



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

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2014

29 January 2015

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

CONDENSED CONSOLIDATED INCOME STATEMENT
FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2014

RM'000	Note	3 months ended		12 months ended	
		31.12.2014	31.12.2013	31.12.2014	31.12.2013
		Reviewed	Reviewed	Audited	Audited
Operating revenue	8	119,669	103,893	471,268	439,822
Other income	9	8,811	10,034	32,488	35,172
		128,480	113,927	503,756	474,994
Staff costs		(32,991)	(35,990)	(127,604)	(119,965)
Depreciation and amortisation		(6,232)	(8,375)	(25,287)	(34,964)
Other operating expenses	10	(19,844)	(21,262)	(79,106)	(74,485)
Profit before tax		69,413	48,300	271,759	245,580
Income tax expense	25	(14,853)	(13,358)	(67,737)	(66,195)
Profit for the period/year		54,560	34,942	204,022	179,385
Profit attributable to:					
Owners of the Company		53,139	33,842	198,226	173,075
Non-controlling interest		1,421	1,100	5,796	6,310
		54,560	34,942	204,022	179,385
Earnings per share (EPS) attributable to owners of the Company (sen per share):					
Basic EPS	31(a)	10.0	6.4	37.2	32.5
Diluted EPS	31(b)	9.9	6.3	37.0	32.4

The above condensed consolidated income statement should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to these interim financial statements.

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2014

RM'000	3 months ended		12 months ended	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
	Reviewed	Reviewed	Audited	Audited
Profit for the period/year	54,560	34,942	204,022	179,385
Other comprehensive income:				
Items that may be subsequently reclassified to profit or loss:				
Foreign currency translation	139	15	132	112
Net fair value changes in available-for-sale (AFS) financial assets	18,476	6,240	19,954	38,171
Income tax relating to AFS financial assets	30	44	42	143
	18,645	6,299	20,128	38,426
Items that will not be subsequently reclassified to profit or loss:				
Actuarial gains/(losses) on defined benefit obligations	1,806	(1,029)	1,806	(1,029)
Income tax relating to actuarial gains and losses on defined benefit obligations	(451)	257	(451)	257
	1,355	(772)	1,355	(772)
Total other comprehensive income, net of income tax	20,000	5,527	21,483	37,654
Total comprehensive income	74,560	40,469	225,505	217,039
Total comprehensive income attributable to:				
Owners of the Company	73,139	39,369	219,709	210,729
Non-controlling interest	1,421	1,100	5,796	6,310
	74,560	40,469	225,505	217,039

The above condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to these interim financial statements.

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2014

RM'000	Note	As at 31.12.2014	As at 31.12.2013
		Audited	Audited
Assets			
Property, plant and equipment		197,264	206,356
Computer software		57,122	61,404
Goodwill		42,957	42,957
Investment securities		188,449	163,495
Staff loans receivable		5,919	7,122
Deferred tax assets		3,673	1,648
Non-current assets		495,384	482,982
Trade receivables		41,289	32,733
Other receivables		17,412	15,794
Tax recoverable		2,721	6,612
Investment securities		41,916	51,183
Cash for trading margins, security deposits, Securities Borrowing and Lending ("SBL") collaterals and eDividend distributions	13	717,133	735,543
Cash and bank balances of Clearing Funds	14	126,261	65,374
Cash and bank balances	15	214,367	351,442
Current assets		1,161,099	1,258,681
Total assets		1,656,483	1,741,663
Equity and liabilities			
Share capital		266,760	266,306
Share premium		100,064	94,167
Other reserves		76,658	67,716
Retained earnings	26	305,218	382,962
Equity attributable to owners of the Company		748,700	811,151
Non-controlling interest		14,001	16,330
Total equity		762,701	827,481
Retirement benefit obligations		26,605	28,950
Deferred grants		5,193	7,768
Deferred tax liabilities		8,149	12,892
Non-current liabilities		39,947	49,610
Trade payables	13	715,815	734,318
Participants' contributions to Clearing Funds	14	36,261	35,374
Other payables		93,532	89,134
Tax payable		8,227	5,746
Current liabilities		853,835	864,572
Total liabilities		893,782	914,182
Total equity and liabilities		1,656,483	1,741,663
Net assets per share attributable to owners of the Company (RM)		1.40	1.52

The above condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to these interim financial statements.

BURSA MALAYSIA BERHAD (30632-P)
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2014

RM'000	← Attributable to owners of the Company →											Non-controlling interest (Note a)	Total equity
	← Non-distributable →						Distributable				Total		
	Share capital	Share premium	Capital reserve	Capital redemption reserve	Foreign currency translation reserve	Share grant reserve	Clearing fund reserves	AFS reserve	Retained earnings				
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, net of income tax	-	-	-	-	132	-	-	19,996	1,355	21,483	-	21,483	
Total comprehensive income	-	-	-	-	132	-	-	19,996	199,581	219,709	5,796	225,505	
Transactions with owners of the Company:													
Issuance of ordinary shares pursuant to Share Grant Plan (SGP)	454	5,897	-	-	-	(6,351)	-	-	-	-	-	-	
SGP expense	-	-	-	-	-	9,265	-	-	-	9,265	-	9,265	
Redemption of preference shares (Note 6.2)	-	-	(14,100)	-	-	-	-	-	-	(14,100)	-	(14,100)	
Dividends paid (Note 7)	-	-	-	-	-	-	-	-	(277,325)	(277,325)	-	(277,325)	
Dividends paid to non-controlling interest	-	-	-	-	-	-	-	-	-	-	(8,125)	(8,125)	
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	
At 1 January 2013	266,012	90,505	13,900	5,250	(40)	2,320	30,000	(24,602)	474,256	857,601	15,770	873,371	
Profit for the year	-	-	-	-	-	-	-	-	173,075	173,075	6,310	179,385	
Other comprehensive income, net of income tax	-	-	-	-	112	-	-	38,314	(772)	37,654	-	37,654	
Total comprehensive income	-	-	-	-	112	-	-	38,314	172,303	210,729	6,310	217,039	
Transactions with owners of the Company:													
Issuance of ordinary shares pursuant to SGP	294	3,662	-	-	-	(3,956)	-	-	-	-	-	-	
Issuance of preference shares by a subsidiary	-	-	200	-	-	-	-	-	-	200	-	200	
SGP expense	-	-	-	-	-	6,218	-	-	-	6,218	-	6,218	
Dividends paid (Note 7)	-	-	-	-	-	-	-	-	(263,597)	(263,597)	-	(263,597)	
Dividends paid to non-controlling interest	-	-	-	-	-	-	-	-	-	-	(5,750)	(5,750)	
At 31 December 2013	266,306	94,167	14,100	5,250	72	4,582	30,000	13,712	382,962	811,151	16,330	827,481	

Note a

Included in non-controlling interest of the Group as at 1 January 2014 are 85 non-cumulative preference shares of RM1 each in Bursa Malaysia Derivatives Berhad (Bursa Malaysia Derivatives), a subsidiary, for registration as Trading Participants (TPs), at a subscription price determined by Bursa Malaysia Derivatives. On 16 April 2014, the revamp of Bursa Malaysia Derivatives' participantship structure was completed and all existing non-cumulative preference shares were cancelled, as disclosed in Note 6.2.

The above condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to these interim financial statements.

BURSA MALAYSIA BERHAD (30632-P)
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2014

RM'000	Note	12 months ended	
		31.12.2014	31.12.2013
		Audited	Audited
Cash flows from operating activities			
Profit before tax		271,759	245,580
Adjustments for:			
(Accretion of discounts)/amortisation of premiums, net		(259)	631
Dividend income from investment securities	9	(3,523)	(3,825)
Depreciation and amortisation		25,287	34,964
Grant income	9	(2,750)	(2,166)
Interest income	9	(18,827)	(22,133)
Net loss on disposal of investment securities	9	566	130
Gain on disposal of motor vehicle	9	(200)	-
Net (reversal of impairment loss)/impairment loss on trade and other receivables	10	(673)	23
Property, plant and equipment and computer software written off	10	5	1,568
Retirement benefit obligations		1,414	1,481
Provision for/(reversal of) short-term accumulating compensated unutilised leave		261	(441)
SGP expense		9,265	6,218
Unrealised loss on foreign exchange differences		115	79
Operating profit before working capital changes		282,440	262,109
Increase in receivables		(11,140)	(3,153)
Increase in other payables		4,802	2,459
Cash generated from operations		276,102	261,415
Staff loans repaid, net of disbursements		1,466	2,355
Retirement benefits paid		(1,774)	(3,583)
Taxes paid, net of refunds		(68,542)	(67,863)
Net cash from operating activities		207,252	192,324
Cash flows from investing activities			
Decrease in other deposits not for short-term funding requirements		104,834	100,569
Dividends received		3,851	2,942
Interest received		19,496	22,385
Proceeds from disposal of investment securities		97,986	81,401
Proceeds from disposal of motor vehicle		200	-
Purchases of investment securities		(94,026)	(79,951)
Purchases of property, plant and equipment and computer software		(12,796)	(40,111)
Net cash from investing activities		119,545	87,235

BURSA MALAYSIA BERHAD (30632-P)
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2014 (CONT'D.)

RM'000	Note	12 months ended	
		31.12.2014	31.12.2013
		Audited	Audited
Cash flows from financing activities			
Additional cash resources to Clearing Funds	14(a)	(60,000)	-
Dividends paid	7	(277,325)	(263,597)
Dividends paid by a subsidiary to non-controlling interest		(8,125)	(5,750)
Preference shares issued by a subsidiary		-	200
Redemption of preference shares		(13,718)	-
Net cash used in financing activities		(359,168)	(269,147)
Net (decrease)/increase in cash and cash equivalents		(32,371)	10,412
Effect of exchange rate changes		130	96
Cash and cash equivalents at beginning of year		246,608	236,100
Cash and cash equivalents at end of year	15	214,367	246,608

The above condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013 and the accompanying explanatory notes attached to these interim financial statements.

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

1. BASIS OF PREPARATION

This condensed consolidated interim financial statements (Condensed Report), other than for financial instruments and retirement benefit obligations, have been prepared under the historical cost convention. Certain financial instruments have been carried at fair value in accordance with Malaysian Financial Reporting Standard (MFRS) 139 *Financial Instruments: Recognition and Measurement*, and the retirement benefit obligations include actuarial gains and losses in accordance with MFRS 119 *Employee Benefits*.

This Condensed Report also has been prepared in accordance with the requirements of MFRS 134 *Interim Financial Reporting* and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

This Condensed Report should be read in conjunction with the audited financial statements for the financial year ended 31 December 2013. The explanatory notes attached to the Condensed Report provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2013.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the Condensed Report are consistent with those followed in the preparation of the Group's audited financial statements for the financial year ended 31 December 2013, except for the adoption of Amendments to Standards and Issue Committee (IC) Interpretations effective as of 1 January 2014.

2.1 Adoption of Amendments to Standards and IC Interpretations

The Group has adopted the following Amendments to Standards and IC Interpretations, with a date of initial application of 1 January 2014.

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

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

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 Standards issued but not yet effective

At the date of authorisation of the Condensed Report, the following Standards were issued but not yet effective and have not been adopted by the Group:

Description	Effective for financial periods beginning on or after
MFRS 14	1 January 2016
MFRS 15	1 January 2017
MFRS 9	1 January 2018
Amendments to MFRS 119	1 July 2014
Amendments to MFRS 10 and MFRS 128	1 January 2016
Amendments to MFRS 11	1 January 2016
Amendments to MFRS 116 and MFRS 138	1 January 2016
Amendments to MFRS 116 and MFRS 141	1 January 2016
Amendments to MFRS 127	1 January 2016
Annual Improvements to MFRSs 2010 - 2012 Cycle	1 July 2014
Annual Improvements to MFRSs 2011 - 2013 Cycle	1 July 2014
Annual Improvements to MFRSs 2012 - 2014 Cycle	1 January 2016

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

MFRS 15 Revenue from Contracts with Customers

MFRS 15 *Revenue from Contracts with Customers* was issued in September 2014 and establishes a new 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 2017 with early adoption permitted. The Group is currently assessing the impact of this Standard and plans to adopt this Standard on the required effective date.

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.2 Standards issued but not yet effective (Cont'd.)

MFRS 9 *Financial Instruments*

In November 2014, the MASB issued the final version of MFRS 9 *Financial Instruments*, replacing MFRS 139. This Standard made 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 financial assets, but no impact on the classification and measurement of the Group'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, establish a more principle-based approach to hedge accounting and address 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 is currently assessing the impact of the adoption of this Standard in relation to the new requirements for classification and measurement and impairment, but the requirements for hedge accounting is not relevant to the Group.

3. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS

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

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

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the quarter and year ended 31 December 2014.

5. SIGNIFICANT ESTIMATES AND CHANGES IN ESTIMATES

There were no changes in estimates that have had any material effect on the quarter and year ended 31 December 2014.

6. DEBT AND EQUITY SECURITIES

The following are the changes in debt and equity securities during the quarter and year ended 31 December 2014:

6.1 Issuance of shares

- (a) On 1 April 2014, the Company issued 250,000 new ordinary shares of RM0.50 each pursuant to the share grant plan.
- (b) On 11 July 2014, the Company issued 658,000 new ordinary shares of RM0.50 each pursuant to the share grant plan.

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

6. DEBT AND EQUITY SECURITIES (CONT'D.)

6.2 Revamp of Bursa Malaysia Derivatives participants structure

The revamp of Bursa Malaysia Derivatives' participants structure was approved and subsequently completed in the following manner upon obtaining all the requisite approval and confirmation:

- (a) On 14 April 2014, the Rules of Bursa Malaysia Derivatives were amended and the existing non-cumulative preference shares of RM1 each were cancelled:
- (i) 40 non-cumulative "A" preference shares;
 - (ii) 17 non-cumulative "B" preference shares; and
 - (iii) 28 non-cumulative "C" preference shares.
- Accordingly, the issued and paid-up share capital of Bursa Malaysia Derivatives was reduced from RM50,000,095 to RM50,000,010.
- (b) On 15 April 2014, 19 new redeemable "A" and 14 new redeemable "B" preference shares of RM1.00 each were issued and allotted to the previous holders of non-cumulative "A", "B" and "C" preference shares who were entitled to the new redeemable "A" and "B" preference shares of RM1.00 each.
- (c) On 16 April 2014, all the new redeemable "A" and "B" preference shares were redeemed based on the terms and conditions of the new redeemable preference shares as set out in the Articles of Association of Bursa Malaysia Derivatives. Bursa Malaysia Derivatives' share premium account of RM14,100,000 recognised as capital reserve in the Group's financial statements, was fully utilised for the redemption.

7. DIVIDENDS PAID

The following dividends were paid during the previous corresponding quarter:

	31.12.2014	31.12.2013
Special dividend		
Approved and declared on	17 July 2014	18 July 2013
Paid on	14 August 2014	15 August 2013
Number of ordinary shares on which dividends were paid ('000)	533,520	532,612
Dividend per share (single-tier)	20.0 sen	20.0 sen
Net dividend paid (RM'000)	106,704	106,522
Interim dividend		
For the financial year	31 December 2014	31 December 2013
Approved and declared on	17 July 2014	18 July 2013
Paid on	14 August 2014	15 August 2013
Number of ordinary shares on which dividends were paid ('000)	533,520	532,612
Dividend per share (single-tier)	16.0 sen	16.0 sen
Net dividend paid (RM'000)	85,363	85,218
Final dividend		
For the financial year	31 December 2013	31 December 2012
Approved and declared on	27 March 2014	28 March 2013
Paid on	16 April 2014	16 April 2013
Number of ordinary shares on which dividends were paid ('000)	532,862	532,274
Dividend per share (single-tier)	16.0 sen	13.5 sen
Net dividend paid (RM'000)	85,258	71,857

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PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

8. OPERATING REVENUE

RM'000	3 months ended		12 months ended	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Securities clearing fees	46,876	41,023	193,693	175,530
Securities trade fees	5,987	5,311	25,250	23,647
Other securities revenue	5,651	4,058	20,173	18,124
Securities trading revenue	58,514	50,392	239,116	217,301
Derivatives clearing fees	4,526	3,533	16,366	14,552
Derivatives trade fees	11,574	9,789	43,375	41,047
Other derivatives revenue	2,879	3,065	10,862	14,651
Derivatives trading revenue	18,979	16,387	70,603	70,250
Bursa Suq Al-Sila (BSAS) trading revenue	3,584	1,765	9,962	5,790
Listing and issuer services	15,374	13,991	55,931	51,305
Depository services	8,550	8,963	35,368	37,061
Market data	8,639	6,473	31,300	26,035
Member services and connectivity	6,009	5,922	22,654	26,467
Other operating revenue	20	-	6,334	5,613
Total operating revenue	119,669	103,893	471,268	439,822

9. OTHER INCOME

RM'000	3 months ended		12 months ended	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Interest income from:				
- Investments	4,228	4,792	18,514	21,740
- Others	64	130	313	393
Net loss on disposal of investment securities	(237)	(100)	(566)	(130)
Gain on disposal of motor vehicle	200	-	200	-
Rental income	1,535	1,727	6,658	6,593
Dividend income	2,308	2,674	3,523	3,825
Grant income	687	688	2,750	2,166
Miscellaneous income	26	123	1,096	585
Total other income	8,811	10,034	32,488	35,172

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PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

10. OTHER OPERATING EXPENSES

RM'000	3 months ended		12 months ended	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Marketing and development costs	2,178	2,684	10,750	8,344
Technology charges:				
- Information technology maintenance	4,554	4,655	18,848	17,836
- Service fees	5,184	3,786	18,356	15,781
Central Depository System (CDS) consumables	984	771	3,762	3,758
Professional fees	404	743	1,257	1,540
Building management costs	2,864	2,849	11,192	10,659
Administrative expenses	1,454	1,593	6,255	6,279
Net (reversal of impairment loss)/impairment loss on trade and other receivables	(576)	28	(673)	23
Property, plant and equipment and computer software written off	5	1,568	5	1,568
Foreign exchange loss/(gain)	71	(43)	209	(98)
Miscellaneous expenses	2,722	2,628	9,145	8,795
Total other operating expenses	19,844	21,262	79,106	74,485

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

11. SEGMENTAL INFORMATION

RM'000	Securities market	Derivatives market	Holding company	Others	Consolidated
RESULTS FOR 3 MONTHS ENDED 31 DECEMBER 2014					
Operating revenue	92,958	21,228	1,772	3,711	119,669
Other income	3,026	896	4,851	38	8,811
Direct costs	(21,982)	(11,909)	(8,531)	(1,302)	(43,724)
Segment profit/(loss)	74,002	10,215	(1,908)	2,447	84,756
Overheads					(15,343)
Profit/(Loss) before tax	74,002	10,215	(1,908)	2,447	69,413

RESULTS FOR 3 MONTHS ENDED 31 DECEMBER 2013					
Operating revenue	81,159	18,481	2,323	1,930	103,893
Other income	2,552	1,009	6,445	28	10,034
Direct costs	(28,355)	(10,895)	(8,949)	(1,689)	(49,888)
Segment profit/(loss)	55,356	8,595	(181)	269	64,039
Overheads					(15,739)
Profit/(Loss) before tax	55,356	8,595	(181)	269	48,300

RESULTS FOR 12 MONTHS ENDED 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/(Loss) before tax	294,337	40,836	(8,899)	5,351	271,759

RESULTS FOR 12 MONTHS ENDED 31 DECEMBER 2013					
Operating revenue	338,827	84,433	10,191	6,371	439,822
Other income	10,108	3,284	21,654	126	35,172
Direct costs	(92,089)	(43,589)	(28,750)	(5,615)	(170,043)
Segment profit	256,846	44,128	3,095	882	304,951
Overheads					(59,371)
Profit before tax	256,846	44,128	3,095	882	245,580

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

11. SEGMENTAL INFORMATION (CONT'D.)

RM'000	Securities market	Derivatives market	Holding company	Others	Consolidated
ASSETS AND LIABILITIES AS AT 31 DECEMBER 2014					
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	482,618	849,194	284,890	33,387	1,656,483
Liabilities	24,367	13,371	55,087	31,187	124,012
Participants' contributions to Clearing Funds	13,832	22,429	-	-	36,261
Trade 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	39,517	751,615	55,087	31,187	893,782

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PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

12. RELATED PARTY DISCLOSURES

Significant related party transactions are as follows:

RM'000	3 months ended		12 months ended	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Administration fee income from Bursa Malaysia Securities Berhad - Compensation Fund, a fund managed by Bursa Malaysia Berhad	-	-	-	158
Administration fee income from Bursa Malaysia Derivatives Berhad - Fidelity Fund, a fund managed by Bursa Malaysia Derivatives	-	-	-	20

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.

13. CASH FOR TRADING MARGINS, SECURITY DEPOSITS, SBL COLLATERALS AND eDIVIDEND DISTRIBUTIONS

RM'000	As at 31.12.2014
Trading margins and security deposits, representing trade payables	715,815
Cash received for eDividend distributions (included within other payables)	1,318
Total cash for trading margins, security deposits and eDividend distributions	717,133

(a) The amount of non-cash collaterals for trading margins and SBL collaterals not included in the consolidated statement of financial position as at 31 December 2014 comprise the following:

RM'000	As at 31.12.2014
Collaterals in the form of letters of credit	494,115
Collaterals in the form of shares	6,220
	500,335

14. CASH AND BANK BALANCES OF CLEARING FUNDS

RM'000	Participants' contributions	Cash set aside by the Group	As at 31.12.2014
Contributions from Trading Clearing Participants (TCPs) of Bursa Malaysia Securities Clearing Sdn Bhd (BMSC)	13,832	-	13,832
Contribution from BMSC	-	25,000	25,000
Additional cash resources from BMSC	-	60,000	60,000
Clearing Guarantee Fund (CGF) contributions (Note a)	13,832	85,000	98,832
Contributions from Clearing Participants (CPs) of Bursa Malaysia Derivatives Clearing Bhd (BMDC)	22,429	-	22,429
Contribution from BMDC	-	5,000	5,000
Derivatives Clearing Fund (DCF) contributions	22,429	5,000	27,429
Total cash and bank balances of Clearing Funds	36,261	90,000	126,261

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PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

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

RM'000	Participants' contributions	Cash set aside by the Group	As at 31.12.2013
Contributions from TCPs of BMSC	13,178	-	13,178
Contribution from BMSC	-	25,000	25,000
CGF contributions (Note a)	13,178	25,000	38,178
Contributions from CPs of BMDC	22,196	-	22,196
Contribution from BMDC	-	5,000	5,000
DCF contributions	22,196	5,000	27,196
Total cash and bank balances of Clearing Funds	35,374	30,000	65,374

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

RM'000	As at 31.12.2014	As at 31.12.2013
Cash and bank balances	98,832	38,178
Bank guarantees from TCPs of BMSC	4,496	4,438
Standby Credit Facility from Bursa Malaysia Berhad	-	60,000
Total CGF	103,328	102,616

On 1 August 2014, BMSC replaced the Standby Credit Facility from the Company by setting aside RM60,000,000 as additional cash resources to CGF.

15. CASH AND BANK BALANCES

RM'000	As at 31.12.2014
Cash and bank balances	4,068
Deposits for short-term funding requirements	210,299
Cash and cash equivalents	214,367
Other deposits not for short-term funding requirements	-
Total cash and bank balances	214,367

Included in the cash and bank balances as at end of the financial year, an amount of RM1,668,000 which has been set aside to meet or secure the claims of creditors and certain lease payments pursuant to the High Court order issued in relation to the reduction of capital of the Company on 27 January 2005.

16. CAPITAL COMMITMENTS

Capital commitments for the purchase of property, plant and equipment and computer software not provided for in the condensed report as at the end of the financial year were as follows:

RM'000	Approved and contracted for	Approved but not contracted for
Computers and office automation	4,077	2,626
Other assets	236	-
Total capital commitments	4,313	2,626

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

17. CONTINGENT ASSETS AND LIABILITIES

There were no contingent assets and no changes in the contingent liability in respect of the put and call options with Chicago Mercantile Exchange Group over the ordinary shares of Bursa Malaysia Derivatives since 31 December 2013.

18. CHANGES IN COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the quarter and year ended 31 December 2014.

19. OPERATING LEASE ARRANGEMENTS

(a) As Lessee - for the lease of land

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

RM'000	As at 31.12.2014
Not later than 1 year	539
Later than 1 year and not later than 5 years	2,155
Later than 5 years	39,179
Total future minimum lease payments	41,873

(b) As Lessee - for the lease of equipment

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

RM'000	As at 31.12.2014
Not later than 1 year	152
Later than 1 year and not later than 5 years	278
Total future minimum lease payments	430

(c) As Lessor - for building rental

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

RM'000	As at 31.12.2014
Not later than 1 year	5,509
Later than 1 year and not later than 2 years	2,597
Later than 2 years and not later than 5 years	14
Total future minimum lease receivables	8,120

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PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

20. FINANCIAL INSTRUMENTS

20.1 Classification

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

RM'000	AFS	Held-To-Maturity (HTM)	Loans and Receivables	Financial Liabilities At Amortised Cost	Total
As at 31 December 2014					
Assets					
Investments securities					
- Shares (quoted equity)	118,631	-	-	-	118,631
- Bonds	106,832	-	-	-	106,832
- Commercial papers	-	4,902	-	-	4,902
	225,463	4,902	-	-	230,365
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	225,463	4,902	1,114,909	-	1,345,274
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	-	-	-	778,385	778,385

20.2 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. Level 1, 2 and 3). The hierarchies reflect the level of objectiveness of inputs used when measuring the fair value.

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

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 31 December 2014.

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

20. FINANCIAL INSTRUMENTS (CONT'D.)

20.2 Fair Value (Cont'd.)

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

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

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

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

The Group does not have any financial instruments in Level 3 as at 31 December 2014.

RM'000	Level 1	Level 2	Total
AFS Financial Assets			
Quoted equity	118,631	-	118,631
Unquoted bonds	-	106,832	106,832
	118,631	106,832	225,463

There were no transfers between Level 1 and Level 2 during the quarter and year ended 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.

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.

21. EVENTS AFTER THE REPORTING PERIOD

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

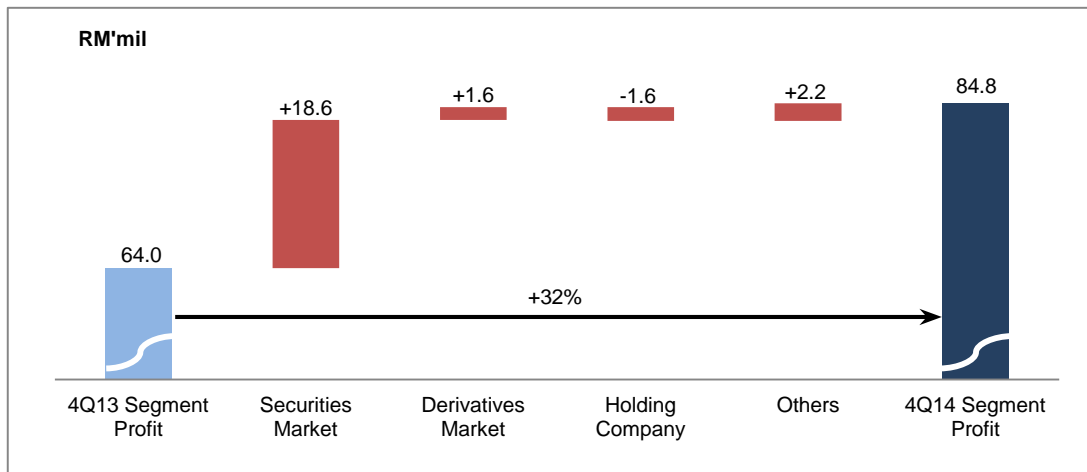
**PART B: EXPLANATORY NOTES PURSUANT TO MAIN
MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

22. OPERATING SEGMENTS REVIEW

(a) 4Q14 vs. 4Q13

Profit before tax (PBT) for the quarter ended 31 December 2014 (4Q14) was RM69.4 million, an increase of 44 per cent from RM48.3 million in the quarter ended 31 December 2013 (4Q13). PBT is made up of segment profits less overheads (as depicted in Note 11).

Total segment profit for 4Q14 was RM84.8 million, an increase of 32 per cent from RM64.0 million in 4Q13. The quarter movements in the segment profits are depicted in the graph below:

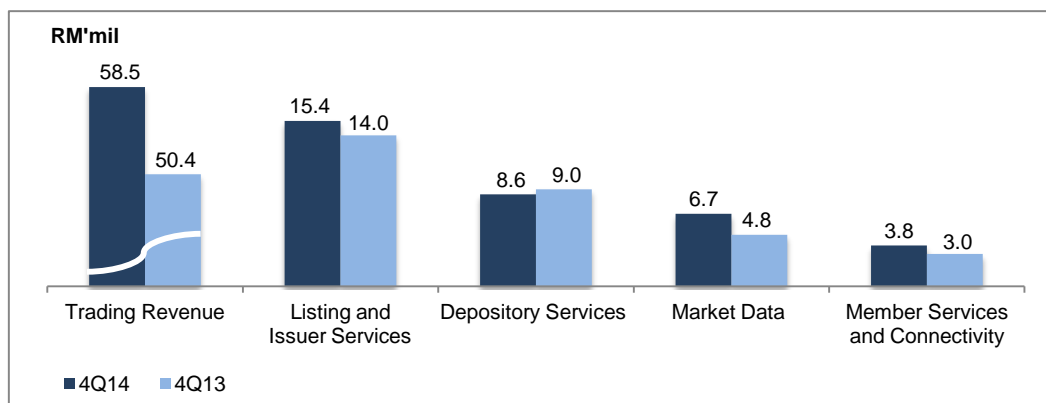


Securities Market

The securities market recorded a segment profit of RM74.0 million in 4Q14, an increase of 34 per cent compared to RM55.4 million in 4Q13. The higher profit in 4Q14 was mainly due to higher on-market trades (OMT) compared to 4Q13 despite recording a lower average daily value (ADV) for OMT and direct business transaction (DBT) in 4Q14. 4Q14 saw a higher ADV for OMT of RM1.90 billion compared to RM1.69 billion in 4Q13, whilst ADV for OMT and DBT in 4Q14 was lower compared to 4Q13 due to a single DBT of RM34 billion in 4Q13 which earned a relatively minimal fee.

The components of operating revenue and key operating drivers are shown in the chart and table below respectively.

(i) Operating Revenue



**PART B: EXPLANATORY NOTES PURSUANT TO MAIN
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22. OPERATING SEGMENTS REVIEW (CONT'D.)

(a) 4Q14 vs. 4Q13 (Cont'd.)

Securities Market (Cont'd.)

(i) Operating Revenue (cont'd.)

Key operating drivers in the securities market are as follows:

		4Q14	4Q13	%
FBM KLCI	(points)	1,761.25	1,866.96	-6
Average daily trading value (OMT and DBT)	(RM'billion)	2.00	2.33	-14
Average daily trading volume (OMT and DBT)	(billion)	1.94	1.71	13
Effective clearing fee rate	(basis points)	2.43	2.38	2
Velocity	(per cent)	28	25	12
Number of Initial Public Offerings (IPOs)		4	7	-43
Number of new structured warrant listings		211	107	97
Total funds raised:				
- IPOs	(RM'billion)	0.22	4.84	-95
- Secondary issues	(RM'billion)	1.37	4.37	-69
Market capitalisation at end of period	(RM'billion)	1,651.17	1,702.15	-3

(ii) Operating Expenses

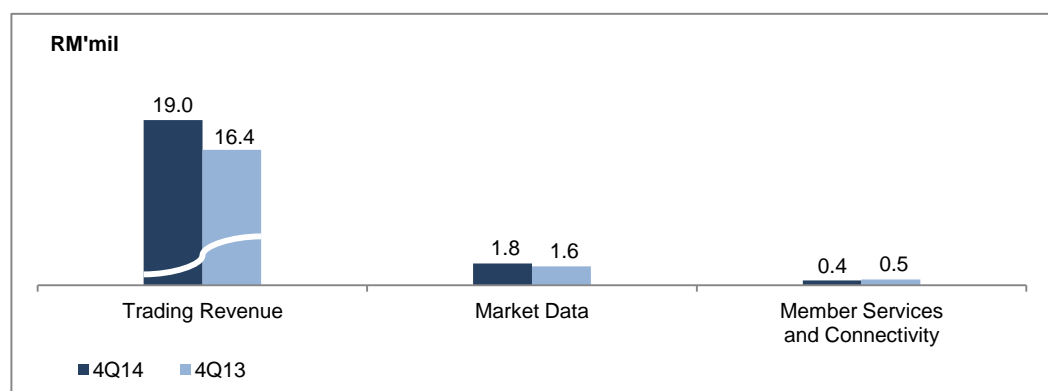
Segment expenses decreased by 22 per cent to RM22.0 million in 4Q14 compared to 4Q13. Segment expenses was lower in 4Q14 mainly due to lower staff costs, and lower depreciation resulting from the replacement of the trading system in December 2013.

Derivatives Market

The derivatives market recorded a segment profit of RM10.2 million in 4Q14, an increase of 19 per cent compared to RM8.6 million in 4Q13. The higher profit in 4Q14 was attributable to the higher number of contracts traded. Operating revenue for 4Q14 was RM21.2 million, representing an increase of 15 per cent compared to RM18.5 million in 4Q13.

The components of operating revenue and key operating drivers are shown in the chart and table below respectively.

(i) Operating Revenue



**PART B: EXPLANATORY NOTES PURSUANT TO MAIN
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22. OPERATING SEGMENTS REVIEW (CONT'D.)

(a) 4Q14 vs. 4Q13 (Cont'd.)

Derivatives Market (cont'd.)

(i) Operating Revenue (cont'd.)

Key operating drivers in the securities market are as follows:

		4Q14	4Q13	%
FCPO contracts	(million)	2.81	2.03	38
FKLI contracts	(million)	0.61	0.56	9
Other contracts	(million)	0.02	0.03	-33
Total	(million)	3.44	2.62	31
Daily average contracts		54,537	41,535	31
Open interests at end of period		196,413	196,493	-

(ii) Operating Expenses

Segment expenses increased by 9 per cent to RM11.9 million in 4Q14 compared to 4Q13. The increase in 4Q14 was mainly due to higher service fees charged as a result of the increase in trading volumes.

Exchange Holding Company

The exchange holding company recorded a segment loss of RM1.9 million in 4Q14 compared to a segment loss of RM0.2 million in 4Q13 mainly due to lower broker services and interest income earned.

Others

Others segment is made up of our BSAS business, bonds trading and offshore exchange. The Others segment profit increased by 810 per cent to RM2.4 million in 4Q14 from RM0.3 million in 4Q13 due to higher trades on BSAS resulting from higher sukuk issuance and conversion to Murabaha deposits.

Overheads

Overheads decreased marginally by 3 per cent to RM15.3 million in 4Q14 compared to RM15.7 million in 4Q13.

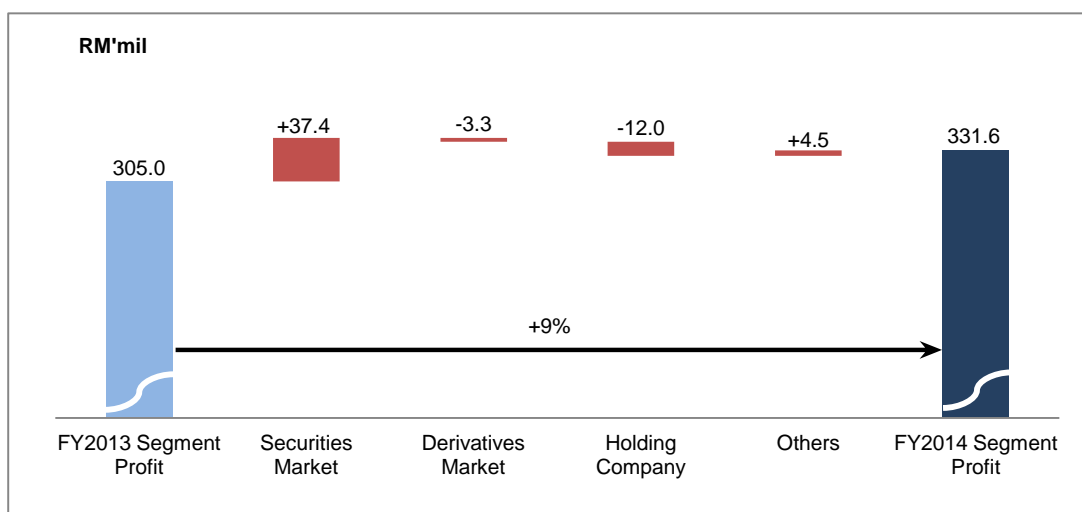
**PART B: EXPLANATORY NOTES PURSUANT TO MAIN
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22. OPERATING SEGMENTS REVIEW (CONT'D.)

(b) FY2014 vs. FY2013

PBT for the year ended 31 December 2014 (FY2014) was RM271.8 million, an increase of 11 per cent from RM245.6 million in the year ended 31 December 2013 (FY2013). PBT is made up of segment profits less overheads.

Total segment profit for FY2014 was RM331.6 million, an increase of 9 per cent from RM305.0 million in FY2013. The year on year movement in the segment profits are depicted in the graph below:

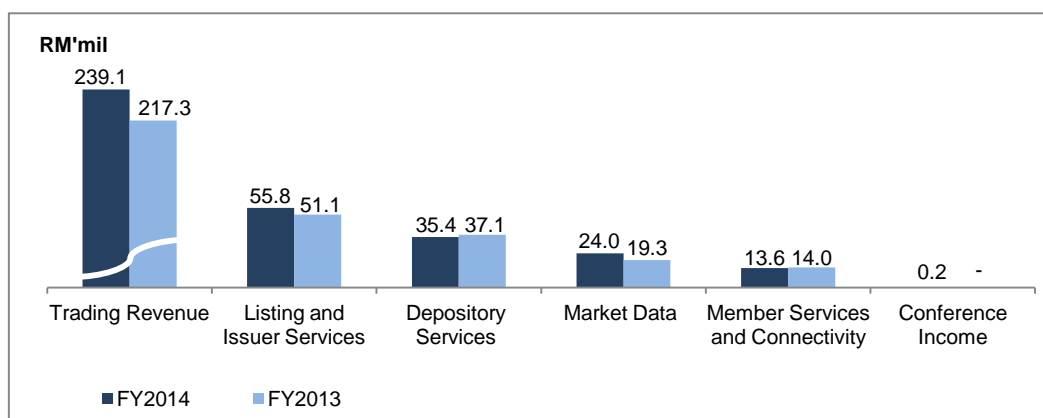


Securities Market

The securities market recorded a segment profit of RM294.3 million in FY2014 compared to RM256.8 million in FY2013. The higher profit in FY2014 was mainly a result of higher trading activity on the securities market as compared to FY2013.

(i) Operating Revenue

Operating revenue for FY2014 was RM368.1 million, representing an increase of 9 per cent compared to RM338.8 million in FY2013. The increase came mainly from trading revenue, as shown in the chart below:



**PART B: EXPLANATORY NOTES PURSUANT TO MAIN
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22. OPERATING SEGMENTS REVIEW (CONT'D.)

(b) FY2014 vs. FY2013 (Cont'd.)

Securities Market (Cont'd.)

(i) Operating Revenue (Cont'd.)

- > Trading revenue increased by 10 per cent to RM239.1 million in FY2014 compared to FY2013. FY2014 saw a higher ADV for OMT and DBT of RM2.16 billion compared to RM2.14 billion in FY2013, and a higher effective clearing fee rate of 2.38 basis points (FY2013: 2.30 basis points), as a result of higher retail participation in the securities market.
- > Listing and issuer services increased by 9 per cent to RM55.8 million in FY2014 compared to FY2013. The increase was attributable to higher initial, additional as well as annual listing fees, resulting from a higher number of structured warrant listings, corporate exercises and market capitalisation respectively.
- > Depository services decreased by 5 per cent to RM35.4 million in FY2014 compared to FY2013. The lower revenue was mainly as a result of lower public issue fees from smaller IPOs listed in FY2014.
- > Market data increased by 24 per cent to RM24.0 million in FY2014 compared to FY2013. The market data revenue in FY2014 was higher as a result of new information packages introduced and commencement of market data charges to Participant Organisations.

Key operating drivers in the securities market are as follows:

		FY2014	FY2013	%
FBM KLCI	(points)	1,761.25	1,866.96	-6
Average daily trading value (OMT and DBT)	(RM'billion)	2.16	2.14	1
Average daily trading volume (OMT and DBT)	(billion)	2.16	1.57	38
Effective clearing fee rate	(basis points)	2.38	2.30	3
Velocity	(per cent)	29	30	-3
Number of IPOs		14	18	-22
Number of new structured warrant listings		546	410	33
Total funds raised:				
- IPOs	(RM'billion)	5.90	8.21	-28
- Secondary issues	(RM'billion)	18.38	14.34	28
Market capitalisation at end of year	(RM'billion)	1,651.17	1,702.15	-3

(ii) Other Income

Other income increased by 26 per cent to RM12.7 million in FY2014 compared to RM10.1 million in FY2013 mainly due to higher interest income earned.

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

22. OPERATING SEGMENTS REVIEW (CONT'D.)

(b) FY2014 vs. FY2013 (Cont'd.)

Securities Market (Cont'd.)

(iii) Operating Expenses

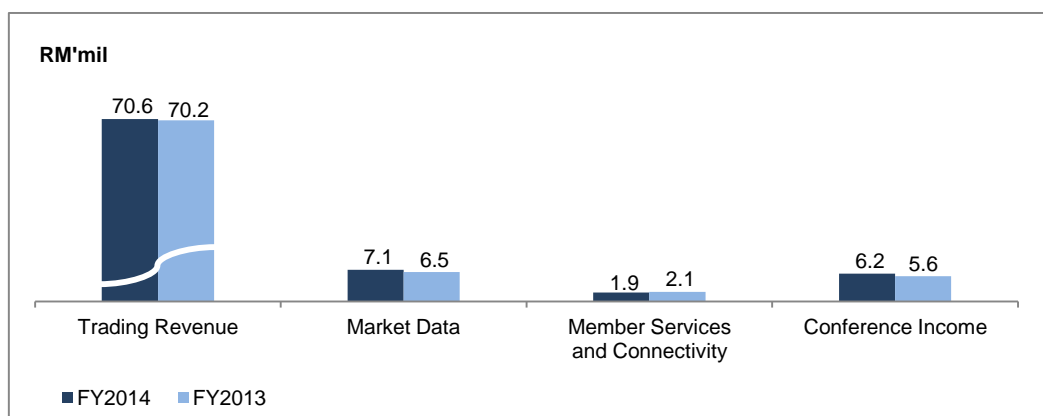
Segment expenses decreased by 6 per cent to RM86.5 million in FY2014 compared to FY2013. The decrease in FY2014 was mainly due to lower depreciation following the replacement of the trading system in December 2013.

Derivatives Market

The derivatives market recorded a segment profit of RM40.8 million in FY2014, a decrease of 7 per cent compared to RM44.1 million in FY2013. The lower profit in FY2014 was attributable to higher operating growth in expenses compared to the growth in revenue.

(i) Operating Revenue

Operating revenue for FY2014 was RM85.8 million, representing an increase of 2 per cent compared to RM84.4 million in FY2013. The increase came mainly from market data and conference income, as shown in the chart below:



- > Despite higher number of contracts traded from 10.74 million in FY2013 to 12.46 million in FY2014, trading revenue increased marginally as a result of lower fees earned from guarantee and collateral management fees.
- > Market data increased by 9 per cent to RM7.1 million in FY2014 compared to RM6.5 million in FY2013. The market data revenue in FY2014 was higher as a result of new information packages introduced and commencement of market data charges to Trading Participants.
- > Conference income increased by 10 per cent to RM6.2 million in FY2014 compared to FY2013. The increase was mainly due to revision in fees for the Palm and Lauric Oils Price Outlook Conference & Exhibition in 2014.

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

22. OPERATING SEGMENTS REVIEW (CONT'D.)

(b) FY2014 vs. FY2013 (Cont'd.)

Derivatives Market (Cont'd.)

Key operating drivers in the securities market are as follows:

		FY2014	FY2013	%
FCPO contracts	(million)	10.16	8.01	27
FKLI contracts	(million)	2.17	2.68	-19
Other contracts	(million)	0.13	0.05	160
Total	(million)	12.46	10.74	16
Daily average contracts		50,654	43,490	16
Open interests at end of period		196,413	196,493	-

(ii) Operating Expenses

Segment expenses increased by 11 per cent to RM48.6 million in FY2014 compared to FY2013. The increase in FY2014 was mainly due to more marketing activities and higher service fees charged as a result of the increase in trading volumes compared to FY2013.

Exchange Holding Company

The exchange holding company recorded a segment loss of RM8.9 million in FY2014 compared to a segment profit of RM3.1 million in FY2013 mainly due to lower broker services and interest income earned, and higher staff costs.

Others

Others segment is made up of our BSAS business, bonds trading and offshore exchange. The Others segment profit increased by 507 per cent to RM5.4 million in FY2014 from RM0.9 million in FY2013 due to higher trades on BSAS resulting from higher sukuk issuance and conversion to Murabaha deposits.

Overheads

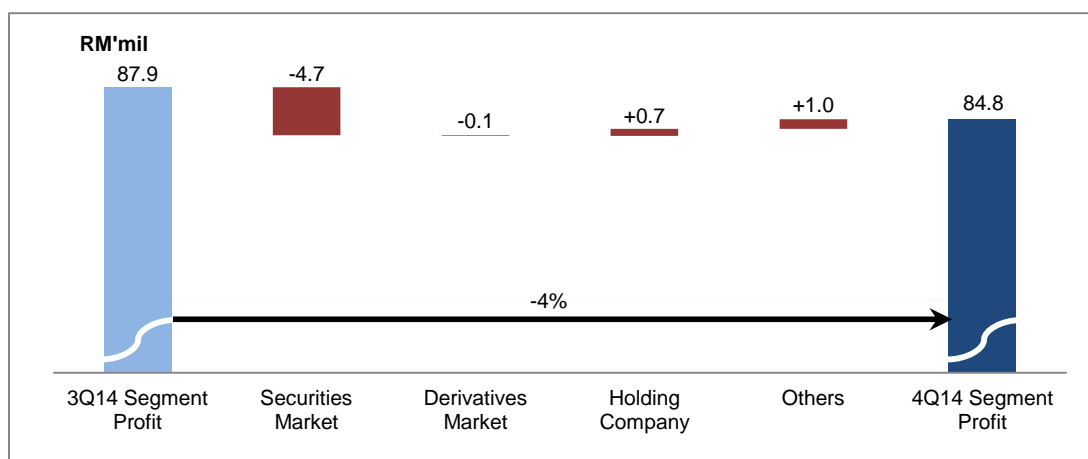
Overheads increased marginally by 1 per cent to RM59.9 million in FY2014 compared to RM59.4 million in FY2013.

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

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

PBT for 4Q14 was RM69.4 million, a decrease of 6 per cent from RM73.6 million in the quarter ended 30 September 2014 (3Q14). PBT is made up of segment profits less overheads.

Total segment profit for 4Q14 was RM84.8 million, a decrease of 4 per cent from RM87.9 million in 3Q14. The quarter on quarter movements in the segment profits are depicted in the graph below:

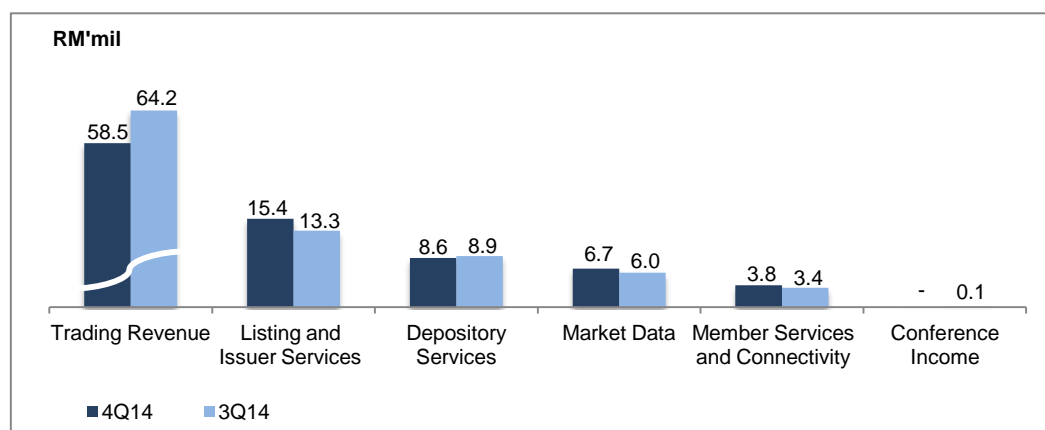


Securities Market

The securities market recorded a segment profit of RM74.0 million in 4Q14, a decrease of 6 per cent compared to RM78.8 million in 3Q14. The lower profit in 4Q14 was mainly due to lower operating revenue on the securities market.

(i) Operating Revenue

Operating revenue for 4Q14 was RM93.0 million, representing a decrease of 3 per cent compared to RM95.9 million in 3Q14. The decrease came mainly from trading revenue, as shown in the chart below:



**PART B: EXPLANATORY NOTES PURSUANT TO MAIN
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23. MATERIAL CHANGE IN PERFORMANCE OF OPERATING SEGMENTS OF CURRENT QUARTER COMPARED WITH PRECEDING QUARTER (CONT'D.)

Securities Market (Cont'd.)

(i) Operating Revenue (Cont'd.)

- > Trading revenue decreased by 9 per cent to RM58.5 million in 4Q14 compared to 3Q14. 4Q14 saw a lower ADV for OMT and DBT of RM2.00 billion compared to RM2.30 billion in 3Q14.
- > Listing and issuer services increased by 15 per cent to RM15.4 million in 4Q14 compared to 3Q14. The increase in 4Q14 was mainly due to higher perusal and processing fees earned from higher number of corporate exercises and a higher number of new structured warrant listings.

Key operating drivers in the securities market are as follows:

		4Q14	3Q14	%
FBM KLCI	(points)	1,761.25	1,846.31	-5
Average daily trading value (OMT and DBT)	(RM'billion)	2.00	2.30	-13
Average daily trading volume (OMT and DBT)	(billion)	1.94	2.77	-30
Effective clearing fee rate	(basis points)	2.43	2.44	0
Velocity	(per cent)	28	30	-7
Number of IPOs		4	4	-
Number of new structured warrant listings		211	116	82
Total funds raised:				
- IPOs	(RM'billion)	0.22	0.97	-77
- Secondary issues	(RM'billion)	1.37	3.49	-61
Market capitalisation at end of period	(RM'billion)	1,651.17	1,774.09	-7

(ii) Operating Expenses

Segment expenses increased by 5 per cent to RM22.0 million in 4Q14 compared to 3Q14. The increase was mainly due to higher staff costs.

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

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

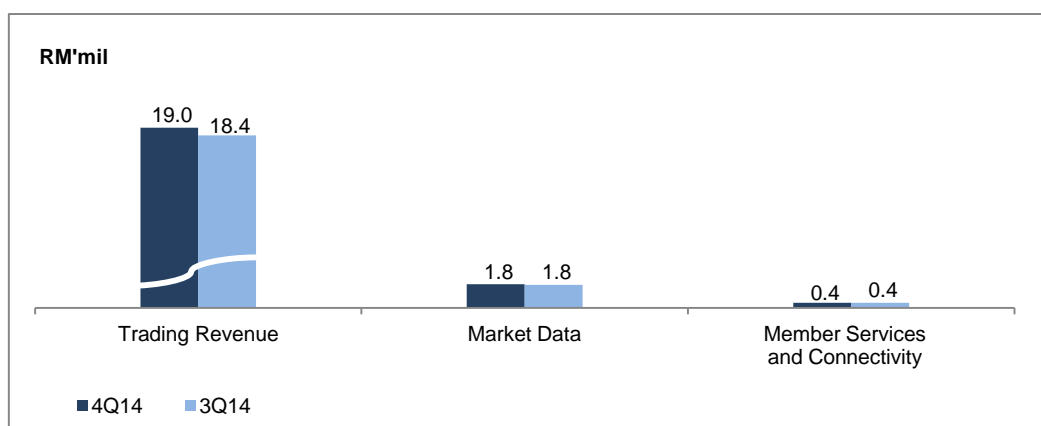
Derivatives Market

The derivatives market segment profit was fairly stable at RM10.2 million in 4Q14 and 3Q14.

(i) Operating Revenue

Operating revenue for 4Q14 was RM21.2 million, representing an increase of 3 per cent compared to RM20.6 million in 3Q14. The increase came mainly from trading revenue, as a result of higher contracts being traded in 4Q14 compared to 3Q14.

The components of operating revenue and key operating drivers are shown in the chart and table below respectively.



Key operating drivers in the securities market are as follows:

		4Q14	3Q14	%
FCPO contracts	(million)	2.81	2.78	1
FKLI contracts	(million)	0.61	0.48	27
Other contracts	(million)	0.02	0.04	-50
Total	(million)	3.44	3.30	4
Daily average contracts		54,537	54,019	1
Open interests at end of period		196,413	288,087	-32

(ii) Operating Expenses

Segment expenses increased by 7 per cent to RM11.9 million in 4Q14 compared to 3Q14. The increase in 4Q14 was mainly due to service fees charged as result of higher trading volumes.

Exchange Holding Company

The exchange holding company segment loss improved by 28 per cent to RM1.9 million in 4Q14 from RM2.6 million in 3Q14 as a result of a higher investment income.

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

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

Others

Others segment is made up of our BSAS business, bonds trading and offshore exchange. The Others segment profit increased by 65 per cent to RM2.5 million in 4Q14 from RM1.5 million in 3Q14 due to higher trades on BSAS resulting from higher sukuk issuance and murabaha deposits issuance.

Overheads

Overheads increased by 7 per cent to RM15.3 million in 4Q14 compared to RM14.3 million in 3Q14. The increase was mainly due to higher staff costs.

24. COMMENTARY ON PROSPECTS AND TARGETS

The outlook will be challenging due to the continued uncertainty in the global markets. The continuous decline in crude oil prices as well as the weakening of the ringgit will affect the achievement of the country's growth target. While the global economic growth remains uncertain, prospects for the Malaysian economy is expected to remain positive albeit with a lower revised growth rate of 4.5% to 5.5% for 2015. The pre-emptive measures announced recently by the Government are expected to cushion the impact of the external environment on the local economy.

Interest on the securities market is expected to continue to be affected by global events and domestic developments described above. Despite the uncertainty, we foresee that the domestic institutional and retail investors will continue to actively participate in the securities market.

Derivatives Market is expected to continue to benefit from the uncertainty in palm oil prices and the volatility in the securities market. With continued efforts to extend our distribution channels, promote our products and widen the range of derivative offerings, the volume is expected to increase.

With Social Responsible Investments seeking ethical and sustainable investments, and given the requirement by Islamic funds, demand for Shariah compliant products is expected to increase. Regulatory changes in Islamic banking will hasten the wider usage of the Murabaha principle, and it is expected to spur greater utilisation of our commodity trading platform, Bursa Suq Al-Sila' (BSAS).

We remain focused in developing our markets and products offered, while intensifying our outreach activities, to ensure sustainable performance despite the global economic uncertainty.

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

25. INCOME TAX EXPENSE

RM'000	3 months ended		12 months ended	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Income tax				
- Current provision	19,296	13,561	74,844	68,602
- Under/(over) provision of tax in prior years	-	-	70	(7,434)
	19,296	13,561	74,914	61,168
Deferred tax				
- Relating to origination and reversal of temporary differences	(3,525)	(203)	(5,258)	(2,288)
- Relating to reduction in Malaysian income tax rate	(918)	-	(918)	-
- (Over)/under provision of tax in prior years	-	-	(1,001)	7,315
	(4,443)	(203)	(7,177)	5,027
Total income tax expense	14,853	13,358	67,737	66,195

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

The effective tax rate of the Group for the year ended 31 December 2014 was higher than the statutory tax rate principally due to certain expenses which were not deductible for tax purpose. The effective tax rate of the Group for the current quarter was lower as a result of the recognition of previously unrecognised deferred tax assets.

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

26. RETAINED EARNINGS

RM'000	As at	As at
	31.12.2014	31.12.2013
Realised	315,853	395,350
Unrealised	(3,893)	(11,414)
	311,960	383,936
Consolidation adjustments	(6,742)	(974)
Total retained earnings	305,218	382,962

27. CORPORATE PROPOSALS

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

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

28. BORROWINGS AND DEBT SECURITIES

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

29. CHANGES IN MATERIAL LITIGATION

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

30. PROPOSED DIVIDENDS

At the forthcoming Annual General Meeting, a final dividend under the single-tier system in respect of the financial year ended 31 December 2014 of 18.0 sen per share on 533,520,000 ordinary shares, amounting to a dividend payable of approximately RM96,034,000 will be proposed for shareholders' approval.

31. EPS

(a) Basic EPS

	3 months ended		12 months ended	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Profit attributable to the owners of the Company (RM'000)	53,139	33,842	198,226	173,075
Weighted average number of ordinary shares in issue ('000)	533,520	532,612	533,114	532,373
Basic EPS (sen)	10.0	6.4	37.2	32.5

(b) Diluted EPS

	3 months ended		12 months ended	
	31.12.2014	31.12.2013	31.12.2014	31.12.2013
Profit attributable to owners of the Company (RM'000)	53,139	33,842	198,226	173,075
Weighted average number of ordinary shares in issue ('000)	533,520	532,612	533,114	532,373
Effect of dilution ('000)	2,433	2,042	2,209	1,454
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	535,953	534,654	535,323	533,827
Diluted EPS (sen)	9.9	6.3	37.0	32.4

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

32. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements for the financial year ended 31 December 2013 was unqualified.

33. REVIEW BY EXTERNAL AUDITORS

The Board had engaged the external auditors to review and report on the condensed consolidated financial statements of Bursa Malaysia Berhad for each of the three quarters ended 31 March 2014, 30 June 2014, and 30 September 2014, in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

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

34. AUTHORISED FOR ISSUE

The condensed consolidated financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 29 January 2015.