



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

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 SEPTEMBER 2017**

**25 October 2017**

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

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS**  
**FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 SEPTEMBER 2017**

|                                | Note | Quarter Ended |               |             | Year-To-Date Ended |                |             |
|--------------------------------|------|---------------|---------------|-------------|--------------------|----------------|-------------|
|                                |      | 30.9.2017     | 30.9.2016     | Changes     | 30.9.2017          | 30.9.2016      | Changes     |
|                                |      | RM'000        | RM'000        | %           | RM'000             | RM'000         | %           |
|                                |      | (Reviewed)    | (Reviewed)    |             | (Reviewed)         | (Reviewed)     |             |
| Operating revenue              | 8    | 122,626       | 111,793       | 9.7         | 392,058            | 360,169        | 8.9         |
| Other income                   | 9    | 7,647         | 7,603         | 0.6         | 23,571             | 22,878         | 3.0         |
|                                |      | 130,273       | 119,396       | 9.1         | 415,629            | 383,047        | 8.5         |
| Staff costs                    |      | (31,773)      | (32,877)      | (3.4)       | (100,230)          | (99,466)       | 0.8         |
| Depreciation and amortisation  |      | (5,932)       | (6,065)       | (2.2)       | (18,017)           | (18,145)       | (0.7)       |
| Other operating expenses       | 10   | (21,360)      | (18,852)      | 13.3        | (65,724)           | (63,804)       | 3.0         |
| Profit from operations         |      | 71,208        | 61,602        | 15.6        | 231,658            | 201,632        | 14.9        |
| Finance costs                  |      | (134)         | -             | -           | (401)              | -              | -           |
| Profit before tax              |      | 71,074        | 61,602        | 15.4        | 231,257            | 201,632        | 14.7        |
| Income tax expense             | 25   | (17,957)      | (15,653)      | 14.7        | (58,323)           | (51,361)       | 13.6        |
| <b>Profit for the period</b>   |      | <b>53,117</b> | <b>45,949</b> | <b>15.6</b> | <b>172,934</b>     | <b>150,271</b> | <b>15.1</b> |
| <b>Profit attributable to:</b> |      |               |               |             |                    |                |             |
| Owners of the Company          |      | 51,601        | 44,043        | 17.2        | 167,770            | 143,454        | 17.0        |
| Non-controlling interest       |      | 1,516         | 1,906         | (20.5)      | 5,164              | 6,817          | (24.2)      |
|                                |      | 53,117        | 45,949        | 15.6        | 172,934            | 150,271        | 15.1        |

|  | Note  | Quarter Ended |               | Year-To-Date Ended |               |
|--|-------|---------------|---------------|--------------------|---------------|
|  |       | 30.9.2017     | 30.9.2016     | 30.9.2017          | 30.9.2016     |
|  |       | Sen per share | Sen per share | Sen per share      | Sen per share |
|  |       | (Reviewed)    | (Reviewed)    | (Reviewed)         | (Reviewed)    |
| <b>Earnings Per Share ("EPS") attributable to owners of the Company:</b> |       |               |               |                    |               |
| Basic EPS  | 32(a) | 9.6           | 8.2           | 31.3               | 26.8          |
| Diluted EPS  | 32(b) | 9.6           | 8.2           | 31.2               | 26.7          |

*The above condensed consolidated statement of profit or loss should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 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-TO-DATE ENDED 30 SEPTEMBER 2017**

|  | Quarter Ended       |                     |               | Year-To-Date Ended  |                     |              |
|--|---------------------|---------------------|---------------|---------------------|---------------------|--------------|
|  | 30.9.2017<br>RM'000 | 30.9.2016<br>RM'000 | Changes<br>%  | 30.9.2017<br>RM'000 | 30.9.2016<br>RM'000 | Changes<br>% |
|  | (Reviewed)          | (Reviewed)          |               | (Reviewed)          | (Reviewed)          |              |
| Profit for the period  | 53,117              | 45,949              | 15.6          | 172,934             | 150,271             | 15.1         |
| <b>Other comprehensive income:</b>   |                     |                     |               |                     |                     |              |
| <b>Items that may be subsequently reclassified to profit or loss:</b>                                |                     |                     |               |                     |                     |              |
| (Loss)/Gain on foreign currency translation  | (54)                | 88                  | (161.4)       | (198)               | (101)               | 96.0         |
| Net fair value changes in unquoted bonds at Fair Value Through Other Comprehensive Income ("FVTOCI") | 186                 | 236                 | (21.2)        | 408                 | 405                 | 0.7          |
| Income tax effects relating to unquoted bonds at FVTOCI  | (15)                | (20)                | (25.0)        | (29)                | (42)                | (31.0)       |
|  | 117                 | 304                 | (61.5)        | 181                 | 262                 | (30.9)       |
| <b>Item that will not be subsequently reclassified to profit or loss:</b>                            |                     |                     |               |                     |                     |              |
| Net fair value changes in quoted shares at FVTOCI  | 13,601              | 15,878              | (14.3)        | 21,469              | 16,780              | 27.9         |
|  | 13,601              | 15,878              | (14.3)        | 21,469              | 16,780              | 27.9         |
| <b>Total other comprehensive income, net of income tax</b>   | <b>13,718</b>       | <b>16,182</b>       | <b>(15.2)</b> | <b>21,650</b>       | <b>17,042</b>       | <b>27.0</b>  |
| <b>Total comprehensive income</b>  | <b>66,835</b>       | <b>62,131</b>       | <b>7.6</b>    | <b>194,584</b>      | <b>167,313</b>      | <b>16.3</b>  |
| <b>Total comprehensive income attributable to:</b>   |                     |                     |               |                     |                     |              |
| Owners of the Company  | 65,319              | 60,225              | 8.5           | 189,420             | 160,496             | 18.0         |
| Non-controlling interest   | 1,516               | 1,906               | (20.5)        | 5,164               | 6,817               | (24.2)       |
|  | 66,835              | 62,131              | 7.6           | 194,584             | 167,313             | 16.3         |

*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 2016 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 30 SEPTEMBER 2017**

|   | Note | As at<br>30.9.2017<br>RM'000<br>(Reviewed) | As at<br>31.12.2016<br>RM'000<br>(Audited) |
|---|------|--|--|
| <b>Assets</b>   |      |  |  |
| Property, plant and equipment   |      | 177,660                                    | 183,240                                    |
| Computer software   |      | 39,070                                     | 47,107                                     |
| Right-of-use assets   |      | 8,434                                      | -  |
| Goodwill  |      | 42,957                                     | 42,957                                     |
| Investment securities   |      | 264,140                                    | 237,188                                    |
| Staff loans receivable  |      | 3,050                                      | 3,525                                      |
| Deferred tax assets   |      | 4,563                                      | 4,087                                      |
| <b>Non-current assets</b>   |      | <b>539,874</b>                             | <b>518,104</b>                             |
| Trade receivables   | 26   | 48,085                                     | 43,541                                     |
| Other receivables   |      | 15,509                                     | 23,999                                     |
| Tax recoverable   |      | 7,508                                      | 2,871                                      |
| Investment securities   |      | 40,062                                     | 34,939                                     |
| Cash for equity margins, derivatives trading margins, security deposits, Securities Borrowing and Lending ("SBL") collaterals and eDividend distributions | 13   | 1,486,979                                  | 1,381,059                                  |
| Cash and bank balances of Clearing Funds  | 14   | 126,870                                    | 126,213                                    |
| Cash and bank balances of the Group   | 15   | 212,155                                    | 305,626                                    |
| <b>Current assets</b>   |      | <b>1,937,168</b>                           | <b>1,918,248</b>                           |
| <b>Total assets</b>   |      | <b>2,477,042</b>                           | <b>2,436,352</b>                           |
| <b>Equity and liabilities</b>   |      |  |  |
| Share capital   |      | 402,169                                    | 268,136                                    |
| Share premium   |      | -  | 119,052                                    |
| Other reserves  |      | 171,169                                    | 157,843                                    |
| Retained earnings   | 27   | 212,345                                    | 323,909                                    |
| Equity attributable to owners of the Company  |      | 785,683                                    | 868,940                                    |
| Non-controlling interest  |      | 10,464                                     | 18,300                                     |
| <b>Total equity</b>   |      | <b>796,147</b>                             | <b>887,240</b>                             |
| Retirement benefit obligations  |      | 21,917                                     | 25,079                                     |
| Lease liabilities   |      | 8,380                                      | -  |
| Deferred grants   |      | 2,011                                      | 3,092                                      |
| Deferred tax liabilities  |      | 1,822                                      | 2,123                                      |
| <b>Non-current liabilities</b>  |      | <b>34,130</b>                              | <b>30,294</b>                              |
| Trade payables  | 13   | 1,486,933                                  | 1,378,595                                  |
| Participants' contributions to Clearing Funds   | 14   | 36,870                                     | 36,213                                     |
| Other payables  |      | 104,107                                    | 100,509                                    |
| Tax payable   |      | 18,855                                     | 3,501                                      |
| <b>Current liabilities</b>  |      | <b>1,646,765</b>                           | <b>1,518,818</b>                           |
| <b>Total liabilities</b>  |      | <b>1,680,895</b>                           | <b>1,549,112</b>                           |
| <b>Total equity and liabilities</b>   |      | <b>2,477,042</b>                           | <b>2,436,352</b>                           |
|   |      | RM   | RM   |
| <b>Net assets per share attributable to owners of the Company</b>   | 33   | <b>1.46</b>                                | <b>1.62</b>                                |

*The above condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 and the accompanying explanatory notes attached to these interim financial statements.*

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

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR-TO-DATE ENDED 30 SEPTEMBER 2017**

|  | ← Attributable to owners of the Company → |                            |  |   |                                     |  |                             |                                |                 |   |                           |
|--|---|----------------------------|--|---|-------------------------------------|--|-----------------------------|--------------------------------|-----------------|---|---------------------------|
|  | ← Non-distributable                       |                            |  |   |                                     | → Distributable                        |                             |                                |                 |   |                           |
|  | Share<br>capital<br>RM'000                | Share<br>premium<br>RM'000 | Capital<br>redemption<br>reserve<br>RM'000 | Foreign<br>currency<br>translation<br>reserve<br>RM'000 | Share<br>grant<br>reserve<br>RM'000 | Clearing<br>fund<br>reserves<br>RM'000 | FVTOCI<br>reserve<br>RM'000 | Retained<br>earnings<br>RM'000 | Total<br>RM'000 | Non-<br>controlling<br>interest<br>RM'000 | Total<br>equity<br>RM'000 |
| <b>At 1 January 2017</b>   | 268,136                                   | 119,052                    | 5,250                                      | 860   | 8,350                               | 30,000                                 | 113,383                     | 323,909                        | 868,940         | 18,300                                    | 887,240                   |
| Adjustments for effects of Companies Act 2016<br>(Note a)            | 124,302                                   | (119,052)                  | (5,250)                                    | -   | -                                   | -                                      | -                           | -                              | -               | -   | -                         |
| Profit for the period  | -   | -                          | -  | -   | -                                   | -                                      | -                           | 167,770                        | 167,770         | 5,164                                     | 172,934                   |
| Other comprehensive income, net of income tax                        | -   | -                          | -  | (198)   | -                                   | -                                      | 21,848                      | -                              | 21,650          | -   | 21,650                    |
| Total comprehensive income   | -   | -                          | -  | (198)   | -                                   | -                                      | 21,848                      | 167,770                        | 189,420         | 5,164                                     | 194,584                   |
| <b>Transactions with owners of the Company:</b>                      |   |                            |  |   |                                     |  |                             |                                |                 |   |                           |
| Issuance of ordinary shares pursuant to the Share Grant Plan ("SGP") | 9,731                                     | -                          | -  | -   | (9,731)                             | -                                      | -                           | -                              | -               | -   | -                         |
| SGP expense  | -   | -                          | -  | -   | 6,657                               | -                                      | -                           | -                              | 6,657           | -   | 6,657                     |
| Dividends paid (Note 7)  | -   | -                          | -  | -   | -                                   | -                                      | -                           | (279,334)                      | (279,334)       | -   | (279,334)                 |
| Dividends paid to non-controlling interest                           | -   | -                          | -  | -   | -                                   | -                                      | -                           | -                              | -               | (13,000)                                  | (13,000)                  |
| Total transactions with owners of the Company                        | 9,731                                     | -                          | -  | -   | (3,074)                             | -                                      | -                           | (279,334)                      | (272,677)       | (13,000)                                  | (285,677)                 |
| <b>At 30 September 2017</b>  | <b>402,169</b>                            | <b>-</b>                   | <b>-</b>                                   | <b>662</b>  | <b>5,276</b>                        | <b>30,000</b>                          | <b>135,231</b>              | <b>212,345</b>                 | <b>785,683</b>  | <b>10,464</b>                             | <b>796,147</b>            |
| <b>At 1 January 2016</b>   | 267,307                                   | 107,443                    | 5,250                                      | 710   | 10,049                              | 30,000                                 | 64,041                      | 318,206                        | 803,006         | 16,010                                    | 819,016                   |
| Profit for the period  | -   | -                          | -  | -   | -                                   | -                                      | -                           | 143,454                        | 143,454         | 6,817                                     | 150,271                   |
| Other comprehensive income, net of income tax                        | -   | -                          | -  | (101)   | -                                   | -                                      | 17,143                      | -                              | 17,042          | -   | 17,042                    |
| Total comprehensive income   | -   | -                          | -  | (101)   | -                                   | -                                      | 17,143                      | 143,454                        | 160,496         | 6,817                                     | 167,313                   |
| <b>Transactions with owners of the Company:</b>                      |   |                            |  |   |                                     |  |                             |                                |                 |   |                           |
| Issuance of ordinary shares pursuant to the SGP                      | 829                                       | 11,609                     | -  | -   | (12,438)                            | -                                      | -                           | -                              | -               | -   | -                         |
| SGP expense  | -   | -                          | -  | -   | 8,711                               | -                                      | -                           | -                              | 8,711           | -   | 8,711                     |
| Dividends paid (Note 7)  | -   | -                          | -  | -   | -                                   | -                                      | -                           | (187,442)                      | (187,442)       | -   | (187,442)                 |
| Dividends paid to non-controlling interest                           | -   | -                          | -  | -   | -                                   | -                                      | -                           | -                              | -               | (6,750)                                   | (6,750)                   |
| Total transactions with owners of the Company                        | 829                                       | 11,609                     | -  | -   | (3,727)                             | -                                      | -                           | (187,442)                      | (178,731)       | (6,750)                                   | (185,481)                 |
| <b>At 30 September 2016</b>  | <b>268,136</b>                            | <b>119,052</b>             | <b>5,250</b>                               | <b>609</b>  | <b>6,322</b>                        | <b>30,000</b>                          | <b>81,184</b>               | <b>274,218</b>                 | <b>784,771</b>  | <b>16,077</b>                             | <b>800,848</b>            |

**Note a**

With the Companies Act 2016 ("New Act") coming into effect on 31 January 2017, the credits standing in the share premium and capital redemption reserve accounts of RM119,052,000 and RM5,250,000 respectively have been transferred to the share capital account. Pursuant to subsection 618(3) and 618(4) of the New Act, the Group may exercise its right to use the credit amounts being transferred from share premium and capital redemption reserve accounts within 24 months after the commencement of the New Act. The Board of Directors will make a decision thereon by 31 January 2019.

*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 2016 and the accompanying explanatory notes attached to these interim financial statements.*

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

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR-TO-DATE ENDED 30 SEPTEMBER 2017**

|   | Note | Year-To-Date Ended                |                                   |
|---|------|-----------------------------------|-----------------------------------|
|   |      | 30.9.2017<br>RM'000<br>(Reviewed) | 30.9.2016<br>RM'000<br>(Reviewed) |
| <b>Cash flows from operating activities</b>                             |      |                                   |                                   |
| Profit before tax   |      | 231,257                           | 201,632                           |
| Adjustments for:  |      |                                   |                                   |
| (Accretion of discount)/Amortisation of premium, net                    |      | (15)                              | 39                                |
| Depreciation and amortisation   |      | 18,017                            | 18,145                            |
| Dividend income from investment securities                              | 9    | (2,300)                           | (1,977)                           |
| Grant income  | 9    | (1,081)                           | (869)                             |
| Interest income   | 9    | (14,907)                          | (15,113)                          |
| Finance costs   |      | 401                               | -                                 |
| Net gain on disposal of investment securities                           | 9    | (25)                              | (47)                              |
| Net impairment loss/(reversal of impairment loss) on:                   |      |                                   |                                   |
| - Investment securities   | 10   | 97                                | (40)                              |
| - Trade and other receivables   | 10   | 1,586                             | (304)                             |
| Retirement benefit obligations  |      | 880                               | 989                               |
| SGP expense   |      | 6,657                             | 8,711                             |
| Unrealised loss on foreign exchange differences                         |      | 17                                | 515                               |
| Operating profit before working capital changes                         |      | 240,584                           | 211,681                           |
| (Increase)/Decrease in receivables                                      |      | (3,478)                           | 2,344                             |
| Increase/(Decrease) in other payables                                   |      | 6,317                             | (606)                             |
| Cash generated from operations  |      | 243,423                           | 213,419                           |
| Staff loans repaid  |      | 389                               | 620                               |
| Retirement benefits paid  |      | (4,042)                           | (1,697)                           |
| Net tax paid  |      | (48,411)                          | (54,350)                          |
| <b>Net cash from operating activities</b>                               |      | <b>191,359</b>                    | <b>157,992</b>                    |
| <b>Cash flows from/(used in) investing activities</b>                   |      |                                   |                                   |
| Dividends received  |      | 5,828                             | 7,603                             |
| Decrease/(Increase) in deposits not for short-term funding requirements |      | 34,446                            | (112,920)                         |
| Interest received   |      | 16,699                            | 16,176                            |
| Proceeds from disposal of investment securities                         |      | 19,740                            | 35,011                            |
| Purchases of investment securities                                      |      | (29,995)                          | (24,954)                          |
| Purchases of property, plant and equipment and computer software        |      | (4,568)                           | (5,272)                           |
| <b>Net cash from/(used in) investing activities</b>                     |      | <b>42,150</b>                     | <b>(84,356)</b>                   |
| <b>Cash flows used in financing activities</b>                          |      |                                   |                                   |
| Dividends paid  | 7    | (279,334)                         | (187,442)                         |
| Dividends paid by a subsidiary to non-controlling interest              |      | (13,000)                          | (6,750)                           |
| <b>Net cash used in financing activities</b>                            |      | <b>(292,334)</b>                  | <b>(194,192)</b>                  |
| <b>Net decrease in cash and cash equivalents</b>                        |      | <b>(58,825)</b>                   | <b>(120,556)</b>                  |
| Effect of exchange rate changes   |      | (200)                             | (103)                             |
| Cash and cash equivalents at beginning of period                        |      | 214,048                           | 264,058                           |
| <b>Cash and cash equivalents at end of period</b>                       | 15   | <b>155,023</b>                    | <b>143,399</b>                    |

*The above condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016 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 financial statements ("Condensed Report") has been prepared in accordance with Malaysian Financial Reporting Standards ("MFRSs") 134 *Interim Financial Reporting*, International Accounting Standard ("IAS") 34 *Interim Financial Reporting* and the requirements of the Companies Act 2016 in Malaysia, where applicable. The Condensed Report, other than for financial instruments and retirement benefit obligations, has been prepared under the historical cost convention. Certain financial instruments are carried at fair value in accordance with MFRS 9 *Financial Instruments* and the retirement benefit obligations include actuarial gains and losses in accordance with MFRS 119 *Employee Benefits*.

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

This Condensed Report should be read in conjunction with the audited financial statements for the financial year ended 31 December 2016. The explanatory notes attached to the Condensed Report provide an explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2016.

**2. SIGNIFICANT ACCOUNTING POLICIES**

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

The accounting policies adopted in the preparation of the Condensed Report are consistent with those used in the preparation of the Group's audited financial statements for the financial year ended 31 December 2016, except for the following:

**(i) Amendments and Annual Improvements to Standards effective for financial periods beginning on or after 1 January 2017**

Amendments to MFRS 107 Statement of Cash Flows - *Disclosure Initiative*  
Amendments to MFRS 112 Income Taxes - *Recognition of Deferred Tax Assets for Unrealised Losses*  
Amendments to MFRS 12 Disclosure of Interests in Other Entities (*Annual Improvements to MFRSs 2014 - 2016 Cycle*)

The above pronouncements are either not relevant or do not have any impact on the financial statements of the Group, except for the Amendments to MFRS 107 Statement of Cash Flows - *Disclosure Initiative*.

These amendments to MFRS 107 Statement of Cash Flows - *Disclosure Initiative* require the Group to disclose a reconciliation between the opening and closing balances for liabilities arising from financing activities, including changes arising from both cash flow and non-cash flow items. The adoption of these amendments does not require additional disclosure in the Condensed Report, but such disclosure will be required in the annual financial statements.

**(ii) Early adoption of Standards, Amendments and Annual Improvements to Standards and IC Interpretation**

Effective for financial periods beginning on or after 1 January 2018

Amendments to MFRS 2 Share-based Payment - *Classification and Measurement of Share-based Payment Transactions*  
Amendments to MFRS 4 Insurance Contracts - *Applying MFRS 9 Financial Instruments with MFRS 4 Insurance Contracts*  
Amendments to MFRS 140 Investment Property - *Transfers of Investment Property*  
Amendments to MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards (*Annual Improvements to MFRSs 2014 - 2016 Cycle*)  
Amendments to MFRS 128 Investments in Associates and Joint Ventures (*Annual Improvements to MFRSs 2014 - 2016 Cycle*)  
IC Interpretation 22 Foreign Currency Transactions and Advance Consideration

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

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

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

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

Effective for financial periods beginning on or after 1 January 2019

**MFRS 16 Leases**

The Group has elected to early adopt the above pronouncements which are mandatory for financial periods beginning on or after 1 January 2018 and 1 January 2019. These pronouncements are either not relevant or do not have any impact on the financial statements of the Group, other than the Standard described below:

**(a) MFRS 16 Leases**

The Group has early adopted MFRS 16 *Leases* and applied this Standard retrospectively during the financial period. In accordance with the transition requirements under the Appendix C, paragraph 5(b) of this Standard, comparatives are not restated.

As a result of the adoption of MFRS 16 *Leases*, the existing requirements for a lessee to distinguish between finance leases and operating leases under the MFRS 117 *Leases* are no longer required. This Standard introduces a single accounting model, requiring the lessee to recognise the right-of-use of the underlying lease asset and the future lease payments liabilities in the statement of financial position. For a lessor, MFRS 16 *Leases* continues to allow the lessor to classify leases as either operating leases or finance leases and to account for these two types of leases differently.

The following table presents the impact of changes to the consolidated statement of financial position of the Group resulting from the early adoption of MFRS 16 *Leases* as at 1 January 2017:

| <b>Group</b>                   | <b>Note</b> | <b>As at<br/>31 December<br/>2016<br/>RM'000</b> | <b>Changes<br/>RM'000</b> | <b>As at<br/>1 January<br/>2017<br/>RM'000</b> |
|--------------------------------|-------------|--|---------------------------|--|
| <b>Non-current assets</b>      |             |  |                           |  |
| Right-of-use assets            | (a)         | -  | 8,518                     | 8,518  |
| <b>Current assets</b>          |             |  |                           |  |
| Other receivables              | (b)         | 23,999   | (539)                     | 23,460   |
| <b>Non-current liabilities</b> |             |  |                           |  |
| Lease liabilities              | (c)         | -  | 7,979                     | 7,979  |

**Note:**

- (a) The right-of-use assets comprise 2 pieces of freehold land leased from the Government and recognised during the period. Subsequent to initial recognition, the right-of-use assets are measured at cost less any accumulated depreciation, accumulated impairment losses and adjusted for any remeasurement of lease liabilities.
- (b) Prepaid lease payments which were previously classified as other receivables are now recognised as part of right-of-use assets.
- (c) The lease liabilities arising from the freehold land leased from the Government are recognised and discounted using the Group's weighted average incremental borrowing rate of 6.7% on RM40,796,000 disclosed as operating lease commitments as at 31 December 2016. Subsequent to initial recognition, the Group measures the lease liabilities by increasing the carrying amount to reflect the interest on the lease liabilities, reducing the carrying amount to reflect lease payments made and remeasuring the carrying amount to reflect any reassessment or lease modifications.



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

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

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

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

**(a) MFRS 16 Leases (Cont'd.)**

Other than the above, the Group elected to apply exemptions for a lease of equipment expiring within 12 months from date of application under the Appendix C, paragraph 10(c) of this Standard. As at 30 September 2017, the lease payments payable for this lease of equipment within the next 12 months and not recognised in the consolidated statement of financial position of the Group is RM13,000.

**2.2 Standards issued but not yet effective**

As at the date of authorisation of the Condensed Report, the following Standards, Amendments to Standards and IC Interpretation have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective and have not been adopted by the Group. These pronouncements are either not relevant or do not impact the financial statements of the Group:

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

IC Interpretation 23 Uncertainty over Income Tax Treatments

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

MFRS 17 Insurance Contracts

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

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

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

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

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

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter and year-to-date ended 30 September 2017.

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

There were no changes in estimates that have had any material effect during the current quarter and year-to-date ended 30 September 2017.

**6. DEBT AND EQUITY SECURITIES**

There were no issuances, repurchases and repayments of debt and equity securities during the current quarter and year-to-date ended 30 September 2017 other than the following:

- (i) On 3 April 2017, the company issued 250,000 new ordinary shares of RM9.78 each pursuant to the SGP;
- (ii) On 13 July 2017, the company issued 334,600 new ordinary shares of RM6.71 each pursuant to the SGP;
- (iii) On 13 July 2017, the company issued 319,400 new ordinary shares of RM7.43 each pursuant to the SGP; and
- (iv) On 13 July 2017, the company issued 324,500 new ordinary shares of RM8.22 each pursuant to the SGP.

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**7. DIVIDENDS PAID**

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

|   | <b>30.9.2017</b> | <b>30.9.2016</b> |
|---|------------------|------------------|
| <b>Interim and special dividends</b>                          |                  |                  |
| For the financial year ending/ended                           | 31 December 2017 | 31 December 2016 |
| Approved and declared on                                      | 26 July 2017     | 25 July 2016     |
| Date paid   | 23 August 2017   | 19 August 2016   |
| Number of ordinary shares on which dividends were paid ('000) | 537,501          | 536,272          |
| Interim dividend per share (single-tier)                      | 20.0 sen         | 17.0 sen         |
| Special dividend per share* (single-tier)                     | 15.0 sen         | -                |
| Net dividend paid (RM'000)                                    | 188,125          | 91,166           |
| <b>Final dividend</b>   |                  |                  |
| For the financial year ended                                  | 31 December 2016 | 31 December 2015 |
| Approved and declared on                                      | 29 March 2017    | 31 March 2016    |
| Date paid   | 18 April 2017    | 18 April 2016    |
| Number of ordinary shares on which dividends were paid ('000) | 536,522          | 534,864          |
| Dividend per share (single-tier)                              | 17.0 sen         | 18.0 sen         |
| Net dividend paid (RM'000)                                    | 91,209           | 96,276           |

\* This special dividend was paid due to the cash surplus to the requirements in the Group.

**8. OPERATING REVENUE**

|   | Quarter Ended       |                     |              | Year-To-Date Ended  |                     |              |
|---|---------------------|---------------------|--------------|---------------------|---------------------|--------------|
|   | 30.9.2017<br>RM'000 | 30.9.2016<br>RM'000 | Changes<br>% | 30.9.2017<br>RM'000 | 30.9.2016<br>RM'000 | Changes<br>% |
| Clearing fees                                 | 45,099              | 40,855              | 10.4         | 157,892             | 130,268             | 21.2         |
| Trade fees                                    | 5,951               | 5,309               | 12.1         | 20,936              | 17,055              | 22.8         |
| Others  | 5,195               | 5,167               | 0.5          | 16,200              | 16,608              | (2.5)        |
| <b>Total Securities trading revenue</b>       | <b>56,245</b>       | <b>51,331</b>       | <b>9.6</b>   | <b>195,028</b>      | <b>163,931</b>      | <b>19.0</b>  |
| Clearing fees                                 | 4,537               | 4,654               | (2.5)        | 13,804              | 14,816              | (6.8)        |
| Trade fees                                    | 11,211              | 11,811              | (5.1)        | 34,872              | 37,463              | (6.9)        |
| Others  | 4,030               | 4,321               | (6.7)        | 11,782              | 14,562              | (19.1)       |
| <b>Total Derivatives trading revenue</b>      | <b>19,778</b>       | <b>20,786</b>       | <b>(4.8)</b> | <b>60,458</b>       | <b>66,841</b>       | <b>(9.5)</b> |
| Bursa Suq Al-Sila ("BSAS") trading revenue    | 3,918               | 3,738               | 4.8          | 11,693              | 12,564              | (6.9)        |
| Listing and issuer services                   | 17,052              | 12,529              | 36.1         | 45,371              | 39,529              | 14.8         |
| Depository services                           | 11,105              | 9,626               | 15.4         | 31,438              | 29,231              | 7.6          |
| Market data                                   | 8,848               | 8,571               | 3.2          | 25,944              | 26,476              | (2.0)        |
| Member services and connectivity              | 5,680               | 5,212               | 9.0          | 16,120              | 15,845              | 1.7          |
| Conference fees and exhibition related income | -                   | -                   | -            | 6,006               | 5,752               | 4.4          |
|   | <b>46,603</b>       | <b>39,676</b>       | <b>17.5</b>  | <b>136,572</b>      | <b>129,397</b>      | <b>5.5</b>   |
| <b>Total operating revenue</b>                | <b>122,626</b>      | <b>111,793</b>      | <b>9.7</b>   | <b>392,058</b>      | <b>360,169</b>      | <b>8.9</b>   |

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

**Disaggregation of revenue**

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

**OPERATING REVENUE FOR THE QUARTER**

|                                       | Securities Market   |                     |              | Derivatives Market  |                     |              | Exchange Holding Company |                     |              | Others              |                     |              | Total               |                     |              |
|---------------------------------------|---------------------|---------------------|--------------|---------------------|---------------------|--------------|--------------------------|---------------------|--------------|---------------------|---------------------|--------------|---------------------|---------------------|--------------|
|                                       | 30.9.2017<br>RM'000 | 30.9.2016<br>RM'000 | Changes<br>% | 30.9.2017<br>RM'000 | 30.9.2016<br>RM'000 | Changes<br>% | 30.9.2017<br>RM'000      | 30.9.2016<br>RM'000 | Changes<br>% | 30.9.2017<br>RM'000 | 30.9.2016<br>RM'000 | Changes<br>% | 30.9.2017<br>RM'000 | 30.9.2016<br>RM'000 | Changes<br>% |
| <b>Major products or services:</b>    |                     |                     |              |                     |                     |              |                          |                     |              |                     |                     |              |                     |                     |              |
| Securities trading revenue            | 56,245              | 51,331              | 9.6          | -                   | -                   | -            | -                        | -                   | -            | -                   | -                   | -            | 56,245              | 51,331              | 9.6          |
| Derivatives trading revenue           | -                   | -                   | -            | 19,778              | 20,786              | (4.8)        | -                        | -                   | -            | -                   | -                   | -            | 19,778              | 20,786              | (4.8)        |
| BSAS trading revenue                  | -                   | -                   | -            | -                   | -                   | -            | -                        | -                   | -            | 3,918               | 3,738               | 4.8          | 3,918               | 3,738               | 4.8          |
| Listing and issuer services           | 17,011              | 12,485              | 36.3         | -                   | -                   | -            | -                        | -                   | -            | 41                  | 44                  | (6.8)        | 17,052              | 12,529              | 36.1         |
| Depository services                   | 11,105              | 9,626               | 15.4         | -                   | -                   | -            | -                        | -                   | -            | -                   | -                   | -            | 11,105              | 9,626               | 15.4         |
| Market data                           | 6,729               | 6,468               | 4.0          | 2,059               | 2,043               | 0.8          | -                        | -                   | -            | 60                  | 60                  | -            | 8,848               | 8,571               | 3.2          |
| Member services and connectivity      | 3,475               | 3,213               | 8.2          | 40                  | 44                  | (9.1)        | 2,131                    | 1,918               | 11.1         | 34                  | 37                  | (8.1)        | 5,680               | 5,212               | 9.0          |
|                                       | <b>94,565</b>       | <b>83,123</b>       | <b>13.8</b>  | <b>21,877</b>       | <b>22,873</b>       | <b>(4.4)</b> | <b>2,131</b>             | <b>1,918</b>        | <b>11.1</b>  | <b>4,053</b>        | <b>3,879</b>        | <b>4.5</b>   | <b>122,626</b>      | <b>111,793</b>      | <b>9.7</b>   |
| <b>Timing of revenue recognition:</b> |                     |                     |              |                     |                     |              |                          |                     |              |                     |                     |              |                     |                     |              |
| At a point in time                    | 81,916              | 70,959              | 15.4         | 20,887              | 21,867              | (4.5)        | -                        | -                   | -            | 3,971               | 3,795               | 4.6          | 106,774             | 96,621              | 10.5         |
| Over time                             | 12,649              | 12,164              | 4.0          | 990                 | 1,006               | (1.6)        | 2,131                    | 1,918               | 11.1         | 82                  | 84                  | (2.4)        | 15,852              | 15,172              | 4.5          |
|                                       | <b>94,565</b>       | <b>83,123</b>       | <b>13.8</b>  | <b>21,877</b>       | <b>22,873</b>       | <b>(4.4)</b> | <b>2,131</b>             | <b>1,918</b>        | <b>11.1</b>  | <b>4,053</b>        | <b>3,879</b>        | <b>4.5</b>   | <b>122,626</b>      | <b>111,793</b>      | <b>9.7</b>   |

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

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

**OPERATING REVENUE FOR YEAR-TO-DATE**

|   | Securities Market   |                     |              | Derivatives Market  |                     |              | Exchange Holding Company |                     |              | Others              |                     |              | Total               |                     |              |
|---|---------------------|---------------------|--------------|---------------------|---------------------|--------------|--------------------------|---------------------|--------------|---------------------|---------------------|--------------|---------------------|---------------------|--------------|
|   | 30.9.2017<br>RM'000 | 30.9.2016<br>RM'000 | Changes<br>% | 30.9.2017<br>RM'000 | 30.9.2016<br>RM'000 | Changes<br>% | 30.9.2017<br>RM'000      | 30.9.2016<br>RM'000 | Changes<br>% | 30.9.2017<br>RM'000 | 30.9.2016<br>RM'000 | Changes<br>% | 30.9.2017<br>RM'000 | 30.9.2016<br>RM'000 | Changes<br>% |
| <b>Major products or services:</b>            |                     |                     |              |                     |                     |              |                          |                     |              |                     |                     |              |                     |                     |              |
| Securities trading revenue                    | 195,028             | 163,926             | 19.0         | -                   | -                   | -            | -                        | -                   | -            | -                   | 5                   | (100.0)      | 195,028             | 163,931             | 19.0         |
| Derivatives trading revenue                   | -                   | -                   | -            | 60,458              | 66,841              | (9.5)        | -                        | -                   | -            | -                   | -                   | -            | 60,458              | 66,841              | (9.5)        |
| BSAS trading revenue                          | -                   | -                   | -            | -                   | -                   | -            | -                        | -                   | -            | 11,693              | 12,564              | (6.9)        | 11,693              | 12,564              | (6.9)        |
| Listing and issuer services                   | 45,252              | 39,384              | 14.9         | -                   | -                   | -            | -                        | -                   | -            | 119                 | 145                 | (17.9)       | 45,371              | 39,529              | 14.8         |
| Depository services                           | 31,438              | 29,231              | 7.6          | -                   | -                   | -            | -                        | -                   | -            | -                   | -                   | -            | 31,438              | 29,231              | 7.6          |
| Market data                                   | 19,580              | 20,174              | (2.9)        | 6,183               | 6,125               | 0.9          | -                        | -                   | -            | 181                 | 177                 | 2.3          | 25,944              | 26,476              | (2.0)        |
| Member services and connectivity              | 10,109              | 9,941               | 1.7          | 119                 | 128                 | (7.0)        | 5,781                    | 5,665               | 2.0          | 111                 | 111                 | -            | 16,120              | 15,845              | 1.7          |
| Conference fees and exhibition related income | -                   | -                   | -            | 6,006               | 5,752               | 4.4          | -                        | -                   | -            | -                   | -                   | -            | 6,006               | 5,752               | 4.4          |
|   | <b>301,407</b>      | <b>262,656</b>      | <b>14.8</b>  | <b>72,766</b>       | <b>78,846</b>       | <b>(7.7)</b> | <b>5,781</b>             | <b>5,665</b>        | <b>2.0</b>   | <b>12,104</b>       | <b>13,002</b>       | <b>(6.9)</b> | <b>392,058</b>      | <b>360,169</b>      | <b>8.9</b>   |
| <b>Timing of revenue recognition:</b>         |                     |                     |              |                     |                     |              |                          |                     |              |                     |                     |              |                     |                     |              |
| At a point in time                            | 264,113             | 226,185             | 16.8         | 69,706              | 75,855              | (8.1)        | -                        | -                   | -            | 11,845              | 12,752              | (7.1)        | 345,664             | 314,792             | 9.8          |
| Over time                                     | 37,294              | 36,471              | 2.3          | 3,060               | 2,991               | 2.3          | 5,781                    | 5,665               | 2.0          | 259                 | 250                 | 3.6          | 46,394              | 45,377              | 2.2          |
|   | <b>301,407</b>      | <b>262,656</b>      | <b>14.8</b>  | <b>72,766</b>       | <b>78,846</b>       | <b>(7.7)</b> | <b>5,781</b>             | <b>5,665</b>        | <b>2.0</b>   | <b>12,104</b>       | <b>13,002</b>       | <b>(6.9)</b> | <b>392,058</b>      | <b>360,169</b>      | <b>8.9</b>   |

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**9. OTHER INCOME**

|  | Quarter Ended       |                     |              | Year-To-Date Ended  |                     |              |
|--|---------------------|---------------------|--------------|---------------------|---------------------|--------------|
|  | 30.9.2017<br>RM'000 | 30.9.2016<br>RM'000 | Changes<br>% | 30.9.2017<br>RM'000 | 30.9.2016<br>RM'000 | Changes<br>% |
| Interest income from:                            |                     |                     |              |                     |                     |              |
| Investments                                      | 4,760               | 4,799               | (0.8)        | 14,799              | 14,983              | (1.2)        |
| Others   | 34                  | 40                  | (15.0)       | 108                 | 130                 | (16.9)       |
| Dividend income                                  | 757                 | 651                 | 16.3         | 2,300               | 1,977               | 16.3         |
| Grant income                                     | 302                 | 300                 | 0.7          | 1,081               | 869                 | 24.4         |
| Net gain on disposal of<br>investment securities | -                   | 47                  | (100.0)      | 25                  | 47                  | (46.8)       |
| Rental income                                    | 1,651               | 1,660               | (0.5)        | 4,962               | 4,740               | 4.7          |
| Miscellaneous income                             | 143                 | 106                 | 34.9         | 296                 | 132                 | 124.2        |
| <b>Total other income</b>                        | <b>7,647</b>        | <b>7,603</b>        | <b>0.6</b>   | <b>23,571</b>       | <b>22,878</b>       | <b>3.0</b>   |

**10. OTHER OPERATING EXPENSES**

|  | Quarter Ended       |                     |              | Year-To-Date Ended  |                     |              |
|--|---------------------|---------------------|--------------|---------------------|---------------------|--------------|
|  | 30.9.2017<br>RM'000 | 30.9.2016<br>RM'000 | Changes<br>% | 30.9.2017<br>RM'000 | 30.9.2016<br>RM'000 | Changes<br>% |
| Administrative expenses                                      | 1,610               | 1,606               | 0.2          | 5,023               | 5,251               | (4.3)        |
| Building management<br>expenses                              | 2,813               | 2,932               | (4.1)        | 8,251               | 8,712               | (5.3)        |
| Central Depository System<br>("CDS") consumables             | 817                 | 801                 | 2.0          | 2,589               | 3,041               | (14.9)       |
| Marketing and development<br>expenses                        | 2,570               | 1,438               | 78.7         | 8,091               | 7,970               | 1.5          |
| Professional fees  | 425                 | 703                 | (39.5)       | 1,130               | 2,958               | (61.8)       |
| Technology expenses:   |                     |                     |              |                     |                     |              |
| Information technology<br>maintenance                        | 4,748               | 4,092               | 16.0         | 14,540              | 12,532              | 16.0         |
| Service fees   | 5,051               | 5,137               | (1.7)        | 18,447              | 16,960              | 8.8          |
| Net loss on foreign<br>exchange differences                  | 326                 | 11                  | 2,863.6      | 482                 | 695                 | (30.6)       |
| Net impairment loss/<br>(reversal of impairment<br>loss) on: |                     |                     |              |                     |                     |              |
| Investment securities  | 86                  | 54                  | 59.3         | 97                  | (40)                | (342.5)      |
| Trade and other<br>receivables                               | 1,038               | (132)               | (886.4)      | 1,586               | (304)               | (621.7)      |
| Miscellaneous expenses                                       | 1,876               | 2,210               | (15.1)       | 5,488               | 6,029               | (9.0)        |
| <b>Total other operating<br/>  expenses</b>                  | <b>21,360</b>       | <b>18,852</b>       | <b>13.3</b>  | <b>65,724</b>       | <b>63,804</b>       | <b>3.0</b>   |

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**11. SEGMENTAL INFORMATION**

**RESULTS FOR THE QUARTER**

|                               | Securities Market   |                     |              | Derivatives Market  |                     |               | Exchange Holding Company |                     |              | Others              |                     |              | Total               |                     |              |
|-------------------------------|---------------------|---------------------|--------------|---------------------|---------------------|---------------|--------------------------|---------------------|--------------|---------------------|---------------------|--------------|---------------------|---------------------|--------------|
|                               | 30.9.2017<br>RM'000 | 30.9.2016<br>RM'000 | Changes<br>% | 30.9.2017<br>RM'000 | 30.9.2016<br>RM'000 | Changes<br>%  | 30.9.2017<br>RM'000      | 30.9.2016<br>RM'000 | Changes<br>% | 30.9.2017<br>RM'000 | 30.9.2016<br>RM'000 | Changes<br>% | 30.9.2017<br>RM'000 | 30.9.2016<br>RM'000 | Changes<br>% |
| Operating revenue<br>(Note 8) | 94,565              | 83,123              | 13.8         | 21,877              | 22,873              | (4.4)         | 2,131                    | 1,918               | 11.1         | 4,053               | 3,879               | 4.5          | 122,626             | 111,793             | 9.7          |
| Other income                  | 3,393               | 3,188               | 6.4          | 443                 | 619                 | (28.4)        | 3,772                    | 3,759               | 0.3          | 39                  | 37                  | 5.4          | 7,647               | 7,603               | 0.6          |
| Direct costs                  | (22,035)            | (22,047)            | (0.1)        | (11,075)            | (10,548)            | 5.0           | (7,822)                  | (6,208)             | 26.0         | (1,662)             | (1,502)             | 10.7         | (42,594)            | (40,305)            | 5.7          |
| <b>Segment profit/(loss)</b>  | <b>75,923</b>       | <b>64,264</b>       | <b>18.1</b>  | <b>11,245</b>       | <b>12,944</b>       | <b>(13.1)</b> | <b>(1,919)</b>           | <b>(531)</b>        | <b>261.4</b> | <b>2,430</b>        | <b>2,414</b>        | <b>0.7</b>   | <b>87,679</b>       | <b>79,091</b>       | <b>10.9</b>  |
| Overheads                     |                     |                     |              |                     |                     |               |                          |                     |              |                     |                     |              | (16,605)            | (17,489)            | (5.1)        |
| <b>Profit before tax</b>      |                     |                     |              |                     |                     |               |                          |                     |              |                     |                     |              | <b>71,074</b>       | <b>61,602</b>       | <b>15.4</b>  |

**RESULTS FOR YEAR-TO-DATE**

|                               | Securities Market   |                     |              | Derivatives Market  |                     |               | Exchange Holding Company |                     |              | Others              |                     |               | Total               |                     |              |
|-------------------------------|---------------------|---------------------|--------------|---------------------|---------------------|---------------|--------------------------|---------------------|--------------|---------------------|---------------------|---------------|---------------------|---------------------|--------------|
|                               | 30.9.2017<br>RM'000 | 30.9.2016<br>RM'000 | Changes<br>% | 30.9.2017<br>RM'000 | 30.9.2016<br>RM'000 | Changes<br>%  | 30.9.2017<br>RM'000      | 30.9.2016<br>RM'000 | Changes<br>% | 30.9.2017<br>RM'000 | 30.9.2016<br>RM'000 | Changes<br>%  | 30.9.2017<br>RM'000 | 30.9.2016<br>RM'000 | Changes<br>% |
| Operating revenue<br>(Note 8) | 301,407             | 262,656             | 14.8         | 72,766              | 78,846              | (7.7)         | 5,781                    | 5,665               | 2.0          | 12,104              | 13,002              | (6.9)         | 392,058             | 360,169             | 8.9          |
| Other income                  | 10,164              | 10,121              | 0.4          | 1,574               | 1,820               | (13.5)        | 11,736                   | 10,764              | 9.0          | 97                  | 173                 | (43.9)        | 23,571              | 22,878              | 3.0          |
| Direct costs                  | (65,972)            | (68,349)            | (3.5)        | (37,759)            | (36,519)            | 3.4           | (25,920)                 | (21,471)            | 20.7         | (4,597)             | (4,619)             | (0.5)         | (134,248)           | (130,958)           | 2.5          |
| <b>Segment profit/(loss)</b>  | <b>245,599</b>      | <b>204,428</b>      | <b>20.1</b>  | <b>36,581</b>       | <b>44,147</b>       | <b>(17.1)</b> | <b>(8,403)</b>           | <b>(5,042)</b>      | <b>66.7</b>  | <b>7,604</b>        | <b>8,556</b>        | <b>(11.1)</b> | <b>281,381</b>      | <b>252,089</b>      | <b>11.6</b>  |
| Overheads                     |                     |                     |              |                     |                     |               |                          |                     |              |                     |                     |               | (50,124)            | (50,457)            | (0.7)        |
| <b>Profit before tax</b>      |                     |                     |              |                     |                     |               |                          |                     |              |                     |                     |               | <b>231,257</b>      | <b>201,632</b>      | <b>14.7</b>  |

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

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

|  | Securities<br>Market<br>RM'000 | Derivatives<br>Market<br>RM'000 | Exchange<br>Holding<br>Company<br>RM'000 | Others<br>RM'000 | Total<br>RM'000  |
|--|--------------------------------|---------------------------------|--|------------------|------------------|
| <b>ASSETS AND LIABILITIES AS AT<br/>30 SEPTEMBER 2017</b>  |                                |                                 |  |                  |                  |
| Assets   | 354,965                        | 88,235                          | 382,265                                  | 25,657           | 851,122          |
| Clearing Funds   | 99,898                         | 26,972                          | -  | -                | 126,870          |
| Cash for equity margins, derivatives<br>trading margins, security deposits,<br>SBL collaterals and eDividend distributions | 111,677                        | 1,375,302                       | -  | -                | 1,486,979        |
| Segment assets   | 566,540                        | 1,490,509                       | 382,265                                  | 25,657           | 2,464,971        |
| Unallocated corporate assets   |                                |                                 |  |                  | 12,071           |
| <b>Total assets</b>  | <b>566,540</b>                 | <b>1,490,509</b>                | <b>382,265</b>                           | <b>25,657</b>    | <b>2,477,042</b> |
| Liabilities  | 46,531                         | 12,341                          | 61,493                                   | 16,004           | 136,369          |
| Participants' contributions to Clearing Funds  | 14,898                         | 21,972                          | -  | -                | 36,870           |
| Equity margins, derivatives trading margins,<br>security deposits, SBL collaterals and<br>eDividend distributions          | 111,677                        | 1,375,302                       | -  | -                | 1,486,979        |
| Segment liabilities  | 173,106                        | 1,409,615                       | 61,493                                   | 16,004           | 1,660,218        |
| Unallocated corporate liabilities  |                                |                                 |  |                  | 20,677           |
| <b>Total liabilities</b>   | <b>173,106</b>                 | <b>1,409,615</b>                | <b>61,493</b>                            | <b>16,004</b>    | <b>1,680,895</b> |

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

**12. RELATED PARTY DISCLOSURES**

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

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

|   | As at<br>30.9.2017<br>RM'000 |
|---|------------------------------|
| Equity margins, derivatives trading margins, security deposits and SBL collaterals, representing trade payables                   | 1,486,933                    |
| Cash received for eDividend distributions (included in other payables)  | 46                           |
| <b>Total cash for equity margins, derivatives trading margins, security deposits, SBL collaterals and eDividend distributions</b> | <b>1,486,979</b>             |

The amount of non-cash collaterals for equity margins, derivatives trading margins, security deposits and SBL collaterals held by, but not belonging to, the Group and which are not included in the consolidated statement of financial position as at 30 September 2017 comprise the following:

|  | As at<br>30.9.2017<br>RM'000 |
|--|------------------------------|
| Collaterals in the form of letters of credit | 616,465                      |
| Collaterals in the form of shares            | 505                          |
|  | <b>616,970</b>               |

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

|  | Participants'<br>contributions<br>RM'000 | Cash set aside<br>by the Group<br>RM'000 | As at<br>30.9.2017<br>RM'000 |
|--|--|--|------------------------------|
| Contributions from Trading Clearing Participants ("TCPs") of Bursa Malaysia Securities Clearing Sdn Bhd ("BMSC") | 14,898                                   | -  | 14,898                       |
| Contribution from BMSC   | -  | 25,000                                   | 25,000                       |
| Additional cash resources from BMSC  | -  | 60,000                                   | 60,000                       |
| Clearing Guarantee Fund ("CGF") contributions (Note a)   | 14,898                                   | 85,000                                   | 99,898                       |
| Contributions from Clearing Participants ("CPs") of Bursa Malaysia Derivatives Clearing Bhd ("BMDC")             | 21,972                                   | -  | 21,972                       |
| Contribution from BMDC   | -  | 5,000                                    | 5,000                        |
| Derivatives Clearing Fund ("DCF") contributions (Note b)   | 21,972                                   | 5,000                                    | 26,972                       |
| <b>Total cash and bank balances of Clearing Funds</b>  | <b>36,870</b>                            | <b>90,000</b>                            | <b>126,870</b>               |



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

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

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

|                                   | As at<br>30.9.2017<br>RM'000 |
|-----------------------------------|------------------------------|
| Cash and bank balances            | 99,898                       |
| Bank guarantees from TCPs of BMSC | 2,929                        |
| <b>Total CGF</b>                  | <b>102,827</b>               |

(b) There are no non-cash collaterals from CPs of BMDC for DCF held by the Group as at 30 September 2017.

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

|  | As at<br>30.9.2017<br>RM'000 |
|--|------------------------------|
| Cash and bank balances                           | 4,980                        |
| Deposits for short-term funding requirements     | 150,043                      |
| Cash and cash equivalents                        | 155,023                      |
| Deposits not for short-term funding requirements | 57,132                       |
| <b>Total cash and bank balances</b>              | <b>212,155</b>               |

Included in the cash and bank balances as at 30 September 2017 is an amount of RM164,000 which has been set aside to meet or secure the claims of creditors pursuant to a 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 not provided for in the Condensed Report as at the end of the financial period are as follows:

|                                  | Approved<br>and<br>contracted for<br>RM'000 | Approved<br>but not<br>contracted for<br>RM'000 |
|----------------------------------|---|---|
| Computers and office automation  | 1,938                                       | 867   |
| Office equipment and renovations | 68  | 216   |
| <b>Total capital commitments</b> | <b>2,006</b>                                | <b>1,083</b>                                    |

**17. CONTINGENT ASSETS AND LIABILITIES**

There are no contingent assets and no changes in the contingent liability in respect of the put and call options with the Chicago Mercantile Exchange Group over the ordinary shares of Bursa Malaysia Derivatives Berhad since 31 December 2016.

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

There were no changes in the composition of the Group during the current quarter and year-to-date ended 30 September 2017.

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

**19. OPERATING LEASE ARRANGEMENTS**

The Group entered into operating lease arrangements as the lessor for the lease of office space in the building. The future aggregate minimum lease payments receivable under operating leases contracted for as at 30 September 2017 but not recognised as receivables are as follows:

|   | <b>As at<br/>30.9.2017<br/>RM'000</b> |
|---|---------------------------------------|
| Not later than 1 year                         | 1,682                                 |
| Later than 1 year and not later than 2 years  | 74                                    |
| <b>Total future minimum lease receivables</b> | <b>1,756</b>                          |

**20. FINANCIAL INSTRUMENTS**

**20.1 Classification**

The following table analyses the financial assets and financial liabilities of the Group in the consolidated statement of financial position by the classes and categories of financial instruments to which they are assigned, and therefore by the measurement basis as at 30 September 2017.

|  | <b>Financial<br/>assets at<br/>FVTOCI<br/>RM'000</b> | <b>Financial<br/>assets at<br/>amortised<br/>cost<br/>RM'000</b> | <b>Financial<br/>liabilities at<br/>amortised<br/>cost<br/>RM'000</b> | <b>Total<br/>RM'000</b> |
|--|--|--|---|-------------------------|
| <b>As at 30 September 2017</b>   |  |  |   |                         |
| <b>Assets</b>  |  |  |   |                         |
| Investments securities:  |  |  |   |                         |
| Quoted shares (outside Malaysia)   | 219,120  | -  | -   | 219,120                 |
| Unquoted bonds   | 85,082   | -  | -   | 85,082                  |
|  | <b>304,202</b>                                       | <b>-</b>   | <b>-</b>  | <b>304,202</b>          |
| Staff loans receivable   | -  | 3,617  | -   | 3,617                   |
| Trade receivables  | -  | 48,085   | -   | 48,085                  |
| Other receivables which are financial assets*  | -  | 7,382  | -   | 7,382                   |
| Cash for equity margins, derivatives trading margins, security deposits, SBL collaterals and eDividend distributions | -  | 1,486,979  | -   | 1,486,979               |
| Cash and bank balances of Clearing Funds   | -  | 126,870  | -   | 126,870                 |
| Cash and bank balances of the Group  | -  | 212,155  | -   | 212,155                 |
| <b>Total financial assets</b>  | <b>304,202</b>                                       | <b>1,885,088</b>   | <b>-</b>  | <b>2,189,290</b>        |
| <b>Liabilities</b>   |  |  |   |                         |
| Trade payables   | -  | -  | 1,486,933   | 1,486,933               |
| Participants' contributions to Clearing Funds  | -  | -  | 36,870  | 36,870                  |
| Other payables which are financial liabilities**   | -  | -  | 28,858  | 28,858                  |
| <b>Total financial liabilities</b>   | <b>-</b>   | <b>-</b>   | <b>1,552,661</b>  | <b>1,552,661</b>        |

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

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

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

**20.2 Fair Value**

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

Financial assets at FVTOCI 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) of identical assets in active markets**

Quoted shares are measured at Level 1. The fair value of quoted shares (outside Malaysia) is determined directly by reference to their published market bid prices as at 30 September 2017.

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

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

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

The Group does not have any financial instruments measured at Level 3 as at 30 September 2017.

|                                   | Level 1<br>RM'000 | Level 2<br>RM'000 | Total<br>RM'000 |
|-----------------------------------|-------------------|-------------------|-----------------|
| <b>Financial assets at FVTOCI</b> |                   |                   |                 |
| Quoted shares (outside Malaysia)  | 219,120           | -                 | 219,120         |
| Unquoted bonds                    | -                 | 85,082            | 85,082          |
|                                   | 219,120           | 85,082            | 304,202         |

There were no transfers between Level 1 and Level 2 during the current quarter and year-to-date ended 30 September 2017.

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

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

**21. EVENT AFTER THE REPORTING PERIOD**

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

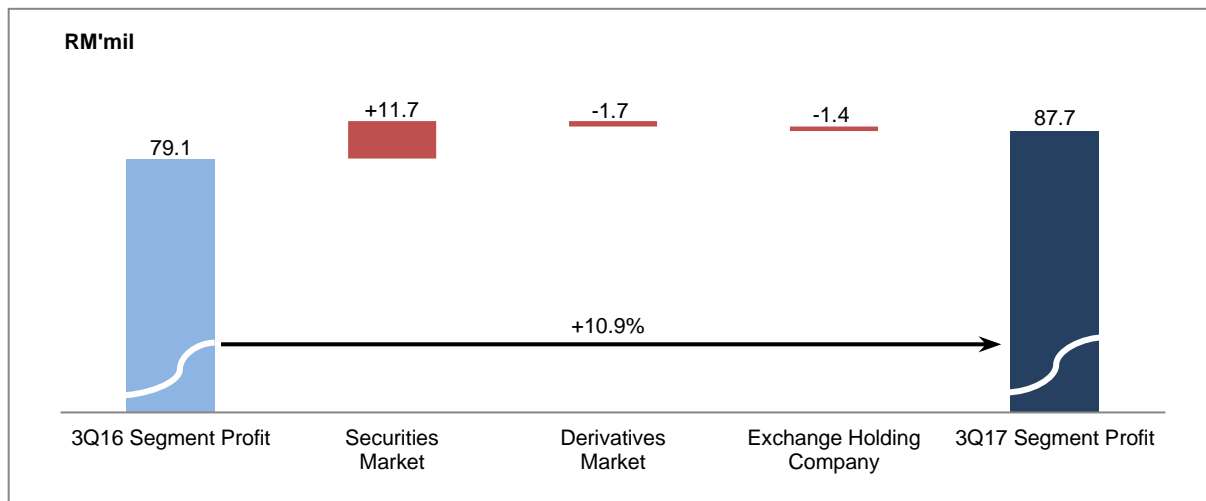
**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET  
LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**22. OPERATING SEGMENTS REVIEW**

**(a) 3Q17 vs. 3Q16**

Profit Before Tax ("PBT") for the quarter ended 30 September 2017 ("3Q17") was RM71.1 million, an increase of 15.4 per cent compared to RM61.6 million in the quarter ended 30 September 2016 ("3Q16"). PBT is made up of segment profits less overheads (as depicted in Note 11).

Total segment profit for 3Q17 was RM87.7 million, an increase of 10.9 per cent compared to RM79.1 million in 3Q16. The movements in the segment profits are depicted in the graph below:



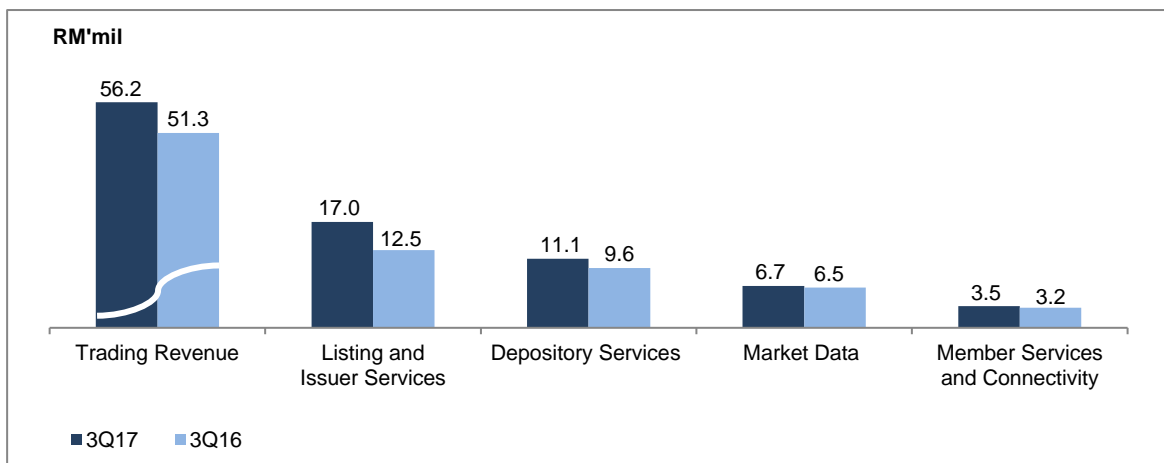
Total comprehensive income for 3Q17 was RM66.8 million, an increase of 7.6 per cent compared to RM62.1 million in 3Q16. The increase was mainly from the fair value changes in quoted shares.

**Securities Market**

The Securities Market recorded a segment profit of RM75.9 million in 3Q17, an increase of 18.1 per cent compared to RM64.2 million in 3Q16 as a result of higher trading revenue and listing and issuer services.

**(i) Operating Revenue**

The Securities Market operating revenue for 3Q17 was RM94.5 million, representing an increase of 13.8 per cent compared to RM83.1 million in 3Q16. The details by revenue category are shown in the chart below:



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

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

**(a) 3Q17 vs. 3Q16 (Cont'd.)**

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

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

- > Trading revenue increased by 9.6 per cent to RM56.2 million in 3Q17. 3Q17 saw a higher Average Daily trading Value ("ADV") for On-Market Trades ("OMT") and Direct Business Trades ("DBT") of RM2.16 billion compared to RM1.88 billion in 3Q16.
- > Listing and issuer services revenue increased by 36.3 per cent to RM17.0 million in 3Q17. The increase was mainly due to the higher initial listing fees earned from larger Initial Public Offerings ("IPOs") and higher number of new structured warrants listed, as well as processing fees earned from higher number of corporate exercises in 3Q17.

Key operating drivers in the Securities Market are as follows:

|   |                  | <b>3Q17</b> | <b>3Q16</b> | <b>Changes (%)</b> |
|---|------------------|-------------|-------------|--------------------|
| FBM KLCI                                      | (points)         | 1,755.58    | 1,652.55    | 6.2                |
| ADV (OMT and DBT)                             | (RM'billion)     | 2.16        | 1.88        | 14.9               |
| Average daily trading volume<br>(OMT and DBT) | (billion shares) | 2.08        | 1.87        | 11.2               |
| Effective clearing fee rate                   | (basis points)   | 2.35        | 2.38        | (1.3)              |
| Velocity                                      | (per cent)       | 26          | 26          | -                  |
| Number of IPOs                                |                  | 2           | 2           | -                  |
| Number of new structured warrants listed      |                  | 278         | 156         | 78.2               |
| Total funds raised:                           |                  |             |             |                    |
| - IPOs  | (RM'billion)     | 3.85        | 0.08        | 4,712.5            |
| - Secondary issues                            | (RM'billion)     | 5.61        | 0.56        | 901.8              |
| Market capitalisation as at end of period     | (RM'billion)     | 1,845.49    | 1,686.16    | 9.4                |
| Number of trading days                        |                  | 61          | 61          | -                  |

**(ii) Operating Expenses**

Segment expenses were fairly stable at RM22 million.

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

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

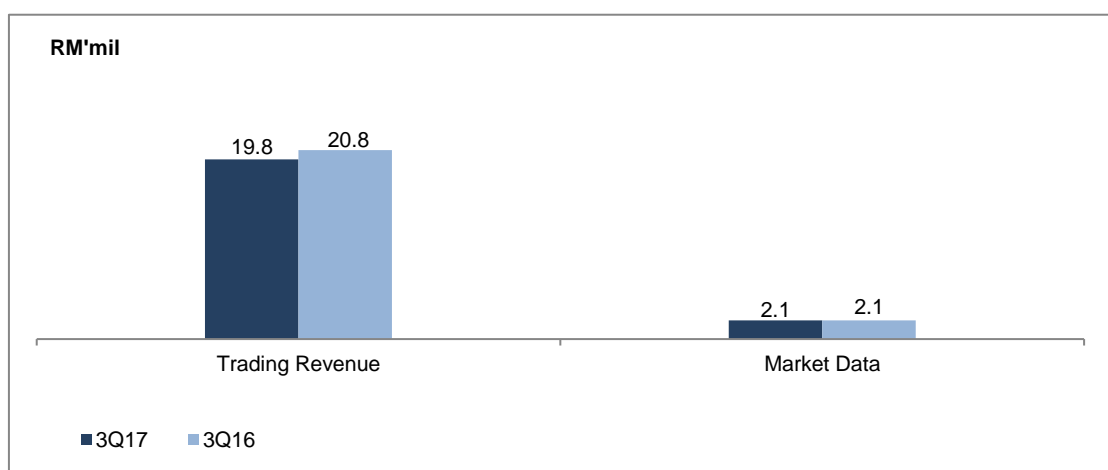
**(a) 3Q17 vs. 3Q16 (Cont'd.)**

**Derivatives Market**

The Derivatives Market recorded a segment profit of RM11.2 million in 3Q17, a decrease of 13.1 per cent from RM12.9 million in 3Q16 as a result of lower guarantee fees earned which are components of trading revenue.

**(i) Operating Revenue**

The Derivatives Market operating revenue for 3Q17 was RM21.9 million, representing a decrease of 4.4 per cent from RM22.9 million in 3Q16. The details by revenue category are shown in the chart below:



Key operating drivers in the Derivatives Market are as follows:

|   |           | 3Q17    | 3Q16    | Changes (%) |
|---|-----------|---------|---------|-------------|
| FCPO contracts                            | (million) | 2.98    | 2.82    | 5.7         |
| FKLI contracts                            | (million) | 0.47    | 0.61    | (23.0)      |
| Other contracts                           | (million) | 0.02    | 0.01    | 100.0       |
| Total                                     | (million) | 3.47    | 3.44    | 0.9         |
| Average daily number of contracts traded  |           | 56,848  | 56,459  | 0.7         |
| Average number of open interest positions |           | 257,626 | 259,266 | (0.6)       |
| Number of trading days                    |           | 61      | 61      | -           |

**(ii) Operating Expenses**

Segment expenses increased by 5.0 per cent to RM11.1 million in 3Q17 mainly due to higher service fees incurred.

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

**(a) 3Q17 vs. 3Q16 (Cont'd.)**

**Exchange Holding Company**

The Exchange Holding Company recorded a higher segmental loss of RM1.9 million in 3Q17 compared to RM0.5 million in 3Q16 mainly due to certain operating costs incurred.

**Others**

This segment is made up of BSAS business, bonds trading and offshore exchange. The segment profits were fairly stable at RM2.4 million.

**Overheads**

Overheads decreased by 5.1 per cent to RM16.6 million in 3Q17 mainly due to lower staff costs and professional fees.

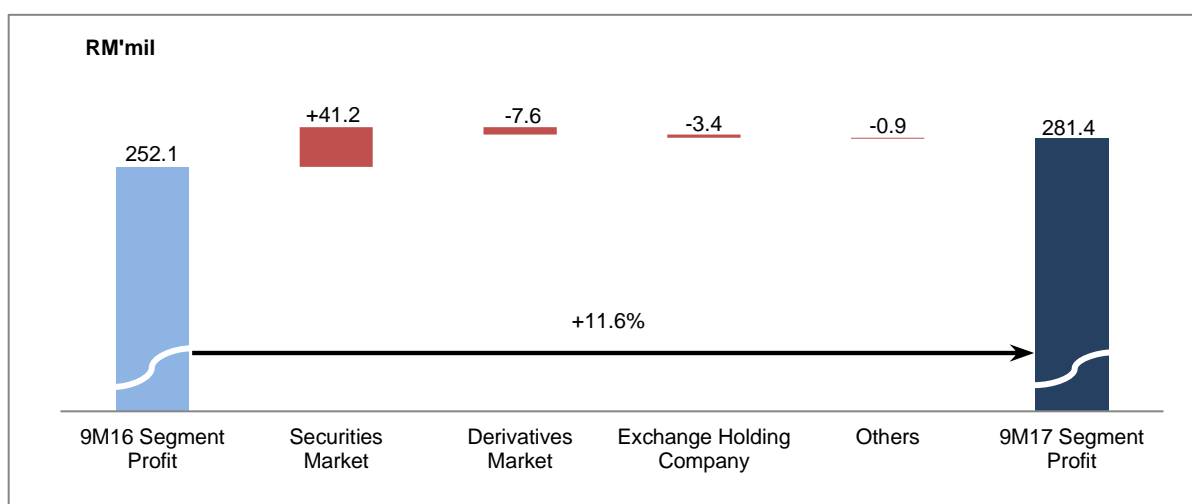
**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

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

**(b) 9M17 vs. 9M16**

PBT for the nine months ended 30 September 2017 ("9M17") was RM231.3 million, an increase of 14.7 per cent from RM201.6 million in the nine months ended 30 September 2016 ("9M16"). PBT is made up of segment profits less overheads.

Total segment profit for 9M17 was RM281.4 million, an increase of 11.6 per cent from RM252.1 million in 9M16. The movements in the segment profits are depicted in the graph below:



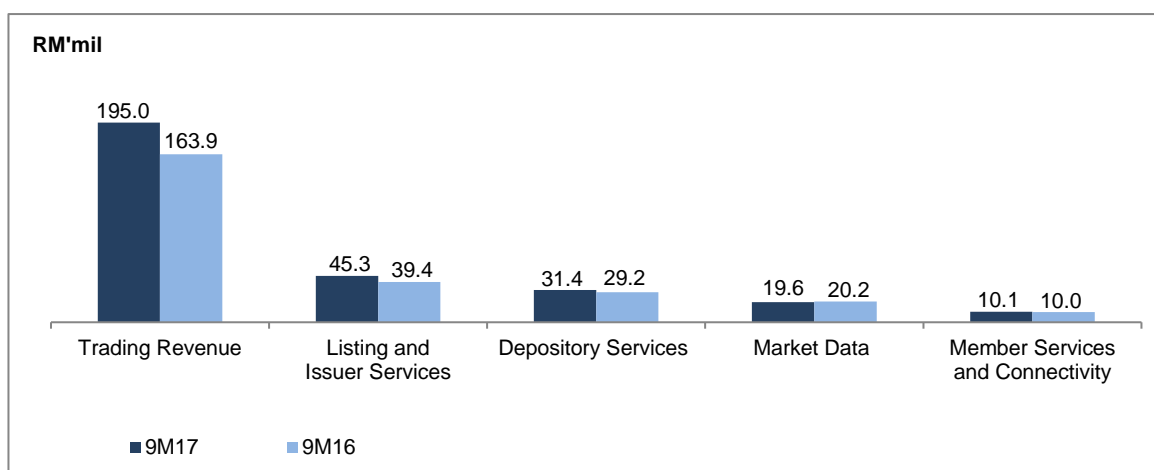
Total comprehensive income for 9M17 was RM194.6 million, an increase of 16.3 per cent compared to RM167.3 million in 9M16. The increase was mainly from the fair value changes in quoted shares.

**Securities Market**

The Securities Market recorded a segment profit of RM245.6 million in 9M17, an increase of 20.1 per cent compared to RM204.4 million in 9M16 as a result of higher trading revenue.

**(i) Operating Revenue**

The Securities Market operating revenue for 9M17 was RM301.4 million, representing an increase of 14.8 per cent from RM262.7 million in 9M16. The details by revenue category are shown in the chart below:





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

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

**(b) 9M17 vs. 9M16 (Cont'd.)**

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

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

- > Trading revenue increased by 19.0 per cent to RM195.0 million in 9M17, with a higher ADV for OMT and DBT of RM2.50 billion compared to RM1.98 billion in 9M16.
- > Listing and issuer services revenue increased by 14.9 per cent to RM45.3 million in 9M17. The increase was mainly due to the higher initial listing fees earned from larger IPOs and higher number of new structured warrants listed, as well as processing fees earned from higher number of corporate exercises in 9M17.
- > Depository services revenue increased by 7.6 per cent to RM31.4 million in 9M17 as a result of higher public issue fees earned from larger IPOs, and higher CDS custody fees earned.

Key operating drivers in the Securities Market are as follows:

|   |                  | <b>9M17</b> | <b>9M16</b> | <b>Changes (%)</b> |
|---|------------------|-------------|-------------|--------------------|
| FBM KLCI                                      | (points)         | 1,755.58    | 1,652.55    | 6.2                |
| ADV (OMT and DBT)                             | (RM'billion)     | 2.50        | 1.98        | 26.3               |
| Average daily trading volume<br>(OMT and DBT) | (billion shares) | 2.63        | 1.84        | 42.9               |
| Effective clearing fee rate                   | (basis points)   | 2.34        | 2.36        | (0.8)              |
| Velocity                                      | (per cent)       | 32          | 27          | 18.5               |
| Number of IPOs                                |                  | 10          | 7           | 42.9               |
| Number of new structured warrants listed      |                  | 677         | 472         | 43.4               |
| Total funds raised:                           |                  |             |             |                    |
| - IPOs  | (RM'billion)     | 7.37        | 0.48        | 1,435.4            |
| - Secondary issues                            | (RM'billion)     | 10.58       | 7.56        | 39.9               |
| Market capitalisation as at end of period     | (RM'billion)     | 1,845.49    | 1,686.16    | 9.4                |
| Number of trading days                        |                  | 181         | 184         | (1.6)              |

**(ii) Operating Expenses**

Segment expenses decreased by 3.5 per cent to RM66.0 million in 9M17 mainly due to lower staff costs and CDS consumables expenses.

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

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

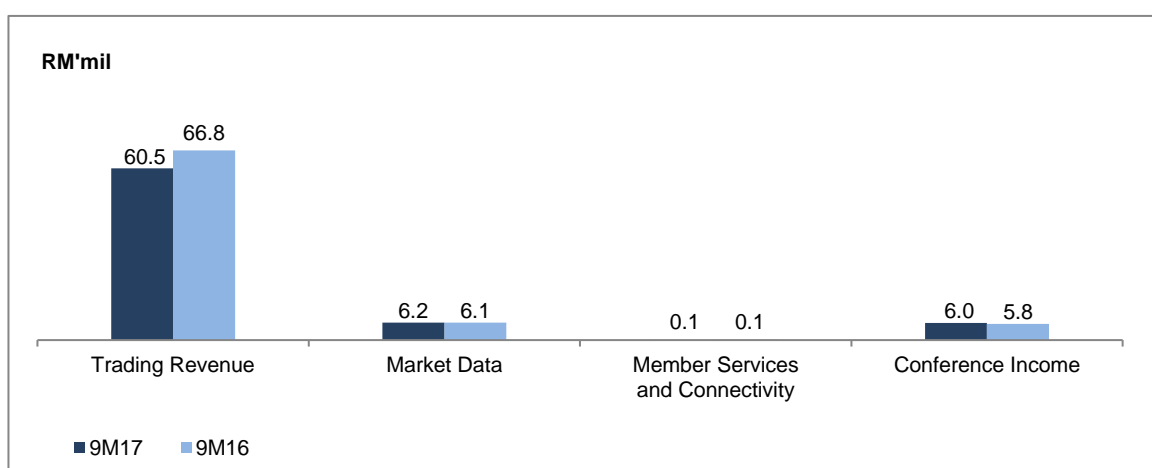
**(b) 9M17 vs. 9M16 (Cont'd.)**

**Derivatives Market**

The Derivatives Market recorded a segment profit of RM36.6 million in 9M17, a decrease of 17.1 per cent compared to RM44.1 million in 9M16 as a result of lower trading revenue.

**(i) Operating Revenue**

The Derivatives Market operating revenue for 9M17 was at RM72.8 million, representing a decrease of 7.7 per cent compared to RM78.8 million in 9M16. The details by revenue category are shown in the chart below:



- > Trading revenue decreased by 9.5 per cent to RM60.5 million in 9M17 as a result of lower number of contracts traded and guarantee fees earned. 10.64 million contracts were traded in 9M17 compared to 10.80 million contracts in 9M16.

Key operating drivers in the Derivatives Market are as follows:

|   |                  | 9M17         | 9M16         | Changes (%)  |
|---|------------------|--------------|--------------|--------------|
| FCPO contracts                            | (million)        | 9.04         | 8.66         | 4.4          |
| FKLI contracts                            | (million)        | 1.56         | 2.10         | (25.7)       |
| Other contracts                           | (million)        | 0.04         | 0.04         | -            |
| <b>Total</b>                              | <b>(million)</b> | <b>10.64</b> | <b>10.80</b> | <b>(1.5)</b> |
| Average daily number of contracts traded  |                  | 58,817       | 58,686       | 0.2          |
| Average number of open interest positions |                  | 253,432      | 276,437      | (8.3)        |
| Number of trading days                    |                  | 181          | 184          | (1.6)        |

**(ii) Operating Expenses**

Segment expenses increased by 3.4 per cent to RM37.8 million in 9M17 mainly due to higher service fees incurred.

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

**(b) 9M17 vs. 9M16 (Cont'd.)**

**Exchange Holding Company**

The Exchange Holding Company recorded a higher segment loss of RM8.4 million in 9M17 compared to RM5.0 million in 9M16 mainly due to certain operating costs incurred.

**Others**

This segment is made up of BSAS business, bonds trading and offshore exchange. The segment profit decreased by 11.1 per cent to RM7.6 million in 9M17 mainly due to lower BSAS revenue earned.

**Overheads**

Overheads were fairly stable at RM50 million.

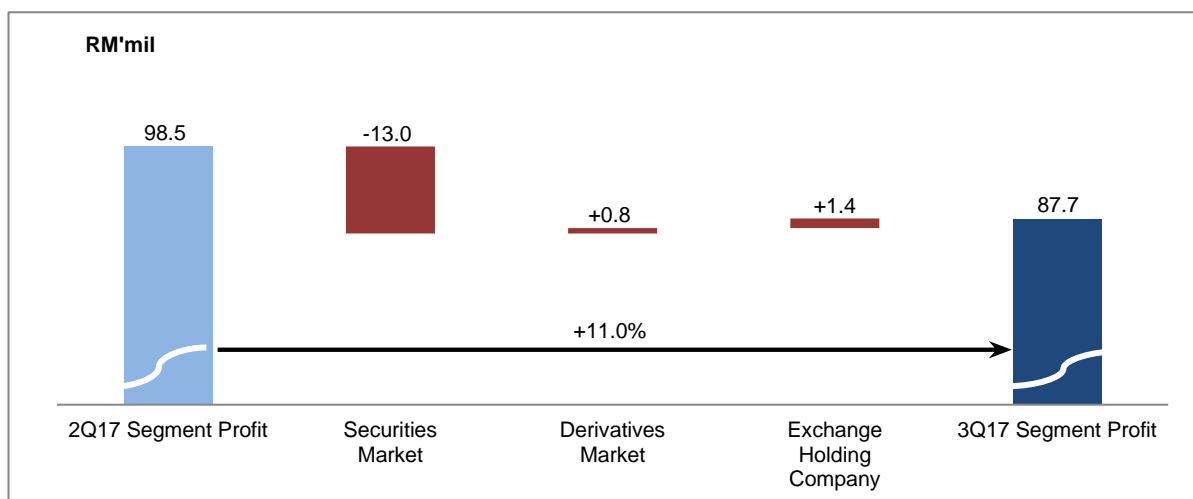
**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET  
LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

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

| Financial Results             | Quarter Ended       |                     | Changes<br>% |
|-------------------------------|---------------------|---------------------|--------------|
|                               | 30.9.2017<br>RM'000 | 30.6.2017<br>RM'000 |              |
| Operating revenue             | 122,626             | 134,753             | (9.0)        |
| Other income                  | 7,647               | 7,918               | (3.4)        |
|                               | 130,273             | 142,671             | (8.7)        |
| Staff costs                   | (31,773)            | (34,477)            | (7.8)        |
| Depreciation and amortisation | (5,932)             | (6,010)             | (1.3)        |
| Other operating expenses      | (21,360)            | (20,597)            | 3.7          |
| Profit from operations        | 71,208              | 81,587              | (12.7)       |
| Finance costs                 | (134)               | (133)               | 0.8          |
| Profit before tax             | 71,074              | 81,454              | (12.7)       |

PBT for 3Q17 was RM71.1 million, a decrease of 12.7 per cent from RM81.5 million in the second quarter ended 30 June 2017 ("2Q17"). PBT is made up of segment profits less overheads.

Total segment profit for 3Q17 was RM87.7 million, a decrease of 11.0 per cent from RM98.5 million in 2Q17. The quarter on quarter movements in the segment profits are depicted in the graph below:



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

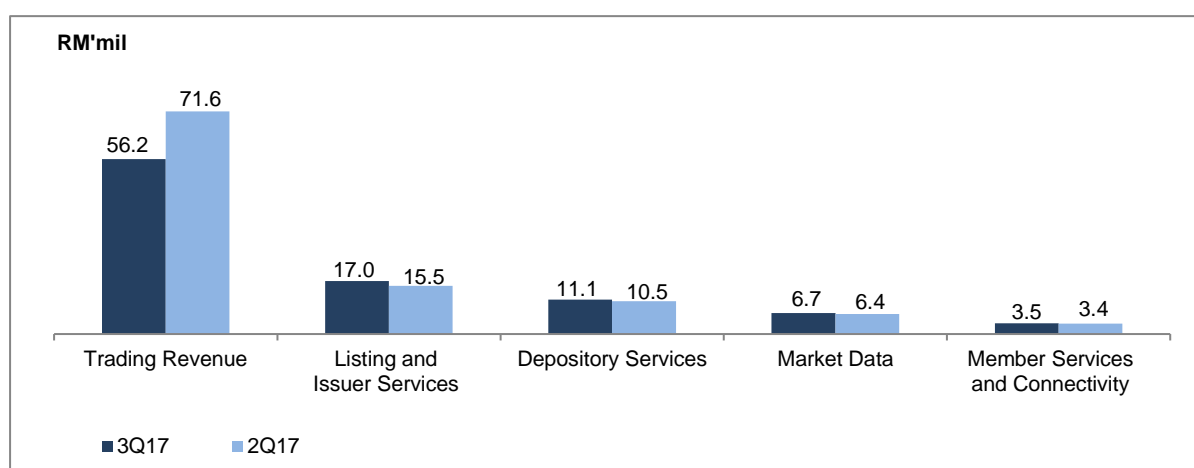
**23. MATERIAL CHANGE IN PERFORMANCE OF OPERATING SEGMENTS OF CURRENT QUARTER COMPARED WITH IMMEDIATE PRECEDING QUARTER (CONT'D.)**

**Securities Market**

The Securities Market recorded a segment profit of RM75.9 million in 3Q17, a decrease of 14.6 per cent compared to RM88.9 million in 2Q17. The decrease was mainly from lower trading revenue earned.

**(i) Operating Revenue**

The Securities Market operating revenue for 3Q17 was RM94.5 million, representing a decrease of 12.0 per cent compared to RM107.4 million in 2Q17. The details by revenue category are shown in the chart below:



- > Trading revenue decreased by 21.4 per cent to RM56.2 million in 3Q17, following a lower ADV for OMT and DBT in 3Q17 of RM2.16 billion compared to RM2.81 billion in 2Q17.

Key operating drivers in the Securities Market are as follows:

|  |                  | 3Q17     | 2Q17     | Changes (%) |
|--|------------------|----------|----------|-------------|
| FBM KLCI                                   | (points)         | 1,755.58 | 1,763.67 | (0.5)       |
| ADV (OMT and DBT)                          | (RM'billion)     | 2.16     | 2.81     | (23.1)      |
| Average daily trading volume (OMT and DBT) | (billion shares) | 2.08     | 3.04     | (31.6)      |
| Effective clearing fee rate                | (basis points)   | 2.35     | 2.34     | 0.4         |
| Velocity                                   | (per cent)       | 26       | 35       | (25.7)      |
| Number of IPOs                             |                  | 2        | 4        | (50.0)      |
| Number of new structured warrants listed   |                  | 278      | 231      | 20.3        |
| Total funds raised:                        |                  |          |          |             |
| - IPOs                                     | (RM'billion)     | 3.85     | 2.65     | 45.3        |
| - Secondary issues                         | (RM'billion)     | 5.61     | 1.62     | 246.3       |
| Market capitalisation as at end of period  | (RM'billion)     | 1,845.49 | 1,838.18 | 0.4         |
| Number of trading days                     |                  | 61       | 59       | 3.4         |

**(ii) Operating Expenses**

Segment expenses were fairly stable at RM22 million.

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

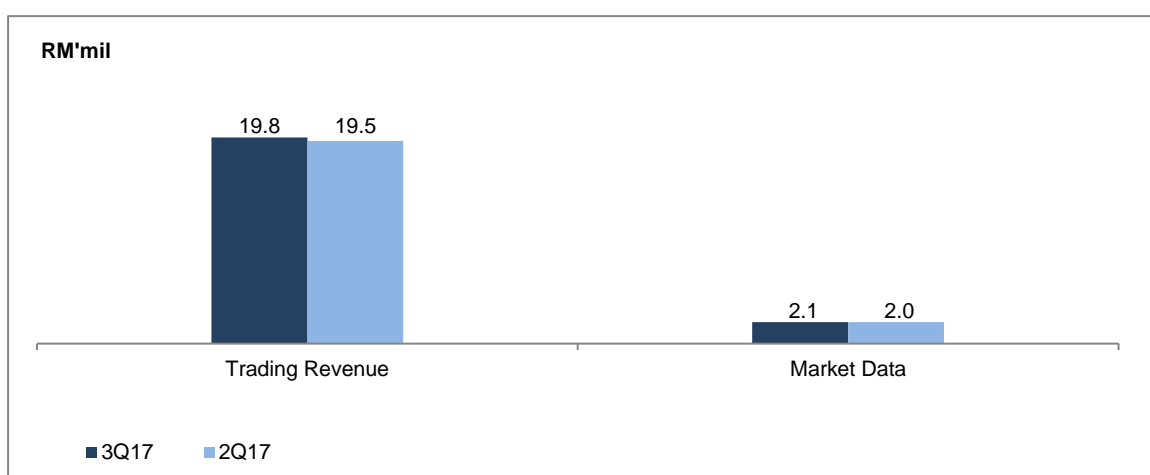
**23. MATERIAL CHANGE IN PERFORMANCE OF OPERATING SEGMENTS OF CURRENT QUARTER COMPARED WITH IMMEDIATE PRECEDING QUARTER (CONT'D.)**

**Derivatives Market**

The Derivatives Market recorded a segment profit of RM11.2 million for 3Q17, an increase of 7.7 per cent from RM10.4 million in 2Q17 mainly due to lower operating expenses incurred in 3Q17.

**(i) Operating Revenue**

The Derivatives Market operating revenue for 3Q17 was RM21.9 million, representing an increase of 1.5 per cent from RM21.5 million in 2Q17. The details by revenue category are as shown in the chart below:



Key operating drivers in the Derivatives Market are as follows:

|   |                  | 3Q17        | 2Q17        | Changes (%) |
|---|------------------|-------------|-------------|-------------|
| FCPO contracts                            | (million)        | 2.98        | 2.85        | 4.6         |
| FKLI contracts                            | (million)        | 0.47        | 0.52        | (9.6)       |
| Other contracts                           | (million)        | 0.02        | 0.02        | -           |
| <b>Total</b>                              | <b>(million)</b> | <b>3.47</b> | <b>3.39</b> | <b>2.4</b>  |
| Average daily number of contracts traded  |                  | 56,848      | 57,482      | (1.1)       |
| Average number of open interest positions |                  | 257,626     | 259,986     | (0.9)       |
| Number of trading days                    |                  | 61          | 59          | 3.4         |

**(ii) Operating Expenses**

Segment expenses decreased by 4.2 per cent to RM11.1 million in 3Q17 mainly due to lower service fees incurred.

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

**Exchange Holding Company**

The Exchange Holding Company recorded a lower segment loss of RM1.9 million in 3Q17 compared to RM3.3 million in 2Q17 mainly due to certain operating costs incurred.

**Others**

This segment is made up of BSAS business, bonds trading and offshore exchange. The segment profits were fairly stable at RM2.4 million.

**Overheads**

Overheads decreased by 2.4 per cent to RM16.6 million in 3Q17 compared to RM17.0 million in 2Q17 mainly due to lower staff costs.

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

The International Monetary Fund, in its October 2017 report, has revised its global growth forecast to 3.6% from its earlier projection of 3.5%. The World Bank in its October 2017 report, upgraded its 2017 growth forecast for Malaysia to 5.2% from 4.9%. Bank Negara Malaysia in its August 2017 report projected the country's economic growth to be at more than 4.8% for 2017 after the country recorded a strong growth of 5.7% in the first half of 2017.

The performance of the Securities Market is forecasted to remain stable towards the end of 2017, given the strong fundamentals of the Malaysian economy and equity market. Nonetheless, geopolitical developments as well as the tightening of monetary policies in major economies may contribute to trading volatilities in the near term. In the Derivatives Market, stable outlook for commodity prices and tapering of the monetary easing policy will continue to affect trading of the FCPO and FKLII contracts. Bursa Malaysia-*i*, as the world's first fully integrated end-to-end Shariah-compliant investing platform, will continue to intensify its efforts to promote Shariah investing in the market. Meanwhile, trading activities in Bursa Suq Al-Sila' ("BSAS") continues to record improvements. Bursa Malaysia will continue with its efforts to expand BSAS reach in new regions such as North Africa and Central Asia.

Bursa Malaysia will continue its efforts to make the Malaysian capital markets attractive, and anticipates an improved performance for the current financial year.



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**25. INCOME TAX EXPENSE**

|   | Quarter Ended       |                     |              | Year-To-Date Ended  |                     |               |
|---|---------------------|---------------------|--------------|---------------------|---------------------|---------------|
|   | 30.9.2017<br>RM'000 | 30.9.2016<br>RM'000 | Changes<br>% | 30.9.2017<br>RM'000 | 30.9.2016<br>RM'000 | Changes<br>%  |
| Income tax:   |                     |                     |              |                     |                     |               |
| Current provision   | 17,410              | 15,971              | 9.0          | 58,164              | 52,530              | 10.7          |
| Under/(Over) provision<br>of tax in prior years                     | 965                 | (198)               | (587.4)      | 965                 | (198)               | (587.4)       |
|   | <b>18,375</b>       | <b>15,773</b>       | <b>16.5</b>  | <b>59,129</b>       | <b>52,332</b>       | <b>13.0</b>   |
| Deferred tax:   |                     |                     |              |                     |                     |               |
| Relating to origination<br>and reversal of<br>temporary differences | (340)               | (61)                | 457.4        | (728)               | (912)               | (20.2)        |
| Overprovision of tax in<br>prior year                               | (78)                | (59)                | 32.2         | (78)                | (59)                | 32.2          |
|   | <b>(418)</b>        | <b>(120)</b>        | <b>248.3</b> | <b>(806)</b>        | <b>(971)</b>        | <b>(17.0)</b> |
| <b>Total income<br/>tax expense</b>                                 | <b>17,957</b>       | <b>15,653</b>       | <b>14.7</b>  | <b>58,323</b>       | <b>51,361</b>       | <b>13.6</b>   |

Income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated assessable profit for the period.

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

**26. TRADE RECEIVABLES**

|                                | As at<br>30.9.2017<br>RM'000 |
|--------------------------------|------------------------------|
| Trade receivables              | 49,344                       |
| Less: Allowance for impairment | (1,259)                      |
|                                | <b>48,085</b>                |

The ageing analysis of the Group's trade receivables as at 30 September 2017 is as follows:

|                               | As at<br>30.9.2017<br>RM'000 |
|-------------------------------|------------------------------|
| Neither past due nor impaired | 36,788                       |
| Past due not impaired:        |                              |
| < 30 days                     | 4,462                        |
| 31 - 60 days                  | 2,795                        |
| 61 - 90 days                  | 558                          |
| 91 - 180 days                 | 1,275                        |
| > 181 days                    | 2,207                        |
|                               | <b>48,085</b>                |

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

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**27. RETAINED EARNINGS**

|                                | As at<br>30.9.2017<br>RM'000 | As at<br>31.12.2016<br>RM'000 |
|--------------------------------|------------------------------|-------------------------------|
| Realised                       | 237,145                      | 345,279                       |
| Unrealised                     | 3,173                        | 2,238                         |
|                                | 240,318                      | 347,517                       |
| Consolidation adjustments      | (27,973)                     | (23,608)                      |
| <b>Total retained earnings</b> | <b>212,345</b>               | <b>323,909</b>                |

**28. CORPORATE PROPOSALS**

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

**29. BORROWINGS AND DEBT SECURITIES**

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

**30. CHANGES IN MATERIAL LITIGATION**

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

**31. PROPOSED DIVIDENDS**

There was no dividend proposed in the current and previous corresponding quarter.

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

**(a) Basic EPS**

|  | Quarter Ended |            | Year-To-Date Ended |             |
|--|---------------|------------|--------------------|-------------|
|  | 30.9.2017     | 30.9.2016  | 30.9.2017          | 30.9.2016   |
| Profit attributable to the owners of the Company (RM'000)  | 51,601        | 44,043     | 167,770            | 143,454     |
| Weighted average number of ordinary shares in issue ('000) | 537,373       | 536,143    | 536,725            | 535,308     |
| <b>Basic EPS (sen)</b>                                     | <b>9.6</b>    | <b>8.2</b> | <b>31.3</b>        | <b>26.8</b> |

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**32. EARNINGS PER SHARE ("EPS") (CONT'D.)**

**(b) Diluted EPS**

|  | Quarter Ended |            | Year-To-Date Ended |             |
|--|---------------|------------|--------------------|-------------|
|  | 30.9.2017     | 30.9.2016  | 30.9.2017          | 30.9.2016   |
| Profit attributable to owners of the Company (RM'000)                            | 51,601        | 44,043     | 167,770            | 143,454     |
| Weighted average number of ordinary shares in issue ('000)                       | 537,373       | 536,143    | 536,725            | 535,308     |
| Effect of dilution ('000)  | 1,976         | 2,542      | 1,746              | 2,579       |
| Adjusted weighted average number of ordinary shares in issue and issuable ('000) | 539,349       | 538,685    | 538,471            | 537,887     |
| <b>Diluted EPS (sen)</b>   | <b>9.6</b>    | <b>8.2</b> | <b>31.2</b>        | <b>26.7</b> |

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

Net Assets Per Share ("NAPS") as at 30 September 2017 was RM1.46, a decrease of 10% compared to NAPS of RM1.62 as at 31 December 2016 as a result of issuance of new ordinary shares pursuant to the SGP and dividends paid.

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

The auditors' report on the financial statements for the financial year ended 31 December 2016 was unmodified.

**35. REVIEW BY EXTERNAL AUDITORS**

The Board of Directors ("Board") had engaged the external auditors to review and report on the Condensed Report of Bursa Malaysia Berhad for the quarter and year-to-date ended 30 September 2017 in accordance with the International Standard on Review Engagements 2410, "*Review of Interim Financial Information Performed by the Independent Auditor of the Entity*".

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

**36. AUTHORISED FOR ISSUE**

The Condensed Report was authorised for issue by the Board in accordance with a resolution of the Directors on 25 October 2017.