

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

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**  
**FOR THE THREE MONTHS ENDED 30 JUNE 2006**

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

**CONDENSED CONSOLIDATED INCOME STATEMENT**  
**FOR THE THREE AND SIX MONTH PERIOD ENDED 30 JUNE 2006**

	Note	3 months ended		6 months ended	
		30.6.2006 RM'000 unaudited	30.6.2005 RM'000 unaudited (restated)	30.6.2006 RM'000 unaudited	30.6.2005 RM'000 unaudited (restated)
Operating revenue	10	69,537	47,069	127,823	99,589
Other income	11	8,357	15,380	21,321	36,438
		<u>77,894</u>	<u>62,449</u>	<u>149,144</u>	<u>136,027</u>
Staff costs		(18,058)	(18,214)	(36,608)	(37,300)
Depreciation		(3,798)	(3,123)	(7,535)	(6,263)
Other operating expenses	12	(12,162)	(12,243)	(27,384)	(27,098)
Profit from operations		<u>43,876</u>	<u>28,869</u>	<u>77,617</u>	<u>65,366</u>
Finance costs		(154)	(34)	(278)	(76)
Profit before taxation		<u>43,722</u>	<u>28,835</u>	<u>77,339</u>	<u>65,290</u>
Taxation	23	(11,500)	(9,696)	(22,119)	(21,144)
Net profit for the period		<u>32,222</u>	<u>19,139</u>	<u>55,220</u>	<u>44,146</u>
Attributable to:					
Equity holders of the parent		32,222	18,797	54,416	42,761
Minority interests		-	342	804	1,385
Net profit for the period		<u>32,222</u>	<u>19,139</u>	<u>55,220</u>	<u>44,146</u>
Earnings per share attributable to equity holders of the parent (sen):					
Basic	32(a)	<u>6.2</u>	<u>3.7</u>	<u>10.6</u>	<u>9.3</u>
Diluted	32(b)	<u>6.0</u>	<u>3.7</u>	<u>10.1</u>	<u>9.2</u>

*The condensed consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 December 2005 and the accompanying explanatory notes attached to the interim financial statements.*

**BURSA MALAYSIA BERHAD (30632-P)**  
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**CONDENSED CONSOLIDATED BALANCE SHEET AS AT 30 JUNE 2006**

	Note	As at 30.6.2006 RM'000 unaudited	As at 31.12.2005 RM'000 audited (restated)
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	14	327,954	335,391
Other investments		96,713	92,197
Staff loans receivable		27,305	28,713
Computer software		28,887	28,158
Goodwill		44,720	44,720
Deferred tax assets		965	1,219
		<u>526,544</u>	<u>530,398</u>
<b>Current assets</b>			
Trade receivables		28,226	27,671
Other receivables		20,554	27,669
Tax recoverable		8,524	16,952
Short term investments		123,039	181,132
Short term deposits		487,463	407,287
Cash and bank balances		7,115	6,337
		<u>674,921</u>	<u>667,048</u>
Non-current asset held for sale	24	4,182	-
		<u>679,103</u>	<u>667,048</u>
<b>TOTAL ASSETS</b>		<u>1,205,647</u>	<u>1,197,446</u>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity attributable to equity holders of the parent</b>			
Share capital		258,272	256,530
Share premium		57,557	50,717
Other reserves		11,637	7,355
Retained profits		570,039	568,449
		<u>897,505</u>	<u>883,051</u>
<b>Minority interest</b>		-	21,432
<b>Total equity</b>		<u>897,505</u>	<u>904,483</u>
<b>Non-current liabilities</b>			
Retirement benefit obligations		19,094	17,738
Deferred income		2,831	2,831
Long term borrowings	27	659	659
Long term liability	28	46,182	46,720
Deferred tax liabilities		3,683	2,144
		<u>72,449</u>	<u>70,092</u>
<b>Current liabilities</b>			
Trade payables		158,727	150,121
Other payables		67,715	67,386
Tax payable		9,031	5,144
Short term borrowings	27	220	220
		<u>235,693</u>	<u>222,871</u>
<b>Total liabilities</b>		<u>308,142</u>	<u>292,963</u>
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>1,205,647</u>	<u>1,197,446</u>
<b>Net assets per share attributable to equity holders of the parent (RM)</b>		<u>1.7</u>	<u>1.7</u>

*The condensed consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2005 and the accompanying explanatory notes attached to the interim financial statements.*

**BURSA MALAYSIA BERHAD (30632-P)**  
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**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY**  
**FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2006**

	Note	Attributable to equity holders of the parent						Minority interest	Total equity	
		Non-distributable			Distributable					
		Share capital RM'000	Share premium RM'000	Capital reserve RM'000	Foreign exchange reserve RM'000	Equity compensation reserve RM'000	Retained profits RM'000			Total RM'000
<b>At 1 January 2005</b>		250,000	12,400	2,750	(13)	-	1,195,158	1,460,295	17,855	1,478,150
Bonus issue		667,000	-	-	-	-	(667,000)	-	-	-
Capital reduction		(750,000)	-	-	-	-	-	(750,000)	-	(750,000)
Issuance of ordinary shares:										
Pursuant to Initial Public Offering ("IPO")		83,000	438,448	-	-	-	-	521,448	-	521,448
Pursuant to the Employees' Share Option Scheme ("ESOS")		1,356	6,781	-	-	-	-	8,137	-	8,137
Share issuance expenses		-	(16,653)	-	-	-	-	(16,653)	-	(16,653)
Share-based payment under ESOS	2(a)	-	-	-	-	1,623	-	1,623	-	1,623
Net profit for the period		-	-	-	-	-	42,761	42,761	1,385	44,146
<b>At 30 June 2005 (restated)</b>		<b>251,356</b>	<b>440,976</b>	<b>2,750</b>	<b>(13)</b>	<b>1,623</b>	<b>570,919</b>	<b>1,267,611</b>	<b>19,240</b>	<b>1,286,851</b>
<b>At 1 January 2006</b>										
As previously stated		256,530	50,717	3,000	(13)	-	572,817	883,051	21,432	904,483
Prior year adjustment - effects of adopting FRS 2	2(a)	-	-	-	-	4,368	(4,368)	-	-	-
<b>At 1 January 2006 (restated)</b>		<b>256,530</b>	<b>50,717</b>	<b>3,000</b>	<b>(13)</b>	<b>4,368</b>	<b>568,449</b>	<b>883,051</b>	<b>21,432</b>	<b>904,483</b>
Issuance of ordinary shares pursuant to ESOS		1,742	6,840	-	-	-	-	8,582	-	8,582
Acquisition of remaining equity interest in an existing subsidiary	26	-	-	2,250	-	-	(15,639)	(13,389)	(22,236)	(35,625)
Foreign currency translation, representing net expense recognised directly in equity		-	-	-	(247)	-	-	(247)	-	(247)
Share-based payment under ESOS	2(a)	-	-	-	-	2,279	-	2,279	-	2,279
Dividends paid	9	-	-	-	-	-	(37,187)	(37,187)	-	(37,187)
Net profit for the period		-	-	-	-	-	54,416	54,416	804	55,220
<b>At 30 June 2006</b>		<b>258,272</b>	<b>57,557</b>	<b>5,250</b>	<b>(260)</b>	<b>6,647</b>	<b>570,039</b>	<b>897,505</b>	<b>-</b>	<b>897,505</b>

*The condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2005 and the accompanying explanatory notes attached to the interim financial statements.*

**BURSA MALAYSIA BERHAD (30632-P)**  
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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2006**

	Note	6 months ended	
		30.6.2006 RM'000 unaudited	30.6.2005 RM'000 unaudited (restated)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit before taxation		77,339	65,290
Adjustment for:			
Amortisation of intangible assets		135	1,470
Amortisation of premium less accretion of discount		(18)	451
Depreciation		7,535	6,263
Interest expense		5	10
Interest income		(14,553)	(24,821)
Net provision for bad and doubtful debts		2,088	206
Net gain on disposal of investments		(3,022)	(6,494)
Net gain on disposal of property, plant and equipment		(52)	(2,092)
Property, plant and equipment written off		4	4
Provision for impairment loss on investments		436	-
Provision for retirement benefits		1,490	1,383
Provision for short term accumulating compensating unutilised leave		321	599
Share-based payment under ESOS		2,279	1,623
Operating profit before working capital changes		73,987	43,892
Decrease in receivables		2,350	7,328
Increase in payables		10,773	10,288
Cash generated from operations		87,110	61,508
Retirement benefits paid		(134)	(15,622)
Interest paid		(5)	(10)
Taxes paid net of refund		(8,012)	(13,982)
<b>Net cash generated from operating activities</b>		<b>78,959</b>	<b>31,894</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition of remaining equity interest in an existing subsidiary	26	(35,625)	-
Interest received		15,147	19,208
Proceeds from disposal of property, plant and equipment		52	5,910
Proceeds from disposal of investments, net of purchases		53,779	114,398
Purchase of property, plant and equipment		(5,148)	(10,498)
Repayment of staff loans, net		2,934	347
<b>Net cash generated from investing activities</b>		<b>31,139</b>	<b>129,365</b>

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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2006**

	Note	6 months ended	
		30.06.2006 RM'000 unaudited	30.06.2005 RM'000 unaudited (restated)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Capital repayment		-	(701,229)
Dividends paid	9	(37,187)	-
IPO expenses		-	(16,480)
Proceeds from exercise of ESOS		8,582	8,137
Proceeds from subscription of IPO		-	472,677
Repayment of loan from Securities Commission		-	(13,505)
Repayment of long term liability		(539)	(539)
<b>Net cash used in financing activities</b>		<u>(29,144)</u>	<u>(250,939)</u>
<b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b>			
		80,954	(89,680)
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF PERIOD</b>			
		413,624	714,777
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>			
		<u>494,578</u>	<u>625,097</u>
		<b>As at</b>	<b>As at</b>
		<b>30.06.2006</b>	<b>30.06.2005</b>
		<b>RM'000</b>	<b>RM'000</b>
		<b>unaudited</b>	<b>unaudited</b>
<b>CASH AND CASH EQUIVALENTS COMPRISE:</b>			
Short term deposits	(a)	487,463	619,239
Cash and bank balances		7,115	5,858
		<u>494,578</u>	<u>625,097</u>

**BURSA MALAYSIA BERHAD (30632-P)**  
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**CONDENSED CONSOLIDATED CASH FLOW STATEMENT**  
**FOR THE SIX MONTH PERIOD ENDED 30 JUNE 2006**

**Note (a)**

Included in short term deposits as at 30 June 2006 are the following:

- (i) Cash deposits of RM155,730,000 (30 June 2005: RM143,174,000) collected by Bursa Malaysia Derivatives Clearing Bhd., a wholly owned subsidiary, from clearing participants.
- (ii) An amount of RM14,392,000 (30 June 2005: RM5,386,000) which has been set aside to meet or secure the claims of creditors and certain lease payments pursuant to the High Court orders issued in relation to the reduction of capital of the Company.

*The condensed consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2005 and the accompanying explanatory notes attached to the interim financial statements.*

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**1. BASIS OF PREPARATION**

The interim financial statements have been prepared under the historical cost convention.

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 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 2005. 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 2005.

**2. CHANGES IN ACCOUNTING POLICIES**

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2005 except for the adoption of the following new/revised Financial Reporting Standards ("FRS") effective for financial period beginning 1 January 2006:

FRS 2	Share-based Payment
FRS 3	Business Combinations
FRS 5	Non-current Assets Held for Sale and Discontinued Operations
FRS 101	Presentation of Financial Statements
FRS 108	Accounting Policies, Changes in Estimates and Errors
FRS 110	Events after the Balance Sheet Date
FRS 116	Property, Plant and Equipment
FRS 121	The Effects of Changes in Foreign Exchange Rates
FRS 127	Consolidated and Separate Financial Statements
FRS 132	Financial Instruments: Disclosure and Presentation
FRS 133	Earnings Per Share
FRS 136	Impairment of Assets
FRS 138	Intangible Assets

Revised FRSs which would be adopted from the financial period beginning 1 January 2007 are:

FRS 117	Leases
FRS 124	Related Party Disclosures



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**2. CHANGES IN ACCOUNTING POLICIES (CONTD.)**

The adoption of FRS 108, 110, 116, 121, 127, 132 and 133 does not have significant financial impact on the Group. The principal effects of the changes in accounting policies resulting from the adoption of the new/revised FRSs are discussed below:

**(a) FRS 2: Share-based Payment**

This FRS requires an entity to recognise share-based payment transactions in its financial statements, including transactions with employees or other parties to be settled in cash, other assets, or equity instruments of the entity.

The Company operates an equity-settled, share-based compensation plan for the employees of the Group, the Bursa Malaysia Berhad Employees' Share Option Scheme ("ESOS"). Prior to 1 January 2006, no compensation expense was recognised in profit or loss for share options granted. With the adoption of FRS 2, the compensation expense relating to share options is recognised within staff costs in profit or loss over the vesting periods of the grants with a corresponding increase in equity.

The total amount to be recognised as compensation expense is determined by reference to the fair value of the share options at the date of the grant and the number of share options to be vested by the vesting date. The fair value of the share options is computed using a binomial options pricing model by an external professional valuer. At every balance sheet date, the Group revises its estimates of the number of share options that are expected to vest by the vesting date. Any revision of this estimate is included in profit or loss and a corresponding adjustment to equity over the remaining vesting period.

Under the transitional provisions of FRS 2, this FRS must be applied to share options that were granted after 31 December 2004 and had not yet been vested on 1 January 2006. The application is retrospective and accordingly, the comparative amounts for the period ended 30 June 2005 and as at 31 December 2005 are restated. The financial impact to the Group arising from this change in accounting policy is as follows:

				<b>As at</b>
				<b>1.1.2006</b>
				<b>RM'000</b>
Decrease in retained earnings				(4,368)
Increase in equity compensation reserve (included within other reserves)				<u>4,368</u>
	<b>3 months ended</b>		<b>6 months ended</b>	
	<b>30.6.2006</b>	<b>30.6.2005</b>	<b>30.6.2006</b>	<b>30.6.2005</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Decrease in net profit for the period	<u>809</u>	<u>1,217</u>	<u>2,279</u>	<u>1,623</u>

Comparatives which have been restated due to this change in accounting policy are disclosed in Note 3.

**2. CHANGES IN ACCOUNTING POLICIES (CONTD.)**

**(a) FRS 2: Share-based Payment (Contd.)**

The fair value of equity-settled share options granted is estimated as at the date of grant using a binomial options pricing model, taking into account the terms and conditions upon which the options were granted. The following table lists the inputs to the model used for the purpose of computing the fair value of the ESOS:

<b>Model inputs/assumptions</b>	<b>Note</b>	<b>Pre-listing grant</b>	<b>Post-listing grant</b>
Exercise prices (RM)		3.00	3.72 - 5.79
Dividend yield (% per annum)	(a)	4.00	4.00
Expected volatility (% per annum)	(b)	20.00 - 25.00	20.00 - 25.00
Risk free rate (% per annum)	(c)	3.58	3.31 - 3.68
Average share price at date of grant (RM)	(d)	n/a	4.30 - 6.25
Expiration of option (years)		5.00	3.70 - 4.60

**Note**

- (a) Dividend yield is based on the expected dividend yield as disclosed in the Company's prospectus dated 23 February 2005.
- (b) Stepped volatility is used whereby volatility is expected to reduce over the vesting period.
- (c) Risk free rate is based on the indicative yields on Malaysian Government Securities of 4-year term to maturity as published in the Bank Negara website.
- (d) Pre-listing price not available. The exercise price of RM3.00 was therefore used for the valuation purpose.

**(b) FRS 3: Business Combinations, FRS 136: Impairment of Assets and FRS 138: Intangible Assets**

The new FRS 3 has resulted in consequential amendments to two other accounting standards, FRS 136 and FRS 138.

**(i) Intangible asset - goodwill**

The adoption of these new FRSs has resulted in the Group ceasing annual goodwill amortisation. Goodwill is carried at cost less accumulated impairment losses and is now tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired. Any impairment loss is recognised in profit or loss and subsequent reversal is not allowed. Prior to 1 January 2006, goodwill was amortised on a straight-line basis over its estimated useful life of twenty (20) years.

The transitional provisions of FRS 3, however, have required the Group to eliminate at 1 January 2006 the carrying amount of the accumulated amortisation of RM14,095,000 against the gross amount of goodwill.

**2. CHANGES IN ACCOUNTING POLICIES (CONTD.)**

**(b) FRS 3: Business Combinations, FRS 136: Impairment of Assets and FRS 138: Intangible Assets (Contd.)**

**(i) Intangible asset - goodwill (contd.)**

The carrying amount of goodwill as at 1 January 2006 of RM44,720,000 ceased to be amortised. This has the effect of reducing the amortisation charges by RM735,000 in the current quarter and RM1,470,000 in the 6 months ended 30 June 2006.

**(ii) Intangible assets other than goodwill**

Under the new FRS 138, computer software is an intangible asset. Although the application of FRS 138 is prospective, the Group has reclassified the comparative amount for computer software for better presentation. Accordingly, from 1 January 2006, computer software is stated at cost less accumulated amortisation and impairment losses. Its cost is amortised based on its definite life and amortisation is recognised accordingly.

The new FRS 138 requires that the useful lives of intangible assets other than goodwill be assessed at the individual asset level as having either a finite or indefinite life. Some of the intangible assets are regarded to have an indefinite useful life when, based on an analysis of all of the relevant factors, there is no foreseeable limit to the period over which the asset is expected to generate net cash inflows for the Group. Intangible assets with indefinite useful lives are not amortised but instead, are tested for impairment annually. In accordance with the transitional provisions of FRS 138, the change in the useful life assessment from finite to indefinite is made on a prospective basis.

**(c) FRS 5: Non-current Assets Held for Sale and Discontinued Operations**

The Group has applied FRS 5 prospectively in accordance with its transitional provisions, which has resulted in a change in accounting policy on the recognition of a freehold property as held for sale. Prior to 1 January 2006, under the previous FRS 116, the Group would have recognised the freehold property as property, plant and equipment. FRS 5 requires a non-current asset to be classified as held for sale when the criteria to be classified as held for sale have been met. The result of this change in accounting policy is that a non-current asset held for sale is recognised by the Group at the lower of carrying amount and fair value less costs to sell and has been disclosed as such on the face of the balance sheet.

An item is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use.

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**2. CHANGES IN ACCOUNTING POLICIES (CONTD.)**

**(d) FRS 101: Presentation of Financial Statements**

The adoption of the revised FRS 101 has affected the presentation of minority interest, and other disclosures. In the consolidated balance sheet, minority interest is now presented within total equity. In the consolidated income statement, minority interest is presented as an allocation of the net profit or loss for the period. A similar requirement is also applicable to the statement of changes in equity. FRS 101 also requires disclosure, on the face of the statement of changes in equity, total recognised income and expenses for the period, showing separately the amounts attributable to equity holders of the parent and to minority interest.

The current period's presentation of the Group's financial statements is based on the revised requirements of FRS 101, with the comparatives restated to conform with the current period's presentation.

**3. COMPARATIVES**

The following comparative amounts have been restated due to the adoption of new FRSs:

	Previously stated RM'000	← Adjustments →		Restated RM'000
		FRS 2 (Note 2(a)) RM'000	FRS 138 (Note 2(bii)) RM'000	
<b>At 31 December 2005</b>				
Property, plant and equipment	363,549	-	(28,158)	335,391
Computer software	-	-	28,158	28,158
Retained profits	572,817	(4,368)	-	568,449
<b>3 months ended 30 June 2005</b>				
Staff costs	16,997	1,217	-	18,214
Profit before taxation	30,052	(1,217)	-	28,835
Net profit for the period	20,356	(1,217)	-	19,139
<b>6 months ended 30 June 2005</b>				
Staff costs	35,677	1,623	-	37,300
Profit before taxation	66,913	(1,623)	-	65,290
Net profit for the period	45,769	(1,623)	-	44,146

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

The auditors' report on the financial statements for the year ended 31 December 2005 was not qualified.

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**5. 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 market.

**6. 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 financial year-to-date except as disclosed in Note 2.

**7. SIGNIFICANT ESTIMATES AND CHANGES IN ESTIMATES**

The Group makes assumptions concerning the future and other sources of estimation uncertainty at the balance sheet date during its review for impairment of goodwill and depreciation.

The key assumptions and other key sources of estimation uncertainty mentioned above that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are in respect of those made during the review of impairment of goodwill. The Group determines whether goodwill is impaired at least on an annual basis. This requires an estimation of the value-in-use of the cash-generating units to which the goodwill is allocated. Estimating the value-in-use requires the Group to make an estimate of the expected future cash flows from the cash-generating units and also to choose a suitable discount rate in order to calculate the present value of those cash flows. The carrying amount of goodwill at 30 June 2006 was RM44,720,000.

There were no changes in estimates that have had material effect in the current quarter and financial year-to-date results.

**8. DEBT AND EQUITY SECURITIES**

There were no issuances, cancellations, repurchases, resale and repayments of debt and equity securities during the financial year-to-date ended 30 June 2006 other than the issuance of 3,484,000 new ordinary shares pursuant to the exercise of the ESOS at the following option prices:

<b>No. of shares issued '000</b>	<b>Exercise price RM</b>
3,468	2.46
14	3.05
2	4.07
<u>3,484</u>	

**9. DIVIDENDS PAID**

Dividends in respect of the financial year ended 31 December 2005, being final dividend of 10.00 sen per share less 28 per cent taxation on 516,485,000 ordinary shares, amounting to RM37,187,000 were declared on 28 April 2006 and subsequently paid on 31 May 2006.

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**10. OPERATING REVENUE**

	<b>3 months ended</b>		<b>6 months ended</b>	
	<b>30.6.2006</b>	<b>30.6.2005</b>	<b>30.6.2006</b>	<b>30.6.2005</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Clearing fees - equity	35,521	16,767	63,604	41,110
Clearing fees - derivatives	1,470	944	2,597	1,961
SCORE fees (equity trade fees)	3,434	2,021	6,117	4,834
Derivatives trade fees	5,623	3,562	10,000	7,218
Institutional Settlement Service ("ISS") fees	1,977	1,587	3,788	3,354
Guarantee/tender fees	451	309	823	567
Buying-in commissions	241	104	379	252
Trading revenue	<u>48,717</u>	<u>25,294</u>	<u>87,308</u>	<u>59,296</u>
Depository services	7,025	6,497	13,324	12,713
Information services	4,556	6,332	9,460	9,685
Broker services	3,899	3,657	7,773	7,232
Listing fees	2,450	3,304	5,186	6,749
Participants' fees	832	716	1,847	1,761
Stable revenue	<u>18,762</u>	<u>20,506</u>	<u>37,590</u>	<u>38,140</u>
Other income derived from operations of the Group	<u>2,058</u>	<u>1,269</u>	<u>2,925</u>	<u>2,153</u>
	<u><b>69,537</b></u>	<u><b>47,069</b></u>	<u><b>127,823</b></u>	<u><b>99,589</b></u>

**11. OTHER INCOME**

	<b>3 months ended</b>		<b>6 months ended</b>	
	<b>30.6.2006</b>	<b>30.6.2005</b>	<b>30.6.2006</b>	<b>30.6.2005</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Conference fee and exhibition related income	83	16	2,487	1,881
Interest income	7,889	11,476	14,553	24,821
Net (loss)/gain on disposal of investments	(263)	3,210	3,022	6,494
Net gain on disposal of property, plant and equipment	-	3	52	2,092
Others	648	675	1,207	1,150
	<u>8,357</u>	<u>15,380</u>	<u>21,321</u>	<u>36,438</u>

**12. OTHER OPERATING EXPENSES**

	<b>3 months ended</b>		<b>6 months ended</b>	
	<b>30.6.2006</b>	<b>30.6.2005</b>	<b>30.6.2006</b>	<b>30.6.2005</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
IT upkeep and maintenance	4,679	3,329	9,095	6,598
Building maintenance costs	2,055	2,114	3,843	4,290
Others	5,428	6,800	14,446	16,210
	<u>12,162</u>	<u>12,243</u>	<u>27,384</u>	<u>27,098</u>

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**13. SEGMENTAL INFORMATION**

Segmental information is provided in two formats, one based on business segments and the other based on market segments.

**(a) Business Segments**

	Exchanges RM'000	Clearing, settlement and depository RM'000	Information services RM'000	Exchange holding RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
<b>RESULTS FOR 3 MONTHS ENDED 30 JUNE 2006</b>							
<b>Segment revenue</b>							
External revenue	37,811	27,412	4,305	9	-	-	69,537
Inter-segment revenue	85	18	240	29,446	-	(29,789)	-
Total operating revenue	37,896	27,430	4,545	29,455	-	(29,789)	69,537
Other income	1,224	3,048	37	4,024	24	-	8,357
	39,120	30,478	4,582	33,479	24	(29,789)	77,894
<b>Segment operating expenses</b>	(17,148)	(10,893)	(2,306)	(31,679)	(2)	29,774	(32,254)
<b>Segment results</b>	21,972	19,585	2,276	1,800	22	-	45,640
Unallocated corporate expenses							(1,764)
Finance costs							(154)
Consolidated profit from operations							43,722
<b>RESULTS FOR 3 MONTHS ENDED 30 JUNE 2005</b>							
<b>Segment revenue</b>							
External revenue	23,618	17,343	6,108	-	-	-	47,069
Inter-segment revenue	53	-	250	30,426	-	(30,729)	-
Total operating revenue	23,671	17,343	6,358	30,426	-	(30,729)	47,069
Other income	1,094	7,005	211	6,981	89	-	15,380
	24,765	24,348	6,569	37,407	89	(30,729)	62,449
<b>Segment operating expenses</b>	(20,286)	(16,143)	(2,566)	(24,072)	(2)	30,500	(32,569)
<b>Segment results</b>	4,479	8,205	4,003	13,335	87	-	29,880
Unallocated corporate expenses							(1,011)
Finance costs							(34)
Consolidated profit from operations							28,835

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**13. SEGMENTAL INFORMATION (CONTD.)**

**(a) Business Segments (Contd.)**

	Exchanges RM'000	Clearing, settlement and depository RM'000	Information services RM'000	Exchange holding RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
<b>RESULTS FOR 6 MONTHS ENDED 30 JUNE 2006</b>							
<b>Segment revenue</b>							
External revenue	68,590	50,249	8,959	25	-	-	127,823
Inter-segment revenue	150	29	485	133,259	-	(133,923)	-
Total operating revenue	68,740	50,278	9,444	133,284	-	(133,923)	127,823
Other income	1,868	6,472	48	12,871	62	-	21,321
	70,608	56,750	9,492	146,155	62	(133,923)	149,144
<b>Segment operating expenses</b>	<b>(34,938)</b>	<b>(24,430)</b>	<b>(4,712)</b>	<b>(67,364)</b>	<b>(3)</b>	<b>63,893</b>	<b>(67,554)</b>
<b>Segment results</b>	<b>35,670</b>	<b>32,320</b>	<b>4,780</b>	<b>78,791</b>	<b>59</b>	<b>-</b>	<b>81,590</b>
Unallocated corporate expenses							(3,973)
Finance costs							(278)
Consolidated profit from operations							77,339
<b>RESULTS FOR 6 MONTHS ENDED 30 JUNE 2005</b>							
<b>Segment revenue</b>							
External revenue	52,071	38,254	9,240	24	-	-	99,589
Inter-segment revenue	102	-	504	61,192	-	(61,798)	-
Total operating revenue	52,173	38,254	9,744	61,216	-	(61,798)	99,589
Other income	2,613	14,355	419	18,939	112	-	36,438
	54,786	52,609	10,163	80,155	112	(61,798)	136,027
<b>Segment operating expenses</b>	<b>(42,673)</b>	<b>(29,101)</b>	<b>(4,620)</b>	<b>(53,373)</b>	<b>(5)</b>	<b>61,342</b>	<b>(68,430)</b>
<b>Segment results</b>	<b>12,113</b>	<b>23,508</b>	<b>5,543</b>	<b>26,782</b>	<b>107</b>	<b>-</b>	<b>67,597</b>
Unallocated corporate expenses							(2,231)
Finance costs							(76)
Consolidated profit from operations							65,290



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**13. SEGMENTAL INFORMATION (CONTD.)**

**(a) Business Segments (Contd.)**

	Exchanges RM'000	Clearing, settlement and depository RM'000	Information services RM'000	Exchange holding RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
<b>ASSETS AND LIABILITIES</b>							
<b>AS AT 30 JUNE 2006</b>							
<b>Segment assets</b>							
Assets	178,513	366,175	11,103	616,659	3,062	-	1,175,512
Unallocated corporate assets							30,135
Consolidated total assets							<u>1,205,647</u>
<b>Segment liabilities</b>							
Liabilities	7,947	169,690	1,748	116,038	5	-	295,428
Unallocated corporate liabilities							12,714
Consolidated total liabilities							<u>308,142</u>

Expenses, assets and liabilities which are common and cannot be meaningfully allocated to the business segments are presented under unallocated expenses, assets and liabilities, respectively.

**(b) Market Segments**

	Cash market RM'000	Derivatives market RM'000	Offshore market RM'000	Information services RM'000	Exchange holding RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
<b>RESULTS FOR 3 MONTHS</b>								
<b>ENDED 30 JUNE 2006</b>								
<b>Segment revenue</b>								
External revenue	57,433	7,692	98	4,305	9	-	-	69,537
Inter-segment revenue	103	-	-	240	29,446	-	(29,789)	-
Total operating revenue	<u>57,536</u>	<u>7,692</u>	<u>98</u>	<u>4,545</u>	<u>29,455</u>	<u>-</u>	<u>(29,789)</u>	<u>69,537</u>
Other income	2,867	1,252	153	37	4,024	24	-	8,357
	<u>60,403</u>	<u>8,944</u>	<u>251</u>	<u>4,582</u>	<u>33,479</u>	<u>24</u>	<u>(29,789)</u>	<u>77,894</u>
<b>Segment operating expenses</b>	<u>(23,644)</u>	<u>(4,241)</u>	<u>(156)</u>	<u>(2,306)</u>	<u>(31,679)</u>	<u>(2)</u>	<u>29,774</u>	<u>(32,254)</u>
<b>Segment results</b>	36,759	4,703	95	2,276	1,800	22	-	45,640
Unallocated corporate expenses								(1,764)
Finance costs								(154)
Consolidated profit from operations								<u>43,722</u>

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**13. SEGMENTAL INFORMATION (CONTD.)**

**(b) Market Segments (Contd.)**

	Cash market RM'000	Derivatives market RM'000	Offshore market RM'000	Information services RM'000	Exchange holding RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
<b>RESULTS FOR 3 MONTHS</b>								
<b>ENDED 30 JUNE 2005</b>								
<b>Segment revenue</b>								
External revenue	35,960	4,973	28	6,108	-	-	-	47,069
Inter-segment revenue	53	-	-	250	30,426	-	(30,729)	-
Total operating revenue	36,013	4,973	28	6,358	30,426	-	(30,729)	47,069
Other income	6,742	1,309	48	211	6,981	89	-	15,380
	42,755	6,282	76	6,569	37,407	89	(30,729)	62,449
<b>Segment operating expenses</b>	<b>(30,925)</b>	<b>(5,249)</b>	<b>(255)</b>	<b>(2,566)</b>	<b>(24,072)</b>	<b>(2)</b>	<b>30,500</b>	<b>(32,569)</b>
<b>Segment results</b>	<b>11,830</b>	<b>1,033</b>	<b>(179)</b>	<b>4,003</b>	<b>13,335</b>	<b>87</b>	<b>-</b>	<b>29,880</b>
Unallocated corporate expenses								(1,011)
Finance costs								(34)
Consolidated profit from operations								28,835
<b>RESULTS FOR 6 MONTHS</b>								
<b>ENDED 30 JUNE 2006</b>								
<b>Segment revenue</b>								
External revenue	104,747	13,882	210	8,959	25	-	-	127,823
Inter-segment revenue	179	-	-	485	133,259	-	(133,923)	-
Total operating revenue	104,926	13,882	210	9,444	133,284	-	(133,923)	127,823
Other income	5,924	2,257	159	48	12,871	62	-	21,321
	110,850	16,139	369	9,492	146,155	62	(133,923)	149,144
<b>Segment operating expenses</b>	<b>(50,354)</b>	<b>(8,721)</b>	<b>(293)</b>	<b>(4,712)</b>	<b>(67,364)</b>	<b>(3)</b>	<b>63,893</b>	<b>(67,554)</b>
<b>Segment results</b>	<b>60,496</b>	<b>7,418</b>	<b>76</b>	<b>4,780</b>	<b>78,791</b>	<b>59</b>	<b>-</b>	<b>81,590</b>
Unallocated corporate expenses								(3,973)
Finance costs								(278)
Consolidated profit from operations								77,339

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**13. SEGMENTAL INFORMATION (CONTD.)**

**(b) Market Segments (Contd.)**

	Cash market RM'000	Derivatives market RM'000	Offshore market RM'000	Information services RM'000	Exchange holding RM'000	Others RM'000	Elimination RM'000	Consolidated RM'000
<b>RESULTS FOR 6 MONTHS</b>								
<b>ENDED 30 JUNE 2005</b>								
<b>Segment revenue</b>								
External revenue	80,041	10,132	152	9,240	24	-	-	99,589
Inter-segment revenue	102	-	-	504	61,192	-	(61,798)	-
Total operating revenue	80,143	10,132	152	9,744	61,216	-	(61,798)	99,589
Other income	13,577	3,305	86	419	18,939	112	-	36,438
	93,720	13,437	238	10,163	80,155	112	(61,798)	136,027
<b>Segment operating expenses</b>	<b>(60,887)</b>	<b>(10,376)</b>	<b>(511)</b>	<b>(4,620)</b>	<b>(53,373)</b>	<b>(5)</b>	<b>61,342</b>	<b>(68,430)</b>
<b>Segment results</b>	<b>32,833</b>	<b>3,061</b>	<b>(273)</b>	<b>5,543</b>	<b>26,782</b>	<b>107</b>	<b>-</b>	<b>67,597</b>
Unallocated corporate expenses								(2,231)
Finance costs								(76)
Consolidated profit from operations								65,290
<b>ASSETS AND LIABILITIES</b>								
<b>AS AT 30 JUNE 2006</b>								
<b>Segment assets</b>								
Assets	310,973	226,602	7,113	11,103	616,659	3,062	-	1,175,512
Unallocated corporate assets								30,135
Consolidated total assets								1,205,647
<b>Segment liabilities</b>								
Liabilities	14,580	162,872	185	1,748	116,038	5	-	295,428
Unallocated corporate liabilities								12,714
Consolidated total liabilities								308,142

Expenses, assets and liabilities which are common and cannot be meaningfully allocated to the market segments are presented under unallocated expenses, assets and liabilities, respectively.

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**14. CARRYING AMOUNT OF REVALUED ASSETS**

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

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

There were no changes in the composition of the Group during the financial year-to-date ended 30 June 2006 other than the acquisition of the remaining 25 per cent equity in Bursa Malaysia Depository Sdn. Bhd. ("Bursa Depository") as disclosed in Note 26.

**16. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

There were no changes in contingent liabilities or contingent assets since the last annual balance sheet as at 31 December 2005.

**17. CAPITAL COMMITMENTS**

The amount of commitments for the purchase of property, plant and equipment not provided for in the interim condensed financial statements as at 30 June 2006 were as follows:

	<b>As at 30.6.2006 RM'000</b>
<b>Approved and contracted for</b>	
Computer and office automation:	
Trading system	20,963
Other information technology systems	9,519
Renovations and office equipment	764
	<u>31,246</u>
<b>Approved but not contracted for</b>	
Computer and office automation:	
Trading system	17,391
Other information technology systems	6,167
	<u>23,558</u>

**18. SUBSEQUENT EVENTS**

There were no material events subsequent to the end of the current quarter.

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**19. PERFORMANCE REVIEW**

The Group recorded a higher profit before tax of RM43,722,000 for the quarter ended 30 June 2006 compared to RM28,835,000 for the quarter ended 30 June 2005 mainly due to higher operating revenue.

Operating revenue increased by 47.7 per cent to RM69,537,000 for the quarter ended 30 June 2006 from RM47,069,000 for the quarter ended 30 June 2005 mainly due to higher trading revenue from the equity market. Trading revenue from both equity and derivatives market increased by 92.6 per cent to RM48,717,000 in the quarter ended 30 June 2006 from RM25,294,000 in the quarter ended 30 June 2005. Trading revenue comprised mainly of clearing fee, SCORE fee, derivatives trade fee, ISS fee, guarantee and tender fee, and buying-in commission.

Total clearing and SCORE fees from equity trading doubled to RM38,955,000 for the quarter ended 30 June 2006 from RM18,788,000 the quarter ended 30 June 2005. Total trading value (on market and direct business) on Bursa Securities recorded significant improvement at RM73.7 billion (representing daily average trading value of RM1.2 billion) during the quarter ended 30 June 2006 compared to RM46.3 billion (representing daily average trading value of RM0.7 billion) during the quarter ended 30 June 2005. The effective gross clearing fee for on-market trades also improved to 0.0308 per cent from 0.0244 per cent for the corresponding periods.

Trading volume on Bursa Derivatives registered an improvement, resulting in a 57.4 per cent increase in derivatives clearing and trade fee to RM7,093,000 for the quarter ended 30 June 2006 from RM4,506,000 for the quarter ended 30 June 2005. Total derivatives contracts traded increased by 52.0% to 899,017 contracts from 591,604 contracts for the corresponding quarters. FKLII trades increased by 59.1 per cent to 420,551 contracts from 264,382 contracts, FCPO trades increased by 32.6 per cent to 383,391 contracts from 289,113 contracts and KLIBOR trades increased by 145.2 per cent to 81,767 contracts from 33,347 contracts in the corresponding quarters.

Stable revenue, which comprised depository services, information services, broker services, listing fee and participants' fee, decreased by 8.5 per cent to RM18,762,000 in the quarter ended 30 June 2006 from RM20,506,000 in the quarter ended 30 June 2005. Fees from depository services, the largest contributor to stable income, increased by 8.1 per cent to RM7,025,000 from RM6,497,000 in the previous corresponding quarter. However, revenue from information services and listing fee decreased by 28.0 per cent and 25.8 per cent respectively, to RM4,556,000 and RM2,450,000 respectively, for the quarter ended 30 June 2006 from RM6,332,000 and RM3,304,000 respectively, for the quarter ended 30 June 2005. Revenue from information services was higher for the quarter ended 30 June 2005 as fees relating to periods prior to 1 January 2005 was recorded as fees in the quarter ended 30 June 2005 following the finalisation of documentation for the new pricing model which was backdated to 1 October 2004. The lower listing fee was mainly due to lower initial and additional listing fees following lower number of new listings and corporate exercises. There were 10 new listings in the quarter ended 30 June 2006 compared to 16 new listings in the quarter ended 30 June 2005.

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**19. PERFORMANCE REVIEW (CONTD.)**

Other income decreased by 45.7 per cent to RM8,357,000 in the quarter ended 30 June 2006 from RM15,380,000 in the quarter ended 30 June 2005 mainly due to lower interest income and a net loss on disposal of investments. Interest income decreased by 31.3 per cent to RM7,889,000 from RM11,476,000 in the corresponding quarters in view of the smaller funds size at Bursa following the capital repayment exercise in December 2005. Disposal of investments resulted in a net loss of RM263,000 from a net gain of RM3,210,000 in the corresponding quarters due to unfavourable market conditions.

Operating expenses increased by 1.3 per cent to RM34,018,000 in the quarter ended 30 June 2006 from RM33,580,000 in the quarter ended 30 June 2005.

IT upkeep and maintenance increased by 40.6 per cent to RM4,679,000 from RM3,329,000 in the corresponding quarters due to additional expenses incurred for the maintenance of Bursa Trade hardware. Depreciation increased by 21.6 per cent to RM3,798,000 from RM3,123,000 due to depreciation on new IT equipment such as SAP system, data communication equipment upgrades and back up hardware and software upgrades. Market development and promotion expenses increased by 91.3% to RM853,000 from RM446,000 in line with the group's efforts to enhance quality of markets, and educate and grow investor base.

General administration expenses decreased by 24.6 per cent to RM4,054,000 from RM5,379,000 in the corresponding quarters in line with the group's efforts to pursue financial and operational efficiency. Amortisation of goodwill ceased with effect from 1 January 2006, resulting in a decrease in operating expenses of RM735,000 for the quarter ended 30 June 2005 .

Staff costs amounted to RM18,058,000 for the current quarter and remained relatively unchanged compared to the corresponding quarter.

**20. MATERIAL CHANGE IN PROFIT BEFORE TAXATION OF CURRENT QUARTER COMPARED WITH PRECEDING QUARTER**

The Group's profit before taxation increased by 30.1 per cent to RM43,722,000 for the current quarter ended 30 June 2006 from RM33,617,000 in the preceding quarter ended 31 March 2006. The increase was mainly attributable to higher operating revenue.

Total trading value transacted on the equity market increased by 26.0 per cent to RM73.7 billion in the current quarter compared to RM58.5 billion turnover in the preceding quarter, while the number of contracts traded on derivatives market also increased by 30.1 per cent to 898,093 contracts in the current quarter from 690,472 contracts in the preceding quarter. This resulted in a 19.3 per cent increase in operating revenue to RM69,537,000 during the current quarter from RM58,286,000 in the preceding quarter.

Stable revenue amounted to RM18,762,000 for the current quarter and remained relatively unchanged compared to the preceding quarter.

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**20. MATERIAL CHANGE IN PROFIT BEFORE TAXATION OF CURRENT QUARTER COMPARED WITH PRECEDING QUARTER (CONTD.)**

Other income decreased by 35.5 per cent to RM8,357,000 for the current quarter from RM12,964,000 in the preceding quarter due to lower conference fee and exhibition related income and unfavourable results on disposal of investments.

Total operating expenses also decreased by 9.3 per cent to RM34,018,000 in the current quarter from RM37,509,000 in the preceding quarter, mainly due to lower staff costs and other operating expenses. Staff costs decreased by 2.7 per cent during the current quarter mainly due to lower provision for share-based payment under ESOS amounting to RM809,000 (preceding quarter: RM1,470,000). Other operating expenses was 20.1 per cent lower compared to the preceding quarter mainly due to lower provisions for doubtful debts and other provisions.

**21. COMMENTARY ON PROSPECTS**

The Group's financial performance will continue to hinge significantly on the level of activities in the securities market in the near term, given that a major portion of the revenue is derived from clearing fee income (about 51.1% of total operating income in the quarter ended 30 June 2006). As such, the Group will continue to focus on efforts to enhance the quality of markets, and grow investor base and market promotion. In relation to quality of markets, the Group will focus on delivering infrastructure improvements, increasing product range on the equity and derivatives markets, enhancing regulatory efficiency and effectiveness and boosting investors' perception of the Malaysian market.

The average daily trading value increased by 22.2 per cent to RM1.1 billion for the financial year-to-date ended 30 June 2006 from RM0.9 billion for the financial year-to-date ended 30 June 2005. Government announcements on further developments for the Malaysian capital market, particularly the reintroduction of regulated short selling ("RSS") and securities borrowing and lending ("SBL"), targeted for third quarter of 2006, had improved investor sentiment though the trading activity since then has decreased due to adverse sentiment on the lower liners. Global events and uncertainties such as the escalating oil prices and the geopolitical development in the Middle East will also weigh in adversely on investor sentiment.

The Group will continue to pursue financial and operational efficiency as part of its corporate strategic objectives. However, IT maintenance costs is expected to increase when Bursa Trade Phase 1a and other IT projects go live in the second half of 2006. Similarly, the corresponding increase in depreciation is expected for the same period upon implementation of Bursa Trade.

**22. PROFIT FORECAST**

The disclosure requirements for explanatory notes for the variance of actual profit after tax and minority interest and forecast profit after tax and minority interest are not applicable for the current quarter and financial year-to-date.

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**23. TAXATION**

	<b>3 months ended</b>		<b>6 months ended</b>	
	<b>30.6.2006</b>	<b>30.6.2005</b>	<b>30.6.2006</b>	<b>30.6.2005</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
<b>Income Tax</b>				
Current tax	11,210	7,990	20,326	20,828
Deferred tax	290	1,706	1,793	316
	<u>11,500</u>	<u>9,696</u>	<u>22,119</u>	<u>21,144</u>

The effective tax rate of the Group for the current quarter is lower than the statutory tax rate principally due to tax relief given to a profit making subsidiary. The effective tax rate for the Group for the financial year-to-date is higher than the statutory tax rate principally due to certain expenses which are not deductible for tax purposes.

**24. SALE OF PROPERTIES**

There were no sales of properties during the current quarter and financial year-to-date other than the disposal of a freehold property by Bursa Malaysia Securities Clearing Sdn. Bhd., a wholly owned subsidiary, to Hwang Enterprises Sdn. Bhd., a company with a common director, for a cash consideration of RM4,400,000. The Sale and Purchase Agreement was executed on 5 May 2006 and is pending completion. The profit arising from the disposal is estimated to be approximately RM200,000.

**25. MARKETABLE SECURITIES**

Details of purchases and disposals of marketable securities were as follows:

	<b>3 months ended</b>		<b>6 months ended</b>	
	<b>30.6.2006</b>	<b>30.6.2005</b>	<b>30.6.2006</b>	<b>30.6.2005</b>
	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>	<b>RM'000</b>
Purchase (at cost)	34,341	103,724	56,839	345,119
Disposal (proceeds)	27,597	229,228	110,618	449,721
Net (loss)/gain on disposal	<u>(263)</u>	<u>3,210</u>	<u>3,022</u>	<u>6,494</u>

The Group does not invest in quoted securities.



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**26. CORPORATE PROPOSALS**

On 2 March 2006, the Company completed the acquisition of 6,250,000 ordinary shares of RM1.00 each representing the remaining 25 per cent equity interest in Bursa Depository for a total cash consideration of RM35,625,000 or RM5.70 per ordinary share. Following this transaction, Bursa Depository became a wholly owned subsidiary of the Company.

The acquisition of Bursa Depository is accounted for using the "entity concept method" whereby the difference between the purchase consideration and the net assets acquired is treated as an equity transaction and recognised directly in the statement of changes in equity.

**27. BORROWINGS AND DEBT SECURITIES**

	<b>As at 30.06.2006 RM'000</b>
Short term borrowings	220
Long term borrowings	659
	<u>879</u>

Borrowings relate to an outstanding amount payable to the Government of Malaysia in respect of two interest free unsecured loans of RM697,000 and RM1,500,000. Each loan is repayable in 10 equal annual instalments, repayments of which commenced on 30 November 2000.

As at the reporting date, the Group had not issued any debt securities.

**28. LONG TERM LIABILITY**

	<b>As at 30.06.2006 RM'000</b>
Short term portion of lease (included in other payables)	539
Long term portion of lease	46,182
	<u>46,721</u>

The liability relates to the amount payable to the Government of Malaysia for the lease of land. This amount is interest free and payable in 99 annual instalments of RM539,000 each.

**29. OFF BALANCE SHEET FINANCIAL INSTRUMENTS**

There were no off balance sheet financial instruments as at 27 July 2006.

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**30. CHANGES IN MATERIAL LITIGATION**

There was no material litigation against the Group as at 27 July 2006.

**31. DIVIDEND PROPOSED**

A final dividend in respect of financial year ended 31 December 2005 of 10.00 sen per share less 28 per cent taxation was approved at the Annual General Meeting held on 28 April 2006. The dividend was paid on 31 May 2006 on issued and paid up capital as at 19 May 2006 of 516,485,000 ordinary shares and amounted to RM37,187,000 or 7.20 sen per share.

On 27 July 2006, the Board of Directors approved and declared a first interim dividend of 12.50 sen per share less 28 per cent taxation (equivalent to a net dividend of 9.00 sen per share) in respect of the financial year ending 31 December 2006 (2005: 10.00 sen per share less 28 per cent taxation (equivalent to a net dividend of 7.20 sen per share)). The dividend will be paid on 28 August 2006 to shareholders whose names appear in the Record of Depositors on 15 August 2006.

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

**(a) Basic EPS**

Basic EPS is calculated by dividing the net profit for the period by the weighted average number of ordinary shares in issue during the period.

	<b>3 months ended</b>		<b>6 months ended</b>	
	<b>30.6.2006</b>	<b>30.6.2005</b>	<b>30.6.2006</b>	<b>30.6.2005</b>
Net profit for the period (RM'000)	32,222	18,797	54,416	42,761
Weighted average number of ordinary shares in issue ('000)	515,820	501,676	514,589	461,425
Basic EPS (sen)	<u>6.2</u>	<u>3.7</u>	<u>10.6</u>	<u>9.3</u>

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

**(b) Diluted EPS**

For the purpose of calculating diluted EPS, the weighted average number of ordinary shares in issue during the period have been adjusted for the dilutive effects of all potential ordinary shares, i.e. share options granted to employees.

	<b>3 months ended</b>		<b>6 months ended</b>	
	<b>30.6.2006</b>	<b>30.6.2005</b>	<b>30.6.2006</b>	<b>30.6.2005</b>
Net profit for the period (RM'000)	<u>32,222</u>	<u>18,797</u>	<u>54,416</u>	<u>42,761</u>
Weighted average number of ordinary shares in issue ('000)	515,820	501,676	514,589	461,425
Effect of dilution ('000)	<u>24,515</u>	<u>2,916</u>	<u>23,359</u>	<u>1,522</u>
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	<u>540,335</u>	<u>504,592</u>	<u>537,948</u>	<u>462,947</u>
Diluted EPS (sen)	<u>6.0</u>	<u>3.7</u>	<u>10.1</u>	<u>9.2</u>

**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 27 July 2006.