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

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2011

9 February 2012

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

CONSOLIDATED INCOME STATEMENT
FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2011

		3 months ended		12 months ended	
RM'000	**Note**	**31.12.2011**	**31.12.2010**	**31.12.2011**	**31.12.2010**
		Unaudited	Unaudited	Audited	Audited
Operating revenue	8	84,928	94,272	381,321	331,251
Other income	9	10,741	7,637	38,821	29,798
		95,669	101,909	420,142	361,049
Staff costs		(25,110)	(25,702)	(104,122)	(92,406)
Depreciation and amortisation		(8,931)	(10,030)	(38,444)	(43,233)
Other operating expenses	10	(17,319)	(19,372)	(71,463)	(61,656)
Profit before tax		44,309	46,805	206,113	163,754
Income tax expense	24	(11,407)	(17,007)	(54,779)	(48,113)
Profit for the period/year		**32,902**	**29,798**	**151,334**	**115,641**
Profit attributable to:					
Owners of the Company		31,337	29,785	146,160	113,041
Non-controlling interest		1,565	13	5,174	2,600
		32,902	29,798	151,334	115,641
Earnings per share (EPS) attributable to owners of the Company (sen):					
Basic EPS		5.9	5.6	27.5	21.3
Diluted EPS		5.9	5.6	27.5	21.3

The above consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

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

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME FOR THE QUARTER AND YEAR ENDED 31 DECEMBER 2011

	3 months ended		12 months ended	
RM'000	**31.12.2011**	**31.12.2010**	**31.12.2011**	**31.12.2010**
	Unaudited	**Unaudited**	**Audited**	**Audited**
Profit for the period/year	32,902	29,798	151,334	115,641
Foreign currency translation	(19)	12	59	(586)
Net fair value changes in available-for-sale (AFS) financial assets	(1,348)	14,016	(16,920)	(13,377)
Cumulative loss reclassified to income statement*	1,164	-	1,164	-
Income tax relating to AFS financial assets	32	116	(25)	294
Total comprehensive income	**32,731**	**43,942**	**135,612**	**101,972**
Total comprehensive income attributable to:				
Owners of the Company	31,166	43,895	130,446	99,279
Non-controlling interest	1,565	47	5,166	2,693
	32,731	43,942	135,612	101,972

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

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

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION AS AT 31 DECEMBER 2011

RM'000	Note	As at 31.12.2011 Audited	As at 31.12.2010 Audited
ASSETS			
Property, plant and equipment		218,397	231,104
Computer software		59,614	73,056
Goodwill		42,957	42,957
Investment securities	15	93,371	110,404
Staff loans receivable		11,678	13,805
Deferred tax assets		1,034	1,023
Non-current Assets		427,051	472,349
Trade receivables		27,870	33,526
Other receivables		12,932	10,197
Tax recoverable		388	4,586
Investment securities	15	33,441	27,335
Cash and bank balances not belonging to the Group	14	671,880	710,323
Cash and bank balances of the Group		499,943	449,938
Current Assets		1,246,454	1,235,905
TOTAL ASSETS		1,673,505	1,708,254
EQUITY AND LIABILITIES			
Share capital		265,800	265,700
Share premium		87,553	86,101
Other reserves		24,135	38,853
Retained earnings	25	482,905	461,650
Equity attributable to owners of the Company		860,393	852,304
Non-controlling interests		14,232	11,266
Total Equity		874,625	863,570
Retirement benefit obligations		24,311	22,825
Deferred capital grants	12	11,850	10,986
Deferred tax liabilities		9,886	18,349
Non-current Liabilities		46,047	52,160
Trade payables	14	636,166	676,576
Clearing Funds' contributions	14	34,485	33,543
Other payables		67,330	68,916
Tax payable		14,852	13,489
Current Liabilities		752,833	792,524
Total Liabilities		798,880	844,684
TOTAL EQUITY AND LIABILITIES		1,673,505	1,708,254
Net assets per share attributable to owners of the Company (RM)		1.62	1.60

The above consolidated statement of financial position should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2011

	Attributable to equity holders of the Company											
	Non-distributable								Distributable		Non-controlling interests	Total equity
RM'000	**Share capital**	**Share premium**	**Capital reserve**	**Capital redemption reserve**	**AFS reserve**	**Foreign currency exchange reserve**	**Share option / grant reserve**	**Clearing Fund reserves**	**Retained earnings**	**Total**		
At 1 January 2010	264,328	78,813	13,700	5,250	4,173	(708)	4,480	30,000	444,052	844,088	8,573	852,661
Total comprehensive income for the year	-	-	-	-	(13,176)	(586)	-	-	113,041	99,279	2,693	101,972
Transactions with owners:												
Issuance of ordinary shares pursuant to ESOS	1,372	7,288	-	-	-	-	(1,614)	-	-	7,046	-	7,046
Issuance of preference shares by a subsidiary	-	-	200	-	-	-	-	-	-	200	*	200
ESOS expired during the year	-	-	-	-	-	-	(2,866)	-	2,866	-	-	-
Dividends paid (Note 7)	-	-	-	-	-	-	-	-	(98,309)	(98,309)	-	(98,309)
At 31 December 2010	265,700	86,101	13,900	5,250	(9,003)	(1,294)	-	30,000	461,650	852,304	11,266	863,570
At 1 January 2011	265,700	86,101	13,900	5,250	(9,003)	(1,294)	-	30,000	461,650	852,304	11,266	863,570
Total comprehensive income for the year	-	-	-	-	(15,773)	59	-	-	146,160	130,446	5,166	135,612
Transactions with owners:												
Issuance of ordinary shares pursuant to Share Grant Plan (SGP)	100	1,452	-	-	-	-	(1,552)	-	-	-	-	-
SGP expense	-	-	-	-	-	-	2,548	-	-	2,548	-	2,548
Dividends paid (Note 7)	-	-	-	-	-	-	-	-	(124,905)	(124,905)	-	(124,905)
Dividends paid to non-controlling interest	-	-	-	-	-	-	-	-	-	-	(2,200)	(2,200)
At 31 December 2011	265,800	87,553	13,900	5,250	(24,776)	(1,235)	996	30,000	482,905	860,393	14,232	874,625
											Note a	

Note a

Included in non-controlling interests of the Group at 31 December 2011 are 84 non-cumulative preference shares of RM1 each in Bursa Malaysia Derivatives Berhad (Bursa Malaysia Derivatives), a subsidiary, for registration as Trading Participants, at a subscription price determined by Bursa Malaysia Derivatives. The preference shareholders are not entitled to a refund of any part of the premium paid for the preference shares.

* Denotes RM1

The above consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

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

CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 DECEMBER 2011

		12 months ended	
RM'000	**Note**	**31.12.2011**	**31.12.2010**
		Audited	**Audited**
CASH FLOWS FROM OPERATING ACTIVITIES			
Profit before tax		206,113	163,754
Adjustments for:			
Amortisation of premium less accretion of discount		152	(1,305)
Dividend income from investment securities		(930)	(974)
Depreciation and amortisation		38,444	43,233
Grant utilised	12	(2,636)	(2,297)
Retirement benefit obligations		1,542	1,577
Interest income		(21,449)	(16,606)
Net gain on disposal of investment securities		(328)	(649)
Net loss on disposal of property, plant and equipment		13	-
Impairment loss on investment securities		1,164	-
Net reversal of impairment on trade and other receivables		(188)	(552)
Impairment loss on computer softwares		335	-
Property, plant and equipment and computer software written off		836	1,225
Reversal of provision for short term accumulating compensated unutilised leave		(70)	(45)
Unrealised loss on foreign exchange differences		37	-
SGP expense		2,548	-
Operating profit before working capital changes		225,583	187,361
Decrease/(increase) in receivables		7,317	(8,265)
Increase in other payables		1,434	2,440
Cash generated from operations		234,334	181,536
Staff loans repaid, net of disbursements		2,861	4,445
Retirement benefits paid		(56)	(2,645)
Taxes paid net of refund		(60,188)	(34,051)
Net cash generated from operating activities		**176,951**	**149,285**

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

CONSOLIDATED STATEMENT OF CASH FLOW
FOR THE YEAR ENDED 31 DECEMBER 2011 (CONTD.)

RM'000	Note	12 months ended 31.12.2011	31.12.2010
		Audited	Audited
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest received		18,382	15,214
Proceeds from disposal of investment securities		78,306	128,391
Proceeds from disposal of property, plant and equipment and computer software		156	-
Purchases of investment securities		(83,666)	(72,497)
Purchases of property, plant and equipment and computer software		(17,654)	(19,612)
Net cash (used in)/generated from investing activities		**(4,476)**	**51,496**
CASH FLOWS FROM FINANCING ACTIVITIES			
Dividends paid	7	(124,905)	(98,309)
Dividends paid by a subsidiary to non-controlling interest		(2,200)	-
Dividends received		1,073	594
Grant received		3,500	3,324
Preference shares issued by a subsidiary		-	200
Proceeds from exercise of options under ESOS		-	7,046
Net cash used in financing activities		**(122,532)**	**(87,145)**
Net increase in cash and cash equivalents		**49,943**	**113,636**
Effects of exchange rate changes		62	(614)
Cash and cash equivalents at beginning of year		449,938	336,916
Cash and cash equivalents at end of year		**499,943**	**449,938**
COMPOSITION OF CASH AND CASH EQUIVALENTS			
Short term deposits		496,394	442,573
Cash and bank balances		3,549	7,365
Cash and cash equivalents at end of year	A	499,943	449,938

The above consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2010 and the accompanying explanatory notes attached to the interim financial statements.

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31 DECEMBER 2011 (CONTD.)

NOTE A

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

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

RM'000	As at 31.12.2011	As at 31.12.2010
Bursa Malaysia Securities Clearing Sdn. Bhd.'s (Bursa Malaysia Securities Clearing) appropriation to the Clearing Guarantee Fund (CGF)	25,000	25,000
Bursa Malaysia Derivatives Clearing Berhad's (Bursa Malaysia Derivatives Clearing) appropriation to the Derivatives Clearing Fund (DCF)	5,000	5,000
	30,000	30,000

(ii) An amount of RM7,772,000 (31.12.2010: RM8,410,000) has been set aside to meet or secure the claims of creditors and certain lease payments pursuant to the High Court order issued in relation to the reduction of capital of the Company on 27 January 2005.

PART A: EXPLANATORY NOTES PURSUANT TO FRS 134

1. BASIS OF PREPARATION

The interim financial statements, other than for financial instruments, have been prepared under the historical cost convention. Certain financial instruments have been carried at fair value in accordance to FRS 139 Financial Instruments: Recognition and Measurement.

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2010. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2010.

2. SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2010, except for the adoption of the following new Financial Reporting Standards (FRSs), Amendments to FRSs and Issues Committee (IC) Interpretations which are applicable for the Group's financial period beginning 1 January 2011.

2.1 Adoption of FRSs, Amendments to FRSs and IC Interpretations

On 1 January 2011, the Group adopted the following FRSs, Amendments to FRSs, IC Interpretations and Amendments to IC Interpretation:-

FRS 1	First-time Adoption of Financial Reporting Standards
FRS 3	Business Combinations (Revised)
FRS 127	Consolidated and Separate Financial Statements
Amendments to FRS 1	Limited Exemption from Comparative FRS 7 Disclosures for First-time Adopters
Amendments to FRS 1	Additional Exemptions for First-time Adopters
Amendments to FRS 2	Share-based Payment
Amendments to FRS 2	Group Cash-settled Share-based Payment Transactions
Amendments to FRS 5	Non-current Assets Held for Sale and Discontinued Operations
Amendments to FRS 7	Improving Disclosures about Financial Instruments
Amendments to FRS 132	Financial Instruments: Presentation
Amendments to FRS 138	Intangible Assets
Amendments to FRS 1, FRS 3, FRS 7, FRS 101 FRS 121, FRS 128, FRS 131, FRS 132, FRS 134, FRS 139 and Amendments to IC Interpretation 13	Improvements to FRSs (2010)

2. SIGNIFICANT ACCOUNTING POLICIES (Cont'd.)

2.1 Adoption of FRSs, Amendments to FRSs and IC Interpretations (cont'd.)

IC Interpretation 4	Determining Whether an Arrangement Contains a Lease
IC Interpretation 12	Service Concession Arrangements
IC Interpretation 16	Hedges of a Net Investment in a Foreign Operation
IC Interpretation 17	Distributions of Non-cash Assets to Owners
IC Interpretation 18	Transfers of Assets from Customers
Amendments to IC Interpretation 9	Reassessment of Embedded Derivatives

Adoption of the above FRSs, Amendments to FRSs, IC Interpretations and Amendments to IC Interpretation did not have any effect on the financial performance, position or presentation of financials of the Group, other than the disclosures under the Amendments to FRS 7 which will affect the 2011 annual financial statements.

2.2 Malaysian Financial Reporting Standards (MFRS)

On 19 November 2011, the Malaysian Accounting Standards Board (MASB) issued a new MASB approved accounting framework, the Malaysian Financial Reporting Standards (MFRS Framework).

The MFRS Framework is to be applied by all Entities Other Than Private Entities for annual periods beginning on or after 1 January 2012, with the exception of entities that are within the scope of MFRS 141 Agriculture (MFRS 141) and IC Interpretation 15 Agreements for Construction of Real Estate (IC 15), including its parent, significant investor and venturer.

The Group will be required to prepare financial statements using the MFRS Framework in its first MFRS financial statements for the year ending 31 December 2012. In presenting its first MFRS financial statements, the Group will be required to restate the financial position as at 1 January 2012 to amounts reflecting the application of MFRS Framework.

The Group has started a preliminary assessment of the differences between FRS and accounting standards under the MFRS Framework and is in the process of assessing the financial effects of the differences. Accordingly, the financial position as disclosed in these financial statements for the year ended 31 December 2011 could be different if prepared under the MFRS Framework.

The Group expects to be in a position to fully comply with the requirements of the MFRS Framework for the financial year ending 31 December 2012.

3. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS

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

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

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the financial year.

5. SIGNIFICANT ESTIMATES AND CHANGES IN ESTIMATES

There were no changes in estimates that have had any material effect on the current quarter and financial year results.

6. DEBT AND EQUITY SECURITIES

There were no issuances, repurchases and repayments of debt and equity securities during the financial year ended 31 December 2011 other than the issuance of 199,800 new ordinary shares of RM0.50 each pursuant to the SGP.

7. DIVIDENDS PAID

The following dividends were paid during the current and previous corresponding quarter:

	31.12.2011	**31.12.2010**
Interim dividend for the financial year	31 December 2011	31 December 2010
Approved and declared on	19 July 2011	16 July 2010
Date paid	16 August 2011	13 August 2010
Number of ordinary shares on which dividends were paid ('000)	531,599	531,399
Amount per share (single-tier)	13.0 sen	9.5 sen
Net dividend paid (RM'000)	69,108	50,483
Final dividend for the financial year	31 December 2010	31 December 2009
Approved and declared on	14 April 2011	29 March 2010
Date paid	4 May 2011	15 April 2010
Number of ordinary shares on which dividends were paid ('000)	531,399	531,399
Amount per share (single-tier)	10.5 sen	9.0 sen
Net dividend paid (RM'000)	55,797	47,826

8. OPERATING REVENUE

	3 months ended		12 months ended	
RM'000	**31.12.2011**	**31.12.2010**	**31.12.2011**	**31.12.2010**
Securities clearing fees	33,140	42,323	159,381	140,059
Securities trade fees	4,090	5,559	20,808	18,028
Institutional Settlement Service (ISS) fees	3,023	2,655	12,317	9,233
Buying-in commission	57	260	477	599
Trading revenue from securities market	40,310	50,797	192,983	167,919
Derivatives clearing fees	2,929	2,369	11,529	8,536
Derivatives trade fees	8,343	7,065	33,970	25,578
Other derivatives trading revenue	1,286	1,083	5,747	3,530
Trading revenue from derivatives market	12,558	10,517	51,246	37,644
Total trading revenue	**52,868**	**61,314**	**244,229**	**205,563**
Listing fees	8,828	9,587	38,226	36,106
Depository services	6,582	9,762	31,747	33,138
Information services	4,695	4,541	19,205	16,993
Broker services	2,985	2,893	11,742	11,242
Access fees	3,136	1,661	8,666	7,286
Participants' fees	1,000	914	3,235	3,044
Total stable revenue	**27,226**	**29,358**	**112,821**	**107,809**
Other operating revenue	4,834	3,600	24,271	17,879
Total operating revenue	**84,928**	**94,272**	**381,321**	**331,251**

9. OTHER INCOME

	3 months ended		12 months ended	
RM'000	**31.12.2011**	**31.12.2010**	**31.12.2011**	**31.12.2010**
Rental income	1,559	1,544	6,199	5,911
Interest income from:				
- Investments	5,576	4,399	20,914	15,926
- Others	119	158	535	680
Net gain on disposal of investment securities	90	16	328	649
Fines	1,421	432	5,136	2,020
Dividend income from shares quoted outside Malaysia	242	191	930	974
Miscellaneous income	1,734	897	4,779	3,638
Total other income	**10,741**	**7,637**	**38,821**	**29,798**

10. OTHER OPERATING EXPENSES

	3 months ended		12 months ended	
RM'000	**31.12.2011**	**31.12.2010**	**31.12.2011**	**31.12.2010**
Marketing and business development	1,809	3,808	9,976	11,860
Technology charges:				
- Information technology maintenance	4,053	4,249	15,775	14,973
- Globex service fees	2,852	2,406	11,476	2,737
CDS consumables	629	1,155	3,885	3,738
Professional fees	541	747	1,955	2,350
Building management costs	2,966	2,611	10,667	10,201
Administrative expenses	1,642	1,777	7,180	7,257
Net (reversal of impairment)/impairment loss on receivables	(184)	(408)	(188)	(552)
Impairment loss on investments	1,164	-	1,164	-
Impairment loss on computer softwares	335	-	335	-
Foreign exchange (gain)/loss	(185)	(4)	(32)	121
Miscellaneous expenses	1,697	3,031	9,270	8,971
Total other operating expenses	**17,319**	**19,372**	**71,463**	**61,656**

PART A: EXPLANATORY NOTES PURSUANT TO FRS 134

11. SEGMENTAL INFORMATION

RM'000	Securities market	Derivatives market	Holding company	Others	Consolidated
RESULTS FOR 3 MONTHS ENDED 31 DECEMBER 2011					
Operating revenue	65,619	15,662	2,985	662	84,928
Other income	4,006	903	5,416	416	10,741
Expenses	(23,504)	(7,809)	(3,230)	(3,331)	(37,874)
Segment profit/(loss)	**46,121**	**8,756**	**5,171**	**(2,253)**	**57,795**
Overheads					(13,486)
Profit before tax					44,309
RESULTS FOR 3 MONTHS ENDED 31 DECEMBER 2010					
Operating revenue	78,139	12,849	2,893	391	94,272
Other income	2,479	718	4,000	440	7,637
Expenses	(24,040)	(9,260)	(4,079)	(3,132)	(40,511)
Segment profit/(loss)	**56,578**	**4,307**	**2,814**	**(2,301)**	**61,398**
Overheads					(14,593)
Profit before tax					46,805

PART A: EXPLANATORY NOTES PURSUANT TO FRS 134

11. SEGMENTAL INFORMATION (CONTD.)

RM'000	Securities market	Derivatives market	Holding company	Others	Consolidated
RESULTS FOR 12 MONTHS ENDED 31 DECEMBER 2011					
Operating revenue	298,298	69,048	11,742	2,233	381,321
Other income	15,275	3,369	18,539	1,638	38,821
Expenses	(94,162)	(35,630)	(13,150)	(12,718)	(155,660)
Segment profit/(loss)	**219,411**	**36,787**	**17,131**	**(8,847)**	**264,482**
Overheads					(58,369)
Profit before tax					206,113
RESULTS FOR 12 MONTHS ENDED 31 DECEMBER 2010					
Operating revenue	267,893	50,846	11,242	1,270	331,251
Other income	9,638	2,573	15,736	1,851	29,798
Expenses	(88,461)	(32,106)	(12,852)	(10,770)	(144,189)
Segment profit/(loss)	**189,070**	**21,313**	**14,126**	**(7,649)**	**216,860**
Overheads					(53,106)
Profit before tax					163,754
ASSETS AND LIABILITIES AS AT 31 DECEMBER 2011					
Assets that belong to the Group	404,692	126,128	432,184	37,199	1,000,203
Assets that do not belong to the Group	16,657	655,223	-	-	671,880
Segment assets	421,349	781,351	432,184	37,199	1,672,083
Unallocated corporate assets					1,422
Total assets					1,673,505
Liabilities that belong to the Group	19,116	12,650	43,375	27,121	102,262
Liabilities that do not belong to the Group	16,657	655,223	-	-	671,880
Segment liabilities	35,773	667,873	43,375	27,121	774,142
Unallocated corporate liabilities					24,738
Total liabilities					798,880

PART A: EXPLANATORY NOTES PURSUANT TO FRS 134

12. DEFERRED CAPITAL GRANTS

RM'000	
At 1 January 2011	10,986
Grant recognised and received (Note 13)	3,500
Grant income	(2,636)
At 31 December 2011	11,850

13. RELATED PARTY DISCLOSURES

Significant related party transactions are as follows:

	3 months ended		12 months ended	
RM'000	**31.12.2011**	**31.12.2010**	**31.12.2011**	**31.12.2010**
Administration fee income from Securities Compensation Fund, a fund managed by Bursa Malaysia Berhad	230	224	911	889
Administration fee income from Derivatives Fidelity Fund, a fund managed by Bursa Malaysia Derivatives Berhad	30	30	120	120

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

During the financial year, the Group obtained a grant from Capital Market Development Fund, a shareholder of the Company, of RM3,500,000 (see Note 12). The amount was received in 3Q11.

PART A: EXPLANATORY NOTES PURSUANT TO FRS 134

14. CASH AND BANK BALANCES NOT BELONGING TO THE GROUP

RM'000	As at 31.12.2011
Trade margins, collaterals and security deposits	632,795
Securities Borrowing and Lending collaterals	3,371
Trade payables	636,166
DCF contributions	22,428
CGF contributions	12,057
Clearing Funds' contributions	34,485
Cash received for eDividend distributions (included within Other Payables)	1,229
Total cash and bank balances not belonging to the Group	671,880

The amount of non-cash collaterals and contributions held by the Group not included in the consolidated statement of financial position as at 31 December 2011 comprise the following:

RM'000	As at 31.12.2011
Collaterals in the form of letters of credit	407,500
Contributions to the CGF in the form of bank guarantees	5,410
	412,910

15. INVESTMENT SECURITIES

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

16. CHANGES IN COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the financial year.

17. CONTINGENT ASSETS AND LIABILITIES

There were no contingent assets and no changes in the contingent liability since 31 December 2010.

PART A: EXPLANATORY NOTES PURSUANT TO FRS 134

18. CAPITAL COMMITMENTS

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

RM'000	Approved and contracted for	Approved but not contracted for
Computers and office automation	8,201	13,616
Renovations	340	80
Total capital commitments	8,541	13,696

19. OPERATING LEASE ARRANGEMENTS

(a) As Lessee - for the lease of land

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

RM'000	As at 31.12.2011
Not later than 1 year	539
Later than 1 year and not later than 5 years	2,155
Later than 5 years	40,792
Total future minimum lease payments	43,486

(b) As Lessor - for building rental

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

RM'000	As at 31.12.2011
Not later than 1 year	5,651
Later than 1 year and not later than 2 years	2,707
Later than 2 years and not later than 5 years	-
Total future minimum lease receivables	8,358

20. SUBSEQUENT EVENT

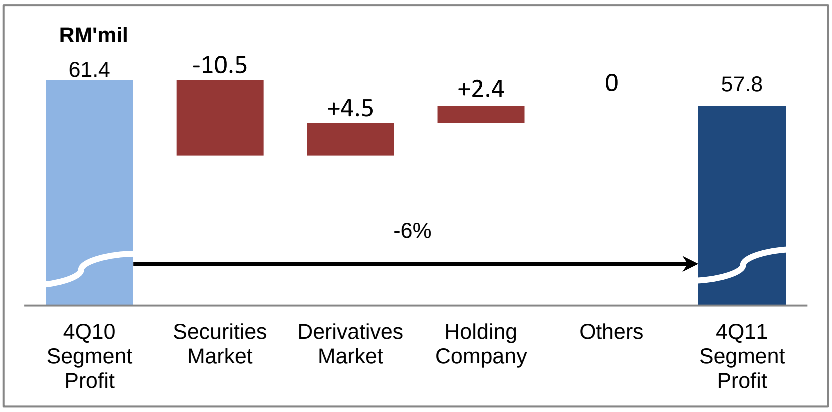
There was no material event subsequent to the end of the current quarter.

21. OPERATING SEGMENTS REVIEW

(a) 4Q11 vs. 4Q10

Profit before tax (PBT) for the quarter ended 31 December 2011 (4Q11) was RM44.3 million, a decrease of 5 per cent from RM46.8 million in the quarter ended 31 December 2010 (4Q10). PBT is made up of segment profits less overheads (as depicted in Note 11).

Total segment profits for 4Q11 were RM57.8 million, a decrease of 6 per cent from RM61.4 million in 4Q10. The reduction in total segment profits was mainly due to the cautious sentiment on the securities market in 4Q11 compared to the bouyant sentiment in 4Q10. The reduction was partially offset by the increase in interest on the derivatives market. The quarter on quarter movements in the segment profits are depicted in the graph below:



Securities Market

The securities market recorded a segment profit of RM46.1 million in 4Q11, a decrease of 18 per cent compared to RM56.6 million in 4Q10. The lower profit in 4Q11 was mainly due to lower trading activity on the securities market in 4Q11 compared to 4Q10. Segment costs were fairly stable quarter on quarter.

(i) Operating Revenue

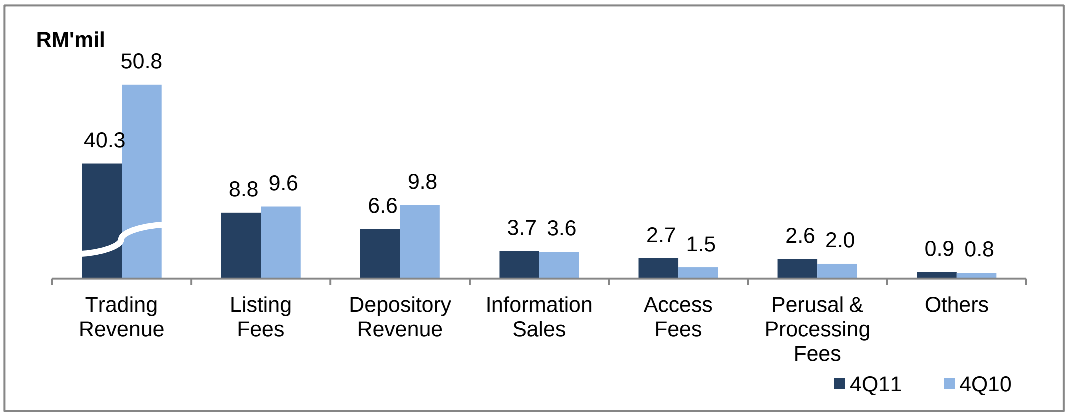
Securities market operating revenue comprises mainly trading revenue, listing fees, depository revenue, information sales, access fees and perusal and processing fees. Operating revenue for 4Q11 was RM65.6 million, representing a decrease of 16 per cent compared to RM78.1 million in 4Q10. The decrease came mainly from trading revenue, as shown in the chart below:

21. OPERATING SEGMENTS REVIEW (CONTD.)

(a) 4Q11 vs. 4Q10 (Contd.)

<u>Securities Market (Contd.)</u>

(i) Operating Revenue (Contd.)



> Trading revenue decreased by 21 per cent to RM40.3 million in 4Q11 compared to 4Q10. The cautious sentiment in response to global events resulted in a lower average daily trading value (ADV) for on-market trades (OMT) and direct business trades (DBT) of RM1.41 billion (4Q10: RM2.00 billion).

> Listing fees decreased by 8 per cent to RM8.8 million in 4Q11 compared to 4Q10. The Initial Public Offerings (IPOs) fund raising activities in 4Q11 was less active with 2 IPOs in 4Q11 compared to 8 in 4Q10 given the more cautious sentiment on the equity market.

> Depository revenue decreased by 33 per cent to RM6.6 million in 4Q11 compared to 4Q10. The higher revenue in 4Q10 came mainly from public issue fees from an exceptionally large IPO in that quarter and the generally higher number of IPOs in 4Q10.

> Access fees increased by 80 per cent to RM2.7 million in 4Q11 compared to 4Q10. The increase was a result of an increase in direct market access.

21. OPERATING SEGMENTS REVIEW (CONTD.)

(a) 4Q11 vs. 4Q10 (Contd.)

<u>Securities Market (Contd.)</u>

(i) Operating Revenue (Contd.)

Key operating drivers in the securities market are as follows:

		4Q11	**4Q10**
FBM KLCI	(points)	1,530.73	1,518.91
Average daily trading value (OMT and DBT)	(RM'billion)	1.41	2.00
Average daily trading volume (OMT and DBT)		1.62	1.28
Effective clearing fee rate	(basis points)	2.54	2.34
Velocity	(per cent)	27	37
Number of initial public offerings		2	8
Number of new structured warrant listings		70	65
Total funds raised:			
- IPOs	(RM'billion)	0.71	15.17
- Secondary issues	(RM'billion)	1.36	0.20
Market capitalisation at end of period	(RM'billion)	1,284.54	1,275.28

(ii) Other Income

Other income increased by 62 per cent to RM4.0 million in 4Q11 compared to RM2.5 million in 4Q10 mainly due to the following:

- Higher investment income as a result of a higher level of funds available for investment and enhanced yields due to the 25 basis point increase in OPR and more effective investment strategies.

- Higher fines collected.

(iii) Expenses

Segment expenses remained fairly stable at RM24 million in both quarters.

21. OPERATING SEGMENTS REVIEW (CONTD.)

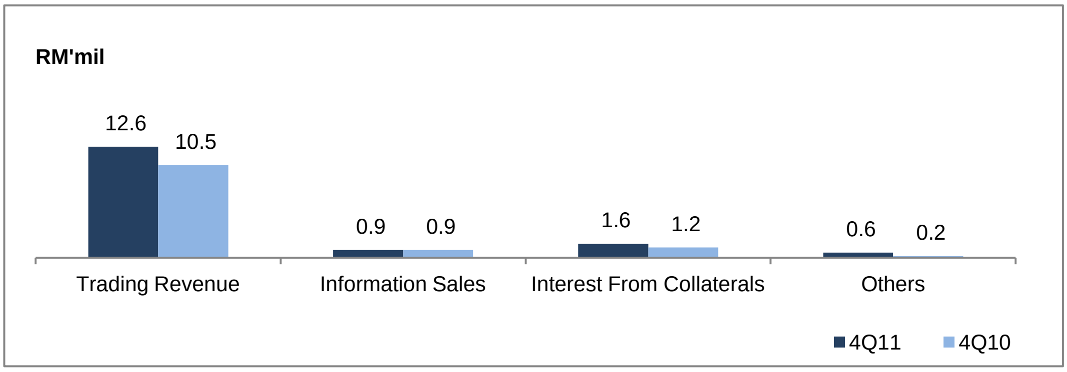
(a) 4Q11 vs. 4Q10 (Contd.)

Derivatives Market

The derivatives market recorded a segment profit of RM8.8 million in 4Q11, an increase of 103 per cent compared to RM4.3 million in 4Q10. The higher profit in 4Q11 is attributed to global visbility, improved trading access and a broader intermediary network in 2011.

(i) Operating Revenue

Derivatives market operating revenue comprises mainly trading revenue, information sales, and interest from collaterals. Operating revenue for 4Q11 was RM15.7 million, representing an increase of 22 per cent compared to RM12.8 million in 4Q10. The increase came mainly from trading revenue, as shown in the chart below:



> Trading revenue increased by 19 per cent to RM12.6 million in 4Q11 compared to 4Q10. The higher foreign and domestic interest improved volumes traded in the derivatives market from 1.72 million contracts in 4Q10 to 2.12 million in 4Q11.

> Interest from collaterals increased by 33 per cent to RM1.6 million in 4Q11 compared to 4Q10. This is in line with the margin requirements for the higher number and value of open interests.

Key operating drivers in the derivatives market are as follows:

		4Q11	**4Q10**
FCPO contracts	(million)	1.49	1.21
FKLI contracts	(million)	0.63	0.50
Other contracts	(million)	~	0.01
Total	(million)	2.12	1.72
Daily average contracts		34,779	27,776
Average number of open interests		169,986	123,820

21. OPERATING SEGMENTS REVIEW (CONTD.)

(a) 4Q11 vs. 4Q10 (Contd.)

<u>Derivatives Market (Contd.)</u>

(ii) Other Income

Other income increased marginally by RM0.2m to RM0.9 million in 4Q11 compared to 4Q10.

(iii) Expenses

Segment expenses decreased by 16 per cent to RM7.8 million in 4Q11 compared to RM9.3 million in 4Q10. The change in expenses were primarily system related.

> The launch expenses for the cutover to the Globex trading plaform was a one-off expense in 4Q10.

> Certain IT assets were fully depreciated before 4Q11.

> The above reductions in costs were partially offset by higher Globex service fees in 4Q11, in line with the higher trading activity.

<u>Exchange Holding Company</u>

The exchange holding company recorded a segment profit of RM5.2 million in 4Q11, an increase of 84 per cent compared to RM2.8 million in 4Q10. The higher profit in 4Q11 was mainly due to the following:

> Higher investment income as a result of a higher level of funds from subsidiary dividends and enhanced yields.

> A better management of costs progressively in 2011.

Operating revenue comprise broker services and remained fairly stable at approximately RM3 million.

<u>Others</u>

The others segment, which is made up of our Bursa Suq Al Sila (BSAS) business, bonds trading and offshore exchange, continued to show a loss of RM2.3 million in 4Q11. The marginal increase in operating revenue was offset by an increase in expenses.

<u>Overheads</u>

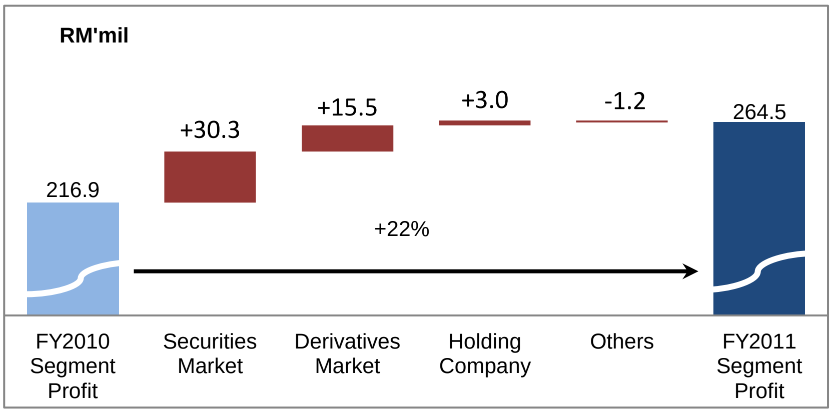
Overheads decreased by 8 per cent to RM13.5 million in 4Q11 compared to RM14.6 million in 4Q10 mainly due to a better management of overheads progressively in 2011.

21. OPERATING SEGMENTS REVIEW (CONTD.)

(b) FY2011 vs. FY2010

PBT for the financial year ended 31 December 2011 (FY2011) was RM206.1 million, an increase of 26 per cent from RM163.8 million in the financial year ended 31 December 2010 (FY2010). PBT is made up of segment profits less overheads (as depicted in Note 11).

Total segment profits for FY2011 were RM264.5 million, an increase of 22 per cent from RM216.9 million in FY2010. The increase in total segment profits was mainly due to the volatility caused by the uncertain global environment throughout 2011, and the global visibility, improved trading access and broader intermediary network of our derivatives market. The year on year movements in the segment profits are depicted in the graph below:



Securities Market

The securities market recorded a segment profit of RM219.4 million in FY2011, an increase of 16 per cent compared to RM189.1 million in FY2010. The higher profit in FY2011 was on the back of higher trading activity on the securities market in FY2011 compared to FY2010.

(i) Operating Revenue

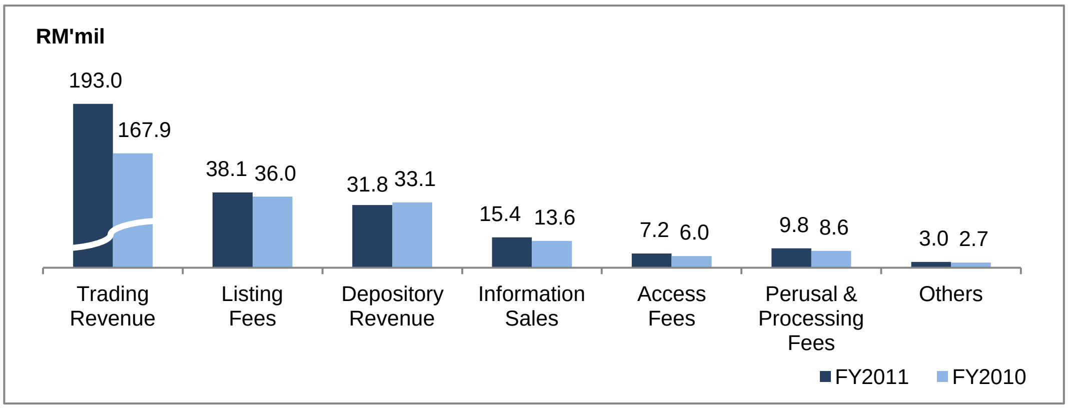
Securities market operating revenue comprises mainly trading revenue, listing fees, depository revenue, information sales, access fees and perusal and processing fees. Operating revenue for FY2011 was RM298.3 million, representing an increase of 11 per cent compared to RM267.9 million in FY2010. The increase came mainly from trading revenue, as shown in the chart below:

21. OPERATING SEGMENTS REVIEW (CONTD.)

(b) FY2011 vs. FY2010 (Contd.)

<u>Securities Market (Contd.)</u>

(i) Operating Revenue (Contd.)



> Trading revenue increased by 15 per cent to RM193.0 million in FY2011 compared to FY2010. The positive sentiments in the 1st quarter, and the volatility caused by global uncertainty in the 2nd and 3rd quarters of the year resulted in a higher ADV for OMT and DBT of RM1.79 billion (FY2010: RM1.57 billion).

> Listing fees increased by 6 per cent to RM38.1 million in FY2011 compared to FY2010. The higher market valuation at 31 December 2010 (RM1.28 trillion) compared to the 31 December 2009 market valuation (RM1 trillion) resulted in higher annual listing fees, while the increase in the number of new structured warrants from 204 in FY2010 to 363 in FY2011 improved the initial listing fees.

> Depository revenue decreased by 4 per cent to RM31.8 million in FY2011 compared to FY2010. The higher revenue in FY2010 came mainly from public issue fees from an exceptionally large IPO in that year.

> Information sales increased by 13 per cent to RM15.4 million in FY2011 compared to FY2010. The higher trading activity on the securities market resulted in a higher demand for information.

> Access fees increased by 20 per cent to RM7.2 million in FY2011 compared to FY2010. The increase was a result of an increase in direct market access.

> Perusal and processing fees increased by 14 per cent to RM9.8 million in FY2011 compared to FY2010. This was due to higher number of perusals and processing of circulars and applications.

21. OPERATING SEGMENTS REVIEW (CONTD.)

(b) FY2011 vs. FY2010 (Contd.)

Securities Market (Contd.)

(i) Operating Revenue (Contd.)

Key operating drivers in the securities market are as follows:

		FY2011	FY2010
FBM KLCI	(points)	1,530.73	1,518.91
Average daily trading value (OMT and DBT)	(RM'billion)	1.79	1.57
Average daily trading volume (OMT and DBT)		1.34	1.02
Effective clearing fee rate	(basis points)	2.37	2.38
Velocity	(per cent)	33	33
Number of initial public offerings		28	29
Number of new structured warrant listings		363	204
Total funds raised:			
- IPOs	(RM'billion)	6.66	19.87
- Secondary issues	(RM'billion)	8.29	12.18
Market capitalisation at end of period	(RM'billion)	1,284.54	1,275.28

(ii) Other Income

Other income increased by 58 per cent to RM15.3 million in FY2011 compared to RM9.6 million in FY2010 mainly due to the following:

> Higher investment income as a result of a higher level of funds and enhanced yields.

> Higher fines collected.

(iii) Expenses

Segment expenses increased by 6 per cent to RM94.2 million in FY2011 compared to RM88.5 million in FY2010 mainly due to the following:

> Higher staff costs due to salary increments and performance rewards.

> Higher enforcement costs.

> Impairment loss on an investment security.

21. OPERATING SEGMENTS REVIEW (CONTD.)

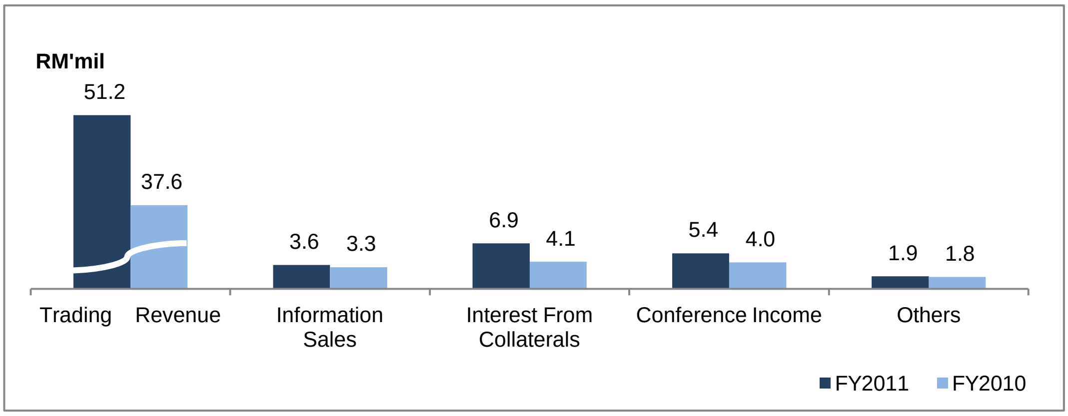
(b) FY2011 vs. FY2010 (Contd.)

<u>Derivatives Market</u>

The derivatives market recorded a segment profit of RM36.8 million in FY2011, an increase of 73 per cent compared to RM21.3 million in FY2010. The higher profit in FY2011 is attributed to the improved visibility and access.

(i) Operating Revenue

Derivatives market operating revenue comprises mainly trading revenue, information sales, interest from collaterals and conference income. Operating revenue for FY2011 was RM69.0 million, representing an increase of 36 per cent compared to RM50.8 million in FY2010. The increase came mainly from trading revenue, as shown in the chart below:



> Trading revenue increased by 36 per cent to RM51.2 million in FY2011 compared to FY2010. The higher foreign and domestic interest improved volumes traded in the derivatives market from 6.15 million contracts in FY2010 to 8.45 million in FY2011.

> Interest from collaterals increased by 68 per cent to RM6.9 million in FY2011 compared to FY2010. This is in line with the margin requirements for the higher number and value of open interests.

> Conference income increased by 35 per cent to RM5.4 million in FY2011 compared to FY2010. The improved participantship is largely due to the favourable market conditions at the start of the year.

21. OPERATING SEGMENTS REVIEW (CONTD.)

(b) FY2011 vs. FY2010 (Contd.)

<u>Derivatives Market (Contd.)</u>

(i) Operating Revenue (Contd.)

Key operating drivers in the derivatives market are as follows:

		FY2011	**FY2010**
FCPO contracts	(million)	5.87	4.06
FKLI contracts	(million)	2.48	1.99
Other contracts	(million)	0.10	0.10
Total	(million)	8.45	6.15
Daily average contracts		34,474	24,817
Average number of open interests		161,443	124,073

(ii) Other Income

Other income increased by 31 per cent to RM3.4 million in FY2011 compared to RM2.6 million in FY2010 mainly due to the following:

> Higher investment income as a result of a higher level of funds and enhanced yields .

> A grant for the Order Management System license obtained during the year.

(iii) Expenses

Segment expenses increased by 11 per cent to RM35.6 million in FY2011 compared to RM32.1 million in FY2010 mainly due to the following:

> Globex service fees charged on trade volume, commencing the cutover of trading to Globex in September 2010.

> Higher staff costs due to salary increments and performance rewards.

> The above increases in costs were partially offset by lower depreciation and amortisation following the end of useful life of Bursa Trade Derivatives (the previous trading platform) in August 2010.

21. OPERATING SEGMENTS REVIEW (CONTD.)

(b) FY2011 vs. FY2010 (Contd.)

Exchange Holding Company

The exchange holding company recorded a segment profit of RM17.1 million in FY2011, an increase of 21 per cent compared to RM14.1 million in FY2010. The higher profit in FY2011 was mainly due to higher investment income as a result of a higher level of funds from subsidiary dividends and enhanced yields.

Others

The loss in the others segment, which is made up of our BSAS business, bonds trading and offshore exchange, worsen by 16 per cent from RM7.6 million in FY2010 to RM8.8 milion in FY2011 as year on year costs grew at a higher rate than revenue.

- Segment revenue grew due to the increasing use of BSAS as a commodity murabahah trading platform.

- Segment costs were higher due to an impairment of an IT asset and the full year maintenance of another IT asset following the expiry of its warranty.

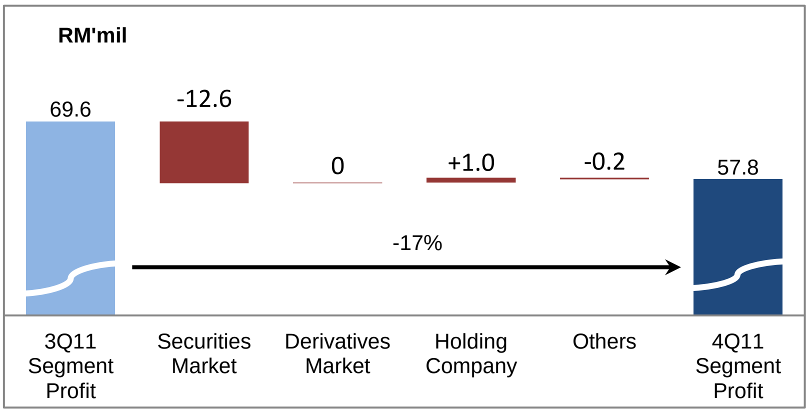
Overheads

Overheads increased by 10 per cent to RM58.4 million in FY2011 compared to RM53.1 million in FY2010.

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

PBT for 4Q11 was RM44.3 million, a decrease of 18 per cent from RM54.2 million in the quarter ended 30 September 2011 (3Q11). PBT is made up of segment profits less overheads.

Total segment profits for 4Q11 were RM57.8 million, a decrease of 17 per cent from RM69.6 million in 3Q11. The higher segment profit in 3Q11 was mainly due to the sell down activity following the downgrading of the United States by Standard & Poor in August 2011. 4Q11 generally saw investors taking a cautious stand as the Eurozone debt crisis deepen. The quarter on quarter movements in the segment profits are depicted in the graph below:

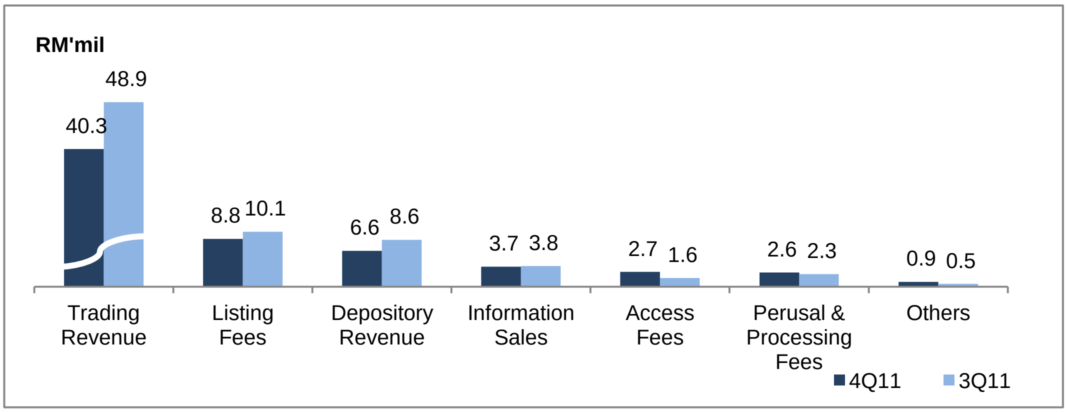


Securities Market

The securities market recorded a segment profit of RM46.1 million in 4Q11, a decrease of 21 per cent compared to RM58.7 million in 3Q11. The lower profit in 4Q11 was mainly due to lower trading on the securities market by foreign institutions in 4Q11 compared to 3Q11.

(i) Operating Revenue

Securities market operating revenue for 4Q11 was RM65.6 million, representing a decrease of 13 per cent compared to RM75.8 million in 3Q11. The decrease came mainly from trading revenue, as shown in the chart below:



22. MATERIAL CHANGE IN PERFORMANCE OF OPERATING SEGMENTS OF CURRENT QUARTER COMPARED WITH PRECEDING QUARTER (CONTD.)

Securities Market (Contd.)

(i) Operating Revenue (Contd.)

> Trading revenue decreased by 18 per cent to RM40.3 million in 4Q11 compared to 3Q11. The sell down activity by foreign institutions in 3Q11 resulted in a higher ADV for OMT and DBT of RM1.89 billion in 3Q11 compared to RM1.41 billion in 4Q11.

> Listing fees decreased by 13 per cent to RM8.8 million in 4Q11 compared to 3Q11. The unconducive environment of a lacklustre market resulted in 2 IPOs in 4Q11 compared to 9 in 3Q11, and 70 structured warrants in 4Q11 compared to 92 in 3Q11.

> Depository revenue decreased by 23 per cent to RM6.6 million in 4Q11 compared to 3Q11. The drop is due to a lower number of IPOs and ROD requests in 4Q11 compared to 3Q11.

> Access fees increased by 69 per cent to RM2.7 million in 4Q11 compared to 3Q11. The increase was a result of the recognition of a full year increase in direct market access in 4Q11.

Key operating drivers in the securities market are as follows:

		4Q11	3Q11
FBM KLCI	(points)	1,530.73	1,387.13
Average daily trading value (OMT and DBT)	(RM'billion)	1.41	1.89
Average daily trading volume (OMT and DBT)		1.62	1.02
Effective clearing fee rate	(basis points)	2.54	2.28
Velocity	(per cent)	27	34
Number of initial public offerings		2	9
Number of new structured warrant listings		70	92
Total funds raised:			
- IPOs	(RM'billion)	0.71	3.57
- Secondary issues	(RM'billion)	1.36	3.58
Market capitalisation at end of period	(RM'billion)	1,284.54	1,172.29

(ii) Other Income

Other income decreased by 24 per cent to RM4.0 million in 4Q11 compared to RM5.3 million in 3Q11 mainly due to higher fines collected in 3Q11.

(iii) Expenses

Segment expenses increased by 5 percent to RM23.5 million in 4Q11 compared to RM22.4 million in 3Q11 mainly due to an impairment loss on an investment security.

22. MATERIAL CHANGE IN PERFORMANCE OF OPERATING SEGMENTS OF CURRENT QUARTER COMPARED WITH PRECEDING QUARTER (CONTD.)

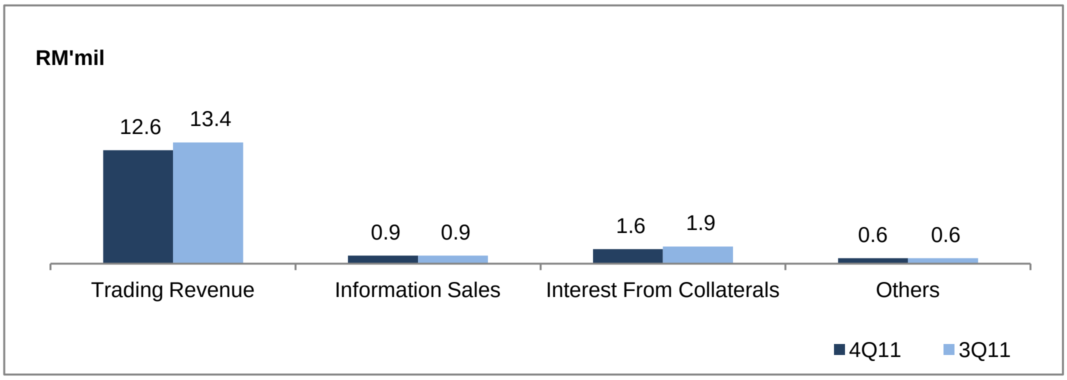
Derivatives Market

The derivatives market recorded a segment profit of RM8.8 million for 4Q11, fairly similar to the RM8.7 million profit it made in 3Q11. The reduction in operating revenue was matched by a reduction in variable costs.

(i) Operating Revenue

Derivatives market operating revenue for 4Q11 was RM15.7 million, representing decrease of 7 per cent compared to RM16.8 million in 3Q11. The increase came mainly from trading revenue, as shown in the chart below:

Total operating revenue comprise the following:



> Trading revenue decreased by 6 per cent to RM12.6 million in 4Q11 compared to 3Q11. Although the volume traded in both quarters remained fairly stable at 2.12 million contracts, trading revenue dropped as more lower margin products were traded in 4Q11 compared to 3Q11.

Key operating drivers in the derivatives market are as follows:

		4Q11	3Q11
FCPO contracts	(million)	1.49	1.40
FKLI contracts	(million)	0.63	0.70
Other contracts	(million)	~	0.02
Total	(million)	2.12	2.12
Daily average contracts		34,779	34,169
Average number of open interests		169,986	176,103

(ii) Other Income

Other income remained fairly stable at RM0.9 million in both quarters.

22. MATERIAL CHANGE IN PERFORMANCE OF OPERATING SEGMENTS OF CURRENT QUARTER COMPARED WITH PRECEDING QUARTER (CONTD.)

Derivatives Market (Contd.)

(iii) Expenses

Segment expenses decreased by 12 per cent to RM7.8 million in 4Q11 compared to 3Q11. The drop was mainly due to the full depreciation of certain assets in 3Q11.

Exchange Holding Company

The exchange holding company recorded a segment profit of RM5.2 million in 4Q11, an increase of 23 per cent compared to RM4.2 million in 3Q11. The higher profit was mainly due to a payment from CME which was conditional upon occurence of certain events, as stipulated in the Share Purchase Agreement.

Others

The others segment, which is made up of our BSAS business, bonds trading and offshore exchange, showed a slightly higher loss of RM2.3 million in 4Q11 compared to the RM2.0 million loss in 3Q11. This was due to certain expenses taken up at year end.

Overheads

Overheads decreased by 13 per cent to RM13.5 million in 4Q11 compared to RM15.4 million in 3Q11 mainly due to a better management of overheads progressively in 2011.

23. COMMENTARY ON PROSPECTS AND TARGETS

Going forward, global economic conditions are expected to remain increasingly challenging given the heightened uncertainty over the pace of recovery in major global economies and the deepening Eurozone sovereign debt crisis. Hence, market volatility is expected to persist on the local equity market. Malaysia's resilient economic fundamentals, strong domestic demand as well as ongoing economic reforms and initiatives will help mitigate the negative global impact on economic growth and sustain market confidence. In addition, the divestment of assets by some government-linked companies will further contribute to the liquidity and vibrancy in the market.

As for our derivatives market, we expect it to continue to benefit from the volatility on the securities market and CPO prices. We expect continued growth in volumes on derivatives market as we expand our domestic and global reach, and continue to leverage our business growth through our strategic partner, Chicago Mercantile Exchange (CME).

Despite the increasingly adverse external environment, Bursa Malaysia remains committed in its efforts to make the Malaysian equity and derivatives markets more attractive and vibrant. Bursa Malaysia will continue to invest in hard and soft infrastructure, facilitate new products development as well as improve the market eco-system. Bursa Malaysia also takes cognizance of the consolidation of exchanges and its impact and will continuously monitor and keep abreast of the global developments.

Development of people within the organization is also another key factor that could inspire and bring Bursa Malaysia ahead of its competitors. Eventually, human capital would be an important asset of Bursa Malaysia in achieving its long term aspiration to become a strong global player.

On 19 July 2011, the Group announced 3 midterm targets. The targets and year-to-date achievements are as follows:

	Target	2011 achievement
Average 3 year annual growth in profit after tax	20%	31%
Annual growth in securities ADV	To be on par with leading listed exchanges in the region	Bursa: 14% Leading listed exchanges in the region: -4%
Daily average derivatives contracts traded	50,000 by 2013	34,474*

* *Initiatives in the area of improving access to market, expanding product offerings and increasing market awareness are currently in place to ensure the derivatives market's target is achieved by 2013.*

Barring further unforeseen circumstances, the Group is of the opinion that we are on track to achieve our 2012 targets.

24. INCOME TAX EXPENSE

	3 months ended		12 months ended	
RM'000	**31.12.2011**	**31.12.2010**	**31.12.2011**	**31.12.2010**
Income tax:				
- Current provision	14,431	16,138	64,207	43,095
- (Over)/under provision of tax in prior year	-	3	(929)	134
	14,431	16,141	63,278	43,229
Deferred tax:				
- Relating to origination and reversal of temporary differences	(3,024)	883	(8,238)	4,505
- (Over)/under provision of tax in prior year	-	(17)	(261)	379
	(3,024)	866	(8,499)	4,884
Total income tax expense	11,407	17,007	54,779	48,113

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

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

25. RETAINED EARNINGS

RM'000	**As at 31.12.2011**	**As at 31.12.2010**
Realised	480,154	476,870
Unrealised	(8,660)	(17,346)
	471,494	459,524
Consolidation adjustments	11,411	2,126
Total retained earnings	482,905	461,650

26. CORPORATE PROPOSALS

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

27. BORROWINGS AND DEBT SECURITIES

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

28. CHANGES IN MATERIAL LITIGATION

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

29. PROPOSED DIVIDEND

At the forthcoming Annual General Meeting, a final dividend in respect of the financial year ended 31 December 2011, of 13.0 sen per share under the single tier system on 531,599,000 ordinary shares, amounting to a dividend payable of approximately RM69,108,000 will be proposed for shareholders' approval.

30. EPS

(a) Basic EPS

	3 months ended		12 months ended	
	31.12.2011	**31.12.2010**	**31.12.2011**	**31.12.2010**
Profit attributable to the owners of the Company (RM'000)	31,337	29,785	146,160	113,041
Weighted average number of ordinary shares in issue ('000)	531,599	531,399	531,493	530,984
Basic EPS (sen)	5.9	5.6	27.5	21.3

(b) Diluted EPS

	3 months ended		12 months ended	
	31.12.2011	**31.12.2010**	**31.12.2011**	**31.12.2010**
Profit attributable to owners of the Company (RM'000)	31,337	29,785	146,160	113,041
Weighted average number of ordinary shares in issue ('000)	531,599	531,399	531,493	530,984
Effect of dilution ('000)	467	-	454	961
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	532,066	531,399	531,947	531,945
Diluted EPS (sen)	5.9	5.6	27.5	21.3

31. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements for the financial year ended 31 December 2010 was unqualified.

32. REVIEWS BY EXTERNAL AUDITORS

The Board had engaged the external auditors to review and report on the condensed consolidated financial statements of Bursa Malaysia Berhad for each of the three quarters ended 31 March 2011, 30 June 2011 and 30 September 2011 during the financial year, in accordance with International Standard on Review Engagements 2410 (ISRE 2410), “Review of Interim Financial Information Performed by the Independent Auditor of the Entity”.

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

33. AUTHORISED FOR ISSUE

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 9 February 2012.