



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

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2019

1 August 2019

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

CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2019

	Note	Quarter Ended			Year-To-Date Ended		
		30.06.2019	30.06.2018	Changes	30.06.2019	30.06.2018	Changes
		RM'000	RM'000	%	RM'000	RM'000	%
		(Reviewed)	(Reviewed)		(Reviewed)	(Reviewed)	
Operating revenue	8	118,558	134,252	(11.7)	239,998	279,088	(14.0)
Other income	9	5,402	6,303	(14.3)	10,490	12,178	(13.9)
		123,960	140,555	(11.8)	250,488	291,266	(14.0)
Staff costs		(35,089)	(36,174)	(3.0)	(68,605)	(70,972)	(3.3)
Depreciation and amortisation		(5,143)	(5,484)	(6.2)	(10,221)	(11,049)	(7.5)
Other operating expenses	10	(20,321)	(18,868)	7.7	(43,749)	(41,423)	5.6
Profit from operations		63,407	80,029	(20.8)	127,913	167,822	(23.8)
Finance costs		(134)	(134)	-	(267)	(267)	-
Profit before tax		63,273	79,895	(20.8)	127,646	167,555	(23.8)
Income tax expense	26	(15,881)	(20,040)	(20.8)	(32,039)	(42,043)	(23.8)
Profit for the period		47,392	59,855	(20.8)	95,607	125,512	(23.8)
Profit attributable to:							
Owners of the Company		46,339	58,214	(20.4)	93,194	121,995	(23.6)
Non-controlling interest		1,053	1,641	(35.8)	2,413	3,517	(31.4)
		47,392	59,855	(20.8)	95,607	125,512	(23.8)

	Note	Quarter Ended		Year-To-Date Ended	
		30.06.2019	30.06.2018	30.06.2019	30.06.2018
		Sen per share	Sen per share	Sen per share	Sen per share
		(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)
Earnings per share ("EPS") attributable to owners of the Company:					
Basic EPS	32(a)	5.7	7.2	11.5	15.1
Diluted EPS	32(b)	5.7	7.2	11.5	15.1

The above condensed consolidated statement of profit or loss should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to these interim financial statements.

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

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2019

	Quarter Ended			Year-To-Date Ended		
	30.06.2019 RM'000 (Reviewed)	30.06.2018 RM'000 (Reviewed)	Changes %	30.06.2019 RM'000 (Reviewed)	30.06.2018 RM'000 (Reviewed)	Changes %
Profit for the period	47,392	59,855	(20.8)	95,607	125,512	(23.8)
Other comprehensive income:						
Items that may be subsequently reclassified to profit or loss:						
Gain/(Loss) on foreign currency translation	56	148	(62.2)	(1)	(14)	(92.9)
Net fair value changes in unquoted bonds at fair value through other comprehensive income ("FVTOCI")	368	(54)	(781.5)	568	(120)	(573.3)
Income tax effects relating to unquoted bonds at FVTOCI	(87)	5	(1,840.0)	(132)	15	(980.0)
	337	99	240.4	435	(119)	(465.5)
Item that will not be subsequently reclassified to profit or loss:						
Net fair value changes in quoted shares at FVTOCI	50,767	15,134	235.4	9,325	26,399	(64.7)
Total other comprehensive income, net of income tax	51,104	15,233	235.5	9,760	26,280	(62.9)
Total comprehensive income	98,496	75,088	31.2	105,367	151,792	(30.6)
Total comprehensive income attributable to:						
Owners of the Company	97,443	73,447	32.7	102,954	148,275	(30.6)
Non-controlling interest	1,053	1,641	(35.8)	2,413	3,517	(31.4)
	98,496	75,088	31.2	105,367	151,792	(30.6)

The above condensed consolidated statement of comprehensive income should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to these interim financial statements.

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

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2019

	Note	As at 30.06.2019 RM'000 (Reviewed)	As at 31.12.2018 RM'000 (Audited)
Assets			
Property, plant and equipment		167,215	171,424
Computer software		39,483	40,347
Right-of-use assets		8,240	8,296
Goodwill		42,957	42,957
Investment securities		348,009	338,140
Staff loans receivable		2,024	2,287
Deferred tax assets		8,789	7,455
Non-current assets		616,717	610,906
Trade receivables	27	41,589	38,600
Other receivables		13,584	18,572
Tax recoverable		7,454	2,961
Investment securities		25,076	34,935
Cash for equity margins, derivatives trading margins, security deposits and eDividend distributions	13	1,215,276	1,375,995
Cash and bank balances of Clearing Funds	14	129,507	129,806
Cash and bank balances of the Group	15	237,752	222,785
Current assets		1,670,238	1,823,654
Total assets		2,286,955	2,434,560
Equity and liabilities			
Share capital		424,142	424,142
Other reserves		263,610	251,311
Retained earnings		199,232	199,705
Equity attributable to owners of the Company		886,984	875,158
Non-controlling interest		14,704	12,291
Total equity		901,688	887,449
Retirement benefit obligations		18,304	18,082
Deferred income		2,836	2,805
Lease liabilities		7,715	7,466
Deferred tax liabilities		1,203	1,388
Non-current liabilities		30,058	29,741
Trade payables	13	1,215,214	1,375,955
Participants' contributions to Clearing Funds	14	39,507	39,806
Other payables		98,255	97,498
Lease liabilities		523	505
Tax payable		1,710	3,606
Current liabilities		1,355,209	1,517,370
Total liabilities		1,385,267	1,547,111
Total equity and liabilities		2,286,955	2,434,560
		RM	RM
Net assets per share attributable to owners of the Company	33	1.10	1.08

The above condensed consolidated statement of financial position should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to these interim financial statements.

BURSA MALAYSIA BERHAD (30632-P)
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR-TO-DATE ENDED 30 JUNE 2019

	← Attributable to owners of the Company →						Total	Non-controlling interest	Total equity
	← Non-distributable →			→ Distributable					
(Reviewed)	Share capital RM'000	Foreign currency translation reserve RM'000	Share grant reserve RM'000	Clearing fund reserves RM'000	FVTOCI reserve RM'000	Retained earnings RM'000	RM'000	RM'000	RM'000
At 1 January 2019	424,142	605	6,963	30,000	213,743	199,705	875,158	12,291	887,449
Profit for the period	-	-	-	-	-	93,194	93,194	2,413	95,607
Other comprehensive income, net of income tax	-	(1)	-	-	9,761	-	9,760	-	9,760
Total comprehensive income	-	(1)	-	-	9,761	93,194	102,954	2,413	105,367
Transactions with owners:									
Share grant plan ("SGP") expense	-	-	2,539	-	-	-	2,539	-	2,539
Dividends paid to owners of the Company (Note 7)	-	-	-	-	-	(93,667)	(93,667)	-	(93,667)
Total transactions with owners	-	-	2,539	-	-	(93,667)	(91,128)	-	(91,128)
At 30 June 2019	424,142	604	9,502	30,000	223,504	199,232	886,984	14,704	901,688
At 1 January 2018	402,169	531	6,849	30,000	142,558	267,881	849,988	12,469	862,457
Profit for the period	-	-	-	-	-	121,995	121,995	3,517	125,512
Other comprehensive income, net of income tax	-	(14)	-	-	26,294	-	26,280	-	26,280
Total comprehensive income	-	(14)	-	-	26,294	121,995	148,275	3,517	151,792
Transactions with owners:									
Issuance of ordinary shares pursuant to bonus issue	15,323	-	-	-	-	(15,323)	-	-	-
SGP expense	-	-	4,022	-	-	-	4,022	-	4,022
Dividend paid to owners of the Company (Note 7)	-	-	-	-	-	(99,438)	(99,438)	-	(99,438)
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	(3,375)	(3,375)
Total transactions with owners	15,323	-	4,022	-	-	(114,761)	(95,416)	(3,375)	(98,791)
At 30 June 2018	417,492	517	10,871	30,000	168,852	275,115	902,847	12,611	915,458

The above condensed consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to these interim financial statements.

BURSA MALAYSIA BERHAD (30632-P)
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CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR-TO-DATE ENDED 30 JUNE 2019

	Note	Year-To-Date Ended	
		30.06.2019 RM'000 (Reviewed)	30.06.2018 RM'000 (Reviewed)
Cash flows from operating activities			
Profit before tax		127,646	167,555
Adjustments for:			
(Accretion of discount)/Amortisation of premium, net		(1)	4
Depreciation and amortisation		10,221	11,049
Dividend income from investment securities	9	(1,655)	(1,469)
Grant income	9	(373)	(382)
Interest and profit income	9	(7,941)	(9,456)
Interest expense on lease liabilities		267	267
Net loss/(gain) on disposals of motor vehicles	9	278	(68)
Net (reversal of impairment loss)/impairment loss on:			
- investment securities	10	(52)	27
- trade and other receivables	10	361	356
Retirement benefit obligations		420	494
SGP expense		2,539	4,022
Unrealised loss on foreign exchange differences		23	162
Operating profit before working capital changes		131,733	172,561
Increase in receivables		(991)	(1,768)
Increase in other payables		3,603	1,719
Cash generated from operations		134,345	172,512
Staff loans repaid, net of disbursements		266	308
Retirement benefits paid		(198)	(2,721)
Net tax paid		(40,079)	(38,183)
Net cash from operating activities		94,334	131,916
Cash flows from investing activities			
Dividend received		3,505	5,707
Increase in deposits not for short-term funding requirements		(6,773)	(41,859)
Interest received		8,716	10,034
Proceeds from disposals of investment securities		19,947	10,000
Proceeds from disposals of motor vehicles		245	68
Purchases of investment securities		(10,011)	(10,000)
Purchases of property, plant and equipment and computer software		(8,101)	(5,971)
Net cash from/(used in) investing activities		7,528	(32,021)
Cash flows from financing activities			
Dividend paid to owners of the Company	7	(93,667)	(99,438)
Dividend paid by a subsidiary to non-controlling interest		-	(3,375)
Grant received		-	1,600
Net cash used in financing activities		(93,667)	(101,213)
Net increase/(decrease) in cash and cash equivalents		8,195	(1,318)
Effect of exchange rate changes		(1)	(15)
Cash and cash equivalents at beginning of period		167,960	248,132
Cash and cash equivalents at end of period	15	176,154	246,799

The above condensed consolidated statement of cash flows should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018 and the accompanying explanatory notes attached to these interim financial statements.

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

1. BASIS OF PREPARATION

These condensed consolidated financial statements ("Condensed Report") have been prepared in accordance with the Malaysian Financial Reporting Standard ("MFRS") 134 *Interim Financial Reporting*, the International Accounting Standard ("IAS") 34 *Interim Financial Reporting* and the requirements of the Companies Act 2016 in Malaysia, where applicable. This Condensed Report, other than for financial instruments and retirement benefit obligations, has been prepared under the historical cost convention. Certain financial instruments are carried at fair value in accordance with MFRS 9 *Financial Instruments* and the retirement benefit obligations, including actuarial gains and losses are recognised in accordance with MFRS 119 *Employee Benefits*.

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

This Condensed Report should be read in conjunction with the audited financial statements for the financial year ended 31 December 2018. The explanatory notes attached to the Condensed Report provide explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2018.

2. SIGNIFICANT ACCOUNTING POLICIES

The accounting policies adopted in the preparation of the Condensed Report are consistent with those adopted in the preparation of the Group's audited financial statements for the financial year ended 31 December 2018. As at the date of authorisation of this Condensed Report, the following Standards and amendments to Standards have been issued by the Malaysian Accounting Standards Board ("MASB") but are not yet effective. These pronouncements are either not relevant or do not have any material impact on the financial statements of the Group, and have not been adopted by the Group.

Standards issued but not yet effective

Effective for financial periods beginning on or after 1 January 2020

Amendments to MFRS 3 Business Combinations - *Definition of a Business*
Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors - *Definition of Material*
Amendment to MFRS 101 Presentation of Financial Statements - *Definition of Material*

Effective for financial periods beginning on or after 1 January 2021

MFRS 17 Insurance Contracts

Effective date of these Amendments to Standards has been deferred, and yet to be announced

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

3. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS

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

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

There were no unusual items affecting assets, liabilities, equity, net income or cash flows during the current quarter and year-to-date ended 30 June 2019.

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

5. SIGNIFICANT ESTIMATES AND CHANGES IN ESTIMATES

There were no changes in estimates that have had any material effect during the current quarter and year-to-date ended 30 June 2019.

6. DEBT AND EQUITY SECURITIES

There were no issuances, repurchases and repayments of debt and equity securities during the current quarter and year-to-date ended 30 June 2019.

7. DIVIDEND PAID

The following dividend was paid during the current and previous corresponding financial period ended:

	30.06.2019	30.06.2018
Second interim dividend		
For the financial year ended	31 December 2018	31 December 2017
Approved and declared on	30 January 2019	5 February 2018
Date paid	28 February 2019	5 March 2018
Number of ordinary shares on which dividend was paid ('000)	807,475	537,501
Dividend per share (single-tier)	11.6 sen	18.5 sen
Net dividend paid (RM'000)	93,667	99,438

8. OPERATING REVENUE

	Quarter Ended			Year-To-Date Ended		
	30.06.2019 RM'000	30.06.2018 RM'000	Changes %	30.06.2019 RM'000	30.06.2018 RM'000	Changes %
Trade fees	6,011	8,043	(25.3)	12,042	16,326	(26.2)
Clearing fees	46,688	55,591	(16.0)	93,771	116,998	(19.9)
Others	6,077	6,627	(8.3)	11,989	13,210	(9.2)
Total Securities trading revenue	58,776	70,261	(16.3)	117,802	146,534	(19.6)
Trade fees	9,716	11,416	(14.9)	18,501	22,407	(17.4)
Clearing fees	4,078	4,425	(7.8)	7,968	8,711	(8.5)
Others	3,121	3,908	(20.1)	6,800	7,614	(10.7)
Total Derivatives trading revenue	16,915	19,749	(14.4)	33,269	38,732	(14.1)
Bursa Suq Al-Sila ("BSAS") trading revenue	3,676	3,450	6.6	7,606	7,417	2.5
Listing and issuer services	13,313	15,286	(12.9)	25,189	30,959	(18.6)
Depository services	11,035	10,830	1.9	21,231	21,331	(0.5)
Market data	9,453	8,945	5.7	19,034	17,400	9.4
Member services and connectivity	5,390	5,731	(6.0)	10,844	11,185	(3.0)
Conference fees and exhibition-related income	-	-	-	5,023	5,530	(9.2)
Total other operating revenue	42,867	44,242	(3.1)	88,927	93,822	(5.2)
Total operating revenue	118,558	134,252	(11.7)	239,998	279,088	(14.0)

BURSA MALAYSIA BERHAD (30632-P)
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PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

8. OPERATING REVENUE (CONT'D)

Disaggregation of revenue

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

OPERATING REVENUE FOR THE QUARTER ENDED

	Securities Market			Derivatives Market			Exchange Holding Company			Others			Total		
	30.06.2019 RM'000	30.06.2018 RM'000	Changes %	30.06.2019 RM'000	30.06.2018 RM'000	Changes %	30.06.2019 RM'000	30.06.2018 RM'000	Changes %	30.06.2019 RM'000	30.06.2018 RM'000	Changes %	30.06.2019 RM'000	30.06.2018 RM'000	Changes %
Major products or services:															
Securities trading	58,776	70,261	(16.3)	-	-	-	-	-	-	-	-	-	58,776	70,261	(16.3)
Derivatives trading	-	-	-	16,915	19,749	(14.4)	-	-	-	-	-	-	16,915	19,749	(14.4)
BSAS trading	-	-	-	-	-	-	-	-	-	3,676	3,450	6.6	3,676	3,450	6.6
Listing and issuer services	13,282	15,256	(12.9)	-	-	-	-	-	-	31	30	3.3	13,313	15,286	(12.9)
Depository services	11,035	10,830	1.9	-	-	-	-	-	-	-	-	-	11,035	10,830	1.9
Market data	7,201	6,797	5.9	2,199	2,092	5.1	-	-	-	53	56	(5.4)	9,453	8,945	5.7
Member services and connectivity	3,467	3,767	(8.0)	40	37	8.1	1,855	1,898	(2.3)	28	29	(3.4)	5,390	5,731	(6.0)
	93,761	106,911	(12.3)	19,154	21,878	(12.5)	1,855	1,898	(2.3)	3,788	3,565	6.3	118,558	134,252	(11.7)
Timing of revenue recognition:															
At a point in time	79,376	92,278	(14.0)	17,873	20,720	(13.7)	-	-	-	3,707	3,486	6.3	100,956	116,484	(13.3)
Over time	14,385	14,633	(1.7)	1,281	1,158	10.6	1,855	1,898	(2.3)	81	79	2.5	17,602	17,768	(0.9)
	93,761	106,911	(12.3)	19,154	21,878	(12.5)	1,855	1,898	(2.3)	3,788	3,565	6.3	118,558	134,252	(11.7)

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PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

8. OPERATING REVENUE (CONT'D)

Disaggregation of revenue (cont'd)

OPERATING REVENUE FOR THE YEAR-TO-DATE ENDED

	Securities Market			Derivatives Market			Exchange Holding Company			Others			Total		
	30.06.2019 RM'000	30.06.2018 RM'000	Changes %	30.06.2019 RM'000	30.06.2018 RM'000	Changes %	30.06.2019 RM'000	30.06.2018 RM'000	Changes %	30.06.2019 RM'000	30.06.2018 RM'000	Changes %	30.06.2019 RM'000	30.06.2018 RM'000	Changes %
Major products or services:															
Securities trading	117,802	146,534	(19.6)	-	-	-	-	-	-	-	-	-	117,802	146,534	(19.6)
Derivatives trading	-	-	-	33,269	38,732	(14.1)	-	-	-	-	-	-	33,269	38,732	(14.1)
BSAS trading	-	-	-	-	-	-	-	-	-	7,606	7,417	2.5	7,606	7,417	2.5
Listing and issuer services	25,128	30,887	(18.6)	-	-	-	-	-	-	61	72	(15.3)	25,189	30,959	(18.6)
Depository services	21,231	21,331	(0.5)	-	-	-	-	-	-	-	-	-	21,231	21,331	(0.5)
Market data	14,806	13,209	12.1	4,123	4,075	1.2	-	-	-	105	116	(9.5)	19,034	17,400	9.4
Member services and connectivity	6,857	7,266	(5.6)	179	77	132.5	3,748	3,783	(0.9)	60	59	1.7	10,844	11,185	(3.0)
Conference fees and exhibition -related income	-	-	-	5,023	5,530	(9.2)	-	-	-	-	-	-	5,023	5,530	(9.2)
	185,824	219,227	(15.2)	42,594	48,414	(12.0)	3,748	3,783	(0.9)	7,832	7,664	2.2	239,998	279,088	(14.0)
Timing of revenue recognition:															
At a point in time	158,138	189,422	(16.5)	40,147	46,231	(13.2)	-	-	-	7,671	7,494	2.4	205,956	243,147	(15.3)
Over time	27,686	29,805	(7.1)	2,447	2,183	12.1	3,748	3,783	(0.9)	161	170	(5.3)	34,042	35,941	(5.3)
	185,824	219,227	(15.2)	42,594	48,414	(12.0)	3,748	3,783	(0.9)	7,832	7,664	2.2	239,998	279,088	(14.0)

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PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

9. OTHER INCOME

	Quarter Ended			Year-To-Date Ended		
	30.06.2019 RM'000	30.06.2018 RM'000	Changes %	30.06.2019 RM'000	30.06.2018 RM'000	Changes %
Interest and profit income from:						
- deposits and investment securities	3,869	4,780	(19.1)	7,895	9,396	(16.0)
- others	22	29	(24.1)	46	60	(23.3)
Dividend income	832	738	12.7	1,655	1,469	12.7
Grant income	210	236	(11.0)	373	382	(2.4)
Net gain/(loss) on disposals of motor vehicles (Note a)	-	68	(100.0)	(278)	68	(508.8)
Rental income	316	320	(1.3)	635	640	(0.8)
Miscellaneous income	153	132	15.9	164	163	0.6
Total other income	5,402	6,303	(14.3)	10,490	12,178	(13.9)

(a) During the financial period ended 30 June 2019, the net loss arose from the disposals of motor vehicles to the former Chairman and former Chief Executive Officer ("CEO") of the Company.

10. OTHER OPERATING EXPENSES

	Quarter Ended			Year-To-Date Ended		
	30.06.2019 RM'000	30.06.2018 RM'000	Changes %	30.06.2019 RM'000	30.06.2018 RM'000	Changes %
Administrative expenses	1,569	1,552	1.1	3,017	3,172	(4.9)
Building management expenses	2,815	2,369	18.8	5,440	4,901	11.0
Central Depository System ("CDS") consumables	608	832	(26.9)	1,109	1,466	(24.4)
Marketing and development expenses	2,185	1,508	44.9	8,574	6,139	39.7
Professional fees	793	554	43.1	1,379	1,047	31.7
Technology expenses:						
- information technology maintenance	4,797	4,924	(2.6)	9,950	9,809	1.4
- service fees	5,093	4,985	2.2	9,219	9,998	(7.8)
Net (gain)/loss on foreign exchange differences	(62)	109	(156.9)	173	584	(70.4)
Net (reversal of impairment loss)/impairment loss on:						
- investment securities	(5)	14	(135.7)	(52)	27	(292.6)
- trade and other receivables	271	317	(14.5)	361	356	1.4
Miscellaneous expenses	2,257	1,704	32.5	4,579	3,924	16.7
Total other operating expenses	20,321	18,868	7.7	43,749	41,423	5.6

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PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

11. SEGMENT INFORMATION

RESULTS FOR THE QUARTER ENDED

	Securities Market			Derivatives Market			Exchange Holding Company			Others			Total		
	30.06.2019 RM'000	30.06.2018 RM'000	Changes %	30.06.2019 RM'000	30.06.2018 RM'000	Changes %	30.06.2019 RM'000	30.06.2018 RM'000	Changes %	30.06.2019 RM'000	30.06.2018 RM'000	Changes %	30.06.2019 RM'000	30.06.2018 RM'000	Changes %
Operating revenue (Note 8)	93,761	106,911	(12.3)	19,154	21,878	(12.5)	1,855	1,898	(2.3)	3,788	3,565	6.3	118,558	134,252	(11.7)
Other income	3,165	3,653	(13.4)	506	460	10.0	1,689	2,122	(20.4)	42	68	(38.2)	5,402	6,303	(14.3)
Direct costs	(22,314)	(23,340)	(4.4)	(11,200)	(10,774)	4.0	(7,406)	(7,341)	0.9	(1,672)	(1,609)	3.9	(42,592)	(43,064)	(1.1)
Segment profit/(loss)	74,612	87,224	(14.5)	8,460	11,564	(26.8)	(3,862)	(3,321)	16.3	2,158	2,024	6.6	81,368	97,491	(16.5)
Overheads													(18,095)	(17,596)	2.8
Profit before tax													63,273	79,895	(20.8)

RESULTS FOR FOR THE YEAR-TO-DATE ENDED

	Securities Market			Derivatives Market			Exchange Holding Company			Others			Total		
	30.06.2019 RM'000	30.06.2018 RM'000	Changes %	30.06.2019 RM'000	30.06.2018 RM'000	Changes %	30.06.2019 RM'000	30.06.2018 RM'000	Changes %	30.06.2019 RM'000	30.06.2018 RM'000	Changes %	30.06.2019 RM'000	30.06.2018 RM'000	Changes %
Operating revenue (Note 8)	185,824	219,227	(15.2)	42,594	48,414	(12.0)	3,748	3,783	(0.9)	7,832	7,664	2.2	239,998	279,088	(14.0)
Other income	6,344	7,107	(10.7)	985	919	7.2	3,063	4,031	(24.0)	98	121	(19.0)	10,490	12,178	(13.9)
Direct costs	(45,183)	(45,196)	(0.0)	(25,206)	(24,468)	3.0	(14,570)	(16,540)	(11.9)	(3,326)	(3,116)	6.7	(88,285)	(89,320)	(1.2)
Segment profit/(loss)	146,985	181,138	(18.9)	18,373	24,865	(26.1)	(7,759)	(8,726)	(11.1)	4,604	4,669	(1.4)	162,203	201,946	(19.7)
Overheads													(34,557)	(34,391)	0.5
Profit before tax													127,646	167,555	(23.8)

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

11. SEGMENT INFORMATION (CONT'D)

	Securities Market RM'000	Derivatives Market RM'000	Exchange Holding Company RM'000	Others RM'000	Total RM'000
ASSETS AND LIABILITIES AS AT 30 JUNE 2019					
Assets	375,575	101,315	424,806	24,233	925,929
Clearing Funds	103,320	26,187	-	-	129,507
Cash for equity margins, derivatives trading margins, security deposits and eDividend distributions	132,546	1,082,730	-	-	1,215,276
Segment assets	611,441	1,210,232	424,806	24,233	2,270,712
Unallocated corporate assets	-	-	-	-	16,243
Total assets	611,441	1,210,232	424,806	24,233	2,286,955
Liabilities	55,022	12,127	45,469	14,953	127,571
Participants' contributions to Clearing Funds	18,320	21,187	-	-	39,507
Equity margins, derivatives trading margins, security deposits and eDividend distributions	132,546	1,082,730	-	-	1,215,276
Segment liabilities	205,888	1,116,044	45,469	14,953	1,382,354
Unallocated corporate liabilities	-	-	-	-	2,913
Total liabilities	205,888	1,116,044	45,469	14,953	1,385,267

ASSETS AND LIABILITIES AS AT 31 DECEMBER 2018					
Assets	370,088	93,534	428,587	26,134	918,343
Clearing Funds	103,768	26,038	-	-	129,806
Cash for equity margins, derivatives trading margins, security deposits and eDividend distributions	125,425	1,250,570	-	-	1,375,995
Segment assets	599,281	1,370,142	428,587	26,134	2,424,144
Unallocated corporate assets	-	-	-	-	10,416
Total assets	599,281	1,370,142	428,587	26,134	2,434,560
Liabilities	33,168	12,749	64,775	15,624	126,316
Participants' contributions to Clearing Funds	18,768	21,038	-	-	39,806
Equity margins, derivatives trading margins, security deposits and eDividend distributions	125,425	1,250,570	-	-	1,375,995
Segment liabilities	177,361	1,284,357	64,775	15,624	1,542,117
Unallocated corporate liabilities	-	-	-	-	4,994
Total liabilities	177,361	1,284,357	64,775	15,624	1,547,111

12. RELATED PARTY DISCLOSURES

All related party transactions and balances within the Group had been entered into in the normal course of business and were carried out on normal commercial terms except for the disposals of motor vehicles to the former Chairman and former CEO of the Company as disclosed in Note 9(a).

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PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

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

	As at 30.06.2019 RM'000	As at 31.12.2018 RM'000
Equity margins	132,484	125,385
Derivatives trading margins	1,059,210	1,223,643
Security deposits from derivatives participants	23,520	26,927
Total equity margins, derivatives trading margins and security deposits, representing trade payables	1,215,214	1,375,955
Cash received for eDividend distributions (included in other payables)	62	40
Total cash for equity margins, derivatives trading margins, security deposits and eDividend distributions	1,215,276	1,375,995

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

	As at 30.06.2019 RM'000	As at 31.12.2018 RM'000
Collaterals in the form of letters of credit for:		
- Equity margins	9,900	9,900
- Derivatives trading margins	563,070	592,919
- Security deposits from derivatives participants	17,000	18,000
Collaterals in the form of shares for derivatives trading margins	454	307
	590,424	621,126

14. CASH AND BANK BALANCES OF CLEARING FUNDS

	Participants' contributions RM'000	Cash set aside by the Group RM'000	Total RM'000
As at 30 June 2019			
Contributions from Trading Clearing Participants ("TCPs") of Bursa Malaysia Securities Clearing Sdn Bhd ("BMSC")	18,320	-	18,320
Contribution from BMSC	-	25,000	25,000
Additional cash resources from BMSC	-	60,000	60,000
Clearing Guarantee Fund ("CGF") contributions	18,320	85,000	103,320
Contributions from Clearing Participants ("CPs") of Bursa Malaysia Derivatives Clearing Bhd ("BMDC")	21,187	-	21,187
Contribution from BMDC	-	5,000	5,000
Derivatives Clearing Fund ("DCF") contributions	21,187	5,000	26,187
Total cash and bank balances of Clearing Funds	39,507	90,000	129,507

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PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

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

	Participants' contributions RM'000	Cash set aside by the Group RM'000	Total RM'000
As at 31 December 2018			
Contributions from TCPs of BMSC	18,768	-	18,768
Contribution from BMSC	-	25,000	25,000
Additional cash resources from BMSC	-	60,000	60,000
CGF contributions	18,768	85,000	103,768
Contributions from CPs of BMDC	21,038	-	21,038
Contribution from BMDC	-	5,000	5,000
DCF contributions	21,038	5,000	26,038
Total cash and bank balances of Clearing Funds	39,806	90,000	129,806

There are no non-cash collaterals from TCPs of BMSC and CPs of BMDC as at 30 June 2019 and 31 December 2018.

15. CASH AND BANK BALANCES OF THE GROUP

	As at 30.06.2019 RM'000	As at 31.12.2018 RM'000
Cash and bank balances	3,560	3,678
Deposits for short-term funding requirements	172,594	164,282
Cash and cash equivalents	176,154	167,960
Deposits not for short-term funding requirements	61,598	54,825
Total cash and bank balances	237,752	222,785

16. CAPITAL COMMITMENTS

Capital commitments for the purchase of property, plant and equipment not provided for in the Condensed Report as at the end of the financial periods are as follows:

	As at 30.06.2019 RM'000	As at 31.12.2018 RM'000
Approved and contracted for:		
Computers and office automation	6,529	2,193
Office equipment and renovations	113	364
	6,642	2,557
Approved but not contracted for:		
Computers and office automation	2,053	2,851
	2,053	2,851

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

17. CONTINGENT ASSETS AND LIABILITIES

There are no contingent assets and no changes in the contingent liability in respect of the put and call options with Chicago Mercantile Exchange ("CME") Group over the ordinary shares of Bursa Malaysia Derivatives Berhad held by CME Group since 31 December 2018.

18. CHANGES IN COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the quarter and year-to-date ended 30 June 2019.

19. OPERATING LEASE ARRANGEMENTS

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

	As at 30.06.2019 RM'000	As at 31.12.2018 RM'000
Not later than 1 year	1,012	950
Later than 1 year and not later than 5 years	942	1,187
Total future minimum lease receivables	1,954	2,137

20. FINANCIAL INSTRUMENTS

20.1 Classification

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

	As at 30.06.2019 RM'000	As at 31.12.2018 RM'000
Assets		
Financial assets at FVTOCI		
Investment securities:		
- quoted shares (outside Malaysia)	307,318	297,993
- unquoted bonds	65,767	70,159
	373,085	368,152
Financial assets at amortised cost		
Investment securities - commercial paper	-	4,923
Staff loans receivable	2,435	2,747
Trade receivables	41,589	38,600
Other receivables which are financial assets*	5,782	8,417
Cash for equity margins, derivatives trading margins, security deposits and eDividend distributions	1,215,276	1,375,995
Cash and bank balances of Clearing Funds	129,507	129,806
Cash and bank balances of the Group	237,752	222,785
	1,632,341	1,783,273
Total financial assets	2,005,426	2,151,425

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

20. FINANCIAL INSTRUMENTS (CONT'D)

20.1 Classification (cont'd)

	As at 30.06.2019 RM'000	As at 31.12.2018 RM'000
Liabilities		
Financial liabilities at amortised cost		
Trade payables	1,215,214	1,375,955
Participants' contributions to Clearing Funds	39,507	39,806
Other payables which are financial liabilities**	25,825	25,708
Lease liabilities	8,238	7,971
Total financial liabilities	1,288,784	1,449,440

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

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

20.2 Fair value

(a) Financial instruments that are carried at fair value

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

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

Shares quoted outside Malaysia are measured at Level 1. The fair value of quoted shares is determined directly by reference to the published market bid prices as at 30 June 2019 and 31 December 2018.

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

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

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

The Group does not have any financial instruments measured at Level 3 as at 30 June 2019 and 31 December 2018.

20. FINANCIAL INSTRUMENTS (CONT'D)

20.2 Fair value (cont'd)

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

	Level 1 RM'000	Level 2 RM'000	Total RM'000
As at 30 June 2019			
Financial assets at FVTOCI:			
- quoted shares (outside Malaysia)	307,318	-	307,318
- unquoted bonds	-	65,767	65,767
	307,318	65,767	373,085
As at 31 December 2018			
Financial assets at FVTOCI:			
- quoted shares (outside Malaysia)	297,993	-	297,993
- unquoted bonds	-	70,159	70,159
	297,993	70,159	368,152

There were no transfers between Level 1 and Level 2 during the current quarter and year-to-date ended 30 June 2019.

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

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

21. EVENT AFTER THE REPORTING PERIOD

There was no material event subsequent to the financial period ended 30 June 2019.

22. SIGNIFICANT EVENT DURING THE REPORTING PERIOD

There was no significant event during the current quarter and year-to-date ended 30 June 2019.

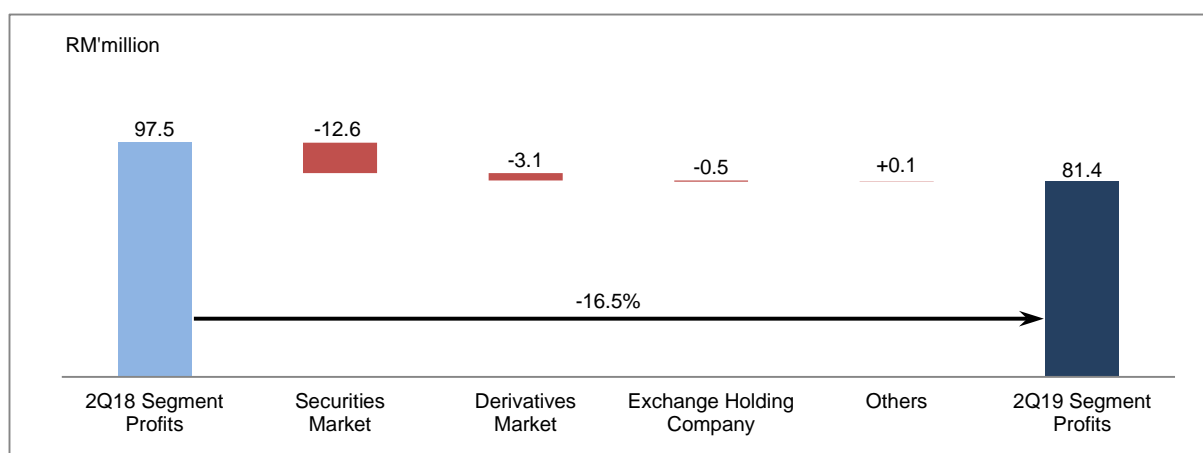
PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

23. OPERATING SEGMENTS REVIEW

(a) 2Q19 vs. 2Q18

Profit Before Tax ("PBT") for the quarter ended 30 June 2019 ("2Q19") was RM63.3 million, a decrease of 20.8 per cent compared to RM79.9 million in the quarter ended 30 June 2018 ("2Q18"). PBT is made up of segment profits less overheads (as depicted in Note 11).

Total segment profits for 2Q19 were RM81.4 million, a decrease of 16.5 per cent compared to RM97.5 million in 2Q18. Movements in the segment profits are depicted in the graph below:



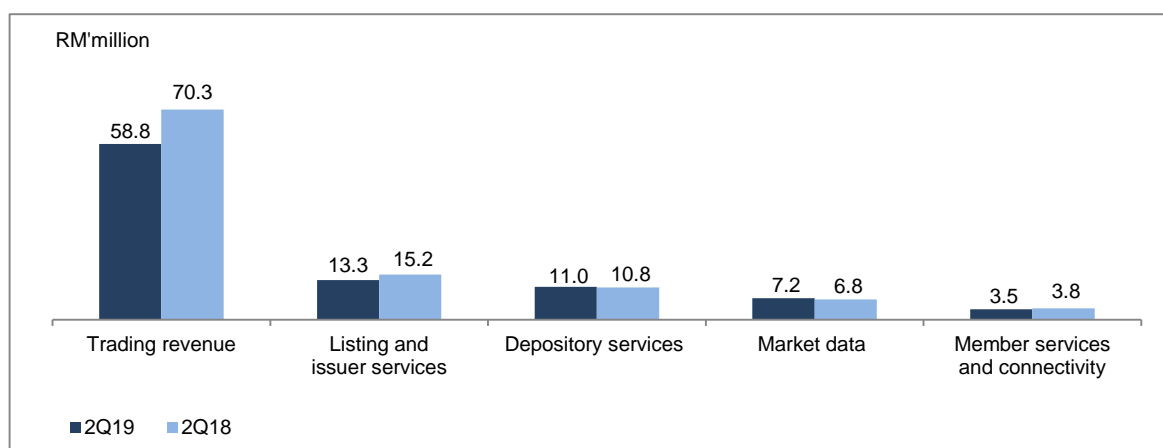
Total comprehensive income for 2Q19 was RM98.5 million, an increase of 31.2 per cent compared to RM75.1 million in 2Q18. This was mainly due to higher fair value of quoted shares (outside Malaysia) in 2Q19 compared to 2Q18.

Securities Market

Securities Market recorded a segment profit of RM74.6 million in 2Q19, a decrease of 14.5 per cent compared to RM87.2 million in 2Q18 mainly due to lower operating revenue.

(i) Operating Revenue

Securities Market's operating revenue for 2Q19 was RM93.8 million, a decrease of 12.3 per cent compared to RM106.9 million in 2Q18. Details by revenue category are shown in the chart below:



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

23. OPERATING SEGMENTS REVIEW (CONT'D)

(a) 2Q19 vs. 2Q18 (cont'd)

Securities Market (cont'd)

(i) Operating Revenue (cont'd)

- > Trading revenue decreased by 16.3 per cent to RM58.8 million in 2Q19, which was on the back of lower Average Daily trading Value ("ADV") for On-Market Trades ("OMT") and Direct Business Trades ("DBT") which declined by 23.3 per cent to RM2.21 billion in 2Q19 compared to RM2.88 billion in 2Q18. Trading velocity in 2Q19 was also lower by 8 percentage points to 29 per cent
- > Listing and issuer services revenue decreased by 12.9 per cent to RM13.3 million in 2Q19 from RM15.2 million in 2Q18. This was mainly due to lower listing fees and perusal and processing fees earned in 2Q19 as a result of lower number of corporate exercises and circular submissions respectively.

Key operating drivers of the Securities Market are as follows:

Key operating drivers	2Q19	2Q18	Changes (%)
FBMKLCI (points)	1,672.13	1,691.50	(1.1)
ADV (OMT and DBT) (RM'billion)	2.21	2.88	(23.3)
Average daily trading volume (OMT and DBT) (billion shares)	2.67	2.70	(1.1)
Effective clearing fee rate (basis points)	2.44	2.15	13.5
Velocity (per cent)	29	37	(8.0)
Number of Initial Public Offerings ("IPOs")	9	4	125.0
Number of new structured warrants listed	269	211	27.5
Total funds raised:			
- IPOs (RM'million)	1,246.51	250.99	396.6
- Secondary issues (RM'million)	1,424.78	563.01	153.1
Market capitalisation as at end of period (RM'billion)	1,752.56	1,771.05	(1.0)
Number of trading days	60	59	-

(ii) Operating Expenses

Segment expenses decreased by 4.4 per cent to RM22.3 million in 2Q19 compared to RM23.3 million in 2Q18 mainly due to lower staff costs in 2Q19.

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

23. OPERATING SEGMENTS REVIEW (CONT'D)

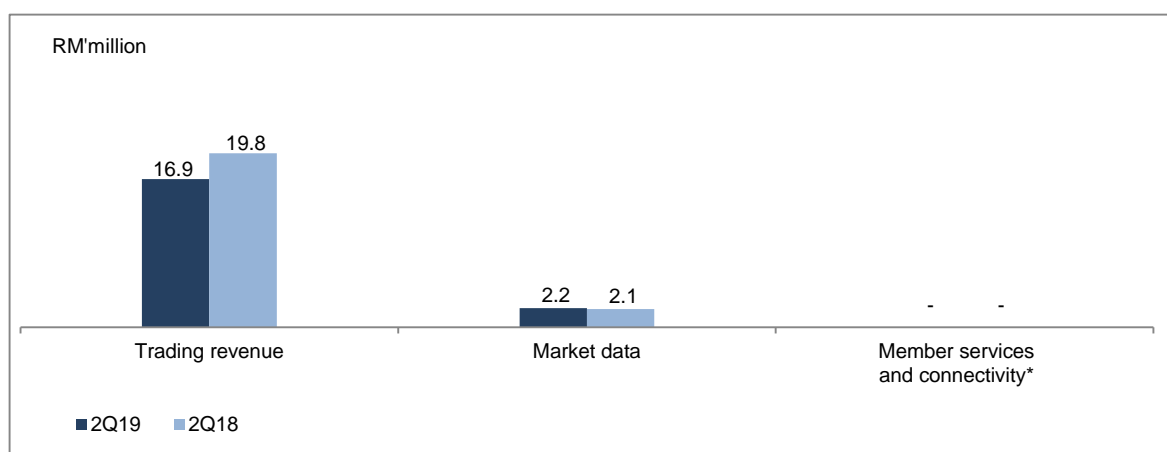
(a) 2Q19 vs. 2Q18 (cont'd)

Derivatives Market

Derivatives Market recorded a segment profit of RM8.5 million in 2Q19, a decrease of 26.8 per cent from RM11.6 million in 2Q18 which was mainly attributed to lower operating revenue.

(i) Operating Revenue

Derivatives Market's operating revenue for 2Q19 was RM19.1 million, a decrease of 12.5 per cent compared to RM21.9 million in 2Q18. Details by revenue category are shown in the chart below:



* Member services and connectivity fee income is below RM0.1 million for 2Q19 and 2Q18.

- > Trading revenue decreased by 14.4 per cent to RM16.9 million in 2Q19 mainly due to lower number of contracts traded for FTSE Bursa Malaysia KLCI Futures ("FKLI") and Crude Palm Oil Futures ("FCPO"), as well as higher market incentives incurred in 2Q19.

Key operating drivers of the Derivatives Market are as follows:

Key operating drivers	2Q19	2Q18	Changes (%)
FCPO contracts	2,395,910	2,521,367	(5.0)
FKLI contracts	567,312	732,987	(22.6)
US Dollar denominated Refined, Bleached and Deodorised Palm Olein Futures ("FPOL") contracts	15,598	14,618	6.7
Mini FTSE Bursa Malaysia Mid 70 Index Futures ("FM70") contracts	87,710	-	-
Other contracts	11,998	11,064	8.4
Total contracts	3,078,528	3,280,036	(6.1)
Average daily number of contracts traded	51,309	55,594	(7.7)
Average number of open interest positions	259,701	285,968	(9.2)
Number of trading days	60	59	-

(ii) Operating Expenses

Segment expenses increased by 4.0 per cent to RM11.2 million in 2Q19 compared to RM10.8 million in 2Q18 mainly due to higher marketing and development expenses incurred in 2Q19.

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

23. OPERATING SEGMENTS REVIEW (CONT'D)

(a) 2Q19 vs. 2Q18 (cont'd)

Exchange Holding Company

The Exchange Holding Company recorded a higher segment loss of RM3.8 million in 2Q19 compared to RM3.3 million in 2Q18 mainly due to lower interest income from lower fund size as a result of dividends paid.

Others

This segment is made up of BSAS, bonds and offshore exchange businesses. The segment profit increased by 6.6 per cent to RM2.1 million in 2Q19 compared to RM2.0 million in 2Q18 mainly due to higher revenue from BSAS trades in 2Q19.

Overheads

Overheads increased by 2.8 per cent to RM18.1 million in 2Q19 compared to RM17.6 million in 2Q18 mainly due to higher building management expenses in 2Q19.

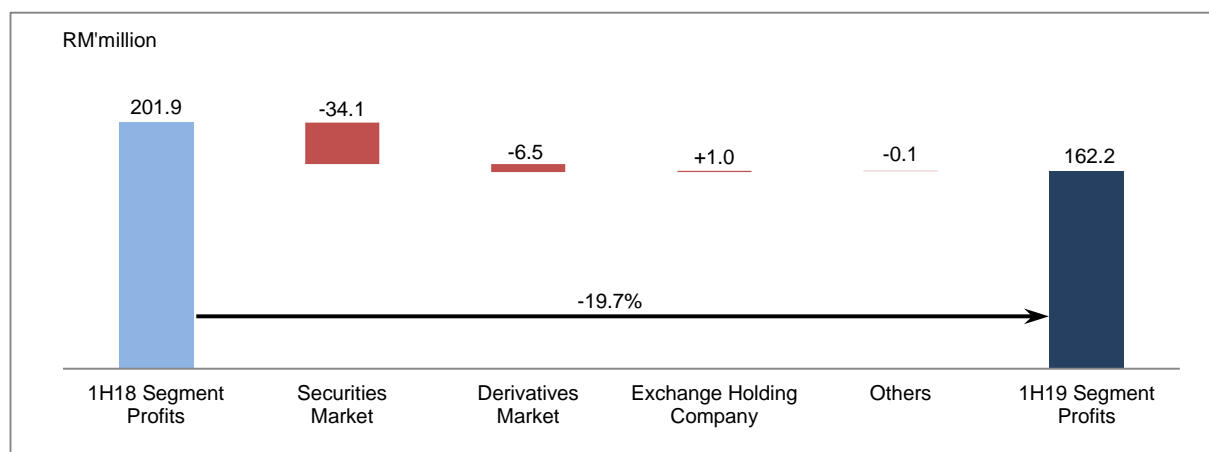
**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET
LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

23. OPERATING SEGMENTS REVIEW (CONT'D)

(b) 1H19 vs. 1H18

PBT for the year-to-date ended 30 June 2019 ("1H19") was RM127.6 million, a decrease of 23.8 per cent from RM167.5 million in the year-to-date ended 30 June 2018 ("1H18"). PBT is made up of segment profits less overheads (as depicted in Note 11).

Total segment profit for 1H19 was RM162.2 million, a decrease of 19.7 per cent from RM201.9 million in 1H18. Movements in the segment profits are depicted in the graph below:



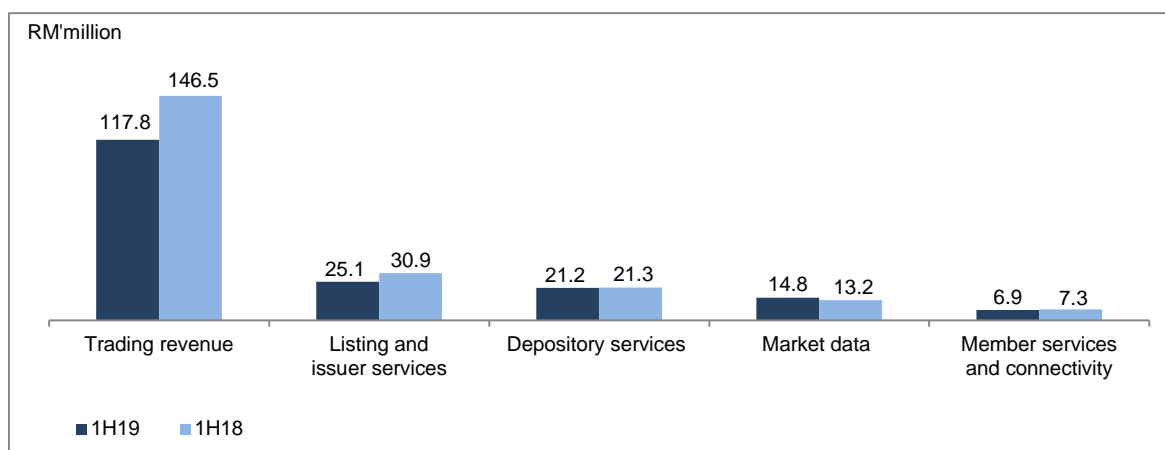
Total comprehensive income for 1H19 was RM105.4 million, a decrease of 30.6 per cent compared to RM151.8 million in 1H18. This was mainly due to lower fair value changes in quoted shares (outside Malaysia) and lower profit earned in 1H19 compared to 1H18.

Securities Market

Securities Market recorded a segment profit of RM147.0 million in 1H19, a decrease of 18.9 per cent compared to RM181.1 million in 1H18, on the back of lower operating revenue.

(i) Operating Revenue

Securities Market's operating revenue for 1H19 was RM185.8 million, a decrease of 15.2 per cent compared to RM219.2 million in 1H18. Details by revenue category are shown in the chart below:



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

23. OPERATING SEGMENTS REVIEW (CONT'D)

(b) 1H19 vs. 1H18 (cont'd)

Securities Market (cont'd)

(i) Operating Revenue (cont'd)

- > Trading revenue decreased by 19.6 per cent to RM117.8 million in 1H19, which was mainly due to lower ADV for OMT and DBT of RM2.31 billion in 1H19 compared to RM2.90 billion in 1H18. Trading velocity in 1H19 was also lower by 7 percentage points to 29 per cent compared to 1H18.
- > Listing and issuer services revenue decreased by 18.6 per cent to RM25.1 million in 1H19 from RM30.9 million in 1H18. This was mainly due to lower listing fees and perusal and processing fees earned in 1H19 resulting from lower number of corporate exercises and circular submissions respectively.
- > Market data revenue increased by 12.1 per cent to RM14.8 million in 1H19 driven by higher number of subscribers in 1H19.

Key operating drivers of the Securities Market are as follows:

Key operating drivers	1H19	1H18	Changes (%)
FBMKLCI (points)	1,672.13	1,691.50	(1.1)
ADV (OMT and DBT) (RM'billion)	2.31	2.90	(20.3)
Average daily trading volume (OMT and DBT) (billion shares)	2.77	2.99	(7.4)
Effective clearing fee rate (basis points)	2.42	2.23	8.5
Velocity (per cent)	29	36	(7.0)
Number of IPOs	14	11	27.3
Number of new structured warrants listed	534	480	11.3
Total funds raised:			
- IPOs (RM'million)	1,359.17	462.68	193.8
- Secondary issues (RM'million)	1,751.49	3,123.12	(43.9)
Market capitalisation as at end of period (RM'billion)	1,752.56	1,771.05	(1.0)
Number of trading days	119	120	-

(ii) Operating Expenses

Segment expenses remained fairly stable at RM45 million in 1H19 and 1H18.

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

23. OPERATING SEGMENTS REVIEW (CONT'D)

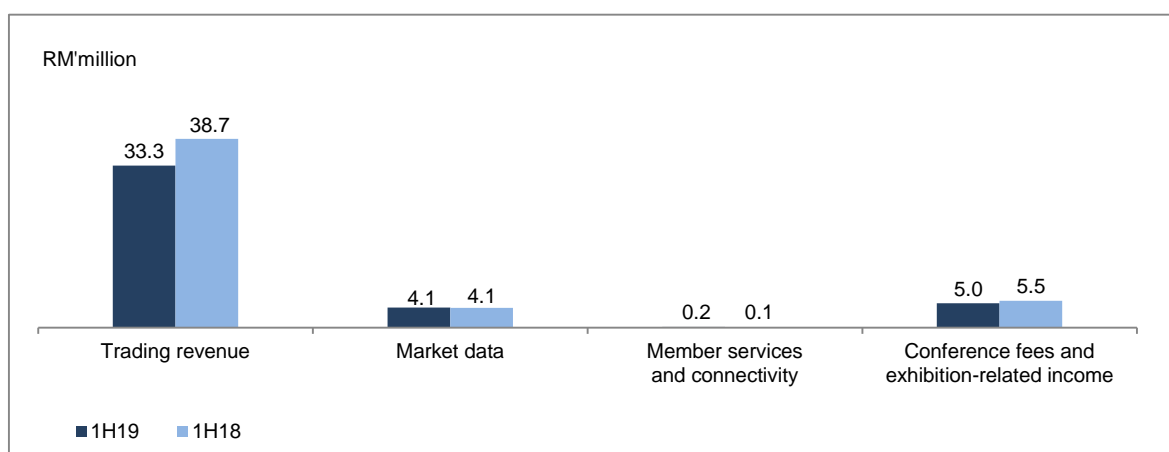
(b) 1H19 vs. 1H18 (cont'd)

Derivatives Market

Derivatives Market recorded a segment profit of RM18.4 million in 1H19, a decrease of 26.1 per cent compared to RM24.9 million in 1H18 mainly due to lower operating revenue.

(i) Operating Revenue

Derivatives Market registered an operating revenue of RM42.6 million in 1H19, representing a decrease of 12.0 per cent compared to RM48.4 million in 1H18. Details by revenue category are shown in the chart below:



- > Trading revenue decreased by 14.1 per cent to RM33.3 million in 1H19 mainly due to lower number of contracts traded for FKLI and FCPO, as well as higher market incentives incurred in 1H19.

Key operating drivers of the Derivatives Market are as follows:

Key operating drivers	1H19	1H18	Changes (%)
FCPO contracts	4,592,752	5,236,818	(12.3)
FKLI contracts	1,069,853	1,278,339	(16.3)
FPOL contracts	15,617	14,618	6.8
FM70 contracts	172,329	-	100.0
Other contracts	22,186	45,505	(51.2)
Total contracts	5,872,737	6,575,280	(10.7)
Average daily number of contracts traded	49,351	54,794	(9.9)
Average number of open interest positions	251,818	285,127	(11.7)
Number of trading days	119	120	-

(ii) Operating Expenses

Segment expenses increased by 3.0 per cent to RM25.2 million in 1H19 compared to RM24.5 million in 1H18 mainly due to higher marketing and development expenses incurred in 1H19.

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

23. OPERATING SEGMENTS REVIEW (CONT'D)

(b) 1H19 vs. 1H18 (cont'd)

Exchange Holding Company

The Exchange Holding Company recorded a lower segment loss of RM7.7 million in 1H19 compared to RM8.7 million in 1H18 mainly due to lower staff costs in 1H19.

Others

This segment is made up of BSAS, bonds and offshore exchange businesses. The segment profit decreased marginally by 1.4 per cent to RM4.6 million in 1H19.

Overheads

Overheads increased marginally by 0.5 per cent to RM34.6 million in 1H19 compared to RM34.4 million in 1H18.

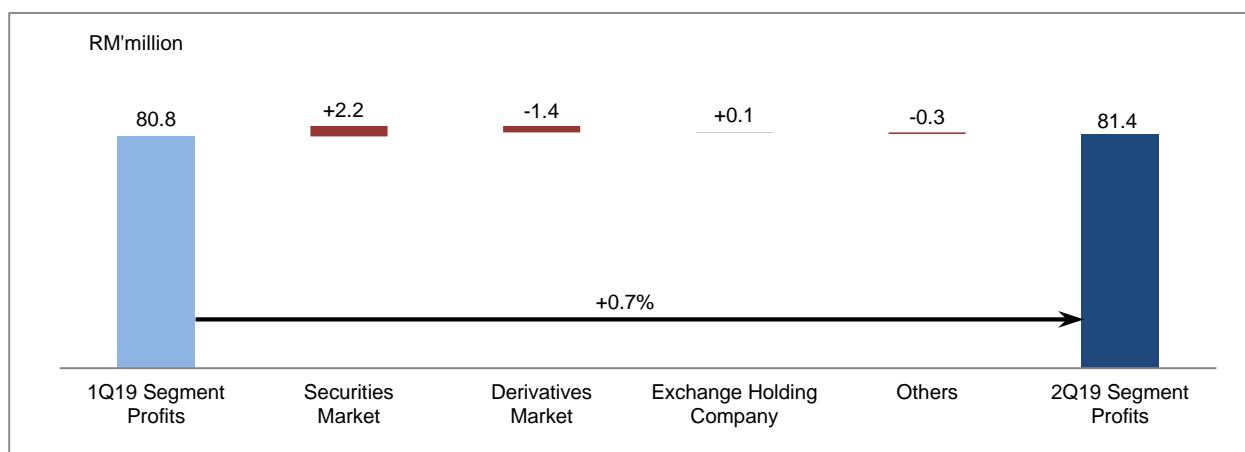
**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET
LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

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

Financial Results	Quarter Ended		Changes %
	30.06.2019 RM'000	31.03.2019 RM'000	
Operating revenue	118,558	121,440	(2.4)
Other income	5,402	5,088	6.2
Staff costs	123,960	126,528	(2.0)
Depreciation and amortisation	(35,089)	(33,516)	4.7
Other operating expenses	(5,143)	(5,078)	1.3
Other operating expenses	(20,321)	(23,428)	(13.3)
Profit from operations	63,407	64,506	(1.7)
Finance costs	(134)	(133)	0.8
PBT	63,273	64,373	(1.7)

PBT for 2Q19 was RM63.3 million, a decrease of 1.7 per cent from RM64.4 million in the quarter ended 31 March 2019 ("1Q19"). PBT is made up of segment profits less overheads.

Total segment profits for 2Q19 were RM81.4 million, an increase of 0.7 per cent from RM80.8 million in 1Q19. The quarter-on-quarter movements in the segment profits are depicted in the graph below:



Securities Market

The Securities Market recorded a segment profit of RM74.6 million in 2Q19, representing an increase of 3.1 per cent from RM72.4 million in 1Q19 which was attributed to higher operating revenue.

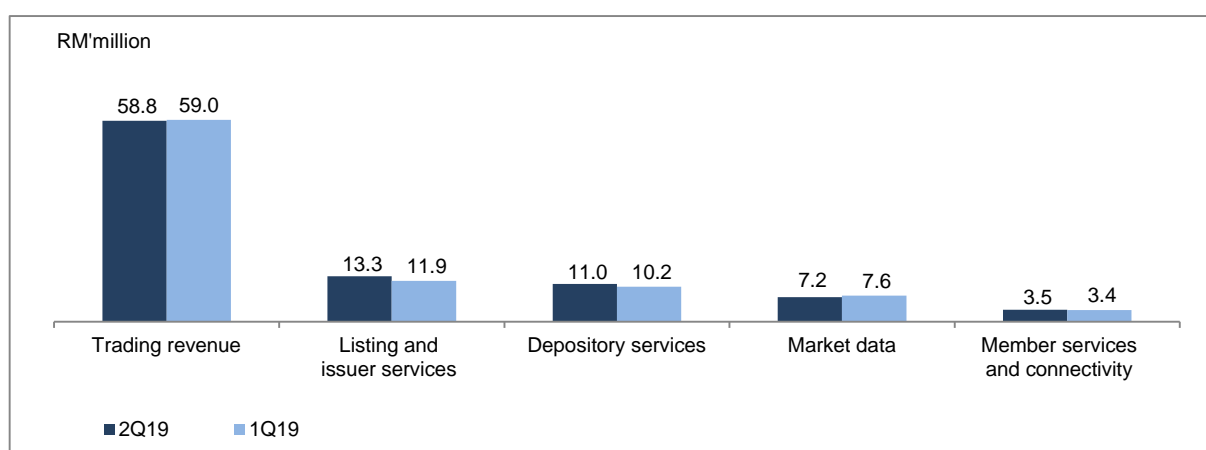
**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET
LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

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

Securities Market (cont'd)

(i) Operating Revenue

Securities Market's operating revenue for 2Q19 was RM93.8 million, an increase of 1.8 per cent compared to RM92.1 million in 1Q19. Details by revenue category are shown in the chart below:



- > Listing and issuer services revenue increased by 12.1 per cent to RM13.3 million in 2Q19 mainly due to higher listing fees earned in 2Q19 from higher number of IPOs and corporate exercises.
- > Depository services revenue increased by 8.2 per cent to RM11.0 million in 2Q19 mainly due to higher public issue fee resulting from higher number of IPOs in 2Q19.

Key operating drivers of the Securities Market are as follows:

Key operating drivers		2Q19	1Q19	Changes (%)
FBMKLCI	(points)	1,672.13	1,643.63	1.7
ADV (OMT and DBT)	(RM'billion)	2.21	2.41	(8.3)
Average daily trading volume (OMT and DBT)	(billion shares)	2.67	2.87	(7.0)
Effective clearing fee rate	(basis points)	2.44	2.41	1.2
Velocity	(per cent)	29	29	-
Number of IPOs		9	5	80.0
Number of new structured warrants listed		269	265	1.5
Total funds raised:				
- IPOs	(RM'million)	1,246.51	112.66	1,006.4
- Secondary issues	(RM'million)	1,424.78	326.94	335.8
Market capitalisation as at end of period	(RM'billion)	1,752.56	1,729.50	1.3
Number of trading days		60	59	-

(ii) Operating Expenses

Segment expenses decreased by 2.4 per cent to RM22.3 million from RM22.9 million in 1Q19 mainly due to lower marketing and development expenses incurred in 2Q19.

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

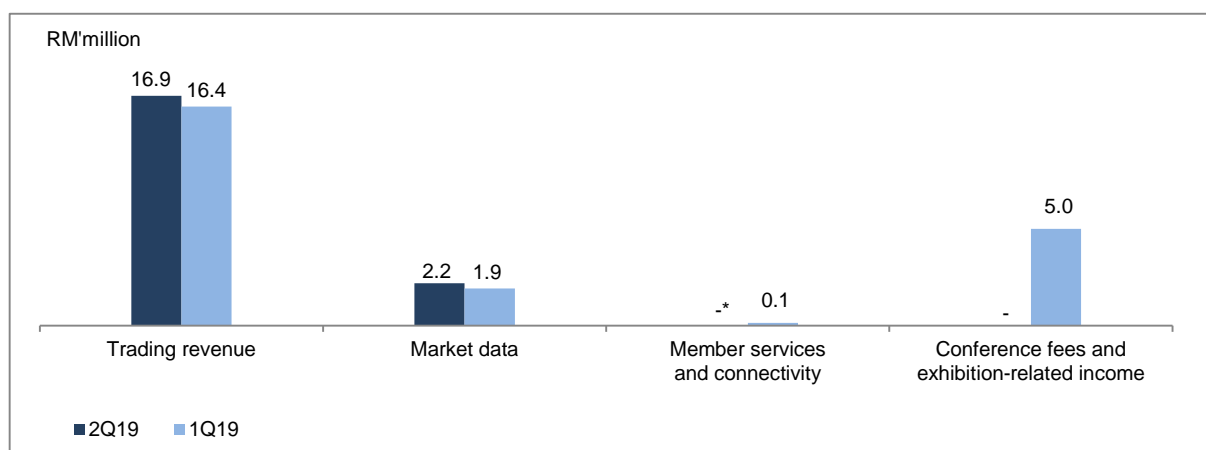
24. MATERIAL CHANGE IN PERFORMANCE OF OPERATING SEGMENTS OF CURRENT QUARTER COMPARED WITH IMMEDIATE PRECEDING QUARTER (CONT'D)

Derivatives Market

Derivatives Market recorded a segment profit of RM8.5 million in 2Q19, a decrease of 14.7 per cent from RM9.9 million in 1Q19 mainly due to higher revenue earned in 1Q19 from Palm and Lauric Oils Price Outlook Conference & Exhibition ("POC") 2019 which were held in March 2019.

(i) Operating Revenue

Derivatives Market's operating revenue for 2Q19 was RM19.1 million, a decrease of 18.3 per cent from RM23.4 million in 1Q19. Details by revenue category are shown in the chart below:



* Member services and connectivity fee income is below RM0.1 million for 2Q19.

- > Conference fees and exhibition-related income earned in 1Q19 refers to the revenue earned from the POC held in March 2019.

Key operating drivers of the Derivatives Market are as follows:

Key operating drivers	2Q19	1Q19	Changes (%)
FCPO contracts	2,395,910	2,196,842	9.1
FKLI contracts	567,312	502,541	12.9
FPOL contracts	15,598	19	81,994.7
FM70 contracts	87,710	84,619	3.7
Other contracts	11,998	10,188	17.8
Total contracts	3,078,528	2,794,209	10.2
Average daily number of contracts traded	51,309	47,359	8.3
Average number of open interest positions	259,701	243,934	6.5
Number of trading days	60	59	-

(ii) Operating Expenses

Segment expenses decreased by 20.0 per cent to RM11.2 million in 2Q19 mainly due to expenses incurred in 1Q19 for the POC which were held in March 2019.

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

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

Exchange Holding Company

The Exchange Holding Company recorded a lower segment loss of RM3.8 million in 2Q19 compared to RM3.9 million in 1Q19.

Others

This segment is made up of BSAS, bonds and offshore exchange businesses. The segment profit decreased by 11.8 per cent to RM2.1 million in 2Q19 mainly due to lower BSAS trading revenue earned in 2Q19.

Overheads

Overheads increased by 9.9 per cent to RM18.1 million in 2Q19 compared to RM16.5 million in 1Q19 mainly due to higher staff costs and building management expenses in 2Q19.

25. COMMENTARY ON PROSPECTS AND TARGETS

The International Monetary Fund (“IMF”) in its July 2019 report revised its global economic growth projection for 2019 to 3.2% from 3.3%, as the global growth remains subdued. The World Bank in its June 2019 report revised its global economic growth projection for 2019 to 2.6% from 2.9% in January 2019, citing a broad-based weakness observed during the first half of the year, including a further deceleration in investments amid rising trade tensions. The World Bank has also lowered Malaysia’s 2019 gross domestic product (“GDP”) growth forecast to 4.6% from its earlier forecast of 4.7%, due to weaker-than-expected investment and export activity in the first quarter of 2019. Nevertheless, Bank Negara Malaysia maintains its earlier projection for Malaysia’s 2019 GDP growth of between 4.3% to 4.8%, mainly supported by domestic demand after due consideration of the impact of the trade tensions and global growth concerns.

The Securities Market performance in the first half of the year was influenced by both global and domestic developments which centred on concerns of softening global growth, easing of global financing conditions and weaker corporate earnings. Despite the external headwinds, the Securities Market performance for the second half of 2019 is expected to be resilient. The month of June 2019 saw foreign investors turn net buyers in the Securities Markets with the trend continuing into July 2019. In the Derivatives Market, trading and hedging activities will continue to be influenced by volatility in crude palm oil prices and the underlying equities market. The ongoing initiatives to attract new participants currently focused on the Greater China region, are expected to further widen the derivatives trading community. As for the Islamic Capital Market, the Exchange expects to see increased participation by retail and institutional investors on the Bursa Malaysia-*i* platform, through its continuous engagements and marketing efforts. Meanwhile, trading on Bursa Suq Al-Sila’ (“BSAS”) is expected to sustain its strong performance through expansion of its global reach and onboarding of new domestic non-bank participants onto its platform.

The Exchange will continue to expand and strengthen its products and services offerings to drive trading activities, as well as attract new investors and participants into our markets. On 11 June 2019, the Exchange launched Bursa Anywhere, the first-of-its-kind mobile depository services in ASEAN and second only in Asia, that allows individual investors to access CDS-related services on their smartphones anytime and anywhere. Additional services will be provided progressively through Bursa Anywhere to enhance investors’ experience on the Exchange.

Considering the challenging environment and barring any unforeseen circumstances, the Exchange expects to maintain a sustained performance in the second half of the year.

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

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

26. INCOME TAX EXPENSE

	Quarter Ended			Year-To-Date Ended		
	30.06.2019 RM'000	30.06.2018 RM'000	Changes %	30.06.2019 RM'000	30.06.2018 RM'000	Changes %
Income tax	16,550	21,434	(22.8)	33,690	43,151	(21.9)
Deferred tax	(669)	(1,394)	(52.0)	(1,651)	(1,108)	49.0
Total income tax expense	15,881	20,040	(20.8)	32,039	42,043	(23.8)

Income tax is calculated at the Malaysian statutory tax rate of 24% of the estimated assessable profit for the current and previous corresponding periods.

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

27. TRADE RECEIVABLES

	As at 30.06.2019 RM'000	As at 31.12.2018 RM'000
Trade receivables	43,745	40,345
Less: Allowance for impairment loss	(2,156)	(1,745)
	41,589	38,600

The ageing analysis of the Group's trade receivables is as follows:

	As at 30.06.2019 RM'000	As at 31.12.2018 RM'000
Not past due and not credit impaired	31,570	33,103
Past due and not credit impaired:		
< 30 days	4,333	2,779
31 - 60 days	2,267	2,032
61 - 90 days	483	279
91 - 180 days	3,125	413
> 181 days	616	598
Credit impaired	1,351	1,141
Trade receivables (gross)	43,745	40,345
Less: Allowance for impairment loss	(2,156)	(1,745)
	41,589	38,600

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

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

28. CORPORATE PROPOSAL

There was no corporate proposal announced but not completed as at the reporting date.

29. BORROWINGS AND DEBT SECURITIES

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

30. CHANGES IN MATERIAL LITIGATION

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

31. DIVIDEND PAYABLE

Details of the dividends under the single-tier system approved and declared by the Board of Directors ("Board") are as follows:

	30.06.2019	30.06.2018
Interim and special dividends		
Interim/First interim dividend per share	10.4 sen	14.0 sen
Special dividend per share	-	8.0 sen
Total dividend per share	10.4 sen	22.0 sen
For financial year ending/ended	31 December 2019	31 December 2018
Approved and declared on	1 August 2019	30 July 2018
Entitlement to dividends based on record of depositors as at	19 August 2019	16 August 2018
Date payable	30 August 2019	29 August 2018

32. EARNINGS PER SHARE ("EPS")

(a) Basic EPS

	Quarter Ended		Year-To-Date Ended	
	30.06.2019	30.06.2018	30.06.2019	30.06.2018
Profit attributable to the owners of the Company (RM'000)	46,339	58,214	93,194	121,995
Weighted average number of ordinary shares in issue ('000)	807,475	806,251	807,475	806,251
Basic EPS (sen)	5.7	7.2	11.5	15.1

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

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

(b) Diluted EPS

	Quarter Ended		Year-To-Date Ended	
	30.06.2019	30.06.2018	30.06.2019	30.06.2018
Profit attributable to the owners of the Company (RM'000)	46,339	58,214	93,194	121,995
Weighted average number of ordinary shares in issue ('000)	807,475	806,251	807,475	806,251
Effects of dilution of share grants ('000)	2,002	3,540	2,002	3,050
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	809,477	809,791	809,477	809,301
Diluted EPS (sen)	5.7	7.2	11.5	15.1

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

Net assets per share as at 30 June 2019 stood at RM1.10, an increase of 1.9% compared to RM1.08 as at 31 December 2018 mainly due to higher fair value of quoted shares (outside Malaysia) as at 30 June 2019 compared to 31 December 2018.

34. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements for the financial year ended 31 December 2018 was unmodified.

35. REVIEW BY EXTERNAL AUDITORS

The Board had engaged the external auditors to review and report on the Condensed Report of Bursa Malaysia Berhad for the quarter and year-to-date ended 30 June 2019 in accordance with the International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity".

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

36. AUTHORISED FOR ISSUE

The Condensed Report was authorised for issue by the Board in accordance with a resolution of the Directors on 1 August 2019.