



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

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 SEPTEMBER 2018

29 October 2018

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

**CONDENSED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 SEPTEMBER 2018**

	Note	Quarter Ended			Year-To-Date Ended		
		30.09.2018	30.09.2017	Changes	30.09.2018	30.09.2017	Changes
		RM'000	RM'000	%	RM'000	RM'000	%
		(Reviewed)	(Reviewed)		(Reviewed)	(Reviewed)	
Operating revenue	8	123,176	122,626	0.4	402,264	392,058	2.6
Other income	9	6,646	7,647	(13.1)	18,824	23,571	(20.1)
		129,822	130,273	(0.3)	421,088	415,629	1.3
Staff costs		(35,447)	(31,773)	11.6	(106,419)	(100,230)	6.2
Depreciation and amortisation		(5,497)	(5,932)	(7.3)	(16,546)	(18,017)	(8.2)
Other operating expenses	10	(19,785)	(21,360)	(7.4)	(61,208)	(65,724)	(6.9)
Profit from operations		69,093	71,208	(3.0)	236,915	231,658	2.3
Finance costs		(134)	(134)	-	(401)	(401)	-
Profit before tax		68,959	71,074	(3.0)	236,514	231,257	2.3
Income tax expense	26	(17,495)	(17,957)	(2.6)	(59,538)	(58,323)	2.1
Profit for the period		51,464	53,117	(3.1)	176,976	172,934	2.3
Profit attributable to:							
Owners of the Company		50,192	51,601	(2.7)	172,187	167,770	2.6
Non-controlling interest		1,272	1,516	(16.1)	4,789	5,164	(7.3)
		51,464	53,117	(3.1)	176,976	172,934	2.3

	Note	Quarter Ended		Year-To-Date Ended	
		30.09.2018	30.09.2017	30.09.2018	30.09.2017
		Sen per share	Sen per share	Sen per share	Sen per share
		(Reviewed)	(Reviewed)	(Reviewed)	(Reviewed)
Earnings per share attributable to owners of the Company:					
Basic EPS	32(a)	6.2	6.4	21.3	20.8
Diluted EPS	32(b)	6.2	6.4	21.3	20.8

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 2017 and the accompanying explanatory notes attached to these interim financial statements.

BURSA MALAYSIA BERHAD (30632-P)
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**CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
FOR THE QUARTER AND YEAR-TO-DATE ENDED 30 SEPTEMBER 2018**

	Quarter Ended			Year-To-Date Ended		
	30.09.2018 RM'000 (Reviewed)	30.09.2017 RM'000 (Reviewed)	Changes %	30.09.2018 RM'000 (Reviewed)	30.09.2017 RM'000 (Reviewed)	Changes %
Profit for the period	51,464	53,117	(3.1)	176,976	172,934	2.3
Other comprehensive income:						
Items that may be subsequently reclassified to profit or loss:						
Gain/(Loss) on foreign currency translation	87	(54)	(261.1)	73	(198)	(136.9)
Net fair value changes in unquoted bonds at fair value through other comprehensive income ("FVTOCI")	112	186	(39.8)	(8)	408	(102.0)
Income tax effects relating to unquoted bonds at FVTOCI	(33)	(15)	120.0	(18)	(29)	(37.9)
	166	117	41.9	47	181	(74.0)
Item that will not be subsequently reclassified to profit or loss:						
Net fair value changes in quoted shares at FVTOCI	16,367	13,601	20.3	42,766	21,469	99.2
Total other comprehensive income, net of income tax	16,533	13,718	20.5	42,813	21,650	97.8
Total comprehensive income	67,997	66,835	1.7	219,789	194,584	13.0
Total comprehensive income attributable to:						
Owners of the Company	66,725	65,319	2.2	215,000	189,420	13.5
Non-controlling interest	1,272	1,516	(16.1)	4,789	5,164	(7.3)
	67,997	66,835	1.7	219,789	194,584	13.0

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 2017 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 SEPTEMBER 2018

	Note	As at 30.09.2018 RM'000 (Reviewed)	As at 31.12.2017 RM'000 (Audited)
Assets			
Property, plant and equipment		172,047	179,298
Computer software		36,855	40,841
Right-of-use assets		8,323	8,407
Goodwill		42,957	42,957
Investment securities		309,692	281,779
Staff loans receivable		2,389	2,918
Deferred tax assets		6,138	6,747
Non-current assets		578,401	562,947
Trade receivables	27	41,159	47,218
Other receivables		13,572	15,964
Tax recoverable		4,949	4,352
Investment securities		30,008	25,039
Cash for equity margins, derivatives trading margins, security deposits and eDividend distributions	13	1,567,691	1,168,526
Cash and bank balances of Clearing Funds	14	129,329	129,628
Cash and bank balances of the Group	15	198,578	271,207
Current assets		1,985,286	1,661,934
Total assets		2,563,687	2,224,881
Equity and liabilities			
Share capital		424,142	402,169
Other reserves		222,026	179,938
Retained earnings		147,663	267,881
Equity attributable to owners of the Company		793,831	849,988
Non-controlling interest		10,508	12,469
Total equity		804,339	862,457
Retirement benefit obligations		18,080	21,860
Deferred grants		3,000	2,038
Lease liabilities		7,844	7,470
Deferred tax liabilities		1,450	1,729
Non-current liabilities		30,374	33,097
Trade payables	13	1,560,950	1,166,024
Participants' contributions to Clearing Funds	14	39,329	39,628
Other payables		116,921	115,989
Lease liabilities		532	505
Tax payable		11,242	7,181
Current liabilities		1,728,974	1,329,327
Total liabilities		1,759,348	1,362,424
Total equity and liabilities		2,563,687	2,224,881
		RM	RM
Net assets per share attributable to owners of the Company	33	0.98	1.58

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 2017 and the accompanying explanatory notes attached to these interim financial statements.

BURSA MALAYSIA BERHAD (30632-P)
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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR-TO-DATE ENDED 30 SEPTEMBER 2018

	← Attributable to owners of the Company →						→ Distributable							
	Non-distributable			Foreign currency translation reserve			Share grant reserve		Clearing fund reserves		FVTOCI reserve	Retained earnings	Total	Non-controlling interest
(Reviewed)	Share capital RM'000	Share premium RM'000	Capital redemption reserve 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 2018	402,169	-	-	531	6,849	30,000	142,558	267,881	849,988	12,469	862,457			
Profit for the period	-	-	-	-	-	-	-	172,187	172,187	4,789	176,976			
Other comprehensive income, net of income tax	-	-	-	73	-	-	42,740	-	42,813	-	42,813			
Total comprehensive income	-	-	-	73	-	-	42,740	172,187	215,000	4,789	219,789			
Transactions with owners:														
Issuance of ordinary shares pursuant to (Note 6):														
- bonus issue	15,323	-	-	-	-	-	-	(15,323)	-	-	-			
- Share Grant Plan ("SGP")	6,650	-	-	-	(6,650)	-	-	-	-	-	-			
SGP expense	-	-	-	-	5,925	-	-	-	5,925	-	5,925			
Dividends paid to owners of the Company (Note 7)	-	-	-	-	-	-	-	(277,082)	(277,082)	-	(277,082)			
Dividends paid to non-controlling interest	-	-	-	-	-	-	-	-	-	(6,750)	(6,750)			
Total transactions with owners	21,973	-	-	-	(725)	-	-	(292,405)	(271,157)	(6,750)	(277,907)			
At 30 September 2018	424,142	-	-	604	6,124	30,000	185,298	147,663	793,831	10,508	804,339			
At 1 January 2017	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	-	-	-	-	-	-	-	167,770	167,770	5,164	172,934			
Other comprehensive income, net of income tax	-	-	-	(198)	-	-	21,848	-	21,650	-	21,650			
Total comprehensive income	-	-	-	(198)	-	-	21,848	167,770	189,420	5,164	194,584			
Transactions with owners:														
Issuance of ordinary shares pursuant to SGP	9,731	-	-	-	(9,731)	-	-	-	-	-	-			
SGP expense	-	-	-	-	6,657	-	-	-	6,657	-	6,657			
Dividends paid to owners of the Company (Note 7)	-	-	-	-	-	-	-	(279,334)	(279,334)	-	(279,334)			
Dividends paid to non-controlling interest	-	-	-	-	-	-	-	-	-	(13,000)	(13,000)			
Total transactions with owners	9,731	-	-	-	(3,074)	-	-	(279,334)	(272,677)	(13,000)	(285,677)			
At 30 September 2017	402,169	-	-	662	5,276	30,000	135,231	212,345	785,683	10,464	796,147			

Note a

The credits standing in the share premium and capital redemption reserve accounts of RM119,052,000 and RM5,250,000 respectively were transferred to the share capital account on the commencement of the Companies Act 2016 ("New Act") on 31 January 2017. Pursuant to subsection 618(3) of the New Act, the credit amount transferred from the share premium account was fully utilised for the bonus issue of the Company as disclosed in Note 6(a).

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 2017 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 SEPTEMBER 2018

	Note	Year-To-Date Ended	
		30.09.2018 RM'000 (Reviewed)	30.09.2017 RM'000 (Reviewed)
Cash flows from operating activities			
Profit before tax		236,514	231,257
Adjustments for:			
Amortisation of premium/(accretion of discount), net		3	(15)
Depreciation and amortisation		16,546	18,017
Dividend income from investment securities	9	(2,232)	(2,300)
Grant income	9	(638)	(1,081)
Interest income	9	(14,227)	(14,907)
Finance costs		401	401
Net gain on disposal of investment securities	9	-	(25)
Net gain on disposal of motor vehicle	9	(68)	-
Net (reversal of impairment loss)/impairment loss on:			
Investment securities	10	(127)	97
Trade and other receivables	10	362	1,586
Retirement benefit obligations		742	880
SGP expense		5,925	6,657
Unrealised loss on foreign exchange differences		62	17
Operating profit before working capital changes		243,263	240,584
Decrease/(Increase) in receivables		2,823	(3,478)
(Decrease)/Increase in other payables		(642)	6,317
Cash generated from operations		245,444	243,423
Staff loans repaid, net of disbursements		516	389
Retirement benefits paid		(4,522)	(4,042)
Tax paid, net		(55,762)	(48,411)
Net cash from operating activities		185,676	191,359
Cash flows from investing activities			
Dividend income received		6,474	5,828
Decrease in deposits not for short-term funding requirements		14,625	34,446
Interest income received		15,313	16,699
Proceeds from sale of investment securities		25,000	19,740
Proceeds from sale of a motor vehicle		68	-
Purchases of investment securities		(14,963)	(29,995)
Purchases of property, plant and equipment and computer software		(8,039)	(4,568)
Net cash from investing activities		38,478	42,150
Cash flows from financing activities			
Dividends paid to owners of the Company	7	(277,082)	(279,334)
Dividends paid by a subsidiary to non-controlling interest		(6,750)	(13,000)
Grant received		1,600	-
Net cash used in financing activities		(282,232)	(292,334)
Net decrease in cash and cash equivalents		(58,078)	(58,825)
Effect of exchange rate changes		74	(200)
Cash and cash equivalents at beginning of period		248,132	214,048
Cash and cash equivalents at end of period	15	190,128	155,023

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 2017 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 2017. The explanatory notes attached to the Condensed Report provide explanation of events and transactions that are significant for an understanding of the changes in the financial position and performance of the Group since the financial year ended 31 December 2017.

2. SIGNIFICANT ACCOUNTING POLICIES

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

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 2017, except for the following:

Early adoption of Standards, Amendments to Standards, Annual Improvements to Standards and IC Interpretations

Effective for financial periods beginning on or after 1 January 2019

Amendments to MFRS 9 Financial Instruments - *Prepayment Features with Negative Compensation*

Amendments to MFRS 119 Employee Benefits - *Plan Amendment, Curtailment or Settlement*

Amendments to MFRS 128 Investments in Associates and Joint Ventures - *Long-term Interests in Associates and Joint Ventures*

Annual Improvements to MFRS Standards 2015 - 2017 Cycle:

- Amendments to MFRS 3 Business Combinations - *Previously held interest in a joint operation*
- Amendments to MFRS 11 Joint Arrangements - *Previously held interest in a joint operation*
- Amendments to MFRS 112 Income Taxes - *Income tax consequences of payments on financial instruments classified as equity*
- Amendments to MFRS 123 Borrowing Costs - *Borrowing costs eligible for capitalisation*

IC Interpretation 23 Uncertainty over Income Tax Treatments

Effective for financial periods beginning on or after 1 January 2020

Conceptual Framework in MFRS Standards:

- Amendments to MFRS 2 Share-based Payment
- Amendment to MFRS 3 Business Combinations
- Amendments to MFRS 6 Exploration for and Evaluation of Mineral Resources
- Amendment to MFRS 14 Regulatory Deferral Accounts
- Amendments to MFRS 101 Presentation of Financial Statements
- Amendments to MFRS 108 Accounting Policies, Changes in Accounting Estimates and Errors

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

2. SIGNIFICANT ACCOUNTING POLICIES (CONT'D.)

2.1 Adoption of Standards, Amendments to Standards, Annual Improvements to Standards and Issues Committee ("IC") Interpretations (Cont'd.)

Effective for financial periods beginning on or after 1 January 2020 (cont'd.)

Conceptual Framework in MFRS Standards (cont'd.):

- Amendments to MFRS 134 Interim Financial Reporting
- Amendment to MFRS 137 Provisions, Contingent Liabilities and Contingent Assets
- Amendment to MFRS 138 Intangible Assets
- Amendments to IC Interpretation 12 Service Concession Arrangements
- Amendments to IC Interpretation 19 Extinguishing Financial Liabilities with Equity Instruments
- Amendments to IC Interpretation 20 Stripping Costs in the Production Phase of a Surface Mine
- Amendments to IC Interpretation 22 Foreign Currency Transactions and Advance Consideration
- Amendments to IC Interpretation 132 Intangible Assets - Web Site Costs

2.2 Standards issued but not yet effective

Effective for financial periods beginning on or after 1 January 2021

MFRS 17 Insurance Contracts

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

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

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 September 2018.

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 September 2018.

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

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 September 2018 other than the following:

- (a) On 13 April 2018, ordinary shares of the Company increased from 537,500,900 to 806,251,271 due to a bonus issue of 268,750,371 new ordinary shares, credited as fully paid up share capital on the basis of one new ordinary share for every two existing ordinary shares through capitalisation of the share premium and retained earnings of the Company of RM119,052,000 and RM15,323,000 respectively; and
- (b) On 13 July 2018, the Company issued 1,223,400 new ordinary shares pursuant to the SGP, details which are as follows:

SGP grants	Number of new ordinary shares	Issue price (RM per share)
2015 RSP grant	464,550	4.72
2016 RSP grant	440,550	5.25
2016 RSP grant	2,100	5.02
2017 RSP grant	307,800	6.75
2017 RSP grant	1,200	6.48
2017 RSP grant	1,500	6.22
2018 RSP grant	1,900	7.16
2018 RSP grant	1,900	6.89
2018 RSP grant	1,900	6.62
Total	1,223,400	5.44*

* Weighted average issue price.

7. DIVIDENDS PAID

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

	30.09.2018	30.09.2017
First interim/interim and special dividends		
For the financial year ending/ended	31 December 2018	31 December 2017
Approved and declared on	30 July 2018	26 July 2017
Date paid	29 August 2018	23 August 2017
Number of ordinary shares on which dividends were paid ('000)	807,475	537,501
Interim dividend per share (single-tier)	14.0 sen	20.0 sen
Special dividend per share* (single-tier)	8.0 sen	15.0 sen
Net dividends paid (RM'000)	177,644	188,125
Second interim/final dividend		
For the financial year ended	31 December 2017	31 December 2016
Approved and declared on	5 February 2018	29 March 2017
Date paid	5 March 2018	18 April 2017
Number of ordinary shares on which dividends were paid ('000)	537,501	536,522
Dividend per share (single-tier)	18.5 sen	17.0 sen
Net dividend paid (RM'000)	99,438	91,209

* The special dividends paid in the current and previous corresponding financial period were due to surplus cash in excess of the requirements of the Group.

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PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

8. OPERATING REVENUE

	Quarter Ended			Year-To-Date Ended		
	30.09.2018 RM'000	30.09.2017 RM'000	Changes %	30.09.2018 RM'000	30.09.2017 RM'000	Changes %
Trade fees	6,662	5,951	11.9	22,988	20,936	9.8
Clearing fees	48,747	45,099	8.1	165,745	157,892	5.0
Others	5,786	5,195	11.4	18,996	16,200	17.3
Total Securities trading revenue	61,195	56,245	8.8	207,729	195,028	6.5
Trade fees	10,129	11,211	(9.7)	32,536	34,872	(6.7)
Clearing fees	4,174	4,537	(8.0)	12,885	13,804	(6.7)
Others	4,521	4,030	12.2	12,135	11,782	3.0
Total Derivatives trading revenue	18,824	19,778	(4.8)	57,556	60,458	(4.8)
Bursa Suq Al-Sila ("BSAS") trading revenue	3,411	3,918	(12.9)	10,828	11,693	(7.4)
Listing and issuer services	14,245	17,052	(16.5)	45,204	45,371	(0.4)
Depository services	10,493	11,105	(5.5)	31,824	31,438	1.2
Market data	9,789	8,848	10.6	27,189	25,944	4.8
Member services and connectivity	5,219	5,680	(8.1)	16,404	16,120	1.8
Conference fees and exhibition related income	-	-	-	5,530	6,006	(7.9)
Total other operating revenue	43,157	46,603	(7.4)	136,979	136,572	0.3
Total operating revenue	123,176	122,626	0.4	402,264	392,058	2.6

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

8. OPERATING REVENUE (CONT'D.)

Disaggregation of revenue

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

OPERATING REVENUE FOR THE QUARTER ENDED

	Securities Market			Derivatives Market			Exchange Holding Company			Others			Total		
	30.09.2018 RM'000	30.09.2017 RM'000	Changes %	30.09.2018 RM'000	30.09.2017 RM'000	Changes %	30.09.2018 RM'000	30.09.2017 RM'000	Changes %	30.09.2018 RM'000	30.09.2017 RM'000	Changes %	30.09.2018 RM'000	30.09.2017 RM'000	Changes %
Major products or services:															
Securities trading	61,195	56,245	8.8	-	-	-	-	-	-	-	-	-	61,195	56,245	8.8
Derivatives trading	-	-	-	18,824	19,778	(4.8)	-	-	-	-	-	-	18,824	19,778	(4.8)
BSAS trading	-	-	-	-	-	-	-	-	-	3,411	3,918	(12.9)	3,411	3,918	(12.9)
Listing and issuer services	14,216	17,011	(16.4)	-	-	-	-	-	-	29	41	(29.3)	14,245	17,052	(16.5)
Depository services	10,493	11,105	(5.5)	-	-	-	-	-	-	-	-	-	10,493	11,105	(5.5)
Market data	7,588	6,729	12.8	2,141	2,059	4.0	-	-	-	60	60	-	9,789	8,848	10.6
Member services and connectivity	3,274	3,475	(5.8)	40	40	-	1,876	2,131	(12.0)	29	34	(14.7)	5,219	5,680	(8.1)
	96,766	94,565	2.3	21,005	21,877	(4.0)	1,876	2,131	(12.0)	3,529	4,053	(12.9)	123,176	122,626	0.4
Timing of revenue recognition:															
At a point in time	83,586	81,916	2.0	19,842	20,887	(5.0)	-	-	-	3,451	3,971	(13.1)	106,879	106,774	0.1
Over time	13,180	12,649	4.2	1,163	990	17.5	1,876	2,131	(12.0)	78	82	(4.9)	16,297	15,852	2.8
	96,766	94,565	2.3	21,005	21,877	(4.0)	1,876	2,131	(12.0)	3,529	4,053	(12.9)	123,176	122,626	0.4

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PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

8. OPERATING REVENUE (CONT'D.)

Disaggregation of revenue (Cont'd.)

OPERATING REVENUE FOR YEAR-TO-DATE ENDED

	Securities Market			Derivatives Market			Exchange Holding Company			Others			Total		
	30.09.2018 RM'000	30.09.2017 RM'000	Changes %	30.09.2018 RM'000	30.09.2017 RM'000	Changes %	30.09.2018 RM'000	30.09.2017 RM'000	Changes %	30.09.2018 RM'000	30.09.2017 RM'000	Changes %	30.09.2018 RM'000	30.09.2017 RM'000	Changes %
Major products or services:															
Securities trading	207,729	195,028	6.5	-	-	-	-	-	-	-	-	-	207,729	195,028	6.5
Derivatives trading	-	-	-	57,556	60,458	(4.8)	-	-	-	-	-	-	57,556	60,458	(4.8)
BSAS trading	-	-	-	-	-	-	-	-	-	10,828	11,693	(7.4)	10,828	11,693	(7.4)
Listing and issuer services	45,103	45,252	(0.3)	-	-	-	-	-	-	101	119	(15.1)	45,204	45,371	(0.4)
Depository services	31,824	31,438	1.2	-	-	-	-	-	-	-	-	-	31,824	31,438	1.2
Market data	20,797	19,580	6.2	6,216	6,183	0.5	-	-	-	176	181	(2.8)	27,189	25,944	4.8
Member services and connectivity	10,540	10,109	4.3	117	119	(1.7)	5,659	5,781	(2.1)	88	111	(20.7)	16,404	16,120	1.8
Conference fees and exhibition related income	-	-	-	5,530	6,006	(7.9)	-	-	-	-	-	-	5,530	6,006	(7.9)
	315,993	301,407	4.8	69,419	72,766	(4.6)	5,659	5,781	(2.1)	11,193	12,104	(7.5)	402,264	392,058	2.6
Timing of revenue recognition:															
At a point in time	276,431	264,113	4.7	66,073	69,706	(5.2)	-	-	-	10,959	11,845	(7.5)	353,463	345,664	2.3
Over time	39,562	37,294	6.1	3,346	3,060	9.3	5,659	5,781	(2.1)	234	259	(9.7)	48,801	46,394	5.2
	315,993	301,407	4.8	69,419	72,766	(4.6)	5,659	5,781	(2.1)	11,193	12,104	(7.5)	402,264	392,058	2.6

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

9. OTHER INCOME

	Quarter Ended			Year-To-Date Ended		
	30.09.2018 RM'000	30.09.2017 RM'000	Changes %	30.09.2018 RM'000	30.09.2017 RM'000	Changes %
Interest income from:						
Deposits and investment securities	4,745	4,760	(0.3)	14,141	14,799	(4.4)
Others	26	34	(23.5)	86	108	(20.4)
Dividend income	763	757	0.8	2,232	2,300	(3.0)
Grant income	256	302	(15.2)	638	1,081	(41.0)
Net gain on disposal of investment securities	-	-	-	-	25	(100.0)
Net gain on disposal of motor vehicle	-	-	-	68	-	-
Rental income	319	1,651	(80.7)	959	4,962	(80.7)
Miscellaneous income	537	143	275.5	700	296	136.5
Total other income	6,646	7,647	(13.1)	18,824	23,571	(20.1)

10. OTHER OPERATING EXPENSES

	Quarter Ended			Year-To-Date Ended		
	30.09.2018 RM'000	30.09.2017 RM'000	Changes %	30.09.2018 RM'000	30.09.2017 RM'000	Changes %
Administrative expenses	1,734	1,610	7.7	4,906	5,023	(2.3)
Building management expenses	2,723	2,813	(3.2)	7,624	8,251	(7.6)
Central Depository System ("CDS") consumables	557	817	(31.8)	2,023	2,589	(21.9)
Marketing and development expenses	1,588	2,570	(38.2)	7,727	8,091	(4.5)
Professional fees	1,242	425	192.2	2,289	1,130	102.6
Technology expenses:						
Information technology maintenance	4,391	4,748	(7.5)	14,200	14,540	(2.3)
Service fees	5,365	5,051	6.2	15,363	18,447	(16.7)
Net (gain)/loss on foreign exchange differences	(140)	326	(142.9)	444	482	(7.9)
Net (reversal of impairment loss)/impairment loss on:						
Investment securities	(154)	86	(279.1)	(127)	97	(230.9)
Trade and other receivables	6	1,038	(99.4)	362	1,586	(77.2)
Miscellaneous expenses	2,473	1,876	31.8	6,397	5,488	16.6
Total other operating expenses	19,785	21,360	(7.4)	61,208	65,724	(6.9)

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11. SEGMENTAL INFORMATION

RESULTS FOR THE QUARTER ENDED

	Securities Market			Derivatives Market			Exchange Holding Company			Others			Total		
	30.09.2018	30.09.2017	Changes	30.09.2018	30.09.2017	Changes	30.09.2018	30.09.2017	Changes	30.09.2018	30.09.2017	Changes	30.09.2018	30.09.2017	Changes
	RM'000	RM'000	%	RM'000	RM'000	%	RM'000	RM'000	%	RM'000	RM'000	%	RM'000	RM'000	%
Operating revenue															
(Note 8)	96,766	94,565	2.3	21,005	21,877	(4.0)	1,876	2,131	(12.0)	3,529	4,053	(12.9)	123,176	122,626	0.4
Other income	3,564	3,393	5.0	495	443	11.7	2,520	3,772	(33.2)	67	39	71.8	6,646	7,647	(13.1)
Direct costs	(22,473)	(22,035)	2.0	(12,004)	(11,075)	8.4	(7,972)	(7,822)	1.9	(1,646)	(1,662)	(1.0)	(44,095)	(42,594)	3.5
Segment profit/(loss)	77,857	75,923	2.5	9,496	11,245	(15.6)	(3,576)	(1,919)	86.3	1,950	2,430	(19.8)	85,727	87,679	(2.2)
Overheads													(16,768)	(16,605)	1.0
Profit before tax													68,959	71,074	(3.0)

RESULTS FOR YEAR-TO-DATE ENDED

	Securities Market			Derivatives Market			Exchange Holding Company			Others			Total		
	30.09.2018	30.09.2017	Changes	30.09.2018	30.09.2017	Changes	30.09.2018	30.09.2017	Changes	30.09.2018	30.09.2017	Changes	30.09.2018	30.09.2017	Changes
	RM'000	RM'000	%	RM'000	RM'000	%	RM'000	RM'000	%	RM'000	RM'000	%	RM'000	RM'000	%
Operating revenue															
(Note 8)	315,993	301,407	4.8	69,419	72,766	(4.6)	5,659	5,781	(2.1)	11,193	12,104	(7.5)	402,264	392,058	2.6
Other income	10,671	10,164	5.0	1,414	1,574	(10.2)	6,551	11,736	(44.2)	188	97	93.8	18,824	23,571	(20.1)
Direct costs	(67,669)	(65,972)	2.6	(36,472)	(37,759)	(3.4)	(24,512)	(25,920)	(5.4)	(4,762)	(4,597)	3.6	(133,415)	(134,248)	(0.6)
Segment profit/(loss)	258,995	245,599	5.5	34,361	36,581	(6.1)	(12,302)	(8,403)	46.4	6,619	7,604	(13.0)	287,673	281,381	2.2
Overheads													(51,159)	(50,124)	2.1
Profit before tax													236,514	231,257	2.3

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

11. SEGMENTAL 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 SEPTEMBER 2018					
Assets	339,346	85,131	407,202	23,901	855,580
Clearing Funds	103,358	25,971	-	-	129,329
Cash for equity margins, derivatives trading margins, security deposits and eDividend distributions	139,849	1,427,842	-	-	1,567,691
Segment assets	582,553	1,538,944	407,202	23,901	2,552,600
Unallocated corporate assets	-	-	-	-	11,087
Total assets	582,553	1,538,944	407,202	23,901	2,563,687
Liabilities	46,378	11,773	65,978	15,507	139,636
Participants' contributions to Clearing Funds	18,358	20,971	-	-	39,329
Equity margins, derivatives trading margins, security deposits and eDividend distributions	139,849	1,427,842	-	-	1,567,691
Segment liabilities	204,585	1,460,586	65,978	15,507	1,746,656
Unallocated corporate liabilities	-	-	-	-	12,692
Total liabilities	204,585	1,460,586	65,978	15,507	1,759,348
ASSETS AND LIABILITIES AS AT 31 DECEMBER 2017					
Assets	395,584	98,654	393,025	28,365	915,628
Clearing Funds	102,577	27,051	-	-	129,628
Cash for equity margins, derivatives trading margins, security deposits and eDividend distributions	117,846	1,050,680	-	-	1,168,526
Segment assets	616,007	1,176,385	393,025	28,365	2,213,782
Unallocated corporate assets	-	-	-	-	11,099
Total assets	616,007	1,176,385	393,025	28,365	2,224,881
Liabilities	38,892	12,712	79,067	14,689	145,360
Participants' contributions to Clearing Funds	17,577	22,051	-	-	39,628
Equity margins, derivatives trading margins, security deposits and eDividend distributions	117,846	1,050,680	-	-	1,168,526
Segment liabilities	174,315	1,085,443	79,067	14,689	1,353,514
Unallocated corporate liabilities	-	-	-	-	8,910
Total liabilities	174,315	1,085,443	79,067	14,689	1,362,424

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 AND eDIVIDEND DISTRIBUTIONS

	As at 30.09.2018 RM'000	As at 31.12.2017 RM'000
Equity margins, derivatives trading margins and security deposits, representing trade payables	1,560,950	1,166,024
Cash received for eDividend distributions (included in other payables)	6,741	2,502
Total cash for equity margins, derivatives trading margins, security deposits and eDividend distributions	1,567,691	1,168,526

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

	As at 30.09.2018 RM'000	As at 31.12.2017 RM'000
Collaterals in the form of letters of credit	633,645	581,830
Collaterals in the form of shares	389	525
	634,034	582,355

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 September 2018			
Contributions from Trading Clearing Participants ("TCPs") of Bursa Malaysia Securities Clearing Sdn Bhd ("BMSC")	18,358	-	18,358
Contribution from BMSC	-	25,000	25,000
Additional cash resources from BMSC	-	60,000	60,000
Clearing Guarantee Fund ("CGF") contributions (Note a)	18,358	85,000	103,358
Contributions from Clearing Participants ("CPs") of Bursa Malaysia Derivatives Clearing Bhd ("BMDC")	20,971	-	20,971
Contribution from BMDC	-	5,000	5,000
Derivatives Clearing Fund ("DCF") contributions (Note b)	20,971	5,000	25,971
Total cash and bank balances of Clearing Funds	39,329	90,000	129,329

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PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

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

	Participants' contributions RM'000	Cash set aside by the Group RM'000	Total RM'000
As at 31 December 2017			
Contributions from TCPs of BMSC	17,577	-	17,577
Contribution from BMSC	-	25,000	25,000
Additional cash resources from BMSC	-	60,000	60,000
CGF contributions (Note a)	17,577	85,000	102,577
Contributions from CPs of BMDC	22,051	-	22,051
Contribution from BMDC	-	5,000	5,000
DCF contributions (Note b)	22,051	5,000	27,051
Total cash and bank balances of Clearing Funds	39,628	90,000	129,628

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

	As at 30.09.2018 RM'000	As at 31.12.2017 RM'000
Cash and bank balances	103,358	102,577
Bank guarantees from TCPs of BMSC	-	2,940
Total CGF	103,358	105,517

(b) There are no non-cash collaterals from CPs of BMDC as at 30 September 2018 and 31 December 2017.

15. CASH AND BANK BALANCES OF THE GROUP

	As at 30.09.2018 RM'000	As at 31.12.2017 RM'000
Cash and bank balances	4,195	4,299
Deposits for short-term funding requirements	185,933	243,833
Cash and cash equivalents	190,128	248,132
Deposits not for short-term funding requirements	8,450	23,075
Total cash and bank balances	198,578	271,207

PART A: EXPLANATORY NOTES PURSUANT TO MFRS 134

16. CAPITAL COMMITMENTS

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

	As at 30.09.2018 RM'000	As at 31.12.2017 RM'000
Approved and contracted for:		
Computers and office automation	5,752	1,669
Office equipment and renovations	222	12
	5,974	1,681
Approved but not contracted for:		
Computers and office automation	3,207	60
Office equipment and renovations	-	50
	3,207	110

17. CONTINGENT ASSETS AND LIABILITIES

There are no contingent assets and no changes in the contingent liability in respect of the put and call options with Chicago Mercantile Exchange ("CME") Group over the ordinary shares of Bursa Malaysia Derivatives Berhad held by CME Group since 31 December 2017.

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 September 2018.

19. OPERATING LEASE ARRANGEMENTS

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

	As at 30.09.2018 RM'000	As at 31.12.2017 RM'000
Not later than 1 year	978	427
Later than 1 year and not later than 5 years	1,413	88
Total future minimum lease receivables	2,391	515

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 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 30.09.2018 RM'000	As at 31.12.2017 RM'000
Assets		
Financial assets at FVTOCI		
Investment securities:		
Quoted shares (outside Malaysia)	269,572	226,806
Unquoted bonds	70,128	80,012
	339,700	306,818
Financial assets at amortised cost		
Staff loans receivable	2,851	3,453
Trade receivables	41,159	47,218
Other receivables which are financial assets*	6,516	11,440
Cash for equity margins, derivatives trading margins, security deposits and eDividend distributions	1,567,691	1,168,526
Cash and bank balances of Clearing Funds	129,329	129,628
Cash and bank balances of the Group	198,578	271,207
	1,946,124	1,631,472
Total financial assets	2,285,824	1,938,290
Liabilities		
Financial liabilities at amortised cost		
Trade payables	1,560,950	1,166,024
Participants' contributions to Clearing Funds	39,329	39,628
Other payables which are financial liabilities**	36,176	33,595
Lease liabilities	8,376	7,975
Total financial liabilities	1,644,831	1,247,222

* 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 different measurement hierarchies (i.e. Level 1, 2 and 3). The hierarchies reflect the level of objectiveness of inputs used when measuring the fair value.

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

Shares quoted outside Malaysia are measured at Level 1. The fair value of quoted shares is determined directly by reference to their published market bid prices as at 30 September 2018 and 31 December 2017.

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.)

(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 September 2018 and 31 December 2017.

	Level 1 RM'000	Level 2 RM'000	Total RM'000
As at 30 September 2018			
Financial assets at FVTOCI:			
Quoted shares (outside Malaysia)	269,572	-	269,572
Unquoted bonds	-	70,128	70,128
	269,572	70,128	339,700
As at 31 December 2017			
Financial assets at FVTOCI:			
Quoted shares (outside Malaysia)	226,806	-	226,806
Unquoted bonds	-	80,012	80,012
	226,806	80,012	306,818

There were no transfers between Level 1 and Level 2 during the current quarter and year-to-date ended 30 September 2018.

(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.

22. SIGNIFICANT EVENT DURING THE PERIOD

The bonus issue proposed by the Company on 27 November 2017 was approved by the shareholders at the Extraordinary General Meeting held on 28 March 2018. The bonus issue was completed on 13 April 2018 and the details are disclosed in Note 6(i).

Other than the above, there were no other significant events during the period.

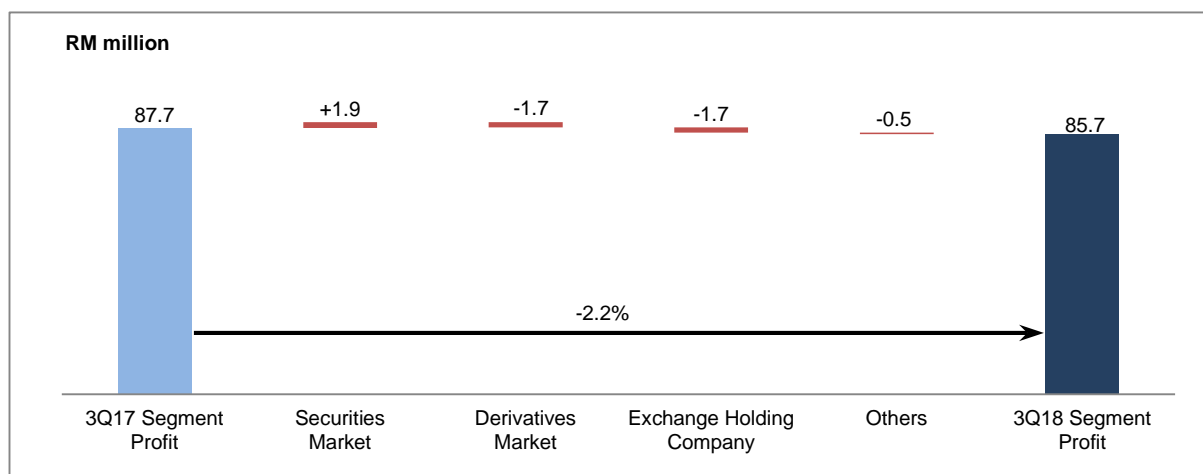
**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET
LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

23. OPERATING SEGMENTS REVIEW

(a) 3Q18 vs. 3Q17

Profit Before Tax ("PBT") for the quarter ended 30 September 2018 ("3Q18") was RM69.0 million, a decrease of 3.0 per cent compared to RM71.1 million in the quarter ended 30 September 2017 ("3Q17"). PBT is made up of segment profits less overheads (as depicted in Note 11).

Total segment profit for 3Q18 was RM85.7 million, a decrease of 2.2 per cent compared to RM87.7 million in 3Q17. Movements in the segment profits are depicted in the graph below:



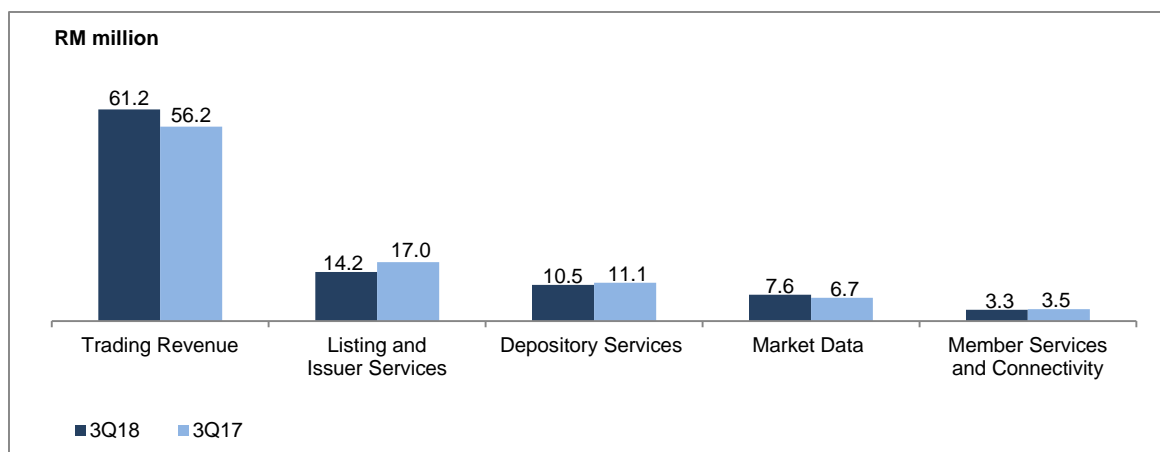
Total comprehensive income for 3Q18 was RM68.0 million, an increase of 1.7 per cent compared to RM66.8 million in 3Q17. The increase was mainly due to higher net fair value changes in quoted shares in 3Q18 compared to 3Q17.

Securities Market

Securities Market recorded a segment profit of RM77.8 million in 3Q18, an increase of 2.5 per cent compared to RM75.9 million in 3Q17 mainly due to higher operating revenue.

(i) Operating Revenue

Securities Market's operating revenue for 3Q18 was RM96.8 million, an increase of 2.3 per cent compared to RM94.5 million in 3Q17. 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) 3Q18 vs. 3Q17 (Cont'd.)

Securities Market (Cont'd.)

(i) Operating Revenue (Cont'd.)

- > Trading revenue increased by 8.8 per cent to RM61.2 million in 3Q18. 3Q18 saw a higher Average Daily trading Value ("ADV") for On-Market Trades ("OMT") and Direct Business Trades ("DBT") of RM2.47 billion compared to RM2.16 billion in 3Q17.
- > Listing and issuer services revenue decreased by 16.4 per cent to RM14.2 million in 3Q18. The decrease was mainly due to lower listing fees and processing fees earned in 3Q18 from lower number of listing and corporate exercises in 3Q18.

Key operating drivers of the Securities Market are as follows:

Key operating drivers	3Q18	3Q17	Changes (%)
FBMKLCI (points)	1,793.15	1,755.58	2.1
ADV (OMT and DBT) (RM'billion)	2.47	2.16	14.4
Average daily trading volume (OMT and DBT) (billion shares)	2.49	2.08	19.7
Effective clearing fee rate (basis points)	2.27	2.35	(3.4)
Velocity (per cent)	30	26	4.0
Number of Initial Public Offerings ("IPOs")	5	2	150.0
Number of new structured warrants listed	302	278	8.6
Total funds raised:			
IPOs (RM'billion)	0.12	3.85	(96.9)
Secondary issues (RM'billion)	1.41	5.61	(74.9)
Market capitalisation as at end of period (RM'billion)	1,835.43	1,845.49	(0.5)
Number of trading days	60	61	(1.6)

(ii) Operating Expenses

Segment expenses increased by 2.0 per cent to RM22.5 million in 3Q18 compared to RM22.0 million in 3Q17 mainly due to a one-off professional fees incurred.

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

23. OPERATING SEGMENTS REVIEW (CONT'D.)

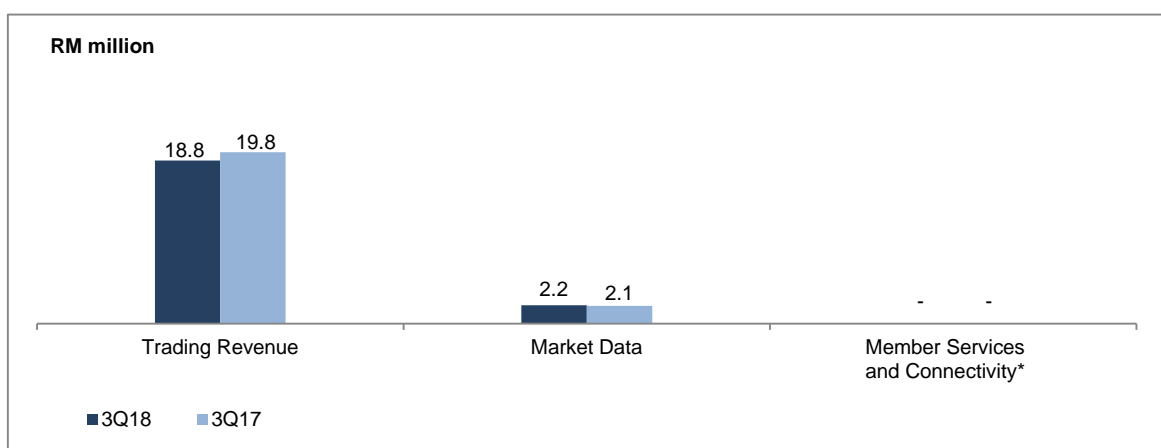
(a) 3Q18 vs. 3Q17 (Cont'd.)

Derivatives Market

The Derivatives Market recorded a segment profit of RM9.5 million in 3Q18, a decrease of 15.6 per cent from RM11.2 million in 3Q17 which was mainly attributed to lower operating trading revenue and higher segment expenses.

(i) Operating Revenue

Derivatives Market's operating revenue for 3Q18 was RM21.0 million, a decrease of 4.0 per cent compared to RM21.9 million in 3Q17. Details by revenue category are shown in the chart below:



* Member services and connectivity fee income is below RM0.1 million for both 3Q18 and 3Q17.

- > Trading revenue decreased by 4.8 per cent to RM18.8 million in 3Q18 mainly due to lower number of contracts traded for FCPO and higher market incentives incurred in 3Q18. FCPO saw a decline of 12.2 per cent in the number of contracts traded in 3Q18, while FKL1 contracts grew by 26.5 per cent to 0.60 million contracts in 3Q18. 3.46 million total contracts were traded in 3Q18 compared to 3.47 million total contracts in 3Q17.

Key operating drivers of the Derivatives Market are as follows:

Key operating drivers	3Q18	3Q17	Changes (%)
Crude Palm Oil Futures ("FCPO") contracts	2,619,095	2,981,761	(12.2)
FBMKLCI Futures ("FKL1") contracts	596,706	471,745	26.5
Palm Olein Futures ("FPOL") contracts	209,073	-	-
Other contracts	40,102	14,245	181.5
Total	3,464,976	3,467,751	(0.1)
Average daily number of contracts traded	57,750	56,848	1.6
Average number of open interest positions	297,853	257,626	15.6
Number of trading days	60	61	(1.6)

(ii) Operating Expenses

Segment expenses increased by 8.4 per cent to RM12.0 million in 3Q18 mainly due to higher staff costs.

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

23. OPERATING SEGMENTS REVIEW (CONT'D.)

(a) 3Q18 vs. 3Q17 (Cont'd.)

Exchange Holding Company

The Exchange Holding Company recorded a higher segment loss of RM3.6 million in 3Q18 compared to a segment loss of RM1.9 million in 3Q17 mainly due to lower rental income earned in 3Q18.

Others

This segment is made up of BSAS, bonds and offshore exchange businesses. The segment profit decreased by 19.8 per cent to RM1.9 million in 3Q18 compared to RM2.4 million in 3Q17 mainly due to lower BSAS trading revenue earned.

Overheads

Overheads increased marginally by 1.0 per cent to RM16.8 million in 3Q18 compared to RM16.6 million in 3Q17.

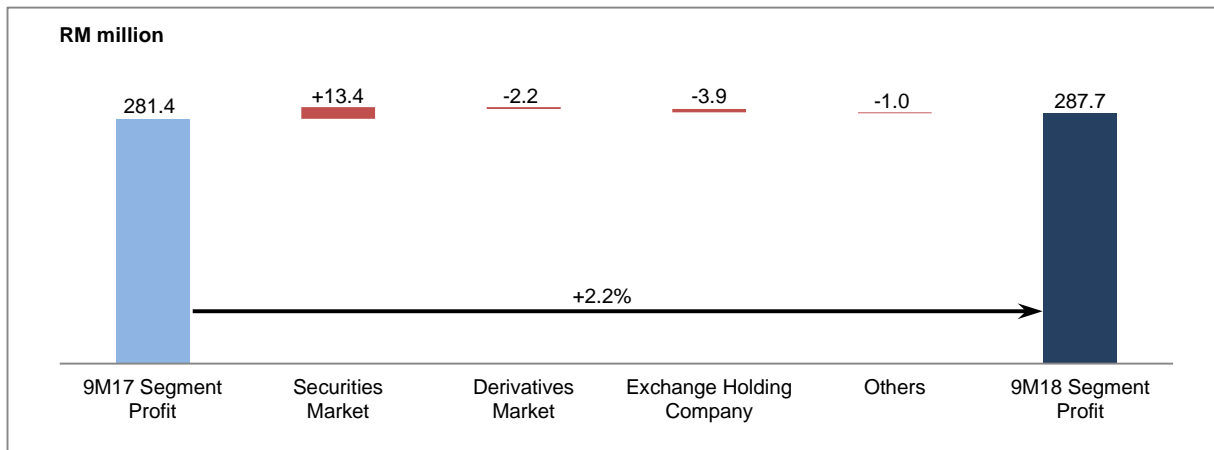
**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET
LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

23. OPERATING SEGMENTS REVIEW (CONT'D.)

(b) 9M18 vs. 9M17

PBT for the year-to-date ended 30 September 2018 ("9M18") was RM236.5 million, an increase of 2.3 per cent from RM231.3 million in the year-to-date ended 30 September 2017 ("9M17"). PBT is made up of segment profits less overheads (as depicted in Note 11).

Total segment profit for 9M18 was RM287.7 million, an increase of 2.2 per cent from RM281.4 million in 9M17. Movements in the segment profits are depicted in the graph below:



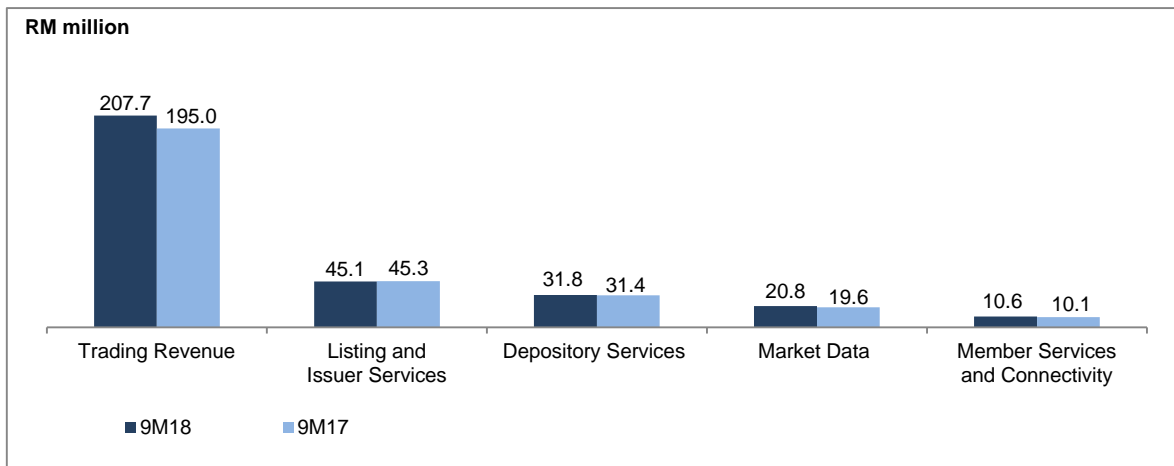
Total comprehensive income for 9M18 was RM219.8 million, an increase of 13.0 per cent compared to RM194.6 million in 9M17 as a result of higher profit and net fair value changes in quoted shares in 9M18 compared to 9M17.

Securities Market

Securities Market recorded a segment profit of RM259.0 million in 9M18, an increase of 5.5 per cent compared to RM245.6 million in 9M17 mainly due to higher operating revenue.

(i) Operating Revenue

Securities Market registered an operating revenue of RM316.0 million in 9M18, an increase of 4.8 per cent from RM301.4 million in 9M17. Details by revenue category are presented 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) 9M18 vs. 9M17 (Cont'd.)

Securities Market (Cont'd.)

(i) Operating Revenue (Cont'd.)

- > Trading revenue increased by 6.5 per cent to RM207.7 million in 9M18, underpinned by a higher ADV for OMT and DBT of RM2.76 billion compared to RM2.50 billion in 9M17.
- > Market data revenue increased by 6.2 per cent to RM20.8 million as a result of higher number of subscribers in 9M18.

Key operating drivers of the Securities Market are as follows:

Key operating drivers	9M18	9M17	Changes (%)
FBMKLCI (points)	1,793.15	1,755.58	2.1
ADV (OMT and DBT) (RM'billion)	2.76	2.50	10.4
Average daily trading volume (OMT and DBT) (billion shares)	2.82	2.63	7.2
Effective clearing fee rate (basis points)	2.24	2.34	(4.3)
Velocity (per cent)	34	32	2.0
Number of IPOs	16	10	60.0
Number of new structured warrants listed	782	677	15.5
Total funds raised:			
IPOs (RM'billion)	0.58	7.37	(92.1)
Secondary issues (RM'billion)	4.53	10.58	(57.2)
Market capitalisation as at end of period (RM'billion)	1,835.43	1,845.49	(0.5)
Number of trading days	180	181	(0.6)

(ii) Operating Expenses

Segment expenses increased by 2.6 per cent to RM67.7 million in 9M18 mainly due to higher staff costs and one-off professional fees incurred in 9M18.

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

23. OPERATING SEGMENTS REVIEW (CONT'D.)

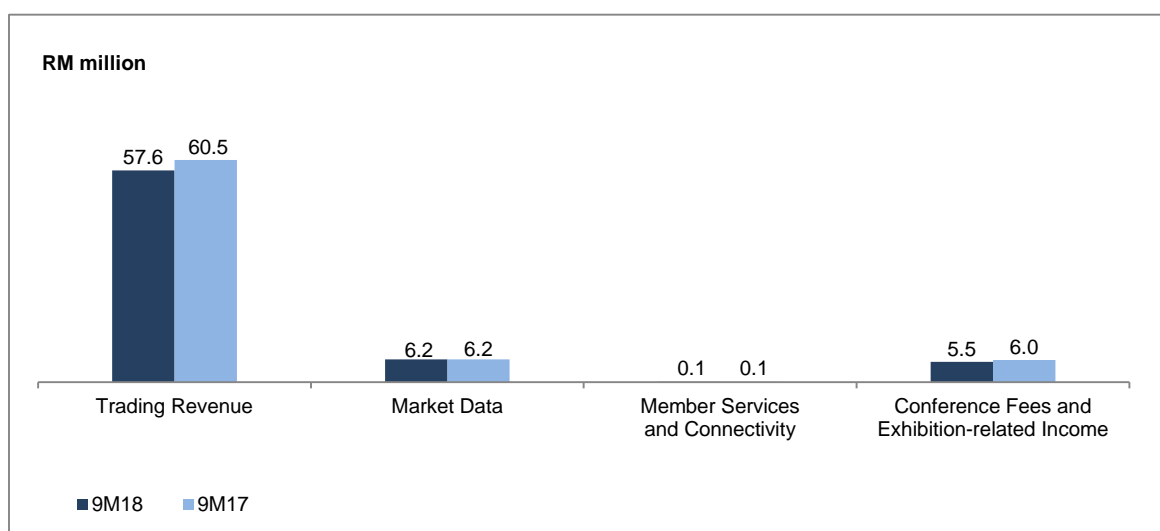
(b) 9M18 vs. 9M17 (Cont'd.)

Derivatives Market

Derivatives Market recorded a segment profit of RM34.4 million in 9M18, a decrease of 6.1 per cent compared to RM36.6 million in 9M17 which was mainly due to lower operating revenue.

(i) Operating Revenue

Derivatives Market registered an operating revenue of RM69.4 million in 9M18, representing a decrease of 4.6 per cent compared to RM72.8 million in 9M17. Details by revenue category are shown in the chart below:



- > Trading revenue decreased by 4.8 per cent to RM57.6 million for 9M18, which was mainly attributed to lower number of FCPO contracts traded and guarantee fees earned, as well as higher market incentives incurred in 9M18. This was partially offset by higher number of FKLI contracts traded in 9M18. FCPO contracts traded in 9M18 decreased by 13.1 per cent to 7.86 million contracts compared to 9.04 million contracts in 9M17, while FKLI contracts grew by 20.0 per cent to 1.88 million contracts in 9M18. 10.04 million total contracts were traded in 9M18 compared to 10.64 million total contracts in 9M17.

Key operating drivers of the Derivatives Market are as follows:

Key operating drivers	9M18	9M17	Changes (%)
FCPO contracts	7,855,913	9,039,633	(13.1)
FKLI contracts	1,875,045	1,563,088	20.0
FPOL contracts	223,691	-	-
Other contracts	85,607	43,137	98.5
Total	10,040,256	10,645,858	(5.7)
Average daily number of contracts traded	55,779	58,817	(5.2)
Average number of open interest positions	289,369	253,432	14.2
Number of trading days	180	181	(0.6)

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

23. OPERATING SEGMENTS REVIEW (CONT'D.)

(b) 9M18 vs. 9M17 (Cont'd.)

Derivatives Market (Cont'd)

(ii) Operating Expenses

Segment expenses decreased by 3.4 per cent to RM36.5 million in 9M18 from RM37.8 million in 9M17, mainly due to lower service fees incurred from lower number of contracts traded.

Exchange Holding Company

The Exchange Holding Company recorded a higher segment loss of RM12.3 million in 9M18 compared to RM8.4 million in 9M17 mainly due to lower rental income earned in 9M18.

Others

This segment is made up of BSAS, bonds and offshore exchange businesses. The segment profit decreased by 13.0 per cent to RM6.6 million in 9M18 compared to RM7.6 million in 9M17 mainly due to lower BSAS trading revenue earned.

Overheads

Overheads increased by 2.1 per cent to RM51.2 million in 9M18 compared to RM50.1 million in 9M17 mainly due to higher staff costs and professional fees.

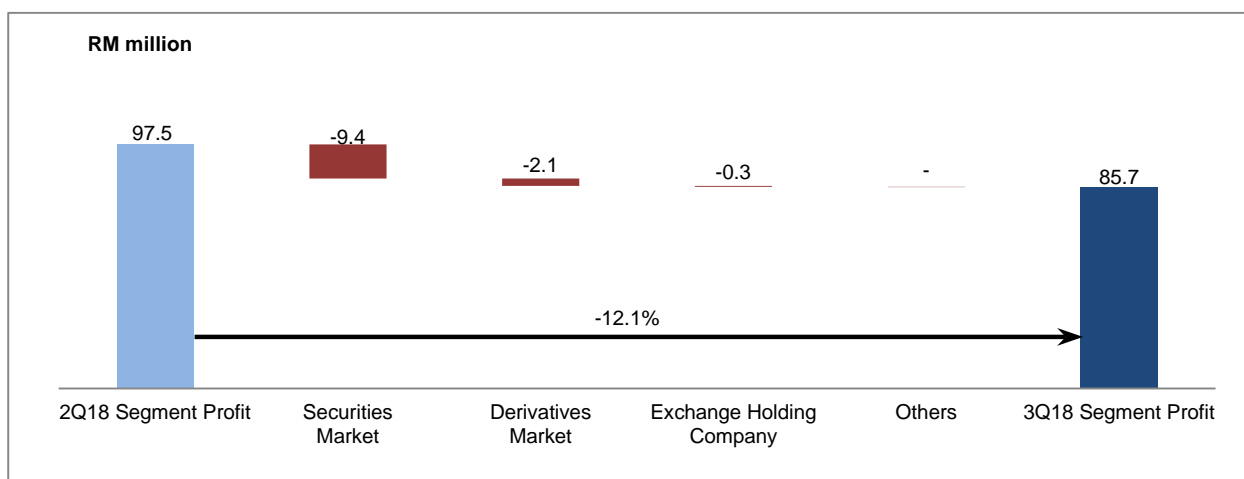
**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET
LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

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

Financial Results	Quarter Ended		Changes %
	30.09.2018 RM'000	30.06.2018 RM'000	
Operating revenue	123,176	134,252	(8.3)
Other income	6,646	6,303	5.4
	129,822	140,555	(7.6)
Staff costs	(35,447)	(36,174)	(2.0)
Depreciation and amortisation	(5,497)	(5,484)	0.2
Other operating expenses	(19,785)	(18,868)	4.9
Profit from operations	69,093	80,029	(13.7)
Finance costs	(134)	(134)	-
PBT	68,959	79,895	(13.7)

PBT for 3Q18 was RM69.0 million, a decrease of 13.7 per cent from RM79.9 million in the quarter ended 30 June 2018 ("2Q18"). PBT is made up of segment profits less overheads.

Total segment profit for 3Q18 was RM85.7 million, a decrease of 12.1 per cent from RM97.5 million in 2Q18. 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 RM77.8 million in 3Q18, representing a decrease of 10.7 per cent from RM87.2 million in 2Q18 which was mainly due to lower operating revenue.

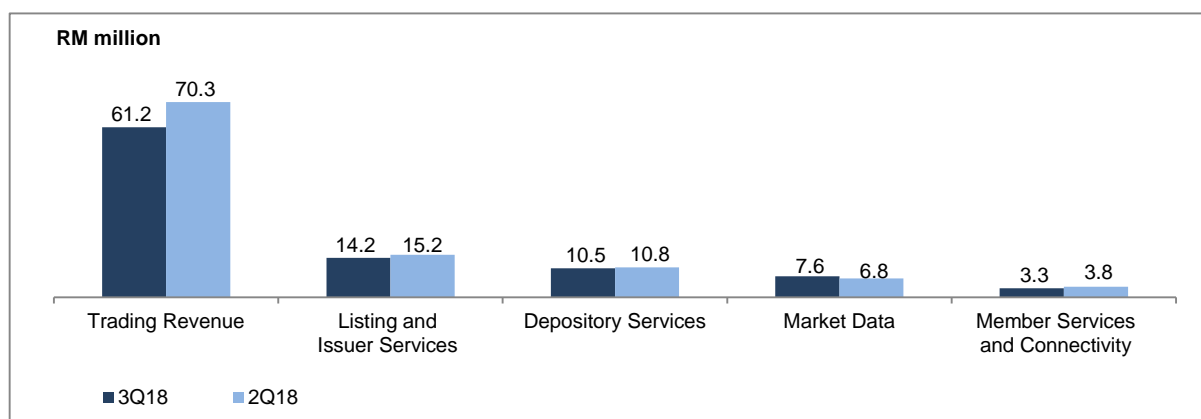
**PART B: EXPLANATORY NOTES PURSUANT TO MAIN MARKET
LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

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

Securities Market (Cont'd.)

(i) Operating Revenue

Securities Market's operating revenue in 3Q18 was RM96.8 million, a decrease of 9.5 per cent compared to RM106.9 million in 2Q18. Details by revenue category are shown in the chart below:



- > Trading revenue decreased by 12.9 per cent to RM61.2 million in 3Q18, mainly due to lower ADV for OMT and DBT of RM2.47 billion in 3Q18 compared to RM2.88 billion in 2Q18.
- > Listing and issuer services revenue decreased by 6.8 per cent to RM14.2 million in 3Q18 mainly due to lower number of corporate exercises in 3Q18.

Key operating drivers of the Securities Market are as follows:

Key operating drivers		3Q18	2Q18	Changes (%)
FBMKLCI	(points)	1,793.15	1,691.50	6.0
ADV (OMT and DBT)	(RM'billion)	2.47	2.88	(14.2)
Average daily trading volume (OMT and DBT)	(billion shares)	2.49	2.70	(7.8)
Effective clearing fee rate	(basis points)	2.27	2.15	5.6
Velocity	(per cent)	30	37	(7.0)
Number of IPOs		5	4	25.0
Number of new structured warrants listed		302	211	43.1
Total funds raised:				
IPOs	(RM'billion)	0.12	0.25	(52.0)
Secondary issues	(RM'billion)	1.41	0.56	151.8
Market capitalisation as at end of period	(RM'billion)	1,835.43	1,771.05	3.6
Number of trading days		60	59	1.7

(ii) Operating Expenses

Segment expenses decreased by 3.7 per cent to RM22.5 million from RM23.3 million in 2Q18 mainly due to lower staff costs.

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

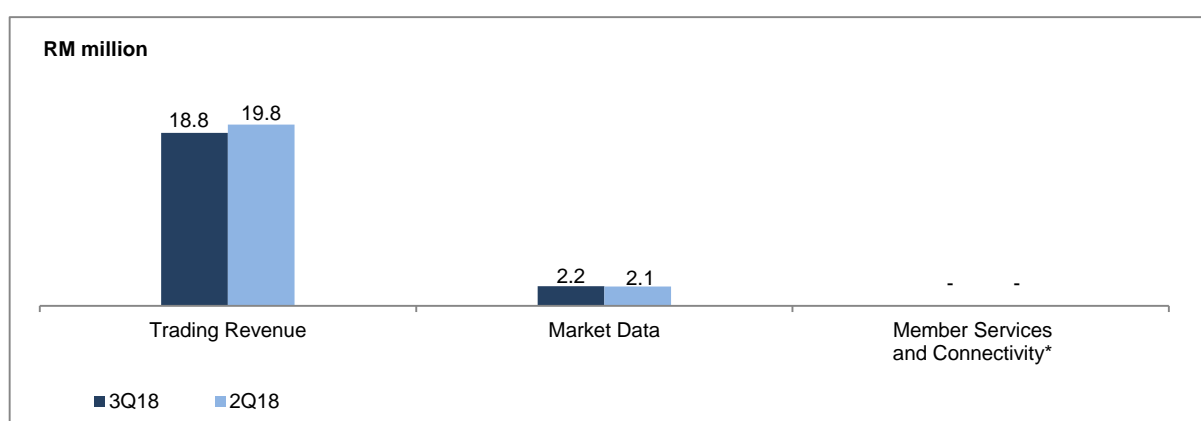
24. MATERIAL CHANGE IN PERFORMANCE OF OPERATING SEGMENTS OF CURRENT QUARTER COMPARED WITH IMMEDIATE PRECEDING QUARTER (CONT'D.)

Derivatives Market

Derivatives Market recorded a segment profit of RM9.5 million in 3Q18, a decrease of 17.9 per cent from RM11.6 million in 2Q18 mainly due to lower operating revenue.

(i) Operating Revenue

Derivatives Market registered an operating revenue of RM21.0 million in 3Q18, a decrease of 4.0 per cent from RM21.9 million in 2Q18. Details by revenue category are shown in the chart below:



* Member services and connectivity fee income is below RM0.1 million for both 3Q18 and 2Q18.

> Trading revenue decreased by 4.7 per cent to RM18.8 million in 3Q18 mainly due to higher market incentives incurred in 3Q18.

Key operating drivers of the Derivatives Market are as follows:

Key operating drivers	3Q18	2Q18	Changes (%)
FCPO contracts	2,619,095	2,521,367	3.9
FKLI contracts	596,706	732,987	(18.6)
FPOL contracts	209,073	14,618	1,330.2
Other contracts	40,102	11,064	262.5
Total	3,464,976	3,280,036	5.6
Average daily number of contracts traded	57,750	55,594	3.9
Average number of open interest positions	297,853	285,968	4.2
Number of trading days	60	59	1.7

(ii) Operating Expenses

Segment expenses increased by 11.4 per cent to RM12.0 million in 3Q18 mainly due to higher staff costs.

**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 higher segment loss of RM3.6 million in 3Q18 compared to RM3.3 million in 2Q18, mainly due higher building maintenance expenses.

Others

This segment is made up of BSAS, bonds and offshore exchange businesses. The segment profit was fairly stable at approximately RM2.0 million both in 3Q18 and 2Q18.

Overheads

Overheads decreased by 4.7 per cent to RM16.8 million in 3Q18 compared to RM17.6 million in 2Q18 due to lower staff costs.

25. COMMENTARY ON PROSPECTS AND TARGETS

The International Monetary Fund (“IMF”) in its October 2018 report lowered its 2018 global growth projections to 3.7%, 0.2 percentage points lower than its April 2018 forecast mainly due to heightened global trade tensions. For Malaysia’s economic growth in 2018, the IMF has moderated the gross domestic product (“GDP”) growth to 4.7% from its earlier estimated growth of 5.3%. The World Bank has projected Malaysia’s 2018 GDP to grow at 4.9% from its earlier estimated growth of 5.4%. Meanwhile, Bank Negara Malaysia expects Malaysia’s economy to grow at 5.0% in 2018, from its earlier projection of between 5.5% and 6.0%.

The Securities Market performance is expected to be resilient, given the sound economic fundamentals and anticipated growth momentum. Trading volatility is expected to continue in the last quarter of 2018 and will be influenced by external and domestic events. In the Derivatives Market, the recent broader price range and volatility in crude palm oil prices are expected to stimulate trading and hedging activities in FCPO and US Dollar-denominated FPOL contracts. The recently introduced FTSE Bursa Malaysia Mid 70 Index (“FM70”) mini-futures contract which complements the existing FKLII contract, has seen encouraging trades in September 2018 and is expected to attract broader investor participation going-forward. As for the Islamic Capital Market, the Exchange expects to see increased participation of institutional investors on the Bursa Malaysia-*i* platform whilst the promotion of Shariah-compliant investing will continue through engagements with market players and retail investors. Bursa Suq Al-Sila', on the other hand, will continue to expand its global reach into selective African and Central Asian countries.

Bursa Malaysia will continue with its initiatives to enhance the breadth and depth of the ecosystem through, amongst others, digitalisation of services, liberalisation of rules framework and greater diversification of the investor base. Despite the slower growth projected for the global and domestic economy in 2018, the Exchange expects to achieve a sustainable performance for the current financial year.

**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		
	30.09.2018 RM'000	30.09.2017 RM'000	Changes %	30.09.2018 RM'000	30.09.2017 RM'000	Changes %
Income tax:						
Current provision	16,299	17,410	(6.4)	59,450	58,164	2.2
(Over)/Under provision of tax in prior year	(224)	965	(123.2)	(224)	965	(123.2)
	16,075	18,375	(12.5)	59,226	59,129	0.2
Deferred tax:						
Relating to origination and reversal of temporary differences	1,023	(340)	(400.9)	(85)	(728)	(88.3)
Under/(Over)provision of tax in prior year	397	(78)	(609.0)	397	(78)	(609.0)
	1,420	(418)	(439.7)	312	(806)	(138.7)
Total income tax expense	17,495	17,957	(2.6)	59,538	58,323	2.1

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

For years of assessment 2017 and 2018, the Malaysian statutory tax rate has been reduced by 1% to 4%, based on the prescribed incremental percentage of chargeable income from business, compared to that of the immediate preceding year of assessment. The Group has accounted for the reduction in the tax rate in the current period, based on the percentage of increase in chargeable income of the Company and its subsidiaries.

Notwithstanding the above, 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 30.09.2018 RM'000	As at 31.12.2017 RM'000
Trade receivables	42,836	48,398
Less: Allowance for impairment loss	(1,677)	(1,180)
	41,159	47,218

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

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

27. TRADE RECEIVABLES (CONT'D.)

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

	As at 30.09.2018 RM'000	As at 31.12.2017 RM'000
Neither past due nor impaired	32,355	39,398
Past due and not impaired:		
< 30 days	4,794	3,293
31 - 60 days	1,935	1,904
61 - 90 days	314	505
91 - 180 days	1,054	1,181
> 181 days	1,369	1,533
Impaired	1,015	584
Gross trade receivables	42,836	48,398
Less: Allowance for impairment loss	(1,677)	(1,180)
	41,159	47,218

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.

28. CORPORATE PROPOSAL

On 27 November 2017, the Company announced the proposed establishment and implementation of a new Employees' Share Grant Plan ("ESGP") of up to four percent (4%) of the issued share capital of the Company (excluding treasury shares) at any point in time during the tenure of the proposed ESGP. The corporate proposal is pending approval from the Securities Commission Malaysia before tabling it to the shareholders of the Company for approval at an Extraordinary General Meeting.

Other than the above, there were no other corporate proposals announced but not completed as at the reporting date.

29. BORROWINGS AND DEBT SECURITIES

As at the 30 September 2018, 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. DECLARED DIVIDEND

There was no dividend declared in the current and previous corresponding quarter.

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

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

32. EARNINGS PER SHARE ("EPS")

(a) Basic EPS

	Quarter Ended		Year-To-Date Ended	
	30.09.2018	30.09.2017	30.09.2018	30.09.2017
Profit attributable to the owners of the Company (RM'000)	50,192	51,601	172,187	167,770
Weighted average number of ordinary shares in issue ('000)	807,328	806,060	806,614	805,087
Basic EPS (sen)	6.2	6.4	21.3	20.8

(b) Diluted EPS

	Quarter Ended		Year-To-Date Ended	
	30.09.2018	30.09.2017	30.09.2018	30.09.2017
Profit attributable to the owners of the Company (RM'000)	50,192	51,601	172,187	167,770
Weighted average number of ordinary shares in issue ('000)	807,328	806,060	806,614	805,087
Effects of dilution of share grants ('000)	2,706	2,964	2,934	2,618
Adjusted weighted average number of ordinary shares in issue and issuable ('000)	810,034	809,024	809,548	807,705
Diluted EPS (sen)	6.2	6.4	21.3	20.8

Pursuant to the requirements of MFRS 133 *Earnings per Share*, the weighted average number of ordinary shares used in the calculation of basic and diluted EPS above for the current and previous quarters and year-to-date ended 30 September 2018 and 30 September 2017 have been retrospectively adjusted to reflect the bonus issue as disclosed in Note 22.

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

Net assets per share ("NAPS") as at 30 September 2018 stood at RM0.98, a decrease of 38.0% compared to NAPS of RM1.58 as at 31 December 2017 resulting from the dilutive effect from the issuance of new ordinary shares pursuant to the bonus issue and SGP as disclosed in Note 22.

34. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements for the financial year ended 31 December 2017 was unmodified.

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

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 September 2018 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 the IAS 34 *Interim Financial Reporting*. The report was made to the Board in accordance to 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 29 October 2018.