



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

Directors' Report and Audited Financial Statements
31 December 2015

30632-P

**Bursa Malaysia Berhad
(Incorporated in Malaysia)**

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**Bursa Malaysia Berhad
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Directors' report

The Directors have pleasure in presenting their report together with the audited financial statements of the Group and of the Company for the financial year ended 31 December 2015.

Principal activities

The Company is an exchange holding company, whose principal activities are treasury management and the provision of management and administrative services to its subsidiaries.

The principal activities of the subsidiaries are to operate the Malaysian securities, derivatives and offshore exchanges and the Shari'ah compliant commodity trading platform, to operate the related depository function and clearing houses, and to disseminate information relating to securities quoted on the exchanges. The principal activities of the subsidiaries are disclosed in Note 15 to the financial statements.

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

Results

	Group RM'000	Company RM'000
Profit for the year	<u>206,455</u>	<u>188,752</u>
Profit attributable to:		
Owners of the Company	198,613	188,752
Non-controlling interest	7,842	-
	<u>206,455</u>	<u>188,752</u>

There were no material transfers to or from reserves or provisions during the financial year, other than those disclosed in the financial statements.

In the opinion of the Directors, the results of the operations of the Group and of the Company during the financial year were not substantially affected by any item, transaction or event of a material and unusual nature.

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Dividends

The amount of dividends paid by the Company since 31 December 2014 were as follows:

	RM'000
In respect of the financial year ended 31 December 2014, as reported in the Directors' report of that year:	
Final dividend under the single-tier system of 18.0 sen per share, on 533,770,000 ordinary shares, approved on 31 March 2015 and paid on 16 April 2015	96,079
In respect of the financial year ended 31 December 2015:	
Interim dividend under the single-tier system of 16.5 sen per share, on 534,614,000 ordinary shares, declared on 15 July 2015 and paid on 12 August 2015	88,211
Total dividends paid since 31 December 2014	<u>184,290</u>

At the forthcoming Annual General Meeting, a final dividend under the single-tier system in respect of the financial year ended 31 December 2015 of 18.0 sen per share on 534,614,000 ordinary shares, amounting to a dividend payable of approximately RM96,231,000 will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2016.

Directors

The names of the Directors of the Company in office since the date of the last report and as at the date of this report are:

Tan Sri Amirsham bin A Aziz	(appointed on 1 March 2015)
Datuk Seri Tajuddin bin Atan	
Datuk Dr. Md Tap bin Salleh	
Dato' Saiful Bahri bin Zainuddin	
Datuk Karownikaran @ Karunakaran a/l Ramasamy	
Datuk Chay Wai Leong	
Ghazali bin Hj Darman	
Dato' Zuraidah binti Atan	
Pushpanathan a/l S.A. Kanagarayar	
Dato' Eshah binti Meor Suleiman	
Tun Mohamed Dzaidin bin Haji Abdullah	(retired on 1 March 2015)
Tan Sri Ong Leong Huat @ Wong Joo Hwa	(retired on 31 March 2015)

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Directors' benefits

Neither at the end of the financial year, nor at any time during that year, did there subsist any arrangement to which the Company was a party, whereby the Directors might acquire benefits by means of acquisition of shares in or debentures of the Company or any other body corporate, other than those arising from the shares awarded under the Share Grant Plan ("SGP").

Since the end of the previous financial year, no Director has received or become entitled to receive a benefit (other than benefits included in the aggregate amount of emoluments received or due and receivable by the Directors or the fixed salary of a full-time employee of the Company as disclosed in Note 8 to the financial statements) by reason of a contract made by the Company or a related corporation with any Director or with a firm of which the Director is a member, or with a company in which the Director has a substantial financial interest.

Directors' interests

According to the register of Directors' shareholdings, the interests of Directors in office at the end of the financial year in shares of the Company during the financial year were as follows:

	Number of ordinary shares of RM0.50 each		
	1.1.2015	Shares vested under the SGP	31.12.2015
	'000	'000	'000
Direct interests			
Datuk Seri Tajuddin bin Atan	22	276	298

	← Number of ordinary shares of RM0.50 each →				
	1.1.2015	Granted	Vested	Forfeited	31.12.2015
	'000	'000	'000	'000	'000
Datuk Seri Tajuddin bin Atan	241	312	(276)	(59)	218

Other than the above, the Directors in office at the end of the financial year did not have any interest in shares of the Company or its related corporations during the financial year.

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Issue of shares

During the financial year, the Company increased its issued and paid-up ordinary share capital from RM266,760,000 to RM267,307,000 by way of the issuance of 1,094,000 ordinary shares of RM0.50 each, pursuant to the Company's SGP.

The new ordinary shares issued during the financial year ranked pari passu in all respects with the existing ordinary shares of the Company.

Share Grant Plan

The Company's SGP is governed by the By-Laws approved by the shareholders at an Extraordinary General Meeting held on 14 April 2011. The SGP was implemented on 18 April 2011 and is made up of two plans - the Restricted Share Plan ("RSP") and the Performance Share Plan ("PSP"). The SGP will be in force for a maximum period of ten years from the date of implementation.

The salient features, terms and details of the SGP are as disclosed in Note 28(b) to the financial statements.

During the financial year, the Company granted 1,369,000 shares under the RSP and 465,000 shares under the PSP to its eligible employees. The details of the shares granted under the SGP and its vesting conditions are disclosed in Note 28(b) to the financial statements.

Other statutory information

- (a) Before the income statements, statements of comprehensive income and statements of financial position of the Group and of the Company were made out, the Directors took reasonable steps:
- (i) to ascertain that proper action had been taken in relation to the writing off of bad debts and the making of provision for doubtful debts and satisfied themselves that there were no bad debts and that adequate provision had been made for doubtful debts; and
 - (ii) to ensure that any current assets which were unlikely to realise their value as shown in the accounting records in the ordinary course of business had been written down to an amount which they might be expected so to realise.

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Other statutory information (cont'd.)

- (b) At the date of this report, the Directors are not aware of any circumstances which would render:
 - (i) it necessary to write off any bad debts or the amount of the provision for doubtful debts in the financial statements of the Group and of the Company inadequate to any substantial extent; and
 - (ii) the values attributed to current assets in the financial statements of the Group and of the Company misleading.
- (c) At the date of this report, the Directors are not aware of any circumstances which have arisen which would render adherence to the existing method of valuation of assets or liabilities of the Group and of the Company misleading or inappropriate.
- (d) At the date of this report, the Directors are not aware of any circumstances not otherwise dealt with in this report or financial statements of the Group and of the Company which would render any amount stated in the financial statements misleading.
- (e) At the date of this report, there does not exist:
 - (i) any charge on the assets of the Group and of the Company which has arisen since the end of the financial year which secures the liabilities of any other person; or
 - (ii) any contingent liability in respect of the Group or of the Company which has arisen since the end of the financial year.
- (f) In the opinion of the Directors:
 - (i) no contingent or other liability has become enforceable or is likely to become enforceable within the period of twelve months after the end of the financial year which will or may affect the ability of the Group or of the Company to meet their obligations when they fall due; and
 - (ii) no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which is likely to affect substantially the results of the operations of the Group or of the Company for the financial year in which this report is made.

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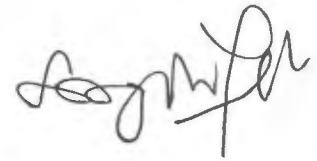
Auditors

The auditors, Ernst & Young, have expressed their willingness to continue in office.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 2 February 2016.



Tan Sri Amirsham bin A Aziz



Datuk Seri Tajuddin bin Atan

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**Statement by Directors
Pursuant to Section 169(15) of the Companies Act, 1965**

We, Tan Sri Amirsham bin A Aziz and Datuk Seri Tajuddin bin Atan, being two of the Directors of Bursa Malaysia Berhad, do hereby state that, in the opinion of the Directors, the accompanying financial statements set out on pages 11 to 118 are drawn up in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia so as to give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 and of their financial performance and cash flows for the year then ended.

The information set out in Note 41 to the financial statements has been prepared in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

Signed on behalf of the Board in accordance with a resolution of the Directors dated 2 February 2016.



Tan Sri Amirsham bin A Aziz



Datuk Seri Tajuddin bin Atan

**Statutory declaration
Pursuant to Section 169(16) of the Companies Act, 1965**

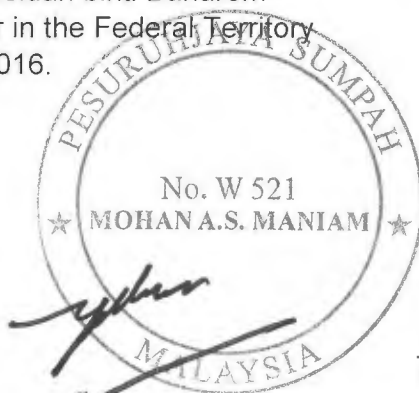
I, Rosidah binti Baharom, being the Officer primarily responsible for the financial management of Bursa Malaysia Berhad, do solemnly and sincerely declare that the accompanying financial statements set out on pages 11 to 119 are, in my opinion, correct and I make this solemn declaration conscientiously believing the same to be true and by virtue of the provisions of the Statutory Declarations Act, 1960.

Subscribed and solemnly declared by the abovenamed Rosidah binti Baharom at Kuala Lumpur in the Federal Territory on 2 February 2016.



Rosidah binti Baharom

Before me,





Ernst & Young AF: 0039
GST Reg No: 001556430848
Chartered Accountants
Level 23A Menara Milenium
Jalan Damanlela, Pusat Bandar Damansara
50490 Kuala Lumpur Malaysia

Tel: +603 7495 8000
Fax: +603 2095 5332 (General line)
+603 2095 9076
+603 2095 9078
ey.com

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**Independent auditors' report to the members of
Bursa Malaysia Berhad
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Report on the financial statements

We have audited the financial statements of Bursa Malaysia Berhad, which comprise the statements of financial position as at 31 December 2015 of the Group and of the Company, and the income statements, statements of comprehensive income, statements of changes in equity and statements of cash flows of the Group and of the Company for the year then ended, and a summary of significant accounting policies and other explanatory information, as set out on pages 11 to 118.

Directors' responsibility for the financial statements

The directors of the Company are responsible for the preparation of financial statements so as to give a true and fair view in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia. The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with approved standards on auditing in Malaysia. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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**Independent auditors' report to the members of
Bursa Malaysia Berhad (cont'd.)
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Opinion

In our opinion, the financial statements give a true and fair view of the financial position of the Group and of the Company as at 31 December 2015 and of their financial performance and cash flows for the year then ended in accordance with Malaysian Financial Reporting Standards, International Financial Reporting Standards and the requirements of the Companies Act, 1965 in Malaysia.

Report on other legal and regulatory requirements

In accordance with the requirements of the Companies Act, 1965 in Malaysia, we also report the following:

- (a) In our opinion, the accounting and other records and the registers required by the Act to be kept by the Company and its subsidiaries have been properly kept in accordance with the provisions of the Act.
- (b) We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations required by us for those purposes.
- (c) The auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and did not include any comment required to be made under Section 174(3) of the Act.

Other Reporting Responsibilities

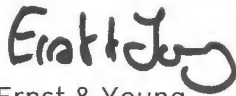
The supplementary information set out in Note 41 is disclosed to meet the requirement of Bursa Malaysia Securities Berhad and is not part of the financial statements. The directors are responsible for the preparation of the supplementary information in accordance with Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure Pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants ("MIA Guidance") and the directive of Bursa Malaysia Securities Berhad. In our opinion, the supplementary information is prepared, in all material respects, in accordance with the MIA Guidance and the directive of Bursa Malaysia Securities Berhad.

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**Independent auditors' report to the members of
Bursa Malaysia Berhad (cont'd.)
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Other matters

This report is made solely to the members of the Company, as a body, in accordance with Section 174 of the Companies Act, 1965 in Malaysia and for no other purpose. We do not assume responsibility to any other person for the content of this report.



Ernst & Young
AF: 0039
Chartered Accountants



Megat Iskandar Shah bin Mohamad Nor
No. 3083/07/17(J)
Chartered Accountant

Kuala Lumpur, Malaysia
2 February 2016

**Bursa Malaysia Berhad
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Income statements

For the financial year ended 31 December 2015

	Note	Group		Company	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Operating revenue	3	487,670	471,268	364,670	344,541
Other income	4	30,834	32,488	15,803	16,799
		<u>518,504</u>	<u>503,756</u>	<u>380,473</u>	<u>361,340</u>
Staff costs	5	(133,938)	(127,604)	(122,720)	(117,395)
Depreciation and amortisation	6	(23,739)	(25,287)	(21,646)	(20,627)
Other operating expenses	7	(82,051)	(79,106)	(51,748)	(52,845)
Profit before tax		<u>278,776</u>	<u>271,759</u>	<u>184,359</u>	<u>170,473</u>
Income tax expense	9	(72,321)	(67,737)	4,393	4,163
Profit for the year		<u>206,455</u>	<u>204,022</u>	<u>188,752</u>	<u>174,636</u>
Profit attributable to:					
Owners of the Company		198,613	198,226	188,752	174,636
Non-controlling interest		7,842	5,796	-	-
		<u>206,455</u>	<u>204,022</u>	<u>188,752</u>	<u>174,636</u>
Earnings per share attributable to owners of the Company (sen per share):					
Basic	10(a)	37.2	37.2		
Diluted	10(b)	<u>37.0</u>	<u>37.0</u>		

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

**Bursa Malaysia Berhad
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**Statements of comprehensive income
For the financial year ended 31 December 2015**

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Profit for the year	<u>206,455</u>	<u>204,022</u>	<u>188,752</u>	<u>174,636</u>
Other comprehensive income:				
Items that may be subsequently reclassified to profit or loss:				
Foreign exchange translation	506	132	-	-
Net fair value changes in Available-For-Sale ("AFS") financial assets	30,141	19,954	30,144	20,033
Income tax relating to AFS financial assets (Note 18)	17	42	15	16
	<u>30,664</u>	<u>20,128</u>	<u>30,159</u>	<u>20,049</u>
Items that will not be subsequently reclassified to profit or loss:				
Actuarial (losses)/gains on defined benefit obligations (Note 28(a))	(884)	1,806	(884)	1,806
Income tax relating to actuarial gains and losses on defined benefit obligations (Note 18)	168	(451)	168	(451)
	<u>(716)</u>	<u>1,355</u>	<u>(716)</u>	<u>1,355</u>
Total other comprehensive income for the year, net of income tax	<u>29,948</u>	<u>21,483</u>	<u>29,443</u>	<u>21,404</u>
Total comprehensive income for the year	<u>236,403</u>	<u>225,505</u>	<u>218,195</u>	<u>196,040</u>
Total comprehensive income attributable to:				
Owners of the Company	228,561	219,709	218,195	196,040
Non-controlling interest	7,842	5,796	-	-
	<u>236,403</u>	<u>225,505</u>	<u>218,195</u>	<u>196,040</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

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**Bursa Malaysia Berhad
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**Consolidated statement of financial position
As at 31 December 2015**

	Note	2015 RM'000	2014 RM'000
Assets			
Non-current assets			
Property, plant and equipment	12	191,214	197,264
Computer software	13	52,873	57,122
Goodwill	14	42,957	42,957
Investment securities	16	203,401	188,449
Staff loans receivable	17	4,392	5,919
Deferred tax assets	18	2,307	3,673
		<u>497,144</u>	<u>495,384</u>
Current assets			
Trade receivables	19	48,674	41,289
Other receivables	20	23,042	17,412
Tax recoverable		3,327	2,721
Investment securities	16	30,048	41,916
Cash for trading margins, security deposits and eDividend distributions	22	1,087,526	717,133
Cash and bank balances of Clearing Funds	23	125,568	126,261
Cash and bank balances of the Group	24	271,126	214,367
		<u>1,589,311</u>	<u>1,161,099</u>
Total assets		<u>2,086,455</u>	<u>1,656,483</u>

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**Bursa Malaysia Berhad
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**Consolidated statement of financial position
As at 31 December 2015 (cont'd.)**

	Note	2015 RM'000	2014 RM'000
Equity and liabilities			
Equity			
Share capital	25	267,307	266,760
Share premium		107,443	100,064
Other reserves	26	109,875	76,658
Retained earnings	27	318,825	305,218
Equity attributable to owners of the Company		<u>803,450</u>	<u>748,700</u>
Non-controlling interest		16,018	14,001
Total equity		<u>819,468</u>	<u>762,701</u>
Non-current liabilities			
Retirement benefit obligations	28(a)	26,112	26,605
Deferred grants	29	4,087	5,193
Deferred tax liabilities	18	3,333	8,149
		<u>33,532</u>	<u>39,947</u>
Current liabilities			
Trade payables	22	1,083,886	715,815
Participants' contribution to Clearing Funds	23	35,568	36,261
Other payables	30	107,297	93,532
Tax payable		6,704	8,227
		<u>1,233,455</u>	<u>853,835</u>
Total liabilities		<u>1,266,987</u>	<u>893,782</u>
Total equity and liabilities		<u>2,086,455</u>	<u>1,656,483</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

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**Bursa Malaysia Berhad
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**Statement of financial position
As at 31 December 2015**

	Note	2015 RM'000	2014 RM'000
Assets			
Non-current assets			
Property, plant and equipment	12	190,572	196,061
Computer software	13	42,559	46,134
Goodwill	14	29,494	29,494
Investment in subsidiaries	15	152,142	152,142
Investment securities	16	148,667	118,631
Staff loans receivable	17	3,932	5,401
		<u>567,366</u>	<u>547,863</u>
Current assets			
Trade receivables	19	1,760	938
Other receivables	20	18,256	13,517
Due from subsidiaries	21	35,771	32,847
Tax recoverable		2,760	2,746
Investment securities	16	-	31,928
Cash and bank balances	24	103,811	56,651
		<u>162,358</u>	<u>138,627</u>
Total assets		<u>729,724</u>	<u>686,490</u>

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**Bursa Malaysia Berhad
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**Statement of financial position
As at 31 December 2015 (cont'd.)**

	Note	2015 RM'000	2014 RM'000
Equity and liabilities			
Equity attributable to owners of the Company			
Share capital	25	267,307	266,760
Share premium		107,443	100,064
Other reserves	26	74,226	41,514
Retained earnings	27	183,207	179,461
Total equity		<u>632,183</u>	<u>587,799</u>
Non-current liabilities			
Retirement benefit obligations	28(a)	26,112	26,605
Deferred grants	29	2,798	3,876
Deferred tax liabilities	18	967	5,261
		<u>29,877</u>	<u>35,742</u>
Current liability			
Other payables	30	<u>67,664</u>	<u>62,949</u>
Total liabilities		<u>97,541</u>	<u>98,691</u>
Total equity and liabilities		<u>729,724</u>	<u>686,490</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

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**Bursa Malaysia Berhad
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**Consolidated statement of changes in equity
For the financial year ended 31 December 2015**

Note	← Attributable to owners of the Company →											
	← Non-distributable					→ Distributable						
	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	AFS reserve RM'000	Retained earnings RM'000	Total RM'000	Non-controlling interest RM'000	Total equity RM'000	
At 1 January 2015	266,760	100,064	5,250	204	7,496	30,000	33,708	305,218	748,700	14,001	762,701	
Profit for the year	-	-	-	-	-	-	-	198,613	198,613	7,842	206,455	
Other comprehensive income for the year	-	-	-	506	-	-	30,158	(716)	29,948	-	29,948	
Total comprehensive income for the year	-	-	-	506	-	-	30,158	197,897	228,561	7,842	236,403	
Transactions with owners of the Company:												
Issuance of ordinary shares pursuant to Share Grant Plan ("SGP")	25	547	7,379	-	-	(7,926)	-	-	-	-	-	
SGP expense	5	-	-	-	-	10,479	-	-	10,479	-	10,479	
Dividends paid	11	-	-	-	-	-	-	(184,290)	(184,290)	-	(184,290)	
Dividends paid to non-controlling interest	15(b)	-	-	-	-	-	-	-	-	(5,825)	(5,825)	
Total transactions with owners of the Company		547	7,379	-	-	2,553	-	(184,290)	(173,811)	(5,825)	(179,636)	
At 31 December 2015		267,307	107,443	5,250	710	10,049	30,000	63,866	318,825	803,450	16,018	819,468

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**Bursa Malaysia Berhad
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**Consolidated statement of changes in equity
For the financial year ended 31 December 2015 (cont'd.)**

Note	← Attributable to owners of the Company →										Non-controlling interest	Total equity	
	← Non-distributable					→ Distributable							
	Share capital	Share premium	Capital reserve	Capital redemption reserve	Foreign currency translation reserve	Share grant reserve	Clearing fund reserves	AFS reserve	Retained earnings	Total			
	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	RM'000	
At 1 January 2014	266,306	94,167	14,100	5,250	72	4,582	30,000	13,712	382,962	811,151	16,330	827,481	
Profit for the year	-	-	-	-	-	-	-	-	198,226	198,226	5,796	204,022	
Other comprehensive income for the year	-	-	-	-	132	-	-	19,996	1,355	21,483	-	21,483	
Total comprehensive income for the year	-	-	-	-	132	-	-	19,996	199,581	219,709	5,796	225,505	
Transactions with owners of the Company:													
Issuance of ordinary shares pursuant to SGP	25	454	5,897	-	-	-	(6,351)	-	-	-	-	-	
Redemption of preference shares (Note a)		-	-	(14,100)	-	-	-	-	-	(14,100)	-	(14,100)	
SGP expense	5	-	-	-	-	9,265	-	-	-	9,265	-	9,265	
Dividends paid	11	-	-	-	-	-	-	-	(277,325)	(277,325)	-	(277,325)	
Dividends paid to non-controlling interest	15(b)	-	-	-	-	-	-	-	-	-	(8,125)	(8,125)	
Total transactions with owners of the Company		454	5,897	(14,100)	-	2,914	-	-	(277,325)	(282,160)	(8,125)	(290,285)	
At 31 December 2014		266,760	100,064	-	5,250	204	7,496	30,000	33,708	305,218	748,700	14,001	762,701

Note a

In the previous financial year, the revamp of Bursa Malaysia Derivatives' participanship structure was completed and all preference shares were cancelled.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

Bursa Malaysia Berhad
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Statement of changes in equity
For the financial year ended 31 December 2015

	← Non-distributable Share →				Distributable		
	Note	Share capital RM'000	Share premium RM'000	Share grant reserve RM'000	AFS reserve RM'000	Retained earnings RM'000	Total equity RM'000
At 1 January 2015		266,760	100,064	7,496	34,018	179,461	587,799
Profit for the year		-	-	-	-	188,752	188,752
Other comprehensive income for the year		-	-	-	30,159	(716)	29,443
Total comprehensive income for the year		-	-	-	30,159	188,036	218,195
Transactions with owners of the Company:							
Issuance of ordinary shares pursuant to SGP	25	547	7,379	(7,926)	-	-	-
SGP expense (Note a)		-	-	10,479	-	-	10,479
Dividends paid	11	-	-	-	-	(184,290)	(184,290)
Total transactions with owners of the Company		547	7,379	2,553	-	(184,290)	(173,811)
At 31 December 2015		267,307	107,443	10,049	64,177	183,207	632,183

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Statement of changes in equity
For the financial year ended 31 December 2015 (cont'd.)

	← Non-distributable Share →				Distributable		
	Note	Share capital RM'000	Share premium RM'000	Share grant reserve RM'000	AFS reserve RM'000	Retained earnings RM'000	Total equity RM'000
At 1 January 2014		266,306	94,167	4,582	13,969	280,795	659,819
Profit for the year		-	-	-	-	174,636	174,636
Other comprehensive income for the year		-	-	-	20,049	1,355	21,404
Total comprehensive income for the year		-	-	-	20,049	175,991	196,040
Transactions with owners of the Company:							
Issuance of ordinary shares pursuant to SGP	25	454	5,897	(6,351)	-	-	-
SGP expense (Note a)		-	-	9,265	-	-	9,265
Dividends paid	11	-	-	-	-	(277,325)	(277,325)
Total transactions with owners of the Company		454	5,897	2,914	-	(277,325)	(268,060)
At 31 December 2014		266,760	100,064	7,496	34,018	179,461	587,799

Note a

SGP expense comprises RM9,940,000 (2014: RM8,622,000) relating to shares granted to the employees of the Company (as disclosed in Note 5) and RM539,000 (2014: RM643,000) relating to shares granted to the employees of Bursa Malaysia Derivatives.

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

**Bursa Malaysia Berhad
(Incorporated in Malaysia)**

**Statements of cash flows
For the financial year ended 31 December 2015**

	Note	Group		Company	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Cash flows from operating activities					
Profit before tax		278,776	271,759	184,359	170,473
Adjustments for:					
Amortisation of premiums/ (accretion of discounts), net	7	61	(259)	17	(298)
Depreciation and amortisation	6	23,739	25,287	21,646	20,627
Dividend income from investment securities	4	(5,372)	(3,523)	(5,372)	(3,523)
Grant income	4	(1,281)	(2,750)	(1,253)	(1,078)
Gross dividend income from subsidiaries	3	-	-	(211,936)	(195,134)
Interest income	4	(18,174)	(18,827)	(3,171)	(4,894)
Net (gain)/loss on disposal of investment securities	4	(95)	566	(95)	517
Net impairment loss/ (reversal of impairment loss) on:					
Amount due from a subsidiary	7	-	-	2	4
Trade and other receivables	7	135	(673)	(173)	(27)
Loss/(gain) on disposal of motor vehicle	4	345	(200)	345	(200)
Property, plant and equipment and computer software written off	7	42	5	42	5
Retirement benefit obligations	5	1,369	1,414	1,369	1,414
(Reversal of)/provision for short-term accumulating compensated unutilised leave	5	(206)	261	(213)	260
SGP expense	5	10,479	9,265	9,940	8,622
Unrealised (gain)/loss on foreign exchange differences		(735)	115	(537)	(5)
Operating profit/(loss) before working capital changes		289,083	282,440	(5,030)	(3,237)
Increase in receivables		(7,334)	(11,140)	(784)	(2,460)
Increase/(decrease) in payables		13,247	4,802	6,636	(2,655)
Changes in subsidiaries' balances		-	-	(2,387)	(1,526)
Cash generated from/(used in) operations		294,996	276,102	(1,565)	(9,878)
Staff loans repaid, net of disbursements		1,045	1,466	1,006	1,357
Retirement benefits paid		(2,368)	(1,774)	(2,368)	(1,774)
Net tax (paid)/refund		(77,717)	(68,542)	268	3,467
Net cash from/(used in) operating activities		215,956	207,252	(2,659)	(6,828)

Bursa Malaysia Berhad
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Statements of cash flows

For the financial year ended 31 December 2015 (cont'd.)

	Note	Group		Company	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Cash flows from investing activities					
Interest received		17,042	19,496	3,221	5,525
Dividends received		1,515	3,851	213,451	198,985
(Increase)/decrease in deposits not for short-term funding requirements		(7,068)	104,834	(12,886)	56,087
Proceeds from disposal of investment securities		58,554	97,986	43,553	53,312
Proceeds from disposal of motor vehicle		283	200	283	200
Purchases of investment securities		(31,463)	(94,026)	(11,439)	(49,205)
Purchases of property, plant and equipment and computer software		(15,534)	(12,796)	(14,960)	(12,772)
Net cash from investing activities		<u>23,329</u>	<u>119,545</u>	<u>221,223</u>	<u>252,132</u>
Cash flows from financing activities					
Additional cash resources to Clearing Funds	23	-	(60,000)	-	-
Dividends paid	11	(184,290)	(277,325)	(184,290)	(277,325)
Dividends paid by a subsidiary to non-controlling interest		(5,825)	(8,125)	-	-
Redemption of preference shares		-	(13,718)	-	-
Net cash used in financing activities		<u>(190,115)</u>	<u>(359,168)</u>	<u>(184,290)</u>	<u>(277,325)</u>
Net increase/(decrease) in cash and cash equivalents					
		49,170	(32,371)	34,274	(32,021)
Effect of exchange rate changes		521	130	-	-
Cash and cash equivalents at beginning of year		<u>214,367</u>	<u>246,608</u>	<u>56,651</u>	<u>88,672</u>
Cash and cash equivalents at end of year	24(ii)	<u>264,058</u>	<u>214,367</u>	<u>90,925</u>	<u>56,651</u>

The accompanying accounting policies and explanatory notes form an integral part of the financial statements.

**Bursa Malaysia Berhad
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Notes to the financial statements - 31 December 2015

1. Corporate information

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

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

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

The financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 2 February 2016.

2. Significant accounting policies

2.1 Basis of preparation

The financial statements of the Group and of the Company have been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs"), International Financial Reporting Standards ("IFRSs") and the requirements of the Companies Act, 1965 in Malaysia.

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

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

**Bursa Malaysia Berhad
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2. Significant accounting policies (cont'd.)

2.2 Adoption of Amendments to MFRSs and Annual Improvements

At the beginning of the financial year, the Group and the Company adopted the following Amendments to MFRSs and Annual Improvements which are mandatory for the financial periods beginning on or after 1 January 2015:

Amendments to MFRS 119 Employee Benefits - *Defined Benefit Plans: Employee Contributions*

Annual improvements to MFRSs 2010 - 2012 Cycle

Annual improvements to MFRSs 2011 - 2013 Cycle

The adoption of the above pronouncements did not have any impact on the financial statements of the Group and of the Company.

2.3 Standards issued but not yet effective

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

Effective for financial periods beginning on or after 1 January 2016

MFRS 14 Regulatory Deferral Accounts

Amendments to MFRS 11 Joint Arrangements - *Accounting for Acquisitions of Interests in Joint Operations*

Amendments to MFRS 101 Presentation of Financial Statements - *Disclosure Initiative*

Amendments to MFRS 127 Separate Financial Statements - *Equity Method in Separate Financial Statements*

Amendments to MFRS 116 Property, Plant and Equipment and MFRS 138 Intangible Assets - *Clarification of Acceptable Methods of Depreciation and Amortisation*

Amendments to MFRS 116 Property, Plant and Equipment and MFRS 141 Agriculture - *Agriculture: Bearer Plants*

Amendments to MFRS 10 Consolidated Financial Statements, MFRS 12 Disclosure of Interests in Other Entities and MFRS 128 Investments in Associates and Joint Ventures - *Investment Entities: Applying the Consolidation Exception*

Annual improvements to MFRSs 2012 - 2014 Cycle

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* *

Effective for financial periods beginning on or after 1 January 2018

MFRS 15 Revenue from Contracts with Customers

MFRS 9 Financial Instruments (IFRSs 9 Financial Instruments as issued by the International Accounting Standards Board in July 2014)

* *The effective date of these Standards have been deferred, and yet to be announced by MASB.*

**Bursa Malaysia Berhad
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2. Significant accounting policies (cont'd.)

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

The Group and the Company will adopt the above pronouncements when they become effective in the financial year beginning 1 January 2016. The Group and the Company do not expect any material impact to the financial statements of the above pronouncements other than the two Standards described below, for which the effects of adoption are still being assessed:

(a) MFRS 15 Revenue from Contracts with Customers

MFRS 15 *Revenue from Contracts with Customers* was issued in September 2014 and established a five-step model that will apply to recognition of revenue arising from contracts with customers. Under this Standard, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The principle of this Standard is to provide a more structured approach to measuring and recognising revenue.

This Standard is applicable to all entities and will supersede all current revenue recognition requirements under MFRS. Either a full or modified retrospective application is required for annual periods beginning on or after 1 January 2018 with early adoption permitted.

(b) MFRS 9 Financial Instruments

In November 2014, the MASB issued the final version of MFRS 9 *Financial Instruments*, replacing MFRS 139. This Standard makes changes to the requirements for classification and measurement, impairment and hedge accounting. The adoption of this Standard will have an effect on the classification and measurement of the Group's and of the Company's financial assets, but no impact on the classification and measurement of the Group's and of the Company's financial liabilities.

MFRS 9 *Financial Instruments* also requires impairment assessments to be based on an expected loss model, replacing the MFRS 139 incurred loss model. Finally, MFRS 9 *Financial Instruments* aligns hedge accounting more closely with risk management, establishes a more principle-based approach to hedge accounting and addresses inconsistencies and weaknesses in the previous model.

This Standard will come into effect on or after 1 January 2018 with early adoption permitted. Retrospective application is required, but comparative information is not compulsory.

The Group and the Company expect to complete the assessment of the effect of these Standards and plan to adopt these Standards with effect from 1 January 2016.

**Bursa Malaysia Berhad
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2. Significant accounting policies (cont'd.)

2.4 Summary of significant accounting policies

(a) Subsidiaries and basis of consolidation

(i) Subsidiaries

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

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

(ii) Basis of consolidation

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

Subsidiaries are consolidated from the date on which control exists. They are deconsolidated from the date that control ceases.

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

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

**Bursa Malaysia Berhad
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2. Significant accounting policies (cont'd.)

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

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

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

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

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

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

(iii) Transactions with non-controlling interest

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

**Bursa Malaysia Berhad
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2. Significant accounting policies (cont'd.)

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

(b) Property, plant and equipment and depreciation

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

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

Property, plant and equipment are measured at cost less accumulated depreciation and accumulated impairment losses.

Projects-in-progress are not depreciated as these assets are not yet available for use. Leasehold lands classified as operating leases are for a period of 99 years as disclosed in Note 32(a). Depreciation of other property, plant and equipment is computed on a straight-line basis over the estimated useful lives of the assets as follows:

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

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

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

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

**Bursa Malaysia Berhad
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2. Significant accounting policies (cont'd.)

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

(c) Intangible assets

(i) Goodwill

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

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

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

(ii) Computer software

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

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

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

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

**Bursa Malaysia Berhad
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2. Significant accounting policies (cont'd.)

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

(d) Impairment of non-financial assets

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

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

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

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

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

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2. Significant accounting policies (cont'd.)

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

(e) Financial assets

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

When financial assets are initially recognised, they are measured at fair value, plus, in the case of financial assets not at Fair Value Through Profit or Loss ("FVTPL"), directly attributable transaction costs.

The Group and the Company determine the classification of financial assets upon initial recognition. The categories include financial assets at FVTPL, loans and receivables, Held-To-Maturity ("HTM") investments and AFS financial assets.

(i) Financial assets at FVTPL

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

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

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

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

(ii) Loans and receivables

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

**Bursa Malaysia Berhad
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2. Significant accounting policies (cont'd.)

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

(e) Financial assets (cont'd.)

(ii) Loans and receivables (cont'd.)

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

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

(iii) HTM investments

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

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

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

(iv) AFS financial assets

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

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

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2. Significant accounting policies (cont'd.)

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

(e) Financial assets (cont'd.)

(iv) AFS financial assets (cont'd.)

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

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

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

(f) Impairment of financial assets

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

(i) Loans and receivables and HTM investments

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

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

**Bursa Malaysia Berhad
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2. Significant accounting policies (cont'd.)

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

(f) Impairment of financial assets (cont'd.)

(i) Loans and receivables and HTM investments (cont'd.)

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

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

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

(ii) AFS financial assets

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

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

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

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2. Significant accounting policies (cont'd.)

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

(g) Cash and cash equivalents

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

(h) Financial liabilities

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

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

(i) Financial liabilities at FVTPL

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

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

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

(ii) Other financial liabilities

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

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

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2. Significant accounting policies (cont'd.)

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

(h) Financial liabilities (cont'd.)

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

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

(i) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible by the Group and the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants act in their economic best interest when pricing the asset or liability.

The Group and the Company use valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy based on the lowest level input that is significant to the fair value measurement as a whole.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group and the Company determine whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the financial year end.

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2. Significant accounting policies (cont'd.)

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

(j) Provisions

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

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

(k) Deferred grants

Grants are recognised at their fair value where there is reasonable assurance that the grant will be received and all conditions will be met. Where the grant relates to an expense item, it is recognised as income on a systematic basis over the periods that the related costs, for which it is intended to compensate, are expensed. Where the grant relates to an asset, the fair value is recognised in the statements of financial position and is amortised to profit or loss over the expected useful life of the relevant asset by its related depreciation or amortisation charges.

(l) Equity instruments

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

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

(m) Revenue recognition

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

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2. Significant accounting policies (cont'd.)

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

(m) Revenue recognition (cont'd.)

(i) Trade fees

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

(ii) Clearing fees

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

(iii) Other securities trading revenue

Other securities trading revenue mainly comprises Institutional Settlement Services ("ISS") fees. ISS fees from the securities exchange are recognised in full when services are rendered.

(iv) Other derivatives trading revenue

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

(v) Listing and issuer services

Listing and issuer services revenue comprises:

(a) Listing fees

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

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2. Significant accounting policies (cont'd.)

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

(m) Revenue recognition (cont'd.)

(v) Listing and issuer services (cont'd.)

(b) Perusal and processing fees

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

(vi) Depository services

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

(vii) Market data

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

(viii) Member services and connectivity

Member services and connectivity mainly comprises:

(a) Access fees

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

(b) Participants' fees

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

(c) Broker services

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

(ix) Other operating revenue

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

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2. Significant accounting policies (cont'd.)

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

(m) Revenue recognition (cont'd.)

(x) Other income

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

(n) Employee benefits

(i) Short-term benefits

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

(ii) Defined contribution plans

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

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2. Significant accounting policies (cont'd.)

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

(n) Employee benefits (cont'd.)

(iii) Defined benefit plan

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

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

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

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

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

(iv) Share-based compensation

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

**Bursa Malaysia Berhad
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2. Significant accounting policies (cont'd.)

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

(n) Employee benefits (cont'd.)

(iv) Share-based compensation (cont'd.)

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

(v) Separation benefits

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

(o) Leases

(i) The Group and the Company as lessee

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

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

(ii) The Group and the Company as lessor

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

(p) Borrowing costs

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

**Bursa Malaysia Berhad
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2. Significant accounting policies (cont'd.)

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

(q) Income taxes

(i) Current tax

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

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

(ii) Deferred tax

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

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

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

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

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

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

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2. Significant accounting policies (cont'd.)

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

(q) Income taxes (cont'd.)

(ii) Deferred tax (cont'd.)

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

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

(r) Foreign currency

(i) Functional and presentation currency

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

(ii) Foreign currency transactions

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

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

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2. Significant accounting policies (cont'd.)

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

(r) Foreign currency (cont'd.)

(ii) Foreign currency transactions (cont'd.)

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

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

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

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

(s) Contingencies

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

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

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2. Significant accounting policies (cont'd.)

2.5 Significant accounting judgements and estimates

Key sources of estimation uncertainty

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

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

(a) Impairment of computer hardware and software

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

(b) Impairment of goodwill

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

(c) Impairment of investment securities

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

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2. Significant accounting policies (cont'd.)

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

Key sources of estimation uncertainty (cont'd.)

(c) Impairment of investment securities (cont'd.)

The impairment review comprises the following judgements made by management:

- (i) Determination whether its investment security is impaired following certain indicators such as, amongst others, prolonged decline in fair value, significant financial difficulties of the issuer or obligors, the disappearance of an active trading market and deterioration of the credit quality of the issuers or obligors.
- (ii) Determination of the "significant" or "prolonged" criteria requires judgement and management evaluation on various factors, such as historical fair value movement and the significant reduction in fair value.

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

(d) Depreciation/amortisation of system hardware and software

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

(e) Deferred tax assets

Deferred tax assets are recognised for all unutilised tax losses and unused capital allowances to the extent that it is probable that taxable profit will be available against which the tax losses and capital allowances can be utilised. Significant management judgement is required to determine the amounts of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits together with future tax planning strategies. The unutilised tax losses and unused capital allowances as at the financial year end are disclosed in Note 18.

(f) Defined benefit plan

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

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2. Significant accounting policies (cont'd.)

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

Key sources of estimation uncertainty (cont'd.)

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

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

(g) Share grant plan

The Group and the Company measure the cost of equity-settled transactions with employees by reference to the fair value of the equity instruments at the dates which they are granted. In estimating the fair value of the share-based payment transactions, it requires the determination of the appropriate valuation model and the inputs (for example, expected volatility of the share price and/or dividend yield) to the valuation model. The key assumptions are disclosed in Note 28(b).

3. Operating revenue

	Group	
	2015	2014
	RM'000	RM'000
Securities clearing fees ¹	185,616	193,693
Securities trade fees	24,489	25,250
Other securities revenue	22,944	20,173
Total securities trading revenue	<u>233,049</u>	<u>239,116</u>
Derivatives clearing fees	18,995	16,366
Derivatives trade fees	50,935	43,375
Other derivatives revenue	16,218	10,862
Total derivatives trading revenue	<u>86,148</u>	<u>70,603</u>
Bursa Suq Al-Sila trading revenue	16,787	9,962
Listing and issuer services	52,914	55,931
Depository services	38,415	35,368
Market data	33,667	31,300
Member services and connectivity	20,844	22,654
Other operating revenue	5,846	6,334
	<u>168,473</u>	<u>161,549</u>
Total operating revenue	<u>487,670</u>	<u>471,268</u>

¹ Securities clearing fees of the Group are stated net of the amount payable to the Securities Commission of RM48,952,000 (2014: RM51,794,000).

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3. Operating revenue (cont'd.)

	Company	
	2015	2014
	RM'000	RM'000
Broker services	7,460	6,906
Income from subsidiaries:		
Dividend	211,936	195,134
Management fees	127,911	125,855
Office space rental	4,607	4,607
Lease rental	12,756	11,880
Other operating revenue	-	159
Total operating revenue	364,670	344,541

4. Other income

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Interest income from:				
Deposits with financial institutions	13,887	12,938	2,504	2,811
Investment securities	4,068	5,576	459	1,819
Others	219	313	208	264
Net gain/(loss) on disposal of investment securities	95	(566)	95	(517)
(Loss)/gain on disposal of motor vehicle	(345)	200	(345)	200
Rental	6,132	6,658	6,132	6,658
Dividend	5,372	3,523	5,372	3,523
Grant (Note 29)	1,281	2,750	1,253	1,078
Miscellaneous	125	1,096	125	963
	30,834	32,488	15,803	16,799

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5. Staff costs

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Wages and salaries	75,968	74,344	68,883	67,730
Bonus	23,597	20,303	21,478	18,577
Social security contributions	361	355	340	335
Contributions to a defined contribution plan - EPF	14,713	14,116	13,770	13,277
(Reversal of)/provision for short-term accumulating compensated unutilised leave	(206)	261	(213)	260
Retirement benefit obligations (Note 28(a))	1,369	1,414	1,369	1,414
SGP expense	10,479	9,265	9,940	8,622
Other benefits	7,657	7,546	7,153	7,180
	133,938	127,604	122,720	117,395

Included in staff costs of the Group and of the Company is the Executive Director's remuneration of RM5,739,000 (2014: RM5,691,000), as further disclosed in Note 8.

6. Depreciation and amortisation

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Depreciation of property, plant and equipment (Note 12)	12,128	12,928	11,567	11,628
Amortisation of computer software (Note 13)	11,611	12,359	10,079	8,999
	23,739	25,287	21,646	20,627

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7. Other operating expenses

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Administrative expenses	5,867	5,507	5,578	5,253
Amortisation of premiums/ (accretion of discounts), net	61	(259)	17	(298)
Auditors' remuneration:				
Statutory audit	366	295	82	68
Tax and assurance related services ¹	173	170	99	98
Other non-audit services ²	314	112	314	112
Building management costs:				
Office rental	103	76	103	76
Upkeep and maintenance	11,102	11,116	11,102	11,116
Central Depository System ("CDS") consumables	3,478	3,762	3,478	3,762
Net impairment loss/ (reversal of impairment loss) on:				
Amount due from a subsidiary	-	-	2	4
Trade and other receivables	135	(673)	(173)	(27)
Marketing and development expenses	9,312	10,750	4,535	5,262
Net (gain)/loss on foreign exchange differences	(262)	209	(580)	113
Operating lease payments (Note 32(a))	539	539	539	539
Professional fees	936	680	969	624
Property, plant and equipment and computer software written off	42	5	42	5
Rental of equipment	201	209	191	200
Technology charges:				
Information technology maintenance	18,046	18,848	15,753	16,256
Service fees	22,381	18,356	1,446	1,131
Others ³	9,257	9,404	8,251	8,551
	82,051	79,106	51,748	52,845

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

² Other non-audit services provided by the auditors are in respect of the review of Goods and Services Tax ("GST") implementation, GST review services, cyber security assessment and transfer pricing study.

³ Others include Non-Executive Directors' remuneration as disclosed in Note 8.

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8. Directors' remuneration

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Executive Director's remuneration (Note 5):				
Salaries and other emoluments	5,350	5,273	5,350	5,273
Defined contribution plan - EPF	389	418	389	418
	<u>5,739</u>	<u>5,691</u>	<u>5,739</u>	<u>5,691</u>
Estimated monetary value of benefits-in-kind	35	35	35	35
	<u>5,774</u>	<u>5,726</u>	<u>5,774</u>	<u>5,726</u>
Non-executive Directors' remuneration:				
Fees	975	990	975	990
Other emoluments	1,755	1,526	1,719	1,526
	<u>2,730</u>	<u>2,516</u>	<u>2,694</u>	<u>2,516</u>
Estimated monetary value of benefits-in-kind	35	35	35	35
	<u>2,765</u>	<u>2,551</u>	<u>2,729</u>	<u>2,551</u>
Total Directors' remuneration	<u>8,539</u>	<u>8,277</u>	<u>8,503</u>	<u>8,277</u>
Total Directors' remuneration excluding benefits-in-kind	8,469	8,207	8,433	8,207
Estimated monetary value of benefits-in-kind	70	70	70	70
Total Directors' remuneration including benefits-in-kind	<u>8,539</u>	<u>8,277</u>	<u>8,503</u>	<u>8,277</u>

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8. Directors' remuneration (cont'd.)

Group	2015		2014	
	Directors' fees RM'000	Other allowances ¹ / salaries RM'000	Directors' fees RM'000	Other allowances ¹ / salaries RM'000
Tan Sri Amirsham bin A Aziz	125	658	-	-
Datuk Seri Tajuddin bin Atan	-	5,774	-	5,726
Datuk Dr. Md Tap bin Salleh	100	142	100	117
Dato' Saiful Bahri bin Zainuddin	100	105	100	89
Datuk Karownikaran @ Karunikaran a/l Ramasamy	100	117	100	109
Datuk Chay Wai Leong	100	70	100	76
Ghazali bin Hj Darman	100	85	100	82
Dato' Zuraidah binti Atan	100	74	87	49
Pushpanathan a/l S.A. Kanagarayar	100	95	53	43
Dato' Eshah binti Meor Suleiman	100	96	17	14
Tun Mohamed Dzaidin bin Haji Abdullah	25	332	150	813
Tan Sri Ong Leong Huat @ Wong Joo Hwa	25	16	100	70
Tan Sri Datuk Dr. Abdul Samad bin Haji Alias	-	-	24	39
Datuk Dr. Syed Muhamad bin Syed Abdul Kadir	-	-	59	60
	<u>975</u>	<u>7,564</u>	<u>990</u>	<u>7,287</u>

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

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8. Directors' remuneration (cont'd.)

Company	2015		2014	
	Directors' fees RM'000	Other allowances ¹ / salaries RM'000	Directors' fees RM'000	Other allowances ¹ / salaries RM'000
Tan Sri Amirsham bin A Aziz	125	658	-	-
Datuk Seri Tajuddin bin Atan	-	5,774	-	5,726
Datuk Dr. Md Tap bin Salleh	100	118	100	117
Dato' Saiful Bahri bin Zainuddin	100	93	100	89
Datuk Karownikaran @ Karunikaran a/l Ramasamy	100	117	100	109
Datuk Chay Wai Leong	100	70	100	76
Ghazali bin Hj Darman	100	85	100	82
Dato' Zuraidah binti Atan	100	74	87	49
Pushpanathan a/l S.A. Kanagarayar	100	95	53	43
Dato' Eshah binti Meor Suleiman	100	96	17	14
Tun Mohamed Dzaidin bin Haji Abdullah	25	332	150	813
Tan Sri Ong Leong Huat @ Wong Joo Hwa	25	16	100	70
Tan Sri Datuk Dr. Abdul Samad bin Haji Alias	-	-	24	39
Datuk Dr. Syed Muhamad bin Syed Abdul Kadir	-	-	59	60
	<u>975</u>	<u>7,528</u>	<u>990</u>	<u>7,287</u>

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

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9. Income tax expense

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Income tax:				
Current year provision	75,867	74,844	45	327
(Over)/under provision of tax in prior year	(281)	70	(327)	72
	<u>75,586</u>	<u>74,914</u>	<u>(282)</u>	<u>399</u>
Deferred tax (Note 18):				
Relating to origination and reversal of temporary differences	(3,587)	(5,258)	(4,351)	(2,741)
Relating to reduction in Malaysian income tax rate	823	(918)	727	(820)
Over provision of tax in prior year	(501)	(1,001)	(487)	(1,001)
	<u>(3,265)</u>	<u>(7,177)</u>	<u>(4,111)</u>	<u>(4,562)</u>
Total income tax expense	<u>72,321</u>	<u>67,737</u>	<u>(4,393)</u>	<u>(4,163)</u>

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

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9. Income tax expense (cont'd.)

The reconciliation between income tax expense and the product of accounting profit multiplied by the applicable corporate tax rate for the years ended 31 December 2015 and 31 December 2014 is as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Accounting profit before tax	278,776	271,759	184,359	170,473
Taxation at Malaysian statutory tax rate of 25%	69,694	67,940	46,090	42,618
Deferred tax not recognised in respect of current year's tax losses	1	1	-	-
Effect of tax rate of 3% on profit before tax for subsidiary incorporated in Labuan	(61)	(55)	-	-
Effect of expenses not deductible for tax purposes	4,397	5,670	4,245	4,949
Effect of reduction in Malaysian income tax rate	823	(918)	727	(820)
Effect of income not subject to tax	(1,751)	(1,637)	(54,641)	(49,981)
Recognition of previously unrecognised deferred tax assets	-	(1,586)	-	-
Utilisation of previously unrecognised tax losses by a subsidiary	-	(747)	-	-
(Over)/under provision of income tax in prior year	(281)	70	(327)	72
Over provision of deferred tax in prior year	(501)	(1,001)	(487)	(1,001)
Income tax expense for the year	72,321	67,737	(4,393)	(4,163)

Tax savings of the Group and of the Company are as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Arising from utilisation of current year tax losses	762	-	762	-
Arising from utilisation of previously unrecognised tax losses	-	747	-	-
	762	747	762	-

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10. Earnings per share ("EPS")

(a) Basic EPS

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

	Group	
	2015	2014
Profit for the year, net of tax, attributable to owners of the Company (RM'000)	198,613	198,226
Weighted average number of ordinary shares in issue ('000)	534,105	533,114
Basic EPS (sen)	<u>37.2</u>	<u>37.2</u>

(b) Diluted EPS

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

	Group	
	2015	2014
Profit for the year, net of tax, attributable to owners of the Company (RM'000)	<u>198,613</u>	<u>198,226</u>
Weighted average number of ordinary shares in issue ('000)	534,105	533,114
Effect of dilution of share grants ('000)	<u>2,588</u>	<u>2,209</u>
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	<u>536,693</u>	<u>535,323</u>
Diluted EPS (sen)	<u>37.0</u>	<u>37.0</u>

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11. Dividends

	Dividends in respect of year		Dividends recognised in year	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Special dividend on ordinary shares				
20.0 sen per share under the single-tier system, on 533,520,000 ordinary shares	-	-	-	106,704
Interim dividend on ordinary shares				
16.5 sen per share under the single-tier system, on 534,614,000 ordinary shares	88,211	-	88,211	-
16.0 sen per share under the single-tier system, on 533,520,000 ordinary shares	-	85,363	-	85,363
Final dividend on ordinary shares				
18.0 sen per share under the single-tier system, on 533,770,000 ordinary shares	-	96,079	96,079	-
16.0 sen per share under the single-tier system, on 532,862,000 ordinary shares	-	-	-	85,258
	<u>88,211</u>	<u>181,442</u>	<u>184,290</u>	<u>277,325</u>

At the forthcoming Annual General Meeting, a final dividend under the single-tier system in respect of the financial year ended 31 December 2015 of 18.0 sen per share on 534,614,000 ordinary shares, amounting to a dividend payable of approximately RM96,231,000 will be proposed for shareholders' approval. The financial statements for the current financial year do not reflect this proposed dividend. Such dividend, if approved by the shareholders, will be accounted for in equity as an appropriation of retained earnings in the financial year ending 31 December 2016.

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12. Property, plant and equipment

Group	Note	Buildings and office lots (Note a) RM'000	Office equipment, furniture and fittings RM'000	Computers and office automation RM'000	Motor vehicles RM'000	Projects-in- progress RM'000	Total RM'000
Cost							
At 1 January 2015		320,841	32,177	49,353	2,188	430	404,989
Additions		4,547	550	1,031	580	-	6,708
Disposal		-	-	-	(837)	-	(837)
Write-offs		-	(3)	(4,460)	-	-	(4,463)
Exchange differences		53	16	309	-	-	378
Reclassification		-	-	430	-	(430)	-
At 31 December 2015		<u>325,441</u>	<u>32,740</u>	<u>46,663</u>	<u>1,931</u>	<u>-</u>	<u>406,775</u>
Accumulated depreciation							
At 1 January 2015		139,017	30,842	36,593	1,273	-	207,725
Depreciation charge for the year	6	6,420	593	4,777	338	-	12,128
Disposal		-	-	-	(209)	-	(209)
Write-offs		-	(3)	(4,458)	-	-	(4,461)
Exchange differences		53	16	309	-	-	378
At 31 December 2015		<u>145,490</u>	<u>31,448</u>	<u>37,221</u>	<u>1,402</u>	<u>-</u>	<u>215,561</u>
Net carrying amount at 31 December 2015		<u>179,951</u>	<u>1,292</u>	<u>9,442</u>	<u>529</u>	<u>-</u>	<u>191,214</u>

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**Bursa Malaysia Berhad
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12. Property, plant and equipment (cont'd.)

Group	Note	Buildings and office lots (Note a) RM'000	Office equipment, furniture and fittings RM'000	Computers and office automation RM'000	Motor vehicles RM'000	Projects-in- progress RM'000	Total RM'000
Cost							
At 1 January 2014		320,723	31,603	60,785	2,157	1,725	416,993
Additions		104	664	2,020	837	216	3,841
Disposal		-	-	-	(806)	-	(806)
Write-offs		-	(94)	(15,046)	-	-	(15,140)
Exchange differences		14	4	83	-	-	101
Reclassification		-	-	1,511	-	(1,511)	-
At 31 December 2014		<u>320,841</u>	<u>32,177</u>	<u>49,353</u>	<u>2,188</u>	<u>430</u>	<u>404,989</u>
Accumulated depreciation							
At 1 January 2014		132,712	30,346	45,974	1,605	-	210,637
Depreciation charge for the year	6	6,291	586	5,577	474	-	12,928
Disposal		-	-	-	(806)	-	(806)
Write-offs		-	(94)	(15,041)	-	-	(15,135)
Exchange differences		14	4	83	-	-	101
At 31 December 2014		<u>139,017</u>	<u>30,842</u>	<u>36,593</u>	<u>1,273</u>	<u>-</u>	<u>207,725</u>
Net carrying amount at 31 December 2014		<u>181,824</u>	<u>1,335</u>	<u>12,760</u>	<u>915</u>	<u>430</u>	<u>197,264</u>

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**Bursa Malaysia Berhad
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12. Property, plant and equipment (cont'd.)

Company	Note	Buildings and office lots (Note a) RM'000	Office equipment, furniture and fittings RM'000	Computers and office automation RM'000	Motor vehicles RM'000	Projects-in- progress RM'000	Total RM'000
Cost							
At 1 January 2015		320,564	31,727	48,568	2,010	429	403,298
Additions		4,547	550	1,031	580	-	6,708
Disposal		-	-	-	(837)	-	(837)
Write-offs		-	(3)	(3,747)	-	-	(3,750)
Reclassification		-	-	429	-	(429)	-
At 31 December 2015		<u>325,111</u>	<u>32,274</u>	<u>46,281</u>	<u>1,753</u>	<u>-</u>	<u>405,419</u>
Accumulated depreciation							
At 1 January 2015		138,760	30,427	36,954	1,096	-	207,237
Depreciation charge for the year	6	6,414	577	4,238	338	-	11,567
Disposal		-	-	-	(209)	-	(209)
Write-offs		-	(3)	(3,745)	-	-	(3,748)
At 31 December 2015		<u>145,174</u>	<u>31,001</u>	<u>37,447</u>	<u>1,225</u>	<u>-</u>	<u>214,847</u>
Net carrying amount at 31 December 2015							
		<u>179,937</u>	<u>1,273</u>	<u>8,834</u>	<u>528</u>	<u>-</u>	<u>190,572</u>

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

Company	Note	Buildings and office lots (Note a) RM'000	Office equipment, furniture and fittings RM'000	Computers and office automation RM'000	Motor vehicles RM'000	Projects-in- progress RM'000	Total RM'000
Cost							
At 1 January 2014		320,460	31,166	60,093	1,979	1,724	415,422
Additions		104	655	2,010	837	216	3,822
Disposal		-	-	-	(806)	-	(806)
Write-offs		-	(94)	(15,046)	-	-	(15,140)
Reclassification		-	-	1,511	-	(1,511)	-
At 31 December 2014		<u>320,564</u>	<u>31,727</u>	<u>48,568</u>	<u>2,010</u>	<u>429</u>	<u>403,298</u>
Accumulated depreciation							
At 1 January 2014		132,478	29,959	47,650	1,463	-	211,550
Depreciation charge for the year	6	6,282	562	4,345	439	-	11,628
Disposal		-	-	-	(806)	-	(806)
Write-offs		-	(94)	(15,041)	-	-	(15,135)
At 31 December 2014		<u>138,760</u>	<u>30,427</u>	<u>36,954</u>	<u>1,096</u>	<u>-</u>	<u>207,237</u>
Net carrying amount at 31 December 2014							
		<u>181,804</u>	<u>1,300</u>	<u>11,614</u>	<u>914</u>	<u>429</u>	<u>196,061</u>

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

(a) Buildings and office lots

Group	Buildings RM'000	Office lots RM'000	Renovations RM'000	Total RM'000
Cost				
At 1 January 2015	285,960	19,862	15,019	320,841
Additions	-	-	4,547	4,547
Exchange differences	-	-	53	53
At 31 December 2015	<u>285,960</u>	<u>19,862</u>	<u>19,619</u>	<u>325,441</u>
Accumulated depreciation				
At 1 January 2015	114,948	10,738	13,331	139,017
Depreciation charge for the year	5,242	282	896	6,420
Exchange differences	-	-	53	53
At 31 December 2015	<u>120,190</u>	<u>11,020</u>	<u>14,280</u>	<u>145,490</u>
Net carrying amount at 31 December 2015	<u>165,770</u>	<u>8,842</u>	<u>5,339</u>	<u>179,951</u>
Cost				
At 1 January 2014	285,960	19,862	14,901	320,723
Additions	-	-	104	104
Exchange differences	-	-	14	14
At 31 December 2014	<u>285,960</u>	<u>19,862</u>	<u>15,019</u>	<u>320,841</u>
Accumulated depreciation				
At 1 January 2014	109,706	10,456	12,550	132,712
Depreciation charge for the year	5,242	282	767	6,291
Exchange differences	-	-	14	14
At 31 December 2014	<u>114,948</u>	<u>10,738</u>	<u>13,331</u>	<u>139,017</u>
Net carrying amount at 31 December 2014	<u>171,012</u>	<u>9,124</u>	<u>1,688</u>	<u>181,824</u>

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

(a) Buildings and office lots (cont'd.)

Company	Buildings RM'000	Office lots RM'000	Renovations RM'000	Total RM'000
Cost				
At 1 January 2015	285,960	19,862	14,742	320,564
Additions	-	-	4,547	4,547
At 31 December 2015	<u>285,960</u>	<u>19,862</u>	<u>19,289</u>	<u>325,111</u>
Accumulated depreciation				
At 1 January 2015	114,948	10,738	13,074	138,760
Depreciation charge for the year	5,242	282	890	6,414
At 31 December 2015	<u>120,190</u>	<u>11,020</u>	<u>13,964</u>	<u>145,174</u>
Net carrying amount at 31 December 2015	<u>165,770</u>	<u>8,842</u>	<u>5,325</u>	<u>179,937</u>
Cost				
At 1 January 2014	285,960	19,862	14,638	320,460
Additions	-	-	104	104
At 31 December 2014	<u>285,960</u>	<u>19,862</u>	<u>14,742</u>	<u>320,564</u>
Accumulated depreciation				
At 1 January 2014	109,706	10,456	12,316	132,478
Depreciation charge for the year	5,242	282	758	6,282
At 31 December 2014	<u>114,948</u>	<u>10,738</u>	<u>13,074</u>	<u>138,760</u>
Net carrying amount at 31 December 2014	<u>171,012</u>	<u>9,124</u>	<u>1,668</u>	<u>181,804</u>

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13. Computer software

Group	Note	Implemented projects RM'000	Projects-in- progress RM'000	Total RM'000
Cost				
At 1 January 2015		110,594	3,914	114,508
Additions		6,790	612	7,402
Write-offs		(818)	-	(818)
Reclassification		3,914	(3,914)	-
At 31 December 2015		<u>120,480</u>	<u>612</u>	<u>121,092</u>
Accumulated amortisation				
At 1 January 2015		57,386	-	57,386
Amortisation charge for the year	6	11,611	-	11,611
Write-offs		(778)	-	(778)
At 31 December 2015		<u>68,219</u>	<u>-</u>	<u>68,219</u>
Net carrying amount at 31 December 2015				
		<u>52,261</u>	<u>612</u>	<u>52,873</u>
Cost				
At 1 January 2014		107,326	2,261	109,587
Additions		5,639	2,438	8,077
Write-offs		(3,156)	-	(3,156)
Reclassification		785	(785)	-
At 31 December 2014		<u>110,594</u>	<u>3,914</u>	<u>114,508</u>
Accumulated amortisation				
At 1 January 2014		48,183	-	48,183
Amortisation charge for the year	6	12,359	-	12,359
Write-offs		(3,156)	-	(3,156)
At 31 December 2014		<u>57,386</u>	<u>-</u>	<u>57,386</u>
Net carrying amount at 31 December 2014				
		<u>53,208</u>	<u>3,914</u>	<u>57,122</u>

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13. Computer software (cont'd.)

Company	Note	Implemented projects RM'000	Projects-in- progress RM'000	Total RM'000
Cost				
At 1 January 2015		91,179	3,914	95,093
Additions		5,932	612	6,544
Write-offs		(818)	-	(818)
Reclassification		3,914	(3,914)	-
At 31 December 2015		<u>100,207</u>	<u>612</u>	<u>100,819</u>
Accumulated amortisation				
At 1 January 2015		48,959	-	48,959
Amortisation charge for the year	6	10,079	-	10,079
Write-offs		(778)	-	(778)
At 31 December 2015		<u>58,260</u>	<u>-</u>	<u>58,260</u>
Net carrying amount at 31 December 2015				
		<u>41,947</u>	<u>612</u>	<u>42,559</u>
Cost				
At 1 January 2014		88,193	2,261	90,454
Additions		5,357	2,438	7,795
Write-offs		(3,156)	-	(3,156)
Reclassification		785	(785)	-
At 31 December 2014		<u>91,179</u>	<u>3,914</u>	<u>95,093</u>
Accumulated amortisation				
At 1 January 2014		43,116	-	43,116
Amortisation charge for the year	6	8,999	-	8,999
Write-offs		(3,156)	-	(3,156)
At 31 December 2014		<u>48,959</u>	<u>-</u>	<u>48,959</u>
Net carrying amount at 31 December 2014				
		<u>42,220</u>	<u>3,914</u>	<u>46,134</u>

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14. Goodwill

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
At 1 January/31 December	42,957	42,957	29,494	29,494

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

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Securities market	33,273	33,273	29,494	29,494
Derivatives market	9,684	9,684	-	-
	42,957	42,957	29,494	29,494

Key assumptions used in value-in-use calculations

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

(i) Securities market

The recoverable amount of this CGU has been determined based on value-in-use calculations using five-year financial projections. Revenue growth has been capped at 5 per cent per annum (2014: 5 per cent per annum), while expenses have been assumed to grow at an average of 5 per cent per annum (2014: 4 to 5 per cent per annum), which is in line with the expected inflation rate. No revenue and expense growth was projected from the sixth year to perpetuity.

(ii) Derivatives market

The recoverable amount of this CGU has been determined based on value-in-use calculations using five-year financial projections. The anticipated average revenue and expenses growth in the five-year financial projections was at 14 per cent (2014: 15 per cent) and 10 per cent (2014: 10 per cent) respectively, based on the expected developments. No revenue and expense growth was projected from the sixth year to perpetuity.

(iii) Discount rate

A discount rate of 7 per cent (2014: 11 per cent) was applied in determining the recoverable amount of the respective CGU. The discount rate was based on the Group's weighted average cost of capital.

Sensitivity to changes in assumptions

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

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15. Investments in subsidiaries

	Company	
	2015	2014
	RM'000	RM'000
Unquoted shares, at cost	174,183	174,183
Less: Accumulated impairment losses	(22,041)	(22,041)
	<u>152,142</u>	<u>152,142</u>

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

Name of subsidiaries	Proportion of ownership interest		Ordinary paid-up capital as at 31.12.2015 RM'000	Principal activities
	2015	2014		
	%	%		
Bursa Malaysia Securities Berhad ("Bursa Malaysia Securities")	100	100	25,000	Provide, operate and maintain a securities exchange.
Bursa Malaysia Derivatives Berhad ("Bursa Malaysia Derivatives")	75	75	50,000	Provide, operate and maintain a derivatives exchange.
Labuan International Financial Exchange Inc. ("LFX")*	100	100	5,500 (in USD'000)	Provide, operate and maintain an offshore financial exchange.
Bursa Malaysia Securities Clearing Sdn. Bhd. ("Bursa Malaysia Securities Clearing")	100	100	50,000	Provide, operate and maintain a clearing house for the securities exchange.
Bursa Malaysia Depository Sdn. Bhd. ("Bursa Malaysia Depository")	100	100	25,000	Provide, operate and maintain a central depository for securities listed on the securities exchange.
Bursa Malaysia Information Sdn. Bhd. ("Bursa Malaysia Information")	100	100	250	Compile, provide and disseminate prices and other information relating to securities quoted on the securities and derivatives exchanges within the Group, as well as data reported from the bond platform.

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15. Investments in subsidiaries (cont'd.)

Name of subsidiaries	Proportion of ownership interest		Ordinary paid-up capital as at 31.12.2015 RM'000	Principal activities
	2015 %	2014 %		
Bursa Malaysia Bonds Sdn. Bhd. ("Bursa Malaysia Bonds")	100	100	2,600	Provide, operate and maintain an electronic trading platform for the bond market.
Bursa Malaysia Islamic Services Sdn. Bhd. ("Bursa Malaysia Islamic Services")	100	100	2,600	Provide, operate and maintain a Shari'ah compliant commodity trading platform.
Subsidiary held through Bursa Malaysia Depository				
Bursa Malaysia Depository Nominees Sdn. Bhd. ("Bursa Malaysia Depository Nominees")	100	100	~	Act as a nominee for Bursa Malaysia Depository and receive securities on deposit or for safe-custody or management.
Subsidiary held through Bursa Malaysia Derivatives				
Bursa Malaysia Derivatives Clearing Berhad ("Bursa Malaysia Derivatives Clearing")	75	75	20,000	Provide, operate and maintain a clearing house for the derivatives exchange.

* Incorporated in the Federal Territory of Labuan, Malaysia.

~ Denotes RM2.

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

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15. Investments in subsidiaries (cont'd.)

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

(a) Summarised consolidated statement of financial position

	2015	2014
	RM'000	RM'000
Assets		
Non-current assets	15,964	17,142
Current assets	1,179,342	800,327
Total assets	<u>1,195,306</u>	<u>817,469</u>
Equity attributable to owners of the Company	<u>69,070</u>	<u>61,005</u>
Liabilities		
Non-current liabilities	3,628	4,165
Current liabilities	1,122,608	752,299
Total liabilities	<u>1,126,236</u>	<u>756,464</u>
Total equity and liabilities	<u>1,195,306</u>	<u>817,469</u>

(b) Summarised consolidated income statement

	2015	2014
	RM'000	RM'000
Revenue	102,176	89,664
Expenses	(60,154)	(58,400)
Profit for the year	<u>31,367</u>	<u>23,183</u>
Dividends paid to non-controlling interest	<u>5,825</u>	<u>8,125</u>

(c) Summarised consolidated statement of cash flows

	2015	2014
	RM'000	RM'000
Net cash from operating activities	31,156	26,500
Net cash from investing activities	521	1,651
Net cash used in financing activities	<u>(23,460)</u>	<u>(46,547)</u>
Net increase/(decrease) in cash and cash equivalents	8,217	(18,396)
Cash and cash equivalents at the beginning of year	<u>53,776</u>	<u>72,172</u>
Cash and cash equivalents at the end of year	<u>61,993</u>	<u>53,776</u>

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

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16. Investment securities

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Non-current				
AFS financial assets				
- Shares (quoted outside Malaysia)	148,667	118,631	148,667	118,631
- Bonds (unquoted)	54,734	69,818	-	-
	<u>203,401</u>	<u>188,449</u>	<u>148,667</u>	<u>118,631</u>
Current				
AFS financial assets				
- Bonds (unquoted)	30,048	37,014	-	27,026
HTM investment				
- Commercial papers	-	4,902	-	4,902
	<u>30,048</u>	<u>41,916</u>	<u>-</u>	<u>31,928</u>
Total investment securities	<u>233,449</u>	<u>230,365</u>	<u>148,667</u>	<u>150,559</u>

17. Staff loans receivable

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Housing loans	4,915	6,555	4,377	5,964
Vehicle loans	43	57	43	57
Computer loans	68	59	66	57
	<u>5,026</u>	<u>6,671</u>	<u>4,486</u>	<u>6,078</u>
Less: Portion within 12 months, included in other receivables (Note 20)	(634)	(752)	(554)	(677)
	<u>4,392</u>	<u>5,919</u>	<u>3,932</u>	<u>5,401</u>

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18. Deferred tax assets/(liabilities)

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
At 1 January	(4,476)	(11,244)	(5,261)	(9,388)
Recognised in income statements (Note 9)	3,265	7,177	4,111	4,562
Recognised in other comprehensive income	185	(409)	183	(435)
At 31 December	<u>(1,026)</u>	<u>(4,476)</u>	<u>(967)</u>	<u>(5,261)</u>

Presented after appropriate offsetting as follows:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Deferred tax assets (before offsetting)	21,033	20,677	18,656	16,942
Offsetting	<u>(18,726)</u>	<u>(17,004)</u>	<u>(18,656)</u>	<u>(16,942)</u>
Deferred tax assets (after offsetting)	<u>2,307</u>	<u>3,673</u>	<u>-</u>	<u>-</u>
Deferred tax liabilities (before offsetting)	(22,059)	(25,153)	(19,623)	(22,203)
Offsetting	<u>18,726</u>	<u>17,004</u>	<u>18,656</u>	<u>16,942</u>
Deferred tax liabilities (after offsetting)	<u>(3,333)</u>	<u>(8,149)</u>	<u>(967)</u>	<u>(5,261)</u>
	<u>(1,026)</u>	<u>(4,476)</u>	<u>(967)</u>	<u>(5,261)</u>

Deferred tax assets of the Group:

	Provision for retirement benefits RM'000	Other provisions and payables RM'000	Allowance		Unused capital allowances RM'000	Unutilised tax losses RM'000	Total RM'000
			for impairment of receivables RM'000	Depreciation in excess of capital allowances RM'000			
At 1 January							
2015	6,651	7,742	19	47	4,632	1,586	20,677
Recognised in income statements	(552)	815	(8)	(3)	1,184	(1,248)	188
Recognised in other comprehensive income	168	-	-	-	-	-	168
At 31 December							
2015	<u>6,267</u>	<u>8,557</u>	<u>11</u>	<u>44</u>	<u>5,816</u>	<u>338</u>	<u>21,033</u>

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

Deferred tax assets of the Group: (cont'd.)

	Provision for retirement benefits RM'000	Other provisions and payables RM'000	Allowance for impairment of receivables RM'000	Depreciation in excess of capital allowances RM'000	Unused capital allowances RM'000	Unutilised tax losses RM'000	Total RM'000
At 1 January 2014	7,236	8,401	10	42	3,321	-	19,010
Recognised in income statements	(134)	(659)	9	5	1,311	1,586	2,118
Recognised in other comprehensive income	(451)	-	-	-	-	-	(451)
At 31 December 2014	6,651	7,742	19	47	4,632	1,586	20,677

Deferred tax assets of the Company:

	Provision for retirement benefits RM'000	Other provisions and payables RM'000	Allowance for impairment of receivables RM'000	Depreciation in excess of capital allowances RM'000	Unused capital allowances RM'000	Unutilised tax losses RM'000	Total RM'000
At 1 January 2015	6,651	5,606	11	42	4,632	-	16,942
Recognised in income statements	(552)	580	-	(4)	1,184	338	1,546
Recognised in other comprehensive income	168	-	-	-	-	-	168
At 31 December 2015	6,267	6,186	11	38	5,816	338	18,656

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

Deferred tax assets of the Company: (cont'd.)

	Provision for retirement benefits RM'000	Other provisions and payables RM'000	Allowance for impairment of receivables RM'000	Depreciation in excess of capital allowances RM'000	Unused capital allowances RM'000	Total RM'000
At 1 January 2014	7,237	6,471	11	37	3,321	17,077
Recognised in income statements	(135)	(865)	-	5	1,311	316
Recognised in other comprehensive income	(451)	-	-	-	-	(451)
At 31 December 2014	6,651	5,606	11	42	4,632	16,942

Deferred tax liabilities of the Group:

	Accelerated capital allowances RM'000	AFS investments RM'000	Total RM'000
At 1 January 2015	(24,992)	(161)	(25,153)
Recognised in income statements	3,031	46	3,077
Recognised in other comprehensive income	-	17	17
At 31 December 2015	(21,961)	(98)	(22,059)
At 1 January 2014	(30,032)	(222)	(30,254)
Recognised in income statements	5,040	19	5,059
Recognised in other comprehensive income	-	42	42
At 31 December 2014	(24,992)	(161)	(25,153)

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

Deferred tax liabilities of the Company:

	Accelerated capital allowances RM'000	AFS investments RM'000	Total RM'000
At 1 January 2015	(22,145)	(58)	(22,203)
Recognised in income statements	2,522	43	2,565
Recognised in other comprehensive income	-	15	15
At 31 December 2015	<u>(19,623)</u>	<u>-</u>	<u>(19,623)</u>
At 1 January 2014	(26,378)	(87)	(26,465)
Recognised in income statements	4,233	13	4,246
Recognised in other comprehensive income	-	16	16
At 31 December 2014	<u>(22,145)</u>	<u>(58)</u>	<u>(22,203)</u>

As at the financial year end, the Group has unutilised tax losses of RM8,152,000 (2014: RM8,149,000), which is not recognised in the financial statements as it is not probable that there is sufficient taxable profits in the subsidiary in which the losses occur for these to be utilised. The availability of unutilised tax losses for offsetting against future taxable profits of the respective subsidiaries in Malaysia is subject to no substantial changes in the shareholding of the respective subsidiaries under the Income Tax Act, 1967 and guidelines issued by the tax authority.

19. Trade receivables

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Trade receivables	49,406	41,677	2,018	1,196
Less: Allowance for impairment	(732)	(388)	(258)	(258)
	<u>48,674</u>	<u>41,289</u>	<u>1,760</u>	<u>938</u>

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20. Other receivables

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Deposits	738	735	616	613
Prepayments	7,746	7,472	7,620	7,048
Interest receivables	5,114	3,759	856	698
Staff loans receivable within 12 months (Note 17)	634	752	554	677
Sundry receivables	14,869	10,962	11,021	7,065
	<u>29,101</u>	<u>23,680</u>	<u>20,667</u>	<u>16,101</u>
Less: Allowance for impairment	(6,059)	(6,268)	(2,411)	(2,584)
	<u>23,042</u>	<u>17,412</u>	<u>18,256</u>	<u>13,517</u>

21. Related company balances

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

22. Cash for trading margins, security deposits and eDividend distributions

	Group	
	2015	2014
	RM'000	RM'000
Trading margins	1,050,155	700,012
Security deposits	33,731	15,803
Trade payables (Note c)	<u>1,083,886</u>	<u>715,815</u>
Cash received for eDividend distributions (included in other payables (Note 30))	<u>3,640</u>	<u>1,318</u>
Total cash for trading margins, security deposits, and eDividend distributions (Note a)	<u>1,087,526</u>	<u>717,133</u>

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22. Cash for trading margins, security deposits and eDividend distributions (cont'd.)

Note a

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

	Group	
	2015	2014
	RM'000	RM'000
Cash on hand and at banks	286,709	125,418
Deposits with licensed financial institutions	800,817	591,715
	<u>1,087,526</u>	<u>717,133</u>

Note b

The amount of non-cash collaterals for trading margins, security deposits and Securities Borrowing and Lending ("SBL") collaterals held by, but not belonging to, the Group and which are not included in the Group's statement of financial position as at the financial year end comprise the following:

	Group	
	2015	2014
	RM'000	RM'000
Collaterals in the form of letters of credit	669,057	494,115
Collaterals in the form of shares	7,179	6,220
	<u>676,236</u>	<u>500,335</u>

Note c

Trade payables comprise trading margins and security deposits which are derived from cash received from CPs of Bursa Malaysia Derivatives Clearing for their open interests in derivatives contracts as at the financial year end.

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23. Cash and bank balances of Clearing Funds

Group	Participants' contribution RM'000	Cash set aside by the Group RM'000	Total RM'000
Contributions from:			
TCPs of Bursa Malaysia Securities Clearing	12,911	-	12,911
Bursa Malaysia Securities Clearing	-	25,000	25,000
Additional cash resources from			
Bursa Malaysia Securities Clearing	-	60,000	60,000
Clearing Guarantee Fund ("CGF") contributions	12,911	85,000	97,911
Contributions from:			
CPs of Bursa Malaysia Derivatives Clearing	22,657	-	22,657
Bursa Malaysia Derivatives Clearing	-	5,000	5,000
Derivatives Clearing Fund ("DCF") contributions	22,657	5,000	27,657
Total cash and bank balances of Clearing Funds as at 31 December 2015	35,568	90,000	125,568
Contributions from:			
TCPs of Bursa Malaysia Securities Clearing	13,832	-	13,832
Bursa Malaysia Securities Clearing	-	25,000	25,000
Additional cash resources from			
Bursa Malaysia Securities Clearing	-	60,000	60,000
Clearing Guarantee Fund ("CGF") contributions	13,832	85,000	98,832
Contributions from:			
CPs of Bursa Malaysia Derivatives Clearing	22,429	-	22,429
Bursa Malaysia Derivatives Clearing	-	5,000	5,000
Derivatives Clearing Fund ("DCF") contributions	22,429	5,000	27,429
Total cash and bank balances of Clearing Funds as at 31 December 2014	36,261	90,000	126,261

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23. Cash and bank balances of Clearing Funds (cont'd.)

- (i) As at the financial year end, the total cash and non-cash components of the CGF are as follows:

	2015 RM'000	2014 RM'000
Cash and bank balances	97,911	98,832
Bank guarantees from TCPs of Bursa Malaysia Securities Clearing	<u>4,547</u>	<u>4,496</u>
Total CGF	<u>102,458</u>	<u>103,328</u>

- (ii) There are no non-cash collaterals from CPs of Bursa Malaysia Derivatives Clearing for DCF held by the Group as at 31 December 2015 and 31 December 2014.

24. Cash and bank balances

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Cash on hand and at banks	<u>5,143</u>	<u>4,068</u>	<u>1,012</u>	<u>621</u>
Deposits with:				
Licensed banks	252,010	190,571	95,372	53,121
Licensed investment banks	<u>13,973</u>	<u>19,728</u>	<u>7,427</u>	<u>2,909</u>
	<u>265,983</u>	<u>210,299</u>	<u>102,799</u>	<u>56,030</u>
Total cash and bank balances	<u>271,126</u>	<u>214,367</u>	<u>103,811</u>	<u>56,651</u>

- (i) Included in the Group's and the Company's cash and bank balances is an amount of RM182,000 (2014: RM1,668,000) set aside to meet or secure the claims of creditors and certain lease payments pursuant to a High Court order issued in relation to the reduction of capital of the Company on 27 January 2005.
- (ii) For the purpose of the statements of cash flows, cash and cash equivalents comprise the following as at the end of the financial year:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Total cash and bank balances	271,126	214,367	103,811	56,651
Less: Deposits not for short-term funding requirements	<u>(7,068)</u>	<u>-</u>	<u>(12,886)</u>	<u>-</u>
	<u>264,058</u>	<u>214,367</u>	<u>90,925</u>	<u>56,651</u>

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25. Share capital

	Number of ordinary shares of RM0.50 each		Amount	
	2015 '000	2014 '000	2015 RM'000	2014 RM'000
Authorised				
At 1 January/31 December	<u>2,000,000</u>	<u>2,000,000</u>	<u>1,000,000</u>	<u>1,000,000</u>
Issued and fully paid				
At 1 January	533,520	532,612	266,760	266,306
Issued during the year pursuant to SGP (Note 28(b))	<u>1,094</u>	<u>908</u>	<u>547</u>	<u>454</u>
At 31 December	<u>534,614</u>	<u>533,520</u>	<u>267,307</u>	<u>266,760</u>

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

26. Other reserves

	Note	Group		Company	
		2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Capital redemption reserve	(a)	5,250	5,250	-	-
Foreign currency translation reserve	(b)	710	204	-	-
Share grant reserve	(c)	10,049	7,496	10,049	7,496
Clearing fund reserves	(d)	30,000	30,000	-	-
AFS reserve	(e)	<u>63,866</u>	<u>33,708</u>	<u>64,177</u>	<u>34,018</u>
		<u>109,875</u>	<u>76,658</u>	<u>74,226</u>	<u>41,514</u>

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26. Other reserves (cont'd.)

(a) Capital redemption reserve

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

	Group	
	2015	2014
	RM'000	RM'000
Bursa Malaysia Depository	5,000	5,000
Bursa Malaysia Securities	250	250
	<u>5,250</u>	<u>5,250</u>

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

(b) Foreign currency translation reserve

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

(c) Share grant reserve

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

(d) Clearing fund reserves

	Note	Group	
		2015	2014
		RM'000	RM'000
Amount set aside for:			
CGF, in accordance with Rules of Bursa Malaysia Securities Clearing	(i)	25,000	25,000
DCF, in accordance with Rules of Bursa Malaysia Derivatives Clearing	(ii)	5,000	5,000
		<u>30,000</u>	<u>30,000</u>

(i) CGF reserve

The CGF reserve is an amount set aside following the implementation of the CGF. The quantum of the CGF was set at RM100,000,000 and may increase by the quantum of interest arising from investments of the fixed contributions from TCPs. The CGF comprises contributions from TCPs and appropriation from Bursa Malaysia Securities Clearing resources, and other financial resources. The CGF composition is disclosed in Note 23(i).

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26. Other reserves (cont'd.)

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

(ii) DCF reserve

Pursuant to the Rules of Bursa Malaysia Derivatives Clearing, Bursa Malaysia Derivatives Clearing set up a DCF for derivatives clearing and settlement. The DCF comprises contributions from CPs and appropriation of certain amounts from Bursa Malaysia Derivatives Clearing's retained earnings. The DCF composition is disclosed in Note 23.

(e) AFS reserve

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

27. Retained earnings

The Company is able to distribute dividends out of its entire retained earnings under the single-tier system.

28. Employee benefits

(a) Retirement benefit obligations

Contributions to the Scheme are made to a separately administered fund. Under the Scheme, eligible employees are entitled to a lump sum, upon leaving service, calculated based on the multiplication of two times the Final Scheme Salary, Pensionable Service and a variable factor based on service years, less EPF offset.

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

	Group and Company	
	2015	2014
	RM'000	RM'000
Present value of funded defined benefit obligations	26,959	27,943
Fair value of plan assets	(847)	(1,338)
Net liability arising from defined benefit obligations	<u>26,112</u>	<u>26,605</u>

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28. Employee benefits (cont'd.)

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

The movements in the net liability were as follows:

	Note	Group and Company		
		Present value of funded defined benefit obligations	Fair value of plan assets	Total
		RM'000	RM'000	RM'000
At 1 January 2015		27,943	(1,338)	26,605
Interest expense/(income)	5	1,439	(70)	1,369
		<u>29,382</u>	<u>(1,408)</u>	<u>27,974</u>
Remeasurements:				
Return on plan assets		-	61	61
Experience loss		823	-	823
		<u>823</u>	<u>61</u>	<u>884</u>
Contributions by employer		-	(375)	(375)
Payments from plan		(3,246)	875	(2,371)
At 31 December 2015		<u>26,959</u>	<u>(847)</u>	<u>26,112</u>
At 1 January 2014		30,440	(1,490)	28,950
Interest expense/(income)	5	1,488	(74)	1,414
		<u>31,928</u>	<u>(1,564)</u>	<u>30,364</u>
Remeasurements:				
Return on plan assets		-	57	57
Experience gain		(1,459)	-	(1,459)
Actuarial changes arising from changes in financial and demographic assumptions		(404)	-	(404)
		<u>(1,863)</u>	<u>57</u>	<u>(1,806)</u>
Contributions by employer		-	(1,774)	(1,774)
Payments from plan		(2,122)	1,943	(179)
At 31 December 2014		<u>27,943</u>	<u>(1,338)</u>	<u>26,605</u>

The plan assets comprise the following:

	Group and Company	
	2015	2014
	%	%
Malaysian Government Securities	95	47
Cash and fixed deposits	5	53
	<u>5</u>	<u>53</u>

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(Incorporated in Malaysia)**

28. Employee benefits (cont'd.)

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

Principal actuarial assumptions used:

	Group and Company	
	2015	2014
	%	%
Discount rate	5.3	5.3
Expected rate of salary increase	5.0	5.0

The discount rate is determined based on the values of AA rated corporate bond yields with 3 to 15 years of maturity.

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

	Group and Company			
	Discount rate		Expected salary growth	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
	RM'000	RM'000	RM'000	RM'000
At 31 December 2015				
(Decrease)/increase in defined benefit obligations	(1,388)	1,508	1,417	(1,333)
At 31 December 2014				
(Decrease)/increase in defined benefit obligations	(1,547)	1,689	1,747	(1,631)

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

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

(b) SGP

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

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

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28. Employee benefits (cont'd.)

(b) SGP (cont'd.)

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

- (i) The Committee (appointed by the Board of Directors to administer the SGP) may, at its discretion where necessary, direct the implementation and administration of the plan. The Committee may at any time within the duration of the plan, offer RSP and PSP awards under the SGP to eligible employees and/or Executive Directors of the Group, wherein such offer shall lapse should the eligible employees or Executive Directors of the Group fail to accept within the period stipulated.
- (ii) To facilitate the implementation of the SGP, a Trust to be administered in accordance to the Trust Deed by the Trustee appointed by the Company was established. The Trustee shall subscribe for new ordinary shares of RM0.50 each in the Company and transfer the shares to eligible employees and/or Executive Directors of the Group participating in the SGP. The Trustee will obtain financial funding from the Company and/or its subsidiaries and/or third parties for purposes of administering the Trust.
- (iii) The total number of shares to be issued under the SGP shall not exceed, in aggregate, 10% of the issued and paid-up share capital (excluding treasury shares) of the Company at any point of time during the tenure of the SGP and out of which not more than 50% of the maximum shares available shall be allocated, in aggregate, to Executive Directors and senior management of the Group. In addition, not more than 10% of the maximum shares available under the SGP shall be allocated to any individual employee or Executive Director who, either individually or collectively through persons connected with him/her, holds 20% or more in the issued and paid-up capital of the Company.
- (iv) All new ordinary shares issued pursuant to the SGP will rank pari passu in all respects with the then existing ordinary shares of the Company, except that the new ordinary shares so issued will not be entitled to any rights, dividends or other distributions declared, made or paid to shareholders prior to the date of allotment of such new ordinary shares, and will be subject to all the provisions of the Articles of Association of the Company relating to transfer, transmission or otherwise.
- (v) The shares granted will only be vested to the eligible employees and/or Executive Directors of the Group who have duly accepted the offer of awards under the SGP, on their respective vesting dates, provided the following vesting conditions are fully and duly satisfied:
 - Eligible employees and/or Executive Directors of the Group must remain in employment with the Group and shall not have given notice of resignation or received notice of termination of service as at the vesting dates.
 - In respect of the PSP, eligible employees and/or Executive Directors of the Group having achieved his/her performance targets as stipulated by the Committee and as set out in their offer of awards.

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28. Employee benefits (cont'd.)

(b) SGP (cont'd.)

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

	←	Movements during the year			→
	At 1 January	Granted	Vested	Forfeited	At 31 December
	'000	'000	'000	'000	'000
2015					
2012 grants:					
RSP	148	-	(146)	(2)	-
PSP	216	-	-	(216)	-
2013 grants:					
RSP	661	-	(321)	(30)	310
PSP	440	-	-	(24)	416
2014 grants:					
RSP	1,183	-	(377)	(65)	741
PSP	450	-	-	(24)	426
2015 grants:					
RSP	-	1,369	(250)	(23)	1,096
PSP	-	465	-	(24)	441
	3,098	1,834	(1,094)	(408)	3,430
2014					
2011 grant:					
RSP	140	-	(135)	(5)	-
2012 grants:					
RSP	331	-	(167)	(16)	148
PSP	224	-	-	(8)	216
2013 grants:					
RSP	1,096	-	(356)	(79)	661
PSP	475	-	-	(35)	440
2014 grants:					
RSP	-	1,478	(250)	(45)	1,183
PSP	-	450	-	-	450
	2,266	1,928	(908)	(188)	3,098

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28. Employee benefits (cont'd.)

(b) SGP (cont'd.)

As disclosed in Note 25, share grants vested during the financial year resulted in the issuance of 1,094,000 (2014: 908,000) ordinary shares of RM0.50 each. The weighted average share price at the date of vesting for the financial year was RM7.24 (2014: RM7.87).

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

- (i) The 2013 grant is to be vested within the next year.
- (ii) The 2014 grants are to be vested within the next 2 years.
- (iii) The 2015 grants are to be vested within the next 3 years.

Fair value of shares granted during the financial year

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

- (i) The fair value of RSP shares granted during the year was estimated using a discounted cash flow model, taking into account the vesting conditions upon which the RSP shares were granted. The weighted average share price at the grant date was RM8.27 (2014: RM7.76). An average expected dividend yield of 5.3 per cent (2014: 5.5 per cent) was used in measuring the fair values.
- (ii) The performance conditions for the PSP include a non-market based hurdle and a market based hurdle. The non-market based hurdle is valued using a discounted cash flow model while the market based hurdle uses assumptions underlying the Black-Scholes methodology to produce a Monte-Carlo simulation. The key assumptions used in these models are as follows:

	2015	2014
Share price	RM8.20	RM7.80
Expected dividend yield	4.9%	5.0%
Expected volatility	16.0%	18.0%
Risk free rate	3.3%	3.5%

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29. Deferred grants

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
At 1 January	5,193	7,768	3,876	4,779
Grant income (Note 4)	(1,281)	(2,750)	(1,253)	(1,078)
Received during the year	175	175	175	175
At 31 December	<u>4,087</u>	<u>5,193</u>	<u>2,798</u>	<u>3,876</u>

The deferred grants of the Group refer to grants for the development of the bond trading platform, the development of clearing facilities and the licence for the order management system for the derivatives market, and the construction of an Environmental, Social and Governance ("ESG") index. The deferred grants of the Company refers to the grant for the development of the bond trading platform and the construction of an ESG index. There are no unutilised conditions or contingencies attached to these grants.

30. Other payables

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Accruals	17,783	18,679	11,110	12,577
Amount due to Securities Commission	6,386	5,187	-	-
Capital Market Education and Integrity Fund ("CMEIF")	21,871	20,424	21,722	20,424
Provision for employee benefits	27,940	24,377	25,425	22,171
Receipts in advance	7,889	3,743	541	676
Sundry payables	25,428	21,122	8,866	7,101
	<u>107,297</u>	<u>93,532</u>	<u>67,664</u>	<u>62,949</u>

Included in sundry payables of the Group is cash received for eDividend distributions amounting to RM3,640,000 (2014: RM1,318,000).

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31. Bursa Malaysia Depository Sdn. Bhd. - Compensation Fund ("Depository - CF")

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

The net assets of the fund are as follows:

	2015	2014
	RM'000	RM'000
Depository - CF	<u>50,000</u>	<u>50,000</u>

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

32. Operating lease arrangements

(a) The Group and Company as lessee of land

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

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

	Group and Company	
	2015	2014
	RM'000	RM'000
Not later than one year	539	539
Later than one year and not later than five years	2,155	2,155
Later than five years	<u>38,640</u>	<u>39,179</u>
	<u>41,334</u>	<u>41,873</u>

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

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32. Operating lease arrangements (cont'd.)

(b) The Group and Company as lessee of equipment

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

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

	Group and Company	
	2015	2014
	RM'000	RM'000
Not later than one year	152	152
Later than one year and not later than two years	126	278
	<u>278</u>	<u>430</u>

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

(c) The Group and Company as lessor of building

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

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

	Group and Company	
	2015	2014
	RM'000	RM'000
Not later than one year	5,333	5,509
Later than one year and not later than two years	5,235	2,597
Later than two years and not later than five years	7,669	14
	<u>18,237</u>	<u>8,120</u>

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

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32. Operating lease arrangements (cont'd.)

(d) The Company as lessor of building

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

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

	Company	
	2015	2014
	RM'000	RM'000
Not later than one year	4,607	4,607
Later than one year and not later than two years	3,504	4,607
Later than two years but not later than five years	10,513	10,513
	<u>18,624</u>	<u>19,727</u>

The lease rental for the current financial year is disclosed in Notes 3 and 34(a).

(e) The Company as lessor of equipment

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

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

	Company	
	2015	2014
	RM'000	RM'000
Not later than one year	15,077	14,917
Later than one year and not later than five years	39,947	43,689
Later than five years	7,883	10,347
	<u>62,907</u>	<u>68,953</u>

The lease rental for the current financial year is disclosed in Notes 3 and 34(a).

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33. Capital commitments

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Approved and contracted for				
Computers and office automation	1,399	4,077	1,247	3,771
Renovations	1,152	220	1,152	220
Office equipment	78	16	78	16
	<u>2,629</u>	<u>4,313</u>	<u>2,477</u>	<u>4,007</u>
Approved but not contracted for				
Computers and office automation	3,934	2,626	3,934	2,626
Renovations	1,148	-	1,148	-
	<u>5,082</u>	<u>2,626</u>	<u>5,082</u>	<u>2,626</u>

34. Significant related party disclosures

(a) Transactions with subsidiaries

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

	2015	2014
	RM'000	RM'000
Management fees income from:		
Bursa Malaysia Securities	76,594	76,575
Bursa Malaysia Derivatives	10,126	10,410
Bursa Malaysia Securities Clearing	8,278	7,405
Bursa Malaysia Derivatives Clearing	3,206	2,964
Bursa Malaysia Depository	17,930	17,812
Bursa Malaysia Information	5,213	5,173
Bursa Malaysia Islamic Services	6,547	5,499
Bursa Malaysia Bonds	2	2
LFX	15	15
	<u>127,911</u>	<u>125,855</u>

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

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

	2015	2014
	RM'000	RM'000
Office space rental income from:		
Bursa Malaysia Securities	1,682	1,682
Bursa Malaysia Derivatives	1,103	1,103
Bursa Malaysia Securities Clearing	275	275
Bursa Malaysia Depository	1,062	1,062
Bursa Malaysia Information	287	287
Bursa Malaysia Islamic Services	198	198
	<u>4,607</u>	<u>4,607</u>
Lease rental income from:		
Bursa Malaysia Securities	8,376	7,518
Bursa Malaysia Derivatives	836	780
Bursa Malaysia Securities Clearing	1,251	1,024
Bursa Malaysia Derivatives Clearing	200	173
Bursa Malaysia Depository	966	1,037
Bursa Malaysia Information	146	153
Bursa Malaysia Islamic Services	981	1,195
	<u>12,756</u>	<u>11,880</u>
Dividend income from:		
Bursa Malaysia Securities	78,000	78,500
Bursa Malaysia Derivatives	17,636	24,634
Bursa Malaysia Securities Clearing	58,100	35,000
Bursa Malaysia Depository	41,900	43,200
Bursa Malaysia Information	16,300	13,800
	<u>211,936</u>	<u>195,134</u>

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

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

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

(b) Transactions with other related parties

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

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

(b) Transactions with other related parties (cont'd.)

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

(c) Compensation of key management personnel

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

	Group and Company	
	2015	2014
	RM'000	RM'000
Short term employee benefits	10,123	9,940
Contributions to defined contribution plan - EPF	1,170	1,106
SGP	3,459	2,954
	<u>14,752</u>	<u>14,000</u>

Included in total remuneration of key management personnel are:

	Group and Company	
	2015	2014
	RM'000	RM'000
Executive Director's remuneration (Note 8)	5,739	5,691
Benefits-in-kind (Note 8)	35	35
	<u>5,774</u>	<u>5,726</u>

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

	Group and Company	
	2015	2014
	'000	'000
At 1 January	945	604
Granted	630	732
Vested	(360)	(326)
Forfeited	(240)	(65)
At 31 December	<u>975</u>	<u>945</u>

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35. Contingent liability

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

36. Financial risk management objectives and policies

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

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

(a) Market risk: Equity price risk

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

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

An increase/decrease of 1 per cent (2014: 1 per cent) in the quoted price of the instrument would result in an increase/decrease in equity of RM1,487,000 (2014: RM1,186,000).

(b) Market risk: Interest rate risk

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

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

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

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

Interest rate risk sensitivity

The following table demonstrates the sensitivity of the Group's and the Company's profit after tax and equity to a 25 basis points (2014: 25 basis points) increase/decrease in interest rates with all other variables held constant:

	Group		Company	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
Effects on profit after tax if:				
- increase by 25 basis points	668	564	193	105
- decrease by 25 basis points	(668)	(564)	(193)	(105)
Effects on equity if:				
- increase by 25 basis points	(409)	(37)	(193)	(163)
- decrease by 25 basis points	409	37	193	163

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

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

Interest rate risk exposure

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

	Maturity			Total RM'000	Effective interest rate %
	Less than one year RM'000	One to five years RM'000	More than five years RM'000		
Group					
At 31 December 2015					
Investment securities	30,048	54,734	-	84,782	4.41
Deposits with licensed financial institutions:					
Cash set aside by the Group for Clearing Funds	90,000	-	-	90,000	4.10
Cash and bank balances	265,983	-	-	265,983	4.10

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

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

Interest rate risk exposure (cont'd.)

	Maturity			Total RM'000	Effective interest rate %
	Less than one year RM'000	One to five years RM'000	More than five years RM'000		
Group					
At 31 December 2014					
Investment securities	14,908	75,055	21,771	111,734	4.58
Deposits with licensed financial institutions:					
Cash set aside by the Group for Clearing Funds	90,000	-	-	90,000	3.88
Cash and bank balances	210,299	-	-	210,299	3.77
Company					
At 31 December 2015					
Deposits with licensed financial institutions:					
Cash and bank balances	102,799	-	-	102,799	4.14
At 31 December 2014					
Investment securities	4,920	10,222	16,786	31,928	5.08
Deposits with licensed financial institutions:					
Cash and bank balances	56,030	-	-	56,030	3.84

(c) Market risk: Foreign currency risk

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

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

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

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

	2015		2014	
	USD RM'000	SGD RM'000	USD RM'000	SGD RM'000
Group				
Financial assets				
Investment securities - shares quoted outside Malaysia	148,667	-	118,631	-
Trade receivables	535	-	881	-
	<u>149,202</u>	<u>-</u>	<u>119,512</u>	<u>-</u>
Financial liabilities				
Other payables	<u>4,973</u>	<u>-</u>	<u>5,067</u>	<u>64</u>
Company				
Financial assets				
Investment securities - shares quoted outside Malaysia	<u>148,667</u>	<u>-</u>	<u>118,631</u>	<u>-</u>
Financial liabilities				
Other payables	<u>173</u>	<u>-</u>	<u>-</u>	<u>64</u>

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

	USD RM'000	JPY RM'000	Total RM'000
Group			
At 31 December 2015			
Financial assets			
Cash for trading margins and security deposits	275,218	5,705	280,923
Financial liabilities			
Trade payables	<u>(275,218)</u>	<u>(5,705)</u>	<u>(280,923)</u>
	<u>-</u>	<u>-</u>	<u>-</u>

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

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

	USD RM'000	SGD RM'000	JPY RM'000	Total RM'000
Group				
At 31 December 2014				
Financial assets				
Cash for trading margins and security deposits	165,937	892	4,643	171,472
Financial liabilities				
Trade payables	(165,937)	(892)	(4,643)	(171,472)
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

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

	Group		Company	
	Profit after tax RM'000	Equity RM'000	Profit after tax RM'000	Equity RM'000
At 31 December 2015				
USD - strengthens by 5 per cent against RM	<u>(166)</u>	<u>7,267</u>	<u>(6)</u>	<u>7,427</u>
At 31 December 2014				
USD - strengthens by 5 per cent against RM	(157)	5,775	-	5,932
EUR - strengthens by 5 per cent against RM	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>	<u>(2)</u>

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

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

(d) Liquidity risk

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

(i) Liabilities related risk

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

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

	On demand RM'000	Maturity Less than three months RM'000	Three to twelve months RM'000	Total RM'000
Group				
At 31 December 2015				
Current liabilities				
Other payables which are financial liabilities	14,839	16,549	426	31,814
At 31 December 2014				
Current liabilities				
Other payables which are financial liabilities	11,782	13,804	723	26,309
Company				
At 31 December 2015				
Current liabilities				
Other payables which are financial liabilities	3,446	4,993	427	8,866
At 31 December 2014				
Current liabilities				
Other payables which are financial liabilities	3,137	3,241	723	7,101

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

(d) Liquidity risk (cont'd.)

(ii) Clearing and settlement related risk

The clearing house subsidiaries of the Group acts as a counterparty to eligible trades concluded on the securities and derivatives markets through the novation of obligations of the buyers and sellers. The Group mitigates this exposure by establishing financial criteria for admission as participants, monitoring participants' position limits and requiring that margins and collaterals on outstanding positions be placed with the clearing houses. CGF and DCF, as disclosed in Note 26(d), were set up to further mitigate this risk.

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

Group	Note	On demand	
		2015	2014
		RM'000	RM'000
Current assets			
Cash for trading margins and security deposits	22	1,083,886	715,815
Cash and bank balances of Clearing Funds: Participants' contribution	23	35,568	36,261
Current liabilities			
Trade payables		(1,083,886)	(715,815)
Participants' contribution to Clearing Funds		(35,568)	(36,261)
		-	-

(e) Credit risk

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

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

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

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

(e) Credit risk (cont'd.)

Investment securities and cash and bank balances

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

Group	← Counterparty risk ratings →				Total RM'000
	P1 RM'000	AAA RM'000	AA RM'000	A RM'000	
At 31 December 2015					
AFS financial assets					
- unquoted bonds	-	10,019	74,763	-	84,782
Cash and bank balances *	-	757,649	664,844	61,727	1,484,220
At 31 December 2014					
AFS financial assets					
- unquoted bonds	-	9,976	96,856	-	106,832
HTM investment					
- commercial papers	4,902	-	-	-	4,902
Cash and bank balances *	-	640,575	352,662	64,524	1,057,761
Company					
At 31 December 2015					
Cash and bank balances	-	29,846	63,676	10,289	103,811
At 31 December 2014					
AFS financial assets					
- unquoted bonds	-	-	27,026	-	27,026
HTM investment					
- commercial papers	4,902	-	-	-	4,902
Cash and bank balances	-	17,893	37,405	1,353	56,651

* Cash and bank balances include cash for trading margins, security deposits and eDividend distributions, cash and bank balances of Clearing Funds, and the Group's and the Company's cash and bank balances.

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

(e) Credit risk (cont'd.)

Receivables

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

Group	Note	Total RM'000	Impaired RM'000	Neither past due nor impaired RM'000	Past due not impaired					Total past due not impaired RM'000
					< 30 days RM'000	31-60 days RM'000	61-90 days RM'000	91-180 days RM'000	>181 days RM'000	
At 31 December 2015										
Staff loans receivable	17	5,026	-	5,026	-	-	-	-	-	-
Trade receivables	19	49,406	732	36,347	3,884	2,747	874	1,815	3,007	12,327
Other receivables which are financial assets *	20	20,721	6,059	14,662	-	-	-	-	-	-
At 31 December 2014										
Staff loans receivable	17	6,671	-	6,671	-	-	-	-	-	-
Trade receivables	19	41,677	388	32,667	4,426	2,440	346	1,043	367	8,622
Other receivables which are financial assets *	20	15,456	6,268	9,188	-	-	-	-	-	-

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

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

(e) Credit risk (cont'd.)

Receivables (cont'd.)

Company	Note	Total RM'000	Impaired RM'000	Neither past due nor impaired RM'000	Past due not impaired					Total past due not impaired RM'000
					< 30 days RM'000	31-60 days RM'000	61-90 days RM'000	91-180 days RM'000	>181 days RM'000	
At 31 December 2015										
Staff loans receivable	17	4,486	-	4,486	-	-	-	-	-	-
Trade receivables	19	2,018	258	532	355	177	140	248	308	1,228
Other receivables which are financial assets *	20	12,493	2,411	10,082	-	-	-	-	-	-
Due from subsidiaries	21	47,628	11,857	35,771	-	-	-	-	-	-
At 31 December 2014										
Staff loans receivable	17	6,078	-	6,078	-	-	-	-	-	-
Trade receivables	19	1,196	258	354	270	83	84	102	45	584
Other receivables which are financial assets *	20	8,376	2,584	5,792	-	-	-	-	-	-
Due from subsidiaries	21	44,702	11,855	32,847	-	-	-	-	-	-

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

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

(e) Credit risk (cont'd.)

(i) Receivables that are neither past due nor impaired

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

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

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

(ii) Receivables that are impaired

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

	Trade receivables		Other receivables	
	2015	2014	2015	2014
Group	RM'000	RM'000	RM'000	RM'000
At nominal amounts	732	388	6,059	6,268
Less: Allowance for impairment	<u>(732)</u>	<u>(388)</u>	<u>(6,059)</u>	<u>(6,268)</u>
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Movement in allowance accounts:				
At 1 January	388	501	6,268	7,004
Charge/(reversal) of impairment loss for the year	344	63	(209)	(736)
Written off	-	(176)	-	-
At 31 December	<u>732</u>	<u>388</u>	<u>6,059</u>	<u>6,268</u>

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

(e) Credit risk (cont'd.)

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

Company	Trade receivables		Other receivables		Due from subsidiaries	
	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000	2015 RM'000	2014 RM'000
At nominal amounts	258	258	2,411	2,584	11,857	11,855
Less: Allowance for impairment	(258)	(258)	(2,411)	(2,584)	(11,857)	(11,855)
	-	-	-	-	-	-
Movement in allowance accounts:						
At 1 January	258	194	2,584	2,675	11,855	11,851
Charge/(reversal) of impairment loss for the year	-	64	(173)	(91)	2	4
At 31 December	258	258	2,411	2,584	11,857	11,855

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

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

37. Classification of financial instruments

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

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

Group	AFS RM'000	HTM RM'000	Loans and receivables RM'000	Financial liabilities at amortised cost RM'000	Total RM'000
At 31 December 2015					
Assets					
Investment securities					
- Shares (quoted equity)	148,667	-	-	-	148,667
- Bonds	84,782	-	-	-	84,782
	<u>233,449</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>233,449</u>
Staff loans receivable	-	-	5,026	-	5,026
Trade receivables	-	-	48,674	-	48,674
Other receivables which are financial assets *	-	-	14,662	-	14,662
Cash for trading margins, security deposits and eDividend distributions	-	-	1,087,526	-	1,087,526
Cash and bank balances of Clearing Funds	-	-	125,568	-	125,568
Cash and bank balances	-	-	271,126	-	271,126
Total financial assets	<u>233,449</u>	<u>-</u>	<u>1,552,582</u>	<u>-</u>	<u>1,786,031</u>
Liabilities					
Trade payables	-	-	-	1,083,886	1,083,886
Participants' contributions to Clearing Funds	-	-	-	35,568	35,568
Other payables which are financial liabilities **	-	-	-	31,814	31,814
Total financial liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,151,268</u>	<u>1,151,268</u>

* Other receivables which are financial assets include deposits, interest receivables and sundry receivables, net of allowance for impairment, as disclosed in Note 20.

** Other payables which are financial liabilities include amount due to Securities Commission and sundry payables as disclosed in Note 30.

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

Group	AFS RM'000	HTM RM'000	Loans and receivables RM'000	Financial liabilities at amortised cost RM'000	Total RM'000
At 31 December 2014					
Assets					
Investment securities					
- Shares (quoted equity)	118,631	-	-	-	118,631
- Bonds	106,832	-	-	-	106,832
- Commercial papers	-	4,902	-	-	4,902
	<u>225,463</u>	<u>4,902</u>	<u>-</u>	<u>-</u>	<u>230,365</u>
Staff loans receivable	-	-	6,671	-	6,671
Trade receivables	-	-	41,289	-	41,289
Other receivables which are financial assets *	-	-	9,188	-	9,188
Cash for trading margins, security deposits and eDividend distributions	-	-	717,133	-	717,133
Cash and bank balances of Clearing Funds	-	-	126,261	-	126,261
Cash and bank balances	-	-	214,367	-	214,367
Total financial assets	<u>225,463</u>	<u>4,902</u>	<u>1,114,909</u>	<u>-</u>	<u>1,345,274</u>
Liabilities					
Trade payables	-	-	-	715,815	715,815
Participants' contributions to Clearing Funds	-	-	-	36,261	36,261
Other payables which are financial liabilities **	-	-	-	26,309	26,309
Total financial liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>778,385</u>	<u>778,385</u>

* Other receivables which are financial assets include deposits, interest receivables and sundry receivables, net of allowance for impairment, as disclosed in Note 20.

** Other payables which are financial liabilities include amount due to Securities Commission and sundry payables as disclosed in Note 30.

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

Company	AFS RM'000	HTM RM'000	Loans and receivables RM'000	Financial liabilities at amortised cost RM'000	Total RM'000
At 31 December 2015					
Assets					
Investment securities					
- Shares (quoted equity)	148,667	-	-	-	148,667
Staff loans receivable	-	-	4,486	-	4,486
Trade receivables	-	-	1,760	-	1,760
Other receivables which are financial assets *	-	-	10,082	-	10,082
Due from subsidiaries	-	-	35,771	-	35,771
Cash and bank balances	-	-	103,811	-	103,811
Total financial assets	148,667	-	155,910	-	304,577
Liability					
Other payables which are financial liabilities **	-	-	-	8,866	8,866

* Other receivables which are financial assets include deposits, interest receivables and sundry receivables, net of allowance for impairment, as disclosed in Note 20.

** Other payables which are financial liabilities include sundry payables as disclosed in Note 30.

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

Company	AFS RM'000	HTM RM'000	Loans and receivables RM'000	Financial liabilities at amortised cost RM'000	Total RM'000
At 31 December 2014					
Assets					
Investment securities					
- Shares (quoted equity)	118,631	-	-	-	118,631
- Bonds	27,026	-	-	-	27,026
- Commercial papers	-	4,902	-	-	4,902
	<u>145,657</u>	<u>4,902</u>	<u>-</u>	<u>-</u>	<u>150,559</u>
Staff loans receivable	-	-	6,078	-	6,078
Trade receivables	-	-	938	-	938
Other receivables which are financial assets *	-	-	5,792	-	5,792
Due from subsidiaries	-	-	32,847	-	32,847
Cash and bank balances	-	-	56,651	-	56,651
Total financial assets	<u>145,657</u>	<u>4,902</u>	<u>102,306</u>	<u>-</u>	<u>252,865</u>
Liability					
Other payables which are financial liabilities **	-	-	-	7,101	7,101

* Other receivables which are financial assets include deposits, interest receivables and sundry receivables, net of allowance for impairment, as disclosed in Note 20.

** Other payables which are financial liabilities include sundry payables as disclosed in Note 30.

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38. Fair value

(a) Financial instruments that are carried at fair value

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

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

Quoted equity is measured at Level 1. The fair value of quoted equity is determined directly by reference to its published market bid price as at the financial year end.

(ii) Level 2: Inputs other than at quoted prices included within Level 1 that are observable for the asset, either directly (i.e. prices) or indirectly (i.e. 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 price of unquoted fixed income securities based on information provided by Bond Pricing Agency Malaysia Sdn Bhd.

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

The Group and the Company do not have any financial assets in Level 3 as at the current and previous financial years.

	Level 1 RM'000	Level 2 RM'000	Total RM'000
Group			
At 31 December 2015			
Asset			
AFS financial assets	148,667	84,782	233,449
At 31 December 2014			
Asset			
AFS financial assets	118,631	106,832	225,463

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38. Fair value (cont'd.)

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

	Level 1 RM'000	Level 2 RM'000	Total RM'000
Company			
At 31 December 2015			
Asset			
AFS financial assets	148,667	-	148,667
At 31 December 2014			
Asset			
AFS financial assets	118,631	27,026	145,657

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

The Group and the Company do not have any financial liabilities carried at fair value nor any financial liabilities classified as Level 3 as at 31 December 2015 and 31 December 2014.

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

Financial instruments classified as HTM investments, loans and receivables and financial liabilities are carried at amortised cost.

The carrying amount of these financial instruments, other than staff loans receivable, are reasonable approximation of their fair values due to their short-term nature:

	Note
HTM investment securities	16
Trade receivables	19
Other receivables which are financial assets (except staff loans receivable within 12 months)	20
Related company balances	21
Cash for trading margins, security deposits and eDividend distributions	22
Cash and bank balances of Clearing Funds	23
Cash and bank balances of the Group and of the Company	24
Trade payables	22
Participants' contributions to Clearing Funds	23
Other payables which are financial liabilities	30

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38. Fair value (cont'd.)

(b) Financial instruments that are not carried at fair value (cont'd.)

The carrying amount of staff loans receivable approximates its fair value, and is estimated by discounting the expected future cash flows using the current interest rates for loans with similar risk profiles. The staff loans receivable is measured at Level 3 under the measurement hierarchy.

	Group		Company	
	Carrying amount RM'000	Fair value RM'000	Carrying amount RM'000	Fair value RM'000
At 31 December 2015				
Staff loans receivable (Note 17)	5,026	4,830	4,486	4,309
At 31 December 2014				
Staff loans receivable (Note 17)	6,671	6,416	6,078	5,843

39. Capital management

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

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

Total capital managed at Group level, which comprises shareholders' funds and deferred capital grants, stood at RM807,537,000 (2014: RM753,893,000) as at the end of the financial year.

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

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40. Segment information

(a) Reporting format

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

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

(b) Market segments

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

- (i) The securities market mainly comprises the provision and operation of the listing, trading, clearing, depository services and provision and dissemination of information relating to equity securities quoted on the securities exchange.
- (ii) The derivatives market mainly comprises the provision and operation of the trading, clearing, depository services and provision and dissemination of information relating to derivative products quoted on the derivatives exchange.
- (iii) The exchange holding business refers to the operation of the Company which functions as an investment holding company.
- (iv) Others mainly comprises the provision of a Sha'riah compliant commodity trading platform, a reporting platform for bond traders and the provision of an exchange for the offshore market.

(c) Allocation basis and transfer pricing

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

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

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

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40. Segment information (cont'd.)

Market segments

	Securities market RM'000	Derivatives market RM'000	Exchange holding RM'000	Others RM'000	Consolidated RM'000
At 31 December 2015					
Operating revenue	362,782	100,046	7,460	17,382	487,670
Other income	12,744	2,130	15,624	336	30,834
Direct costs	<u>(89,781)</u>	<u>(50,938)</u>	<u>(32,000)</u>	<u>(5,928)</u>	<u>(178,647)</u>
Segment profit/(loss)	285,745	51,238	(8,916)	11,790	339,857
Overheads					<u>(61,081)</u>
Profit before tax					<u>278,776</u>
Segment assets					
Assets	377,269	114,625	333,227	42,606	867,727
Clearing Funds	97,911	27,657	-	-	125,568
Cash for trading margins, security deposits and eDividend distributions	<u>3,640</u>	<u>1,083,886</u>	<u>-</u>	<u>-</u>	<u>1,087,526</u>
Segment assets	478,820	1,226,168	333,227	42,606	2,080,821
Unallocated corporate assets					<u>5,634</u>
Total assets					<u>2,086,455</u>
Segment liabilities					
Liabilities	30,554	13,874	58,246	31,182	133,856
Participants' contribution to Clearing Funds	12,911	22,657	-	-	35,568
Trading margins and eDividend distributions	<u>3,640</u>	<u>1,083,886</u>	<u>-</u>	<u>-</u>	<u>1,087,526</u>
Segment liabilities	47,105	1,120,417	58,246	31,182	1,256,950
Unallocated corporate liabilities					<u>10,037</u>
Total liabilities					<u>1,266,987</u>

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40. Segment information (cont'd.)

Market segments (cont'd.)

	Securities market RM'000	Derivatives market RM'000	Exchange holding RM'000	Others RM'000	Consolidated RM'000
At 31 December 2015					
Other information					
Depreciation and amortisation in:					
Segments	7,955	2,231	1,600	773	12,559
Overheads	-	-	-	-	11,180
Other significant non-cash expenses:					
Net impairment loss/(reversal of impairment loss) on trade and other receivables	315	(6)	(173)	(1)	135
Property, plant and equipment and computer software written off	-	-	42	-	42
Retirement benefit obligations	-	-	-	-	1,369
SGP expense in:					
Segments	4,273	875	3,244	208	8,600
Overheads	-	-	-	-	1,879

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40. Segment information (cont'd.)

Market segments (cont'd.)

	Securities market RM'000	Derivatives market RM'000	Exchange holding RM'000	Others RM'000	Consolidated RM'000
At 31 December 2014					
Operating revenue	368,080	85,769	6,905	10,514	471,268
Other income	12,731	3,633	15,990	134	32,488
Direct costs	(86,474)	(48,566)	(31,794)	(5,297)	(172,131)
Segment profit/(loss)	294,337	40,836	(8,899)	5,351	331,625
Overheads					(59,866)
Profit before tax					<u>271,759</u>
Segment assets					
Assets	382,468	105,950	284,890	33,387	806,695
Clearing Funds	98,832	27,429	-	-	126,261
Cash for trading margins, security deposits and eDividend distributions	1,318	715,815	-	-	717,133
Segment assets	482,618	849,194	284,890	33,387	1,650,089
Unallocated corporate assets					6,394
Total assets					<u>1,656,483</u>
Segment liabilities					
Liabilities	24,367	13,371	55,087	31,187	124,012
Participants' contribution to Clearing Funds	13,832	22,429	-	-	36,261
Trading margins and eDividend distributions	1,318	715,815	-	-	717,133
Segment liabilities	39,517	751,615	55,087	31,187	877,406
Unallocated corporate liabilities					16,376
Total liabilities					<u>893,782</u>

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40. Segment information (cont'd.)

Market segments (cont'd.)

	Securities market RM'000	Derivatives market RM'000	Exchange holding RM'000	Others RM'000	Consolidated RM'000
At 31 December 2014					
Other information					
Depreciation and amortisation in:					
Segments	7,285	4,761	1,616	976	14,638
Overheads	-	-	-	-	10,649
Other significant non-cash expenses:					
Net reversal of impairment loss on trade and other receivables	(560)	(85)	(28)	-	(673)
Property, plant and equipment and computer software written off	-	-	5	-	5
Retirement benefit obligations	-	-	-	-	1,414
SGP expense in:					
Segments	3,710	964	2,788	259	7,721
Overheads	-	-	-	-	1,544

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41. Supplementary information pursuant to Bursa Malaysia Securities Listing Requirements

The following breakdown and components of retained earnings are identified and disclosed in accordance with the Guidance on Special Matter No. 1, Determination of Realised and Unrealised Profits or Losses in the Context of Disclosure pursuant to Bursa Malaysia Securities Berhad Listing Requirements, as issued by the Malaysian Institute of Accountants.

	Group		Company	
	2015	2014	2015	2014
	RM'000	RM'000	RM'000	RM'000
Total retained earnings:				
Realised	332,389	315,853	184,175	184,710
Unrealised	1,018	(3,893)	(968)	(5,249)
	<u>333,407</u>	<u>311,960</u>	<u>183,207</u>	<u>179,461</u>
Consolidation adjustments	(14,582)	(6,742)	-	-
	<u>318,825</u>	<u>305,218</u>	<u>183,207</u>	<u>179,461</u>