

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

CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
FOR THE QUARTER AND SIX MONTHS ENDED 30 JUNE 2008

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

CONSOLIDATED INCOME STATEMENT
FOR THE QUARTER AND SIX MONTHS ENDED 30 JUNE 2008

| RM'000 | Note | 3 months ended | | 6 months ended | |
|---|-------|----------------|---------------|----------------|----------------|
| | | 30.6.2008 | 30.6.2007 | 30.6.2008 | 30.6.2007 |
| | | Unaudited | Unaudited | Unaudited | Unaudited |
| Operating revenue | 9 | 75,206 | 114,869 | 164,092 | 239,150 |
| Other income | 10 | 10,466 | 15,498 | 22,836 | 27,310 |
| | | 85,672 | 130,367 | 186,928 | 266,460 |
| Staff costs | | (20,540) | (23,589) | (43,100) | (41,802) |
| Depreciation and amortisation | | (4,807) | (3,667) | (9,313) | (6,955) |
| Other operating expenses | 11 | (21,142) | (13,549) | (37,869) | (31,417) |
| Profit from operations | | 39,183 | 89,562 | 96,646 | 186,286 |
| Finance costs | | (158) | (164) | (315) | (320) |
| Profit before tax | | 39,025 | 89,398 | 96,331 | 185,966 |
| Income tax expense | 23 | (10,386) | (24,392) | (25,621) | (50,810) |
| Profit for the period attributable to equity holders of the Company | | 28,639 | 65,006 | 70,710 | 135,156 |
| Earnings per share (EPS) attributable to equity holders of the Company (sen): | | | | | |
| Basic EPS | 31(a) | 5.5 | 12.5 | 13.5 | 26.0 |
| Diluted EPS | 31(b) | 5.2 | 11.8 | 12.8 | 24.6 |

The above consolidated income statement should be read in conjunction with the audited financial statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.

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

CONSOLIDATED BALANCE SHEET
AS AT 30 JUNE 2008

| RM'000 | Note | As at 30.6.2008 Unaudited | As at 31.12.2007 Audited |
|---|------|---------------------------------|--------------------------------|
| ASSETS | | | |
| Property, plant and equipment | | 259,100 | 267,531 |
| Computer software | | 75,345 | 64,541 |
| Goodwill | | 44,720 | 44,720 |
| Other investments | | 65,244 | 80,580 |
| Staff loans receivable | | 21,729 | 22,926 |
| Deferred tax assets | | 7,627 | 9,687 |
| Non-current Assets | | 473,765 | 489,985 |
| Trade receivables | | 24,180 | 28,062 |
| Other receivables | | 22,523 | 12,621 |
| Tax recoverable | | 16,543 | 50 |
| Short term investments | | 73,429 | 74,953 |
| Cash and bank balances | | 1,006,533 | 841,325 |
| Current Assets | | 1,143,208 | 957,011 |
| TOTAL ASSETS | | 1,616,973 | 1,446,996 |
| EQUITY AND LIABILITIES | | | |
| Share capital | | 262,650 | 261,825 |
| Share premium | | 69,451 | 65,254 |
| Other reserves | | 48,807 | 47,380 |
| Retained earnings | | 379,344 | 405,770 |
| Equity Attributable to Equity Holders of the Company | | 760,252 | 780,229 |
| Retirement benefit obligations | | 21,767 | 20,771 |
| Deferred income | | 11,942 | 2,477 |
| Long term borrowings | 27 | 219 | 219 |
| Deferred tax liabilities | | 8,086 | 4,636 |
| Non-current Liabilities | | 42,014 | 28,103 |
| Trade payables | 13 | 712,570 | 524,915 |
| Other payables | | 85,684 | 85,661 |
| Trading Clearing Participants' (TCPs') contributions to Clearing Guarantee Fund (CGF) | 14 | 9,703 | 9,011 |
| Tax payable | | 6,280 | 18,857 |
| Short term borrowings | 27 | 470 | 220 |
| Current Liabilities | | 814,707 | 638,664 |
| Total Liabilities | | 856,721 | 666,767 |
| TOTAL EQUITY AND LIABILITIES | | 1,616,973 | 1,446,996 |
| Net assets per share attributable to equity holders of the Company (RM) | | 1.45 | 1.49 |

The above consolidated balance sheet should be read in conjunction with the audited financial statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2008

| RM'000 | ←——— Attributable to equity holders of the Company ———→ | | | | | | | | | Minority interest | Total equity |
|--|---|---------------|-----------------|----------------------------|-----------------------------------|----------------------|---------------------------------|-------------------|----------------|-------------------|----------------|
| | ←——— Non-distributable ———→ | | | | | | Distributable | | | | |
| | Share capital | Share premium | Capital reserve | Capital redemption reserve | Foreign currency exchange reserve | Share option reserve | Clearing Guarantee Fund reserve | Retained earnings | Total | | |
| At 1 January 2007 | | | | | | | | | | | |
| As previously stated | 259,801 | 51,500 | 12,600 | 5,250 | (512) | 8,269 | 25,000 | 447,515 | 809,423 | * | 809,423 |
| Issuance of ordinary shares pursuant to ESOS (Note 3) | - | 2,718 | - | - | - | (2,718) | - | - | - | - | - |
| At 1 January 2007 (restated) | <u>259,801</u> | <u>54,218</u> | <u>12,600</u> | <u>5,250</u> | <u>(512)</u> | <u>5,551</u> | <u>25,000</u> | <u>447,515</u> | <u>809,423</u> | <u>*</u> | <u>809,423</u> |
| Issuance of ordinary shares pursuant to ESOS (Note 3) | 1,232 | 5,962 | - | - | - | (1,227) | - | - | 5,967 | - | 5,967 |
| Issuance of preference shares by a subsidiary | - | - | 200 | - | - | - | - | - | 200 | ** | 200 |
| Foreign currency translation, representing net expense recognised directly in equity | - | - | - | - | (148) | - | - | - | (148) | - | (148) |
| Share options granted under ESOS | - | - | - | - | - | 142 | - | - | 142 | - | 142 |
| Dividends paid | - | - | - | - | - | - | - | (53,304) | (53,304) | - | (53,304) |
| Profit for the period | - | - | - | - | - | - | - | 135,156 | 135,156 | - | 135,156 |
| At 30 June 2007 (restated) | <u>261,033</u> | <u>60,180</u> | <u>12,800</u> | <u>5,250</u> | <u>(660)</u> | <u>4,466</u> | <u>25,000</u> | <u>529,367</u> | <u>897,436</u> | <u>***</u> | <u>897,436</u> |

Note a

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2008 (CONTD.)

| RM'000 | ←——— Attributable to equity holders of the Company ———→ | | | | | | | | | Minority interest | Total equity |
|--|---|---------------|-----------------|----------------------------|-----------------------------------|----------------------|---------------------------------|-------------------|----------|-------------------|--------------|
| | ←——— Non-distributable ———→ | | | | | | Distributable | | | | |
| | Share capital | Share premium | Capital reserve | Capital redemption reserve | Foreign currency exchange reserve | Share option reserve | Clearing Guarantee Fund reserve | Retained earnings | Total | | |
| At 1 January 2008 | | | | | | | | | | | |
| As previously stated | 261,825 | 60,260 | 13,500 | 5,250 | (933) | 9,557 | 25,000 | 405,770 | 780,229 | **** | 780,229 |
| Issuance of ordinary shares pursuant to ESOS (Note 3) | - | 4,994 | - | - | - | (4,994) | - | - | - | - | - |
| At 1 January 2008 (restated) | 261,825 | 65,254 | 13,500 | 5,250 | (933) | 4,563 | 25,000 | 405,770 | 780,229 | **** | 780,229 |
| Issuance of ordinary shares pursuant to ESOS | 825 | 4,197 | - | - | - | (886) | - | - | 4,136 | - | 4,136 |
| Issuance of preference share by a subsidiary | - | - | 200 | - | - | - | - | - | 200 | ** | 200 |
| Foreign currency translation, representing net expense recognised directly in equity | - | - | - | - | (95) | - | - | - | (95) | - | (95) |
| Share options granted under ESOS | - | - | - | - | - | 2,208 | - | - | 2,208 | - | 2,208 |
| Dividends paid | - | - | - | - | - | - | - | (97,136) | (97,136) | - | (97,136) |
| Profit for the period | - | - | - | - | - | - | - | 70,710 | 70,710 | - | 70,710 |
| At 30 June 2008 | 262,650 | 69,451 | 13,700 | 5,250 | (1,028) | 5,885 | 25,000 | 379,344 | 760,252 | ***** | 760,252 |

Note a

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 30 JUNE 2008 (CONTD.)

Note a

Minority interest of the Group relates to subscriptions in the non-cumulative preference shares of RM1 each in Bursa Malaysia Derivatives Berhad (Bursa Malaysia Derivatives), a wholly-owned subsidiary, for registration as Trading Participants, at a subscription price determined by Bursa Malaysia Derivatives. The preference shareholders are not entitled to a refund of any part of the premium paid for the preference shares.

- * Denotes RM79
- ** Denotes RM1
- *** Denotes RM80
- **** Denotes RM82
- ***** Denotes RM83

The above consolidated statement of changes in equity should be read in conjunction with the audited financial statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.

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

CONSOLIDATED CASH FLOW STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2008

| RM'000 | 6 months ended | |
|--|-----------------------|------------------|
| | 30.6.2008 | 30.6.2007 |
| | Unaudited | Unaudited |
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Profit before tax | 96,331 | 185,966 |
| Adjustments for: | | |
| Amortisation of premium less accretion of discount | (76) | (11) |
| Depreciation and amortisation | 9,313 | 6,955 |
| Grant released | (406) | (352) |
| Interest expense | 5 | 3 |
| Interest income | (14,977) | (16,533) |
| Net gain on disposal of investments | (26) | (5,124) |
| Net gain on disposal of property, plant and equipment | (34) | - |
| Net impairment loss on investments | 3,545 | 137 |
| Net (reversal of provision)/provision for bad and doubtful debts | (280) | 60 |
| Net unrealised loss/(gain) on foreign exchange differences | 18 | (12) |
| Provision for retirement benefits | 1,302 | 1,405 |
| Provision for short term accumulating compensated unutilised leave | 155 | 637 |
| Share options granted under ESOS | 2,208 | 142 |
| Operating profit before working capital changes | 97,078 | 173,273 |
| Decrease/(increase) in receivables | 3,890 | (13,093) |
| Increase in trade margins | 205,907 | 160,719 |
| (Decrease)/increase in SBL collaterals | (18,270) | 19,103 |
| Increase in TCP contributions to CGF | 692 | 31 |
| Increase in other payables | 5,516 | 5,847 |
| Cash generated from operations | 294,813 | 345,880 |
| Retirement benefits paid | (306) | (493) |
| Interest paid | (5) | (3) |
| Taxes paid net of refund | (49,181) | (16,512) |
| Net cash generated from operating activities | 245,321 | 328,872 |

BURSA MALAYSIA BERHAD (30632-P)
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CONSOLIDATED CASH FLOW STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2008 (CONTD.)

| RM'000 | 6 months ended | |
|---|-----------------------|------------------|
| | 30.6.2008 | 30.6.2007 |
| | Unaudited | Unaudited |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest received | 14,071 | 16,214 |
| Proceeds from disposal of investments, net of purchases | 13,560 | 15,553 |
| Purchases of property, plant and equipment and computer software, net of proceeds | (17,296) | (12,060) |
| Staff loans repaid, net of disbursements | 2,201 | 2,905 |
| Net cash generated from investing activities | 12,536 | 22,612 |
| CASH FLOWS FROM FINANCING ACTIVITIES | | |
| Dividends paid (Note 8) | (97,136) | (53,304) |
| Preference shares issued by a subsidiary | 200 | 200 |
| Drawdown of revolving credit | 250 | - |
| Proceeds from exercise of ESOS | 4,136 | 5,967 |
| Net cash used in financing activities | (92,550) | (47,137) |
| Net increase in cash and cash equivalents | 165,307 | 304,347 |
| Effects of exchange rate changes | (99) | (148) |
| Cash and cash equivalents at beginning of year | 841,325 | 719,773 |
| Cash and cash equivalents at end of year | 1,006,533 | 1,023,972 |
| COMPOSITION OF CASH AND CASH EQUIVALENTS | | |
| Short term deposits | 926,225 | 1,016,624 |
| Cash and bank balances | 80,308 | 7,348 |
| Cash and cash equivalents at end of year | Note A 1,006,533 | 1,023,972 |

The above consolidated cash flow statement should be read in conjunction with the audited financial statements for the year ended 31 December 2007 and the accompanying explanatory notes attached to the interim financial statements.

BURSA MALAYSIA BERHAD (30632-P)
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CONSOLIDATED CASH FLOW STATEMENT
FOR THE SIX MONTHS ENDED 30 JUNE 2008 (CONTD.)

NOTE A

Included in cash and cash equivalents as at balance sheet date are the following:

- (i) Cash collected by the following wholly-owned subsidiaries from:

| RM'000 | As at 30.6.2008 | As at 30.6.2007 |
|--|----------------------------|----------------------------|
| Clearing participants of Bursa Malaysia Derivatives Clearing Berhad (Bursa Malaysia Derivatives Clearing) for security deposits and cash margins | 689,225 | 596,897 |
| TCPs of Bursa Malaysia Securities Clearing Sdn. Bhd. (Bursa Malaysia Securities Clearing) as collateral for Securities Borrowing and Lending (SBL) | 23,275 | 19,132 |
| TCPs of Bursa Malaysia Securities Clearing being contribution to the CGF | 9,699 | 8,554 |
| | 722,199 | 624,583 |

- (ii) An amount of RM25,000,000 (30.6.2007: RM25,000,000) which has been set aside in respect of Bursa Malaysia Securities Clearing's contribution to the CGF.
- (iii) An amount of RM10,288,000 (30.6.2007: RM12,562,000) which has been set aside to meet or secure the claims of creditors and certain lease payments pursuant to the High Court orders issued in relation to the reduction of capital of the Company on 27 January 2005 and of its wholly-owned subsidiary, Bursa Malaysia Securities Clearing, on 30 August 2007.

PART A: EXPLANATORY NOTES PURSUANT TO FRS 134

1. BASIS OF PREPARATION

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

The interim financial statements are unaudited and have been prepared in accordance with the requirements of FRS 134: Interim Financial Reporting and paragraph 9.22 of the Listing Requirements of Bursa Malaysia Securities Berhad.

The interim financial statements should be read in conjunction with the audited financial statements for the year ended 31 December 2007. These explanatory notes attached to the interim financial statements provide an explanation of events and transactions that are significant to an understanding of the changes in the financial position and performance of the Group since the year ended 31 December 2007.

2. ADOPTION OF REVISED FINANCIAL REPORTING STANDARDS

The significant accounting policies adopted are consistent with those of the audited financial statements for the year ended 31 December 2007 except for the adoption of the following revised Financial Reporting Standards (FRSs) and new Interpretations effective for financial periods beginning on or after 1 January 2008:

| | |
|---------------------|--|
| FRS 107 | Cash Flow Statements |
| FRS 111 | Construction Contracts |
| FRS 112 | Income Taxes |
| FRS 118 | Revenue |
| FRS 120 | Accounting for Government Grants and Disclosure of Government Assistance |
| FRS 134 | Interim Financial Reporting |
| FRS 137 | Provisions, Contingent Liabilities and Contingent Assets |
| IC Interpretation 1 | Changes in Existing Decommissioning, Restoration and Similar Liabilities |
| IC Interpretation 2 | Members' Shares in Co-operative Entities and Similar Instruments |
| IC Interpretation 5 | Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds |
| IC Interpretation 6 | Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment |
| IC Interpretation 7 | Applying the Restatement Approach under FRS 12 ₂₀₀₄ - Financial Reporting in Hyperinflationary Economies |
| IC Interpretation 8 | Scope of FRS 2 |

FRS 139 Financial Instruments: Recognition and Measurement has been deferred and has not been adopted by the Group.

The adoption of the abovementioned FRSs does not result in significant changes in accounting policies of the Group.

PART A: EXPLANATORY NOTES PURSUANT TO FRS 134

3. COMPARATIVES

The following comparative amounts have been restated following clarification of accounting treatment from Malaysian Institute of Certified Public Accountants (MICPA) on employee share options exercised:

| RM'000 | Previously stated | Adjustments FRS2 | Restated |
|----------------------------|------------------------------|-----------------------------|-----------------|
| At 1 January 2007 | | | |
| Share option reserve | 8,269 | (2,718) | 5,551 |
| Share premium | 51,500 | 2,718 | 54,218 |
| At 30 June 2007 | | | |
| Share option reserve | 8,411 | (3,945) | 4,466 |
| Share premium | 56,235 | 3,945 | 60,180 |
| At 31 December 2007 | | | |
| Share option reserve | 9,557 | (4,994) | 4,563 |
| Share premium | 60,260 | 4,994 | 65,254 |

4. COMMENTS ABOUT SEASONAL OR CYCLICAL FACTORS

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

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

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

6. SIGNIFICANT ESTIMATES AND CHANGES IN ESTIMATES

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

PART A: EXPLANATORY NOTES PURSUANT TO FRS 134

7. DEBT AND EQUITY SECURITIES

There were no issuances, repurchases and repayments of debt and equity securities during the financial year-to-date ended 30 June 2008 other than the issuance of 1,650,000 new ordinary shares of RM0.50 each pursuant to the exercise of the ESOS at the following option prices:

| | | | | | | | | |
|----------------------|--------|------|-------|------|------|------|------|------|
| Exercise price | (RM) | 2.06 | 2.28 | 3.41 | 3.78 | 4.86 | 7.96 | 8.82 |
| No. of shares issued | ('000) | 151 | 1,382 | 1 | 6 | 80 | 6 | 24 |

8. DIVIDENDS PAID

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

| | 30.6.2008 | 30.6.2007 |
|---|-------------------------------------|-------------------------------------|
| Final dividend for the financial year | 2007 | 2006 |
| Approved and declared on | 3 April 2008 | 6 April 2007 |
| Date paid | 30 April 2008 | 7 May 2007 |
| Number of ordinary shares on which dividends were paid ('000) | 525,061 | 521,564 |
| Amount per share | 25 sen less 26 per cent taxation | 14 sen less 27 per cent taxation |
| Net dividend paid (RM'000) | 97,136 | 53,304 |

PART A: EXPLANATORY NOTES PURSUANT TO FRS 134

9. OPERATING REVENUE

| RM'000 | 3 months ended | | 6 months ended | |
|---|-----------------------|------------------|-----------------------|------------------|
| | 30.6.2008 | 30.6.2007 | 30.6.2008 | 30.6.2007 |
| Clearing fees | 29,487 | 67,150 | 69,980 | 142,650 |
| SCORE fees (equity trade fees) | 3,737 | 7,140 | 9,268 | 14,971 |
| Institutional Settlement Service (ISS) fees | 2,480 | 2,923 | 5,221 | 5,756 |
| Buying-in commissions | 193 | 541 | 373 | 1,132 |
| Trading revenue from equity market | 35,897 | 77,754 | 84,842 | 164,509 |
| Clearing fees | 2,010 | 2,426 | 4,668 | 4,932 |
| Trade fees | 6,458 | 7,509 | 14,869 | 17,292 |
| Guarantee / tender fees | 1,370 | 897 | 2,483 | 1,509 |
| Trading revenue from derivatives market | 9,838 | 10,832 | 22,020 | 23,733 |
| Total trading revenue | 45,735 | 88,586 | 106,862 | 188,242 |
| Listing fees | 9,563 | 6,682 | 19,082 | 13,129 |
| Depository services | 7,021 | 7,751 | 13,896 | 14,542 |
| Information services | 6,349 | 4,839 | 12,223 | 9,533 |
| Broker services | 3,469 | 3,508 | 6,874 | 7,515 |
| Participants' fees | 751 | 1,042 | 1,453 | 2,103 |
| Total stable revenue | 27,153 | 23,822 | 53,528 | 46,822 |
| Other operating income | 2,318 | 2,461 | 3,702 | 4,086 |
| Total operating revenue | 75,206 | 114,869 | 164,092 | 239,150 |

PART A: EXPLANATORY NOTES PURSUANT TO FRS 134

10. OTHER INCOME

| RM'000 | 3 months ended | | 6 months ended | |
|---|-----------------------|------------------|-----------------------|------------------|
| | 30.6.2008 | 30.6.2007 | 30.6.2008 | 30.6.2007 |
| Conference fees and exhibition related income | 598 | 1,173 | 3,638 | 3,207 |
| Fines income | 162 | 634 | 414 | 743 |
| Interest income | 7,453 | 8,226 | 14,977 | 16,533 |
| Net gain on disposal of investments | 64 | 4,362 | 26 | 5,124 |
| Net gain on disposal of property, plant and equipment | 34 | - | 34 | - |
| Rental income | 1,102 | 8 | 2,117 | 17 |
| Miscellaneous income | 1,053 | 1,095 | 1,630 | 1,686 |
| | 10,466 | 15,498 | 22,836 | 27,310 |

11. OTHER OPERATING EXPENSES

| RM'000 | 3 months ended | | 6 months ended | |
|---|-----------------------|------------------|-----------------------|------------------|
| | 30.6.2008 | 30.6.2007 | 30.6.2008 | 30.6.2007 |
| Market development and promotions | 3,999 | 2,728 | 7,479 | 6,373 |
| Information technology (IT) upkeep and maintenance | 3,923 | 3,654 | 7,580 | 7,400 |
| Professional fees | 2,948 | 690 | 4,137 | 1,076 |
| Administrative expenses | 2,287 | 2,026 | 4,285 | 3,954 |
| Building management costs | 2,509 | 2,236 | 4,732 | 4,518 |
| CDS consumables | 666 | 647 | 1,349 | 1,458 |
| Conference and exhibition related expenses | 43 | 330 | 2,536 | 2,553 |
| Net impairment loss/(reversal of impairment) on investments | 3,732 | (60) | 3,545 | 137 |
| Miscellaneous expenses | 1,035 | 1,298 | 2,226 | 3,948 |
| | 21,142 | 13,549 | 37,869 | 31,417 |

12. SEGMENTAL INFORMATION

Segmental information is provided in two formats, one based on market segments and the other based on business segments. Expenses, assets and liabilities which are common and cannot be meaningfully allocated to the segments are presented under unallocated expenses, assets and liabilities, respectively.

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

12. SEGMENTAL INFORMATION (CONTD.)

(a) Market Segments

| RM'000 | Cash market | Derivatives market | Offshore market | Information services | Exchange holding | Others | Elimination | Consolidated |
|--|--------------------|-----------------------|--------------------|-------------------------|---------------------|-------------|--------------------|--------------------|
| RESULTS FOR 3 MONTHS ENDED 30 JUNE 2008 | | | | | | | | |
| External operating revenue | 58,772 | 10,106 | 70 | 6,258 | - | - | - | 75,206 |
| Inter-segment revenue | 152 | - | - | 243 | 89,226 | - | (89,621) | - |
| Total operating revenue | 58,924 | 10,106 | 70 | 6,501 | 89,226 | - | (89,621) | 75,206 |
| Other income | 2,926 | 2,937 | 28 | 34 | 4,499 | - | 42 | 10,466 |
| Operating expenses | 61,850 (32,238) | 13,043 (6,815) | 98 (133) | 6,535 (3,104) | 93,725 (42,609) | - | (89,579) 39,742 | 85,672 (45,253) |
| Segment results | 29,612 | 6,228 | (35) | 3,431 | 51,116 | (96) | (49,837) | 40,419 |
| Segment margins | 48% | 48% | -36% | 53% | | | | |
| Corporate expenses | | | | | | | | (1,236) |
| Finance costs | | | | | | | | (158) |
| Profit before tax | | | | | | | | 39,025 |

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PART A: EXPLANATORY NOTES PURSUANT TO FRS 134

12. SEGMENTAL INFORMATION (CONTD.)

(a) Market Segments (Contd.)

| RM'000 | Cash market | Derivatives market | Offshore market | Information services | Exchange holding | Others | Elimination | Consolidated |
|--|----------------|-----------------------|--------------------|-------------------------|---------------------|------------|-----------------|---------------|
| RESULTS FOR 3 MONTHS ENDED 30 JUNE 2007 | | | | | | | | |
| External operating revenue | 98,996 | 11,009 | 119 | 4,745 | - | - | - | 114,869 |
| Inter-segment revenue | 153 | - | - | 236 | 96,616 | - | (97,005) | - |
| Total operating revenue | 99,149 | 11,009 | 119 | 4,981 | 96,616 | - | (97,005) | 114,869 |
| Other income | 4,537 | 2,773 | 77 | 35 | 8,076 | - | - | 15,498 |
| | 103,686 | 13,782 | 196 | 5,016 | 104,692 | - | (97,005) | 130,367 |
| Operating expenses | (30,027) | (6,185) | (138) | (3,165) | (38,718) | (1) | 38,349 | (39,885) |
| Segment results | 73,659 | 7,597 | 58 | 1,851 | 65,974 | (1) | (58,656) | 90,482 |
| Segment margins | 71% | 55% | 30% | 37% | | | | |
| Corporate expenses | | | | | | | | (920) |
| Finance costs | | | | | | | | (164) |
| Profit before tax | | | | | | | | 89,398 |

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PART A: EXPLANATORY NOTES PURSUANT TO FRS 134

12. SEGMENTAL INFORMATION (CONTD.)

(a) Market Segments (Contd.)

| RM'000 | Cash market | Derivatives market | Offshore market | Information services | Exchange holding | Others | Elimination | Consolidated |
|--|----------------|-----------------------|--------------------|-------------------------|---------------------|-------------|------------------|---------------|
| RESULTS FOR 6 MONTHS ENDED 30 JUNE 2008 | | | | | | | | |
| External operating revenue | 129,506 | 22,442 | 167 | 11,977 | - | - | - | 164,092 |
| Inter-segment revenue | 339 | - | - | 486 | 253,289 | - | (254,114) | - |
| Total operating revenue | 129,845 | 22,442 | 167 | 12,463 | 253,289 | - | (254,114) | 164,092 |
| Other income | 6,133 | 5,590 | 74 | 67 | 10,930 | - | 42 | 22,836 |
| | 135,978 | 28,032 | 241 | 12,530 | 264,219 | - | (254,072) | 186,928 |
| Operating expenses | (63,803) | (13,527) | (376) | (6,280) | (84,058) | (96) | 80,272 | (87,868) |
| Segment results | 72,175 | 14,505 | (135) | 6,250 | 180,161 | (96) | (173,800) | 99,060 |
| Segment margins | 53% | 52% | -56% | 50% | | | | |
| Corporate expenses | | | | | | | | (2,414) |
| Finance costs | | | | | | | | (315) |
| Profit before tax | | | | | | | | 96,331 |

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PART A: EXPLANATORY NOTES PURSUANT TO FRS 134

12. SEGMENTAL INFORMATION (CONTD.)

(a) Market Segments (Contd.)

| RM'000 | Cash market | Derivatives market | Offshore market | Information services | Exchange holding | Others | Elimination | Consolidated |
|--|----------------|-----------------------|--------------------|-------------------------|---------------------|-----------|-----------------|----------------|
| RESULTS FOR 6 MONTHS ENDED 30 JUNE 2007 | | | | | | | | |
| External operating revenue | 205,525 | 24,145 | 152 | 9,328 | - | - | - | 239,150 |
| Inter-segment revenue | 357 | - | - | 470 | 131,134 | - | (131,961) | - |
| Total operating revenue | 205,882 | 24,145 | 152 | 9,798 | 131,134 | - | (131,961) | 239,150 |
| Other income | 8,215 | 5,378 | 156 | 106 | 13,348 | 20 | 87 | 27,310 |
| | 214,097 | 29,523 | 308 | 9,904 | 144,482 | 20 | (131,874) | 266,460 |
| Operating expenses | (57,330) | (12,987) | (276) | (6,448) | (74,558) | (1) | 73,199 | (78,401) |
| Segment results | 156,767 | 16,536 | 32 | 3,456 | 69,924 | 19 | (58,675) | 188,059 |
| Segment margins | 73% | 56% | 10% | 35% | | | | |
| Corporate expenses | | | | | | | | (1,773) |
| Finance costs | | | | | | | | (320) |
| Profit before tax | | | | | | | | 185,966 |

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

12. SEGMENTAL INFORMATION (CONTD.)

(a) Market Segments (Contd.)

| RM'000 | Cash market | Derivatives market | Offshore market | Information services | Exchange holding | Others | Elimination | Consolidated |
|--|----------------|-----------------------|--------------------|-------------------------|---------------------|--------|-------------|------------------|
| ASSETS AND LIABILITIES AS AT 30 JUNE 2008 | | | | | | | | |
| Segment assets | 313,405 | 785,123 | 6,414 | 8,181 | 459,979 | 5,826 | - | 1,578,928 |
| Corporate assets | | | | | | | | 38,045 |
| Total assets | | | | | | | | 1,616,973 |
| Segment liabilities | 55,896 | 694,579 | 228 | 2,367 | 89,281 | 4 | - | 842,355 |
| Corporate liabilities | | | | | | | | 14,366 |
| Total liabilities | | | | | | | | 856,721 |

Notes

- (i) Included in segment assets of the cash market are cash and accrued interest belonging to TCPs of Bursa Malaysia Securities Clearing in respect of SBL collaterals and CGF contributions amounting to RM32,909,000. A similar amount is included in segment liabilities of the cash market.
- (ii) Included in segment assets of the derivatives market are cash and accrued interest belonging to clearing participants of Bursa Malaysia Derivatives Clearing in respect of security deposits and cash margins amounting to RM689,364,000. A similar amount is included in segment liabilities of the derivatives market.

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PART A: EXPLANATORY NOTES PURSUANT TO FRS 134

12. SEGMENTAL INFORMATION (CONTD.)

(b) Business Units

| RM'000 | Exchanges | Clearing, settlement and depository | Information services | Exchange holding | Others | Elimination | Consolidated |
|--|--------------------|--|-------------------------|---------------------|-------------|--------------------|--------------------|
| RESULTS FOR 3 MONTHS ENDED 30 JUNE 2008 | | | | | | | |
| External operating revenue | 42,026 | 26,922 | 6,258 | - | - | - | 75,206 |
| Inter-segment revenue | - | 20 | 243 | 89,226 | - | (89,489) | - |
| Total operating revenue | 42,026 | 26,942 | 6,501 | 89,226 | - | (89,489) | 75,206 |
| Other income | 1,328 | 4,563 | 34 | 4,499 | - | 42 | 10,466 |
| Operating expenses | 43,354 (23,862) | 31,505 (15,324) | 6,535 (3,104) | 93,725 (42,609) | - (96) | (89,447) 39,742 | 85,672 (45,253) |
| Segment results | 19,492 | 16,181 | 3,431 | 51,116 | (96) | (49,705) | 40,419 |
| Segment margins | 45% | 51% | 53% | | | | |
| Corporate expenses | | | | | | | (1,236) |
| Finance costs | | | | | | | (158) |
| Profit before tax | | | | | | | 39,025 |

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PART A: EXPLANATORY NOTES PURSUANT TO FRS 134

12. SEGMENTAL INFORMATION (CONTD.)

(b) Business Units (Contd.)

| RM'000 | Exchanges | Clearing, settlement and depository | Information services | Exchange holding | Others | Elimination | Consolidated |
|--|---------------|--|-------------------------|---------------------|------------|-----------------|---------------|
| RESULTS FOR 3 MONTHS ENDED 30 JUNE 2007 | | | | | | | |
| External operating revenue | 66,016 | 44,108 | 4,745 | - | - | - | 114,869 |
| Inter-segment revenue | - | 9 | 236 | 96,616 | - | (96,861) | - |
| Total operating revenue | 66,016 | 44,117 | 4,981 | 96,616 | - | (96,861) | 114,869 |
| Other income | 2,279 | 5,108 | 35 | 8,076 | - | - | 15,498 |
| | 68,295 | 49,225 | 5,016 | 104,692 | - | (96,861) | 130,367 |
| Operating expenses | (21,576) | (14,774) | (3,165) | (38,718) | (1) | 38,349 | (39,885) |
| Segment results | 46,719 | 34,451 | 1,851 | 65,974 | (1) | (58,512) | 90,482 |
| Segment margins | 68% | 70% | 37% | | | | |
| Corporate expenses | | | | | | | (920) |
| Finance costs | | | | | | | (164) |
| Profit before tax | | | | | | | 89,398 |

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PART A: EXPLANATORY NOTES PURSUANT TO FRS 134

12. SEGMENTAL INFORMATION (CONTD.)

(b) Business Units

| RM'000 | Exchanges | Clearing, settlement and depository | Information services | Exchange holding | Others | Elimination | Consolidated |
|--|--------------------|--|-------------------------|---------------------|-------------|---------------------|---------------------|
| RESULTS FOR 6 MONTHS ENDED 30 JUNE 2008 | | | | | | | |
| External operating revenue | 93,946 | 58,169 | 11,977 | - | - | - | 164,092 |
| Inter-segment revenue | - | 29 | 486 | 253,289 | - | (253,804) | - |
| Total operating revenue | 93,946 | 58,198 | 12,463 | 253,289 | - | (253,804) | 164,092 |
| Other income | 2,841 | 8,956 | 67 | 10,930 | - | 42 | 22,836 |
| Operating expenses | 96,787 (47,869) | 67,154 (29,837) | 12,530 (6,280) | 264,219 (84,058) | - | (253,762) 80,272 | 186,928 (87,868) |
| Segment results | 48,918 | 37,317 | 6,250 | 180,161 | (96) | (173,490) | 99,060 |
| Segment margins | 51% | 56% | 50% | | | | |
| Corporate expenses | | | | | | | (2,414) |
| Finance costs | | | | | | | (315) |
| Profit before tax | | | | | | | 96,331 |

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

12. SEGMENTAL INFORMATION (CONTD.)

(b) Business Units

| RM'000 | Exchanges | Clearing, settlement and depository | Information services | Exchange holding | Others | Elimination | Consolidated |
|--|---------------------|--|-------------------------|---------------------|-----------|---------------------|---------------------|
| RESULTS FOR 6 MONTHS ENDED 30 JUNE 2007 | | | | | | | |
| External operating revenue | 138,530 | 91,292 | 9,328 | - | - | - | 239,150 |
| Inter-segment revenue | 15 | 20 | 470 | 131,134 | - | (131,639) | - |
| Total operating revenue | 138,545 | 91,312 | 9,798 | 131,134 | - | (131,639) | 239,150 |
| Other income | 3,889 | 9,860 | 106 | 13,348 | 20 | 87 | 27,310 |
| Operating expenses | 142,434 (42,393) | 101,172 (28,200) | 9,904 (6,448) | 144,482 (74,558) | 20 (1) | (131,552) 73,199 | 266,460 (78,401) |
| Segment results | 100,041 | 72,972 | 3,456 | 69,924 | 19 | (58,353) | 188,059 |
| Segment margins | 70% | 72% | 35% | | | | |
| Corporate expenses | | | | | | | (1,773) |
| Finance costs | | | | | | | (320) |
| Profit before tax | | | | | | | 185,966 |

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PART A: EXPLANATORY NOTES PURSUANT TO FRS 134

12. SEGMENTAL INFORMATION (CONTD.)

(b) Business Units (Contd.)

| RM'000 | Exchanges | Clearing, settlement and depository | Information services | Exchange holding | Others | Elimination | Consolidated |
|--|-----------|--|-------------------------|---------------------|--------|-------------|------------------|
| ASSETS AND LIABILITIES AS AT 30 JUNE 2008 | | | | | | | |
| Segment assets | 205,121 | 899,821 | 8,181 | 459,979 | 5,826 | - | 1,578,928 |
| Corporate assets | | | | | | | 38,045 |
| Total assets | | | | | | | 1,616,973 |
| Segment liabilities | 18,412 | 732,291 | 2,367 | 89,281 | 4 | - | 842,355 |
| Corporate liabilities | | | | | | | 14,366 |
| Total liabilities | | | | | | | 856,721 |

Note

Included in segment assets of the clearing, settlement and depository unit are cash and accrued interest belonging to clearing participants of Bursa Malaysia Derivatives Clearing in respect of security deposits and cash margins and TCPs of Bursa Malaysia Securities Clearing in respect of SBL collaterals and CGF contributions amounting to RM722,273,000. A similar amount is included in segment liabilities of the clearing, settlement and depository unit .

PART A: EXPLANATORY NOTES PURSUANT TO FRS 134

13. TRADE PAYABLES

| RM'000 | As at 30.6.2008 |
|--|----------------------------|
| Trade margins from clearing participants of Bursa Malaysia | |
| Derivatives Clearing, including accrued interest: | |
| Margin and excess cash on derivatives contracts | 654,895 |
| Security deposits and clearing fund contributions | 34,469 |
| Total trade margins | 689,364 |
| SBL collaterals from TCPs of Bursa Malaysia Securities Clearing: | |
| Cash collaterals | 23,206 |
| Total trade payables | 712,570 |

The amount of **non-cash collaterals** held by the Group not included in the balance sheet were as follows:

| RM'000 | As at 30.6.2008 |
|--|----------------------------|
| Trade margins from clearing participants of Bursa Malaysia | |
| Derivatives Clearing: | |
| Letters of credit | 360,470 |
| Shares * | 34 |
| Total non-cash collaterals | 360,504 |

* This represents the fair value of shares held as margins as at 30 June 2008.

PART A: EXPLANATORY NOTES PURSUANT TO FRS 134

14. TCPS' CONTRIBUTIONS TO CGF

| RM'000 | As at 30.6.2008 |
|--|----------------------------|
| Contributions from TCPs of Bursa Malaysia Securities Clearing, including accrued interest, are in the form of: | |
| Cash | 9,703 |
| Bank guarantees | 6,369 |
| | 16,072 |

15. CHANGES IN COMPOSITION OF THE GROUP

There were no changes in the composition of the Group during the current quarter and financial year-to-date.

16. CHANGES IN CONTINGENT LIABILITIES AND CONTINGENT ASSETS

There were no changes in contingent liabilities or contingent assets since the last annual balance sheet date.

17. CAPITAL COMMITMENTS

The amount of commitments for the purchase of property, plant and equipment and computer software not provided for in the interim financial statements as at the balance sheet date were as follows:

| RM'000 | Approved and contracted for | Approved but not contracted for |
|---|--|--|
| Trading systems | 10,644 | 12,235 |
| Other information technology systems | 5,077 | 820 |
| Total for computers and office automation | 15,721 | 13,055 |
| Renovations and office equipment | 152 | - |
| | 15,873 | 13,055 |

PART A: EXPLANATORY NOTES PURSUANT TO FRS 134

18. OPERATING LEASE ARRANGEMENTS

(a) As Lessee

Following the implementation of FRS 117, leasehold land and the corresponding liability arising from lease arrangements with remaining lease periods of 85 and 88 years each have been removed from the balance sheet. The future aggregate minimum lease payments under operating leases contracted for as at balance sheet date but not recognised as liabilities were as follows:

| RM'000 | As at 30.6.2008 |
|---|----------------------------|
| Not later than 1 year | 539 |
| Later than 1 year and not later than 2 years | 539 |
| Later than 2 years and not later than 5 years | 1,616 |
| Later than 5 years | 42,409 |
| Total future minimum lease payments | 45,103 |

(b) As Lessor

During the year, the Company entered into non-cancellable operating lease agreements for the rental of parts of the building. The leases have lives of 3 years and have a fixed rental rate in the said lease period.

The future aggregate minimum lease payments receivable under non-cancellable operating leases contracted for as at balance sheet date but not recognised as receivables are as follows:

| RM'000 | As at 30.6.2008 |
|--|----------------------------|
| Not later than 1 year | 4,904 |
| Later than one year and not later than two years | 4,826 |
| Later than two years and not later than five years | 8,718 |
| Total future minimum lease receivables | 18,448 |

19. SUBSEQUENT EVENT

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

20. PERFORMANCE REVIEW

(a) Current quarter compared with previous corresponding quarter

The Group recorded a **profit attributable to equity holders of the Company** of RM28.6 million for the quarter ended 30 June 2008 (2Q08), 56 per cent lower compared to the profit of RM65.0 million for the quarter ended 30 June 2007 (2Q07). This was mainly attributed to a decrease in trading revenue from the equity market as a result of continuing global and domestic uncertainties and inflationary pressures in 2Q08.

The **equity market** recorded a velocity for on-market trades (OMT) of 31 per cent (2Q07: 54 per cent) and a daily average trading value for OMT and direct business trades (DBT) of RM1.3 billion (2Q07: RM2.6 billion). The poorer market performance and the revision in the clearing fee structure to 0.03 per cent of transacted value subject to a cap of RM1,000 from 1 January 2008 resulted in a decrease in equity trading revenue of 54 per cent to RM35.9 million in 2Q08 compared to 2Q07.

The **derivatives market** recorded a decrease in the total number of contracts traded to 1.32 million contracts in 2Q08 from 1.68 million contracts in 2Q07, resulting in a decline in trading revenue from the derivatives market by 9 per cent to RM9.8 million in 2Q08 compared to 2Q07.

The growth in **stable revenue** by 14 per cent to RM27.2 million in 2Q08 compared to 2Q07 was primarily due to higher listing fees following the full charge of listing fees in the current year (a 50 per cent rebate on the increase in fees was given in 2007) and a higher market capitalisation of RM1.11 trillion as at 31 December 2007 compared to RM0.85 trillion as at 31 December 2006. The increase was also due to higher information services fees following the change in fee structure in October 2007. These increases were partially offset by lower depository services fees due to the reduction in transfer fees and additional issue.

Other income decreased by 32 per cent to RM10.5 million in 2Q08 compared to 2Q07 mainly due to lower gains on disposal of investments as there were few profit-taking opportunities in the current quarter. This was partially offset by higher rental income from leases which commenced only towards the end of 2Q07.

Total expenses increased by 14 per cent to RM46.5 million in 2Q08 compared to 2Q07. This was mainly due to higher professional fees, impairment on investments in private debt securities, market development expenses and higher depreciation on renovation and amortisation on IT assets. These increases were partially offset by a decrease in staff costs due to lower bonus provision.

20. PERFORMANCE REVIEW (CONTD.)

(b) Current financial period compared with previous corresponding financial period

The Group recorded a **profit attributable to equity holders of the Company** of RM70.7 million for the financial period ended 30 June 2008 (1H08), 48 per cent lower compared to the profit of RM135.2 million for the financial period ended 30 June 2007 (1H07). This was mainly attributed to a decrease in trading revenue from the equity market as a result of continuing global and domestic uncertainties and inflationary pressures.

The **equity market** recorded a velocity for OMT of 38 per cent (1H07: 61 per cent) and a daily average trading value for OMT and DBT of RM1.7 billion (1H07: RM2.7 billion). The poorer market performance and the revision in the clearing fee structure from 1 January 2008 resulted in a decrease in equity trading revenue of 48 per cent to RM84.8 million in 1H08 compared to 1H07.

The **derivatives market** recorded a decrease in the total number of contracts traded to 3.08 million contracts in 1H08 from 3.24 million contracts in 1H07, resulting in a decline in trading revenue from the derivatives market by 7 per cent to RM22.0 million in 1H08 compared to 1H07.

The growth in **stable revenue** by 14 per cent to RM53.5 million in 1H08 compared to 1H07 was primarily due to higher listing fees and information services fees.

Other income decreased by 16 per cent to RM22.8 million in 1H08 compared to 1H07 mainly due to lower investment income. This was partially offset by higher rental income.

Total expenses increased by 13 per cent to RM90.3 million in 1H08 compared to 1H07. This was mainly due to higher professional fees, depreciation and amortisation, market development expenses, impairment on investments in private debt securities and staff costs due to annual increments.

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

The Group recorded a lower **profit before tax** of RM39.0 million for 2Q08 compared to RM57.3 million for the quarter ended 31 March 2008 (1Q08), representing a decrease of RM18.3 million or 32 per cent.

Trading revenue from the **equity market** decreased by 27 per cent to RM35.9 million in 2Q08 compared to RM48.9 million in 1Q08 mainly due to lower market turnover following the continuing global and domestic uncertainties and inflationary pressures. The daily average trading value for OMT and DBT decreased by 35 per cent to RM1.3 billion in 2Q08 from RM2.0 billion in 1Q08.

Trading revenue from the **derivatives market** decreased by 20 per cent to RM9.8 million in 2Q08 compared to RM12.2 million in 1Q08. This was due to the 25 per cent decrease in total number of contracts traded to 1.32 million in 2Q08 from 1.76 million in 1Q08.

Stable revenue increased marginally by 3 per cent to RM27.2 million in 2Q08 compared to RM26.4 million in 1Q08 mainly due to higher information services fees.

Other income decreased by 15 per cent to RM10.5 million in 2Q08 compared to RM12.4 million in 1Q08 primarily due to lower conference fees. This was partially offset by the recognition of grant income from Capital Market Development Fund for the Financial Market Trading Platform system.

Total expenses increased marginally by 6 per cent to RM46.5 million in 2Q08 compared to RM43.8 million in 1Q08. The increase was mainly due to higher professional fees, impairment on investments in private debt securities and market development expenses. This was partially offset by lower conference expenses and staff costs.

22. COMMENTARY ON PROSPECTS AND TARGETS

The Malaysian equity market remained lacklustre during 1H08, being continually challenged by the slowing US and global economy, rising crude oil, commodity and food prices, and domestic uncertainties. While some measure of stability is expected on the local scene, investor sentiment is expected to continue to be cautious for the remainder of the year.

The Malaysian derivatives market is driven mainly by interest in two products - the Kuala Lumpur Index Futures (FKLI) and the Crude Palm Oil Futures (FCPO). Interest in FKLI contracts is expected to move in tandem with the expectations in the equity market, while interest in FCPO contracts is expected to be guided by expectations of supply and demand of CPO, price of substitute products and environmental issues.

Trades on the Financial Market Trading Platform which was launched on 10 March 2008 is not expected to bring in significant income in the current year due to certain fee waivers and the availability of over-the-counter interbank money market for bond trading.

Although the equity market is comparatively bearish and the derivatives market has remained constant and not seen the expected growth in the current year, the Group will continue its efforts to enhance the competitiveness and ensure the growth of the Malaysian equity and derivatives markets. The Group will maintain its focus to introduce infrastructure which will afford better transactional efficiency, such as Bursa Trade Securities and Direct Market Access - Derivatives. The Group will also focus on the launching the USD CPO futures (FUPO) and will continue with its education of the retail market.

The abovementioned initiatives to enhance infrastructure are expected to increase depreciation and amortisation, while the launch of FUPO and retail market education are expected to increase market development costs. Nevertheless, the Group will continue to maintain its cost-conscious approach while balancing the need for initiatives with long term benefits and a capable and motivated workforce.

The Board of Directors is cognisant of the global and domestic economic climate in which the Group is currently operating in and, as such, acknowledge that it will be very challenging for the Group to achieve its targets.

The targets which were announced on 31 January 2008 are as follows:

| % | Target | Year-to-date achievement |
|--|---------------|---------------------------------|
| Velocity | 56 | 38 |
| Annual growth in derivatives contracts | 50 | 0 |

**PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE
LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

23. INCOME TAX EXPENSE

| RM'000 | 3 months ended | | 6 months ended | |
|---------------|-----------------------|------------------|-----------------------|------------------|
| | 30.6.2008 | 30.6.2007 | 30.6.2008 | 30.6.2007 |
| Income tax | 9,637 | 25,488 | 20,111 | 49,821 |
| Deferred tax | 749 | (1,096) | 5,510 | 989 |
| | 10,386 | 24,392 | 25,621 | 50,810 |

The statutory tax rate was reduced to 26 per cent from the previous year's rate of 27 per cent effective in the current year of assessment (YA). The statutory tax rate will be reduced to 25 per cent effective YA 2009. The computation of deferred tax has reflected these changes.

The effective tax rate of the Group for the current and previous corresponding quarter and financial year-to-date was marginally higher than the statutory tax rate of the relevant years principally due to certain expenses which were not deductible for tax purposes.

24. SALE OF UNQUOTED SECURITIES AND PROPERTIES

The net gain/loss on disposal of unquoted securities for the current quarter and financial year-to-date is disclosed in Note 10.

There was no sale of properties since the last annual balance sheet date.

25. QUOTED SECURITIES

The Group does not invest in quoted securities.

**PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE
LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

26. CORPORATE PROPOSALS

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

27. BORROWINGS AND DEBT SECURITIES

| RM'000 | As at 30.6.2008 |
|-----------------------|----------------------------|
| Short term borrowings | 470 |
| Long term borrowings | 219 |
| | 689 |

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

28. OFF BALANCE SHEET FINANCIAL INSTRUMENTS

There were no off balance sheet financial instruments as at the reporting date.

29. CHANGES IN MATERIAL LITIGATION

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

30. PROPOSED DIVIDEND

Details of the interim dividend approved and declared by the Board of Directors is as follows:

| | 30.6.2008 | 30.6.2007 |
|---|---------------------------------------|---------------------------------------|
| Interim dividend for financial year | 2008 | 2007 |
| Amount per share | 16.5 sen less 26 per cent taxation | 32.0 sen less 27 per cent taxation |
| Approved and declared on | 17 July 2008 | 17 July 2007 |
| Entitlement to dividends based on Record of Depositors as at | 4 August 2008 | 1 August 2007 |
| Date payable | 13 August 2008 | 10 August 2007 |

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**PART B: EXPLANATORY NOTES PURSUANT TO APPENDIX 9B OF THE
LISTING REQUIREMENTS OF BURSA MALAYSIA SECURITIES BERHAD**

31. EARNINGS PER SHARE (EPS)

(a) Basic EPS

| | 3 months ended | | 6 months ended | |
|---|-----------------------|------------------|-----------------------|------------------|
| | 30.6.2008 | 30.6.2007 | 30.6.2008 | 30.6.2007 |
| Profit attributable to equity holders of the Company (RM'000) | 28,639 | 65,006 | 70,710 | 135,156 |
| Weighted average number of ordinary shares in issue ('000) | 525,009 | 521,498 | 524,360 | 520,685 |
| Basic EPS (sen) | 5.5 | 12.5 | 13.5 | 26.0 |

(b) Diluted EPS

| | 3 months ended | | 6 months ended | |
|--|-----------------------|------------------|-----------------------|------------------|
| | 30.6.2008 | 30.6.2007 | 30.6.2008 | 30.6.2007 |
| Profit attributable to equity holders of the Company (RM'000) | 28,639 | 65,006 | 70,710 | 135,156 |
| Weighted average number of ordinary shares in issue ('000) | 525,009 | 521,498 | 524,360 | 520,685 |
| Effect of dilution ('000) | 24,656 | 28,527 | 26,772 | 28,579 |
| Adjusted weighted average number of ordinary shares in issue and issuable ('000) | 549,665 | 550,025 | 551,132 | 549,264 |
| Diluted EPS (sen) | 5.2 | 11.8 | 12.8 | 24.6 |

32. AUDITORS' REPORT ON PRECEDING ANNUAL FINANCIAL STATEMENTS

The auditors' report on the financial statements for the financial year ended 31 December 2007 was unqualified.

33. AUTHORISED FOR ISSUE

The interim financial statements were authorised for issue by the Board of Directors in accordance with a resolution of the Directors on 17 July 2008.