



BURSA MALAYSIA BERHAD
Registration No. 197601004668 (30632-P)
(Incorporated in Malaysia)

**CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2020**

28 July 2020

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2020**

	Note	Quarter Ended			Year-To-Date Ended		
		30.06.2020	30.06.2019	Changes	30.06.2020	30.06.2019	Changes
		RM'000	RM'000	%	RM'000	RM'000	%
		(Reviewed)	(Reviewed)		(Reviewed)	(Reviewed)	
Operating revenue	8	175,195	118,558	47.8	320,728	239,998	33.6
Other income	9	4,582	5,402	(15.2)	9,803	10,490	(6.5)
		179,777	123,960	45.0	330,531	250,488	32.0
Staff costs		(35,892)	(35,089)	2.3	(70,043)	(68,605)	2.1
Depreciation and amortisation		(5,291)	(5,143)	2.9	(10,853)	(10,221)	6.2
Other operating expenses	10	(22,408)	(20,321)	10.3	(46,195)	(43,749)	5.6
Profit from operations		116,186	63,407	83.2	203,440	127,913	59.0
Finance costs		(134)	(134)	-	(267)	(267)	-
Profit before tax		116,052	63,273	83.4	203,173	127,646	59.2
Income tax expense	26	(29,825)	(15,881)	87.8	(52,215)	(32,039)	63.0
Profit for the period		86,227	47,392	81.9	150,958	95,607	57.9
Profit attributable to:							
Owners of the Company		86,227	46,339	86.1	150,958	93,194	62.0
Non-controlling interest		-	1,053	(100.0)	-	2,413	(100.0)
		86,227	47,392	81.9	150,958	95,607	57.9

	Note	Quarter Ended		Year-To-Date Ended	
		30.06.2020	30.06.2019	30.06.2020	30.06.2019
		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)	10.7	5.7	18.7	11.5
Diluted EPS	32(b)	10.7	5.7	18.7	11.5

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 2019 and the accompanying explanatory notes attached to these interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 JUNE 2020**

	Quarter Ended			Year-To-Date Ended		
	30.06.2020	30.06.2019	Changes	30.06.2020	30.06.2019	Changes
	RM'000	RM'000	%	RM'000	RM'000	%
	(Reviewed)	(Reviewed)		(Reviewed)	(Reviewed)	
Profit for the period	86,227	47,392	81.9	150,958	95,607	57.9
Other comprehensive income:						
Items that may be subsequently reclassified to profit or loss:						
(Loss)/Gain on foreign currency translation	(39)	56	(169.6)	161	(1)	(16,200.0)
Net fair value changes in unquoted bonds at fair value through other comprehensive income ("FVTOCI")	411	368	11.7	402	568	(29.2)
Income tax effects relating to unquoted bonds at FVTOCI	(110)	(87)	26.4	(108)	(132)	(18.2)
	262	337	(22.3)	455	435	4.6
Item that will not be subsequently reclassified to profit or loss:						
Net fair value changes in quoted shares at FVTOCI	(10,021)	50,767	(119.7)	(24,164)	9,325	(359.1)
	(10,021)	50,767	(119.7)	(24,164)	9,325	(359.1)
Total other comprehensive income, net of income tax	(9,759)	51,104	(119.1)	(23,709)	9,760	(342.9)
Total comprehensive income	76,468	98,496	(22.4)	127,249	105,367	20.8
Total comprehensive income attributable to:						
Owners of the Company	76,468	97,443	(21.5)	127,249	102,954	23.6
Non-controlling interest	-	1,053	(100.0)	-	2,413	(100.0)
	76,468	98,496	(22.4)	127,249	105,367	20.8

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 2019 and the accompanying explanatory notes attached to these interim financial statements.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2020

	Note	As at 30.06.2020 RM'000 (Reviewed)	As at 31.12.2019 RM'000 (Audited)
Assets			
Property, plant and equipment		161,240	166,950
Computer software		34,983	39,942
Right-of-use assets		8,129	8,185
Goodwill		42,957	42,957
Investment securities		173,901	197,558
Staff loans receivable		1,559	1,790
Deferred tax assets		13,027	9,504
Non-current assets		435,796	466,886
Trade receivables	27	81,239	42,260
Other receivables		13,764	18,014
Tax recoverable		881	6,966
Investment securities		-	10,052
Cash for equity margins, derivatives trading margins, security deposits and eDividend distributions	13	1,607,546	1,395,899
Cash and bank balances of Clearing Funds	14	148,919	129,204
Cash and bank balances of the Group	15	347,249	251,759
Current assets		2,199,598	1,854,154
Total assets		2,635,394	2,321,040
Equity and liabilities			
Share capital		430,395	430,395
Other reserves		127,122	150,044
Retained earnings		247,200	180,326
Total equity		804,717	760,765
Retirement benefit obligations		16,105	17,945
Deferred income		2,762	3,050
Lease liabilities		7,710	7,461
Deferred tax liabilities		889	1,043
Non-current liabilities		27,466	29,499
Trade payables	13	1,607,513	1,395,877
Participants' contributions to Clearing Funds	14	53,919	39,204
Other payables		121,127	93,506
Lease liabilities		523	505
Tax payable		20,129	1,684
Current liabilities		1,803,211	1,530,776
Total liabilities		1,830,677	1,560,275
Total equity and liabilities		2,635,394	2,321,040
		RM	RM
Net assets per share attributable to owners of the Company	33	1.00	0.94

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 2019 and the accompanying explanatory notes attached to these interim financial statements.

BURSA MALAYSIA BERHAD

Registration No. 197601004668 (30632-P)

**CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR-TO-DATE ENDED 30 JUNE 2020**

	←----- Attributable to owners of the Company ----->								
	←----- 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	Total RM'000	Non- controlling interest RM'000	Total equity RM'000
At 1 January 2020	430,395	566	4,133	30,000	115,345	180,326	760,765	-	760,765
Profit for the period	-	-	-	-	-	150,958	150,958	-	150,958
Other comprehensive income, net of income tax	-	161	-	-	(23,870)	-	(23,709)	-	(23,709)
Total comprehensive income	-	161	-	-	(23,870)	150,958	127,249	-	127,249
Transactions with owners:									
Share grant plan ("SGP") expense	-	-	787	-	-	-	787	-	787
Dividend paid to owners of the Company (Note 7)	-	-	-	-	-	(84,084)	(84,084)	-	(84,084)
Total transactions with owners	-	-	787	-	-	(84,084)	(83,297)	-	(83,297)
At 30 June 2020	430,395	727	4,920	30,000	91,475	247,200	804,717	-	804,717
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:									
SGP expense	-	-	2,539	-	-	-	2,539	-	2,539
Dividend 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

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 2019 and the accompanying explanatory notes attached to these interim financial statements.

**CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
FOR THE YEAR-TO-DATE ENDED 30 JUNE 2020**

	Note	Year-To-Date Ended	
		30.06.2020 RM'000 (Reviewed)	30.06.2019 RM'000 (Reviewed)
Cash flows from operating activities			
Profit before tax		203,173	127,646
Adjustments for:			
Amortisation of premium/(Accretion of discount), net		1	(1)
Depreciation and amortisation		10,853	10,221
Dividend income from investment securities	9	(944)	(1,655)
Grant income	9	(613)	(373)
Interest expense on lease liabilities		267	267
Interest and profit income	9	(7,474)	(7,941)
Net loss on disposals of motor vehicles	9	-	278
Net (reversal of impairment loss)/impairment loss on:			
- investment securities	10	(54)	(52)
- trade and other receivables	10	2,080	361
Retirement benefit obligations		326	420
SGP expense		787	2,539
Unrealised loss on foreign exchange differences		55	23
Operating profit before working capital changes		208,457	131,733
Increase in receivables		(38,765)	(991)
Increase in other payables		32,503	3,603
Cash generated from operations		202,195	134,345
Repayment of staff loans, net of disbursements		260	266
Retirement benefits paid		(2,166)	(198)
Net tax paid		(31,470)	(40,079)
Net cash from operating activities		168,819	94,334
Cash flows from investing activities			
Dividends received		2,234	3,505
Increase in deposits not for short-term funding requirements		(87,781)	(6,773)
Interest and profit income received		8,112	8,716
Proceeds from disposals of:			
- investment securities		10,000	19,947
- motor vehicles		-	245
Purchases of:			
- investment securities		-	(10,011)
- property, plant and equipment and computer software		(4,793)	(8,101)
Net cash (used in)/from investing activities		(72,228)	7,528
Cash flows from financing activities			
Additional cash resource to Clearing Fund	14(a)	(5,000)	-
Dividend paid to owners of the Company	7	(84,084)	(93,667)
Net cash used in financing activities		(89,084)	(93,667)
Net increase in cash and cash equivalents		7,507	8,195
Effects of exchange rate changes		202	(1)
Cash and cash equivalents at beginning of period		185,491	167,960
Cash and cash equivalents at end of period	15	193,200	176,154

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 2019 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 2019. The explanatory notes attached to this 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 2019.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Adoption of Amendments to Standards

The accounting standards 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 2019, except for the following:

Effective for financial periods beginning on or after 1 January 2020

Amendments to MFRS 3 Business Combinations - *Definition of a Business*
Amendments to MFRS 7 Financial Instruments: Disclosures, MFRS 9 Financial Instruments and MFRS 139 Financial Instruments: Recognition and Measurement - *Interest Rate Benchmark Reform*
Amendments to MFRS 101 Presentation of Financial Statements and MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors - *Definition of Material*

2.2 Standards issued but not yet effective

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.

Effective for financial periods beginning on or after 1 June 2020

Amendments to MFRS 16 Leases - Covid-19 - *Related Rent Concessions*

Effective for financial periods beginning on or after 1 January 2021

MFRS 17 Insurance Contracts

Effective for financial periods beginning on or after 1 January 2022

Amendments to MFRS 3 Business Combinations - *Reference to the Conceptual Framework*
Amendments to MFRS 101 Presentation of Financial Statements - *Classification of Liabilities as Current or Non-current*
Amendments to MFRS 116 Property, Plant and Equipment - *Proceeds before Intended Use*

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

2.2 Standards issued but not yet effective (cont'd)

Effective for financial periods beginning on or after 1 January 2022 (cont'd)

Amendments to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets - *Onerous Contracts - Cost of Fulfilling a Contract*

Annual Improvements to MFRS Standards 2018-2020:

- Amendment to MFRS 1 First-time Adoption of Malaysian Financial Reporting Standards
- Amendment to MFRS 9 Financial Instruments
- Amendment to MFRS 141 Agriculture

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*

The above pronouncements are either not relevant or do not have any impact on the financial statements of the Group.

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 2020.

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 2020.

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 2020.

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

7. DIVIDEND PAID

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

	30.06.2020	30.06.2019
Final/Second interim dividend		
Dividend per share (single-tier)	10.4 sen	11.6 sen
For the financial year ended	31 December 2019	31 December 2018
Approved and declared on	30 January 2020	30 January 2019
Date paid	28 February 2020	28 February 2019
Number of ordinary shares on which dividend was paid ('000)	808,503	807,475
Net dividend paid (RM'000)	84,084	93,667

8. OPERATING REVENUE

	Quarter Ended			Year-To-Date Ended		
	30.06.2020 RM'000	30.06.2019 RM'000	Changes %	30.06.2020 RM'000	30.06.2019 RM'000	Changes %
Trade fees	11,086	6,011	84.4	18,223	12,042	51.3
Clearing fees	92,762	46,688	98.7	156,540	93,771	66.9
Others	6,277	6,077	3.3	13,414	11,989	11.9
Total Securities trading revenue	110,125	58,776	87.4	188,177	117,802	59.7
Trade fees	12,723	9,716	30.9	28,906	18,501	56.2
Clearing fees	5,403	4,078	32.5	12,424	7,968	55.9
Others	3,131	3,121	0.3	6,671	6,800	(1.9)
Total Derivatives trading revenue	21,257	16,915	25.7	48,001	33,269	44.3
Bursa Suq Al-Sila ("BSAS") trade fees	3,359	3,676	(8.6)	6,298	7,606	(17.2)
Listing and issuer services	11,675	13,313	(12.3)	24,005	25,189	(4.7)
Depository services	10,808	11,035	(2.1)	21,269	21,231	0.2
Market data	12,873	9,453	36.2	22,624	19,034	18.9
Member services and connectivity	5,098	5,390	(5.4)	10,354	10,844	(4.5)
Conference fees and exhibition-related income	-	-	-	-	5,023	(100.0)
Total other operating revenue	43,813	42,867	2.2	84,550	88,927	(4.9)
Total operating revenue	175,195	118,558	47.8	320,728	239,998	33.6

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		
	30.06.2020 RM'000	30.06.2019 RM'000	Changes %	30.06.2020 RM'000	30.06.2019 RM'000	Changes %	30.06.2020 RM'000	30.06.2019 RM'000	Changes %	30.06.2020 RM'000	30.06.2019 RM'000	Changes %	30.06.2020 RM'000	30.06.2019 RM'000	Changes %
Major products or services:															
Securities trading revenue	110,125	58,776	87.4	-	-	-	-	-	-	-	-	-	110,125	58,776	87.4
Derivatives trading revenue	-	-	-	21,257	16,915	25.7	-	-	-	-	-	-	21,257	16,915	25.7
BSAS trade	-	-	-	-	-	-	-	-	-	3,359	3,676	(8.6)	3,359	3,676	(8.6)
Listing and issuer services	11,645	13,282	(12.3)	-	-	-	-	-	-	30	31	(3.2)	11,675	13,313	(12.3)
Depository services	10,808	11,035	(2.1)	-	-	-	-	-	-	-	-	-	10,808	11,035	(2.1)
Market data	9,461	7,201	31.4	3,152	2,199	43.3	-	-	-	260	53	390.6	12,873	9,453	36.2
Member services and connectivity	3,173	3,467	(8.5)	35	40	(12.5)	1,861	1,855	0.3	29	28	3.6	5,098	5,390	(5.4)
	145,212	93,761	54.9	24,444	19,154	27.6	1,861	1,855	0.3	3,678	3,788	(2.9)	175,195	118,558	47.8
Timing of revenue recognition:															
At a point in time	130,232	79,376	64.1	22,268	17,873	24.6	-	-	-	3,385	3,707	(8.7)	155,885	100,956	54.4
Over time	14,980	14,385	4.1	2,176	1,281	69.9	1,861	1,855	0.3	293	81	261.7	19,310	17,602	9.7
	145,212	93,761	54.9	24,444	19,154	27.6	1,861	1,855	0.3	3,678	3,788	(2.9)	175,195	118,558	47.8

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		
	30.06.2020 RM'000	30.06.2019 RM'000	Changes %	30.06.2020 RM'000	30.06.2019 RM'000	Changes %	30.06.2020 RM'000	30.06.2019 RM'000	Changes %	30.06.2020 RM'000	30.06.2019 RM'000	Changes %	30.06.2020 RM'000	30.06.2019 RM'000	Changes %
Major products or services:															
Securities trading revenue	188,177	117,802	59.7	-	-	-	-	-	-	-	-	-	188,177	117,802	59.7
Derivatives trading revenue	-	-	-	48,001	33,269	44.3	-	-	-	-	-	-	48,001	33,269	44.3
BSAS trade	-	-	-	-	-	-	-	-	-	6,298	7,606	(17.2)	6,298	7,606	(17.2)
Listing and issuer services	23,946	25,128	(4.7)	-	-	-	-	-	-	59	61	(3.3)	24,005	25,189	(4.7)
Depository services	21,269	21,231	0.2	-	-	-	-	-	-	-	-	-	21,269	21,231	0.2
Market data	17,039	14,806	15.1	5,268	4,123	27.8	-	-	-	317	105	201.9	22,624	19,034	18.9
Member services and connectivity	6,460	6,857	(5.8)	72	179	(59.8)	3,765	3,748	0.5	57	60	(5.0)	10,354	10,844	(4.5)
Conference fees and exhibition-related income	-	-	-	-	5,023	(100.0)	-	-	-	-	-	-	-	5,023	(100.0)
	256,891	185,824	38.2	53,341	42,594	25.2	3,765	3,748	0.5	6,731	7,832	(14.1)	320,728	239,998	33.6
Timing of revenue recognition:															
At a point in time	228,226	158,138	44.3	49,949	40,147	24.4	-	-	-	6,358	7,671	(17.1)	284,533	205,956	38.2
Over time	28,665	27,686	3.5	3,392	2,447	38.6	3,765	3,748	0.5	373	161	131.7	36,195	34,042	6.3
	256,891	185,824	38.2	53,341	42,594	25.2	3,765	3,748	0.5	6,731	7,832	(14.1)	320,728	239,998	33.6

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

9. OTHER INCOME

	Quarter Ended			Year-To-Date Ended		
	30.06.2020 RM'000	30.06.2019 RM'000	Changes %	30.06.2020 RM'000	30.06.2019 RM'000	Changes %
Interest and profit income from:						
- deposits and investment securities	3,571	3,869	(7.7)	7,439	7,895	(5.8)
- others	17	22	(22.7)	35	46	(23.9)
Dividend income	488	832	(41.3)	944	1,655	(43.0)
Grant income	183	210	(12.9)	613	373	64.3
Net loss on disposals of motor vehicles (Note a)	-	-	-	-	(278)	(100.0)
Rental income	255	316	(19.3)	623	635	(1.9)
Miscellaneous income	68	153	(55.6)	149	164	(9.1)
Total other income	4,582	5,402	(15.2)	9,803	10,490	(6.5)

(a) In the previous year-to-date 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		
	30.06.2020 RM'000	30.06.2019 RM'000	Changes %	30.06.2020 RM'000	30.06.2019 RM'000	Changes %
Administrative expenses	2,028	1,569	29.3	3,663	3,017	21.4
Building management expenses	2,470	2,815	(12.3)	5,110	5,440	(6.1)
Central Depository System ("CDS") consumables	643	608	5.8	1,164	1,109	5.0
Marketing and development expenses	154	2,185	(93.0)	2,269	8,574	(73.5)
Professional fees	1,447	793	82.5	4,386	1,379	218.1
Technology expenses:						
- information technology maintenance	7,192	4,797	49.9	12,225	9,950	22.9
- service fees	5,221	5,093	2.5	12,095	9,219	31.2
Net loss/(gain) on foreign exchange differences	174	(62)	(380.6)	(175)	173	(201.2)
Net (reversal of impairment loss)/impairment loss on:						
- investment securities	(53)	(5)	960.0	(54)	(52)	3.8
- trade and other receivables	1,509	271	456.8	2,080	361	476.2
Miscellaneous expenses	1,623	2,257	(28.1)	3,432	4,579	(25.0)
Total other operating expenses	22,408	20,321	10.3	46,195	43,749	5.6

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		
	30.06.2020 RM'000	30.06.2019 RM'000	Changes %	30.06.2020 RM'000	30.06.2019 RM'000	Changes %	30.06.2020 RM'000	30.06.2019 RM'000	Changes %	30.06.2020 RM'000	30.06.2019 RM'000	Changes %	30.06.2020 RM'000	30.06.2019 RM'000	Changes %
Operating revenue (Note 8)	145,212	93,761	54.9	24,444	19,154	27.6	1,861	1,855	0.3	3,678	3,788	(2.9)	175,195	118,558	47.8
Other income	2,805	3,165	(11.4)	451	506	(10.9)	1,287	1,689	(23.8)	39	42	(7.1)	4,582	5,402	(15.2)
Direct costs	(24,839)	(22,314)	11.3	(10,968)	(11,200)	(2.1)	(6,408)	(7,406)	(13.5)	(1,698)	(1,672)	1.6	(43,913)	(42,592)	3.1
Segment profit/(loss)	123,178	74,612	65.1	13,927	8,460	64.6	(3,260)	(3,862)	(15.6)	2,019	2,158	(6.4)	135,864	81,368	67.0
Overheads													(19,812)	(18,095)	9.5
Profit before tax													116,052	63,273	83.4

RESULTS FOR THE YEAR-TO-DATE ENDED

	Securities Market			Derivatives Market			Exchange Holding Company			Others			Total		
	30.06.2020 RM'000	30.06.2019 RM'000	Changes %	30.06.2020 RM'000	30.06.2019 RM'000	Changes %	30.06.2020 RM'000	30.06.2019 RM'000	Changes %	30.06.2020 RM'000	30.06.2019 RM'000	Changes %	30.06.2020 RM'000	30.06.2019 RM'000	Changes %
Operating revenue (Note 8)	256,891	185,824	38.2	53,341	42,594	25.2	3,765	3,748	0.5	6,731	7,832	(14.1)	320,728	239,998	33.6
Other income	5,704	6,344	(10.1)	1,038	985	5.4	2,969	3,063	(3.1)	92	98	(6.1)	9,803	10,490	(6.5)
Direct costs	(48,690)	(45,183)	7.8	(24,265)	(25,206)	(3.7)	(13,391)	(14,570)	(8.1)	(3,416)	(3,326)	2.7	(89,762)	(88,285)	1.7
Segment profit/(loss)	213,905	146,985	45.5	30,114	18,373	63.9	(6,657)	(7,759)	(14.2)	3,407	4,604	(26.0)	240,769	162,203	48.4
Overheads													(37,596)	(34,557)	8.8
Profit before tax													203,173	127,646	59.2

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 2020					
Assets	455,975	114,010	272,314	22,722	865,021
Clearing Funds	103,724	45,195	-	-	148,919
Cash for equity margins, derivatives trading margins, security deposits and eDividend distributions	194,993	1,412,553	-	-	1,607,546
Segment assets	754,692	1,571,758	272,314	22,722	2,621,486
Unallocated corporate assets	-	-	-	-	13,908
Total assets	754,692	1,571,758	272,314	22,722	2,635,394
Liabilities	70,386	15,905	47,941	13,962	148,194
Participants' contributions to Clearing Funds	18,724	35,195	-	-	53,919
Equity margins, derivatives trading margins, security deposits and eDividend distributions	194,993	1,412,553	-	-	1,607,546
Segment liabilities	284,103	1,463,653	47,941	13,962	1,809,659
Unallocated corporate liabilities	-	-	-	-	21,018
Total liabilities	284,103	1,463,653	47,941	13,962	1,830,677
ASSETS AND LIABILITIES AS AT 31 DECEMBER 2019					
Assets	360,148	115,025	280,351	23,943	779,467
Clearing Funds	103,920	25,284	-	-	129,204
Cash for equity margins, derivatives trading margins, security deposits and eDividend distributions	117,341	1,278,558	-	-	1,395,899
Segment assets	581,409	1,418,867	280,351	23,943	2,304,570
Unallocated corporate assets	-	-	-	-	16,470
Total assets	581,409	1,418,867	280,351	23,943	2,321,040
Liabilities	38,484	13,682	55,525	14,754	122,445
Participants' contributions to Clearing Funds	18,920	20,284	-	-	39,204
Equity margins, derivatives trading margins, security deposits and eDividend distributions	117,341	1,278,558	-	-	1,395,899
Segment liabilities	174,745	1,312,524	55,525	14,754	1,557,548
Unallocated corporate liabilities	-	-	-	-	2,727
Total liabilities	174,745	1,312,524	55,525	14,754	1,560,275

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 during the current quarter and year-to-date ended 30 June 2020.

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

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

	As at 30.06.2020 RM'000	As at 31.12.2019 RM'000
Equity margins	194,960	117,319
Derivatives trading margins	1,386,072	1,253,993
Security deposits from Clearing Participants ("CPs") of Bursa Malaysia Derivatives Clearing Berhad ("BMDC")	26,481	24,565
Total equity margins, derivatives trading margins and security deposits, representing trade payables	1,607,513	1,395,877
Cash received for eDividend distributions (included in other payables)	33	22
Total cash for equity margins, derivatives trading margins, security deposits and eDividend distributions	1,607,546	1,395,899

The non-cash collaterals for equity margins, derivatives trading margins and security deposits from CPs of BMDC 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 30.06.2020 RM'000	As at 31.12.2019 RM'000
Collaterals in the form of letters of credit for:		
- equity margins	9,500	9,900
- derivatives trading margins	591,720	520,578
- security deposits from CPs of BMDC	16,000	17,000
	617,220	547,478
Collaterals in the form of shares for derivatives trading margins	310	413
	617,530	547,891

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 2020			
Contributions from Trading Clearing Participants ("TCPs") of Bursa Malaysia Securities Clearing Sdn Bhd ("BMSC")	18,724	-	18,724
Contribution from BMSC	-	25,000	25,000
Additional cash resource from BMSC	-	60,000	60,000
Clearing Guarantee Fund ("CGF") balance	18,724	85,000	103,724
Contributions from CPs of BMDC	35,195	-	35,195
Contribution from BMDC	-	5,000	5,000
Additional cash resource from BMDC (Note a)	-	5,000	5,000
Derivatives Clearing Fund ("DCF") balance	35,195	10,000	45,195
Total cash and bank balances of Clearing Funds	53,919	95,000	148,919

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 2019			
Contributions from TCPs of BMSC	18,920	-	18,920
Contribution from BMSC	-	25,000	25,000
Additional cash resource from BMSC	-	60,000	60,000
CGF balance	18,920	85,000	103,920
Contributions from CPs of BMDC	20,284	-	20,284
Contribution from BMDC	-	5,000	5,000
DCF balance	20,284	5,000	25,284
Total cash and bank balances of Clearing Funds	39,204	90,000	129,204

- (a) During the year-to-date ended 30 June 2020, BMDC increased the DCF balance by providing an additional cash resource of RM5,000,000.

15. CASH AND BANK BALANCES OF THE GROUP

	As at 30.06.2020 RM'000	As at 31.12.2019 RM'000
Cash and bank balances	2,723	4,874
Deposits for short-term funding requirements	190,477	180,617
Cash and cash equivalents	193,200	185,491
Deposits not for short-term funding requirements	154,049	66,268
Total cash and bank balances	347,249	251,759

16. CAPITAL COMMITMENTS

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

	As at 30.06.2020 RM'000	As at 31.12.2019 RM'000
Approved and contracted for:		
Computers and office automation	6,549	3,988
Office equipment and renovations	188	124
	6,737	4,112
Approved but not contracted for:		
Computers and office automation	5,093	1,323
Office equipment and renovations	53	1,313
	5,146	2,636

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

17. CONTINGENT ASSETS AND LIABILITIES

There were no contingent assets and contingent liabilities as at 30 June 2020.

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 2020.

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 30.06.2020 RM'000	As at 31.12.2019 RM'000
Not later than 1 year	834	1,012
Later than 1 year and not later than 5 years	106	458
Total future minimum lease receivables	940	1,470

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 30.06.2020 RM'000	As at 31.12.2019 RM'000
Assets		
Financial assets at FVTOCI		
Investment securities:		
- quoted shares (outside Malaysia)	132,378	156,542
- unquoted bonds	41,523	51,068
	173,901	207,610
Financial assets at amortised cost		
Staff loans receivable	1,905	2,165
Trade receivables	81,239	42,260
Other receivables which are financial assets*	5,264	12,730
Cash for equity margins, derivatives trading margins, security deposits and eDividend distributions	1,607,546	1,395,899
Cash and bank balances of Clearing Funds	148,919	129,204
Cash and bank balances of the Group	347,249	251,759
	2,192,122	1,834,017
Total financial assets	2,366,023	2,041,627

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

20. FINANCIAL INSTRUMENTS (CONT'D)

20.1 Classification (cont'd)

	As at 30.06.2020 RM'000	As at 31.12.2019 RM'000
Liabilities		
Financial liabilities at amortised cost		
Trade payables	1,607,513	1,395,877
Participants' contributions to Clearing Funds	53,919	39,204
Other payables which are financial liabilities**	35,826	29,524
Lease liabilities	8,233	7,966
Total financial liabilities	1,705,491	1,472,571

* Other receivables which are financial assets include deposits, interest and profit income receivable and sundry receivables, net of allowance for impairment losses.

** Other payables which are financial liabilities include the 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. Levels 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 2020 and 31 December 2019.

(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 2020 and 31 December 2019.

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

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 2020			
Financial assets at FVTOCI:			
- quoted shares (outside Malaysia)	132,378	-	132,378
- unquoted bonds	-	41,523	41,523
	132,378	41,523	173,901
As at 31 December 2019			
Financial assets at FVTOCI:			
- quoted shares (outside Malaysia)	156,542	-	156,542
- unquoted bonds	-	51,068	51,068
	156,542	51,068	207,610

There were no transfers between Level 1 and Level 2 during the current quarter and year-to-date ended 30 June 2020.

(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 due to their short-term nature.

21. EVENT AFTER THE REPORTING PERIOD

There was no material event subsequent to the quarter and year-to-date ended 30 June 2020.

22. SIGNIFICANT EVENT DURING THE FINANCIAL PERIOD

There was no significant event during the current quarter and year-to-date ended 30 June 2020.

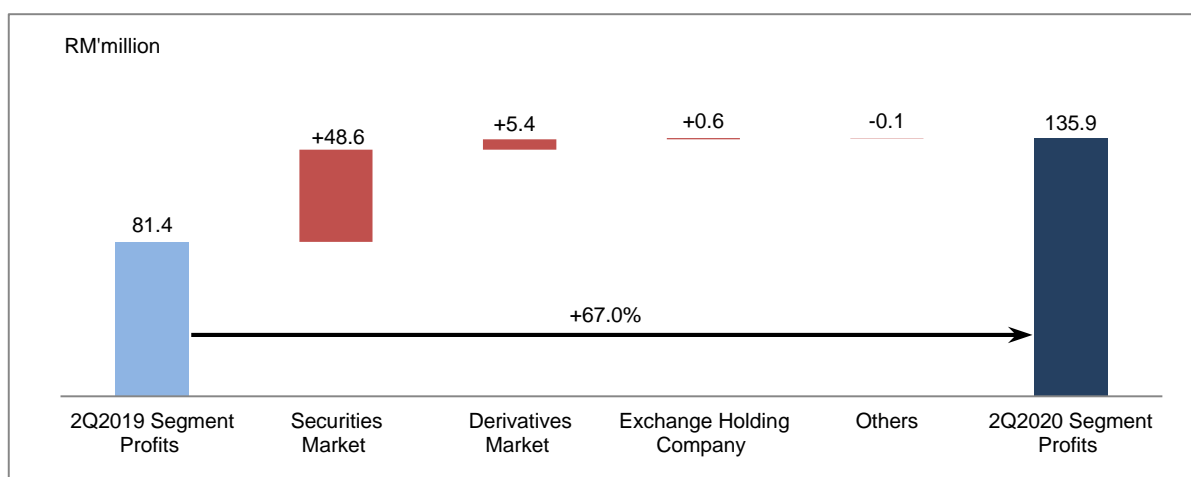
PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

23. OPERATING SEGMENTS REVIEW

(a) 2Q2020 vs. 2Q2019

Profit Before Tax ("PBT") for the quarter ended 30 June 2020 ("2Q2020") was RM116.1 million, an increase of 83.4 per cent compared to RM63.3 million in the quarter ended 30 June 2019 ("2Q2019"). PBT is made up of segment profits less overheads (as depicted in Note 11).

Total segment profits for 2Q2020 were RM135.9 million, an increase of 67.0 per cent compared to RM81.4 million in 2Q2019. Movements in the segment profits are shown in the chart below:



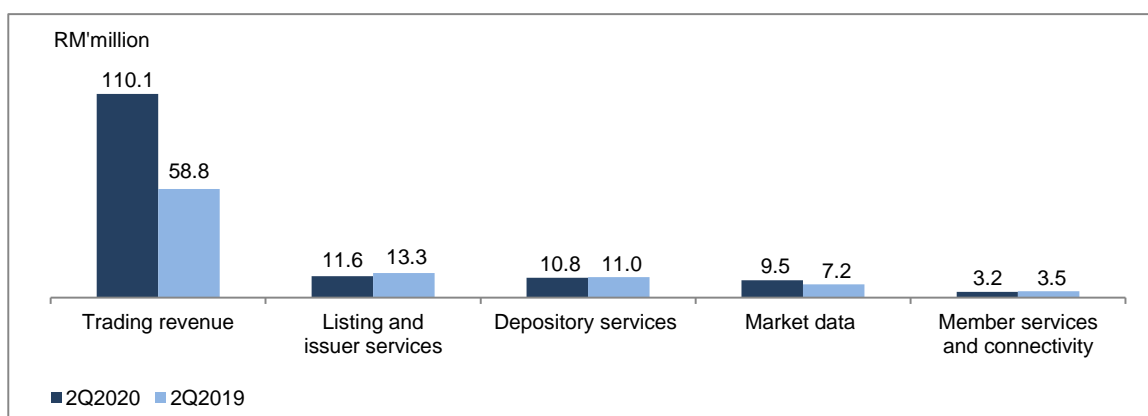
Total comprehensive income for 2Q2020 was RM76.5 million, a decrease of 22.4 per cent compared to RM98.5 million in 2Q2019. This was mainly due to the reduction in the fair value of quoted shares at FVTOCI.

Securities Market

The Securities Market recorded a segment profit of RM123.2 million in 2Q2020, an increase of 65.1 per cent compared to RM74.6 million in 2Q2019 mainly due to higher trading revenue.

(i) Operating Revenue

The Securities Market's operating revenue for 2Q2020 was RM145.2 million, an increase of 54.9 per cent compared to RM93.8 million in 2Q2019. 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) 2Q2020 vs. 2Q2019 (cont'd)

Securities Market (cont'd)

(i) Operating Revenue (cont'd)

- > Trading revenue increased by 87.4 per cent to RM110.1 million in 2Q2020 mainly due to higher Average Daily trading Value ("ADV") for On-Market Trades ("OMT") and Direct Business Trades ("DBT"), which increased by 74.2 per cent to RM3.85 billion in 2Q2020 compared to RM2.21 billion in 2Q2019. Trading velocity in 2Q2020 was higher by 33 percentage points to 62% compared to 29% in 2Q2019.
- > Listing and issuer services revenue decreased by 12.3 per cent to RM11.6 million in 2Q2020. This was mainly due to lower annual listing fees resulting from the recognition of the 50% rebate on annual listing fees for year 2020 to aid targeted listed issuers due to Movement Control Order ("MCO").
- > Market data revenue increased by 31.4 per cent to RM9.5 million in 2Q2020 driven by higher number of subscribers in 2Q2020.

Key operating drivers of the Securities Market are as follows:

Key operating drivers		2Q2020	2Q2019	Changes (%)
FBMKLCI	(points)	1,500.97	1,672.13	(10.2)
ADV (OMT and DBT)	(RM'billion)	3.85	2.21	74.2
Average daily trading volume (OMT and DBT)	(billion shares)	6.73	2.67	152.1
Effective clearing fee rate	(basis points)	2.68	2.44	9.8
Velocity	(per cent)	62	29	33.0
Number of Initial Public Offerings ("IPOs")		-	9	(100.0)
Number of new structured warrants listed		240	269	(10.8)
Total funds raised:				
- IPOs	(RM'million)	-	1,246.51	(100.0)
- Secondary issues	(RM'million)	1,027.53	1,424.78	(27.9)
Market capitalisation as at end of period	(RM'billion)	1,579.59	1,752.56	(9.9)
Number of trading days		59	60	-1 day

(ii) Operating Expenses

Segment expenses increased by 11.3 per cent to RM24.8 million in 2Q2020 compared to RM22.3 million in 2Q2019 mainly due to higher professional fees and impairment loss on receivables in 2Q2020.

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

23. OPERATING SEGMENTS REVIEW (CONT'D)

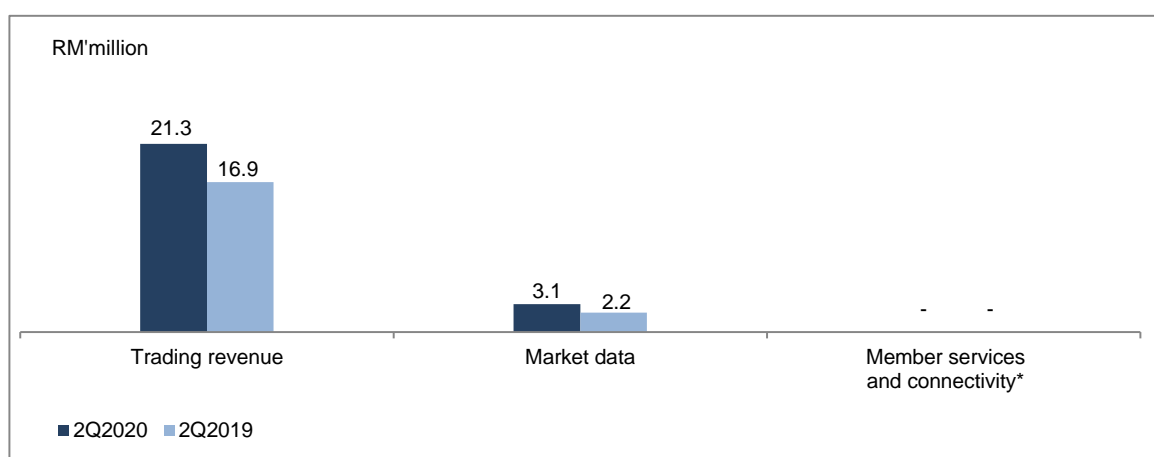
(a) 2Q2020 vs. 2Q2019 (cont'd)

Derivatives Market

The Derivatives Market recorded a segment profit of RM13.9 million in 2Q2020, an increase of 64.6 per cent from RM8.5 million in 2Q2019 mainly due to higher trading revenue.

(i) Operating Revenue

The Derivatives Market's operating revenue for 2Q2020 was RM24.4 million, an increase of 27.6 per cent compared to RM19.1 million in 2Q2019. Details by revenue category are shown in the chart below:



* Member services and connectivity fees income are below RM0.1 million for 2Q2020 and 2Q2019.

- > Trading revenue increased by 25.7 per cent to RM21.3 million in 2Q2020 mainly due to higher number of Crude Palm Oil Futures ("FCPO") and FTSE Bursa Malaysia KLCI Futures ("FKLI") contracts traded in 2Q2020.

Key operating drivers of the Derivatives Market are as follows:

Key operating drivers	2Q2020	2Q2019	Changes (%)
FCPO contracts	3,098,069	2,395,910	29.3
FKLI contracts	885,543	567,312	56.1
Mini FTSE Bursa Malaysia Mid 70 Index Futures ("FM70") contracts	-	87,710	(100.0)
US Dollar denominated Refined, Bleached and Deodorised Palm Olein Futures ("FPOL") contracts	-	15,598	(100.0)
Other contracts	13,534	11,998	12.8
Total contracts	3,997,146	3,078,528	29.8
Average daily number of contracts traded	67,748	51,309	32.0
Average number of open interest positions	254,980	259,701	(1.8)
Number of trading days	59	60	-1 day

(ii) Operating Expenses

Segment expenses decreased by 2.1 per cent to RM11.0 million in 2Q2020 compared to RM11.2 million in 2Q2019.

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

23. OPERATING SEGMENTS REVIEW (CONT'D)

(a) 2Q2020 vs. 2Q2019 (cont'd)

Exchange Holding Company

The Exchange Holding Company recorded a lower segment loss of RM3.3 million in 2Q2020 compared to RM3.9 million in 2Q2019.

Others

This segment is made up of BSAS, bonds and offshore exchange businesses. The segment profit decreased by 6.4 per cent to RM2.0 million in 2Q2020 compared to RM2.1 million in 2Q2019.

Overheads

Overheads increased by 9.5 per cent to RM19.8 million in 2Q2020 compared to RM18.1 million in 2Q2019 mainly due higher information technology maintenance and staff costs in 2Q2020.

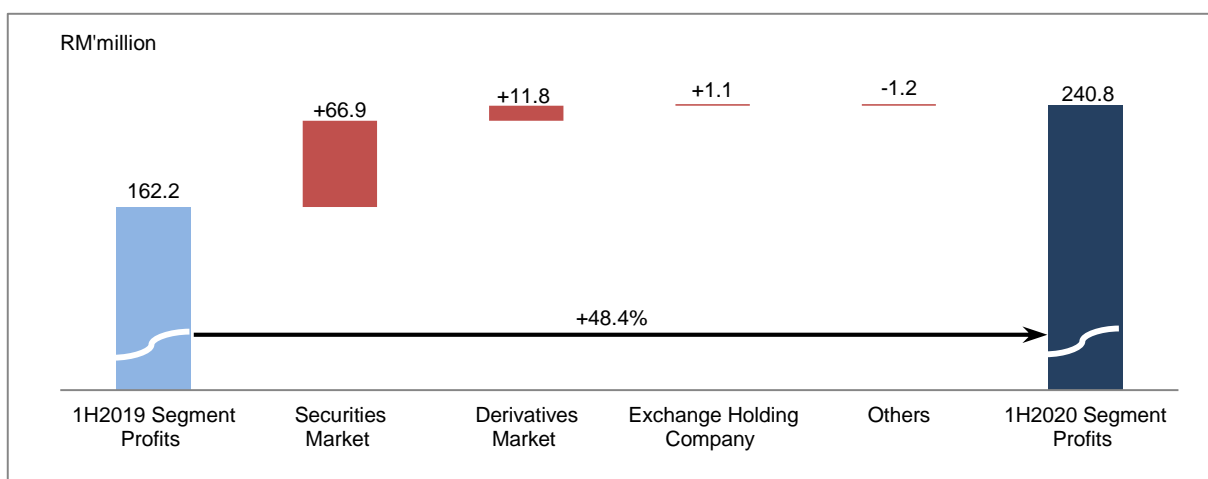
PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD

23. OPERATING SEGMENTS REVIEW (CONT'D)

(b) 1H2020 vs. 1H2019

PBT for the year-to-date ended 30 June 2020 ("1H2020") was RM203.2 million, an increase of 59.2 per cent from RM127.6 million in the year ended 30 June 2019 ("1H2019"). PBT is made up of segment profits less overheads (as depicted in Note 11).

Total segment profits for 1H2020 were RM240.8 million, an increase of 48.4 per cent from RM162.2 million in 1H2019. Movements in the segment profits are shown in the chart below:



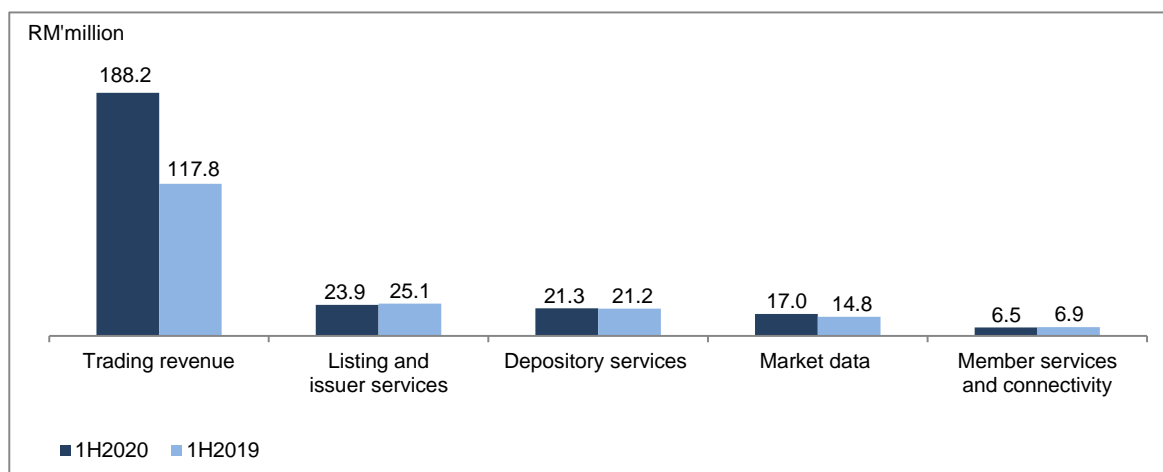
Total comprehensive income for 1H2020 was RM127.2 million, an increase of 20.8 per cent compared to RM105.4 million in 1H2019. This was mainly due to higher profit earned in 1H2020 compared to 1H2019 from the improved performance on the Securities Market and Derivatives Market.

Securities Market

The Securities Market recorded a segment profit of RM213.9 million in 1H2020, an increase of 45.5 per cent compared to RM147.0 million in 1H2019 mainly due to higher operating revenue.

(i) Operating Revenue

The Securities Market's operating revenue for 1H2020 was RM256.9 million, an increase of 38.2 per cent compared to RM185.8 million in 1H2019. 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) 1H2020 vs. 1H2019 (cont'd)

Securities Market (cont'd)

(i) Operating Revenue (cont'd)

- > Trading revenue increased by 59.7 per cent to RM188.2 million in 1H2020 mainly due to higher ADV for OMT and DBT of RM3.19 billion in 1H2020 compared to RM2.31 billion in 1H2019. Trading velocity was higher by 21 percentage points to 50 per cent in 1H2020 compared to 29 per cent in 1H2019.
- > Listing and issuer services revenue decreased by 4.7 per cent to RM23.9 million in 1H2020 from RM25.1 million in 1H2019. This was mainly due to lower annual listing fees resulting from the recognition of the 50% rebate on annual listing fees for year 2020 to aid the targeted listed issuers due to MCO.
- > Market data revenue increased by 15.1 per cent to RM17.0 million in 1H2020 from RM14.8 million in 1H2019 driven by higher number of subscribers in 1H2020.

Key operating drivers of the Securities Market are as follows:

Key operating drivers		1H2020	1H2019	Changes (%)
FBMKLCI	(points)	1,500.97	1,672.13	(10.2)
ADV (OMT and DBT)	(RM'billion)	3.19	2.31	38.1
Average daily trading volume (OMT and DBT)	(billion shares)	5.06	2.77	82.7
Effective clearing fee rate	(basis points)	2.62	2.42	8.3
Velocity	(per cent)	50	29	21.0
Number of IPOs		7	14	(50.0)
Number of new structured warrants listed		502	534	(6.0)
Total funds raised:				
- IPOs	(RM'million)	195.97	1,359.17	(85.6)
- Secondary issues	(RM'million)	1,641.85	1,751.49	(6.3)
Market capitalisation as at end of period	(RM'billion)	1,579.59	1,752.56	(9.9)
Number of trading days		122	119	+3 days

(ii) Operating Expenses

Segment expenses increased by 7.8 per cent to RM48.7 million in 1H2020 compared to RM45.2 million in 1H2019 mainly due to higher professional fees and impairment loss on receivables in 1H2020.

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

23. OPERATING SEGMENTS REVIEW (CONT'D)

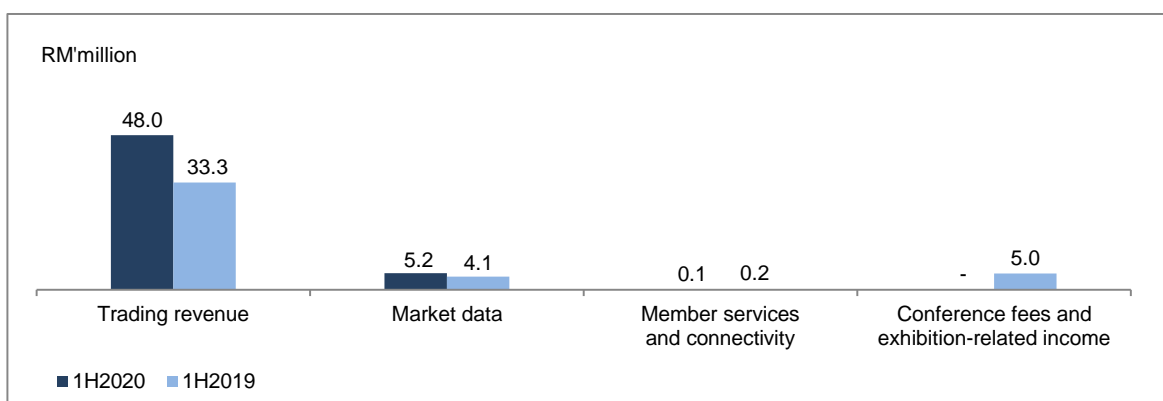
(b) 1H2020 vs. 1H2019 (cont'd)

Derivatives Market

The Derivatives Market recorded a segment profit of RM30.1 million in 1H2020, an increase of 63.9 per cent compared to RM18.3 million in 1H2019 mainly due to higher trading revenue.

(i) Operating Revenue

The Derivatives Market's operating revenue for 1H2020 was RM53.3 million, an increase of 25.2 per cent compared to RM42.6 million in 1H2019. Details by revenue category are shown in the chart below:



- > Trading revenue increased by 44.3 per cent to RM48.0 million in 1H2020 mainly due to higher number of FCPO and FKLI contracts traded in 1H2020.
- > Market data revenue increased by 27.8 per cent to RM5.2 million in 1H2020 from RM4.1 million in 1H2019 driven by higher number of subscribers in 1H2020.

Key operating drivers of the Derivatives Market are as follows:

Key operating drivers	1H2020	1H2019	Changes (%)
FCPO contracts	7,457,291	4,592,752	62.4
FKLI contracts	1,835,086	1,069,853	71.5
FM70 contracts	55,943	172,329	(67.5)
FPOL contracts	15	15,617	(99.9)
Other contracts	40,238	22,186	81.4
Total contracts	9,388,573	5,872,737	59.9
Average daily number of contracts traded	76,956	49,351	55.9
Average number of open interest positions	280,314	251,818	11.3
Number of trading days	122	119	+3 days

(ii) Operating Expenses

Segment expenses decreased by 3.7 per cent to RM24.3 million in 1H2020 compared to RM25.2 million in 1H2019 mainly due to lower market and development expenses incurred in 1H2020.

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

23. OPERATING SEGMENTS REVIEW (CONT'D)

(b) 1H2020 vs. 1H2019 (cont'd)

Exchange Holding Company

The Exchange Holding Company recorded a lower segment loss of RM6.6 million in 1H2020 compared to RM7.7 million in 1H2019 mainly due to lower staff costs incurred in 1H2020.

Others

This segment is made up of BSAS, bonds and offshore exchange businesses. The segment profit decreased by 26.0 per cent to RM3.4 million in 1H2020 compared to RM4.6 million in 1H2019 mainly due to higher proportion of volume-based pricing trades in 1H2020.

Overheads

Overheads increased by 8.8 per cent to RM37.6 million in 1H2020 compared to RM34.6 million in 1H2019 mainly due to higher information technology maintenance and staff costs in 1H2020.

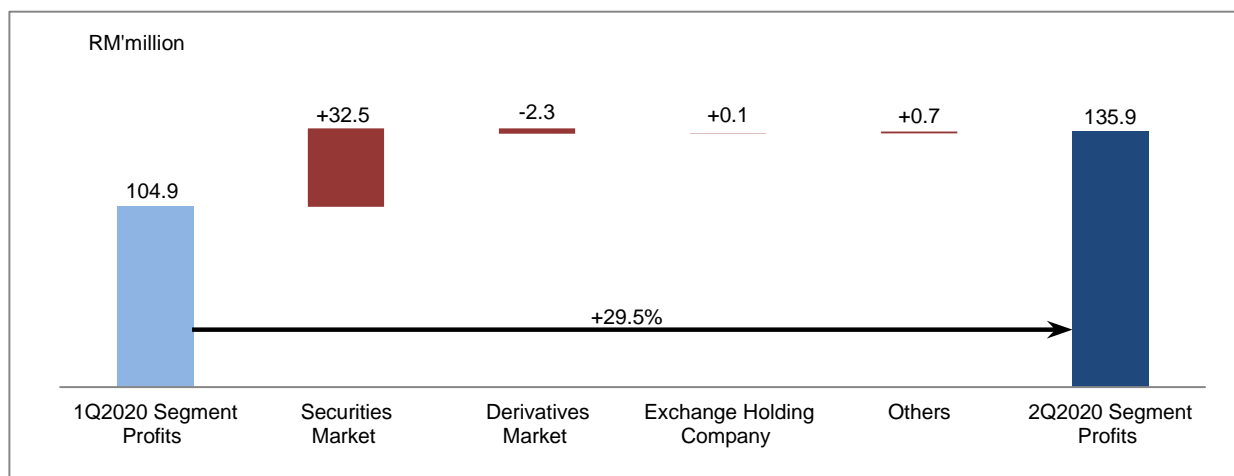
**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET
LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

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

Financial Results	Quarter Ended		Changes %
	30.06.2020 RM'000	31.03.2020 RM'000	
Operating revenue	175,195	145,533	20.4
Other income	4,582	5,221	(12.2)
	179,777	150,754	19.3
Staff costs	(35,892)	(34,151)	5.1
Depreciation and amortisation	(5,291)	(5,562)	(4.9)
Other operating expenses	(22,408)	(23,787)	(5.8)
Profit from operations	116,186	87,254	33.2
Finance costs	(134)	(133)	0.8
PBT	116,052	87,121	33.2

PBT for 2Q2020 was RM116.1 million, an increase of 33.2 per cent from RM87.1 million in the quarter ended 31 March 2020 ("1Q2020"). PBT is made up of segment profits less overheads.

Total segment profits for 2Q2020 were RM135.9 million, an increase of 29.5 per cent from RM104.9 million in 1Q2020. The quarter-on-quarter movements in the segment profits are depicted in the chart below:



Securities Market

The Securities Market recorded a segment profit of RM123.2 million in 2Q2020, an increase of 35.8 per cent from RM90.7 million in 1Q2020 mainly due to higher trading revenue.

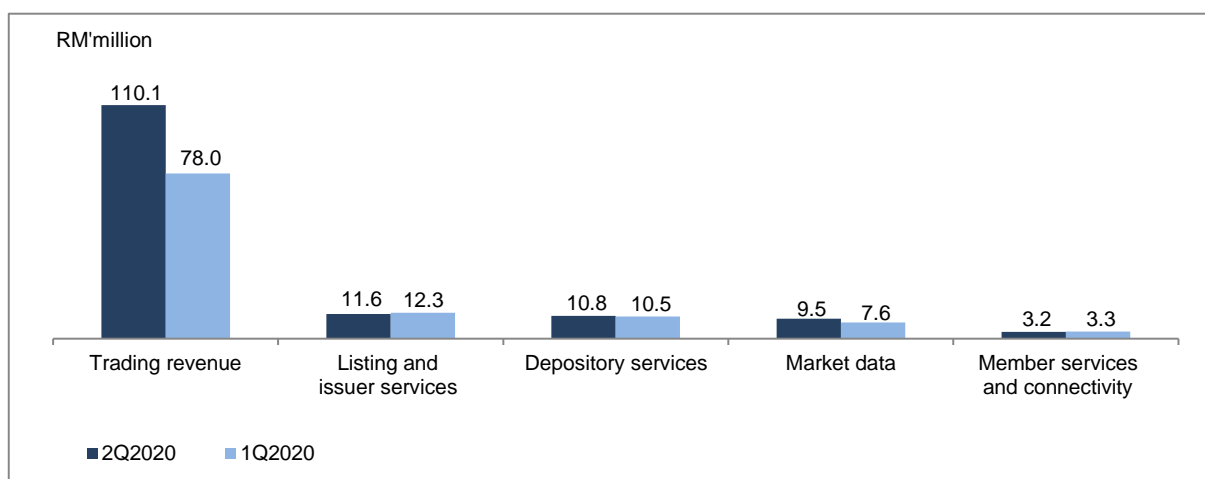
**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET
LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

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

The Securities Market's operating revenue for 2Q2020 was RM145.2 million, an increase of 54.9 per cent compared to RM111.7 million in 1Q2020. Details by revenue category are shown in the chart below:



- > Trading revenue increased by 41.1 per cent to RM110.1 million in 2Q2020 mainly attributed to higher ADV for OMT and DBT of RM3.85 billion in 2Q2020 compared to RM2.58 billion in 1Q2020. Trading velocity in 2Q2020 was higher by 23 percentage points to 62% compared to 39% in 1Q2020.
- > Market data revenue increased by 24.8 per cent to RM9.5 million in 2Q2020 from RM7.6 million in 1Q2020 driven by higher number of subscribers in 2Q2020.

Key operating drivers of the Securities Market are as follows:

Key operating drivers		2Q2020	1Q2020	Changes (%)
FBMKLCI	(points)	1,500.97	1,350.89	11.1
ADV (OMT and DBT)	(RM'billion)	3.85	2.58	49.2
Average daily trading volume (OMT and DBT)	(billion shares)	6.73	3.50	92.3
Effective clearing fee rate	(basis points)	2.68	2.54	5.5
Velocity	(per cent)	62	39	23.0
Number of IPOs		-	7	(100.0)
Number of new structured warrants listed		240	262	(8.4)
Total funds raised:				
- IPOs	(RM'million)	-	195.97	(100.0)
- Secondary issues	(RM'million)	1,027.53	614.32	67.3
Market capitalisation as at end of period	(RM'billion)	1,579.59	1,379.20	14.5
Number of trading days		59	63	-4 days

(ii) Operating Expenses

Segment expenses increased by 4.1 per cent to RM24.8 million in 2Q2020 compared to RM23.9 million in 1Q2020 mainly due to higher impairment loss on receivables in 2Q2020.

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

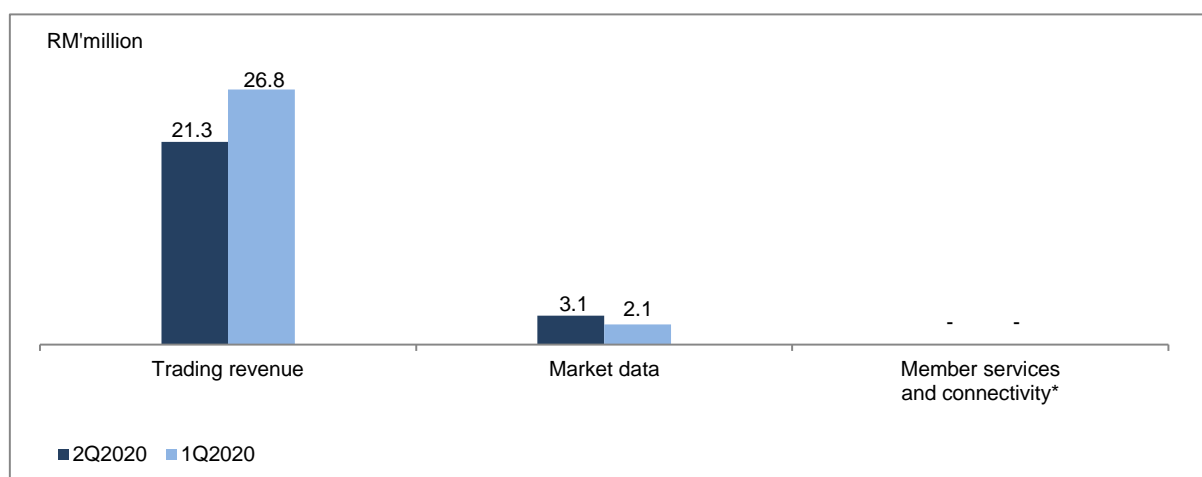
24. MATERIAL CHANGE IN PERFORMANCE OF OPERATING SEGMENTS OF CURRENT QUARTER COMPARED WITH IMMEDIATE PRECEDING QUARTER (CONT'D)

Derivatives Market

The Derivatives Market recorded a segment profit of RM13.9 million in 2Q2020, a decrease of 14.0 per cent from RM16.2 million in 1Q2020 mainly due to lower trading revenue.

(i) Operating Revenue

The Derivatives Market's operating revenue for 2Q2020 was RM24.4 million, a decrease of 15.4 per cent from RM28.9 million in 1Q2020. Details by revenue category are shown in the chart below:



* Member services and connectivity fees income was below RM0.1 million for both 2Q2020 and 1Q2020.

- > Trading revenue decreased by 20.5 per cent to RM21.3 million in 2Q2020 mainly attributed to lower number of FCPO contracts traded in 2Q2020 due to lower demand in palm oil arising from lockdown imposed by major consuming countries.
- > Market data revenue increased by 49.0 per cent to RM3.1 million in 2Q2020 from RM2.1 million in 1Q2020 driven by higher number of subscribers in 2Q2020.

Key operating drivers of the Derivatives Market are as follows:

Key operating drivers	2Q2020	1Q2020	Changes (%)
FCPO contracts	3,098,069	4,359,222	(28.9)
FKLI contracts	885,543	949,543	(6.7)
FM70 contracts	-	55,943	(100.0)
FPOL contracts	-	15	(100.0)
Other contracts	13,534	26,704	(49.3)
Total contracts	3,997,146	5,391,427	(25.9)
Average daily number of contracts traded	67,748	85,578	(20.8)
Average number of open interest positions	254,980	305,648	(16.6)
Number of trading days	59	63	-4 days

(ii) Operating Expenses

Segment expenses decreased by 17.5 per cent to RM11.0 million in 2Q2020 compared to RM13.3 million in 1Q2020 mainly due to lower service fees incurred resulting from the lower number of contracts traded in 2Q2020.

**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 RM3.2 million in 2Q2020 compared to RM3.3 million in 1Q2020.

Others

This segment is made up of BSAS, bonds and offshore exchange businesses. The segment profit increased by 45.5 per cent to RM2.0 million in 2Q2020 compared to RM1.3 million in 1Q2020 mainly due to higher trading fees earned from higher BSAS trades in 2Q2020.

Overheads

Overheads increased by 11.4 per cent to RM19.8 million in 2Q2020 compared to RM17.8 million in 1Q2020 mainly due to higher information technology maintenance and staff costs in 2Q2020.

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

25. COMMENTARY ON PROSPECTS AND TARGETS

The International Monetary Fund (“IMF”) in its June 2020 World Economic Outlook report revised its global economic growth projection for 2020 to -4.9%, 1.9 percentage points below its April 2020 growth forecast as COVID-19 has had a more negative impact on activities in 1H2020 than anticipated, and the recovery is projected to be more gradual than previously forecasted. The World Bank in its June 2020 report revised its global economic growth projection for 2020 to -5.2% from 2.5% in its January 2020 report, citing COVID-19 having delivered a global economic shock of enormous magnitude, leading to steep recession in many countries. The IMF and the World Bank have also revised Malaysia’s gross domestic product (“GDP”) growth to -3.8% and -3.1% from a projection of -1.7% and -0.1% respectively made earlier this year. Bank Negara Malaysia (“BNM”) in its May 2020 report maintained its earlier projection for Malaysia’s GDP growth of between -2.0% to 0.5% as the country’s economy grew by 0.7% in the first quarter of 2020, due to the impact of measures taken both globally and domestically to contain the spread of COVID-19. With the recent Overnight Policy Rate (“OPR”) cut by 25 basis points to 1.75%, BNM has provided an additional policy stimulus to accelerate the pace of Malaysia’s economic recovery.

The Securities Market performance in 2Q2020 was mainly driven by the higher volatility as the market sentiment reacted to the economic and market developments globally and domestically. Domestically, the relief measures such as the loan moratorium, the Movement Control Order imposed and BNM’s decision to reduce the OPR have resulted in the increase in liquidity in the market which led to higher retail participation during the period. The domestic and global events such as the ongoing development of COVID-19, corporate earnings performance and global economic recovery post COVID-19 will also influence the performance of the equities market going forward.

In the Derivatives Market, the average daily contracts for 1H2020 saw an increase of more than 50% in trades compared to 1H2019. The volatility of the Securities Market and the developments in the crude palm oil (“CPO”) market such as the CPO export tax exemption granted from 1 July to 31 December 2020 will continue to influence the performance of derivatives market going forward. The Exchange will continue to work towards sustaining the trading volumes through its marketing efforts and developing a vibrant market for all participants.

As for the Islamic Capital Market, trading activities through Bursa Malaysia-*i* platform saw an increase in 1H2020 compared to 1H2019. This is in line with the higher trading activities in the overall Securities Market and the trend is expected to continue in the medium term with higher trading activities by retail investors and conversion of trading by institutional investors onto Bursa Malaysia-*i*. Bursa Suq Al-Sila’ (“BSAS”) saw a marginal increase in trades in 1H2020 compared to 1H2019 supported by higher foreign trades. The Exchange expects to sustain BSAS trading activities in the second half of 2020 from the increased contribution from foreign participants.

To maintain and support investors confidence and a fair and orderly market, the Exchange has been working with the Securities Commission Malaysia in introducing measures including the revisions to the existing market management and control mechanisms and, extension of the short-selling suspension. The Exchange will continue to enhance its services through its digital platform by introducing better features and functionality that will meet investors demands. On 22 June 2020, the Exchange released new additional features that enable investors to apply online for new CDS accounts and register for e-dividends via the mobile application, Bursa Anywhere.

Taking into consideration the Exchange’s performance to-date and barring any unforeseen circumstances, the Exchange expects to register an improved performance for the current year compared to 2019.

**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		
	30.06.2020 RM'000	30.06.2019 RM'000	Changes %	30.06.2020 RM'000	30.06.2019 RM'000	Changes %
Income tax	32,186	16,550	94.5	56,000	33,690	66.2
Deferred tax	(2,361)	(669)	252.9	(3,785)	(1,651)	129.3
Total income tax expense	29,825	15,881	87.8	52,215	32,039	63.0

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 30.06.2020 RM'000	As at 31.12.2019 RM'000
Trade receivables	85,350	44,578
Less: Allowance for impairment losses	(4,111)	(2,318)
	81,239	42,260

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

	As at 30.06.2020 RM'000	As at 31.12.2019 RM'000
Not past due and not credit impaired	73,172	35,099
Past due and not credit impaired:		
< 30 days	2,805	3,704
31 - 60 days	2,663	1,429
61 - 90 days	632	278
91 - 180 days	2,868	1,943
> 181 days	796	471
Credit impaired	2,414	1,654
Trade receivables (gross)	85,350	44,578
Less: Allowance for impairment losses	(4,111)	(2,318)
	81,239	42,260

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 were no corporate proposals announced that are 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 interim dividend under the single-tier system approved and declared by the Board of Directors ("Board") are as follows:

	30.06.2020	30.06.2019
Interim dividend		
Interim dividend per share	17.0 sen	10.4 sen
For financial year ending/ended	31 December 2020	31 December 2019
Approved and declared on	28 July 2020	1 August 2019
Entitlement to dividends based on record of depositors as at	14 August 2020	19 August 2019
Date payable	26 August 2020	30 August 2019

32. EARNINGS PER SHARE ("EPS")

(a) Basic EPS

	Quarter Ended		Year-To-Date Ended	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
Profit attributable to the owners of the Company (RM'000)	86,227	46,339	150,958	93,194
Weighted average number of ordinary shares in issue ('000)	808,503	807,475	808,503	807,475
Basic EPS (sen)	10.7	5.7	18.7	11.5

**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	
	30.06.2020	30.06.2019	30.06.2020	30.06.2019
Profit attributable to the owners of the Company (RM'000)	86,227	46,339	150,958	93,194
Weighted average number of ordinary shares in issue ('000)	808,503	807,475	808,503	807,475
Effects of dilution of share grants ('000)	844	2,002	844	2,002
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	809,347	809,477	809,347	809,477
Diluted EPS (sen)	10.7	5.7	18.7	11.5

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

Net assets per share as at 30 June 2020 stood at RM1.00, an increase of 6.4% compared to RM0.94 as at 31 December 2019 mainly due to higher profit earned in the current quarter and year-to-date ended 30 June 2020.

34. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements for the financial year ended 31 December 2019 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 2020 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 the MFRS 134 *Interim Financial Reporting* and 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 28 July 2020.