



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

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

26 July 2017

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

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

RM'000	Note	3 months ended		6 months ended	
		30.06.2017	30.06.2016	30.06.2017	30.06.2016
		Reviewed	Reviewed	Reviewed	Reviewed
Operating revenue	8	134,753	122,247	269,432	248,376
Other income	9	7,918	7,471	15,924	15,275
		142,671	129,718	285,356	263,651
Staff costs		(34,477)	(33,294)	(68,457)	(66,589)
Depreciation and amortisation		(6,010)	(6,020)	(12,085)	(12,080)
Other operating expenses	10	(20,597)	(20,967)	(44,364)	(44,952)
Profit from operations		81,587	69,437	160,450	140,030
Finance costs		(133)	-	(267)	-
Profit before tax		81,454	69,437	160,183	140,030
Income tax expense	25	(20,526)	(17,702)	(40,366)	(35,708)
<b>Profit for the period</b>		<b>60,928</b>	<b>51,735</b>	<b>119,817</b>	<b>104,322</b>
<b>Profit attributable to:</b>					
Owners of the Company		59,540	49,475	116,169	99,411
Non-controlling interest		1,388	2,260	3,648	4,911
		60,928	51,735	119,817	104,322
<b>Earnings Per Share ("EPS") attributable to owners of the Company (sen per share):</b>					
Basic EPS	31(a)	11.1	9.2	21.7	18.6
Diluted EPS	31(b)	11.0	9.2	21.6	18.5

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

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

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2017**

RM'000	3 months ended		6 months ended	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016
	Reviewed	Reviewed	Reviewed	Reviewed
Profit for the period	60,928	51,735	119,817	104,322
<b>Other comprehensive income:</b>				
<b>Items that may be subsequently reclassified to profit or loss:</b>				
(Loss)/Gain on foreign currency translation	(99)	62	(144)	(189)
Net fair value changes in unquoted bonds at Fair Value Through Other Comprehensive Income ("FVTOCI")	142	22	222	169
Income tax effects relating to unquoted bonds at FVTOCI	(4)	(16)	(14)	(22)
	39	68	64	(42)
<b>Item that will not be subsequently reclassified to profit or loss:</b>				
Net fair value changes in quoted shares at FVTOCI	4,720	5,321	7,868	902
	4,720	5,321	7,868	902
<b>Total other comprehensive income, net of income tax</b>	<b>4,759</b>	<b>5,389</b>	<b>7,932</b>	<b>860</b>
<b>Total comprehensive income</b>	<b>65,687</b>	<b>57,124</b>	<b>127,749</b>	<b>105,182</b>
<b>Total comprehensive income attributable to:</b>				
Owners of the Company	64,299	54,864	124,101	100,271
Non-controlling interest	1,388	2,260	3,648	4,911
	65,687	57,124	127,749	105,182

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

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

**CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**  
**AS AT 30 JUNE 2017**

RM'000	Note	As at 30.06.2017 Reviewed	As at 31.12.2016 Audited
<b>Assets</b>			
Property, plant and equipment		178,721	183,240
Computer software		42,049	47,107
Right-of-use assets		8,462	-
Goodwill		42,957	42,957
Investment securities		260,477	237,188
Staff loans receivable		3,192	3,525
Deferred tax assets		4,255	4,087
<b>Non-current assets</b>		<b>540,113</b>	<b>518,104</b>
Trade receivables		49,714	43,541
Other receivables		20,303	23,999
Tax recoverable		5,805	2,871
Investment securities		40,029	34,939
Cash for equity margins, derivatives trading margins, security deposits, Securities Borrowing and Lending ("SBL") collaterals and eDividend distributions	13	1,321,360	1,381,059
Cash and bank balances of Clearing Funds	14	125,385	126,213
Cash and bank balances of the Group	15	332,212	305,626
<b>Current assets</b>		<b>1,894,808</b>	<b>1,918,248</b>
<b>Total assets</b>		<b>2,434,921</b>	<b>2,436,352</b>
<b>Equity and liabilities</b>			
Share capital		394,883	268,136
Share premium		-	119,052
Other reserves		164,363	157,843
Retained earnings	26	348,869	323,909
Equity attributable to owners of the Company		908,115	868,940
Non-controlling interest		12,448	18,300
<b>Total equity</b>		<b>920,563</b>	<b>887,240</b>
Retirement benefit obligations		22,624	25,079
Lease liabilities		8,246	-
Deferred grants		2,313	3,092
Deferred tax liabilities		1,917	2,123
<b>Non-current liabilities</b>		<b>35,100</b>	<b>30,294</b>
Trade payables	13	1,304,400	1,378,595
Participants' contributions to Clearing Funds	14	35,385	36,213
Other payables		125,893	100,509
Tax payable		13,580	3,501
<b>Current liabilities</b>		<b>1,479,258</b>	<b>1,518,818</b>
<b>Total liabilities</b>		<b>1,514,358</b>	<b>1,549,112</b>
<b>Total equity and liabilities</b>		<b>2,434,921</b>	<b>2,436,352</b>
<b>Net assets per share attributable to owners of the Company (RM)</b>		<b>1.69</b>	<b>1.62</b>

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

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

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

RM'000	Attributable to owners of the Company							Retained earnings	Total	Non-controlling interest	Total equity
	Share capital	Share premium	Capital redemption reserve	Foreign currency translation reserve	Share grant reserve	Clearing fund reserves	FVTOCI reserve				
<b>At 1 January 2017</b>	268,136	119,052	5,250	860	8,350	30,000	113,383	323,909	868,940	18,300	887,240
Adjustments for effects of Companies Act 2016 (Note a)	124,302	(119,052)	(5,250)	-	-	-	-	-	-	-	-
Profit for the period	-	-	-	-	-	-	-	116,169	116,169	3,648	119,817
Other comprehensive income, net of income tax	-	-	-	(144)	-	-	8,076	-	7,932	-	7,932
Total comprehensive income	-	-	-	(144)	-	-	8,076	116,169	124,101	3,648	127,749
<b>Transactions with owners of the Company:</b>											
Issuance of ordinary shares pursuant to Share Grant Plan ("SGP")	2,445	-	-	-	(2,445)	-	-	-	-	-	-
SGP expense	-	-	-	-	6,283	-	-	-	6,283	-	6,283
Dividend paid (Note 7)	-	-	-	-	-	-	-	(91,209)	(91,209)	-	(91,209)
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	-	(9,500)	(9,500)
Total transactions with owners of the Company	2,445	-	-	-	3,838	-	-	(91,209)	(84,926)	(9,500)	(94,426)
<b>At 30 June 2017</b>	<b>394,883</b>	<b>-</b>	<b>-</b>	<b>716</b>	<b>12,188</b>	<b>30,000</b>	<b>121,459</b>	<b>348,869</b>	<b>908,115</b>	<b>12,448</b>	<b>920,563</b>
<b>At 1 January 2016</b>	267,307	107,443	5,250	710	10,049	30,000	64,041	318,206	803,006	16,010	819,016
Profit for the period	-	-	-	-	-	-	-	99,411	99,411	4,911	104,322
Other comprehensive income, net of income tax	-	-	-	(189)	-	-	1,049	-	860	-	860
Total comprehensive income	-	-	-	(189)	-	-	1,049	99,411	100,271	4,911	105,182
<b>Transactions with owners of the Company:</b>											
Issuance of ordinary shares pursuant to SGP	333	5,002	-	-	(5,335)	-	-	-	-	-	-
SGP expense	-	-	-	-	6,288	-	-	-	6,288	-	6,288
Dividend paid (Note 7)	-	-	-	-	-	-	-	(96,276)	(96,276)	-	(96,276)
Dividend paid to non-controlling interest	-	-	-	-	-	-	-	-	-	(6,750)	(6,750)
Total transactions with owners of the Company	333	5,002	-	-	953	-	-	(96,276)	(89,988)	(6,750)	(96,738)
<b>At 30 June 2016</b>	<b>267,640</b>	<b>112,445</b>	<b>5,250</b>	<b>521</b>	<b>11,002</b>	<b>30,000</b>	<b>65,090</b>	<b>321,341</b>	<b>813,289</b>	<b>14,171</b>	<b>827,460</b>

**Note a**

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

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

**BURSA MALAYSIA BERHAD (30632-P)**  
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**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS**  
**FOR THE YEAR-TO-DATE ENDED 30 JUNE 2017**

RM'000	Note	6 months ended	
		30.06.2017	30.06.2016
		Reviewed	Reviewed
<b>Cash flows from operating activities</b>			
Profit before tax		160,183	140,030
Adjustments for:			
(Accretion of discount)/Amortisation of premium, net		(20)	27
Depreciation and amortisation		12,085	12,080
Dividend income from investment securities	9	(1,543)	(1,326)
Grant income	9	(779)	(569)
Interest income	9	(10,113)	(10,274)
Finance costs		267	-
Net gain on disposal of investment securities	9	(25)	-
Net impairment loss/(reversal of impairment loss) on:			
- Investment securities	10	11	(94)
- Trade and other receivables	10	548	(172)
Retirement benefit obligations		587	660
SGP expense		6,283	6,288
Unrealised (gain)/loss on foreign exchange differences		(318)	528
Operating profit before working capital changes		167,166	147,178
(Decrease)/Increase in receivables		(4,626)	2,137
Increase in other payables		11,549	3,755
Cash generated from operations		174,089	153,070
Staff loans repaid		279	473
Retirement benefits paid		(3,042)	(1,698)
Net tax paid		(33,608)	(35,534)
<b>Net cash from operating activities</b>		<b>137,718</b>	<b>116,311</b>
<b>Cash flows used in investing activities</b>			
Dividends received		745	6,967
Increase in deposits not for short-term funding requirements		(10,367)	(71,724)
Interest received		11,870	11,594
Proceeds from disposal of investment securities		9,740	25,000
Purchases of investment securities		(29,995)	(14,953)
Purchases of property, plant and equipment and computer software		(2,638)	(3,087)
<b>Net cash used in investing activities</b>		<b>(20,645)</b>	<b>(46,203)</b>
<b>Cash flows used in financing activity</b>			
Dividend paid		(91,209)	(96,276)
Dividend paid by a subsidiary to non-controlling interest		(9,500)	(6,750)
<b>Net cash used in financing activity</b>		<b>(100,709)</b>	<b>(103,026)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>		<b>16,364</b>	<b>(32,918)</b>
Effect of exchange rate changes		(145)	(191)
Cash and cash equivalents at beginning of period		214,048	264,058
<b>Cash and cash equivalents at end of period</b>	15	<b>230,267</b>	<b>230,949</b>

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

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

**1. BASIS OF PREPARATION**

These condensed consolidated financial statements ("Condensed Report"), other than for financial instruments and retirement benefit obligations, have been prepared under the historical cost convention. Certain financial instruments are carried at fair value in accordance with Malaysian Financial Reporting Standard ("MFRS") 9 *Financial Instruments* and the retirement benefit obligations include actuarial gains and losses in accordance with MFRS 119 *Employee Benefits*.

This Condensed Report has also been prepared in accordance with the requirements of MFRS 134 *Interim Financial Reporting*, International Accounting Standard ("IAS") 34 *Interim Financial Reporting* and paragraph 9.22 of the Main Market Listing Requirements of Bursa Malaysia Securities Berhad.

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

**2. SIGNIFICANT ACCOUNTING POLICIES**

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

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

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

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

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

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

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

Effective for financial periods beginning on or after 1 January 2018

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

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

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

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

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

Effective for financial periods beginning on or after 1 January 2019

**MFRS 16 Leases**

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

**(a) MFRS 16 Leases**

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

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

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

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

**Note:**

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

Other than the above, the Group elected to apply exemptions for a lease of equipment expiring within 12 months from date of application under the Appendix C, paragraph 10(c) of this Standard. As at 30 June 2017, the lease payments payable for this lease of equipment within the next 12 months and not recognised in the consolidated statement of financial position of the Group is RM51,000.



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

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

**2.2 Standards issued but not yet effective**

As at the date of authorisation of the Condensed Report, the 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* were issued by the Malaysian Accounting Standards Board ("MASB") but the effective dates of these Standards have been deferred and yet to be announced. The Group does not expect any material impact to the financial statements arising from the adoption of these Standards.

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

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

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

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

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

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

**6. DEBT AND EQUITY SECURITIES**

There were no issuances, repurchases and repayments of debt and equity securities during the current quarter and year-to-date ended 30 June 2017 other than the issuance of 250,000 new ordinary shares of RM9.78 each pursuant to the SGP.

**7. DIVIDEND PAID**

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

	<b>30.06.2017</b>	<b>30.06.2016</b>
<b>Final dividend</b>		
For the financial year ended	31 December 2016	31 December 2015
Approved and declared on	29 March 2017	31 March 2016
Date paid	18 April 2017	18 April 2016
Number of ordinary shares on which dividends were paid ('000)	536,522	534,864
Dividend per share (single-tier)	17.0 sen	18.0 sen
Net dividend paid (RM'000)	91,209	96,276

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

**8. OPERATING REVENUE**

RM'000	3 months ended		6 months ended	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016
Clearing fees	58,342	43,950	112,793	89,413
Trade fees	7,731	5,803	14,985	11,746
Others	5,505	5,750	11,005	11,441
<b>Total Securities trading revenue</b>	<b>71,578</b>	<b>55,503</b>	<b>138,783</b>	<b>112,600</b>
Clearing fees	4,409	5,210	9,267	10,162
Trade fees	11,239	13,219	23,661	25,652
Others	3,813	5,156	7,752	10,241
<b>Total Derivatives trading revenue</b>	<b>19,461</b>	<b>23,585</b>	<b>40,680</b>	<b>46,055</b>
Bursa Suq Al-Sila ("BSAS") trading revenue	3,811	4,093	7,775	8,826
Listing and issuer services	15,575	13,716	28,319	27,000
Depository services	10,547	10,245	20,333	19,605
Market data	8,521	9,774	17,096	17,905
Member services and connectivity	5,260	5,275	10,440	10,633
Conference fees and exhibition related income	-	56	6,006	5,752
	<b>43,714</b>	<b>43,159</b>	<b>89,969</b>	<b>89,721</b>
<b>Total operating revenue</b>	<b>134,753</b>	<b>122,247</b>	<b>269,432</b>	<b>248,376</b>

**(a) Disaggregation of revenue**

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

RM'000	Securities Market	Derivatives Market	Exchange Holding Company	Others	Total
<b>3 months ended 30 June 2017</b>					
<b>Major products or services:</b>					
- Securities trading revenue	71,578	-	-	-	71,578
- Derivatives trading revenue	-	19,461	-	-	19,461
- BSAS trading revenue	-	-	-	3,811	3,811
- Listing and issuer services	15,526	-	-	49	15,575
- Depository services	10,547	-	-	-	10,547
- Market data	6,415	2,049	-	57	8,521
- Member services and connectivity	3,380	37	1,805	38	5,260
	<b>107,446</b>	<b>21,547</b>	<b>1,805</b>	<b>3,955</b>	<b>134,753</b>
<b>Timing of revenue recognition:</b>					
- At a point in time	94,779	20,531	-	3,860	119,170
- Over time	12,667	1,016	1,805	95	15,583
	<b>107,446</b>	<b>21,547</b>	<b>1,805</b>	<b>3,955</b>	<b>134,753</b>

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

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

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

RM'000	Securities Market	Derivatives Market	Exchange Holding Company	Others	Total
<b>3 months ended 30 June 2016</b>					
<b>Major products or services:</b>					
- Securities trading revenue	55,503	-	-	-	55,503
- Derivatives trading revenue	-	23,585	-	-	23,585
- BSAS trading revenue	-	-	-	4,093	4,093
- Listing and issuer services	13,672	-	-	44	13,716
- Depository services	10,245	-	-	-	10,245
- Market data	7,619	2,089	-	66	9,774
- Member services and connectivity	3,330	46	1,862	37	5,275
- Conference fees and exhibition related income	-	56	-	-	56
	<b>90,369</b>	<b>25,776</b>	<b>1,862</b>	<b>4,240</b>	<b>122,247</b>
<b>Timing of revenue recognition:</b>					
- At a point in time	77,854	24,746	-	4,155	106,755
- Over time	12,515	1,030	1,862	85	15,492
	<b>90,369</b>	<b>25,776</b>	<b>1,862</b>	<b>4,240</b>	<b>122,247</b>
<b>6 months ended 30 June 2017</b>					
<b>Major products or services:</b>					
- Securities trading revenue	138,783	-	-	-	138,783
- Derivatives trading revenue	-	40,680	-	-	40,680
- BSAS trading revenue	-	-	-	7,775	7,775
- Listing and issuer services	28,241	-	-	78	28,319
- Depository services	20,333	-	-	-	20,333
- Market data	12,851	4,124	-	121	17,096
- Member services and connectivity	6,634	79	3,650	77	10,440
- Conference fees and exhibition related income	-	6,006	-	-	6,006
	<b>206,842</b>	<b>50,889</b>	<b>3,650</b>	<b>8,051</b>	<b>269,432</b>
<b>Timing of revenue recognition:</b>					
- At a point in time	182,197	48,819	-	7,874	238,890
- Over time	24,645	2,070	3,650	177	30,542
	<b>206,842</b>	<b>50,889</b>	<b>3,650</b>	<b>8,051</b>	<b>269,432</b>

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

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

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

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

RM'000	Securities Market	Derivatives Market	Exchange Holding Company	Others	Total
<b>6 months ended 30 June 2016</b>					
<b>Major products or services:</b>					
- Securities trading revenue	112,595	-	-	5	112,600
- Derivatives trading revenue	-	46,055	-	-	46,055
- BSAS trading revenue	-	-	-	8,826	8,826
- Listing and issuer services	26,899	-	-	101	27,000
- Depository services	19,605	-	-	-	19,605
- Market data	13,706	4,082	-	117	17,905
- Member services and connectivity	6,728	84	3,747	74	10,633
- Conference fees and exhibition related income	-	5,752	-	-	5,752
	<b>179,533</b>	<b>55,973</b>	<b>3,747</b>	<b>9,123</b>	<b>248,376</b>
<b>Timing of revenue recognition:</b>					
- At a point in time	155,226	53,988	-	8,957	218,171
- Over time	24,307	1,985	3,747	166	30,205
	<b>179,533</b>	<b>55,973</b>	<b>3,747</b>	<b>9,123</b>	<b>248,376</b>

**9. OTHER INCOME**

RM'000	3 months ended		6 months ended	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016
Interest income from:				
- Investments	5,039	4,949	10,039	10,184
- Others	36	44	74	90
Dividend income	758	645	1,543	1,326
Grant income	303	284	779	569
Net gain on disposal of investment securities	-	-	25	-
Rental income	1,650	1,545	3,311	3,080
Miscellaneous income	132	4	153	26
<b>Total other income</b>	<b>7,918</b>	<b>7,471</b>	<b>15,924</b>	<b>15,275</b>

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

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

**10. OTHER OPERATING EXPENSES**

RM'000	3 months ended		6 months ended	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016
Administrative expenses	1,833	1,757	3,413	3,645
Building management expenses	2,746	2,998	5,438	5,780
Central Depository System ("CDS") consumables	1,039	1,040	1,772	2,240
Marketing and development expenses	1,704	1,919	5,521	6,532
Professional fees	413	2,015	705	2,255
Technology expenses:				
- Information technology maintenance	4,945	3,430	9,792	8,440
- Service fees	6,205	6,151	13,396	11,823
Net loss on foreign exchange differences	71	30	156	684
Net impairment loss/(reversal of impairment loss) on:				
- Investment securities	25	(106)	11	(94)
- Trade and other receivables	(135)	(236)	548	(172)
Miscellaneous expenses	1,751	1,969	3,612	3,819
<b>Total other operating expenses</b>	<b>20,597</b>	<b>20,967</b>	<b>44,364</b>	<b>44,952</b>

**11. SEGMENTAL INFORMATION**

RM'000	Securities Market	Derivatives Market	Exchange Holding Company	Others	Consolidated
<b>RESULTS FOR 3 MONTHS ENDED 30 JUNE 2017</b>					
Operating revenue	107,446	21,547	1,805	3,955	134,753
Other income	3,344	455	4,089	30	7,918
Direct costs	(21,900)	(11,561)	(9,236)	(1,508)	(44,205)
<b>Segment profit/(loss)</b>	<b>88,890</b>	<b>10,441</b>	<b>(3,342)</b>	<b>2,477</b>	<b>98,466</b>
Overheads					(17,012)
<b>Profit/(Loss) before tax</b>	<b>88,890</b>	<b>10,441</b>	<b>(3,342)</b>	<b>2,477</b>	<b>81,454</b>
<b>RESULTS FOR 3 MONTHS ENDED 30 JUNE 2016</b>					
Operating revenue	90,369	25,776	1,862	4,240	122,247
Other income	3,351	509	3,566	45	7,471
Direct costs	(22,739)	(11,589)	(7,304)	(1,507)	(43,139)
<b>Segment profit/(loss)</b>	<b>70,981</b>	<b>14,696</b>	<b>(1,876)</b>	<b>2,778</b>	<b>86,579</b>
Overheads					(17,142)
<b>Profit/(Loss) before tax</b>	<b>70,981</b>	<b>14,696</b>	<b>(1,876)</b>	<b>2,778</b>	<b>69,437</b>

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

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

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

RM'000	Securities Market	Derivatives Market	Exchange Holding Company	Others	Consolidated
<b>RESULTS FOR 6 MONTHS ENDED 30 JUNE 2017</b>					
Operating revenue	206,842	50,889	3,650	8,051	269,432
Other income	6,771	1,131	7,964	58	15,924
Direct costs	(43,937)	(26,684)	(18,098)	(2,935)	(91,654)
<b>Segment profit/(loss)</b>	<b>169,676</b>	<b>25,336</b>	<b>(6,484)</b>	<b>5,174</b>	<b>193,702</b>
Overheads					(33,519)
<b>Profit/(Loss) before tax</b>	<b>169,676</b>	<b>25,336</b>	<b>(6,484)</b>	<b>5,174</b>	<b>160,183</b>
<b>RESULTS FOR 6 MONTHS ENDED 30 JUNE 2016</b>					
Operating revenue	179,533	55,973	3,747	9,123	248,376
Other income	6,933	1,201	7,005	136	15,275
Direct costs	(46,302)	(25,971)	(15,263)	(3,117)	(90,653)
<b>Segment profit/(loss)</b>	<b>140,164</b>	<b>31,203</b>	<b>(4,511)</b>	<b>6,142</b>	<b>172,998</b>
Overheads					(32,968)
<b>Profit/(Loss) before tax</b>	<b>140,164</b>	<b>31,203</b>	<b>(4,511)</b>	<b>6,142</b>	<b>140,030</b>
<b>ASSETS AND LIABILITIES AS AT 30 JUNE 2017</b>					
Assets	414,373	103,888	436,571	23,284	978,116
Clearing Funds	98,425	26,960	-	-	125,385
Cash for equity margins, derivatives trading margins, security deposits, SBL collaterals and eDividend distributions	125,483	1,195,877	-	-	1,321,360
Segment assets	638,281	1,326,725	436,571	23,284	2,424,861
Unallocated corporate assets					10,060
<b>Total assets</b>	<b>638,281</b>	<b>1,326,725</b>	<b>436,571</b>	<b>23,284</b>	<b>2,434,921</b>
Liabilities	54,210	19,192	53,877	14,837	142,116
Participants' contributions to Clearing Funds	13,425	21,960	-	-	35,385
Equity margins, derivatives trading margins, SBL collaterals and eDividend distributions	125,483	1,195,877	-	-	1,321,360
Segment liabilities	193,118	1,237,029	53,877	14,837	1,498,861
Unallocated corporate liabilities					15,497
<b>Total liabilities</b>	<b>193,118</b>	<b>1,237,029</b>	<b>53,877</b>	<b>14,837</b>	<b>1,514,358</b>

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

**12. RELATED PARTY DISCLOSURES**

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

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

<b>RM'000</b>	<b>As at 30.06.2017</b>
Equity margins, derivatives trading margins, security deposits and SBL collaterals, representing trade payables	1,304,400
Cash received for eDividend distributions (included in other payables)	16,960
<b>Total cash for equity margins, derivatives trading margins, security deposits, SBL collaterals and eDividend distributions</b>	<b>1,321,360</b>

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

<b>RM'000</b>	<b>As at 30.06.2017</b>
Collaterals in the form of letters of credit	658,250
Collaterals in the form of shares	501
	<b>658,751</b>

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

<b>RM'000</b>	<b>Participants' contributions</b>	<b>Cash set aside by the Group</b>	<b>As at 30.06.2017</b>
Contributions from Trading Clearing Participants ("TCPs") of Bursa Malaysia Securities Clearing Sdn Bhd ("BMSC")	13,425	-	13,425
Contribution from BMSC	-	25,000	25,000
Additional cash resources from BMSC	-	60,000	60,000
Clearing Guarantee Fund ("CGF") contributions (Note a)	13,425	85,000	98,425
Contributions from Clearing Participants ("CPs") of Bursa Malaysia Derivatives Clearing Bhd ("BMDC")	21,960	-	21,960
Contribution from BMDC	-	5,000	5,000
Derivatives Clearing Fund ("DCF") contributions (Note b)	21,960	5,000	26,960
<b>Total cash and bank balances of Clearing Funds</b>	<b>35,385</b>	<b>90,000</b>	<b>125,385</b>

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

<b>RM'000</b>	<b>As at 30.06.2017</b>
Cash and bank balances	98,425
Bank guarantees from TCPs of BMSC	4,312
<b>Total CGF</b>	<b>102,737</b>

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

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

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

<b>RM'000</b>	<b>As at 30.06.2017</b>
Cash and bank balances	3,494
Deposits for short-term funding requirements	226,773
Cash and cash equivalents	230,267
Deposits not for short-term funding requirements	101,945
<b>Total cash and bank balances</b>	<b>332,212</b>

Included in the cash and bank balances as at 30 June 2017 is an amount of RM165,000 which has been set aside to meet or secure the claims of creditors pursuant to a High Court order issued in relation to the reduction of capital of the Company on 27 January 2005.

**16. CAPITAL COMMITMENTS**

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

<b>RM'000</b>	<b>Approved and contracted for</b>	<b>Approved but not contracted for</b>
Computers and office automation	3,661	867
Office equipment and renovations	85	-
<b>Total capital commitments</b>	<b>3,746</b>	<b>867</b>

**17. CONTINGENT ASSETS AND LIABILITIES**

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

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

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

**19. OPERATING LEASE ARRANGEMENTS**

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

<b>RM'000</b>	<b>As at 30.06.2017</b>
Not later than 1 year	3,434
Later than 1 year and not later than 2 years	99
<b>Total future minimum lease receivables</b>	<b>3,533</b>



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

**20. FINANCIAL INSTRUMENTS**

**20.1 Classification**

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

RM'000	Financial assets at FVTOCI	Financial assets at amortised cost	Financial liabilities at amortised cost	Total
<b>As at 30 June 2017</b>				
<b>Assets</b>				
Investments securities				
- Quoted shares (outside Malaysia)	205,520	-	-	205,520
- Unquoted bonds	94,986	-	-	94,986
	300,506	-	-	300,506
Staff loans receivable	-	3,761	-	3,761
Trade receivables	-	49,714	-	49,714
Other receivables which are financial assets*	-	12,681	-	12,681
Cash for equity margins, derivatives trading margins, security deposits, SBL collaterals and eDividend distributions	-	1,321,360	-	1,321,360
Cash and bank balances of Clearing Funds	-	125,385	-	125,385
Cash and bank balances of the Group	-	332,212	-	332,212
<b>Total financial assets</b>	<b>300,506</b>	<b>1,845,113</b>	<b>-</b>	<b>2,145,619</b>
<b>Liabilities</b>				
Trade payables	-	-	1,304,400	1,304,400
Participants' contributions to Clearing Funds	-	-	35,385	35,385
Other payables which are financial liabilities**	-	-	51,069	51,069
<b>Total financial liabilities</b>	<b>-</b>	<b>-</b>	<b>1,390,854</b>	<b>1,390,854</b>

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

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

**20.2 Fair Value**

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

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

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

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

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

**20.2 Fair Value (Cont'd.)**

**(a) Financial instruments that are carried at fair value (Cont'd.)**

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

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

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

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

RM'000	Level 1	Level 2	Total
<b>Financial assets at FVTOCI</b>			
Quoted shares (outside Malaysia)	205,520	-	205,520
Unquoted bonds	-	94,986	94,986
	205,520	94,986	300,506

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

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

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

**21. EVENT AFTER THE REPORTING PERIOD**

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

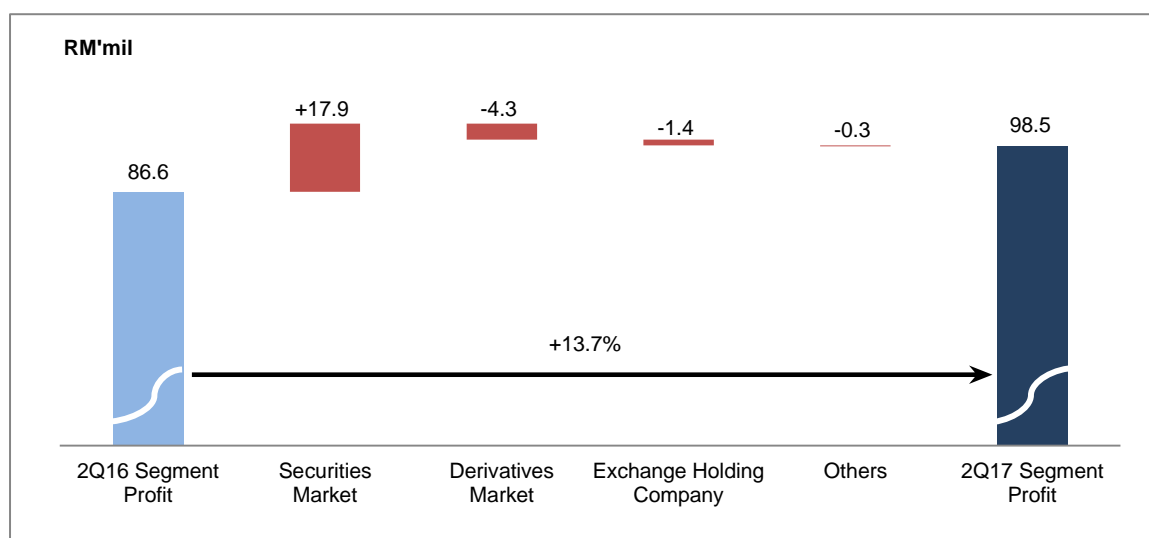
**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

**22. OPERATING SEGMENTS REVIEW**

**(a) 2Q17 vs. 2Q16**

Profit Before Tax ("PBT") for the quarter ended 30 June 2017 ("2Q17") was RM81.5 million, an increase of 17.3 per cent compared to RM69.4 million in the quarter ended 30 June 2016 ("2Q16"). PBT is made up of segment profits less overheads (as depicted in Note 11).

Total segment profit for 2Q17 was RM98.5 million, an increase of 13.7 per cent compared to RM86.6 million in 2Q16. The movements in the segment profits are depicted in the graph below:

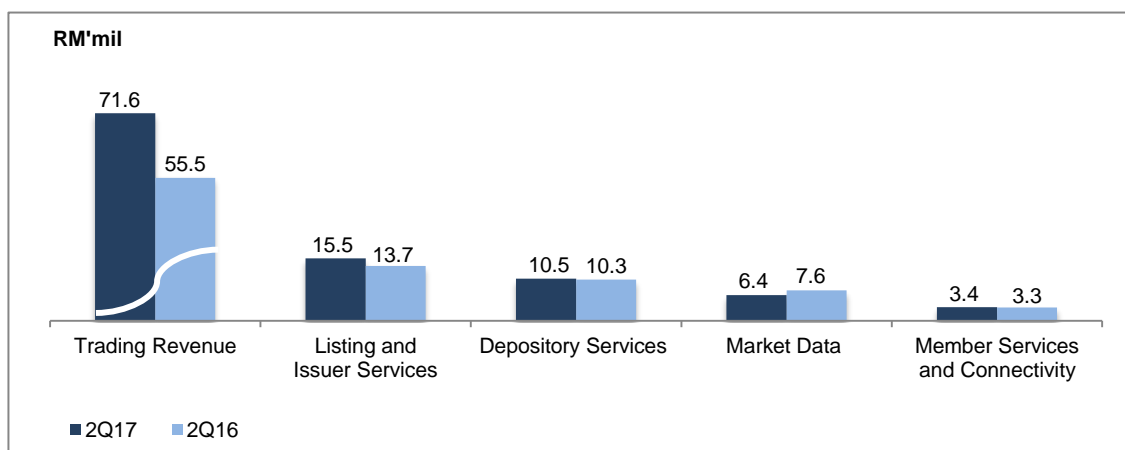


**Securities Market**

The Securities Market recorded a segment profit of RM88.9 million in 2Q17, an increase of 25.2 per cent compared to RM71.0 million in 2Q16 as a result of higher trading revenue.

**(i) Operating Revenue**

The Securities Market operating revenue for 2Q17 was RM107.4 million, representing an increase of 18.9 per cent compared to RM90.4 million in 2Q16. The details by revenue category are shown in the chart below:



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

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

**(a) 2Q17 vs. 2Q16 (Cont'd.)**

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

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

- > Trading revenue increased by 29.0 per cent to RM71.6 million in 2Q17. 2Q17 saw a higher Average Daily trading Value ("ADV") for On-Market Trades ("OMT") and Direct Business Trades ("DBT") of RM2.81 billion compared to RM2.00 billion in 2Q16.
- > Listing and issuer services revenue increased by 13.1 per cent to RM15.5 million in 2Q17. The increase was mainly due to the higher initial and additional listing fees, as well as perusal and processing fees, earned from higher number of Initial Public Offering ("IPOs") and corporate exercises in 2Q17.

Key operating drivers in the Securities Market are as follows:

		<b>2Q17</b>	<b>2Q16</b>	<b>%</b>
FBM KLCI	(points)	1,763.67	1,654.08	7
Average daily trading value (OMT and DBT)	(RM'billion)	2.81	2.00	41
Average daily trading volume (OMT and DBT)	(billion shares)	3.04	1.77	72
Effective clearing fee rate	(basis points)	2.34	2.33	0
Velocity	(per cent)	35	27	30
Number of Initial Public Offerings ("IPOs")		4	3	33
Number of new structured warrant listings		231	141	64
Total funds raised:				
- IPOs	(RM'billion)	2.65	0.23	1,052
- Secondary issues	(RM'billion)	1.62	5.69	(72)
Market capitalisation as at the end of period	(RM'billion)	1,838.18	1,660.34	11
Number of trading days		59	63	(6)

**(ii) Operating Expenses**

Segment expenses decreased by 3.7 per cent to RM21.9 million in 2Q17 mainly due to lower marketing and development expenses.

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

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

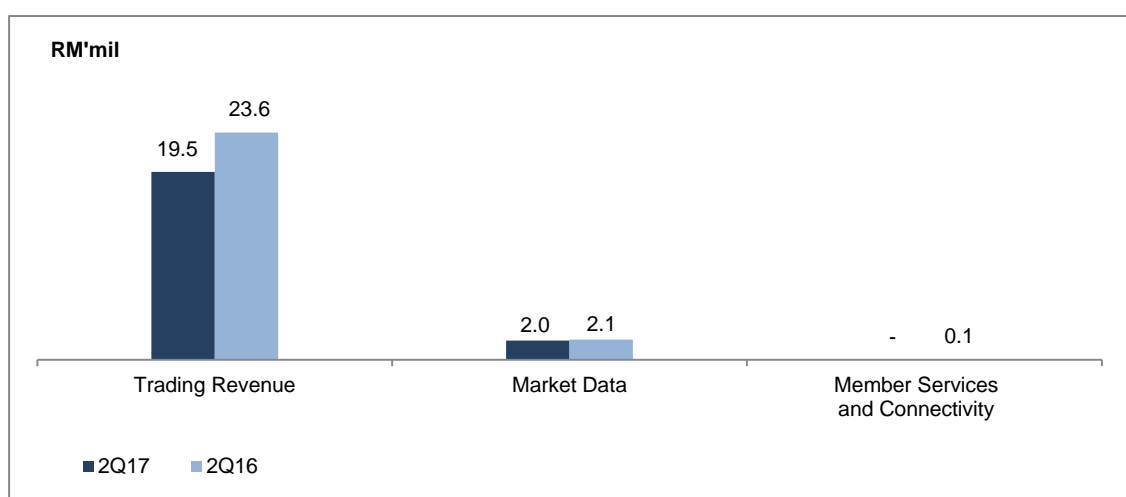
**(a) 2Q17 vs. 2Q16 (Cont'd.)**

**Derivatives Market**

The Derivatives Market recorded a segment profit of RM10.4 million in 2Q17, a decrease of 29.0 per cent from RM14.7 million in 2Q16 as a result of lower trading revenue.

**(i) Operating Revenue**

The Derivatives Market operating revenue for 2Q17 was RM21.5 million, representing a decrease of 16.4 per cent from RM25.8 million in 2Q16, mainly from lower trading revenue as shown in the chart below:



- > Trading revenue decreased by 17.4 per cent to RM19.5 million in 2Q17 as a result of lower number of contracts traded and guarantee fees earned. 3.39 million contracts were traded in 2Q17 compared to 3.88 million contracts in 2Q16.

Key operating drivers in the Derivatives Market are as follows:

	2Q17	2Q16	%
FCPO contracts (million)	2.85	3.17	(10)
FKLI contracts (million)	0.52	0.70	(26)
Other contracts (million)	0.02	0.01	100
Total (million)	3.39	3.88	(13)
Average daily number of contracts traded	57,482	61,611	(7)
Average number of open interest positions	259,986	310,480	(16)
Number of trading days	59	63	(6)

**(ii) Operating Expenses**

Segment expenses were fairly stable at RM11.6 million.

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

22. OPERATING SEGMENTS REVIEW (CONT'D.)

(a) 2Q17 vs. 2Q16 (Cont'd.)

**Exchange Holding Company**

The Exchange Holding Company recorded a higher segment loss of RM3.3 million in 2Q17 compared to RM1.9 million in 2Q16 mainly due to higher staff costs.

**Others**

This segment is made up of BSAS business, bonds trading and offshore exchange. The segment profit decreased by 10.8 per cent to RM2.5 million in 2Q17 mainly due to lower BSAS revenue earned.

**Overheads**

Overheads were fairly stable at RM17 million.

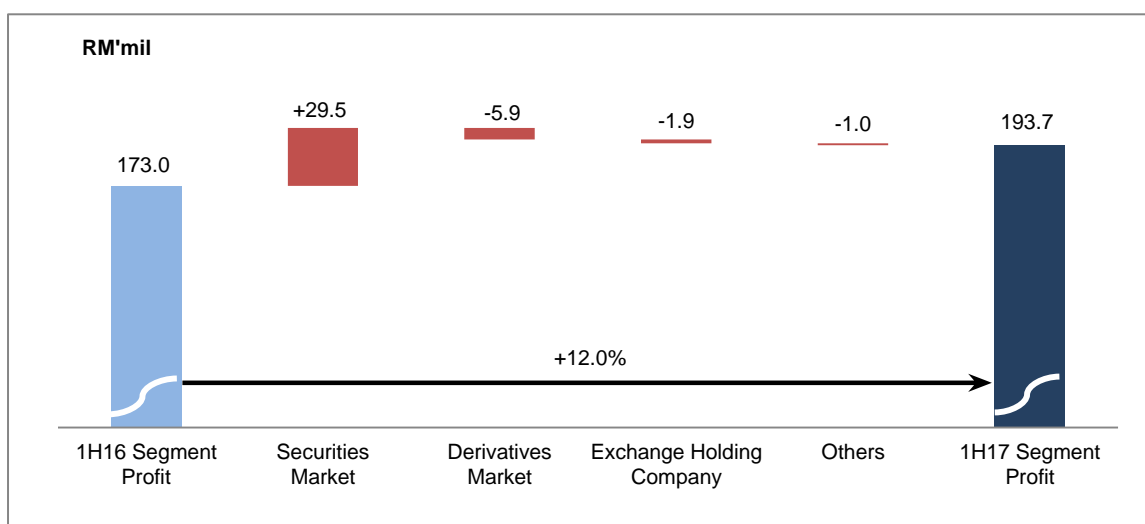
**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

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

**(b) 1H17 vs. 1H16**

PBT for the six months ended 30 June 2017 ("1H17") was RM160.2 million, an increase of 14.4 per cent from RM140.0 million in the six months ended 30 June 2016 ("1H16"). PBT is made up of segment profits less overheads.

Total segment profit for 1H17 was RM193.7 million, an increase of 12.0 per cent from RM173.0 million in 1H16. The movements in the segment profits are depicted in the graph below:

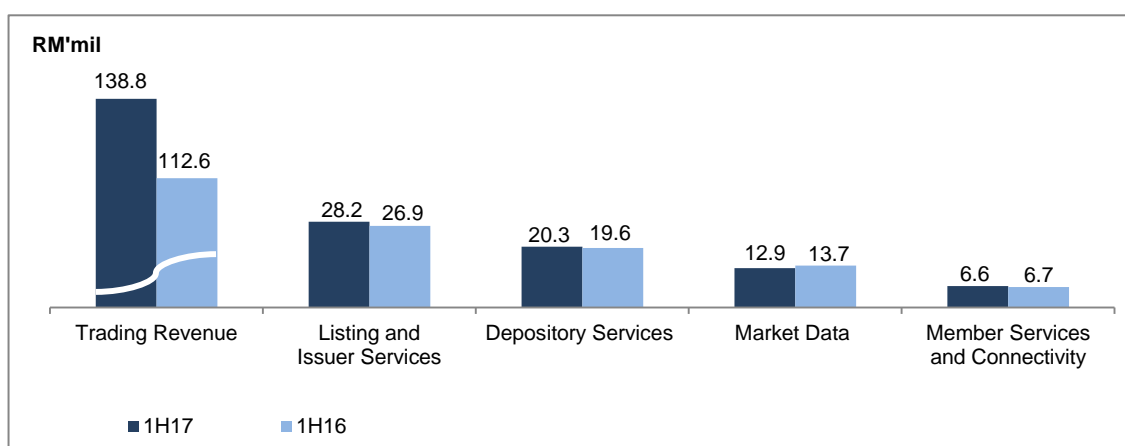


**Securities Market**

The Securities Market recorded a segment profit of RM169.7 million in 1H17, an increase of 21.1 per cent compared to RM140.2 million in 1H16 as a result of higher trading revenue.

**(i) Operating Revenue**

The Securities Market operating revenue for 1H17 was RM206.8 million, representing an increase of 15.2 per cent from RM179.5 million in 1H16. The details by revenue category are shown in the chart below:



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

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

**(b) 1H17 vs. 1H16 (Cont'd.)**

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

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

- > Trading revenue increased by 23.3 per cent to RM138.8 million in 1H17, with a higher ADV for OMT and DBT of RM2.67 billion compared to RM2.03 billion in 1H16.

Key operating drivers in the Securities Market are as follows:

		<b>1H17</b>	<b>1H16</b>	<b>%</b>
FBM KLCI	(points)	1,763.67	1,654.08	7
Average daily trading value (OMT and DBT)	(RM'billion)	2.67	2.03	32
Average daily trading volume (OMT and DBT)	(billion shares)	2.91	1.82	60
Effective clearing fee rate	(basis points)	2.33	2.35	(1)
Velocity	(per cent)	35	28	25
Number of IPOs		8	5	60
Number of new structured warrant listings		399	316	26
Total funds raised:				
- IPOs	(RM'billion)	3.52	0.40	780
- Secondary issues	(RM'billion)	4.97	7.00	(29)
Market capitalisation as at the end of period	(RM'billion)	1,838.18	1,660.34	11
Number of trading days		120	123	(2)

**(ii) Operating Expenses**

Segment expenses decreased by 5.1 per cent to RM43.9 million in 1H17 mainly due to lower staff costs, CDS consumables and marketing and development expenses.



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

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

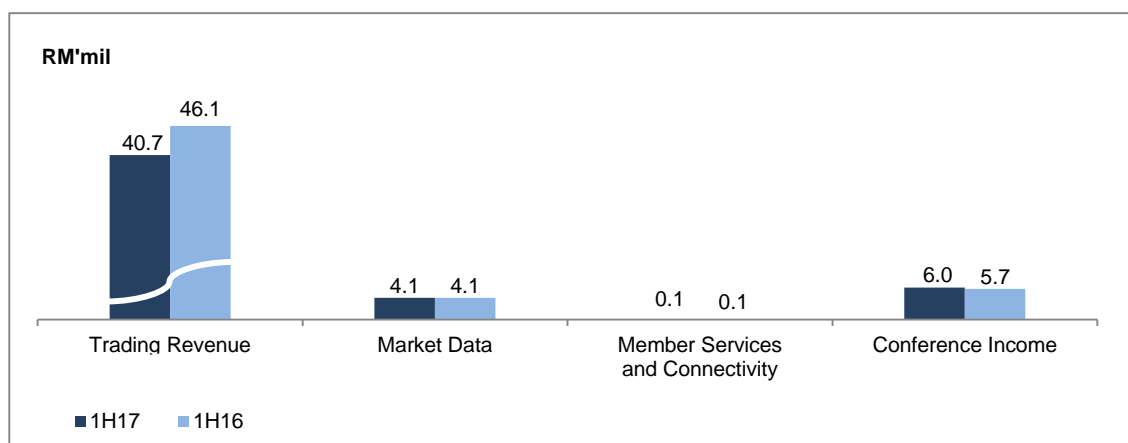
**(b) 1H17 vs. 1H16 (Cont'd.)**

**Derivatives Market**

The Derivatives Market recorded a segment profit of RM25.3 million in 1H17, a decrease of 18.8 per cent compared to RM31.2 million in 1H16.

**(i) Operating Revenue**

The Derivatives Market operating revenue for 1H17 was at RM50.9 million, representing a decrease of 9.1 per cent compared to RM56.0 million in 1H16. The decrease mainly arose from trading revenue, as shown in the chart below:



- > Trading revenue decreased by 11.7 per cent to RM40.7 million in 1H17 as a result of lower number of contracts traded and guarantee fees earned. 7.18 million contracts were traded in 1H17 compared to 7.35 million contracts in 1H16.

Key operating drivers in the Derivatives Market are as follows:

		1H17	1H16	%
FCPO contracts	(million)	6.06	5.84	4
FKLI contracts	(million)	1.09	1.48	(26)
Other contracts	(million)	0.03	0.03	-
Total	(million)	7.18	7.35	(2)
Average daily number of contracts traded		59,818	59,790	0
Average number of open interest position		251,335	285,023	(12)
Number of trading days		120	123	(2)

**(ii) Operating Expenses**

Segment expenses increased by 2.7 per cent to RM26.7 million in 1H17 mainly due to higher service fee incurred.

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

**(b) 1H17 vs. 1H16 (Cont'd.)**

**Exchange Holding Company**

The Exchange Holding Company recorded a higher segment loss of RM6.4 million in 1H17 compared to RM4.5 million in 1H16 mainly due to higher staff costs.

**Others**

This segment is made up of BSAS business, bonds trading and offshore exchange. The segment profit decreased by 15.8 per cent to RM5.1 million in 1H17 mainly due to lower BSAS revenue earned.

**Overheads**

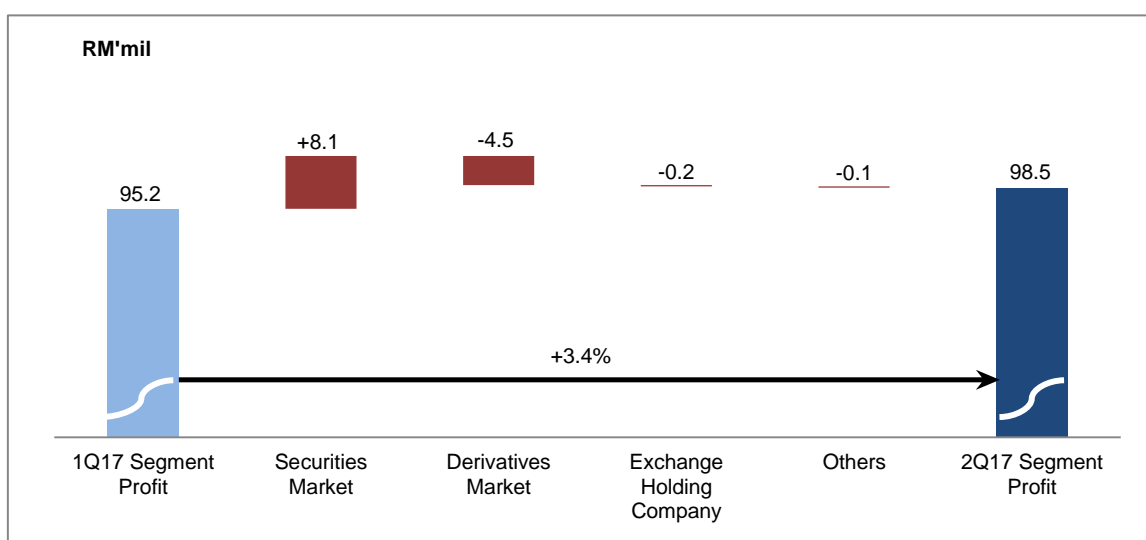
Overheads increased marginally by 1.7 per cent to RM33.5 million in 1H17 compared to RM33.0 million in 1H16 due to higher staff costs.

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

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

PBT for 2Q17 was RM81.5 million, an increase of 3.5 per cent from RM78.7 million in the quarter ended 31 March 2017 ("1Q17"). PBT is made up of segment profits less overheads.

Total segment profit for 2Q17 was RM98.5 million, an increase of 3.4 per cent from RM95.2 million in 1Q17. The quarter on quarter movements in the segment profits are depicted in the graph below:

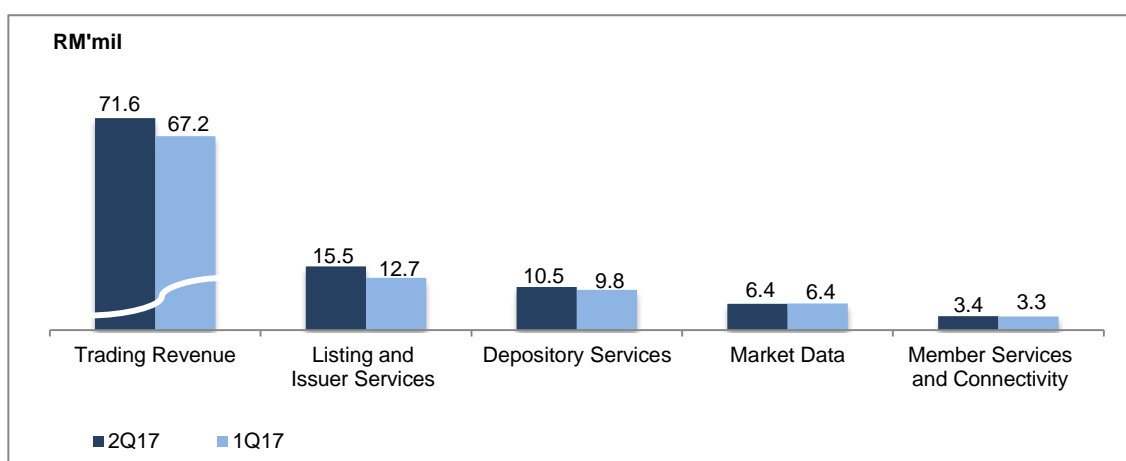


**Securities Market**

The Securities Market recorded a segment profit of RM88.9 million in 2Q17, an increase of 10.0 per cent compared to RM80.8 million in 1Q17 as a result of higher trading revenue.

**(i) Operating Revenue**

The Securities Market operating revenue for 2Q17 was RM107.4 million, representing an increase of 8.1 per cent compared to RM99.4 million in 1Q17. The details by revenue category are shown in the chart below:



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

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

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

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

- > Trading revenue increased by 6.5 per cent to RM71.6 million in 2Q17, following a higher ADV for OMT and DBT in 2Q17 of RM2.81 billion compared to RM2.54 billion in 1Q17.
- > Listing and issuer services revenue increased by 22.0 per cent to RM15.5 million in 2Q17 mainly due to higher initial and additional listing fees, as well as perusal and processing fees, earned from larger IPOs and higher number of corporate exercises.

Key operating drivers in the Securities Market are as follows:

		<b>2Q17</b>	<b>1Q17</b>	<b>%</b>
FBM KLCI	(points)	1,763.67	1,740.09	1
Average daily trading value (OMT and DBT)	(RM'billion)	2.81	2.54	11
Average daily trading volume (OMT and DBT)	(billion shares)	3.04	2.79	9
Effective clearing fee rate	(basis points)	2.34	2.32	1
Velocity	(per cent)	35	34	3
Number of IPOs		4	4	-
Number of new structured warrant listings		231	168	38
Total funds raised:				
- IPOs	(RM'billion)	2.65	0.87	205
- Secondary issues	(RM'billion)	1.62	3.35	(52)
Market capitalisation as at the end of period	(RM'billion)	1,838.18	1,801.30	2
Number of trading days		59	61	(3)

**(ii) Operating Expenses**

Segment expenses were fairly stable at RM22 million.

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

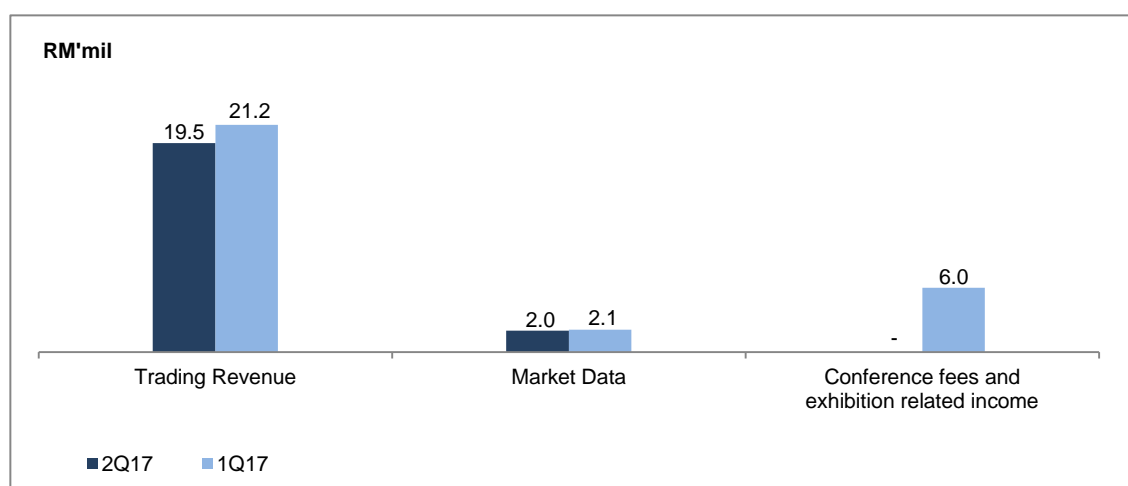
**23. MATERIAL CHANGE IN PERFORMANCE OF OPERATING SEGMENTS OF CURRENT QUARTER COMPARED WITH PRECEDING QUARTER (CONT'D.)**

**Derivatives Market**

The Derivatives Market recorded a segment profit of RM10.4 million for 1Q17, a decrease of 29.9 per cent from RM14.9 million in 1Q17 due to the conference fees and exhibition related income earned in 1Q17.

**(i) Operating Revenue**

The Derivatives Market operating revenue for 2Q17 was RM21.5 million, representing a decrease of 26.6 per cent from RM29.3 million in 1Q17. The decrease was mainly from the conference fees and exhibition related income, as shown in the chart below:



- > Trading revenue decreased by 8.0 per cent to RM19.5 million in 2Q17 as a result of lower number of contracts traded. 3.39 million contracts were traded in 2Q17 compared to 3.79 million contracts in 1Q17.

Key operating drivers in the Derivatives Market are as follows:

		2Q17	1Q17	%
FCPO contracts	(million)	2.85	3.21	(11)
FKLI contracts	(million)	0.52	0.57	(9)
Other contracts	(million)	0.02	0.01	100
Total	(million)	3.39	3.79	(11)
Average daily number of contracts traded		57,482	62,076	(7)
Average number of open interest positions		259,986	242,684	7
Number of trading days		59	61	(3)

**(ii) Operating Expenses**

Segment expenses decreased by 23.6 per cent to RM11.6 million in 2Q17 mainly due to conference expenses incurred in 1Q17.

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

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

**Exchange Holding Company**

The Exchange Holding Company recorded a higher segment loss of RM3.3 million in 2Q17 compared to RM3.1 million in 1Q17.

**Others**

This segment is made up of BSAS business, bonds trading and offshore exchange. The segment profit decreased by 8.2 per cent to RM2.5 million in 2Q17 compared to RM2.6 million in 1Q17 mainly due to lower BSAS revenue earned.

**Overheads**

Overheads increased by 3.1 per cent to RM17.0 million in 2Q17 compared to RM16.5 million in 1Q17 mainly due to higher staff costs.

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

The World Bank in its June 2017 report, maintained global growth projection for 2017 to be at 2.7%. The International Monetary Fund, while maintaining its growth forecasts for the world economy at 3.5% in its July 2017 report, upgraded its 2017 growth forecast for Malaysia to 4.8% from 4.5%. Bank Negara Malaysia meanwhile has maintained its projection of the country's economic growth for 2017 at 4.3% - 4.8% although the country's economic growth for the first quarter of 2017 was at 5.6% which was supported by strong domestic demand and private expenditure.

The Securities Market trading activities for the first half of 2017 registered strong Average Daily Trading Value. The performance in the Securities Market is forecasted to continue its momentum with the expected improvements in the global as well as domestic economic conditions. In the Derivatives Market, improved oil palm fruit harvest and volatility in the FBMKLCI will continue to underpin trading and hedging of FCPO and FKLI contracts respectively. Meanwhile, Bursa Suq Al-Sila' continues to show progress with new participants from financial institutions in Africa, Central Asia and South America. Bursa Malaysia will continue with its efforts to expand its niche in these regions and globally. Bursa Malaysia-i, as the world's first fully integrated end-to-end Shariah-compliant investing platform, will further intensify its efforts to promote Shariah investing and to focus on forging collaborations with capital market participants to spur the growth and vibrancy of the Islamic Capital Market domestically and regionally.

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

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

**25. INCOME TAX EXPENSE**

RM'000	3 months ended		6 months ended	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016
Income tax	21,347	18,362	40,754	36,559
Deferred tax	(821)	(660)	(388)	(851)
<b>Total income tax expense</b>	<b>20,526</b>	<b>17,702</b>	<b>40,366</b>	<b>35,708</b>

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

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

**26. RETAINED EARNINGS**

RM'000	As at 30.06.2017	As at 31.12.2016
Realised	372,724	345,279
Unrealised	2,823	2,238
	375,547	347,517
Consolidation adjustments	(26,678)	(23,608)
<b>Total retained earnings</b>	<b>348,869</b>	<b>323,909</b>

**27. CORPORATE PROPOSALS**

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

**28. BORROWINGS AND DEBT SECURITIES**

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

**29. CHANGES IN MATERIAL LITIGATION**

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



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

**30. PROPOSED DIVIDENDS**

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

	30.06.2017	30.06.2016
<b>Interim and special dividends</b>		
For financial year ending/ended	31 December 2017	31 December 2016
Interim dividend per share	20.0 sen	17.0 sen
Special dividend per share*	15.0 sen	-
Approved and declared on	26 July 2017	25 July 2016
Entitlement to dividends based on		
record of Depositors as at	10 August 2017	9 August 2016
Date payable	23 August 2017	19 August 2016

\* This special dividend is being proposed due to the cash surplus to the requirements in the Group.

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

**(a) Basic EPS**

	3 months ended		6 months ended	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016
Profit attributable to the owners of the Company (RM'000)	59,540	49,475	116,169	99,411
Weighted average number of ordinary shares in issue ('000)	536,517	535,157	536,395	534,886
<b>Basic EPS (sen)</b>	<b>11.1</b>	<b>9.2</b>	<b>21.7</b>	<b>18.6</b>

**(b) Diluted EPS**

	3 months ended		6 months ended	
	30.06.2017	30.06.2016	30.06.2017	30.06.2016
Profit attributable to owners of the Company (RM'000)	59,540	49,475	116,169	99,411
Weighted average number of ordinary shares in issue ('000)	536,517	535,157	536,395	534,886
Effect of dilution ('000)	2,405	2,454	2,402	2,598
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	538,922	537,611	538,797	537,484
<b>Diluted EPS (sen)</b>	<b>11.0</b>	<b>9.2</b>	<b>21.6</b>	<b>18.5</b>

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

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

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

**33. REVIEW BY EXTERNAL AUDITORS**

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

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

**34. AUTHORISED FOR ISSUE**

The Condensed Report was authorised for issue by the Board in accordance with a resolution of the Directors on 26 July 2017.