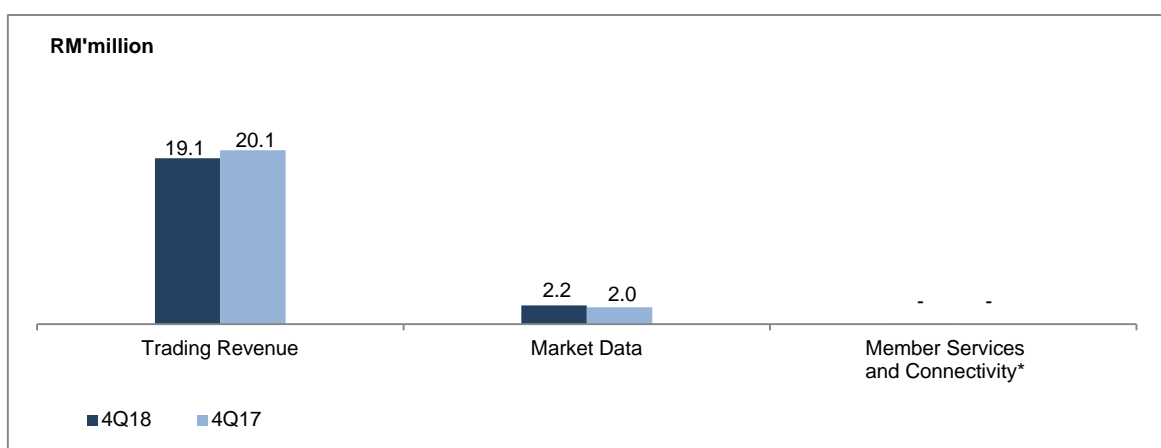
**(a) 4Q18 vs. 4Q17 (Cont'd.)**

**Derivatives Market**

The Derivatives Market recorded a segment profit of RM11.4 million in 4Q18, a decrease of 2.5 per cent from RM11.7 million in 4Q17 which was mainly attributed to lower trading revenue.

**(i) Operating Revenue**

Derivatives Market's operating revenue for 4Q18 was RM21.3 million, a decrease of 3.4 per cent compared to RM22.1 million in 4Q17. Details by revenue category are shown in the chart below:



\* Member services and connectivity fee income is below RM0.1 million for both 4Q18 and 4Q17.

- > Trading revenue decreased by 4.7 per cent to RM19.1 million in 4Q18 mainly due to lower number of contracts traded for FCPO and higher market incentives incurred in 4Q18. These were partially offset by higher trading from FKLI contracts traded in 4Q18. FCPO saw a decline of 9.2 per cent in the number of contracts traded in 4Q18, while FKLI contracts grew by 32.1 per cent to 0.62 million contracts in 4Q18.

Key operating drivers of the Derivatives Market are as follows:

Key operating drivers	4Q18	4Q17	Changes (%)
Crude Palm Oil Futures ("FCPO") contracts	2,615,444	2,879,792	(9.2)
FBMKLCI Futures ("FKLI") contracts	622,468	471,149	32.1
US Dollar denominated Refined, Bleached and Deodorised Palm Olein Futures ("FPOL") contracts	283,703	-	100
Mini FTSE Bursa Malaysia Mid 70 Index Futures ("FM70") contracts	148,745	-	100
Other contracts	15,951	18,615	(14.3)
<b>Total contracts</b>	<b>3,686,311</b>	<b>3,369,556</b>	<b>9.4</b>
Average daily number of contracts traded	58,513	54,348	7.7
Average number of open interest positions	285,185	284,822	0.1
Number of trading days	63	62	

**(ii) Operating Expenses**

Segment expenses decreased by 4.1 per cent to RM10.3 million in 4Q18 mainly due to lower service fees.



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

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

**(a) 4Q18 vs. 4Q17 (Cont'd.)**

**Exchange Holding Company**

The Exchange Holding Company recorded a lower segment loss of RM0.1 million in 4Q18 compared to a segment loss of RM0.9 million in 4Q17 mainly due to lower staff costs in 4Q18.

**Others**

This segment is made up of BSAS, bonds and offshore exchange businesses. The segment profit decreased by 14.4 per cent to RM2.2 million in 4Q18 compared to RM2.6 million in 4Q17 mainly due to higher marketing and development costs incurred.

**Overheads**

Overheads decreased by 5.8 per cent to RM18.6 million in 4Q18 compared to RM19.8 million in 4Q17 mainly due to lower staff costs.

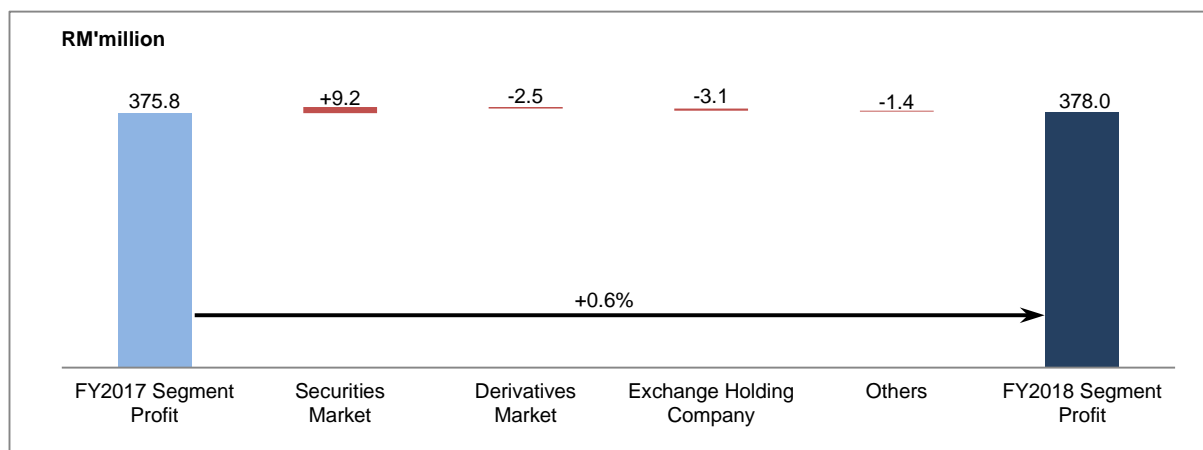
**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET  
LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

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

**(b) FY2018 vs. FY2017**

PBT for the year ended 31 December 2018 ("FY2018") was RM308.2 million, an increase of 0.7 per cent from RM305.9 million in the year ended 31 December 2017 ("FY2017"). PBT is made up of segment profits less overheads (as depicted in Note 11).

Total segment profit for FY2018 was RM378.0 million, an increase of 0.6 per cent from RM375.8 million in FY2017. Movements in the segment profits are depicted in the graph below:



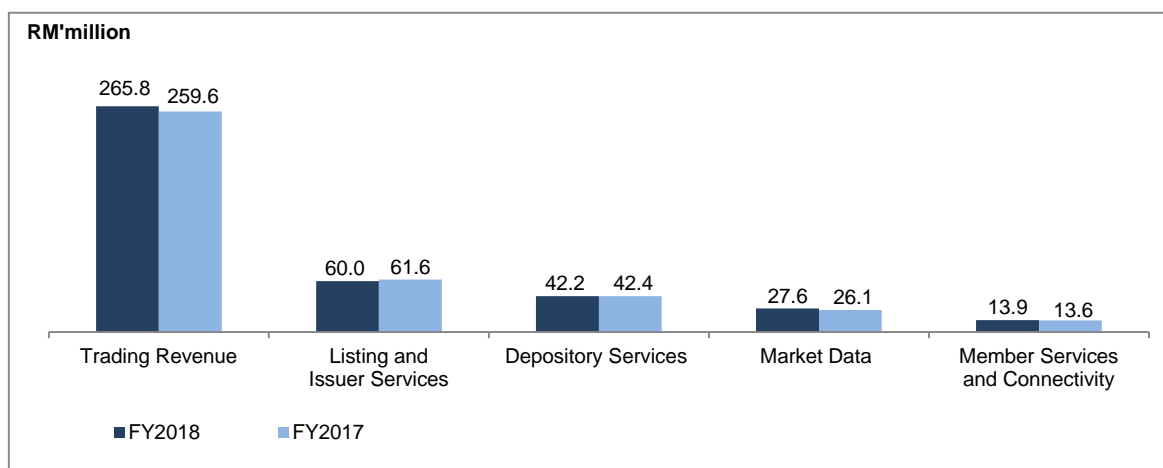
Total comprehensive income for FY2018 was RM302.1 million, an increase of 16.5 per cent compared to RM259.3 million in FY2017 as a result of higher net fair value changes in quoted shares in FY2018 compared to FY2017.

**Securities Market**

Securities Market recorded a segment profit of RM335.8 million in FY2018, an increase of 2.8 per cent compared to RM326.6 million in FY2017 which was mainly attributed to higher trading revenue and lower segment expenses.

**(i) Operating Revenue**

Securities Market registered an operating revenue of RM409.5 million in FY2018, an increase of 1.5 per cent from RM403.3 million in FY2017. Details by revenue category are shown in the chart below:



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

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

**(b) FY2018 vs. FY2017 (Cont'd.)**

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

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

- > Trading revenue increased by 2.4 per cent to RM265.8 million in FY2018, underpinned by a higher ADV for OMT and DBT of RM2.57 billion compared to RM2.53 billion in FY2017.
- > Listing and issuer services revenue decreased by 2.6 per cent to RM60.0 million in FY2018 compared to RM61.6 million in FY2017. The decrease was mainly due to lower listing fees and processing fees earned from lower number of corporate exercises in FY2018, as well as lower perusal fees earned from lower number of circulars perused in FY2018.
- > Market data revenue increased by 5.6 per cent to RM27.6 million in FY2018 as a result of higher number of subscribers in FY2018.

Key operating drivers of the Securities Market are as follows:

<b>Key operating drivers</b>		<b>FY2018</b>	<b>FY2017</b>	<b>Changes (%)</b>
FBMKLCI	(points)	1,690.58	1,796.81	(5.9)
ADV (OMT and DBT)	(RM'billion)	2.57	2.53	1.6
Average daily trading volume (OMT and DBT)	(billion shares)	2.65	2.64	0.4
Effective clearing fee rate	(basis points)	2.27	2.30	(1.3)
Velocity	(per cent)	32	32	-
Number of IPOs		21	13	61.5
Number of new structured warrants listed		1,034	911	13.5
Total funds raised:				
IPOs	(RM'million)	663.12	7,413.84	(91.1)
Secondary issues	(RM'million)	8,505.28	14,822.83	(42.6)
Market capitalisation as at end of year	(RM'billion)	1,700.37	1,906.84	(10.8)
Number of trading days		243	243	

**(ii) Operating Expenses**

Segment expenses decreased by 2.9 per cent to RM87.6 million in FY2018 mainly due to lower staff costs in FY2018.

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

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

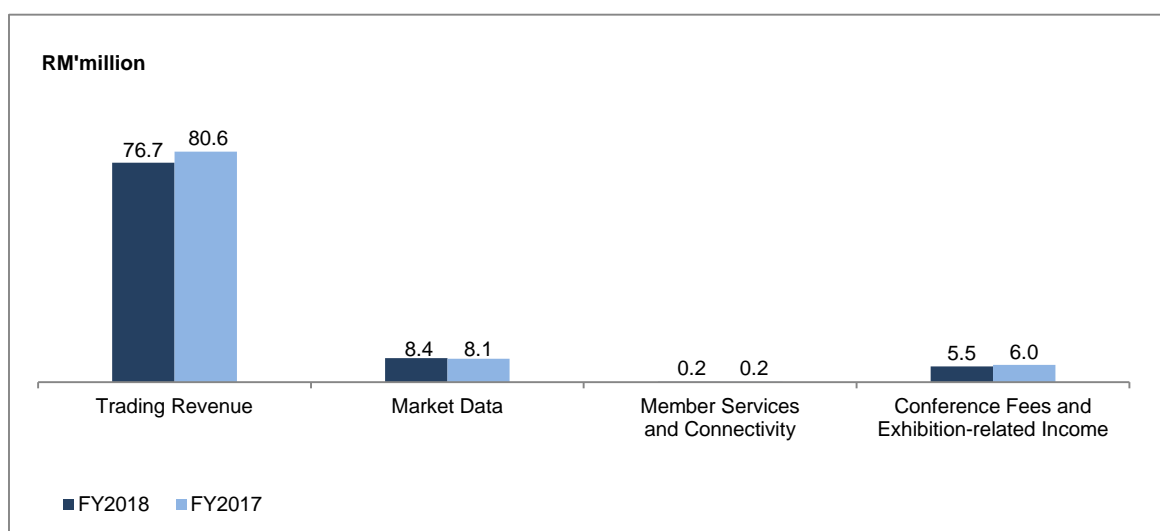
**(b) FY2018 vs. FY2017 (Cont'd.)**

**Derivatives Market**

Derivatives Market recorded a segment profit of RM45.8 million in FY2018, a decrease of 5.2 per cent compared to RM48.3 million in FY2017 which was mainly due to lower operating revenue.

**(i) Operating Revenue**

Derivatives Market registered an operating revenue of RM90.8 million in FY2018, representing a decrease of 4.3 per cent compared to RM94.9 million in FY2017. Details by revenue category are shown in the chart below:



- > Trading revenue decreased by 4.8 per cent to RM76.7 million in FY2018 mainly due to lower number of contracts traded and guarantee fees earned. FCPO contracts traded in FY2018 decreased by 12.1 per cent to 10.47 million contracts compared to 11.92 million contracts in FY2017. These were partially offset by higher trading revenue from FKLI contracts traded in FY2018. FKLI contracts grew by 22.8 per cent to 2.50 million contracts in FY2018. 13.73 million total contracts were traded in FY2018 compared to 14.02 million total contracts in FY2017.

Key operating drivers of the Derivatives Market are as follows:

<b>Key operating drivers</b>	<b>FY2018</b>	<b>FY2017</b>	<b>Changes (%)</b>
FCPO contracts	10,471,357	11,919,425	(12.1)
FKLI contracts	2,497,513	2,034,237	22.8
FPOL contracts	507,394	-	100
FM70 contracts	173,132	-	100
Other contracts	77,171	61,752	25.0
<b>Total contracts</b>	<b>13,726,567</b>	<b>14,015,414</b>	<b>(2.1)</b>
Average daily number of contracts traded	56,488	57,677	(2.1)
Average number of open interest positions	288,323	261,279	10.4
Number of trading days	243	243	

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

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

**(b) FY2018 vs. FY2017 (Cont'd.)**

**Derivatives Market (Cont'd)**

**(ii) Operating Expenses**

Segment expenses decreased by 3.6 per cent to RM46.8 million in FY2018 from RM48.5 million in FY2017, mainly due to lower service fees incurred from lower number of contracts traded.

**Exchange Holding Company**

The Exchange Holding Company recorded a higher segment loss of RM12.4 million in FY2018 compared to RM9.3 million in FY2017 mainly due to lower rental and dividend income earned in FY2018.

**Others**

This segment is made up of BSAS, bonds and offshore exchange businesses. The segment profit decreased by 13.3 per cent to RM8.8 million in FY2018 compared to RM10.2 million in FY2017 mainly due to lower BSAS trading revenue earned.

**Overheads**

Overheads decreased marginally by 0.2 per cent to RM69.8 million in FY2018 compared to RM69.9 million in FY2017.

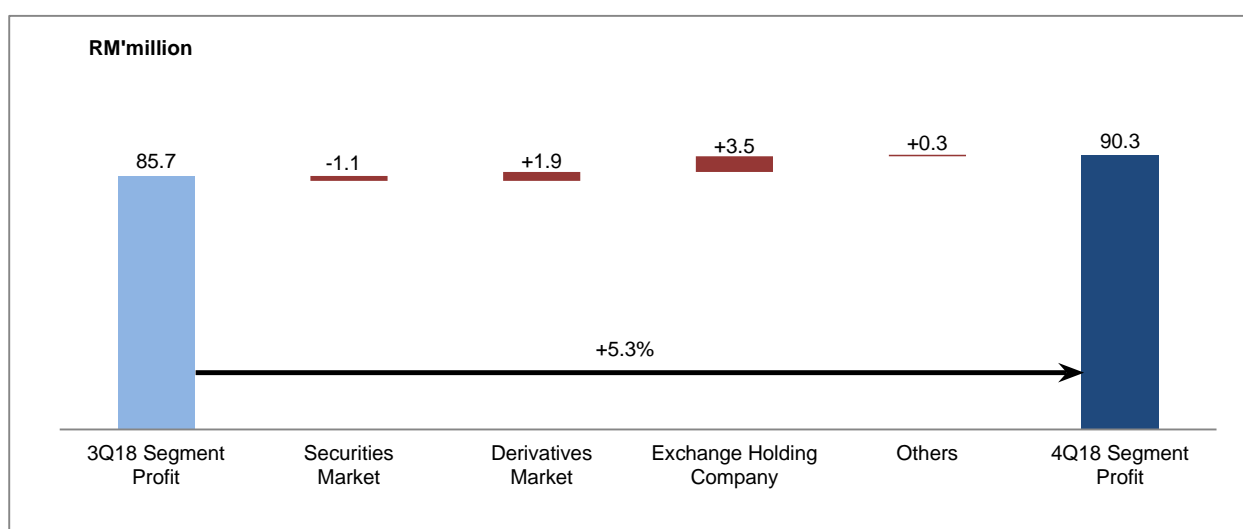
**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET  
LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

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

Financial Results	Quarter Ended		Changes %
	31.12.2018 RM'000	30.09.2018 RM'000	
Operating revenue	121,027	123,176	(1.7)
Other income	7,889	6,646	18.7
	128,916	129,822	(0.7)
Staff costs	(28,874)	(35,447)	(18.5)
Depreciation and amortisation	(5,424)	(5,497)	(1.3)
Other operating expenses	(22,824)	(19,785)	15.4
Profit from operations	71,794	69,093	3.9
Finance costs	(133)	(134)	(0.7)
PBT	71,661	68,959	3.9

PBT for 4Q18 was RM71.7 million, an increase of 3.9 per cent from RM69.0 million in the quarter ended 30 September 2018 ("3Q18"). PBT is made up of segment profits less overheads.

Total segment profit for 4Q18 was RM90.3 million, an increase of 5.3 per cent from RM85.7 million in 3Q18. 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 RM76.8 million in 4Q18, representing a decrease of 1.4 per cent from RM77.9 million in 3Q18 which was mainly due to lower trading revenue.

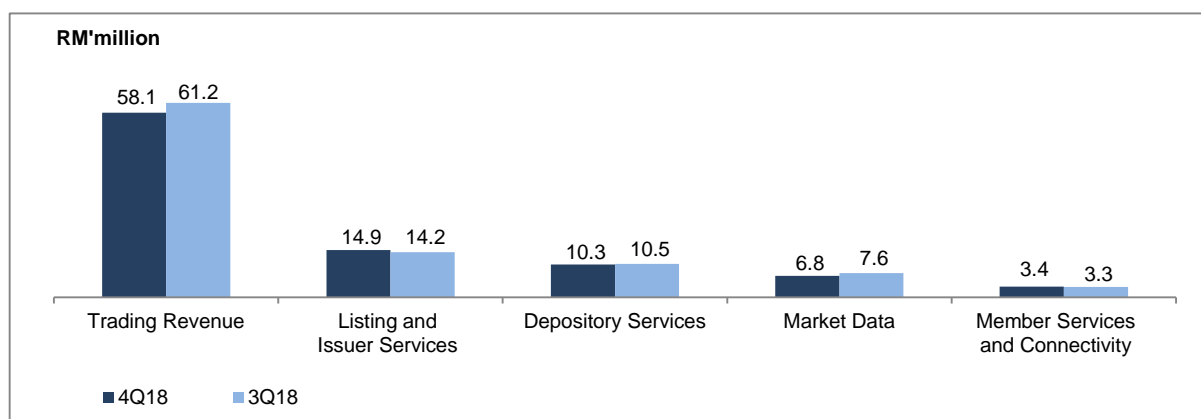
**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET  
LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

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

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

**(i) Operating Revenue**

Securities Market's operating revenue in 4Q18 was RM93.5 million, a decrease of 3.4 per cent compared to RM96.8 million in 3Q18. Details by revenue category are shown in the chart below:



- > Trading revenue decreased by 5.1 per cent to RM58.1 million in 4Q18 mainly due to lower ADV for OMT and DBT of RM2.04 billion in 4Q18 compared to RM2.47 billion in 3Q18.
- > Market data revenue decreased by 10.5 per cent to RM6.8 million in 4Q18 from a lower number of subscribers.

Key operating drivers of the Securities Market are as follows:

Key operating drivers		4Q18	3Q18	Changes (%)
FBMKLCI	(points)	1,690.58	1,793.15	(5.7)
ADV (OMT and DBT)	(RM'billion)	2.04	2.47	(17.4)
Average daily trading volume (OMT and DBT)	(billion shares)	2.14	2.49	(14.1)
Effective clearing fee rate	(basis points)	2.37	2.27	4.4
Velocity	(per cent)	28	30	(2.0)
Number of IPOs		5	5	-
Number of new structured warrants listed		252	302	(16.6)
Total funds raised:				
IPOs	(RM'million)	85.33	115.11	(25.9)
Secondary issues	(RM'million)	3,972.87	1,409.29	181.9
Market capitalisation as at end of period	(RM'billion)	1,700.37	1,835.43	(7.4)
Number of trading days		63	60	

**(ii) Operating Expenses**

Segment expenses decreased by 11.2 per cent to RM19.9 million from RM22.5 million in 3Q18 mainly due to lower staff costs.

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

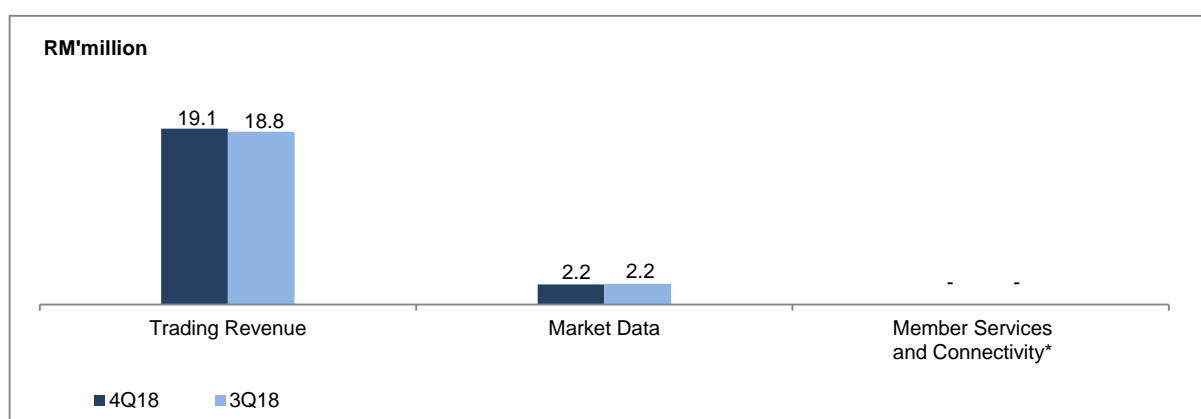
**24. MATERIAL CHANGE IN PERFORMANCE OF OPERATING SEGMENTS OF CURRENT QUARTER COMPARED WITH IMMEDIATE PRECEDING QUARTER (CONT'D.)**

**Derivatives Market**

Derivatives Market recorded a segment profit of RM11.4 million in 4Q18, an increase of 20.5 per cent from RM9.5 million in 3Q18 mainly due to lower segment expenses.

**(i) Operating Revenue**

Derivatives Market registered an operating revenue of RM21.3 million in 4Q18, an increase of 1.6 per cent from RM21.0 million in 3Q18 mainly due to higher trading revenue from higher number of contracts traded in 4Q18. Details by revenue category are shown in the chart below:



\* Member services and connectivity fee income is below RM0.1 million for both 4Q18 and 3Q18.

Key operating drivers of the Derivatives Market are as follows:

Key operating drivers	4Q18	3Q18	Changes (%)
FCPO contracts	2,615,444	2,619,095	(0.1)
FKLI contracts	622,468	596,706	4.3
FPOL contracts	283,703	209,073	35.7
FM70 contracts	148,745	24,387	509.9
Other contracts	15,951	15,715	1.5
Total contracts	3,686,311	3,464,976	6.4
Average daily number of contracts traded	58,513	57,750	1.3
Average number of open interest positions	285,185	297,853	(4.3)
Number of trading days	63	60	

**(ii) Operating Expenses**

Segment expenses decreased by 13.9 per cent to RM10.3 million in 4Q18 mainly due to lower service fees.



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

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

**Exchange Holding Company**

The Exchange Holding Company recorded a lower segment loss of RM0.1 million in 4Q18 compared to RM3.6 million in 3Q18, mainly due to lower staff costs.

**Others**

This segment is made up of BSAS, bonds and offshore exchange businesses. The segment profit increased by 12.3 per cent to RM2.2 million in 4Q18 compared to RM1.9 million in 3Q18 mainly due to higher BSAS trading revenue earned.

**Overheads**

Overheads increased by 11.2 per cent to RM18.6 million in 4Q18 compared to RM16.8 million in 3Q18 due to higher building maintenance.

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

The International Monetary Fund (“IMF”) in its January 2019 report, projected a lower global economic growth of 3.5% for 2019, 0.2 percentage points lower than its October 2018’s forecast due to, among others, the carry-over from softer momentum in the second half of 2018 and weakening financial market sentiment. For Malaysia, the IMF projected the gross domestic product (“GDP”) to grow at 4.5% to 5.0% in 2019, which is in line with its earlier projection of 4.7%. The World Bank in its January 2019 report, projected Malaysia’s GDP to grow at 4.7% from its earlier estimate of 4.9%, citing effects of the Government’s expenditure rationalisation measures and heightened uncertainty surrounding the global environment. Meanwhile, Bank Negara Malaysia forecasts Malaysia’s economy to expand by 4.9% in 2019, supported by private sector consumption and investment.

The Securities Market performance in 2019 is expected to be influenced by domestic and global developments such as Malaysia’s corporate earnings results, the United States–China trade tension and China’s economic growth, amongst others. Nevertheless, the market is expected to continue to be resilient given the country’s sound economic fundamentals, and the market’s diversified economic sectors and investor base. In the Derivatives Market, the developments in the global markets in 2019 will have an impact on commodities, equities and financial assets which will influence the trading and hedging activities. The ongoing initiatives to attract new participants is expected to further broaden the derivatives trading community. As for the Islamic Capital Market, with the continuous engagement and marketing efforts carried out in 2018, the Exchange expects greater participation of institutional investors on the Bursa Malaysia-*i* platform. Bursa Suq Al-Sila', on the other hand, will continue to be expanded in its global reach into selective African and Central Asian countries as well as its services being promoted to local non-bank financial institutions.

Notwithstanding the challenges ahead, Bursa Malaysia will continue with its initiatives to enhance the breadth and depth of the ecosystem through, amongst others, capitalising on technology to improve market efficiency and trading experience, and greater diversification of the investor base.

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

**26. INCOME TAX EXPENSE**

	Quarter Ended			Year Ended		
	31.12.2018 RM'000	31.12.2017 RM'000	Changes %	31.12.2018 RM'000	31.12.2017 RM'000	Changes %
Income tax:						
Current provision	19,466	20,087	(3.1)	78,916	78,251	0.8
(Over)/Under provision of tax in prior years	-	(388)	(100.0)	(224)	577	(138.8)
	19,466	19,699	(1.2)	78,692	78,828	(0.2)
Deferred tax:						
Relating to origination and reversal of temporary differences	(1,443)	(2,348)	(38.5)	(1,528)	(3,076)	(50.3)
Under/(Over) provision of tax in prior years	-	-	-	397	(78)	(609.0)
	(1,443)	(2,348)	(38.5)	(1,131)	(3,154)	(64.1)
<b>Total income tax expense</b>	<b>18,023</b>	<b>17,351</b>	<b>3.9</b>	<b>77,561</b>	<b>75,674</b>	<b>2.5</b>

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

For years of assessment 2017 and 2018, a special reduction in corporate income tax rate was accorded to qualifying persons, including resident companies incorporated under the Companies Act 2016, with reduction by 1% to 4% based on the prescribed incremental percentage of chargeable income from business compared to that of the immediate preceding year of assessment. The Group has accounted for the reduction in the tax rate in the current and previous financial years, based on the percentage of increase in chargeable income of the Group.

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

**27. TRADE RECEIVABLES**

	As at 31.12.2018 RM'000	As at 31.12.2017 RM'000
Trade receivables	40,345	48,398
Less: Allowance for impairment loss	(1,745)	(1,180)
	<b>38,600</b>	<b>47,218</b>

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

**27. TRADE RECEIVABLES (CONT'D.)**

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

	As at 31.12.2018 RM'000	As at 31.12.2017 RM'000
Neither past due nor impaired	33,103	39,398
Past due and not impaired:		
< 30 days	2,779	3,293
31 - 60 days	2,032	1,904
61 - 90 days	279	505
91 - 180 days	413	1,181
> 181 days	598	1,533
Impaired	1,141	584
Gross trade receivables	40,345	48,398
Less: Allowance for impairment loss	(1,745)	(1,180)
	<b>38,600</b>	<b>47,218</b>

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

**28. CORPORATE PROPOSAL**

On 27 November 2017, the Company announced the proposed establishment and implementation of a new Employees' Share Grant Plan ("ESGP") of up to four percent (4%) of the issued share capital of the Company (excluding treasury shares) at any point in time during the tenure of the proposed ESGP. The corporate proposal is pending approval from the Securities Commission Malaysia before tabling to the shareholders of the Company for approval at an Extraordinary General Meeting.

Other than the above, there were no other corporate proposals announced but not completed as at the reporting date.

**29. BORROWINGS AND DEBT SECURITIES**

As at the 31 December 2018, there were no short-term borrowings and the Group has not issued any debt securities.

**30. CHANGES IN MATERIAL LITIGATION**

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

**31. DECLARED DIVIDEND**

On 30 January 2019, the Board of Directors approved and declared a dividend of 11.6 sen per share under the single-tier system in respect of the second half of the financial year ended 31 December 2018, amounting to RM93,667,000.

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

**32. EARNINGS PER SHARE ("EPS")**

**(a) Basic EPS**

	Quarter Ended		Year Ended	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Profit attributable to the owners of the Company (RM'000)	51,855	55,270	224,042	223,040
Weighted average number of ordinary shares in issue ('000)	807,475	806,253	806,831	805,381
<b>Basic EPS (sen)</b>	<b>6.4</b>	<b>6.9</b>	<b>27.8</b>	<b>27.7</b>

**(b) Diluted EPS**

	Quarter Ended		Year Ended	
	31.12.2018	31.12.2017	31.12.2018	31.12.2017
Profit attributable to the owners of the Company (RM'000)	51,855	55,270	224,042	223,040
Weighted average number of ordinary shares in issue ('000)	807,475	806,253	806,831	805,381
Effects of dilution of share grants ('000)	2,233	2,601	2,529	2,581
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	809,708	808,854	809,360	807,962
<b>Diluted EPS (sen)</b>	<b>6.4</b>	<b>6.8</b>	<b>27.7</b>	<b>27.6</b>

Pursuant to the requirements of MFRS 133 *Earnings per Share*, the weighted average number of ordinary shares used in the calculation of basic and diluted EPS above for the current and previous quarters and years ended 31 December 2018 and 31 December 2017 have been retrospectively adjusted to reflect the bonus issue as disclosed in Note 22.

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

Net assets per share ("NAPS") as at 31 December 2018 stood at RM1.08, a decrease of 31.6% compared to NAPS of RM1.58 as at 31 December 2017 resulting from the dilutive effect from the issuance of new ordinary shares pursuant to the bonus issue and SGP as disclosed in Note 6.

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

The auditors' report on the financial statements for the financial year ended 31 December 2017 was unmodified.

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

**35. REVIEW BY EXTERNAL AUDITORS**

The Board had engaged the external auditors to review and report on the Condensed Report of Bursa Malaysia Berhad for the quarter and year ended 31 December 2018 in accordance with the International Standard on Review Engagements 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*".

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

**36. AUTHORISED FOR ISSUE**

The Condensed Report was authorised for issue by the Board in accordance with a resolution of the Directors on 30 January 2019.