



Financial Statements for the Third Quarter Ended 31 March 2004

Financial statements on consolidated and company results for the third quarter ended 31 March 2004. Certain comparative items have been reclassified to conform with current period's presentation.

On 27 February 2004, the Singapore Minister of Finance announced a reduction in corporate tax rate from 22% to 20% with effect from the year of assessment 2005. The Group's and Company's tax expense for the current reporting quarter have incorporated the year-to-date impact of the rate reduction.

The figures have been reviewed in accordance with Singapore Auditing Practice 11 - Review of Interim Financial Information.

1(a)(i) Income Statements for the third quarter ended 31 March 2004

| | Group | | | Company | | |
|--|------------------------------|------------------------------|---------|------------------------------|------------------------------|---------|
| | 1 Jan 2004 to 31 Mar 2004 | 1 Jan 2003 to 31 Mar 2003 | Change | 1 Jan 2004 to 31 Mar 2004 | 1 Jan 2003 to 31 Mar 2003 | Change |
| | S\$'000 | S\$'000 | % | S\$'000 | S\$'000 | % |
| Operating revenue | | | | | | |
| Management fees from subsidiaries | - | - | - | 16,121 | 18,524 | (13.0) |
| Securities market revenue | | | | | | |
| - Securities clearing fees | 38,625 | 12,521 | 208.5 | - | - | - |
| - Account maintenance and processing fees | 9,724 | 6,349 | 53.2 | 2,507 | 901 | 178.2 |
| Net derivatives clearing revenue | 11,733 | 10,347 | 13.4 | - | - | - |
| Stable revenue * | | | | | | |
| - Access and terminal fees | 8,383 | 7,703 | 8.8 | - | - | - |
| - Listing and membership fees | 5,357 | 4,078 | 31.4 | - | - | - |
| - Price information fees | 3,430 | 3,285 | 4.4 | - | - | - |
| - Sale of software and other computer services | 1,701 | 1,528 | 11.3 | 537 | 519 | 3.5 |
| - Other operating revenue | 2,578 | 1,439 | 79.2 | 549 | 348 | 57.8 |
| Total operating revenue | 81,531 | 47,250 | 72.6 | 19,714 | 20,292 | (2.8) |
| Operating expenses | | | | | | |
| Staff costs | 18,500 | 15,409 | 20.1 | 11,866 | 9,149 | 29.7 |
| Occupancy costs | 3,463 | 4,349 | (20.4) | 2,515 | 2,291 | 9.8 |
| System maintenance and rental | 4,369 | 4,865 | (10.2) | 567 | 2,214 | (74.4) |
| Depreciation | 4,636 | 5,320 | (12.9) | 2,605 | 2,661 | (2.1) |
| Professional charges | 1,607 | 1,005 | 59.9 | 874 | 599 | 45.9 |
| Marketing and travelling | 636 | 1,851 | (65.6) | 320 | 1,306 | (75.5) |
| Communication charges | 509 | 731 | (30.4) | 324 | 509 | (36.3) |
| Fees to MAS for transfer of participant supervision function | 575 | - | NM | 575 | - | NM |
| Specific provision for doubtful debts | 461 | - | NM | - | - | - |
| Provision for surplus leased premises | (2,100) | - | NM | (1,717) | - | NM |
| Net foreign exchange loss/(gain) | 76 | (73) | NM | - | - | - |
| Loss/(gain) on disposal of property plant and equipment | 2 | (87) | NM | - | (1) | (100.0) |
| Cost of sales | 2,975 | 2,267 | 31.2 | 406 | 427 | (4.9) |
| Other operating expenses | 1,004 | 3,044 | (67.0) | 612 | 1,481 | (58.7) |
| Total operating expenses | 36,713 | 38,681 | (5.1) | 18,947 | 20,636 | (8.2) |
| Profit from operating activities | 44,818 | 8,569 | 423.0 | 767 | (344) | NM |
| Net non-operating revenue | | | | | | |
| Investment income/(loss) from externally managed funds | - | 6,690 | (100.0) | - | 6,690 | (100.0) |
| Other revenue including interest income | 875 | 726 | 20.5 | 421 | 17 | 2,376.5 |
| Profit before tax and minority interests | 45,693 | 15,985 | 185.8 | 1,188 | 6,363 | (81.3) |
| Share of results of joint venture | (20) | (8) | 150.0 | - | - | - |
| Tax | (8,345) | (4,216) | 97.9 | 856 | (1,751) | NM |
| Profit after tax and before minority interests | 37,328 | 11,761 | 217.4 | 2,044 | 4,612 | (55.7) |
| Minority interests | - | 1,319 | (100.0) | - | - | - |
| Profit attributable to shareholders of the company | 37,328 | 13,080 | 185.4 | 2,044 | 4,612 | (55.7) |

NM: Not meaningful.

* Stable revenue is revenue that is considered less volatile.

1(a)(ii) Income Statements for the 9 months ended 31 March 2004

| | Group | | | Company | | |
|--|------------------------------|------------------------------|--------|------------------------------|------------------------------|---------|
| | 1 Jul 2003 to 31 Mar 2004 | 1 Jul 2002 to 31 Mar 2003 | Change | 1 Jul 2003 to 31 Mar 2004 | 1 Jul 2002 to 31 Mar 2003 | Change |
| | S\$'000 | S\$'000 | % | S\$'000 | S\$'000 | % |
| Operating revenue | | | | | | |
| Management fees from subsidiaries | - | - | - | 58,368 | 59,235 | (1.5) |
| Securities market revenue | | | | | | |
| - Securities clearing fees | 115,367 | 45,021 | 156.3 | - | - | - |
| - Account maintenance and processing fees | 31,457 | 23,242 | 35.3 | 7,764 | 3,307 | 134.8 |
| Net derivatives clearing revenue | 36,101 | 31,311 | 15.3 | - | - | - |
| Stable revenue * | | | | | | |
| - Access and terminal fees | 24,253 | 23,369 | 3.8 | - | - | - |
| - Listing and membership fees | 15,799 | 12,018 | 31.5 | - | - | - |
| - Price information fees | 10,162 | 9,549 | 6.4 | - | - | - |
| - Sale of software and other computer services | 5,586 | 5,419 | 3.1 | 1,735 | 1,423 | 21.9 |
| - Other operating revenue | 6,291 | 4,809 | 30.8 | 1,325 | 1,209 | 9.6 |
| Total operating revenue | 245,016 | 154,738 | 58.3 | 69,192 | 65,174 | 6.2 |
| Operating expenses | | | | | | |
| Staff costs | 54,833 | 50,450 | 8.7 | 35,142 | 30,716 | 14.4 |
| Occupancy costs | 11,922 | 12,515 | (4.7) | 9,166 | 7,810 | 17.4 |
| System maintenance and rental | 14,220 | 15,831 | (10.2) | 4,946 | 6,626 | (25.4) |
| Depreciation | 14,230 | 16,884 | (15.7) | 7,933 | 7,582 | 4.6 |
| Professional charges | 5,313 | 3,117 | 70.5 | 3,366 | 1,603 | 110.0 |
| Marketing and travelling | 2,942 | 3,679 | (20.0) | 2,019 | 1,855 | 8.8 |
| Communication charges | 2,015 | 2,593 | (22.3) | 1,234 | 1,587 | (22.2) |
| Fees to MAS for transfer of participant supervision function | 1,725 | - | NM | - | - | - |
| Specific provision for doubtful debts | 416 | (73) | NM | - | - | - |
| Provision for surplus leased premises | (2,100) | - | NM | (1,717) | - | NM |
| Net foreign exchange loss/(gain) | 302 | 69 | 337.7 | 7 | (1) | NM |
| Loss/(gain) on disposal of property plant and equipment | (165) | (185) | (10.8) | (4) | (114) | (96.5) |
| Cost of sales | 9,552 | 7,028 | 35.9 | 1,130 | 1,266 | (10.7) |
| Other operating expenses | 3,006 | 5,707 | (47.3) | 4,028 | 4,561 | (11.7) |
| Total operating expenses | 118,211 | 117,615 | 0.5 | 67,250 | 63,491 | 5.9 |
| Profit from operating activities | 126,805 | 37,123 | 241.6 | 1,942 | 1,683 | 15.4 |
| Net non-operating revenue/(loss) | | | | | | |
| Investment income/(loss) from externally managed funds | (3,055) | 16,469 | NM | (3,055) | 16,469 | NM |
| Other revenue including interest income | 2,214 | 2,632 | (15.9) | 1,237 | 89 | 1,289.9 |
| Profit before tax and minority interests | 125,964 | 56,224 | 124.0 | 124 | 18,241 | (99.3) |
| Share of results of joint venture | (65) | (70) | (7.1) | - | - | - |
| Tax | (27,469) | (14,401) | 90.7 | (263) | (5,003) | (94.7) |
| Profit/(Loss) after tax and before minority interests | 98,430 | 41,753 | 135.7 | (139) | 13,238 | NM |
| Minority interests | 170 | 2,337 | (92.7) | - | - | - |
| Profit/(Loss) attributable to shareholders of the company | 98,600 | 44,090 | 123.6 | (139) | 13,238 | NM |

NM: Not meaningful.

* Stable revenue is revenue that is considered less volatile.

1(b)(i) Balance Sheets

| | Group | | Company | |
|--|--------------------|--------------------|--------------------|--------------------|
| | As at 31 Mar 04 | As at 30 Jun 03 | As at 31 Mar 04 | As at 30 Jun 03 |
| | SS'000 | SS'000 | SS'000 | SS'000 |
| Current assets | | | | |
| Cash and cash equivalents | 398,915 | 221,478 | 311,949 | 16,838 |
| Trade and other debtors | 348,917 | 338,332 | 6,517 | 5,624 |
| Securities clearing funds | 35,632 | 34,602 | - | - |
| Available-for-sale investments | 11,627 | 356,524 | - | 340,463 |
| Tax recoverable | - | 694 | - | 476 |
| | 795,091 | 951,630 | 318,466 | 363,401 |
| Non-current assets | | | | |
| Property, plant and equipment | 217,448 | 225,513 | 42,424 | 45,923 |
| Club memberships | 720 | 720 | 720 | 720 |
| Investments in subsidiaries | - | - | 392,340 | 392,340 |
| Investments in joint venture | 213 | 278 | - | - |
| Deferred tax assets | 4,827 | 4,800 | - | - |
| | 223,208 | 231,311 | 435,484 | 438,983 |
| Total assets | 1,018,299 | 1,182,941 | 753,950 | 802,384 |
| Current liabilities | | | | |
| Trade and other creditors | 350,209 | 334,834 | 295,735 | 52,017 |
| Securities clearing members' contributions to clearing funds | 10,632 | 9,602 | - | - |
| Provision for surplus leased premises and unutilised leave | 6,125 | 6,220 | 4,605 | 4,605 |
| Taxation | 41,713 | 16,375 | 11,435 | - |
| | 408,679 | 367,031 | 311,775 | 56,622 |
| Non-current liabilities | | | | |
| Provision for surplus leased premises | 3,575 | 5,675 | 2,717 | 4,434 |
| Deferred tax liabilities | 926 | 10,153 | 503 | 9,129 |
| | 4,501 | 15,828 | 3,220 | 13,563 |
| Total liabilities | 413,180 | 382,859 | 314,995 | 70,185 |
| Net assets | 605,119 | 800,082 | 438,955 | 732,199 |
| Equity | | | | |
| Share capital | 10,277 | 10,030 | 10,277 | 10,030 |
| Reserves | 594,254 | 789,294 | 428,678 | 722,169 |
| Shareholders' equity | 604,531 | 799,324 | 438,955 | 732,199 |
| Minority interests | 588 | 758 | - | - |
| | 605,119 | 800,082 | 438,955 | 732,199 |

1(b)(ii) Aggregate amount of group's borrowings and debt securities

| | As at 31 Mar 2004 | | As at 31 Mar 2003 | |
|--|-------------------|-----------|-------------------|-----------|
| | Secured | Unsecured | Secured | Unsecured |
| Amount repayable in one year or less, or on demand | Nil | Nil | Nil | Nil |
| Amount repayable after one year | Nil | Nil | Nil | Nil |

Details of any collaterals

None.

I(c) Consolidated Cash Flow Statements

| | 3 Months Ended | | 9 Months Ended | |
|---|----------------|-----------------|------------------|-----------------|
| | 31 Mar 2004 | 31 Mar 2003 | 31 Mar 2004 | 31 Mar 2003 |
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| Cash flows from operating activities | | | | |
| Profit before tax and share of results of joint venture | 45,693 | 15,985 | 125,964 | 56,224 |
| Adjustments for: | | | | |
| Depreciation | 4,636 | 5,320 | 14,230 | 16,884 |
| Write off of property, plant and equipment | - | 2,000 | 235 | 2,297 |
| Net (gain)/loss on investments | (87) | (6,906) | 3,514 | (17,201) |
| (Gain)/Loss on disposal of property, plant and equipment | 2 | (87) | (165) | (185) |
| Utilisation of provision for surplus leased premises | (2,100) | - | (2,100) | - |
| Interest income | (789) | (698) | (2,648) | (2,412) |
| Operating cash flow before working capital change | 47,355 | 15,614 | 139,030 | 55,607 |
| Change in operating assets and liabilities | | | | |
| Trade and other receivables | (70,604) | (141,166) | (10,702) | 73,834 |
| Trade and other payables | 72,387 | 142,257 | 15,280 | (77,256) |
| Cash generated from operations | 49,138 | 16,705 | 143,608 | 52,185 |
| Income tax paid | (4,512) | (6,219) | (10,691) | (17,847) |
| Dividends paid | (24,040) | (23,416) | (323,729) | (57,705) |
| Net cash from/(used in) operating activities | 20,586 | (12,930) | (190,812) | (23,367) |
| Cash flows from investing activities | | | | |
| Payments for retention sum of properties | - | - | - | (21,175) |
| Payments for property, plant and equipment | (3,996) | (1,128) | (6,446) | (15,089) |
| Proceeds from disposal of property, plant and equipment | - | 80 | 211 | 365 |
| Purchase of club membership | - | - | - | (20) |
| Interest received | 779 | 544 | 2,477 | 2,189 |
| Receipt from sale/redemption of investments | 4,000 | - | 341,383 | - |
| Receipt from FSDF for property, plant and equipment purchased | - | - | - | 161 |
| Net cash from/(used in) investing activities | 783 | (504) | 337,625 | (33,569) |
| Cash flows from financing activities | | | | |
| Net proceeds from issue of ordinary shares on exercise of share options | 2,882 | 624 | 30,624 | 786 |
| Net cash from financing activities | 2,882 | 624 | 30,624 | 786 |
| Net increase/(decrease) in cash and cash equivalents held | 24,251 | (12,810) | 177,437 | (56,150) |
| Cash and cash equivalents at the beginning of the period | 374,664 | 209,708 | 221,478 | 253,048 |
| Cash and cash equivalents at the end of the period | 398,915 | 196,898 | 398,915 | 196,898 |
| | | | | |

1(d)(i) Statement of Changes in Equity

| | Share capital | Share premium * | Retained profits | Clearing fund reserve * | Hedging reserve * | Proposed dividends | Total |
|--|---------------|-----------------|------------------|-------------------------|-------------------|--------------------|----------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| (a) Consolidated - 3 Months FY2004 | | | | | | | |
| Balance at 1 January 2004 | 10,251 | 336,379 | 192,067 | 25,000 | 783 | 23,987 | 588,467 |
| Gain/(Loss) on hedging | | | | | | | |
| - unrealised | - | - | - | - | (89) | - | (89) |
| - transfer to income statement | - | - | 17 | - | (17) | - | - |
| Net profit before realisation of hedging reserve | - | - | 37,311 | - | - | - | 37,311 |
| Net profit for the financial period | - | - | 37,328 | - | (106) | - | 37,222 |
| Dividends paid | | | | | | | |
| Interim dividends - FY2004 | - | - | - | - | - | (24,040) | (24,040) |
| Under-provision of interim dividends - FY2004 | - | - | (53) | - | - | 53 | - |
| Issue of ordinary shares | 26 | 2,856 | - | - | - | - | 2,882 |
| Balance at 31 March 2004 | 10,277 | 339,235 | 229,342 | 25,000 | 677 | - | 604,531 |
| (b) Consolidated - 3 Months FY2003 | | | | | | | |
| Balance at 1 January 2003 | 10,001 | 305,698 | 469,501 | 25,000 | 296 | 23,403 | 833,899 |
| Gain/(Loss) on hedging | | | | | | | |
| - unrealised | - | - | - | - | 469 | - | 469 |
| - transfer to income statement | - | - | 179 | - | (179) | - | - |
| Net profit before realisation of hedging reserve | - | - | 12,901 | - | - | - | 12,901 |
| Net profit for the financial period | - | - | 13,080 | - | 290 | - | 13,370 |
| Dividends paid | | | | | | | |
| Interim dividends - FY2003 | - | - | - | - | - | (23,416) | (23,416) |
| Under-provision of interim dividends - FY2003 | - | - | (13) | - | - | 13 | - |
| Issue of ordinary shares | 6 | 618 | - | - | - | - | 624 |
| Balance at 31 March 2003 | 10,007 | 306,316 | 482,568 | 25,000 | 586 | - | 824,477 |
| (c) Company - 3 Months FY2004 | | | | | | | |
| Balance at 1 January 2004 | 10,251 | 336,379 | 87,452 | - | - | 23,987 | 458,069 |
| Net profit for the financial period | - | - | 2,044 | - | - | - | 2,044 |
| Dividends paid | | | | | | | |
| Interim dividends - FY2004 | - | - | - | - | - | (24,040) | (24,040) |
| Under-provision of interim dividends - FY2004 | - | - | (53) | - | - | 53 | - |
| Issue of ordinary shares | 26 | 2,856 | - | - | - | - | 2,882 |
| Balance at 31 March 2004 | 10,277 | 339,235 | 89,443 | - | - | - | 438,955 |
| (d) Company - 3 Months FY2003 | | | | | | | |
| Balance at 1 January 2003 | 10,001 | 305,698 | 412,184 | - | - | 23,403 | 751,286 |
| Net profit for financial period | - | - | 4,612 | - | - | - | 4,612 |
| Dividends paid | | | | | | | |
| Interim dividends - FY2003 | - | - | - | - | - | (23,416) | (23,416) |
| Under-provision of interim dividends - FY2003 | - | - | (13) | - | - | 13 | - |
| Issue of ordinary shares | 6 | 618 | - | - | - | - | 624 |
| Balance at 31 March 2003 | 10,007 | 306,316 | 416,783 | - | - | - | 733,106 |

* Non-distributable reserves are not available for distribution as cash dividends to the shareholders of the Company.

1(d)(i) Statement of Changes in Equity

| | Share capital | Share premium * | Retained profits | Clearing fund reserve * | Hedging reserve * | Proposed dividends | Total |
|--|---------------|-----------------|------------------|-------------------------|-------------------|--------------------|----------------|
| | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 | \$'000 |
| (e) Consolidated - 9 Months FY2004 | | | | | | | |
| Balance at 1 July 2003 | 10,030 | 308,858 | 161,090 | 25,000 | 965 | 293,381 | 799,324 |
| Gain/(Loss) on hedging | | | | | | | |
| - unrealised | - | - | - | - | (269) | - | (269) |
| - transfer to income statement | - | - | 19 | - | (19) | - | - |
| Net profit before realisation of hedging reserve | - | - | 98,581 | - | - | - | 98,581 |
| Net profit for the financial period | - | - | 98,600 | - | (288) | - | 98,312 |
| Dividends paid | | | | | | | |
| Final dividends - FY2003 | - | - | - | - | - | (299,689) | (299,689) |
| Interim dividends - FY2004 | - | - | (24,040) | - | - | - | (24,040) |
| Under-provision of final dividends - FY2003 | - | - | (6,308) | - | - | 6,308 | - |
| Issue of ordinary shares | 247 | 30,377 | - | - | - | - | 30,624 |
| Balance at 31 March 2004 | 10,277 | 339,235 | 229,342 | 25,000 | 677 | - | 604,531 |
| (f) Consolidated - 9 Months FY2003 | | | | | | | |
| Balance at 1 July 2002 | 10,000 | 305,537 | 461,894 | 25,000 | (147) | 34,289 | 836,573 |
| Gain/(Loss) on hedging | | | | | | | |
| - unrealised | - | - | - | - | 912 | - | 912 |
| - transfer to income statement | - | - | 179 | - | (179) | - | - |
| Net profit before realisation of hedging reserve | - | - | 43,911 | - | - | - | 43,911 |
| Net profit for the financial period | - | - | 44,090 | - | 733 | - | 44,823 |
| Dividends paid | | | | | | | |
| Final dividends - FY2002 | - | - | - | - | - | (34,289) | (34,289) |
| Interim dividends - FY2003 | - | - | (23,416) | - | - | - | (23,416) |
| Issue of ordinary shares | 7 | 779 | - | - | - | - | 786 |
| Balance at 31 March 2003 | 10,007 | 306,316 | 482,568 | 25,000 | 586 | - | 824,477 |
| (g) Company - 9 Months FY2004 | | | | | | | |
| Balance at 1 July 2003 | 10,030 | 308,858 | 119,930 | - | - | 293,381 | 732,199 |
| Net loss for the financial period | - | - | (139) | - | - | - | (139) |
| Dividends paid | | | | | | | |
| Final dividends - FY2003 | - | - | - | - | - | (299,689) | (299,689) |
| Interim dividends - FY2004 | - | - | (24,040) | - | - | - | (24,040) |
| Under-provision of final dividends - FY2003 | - | - | (6,308) | - | - | 6,308 | - |
| Issue of ordinary shares | 247 | 30,377 | - | - | - | - | 30,624 |
| Balance at 31 March 2004 | 10,277 | 339,235 | 89,443 | - | - | - | 438,955 |
| (h) Company - 9 Months FY2003 | | | | | | | |
| Balance at 1 July 2002 | 10,000 | 305,537 | 426,961 | - | - | 34,289 | 776,787 |
| Net profit for the financial period | - | - | 13,238 | - | - | - | 13,238 |
| Dividends paid | | | | | | | |
| Final dividends - FY2002 | - | - | - | - | - | (34,289) | (34,289) |
| Interim dividends - FY2003 | - | - | (23,416) | - | - | - | (23,416) |
| Issue of ordinary shares | 7 | 779 | - | - | - | - | 786 |
| Balance at 31 March 2003 | 10,007 | 306,316 | 416,783 | - | - | - | 733,106 |

* Non-distributable reserves are not available for distribution as cash dividends to the shareholders of the Company.

1(d)(ii) Details of any changes in the company's share capital arising from rights issue, bonus issue, share buy-backs, exercise of share options or warrants, conversion of other issues of equity securities, issue of shares for cash or as consideration for acquisition or for any other purpose since the end of the previous period reported on. State also the number of shares that may be issued on conversion of all of the outstanding convertibles as at the end of the current financial period reported on and as at the end of the corresponding period of the immediately preceding financial year.

During the 3 months ended 31 March 2004, the Company issued 2,757,000 ordinary shares of \$0.01 each at prices ranging from \$0.92 to \$1.01 upon the exercise of options granted under the SGX Share Option Plan (ESOS).

As at 31 March 2004, there were 37,231,500 (31 March 2003: 46,107,000) unissued ordinary shares of \$0.01 each in respect of options granted.

2 Whether the figures have been audited, or reviewed and in accordance with which standard (eg the Singapore Standard on Auditing 910 (Engagements to Review Financial Statements), or an equivalent standard).

The figures have been reviewed in accordance with Singapore Auditing Practice 11 - Review of Interim Financial Information.

3 Where the figures have been audited or reviewed, the auditors' report (including any qualifications or emphasis of matter).

Please refer to the attached Auditors' Report.

4 Whether the same accounting policies and methods of computation as in the issuer's most recently audited annual financial statements have been applied.

The Group has adopted the same accounting policies and methods of computation in the financial statements for the current reporting period as those in the audited annual financial statements as at 30 June 2003.

5 If there are any changes in the accounting policies and methods of computation, including any required by an accounting standard, what has changed, as well as the reasons for, and the effect of, the change.

Not applicable.

6 Earnings per ordinary share for the group for the current period reported on and the corresponding period of the immediately preceding financial year, after deducting any provision for preference dividends.

| | Group | | | |
|---|------------------------------|------------------------------|------------------------------|------------------------------|
| | 3 Months Ended | | 9 Months Ended | |
| | 1 Jan 2004 to 31 Mar 2004 | 1 Jan 2003 to 31 Mar 2003 | 1 Jul 2003 to 31 Mar 2004 | 1 Jul 2002 to 31 Mar 2003 |
| | Cents | Cents | Cents | Cents |
| Earnings per ordinary share for the period based on net profit attributable to shareholders | | | | |
| (a) Based on weighted average number of ordinary shares in issue | 3.64 | 1.31 | 9.68 | 4.41 |
| (b) On a fully diluted basis | 3.61 | 1.31 | 9.61 | 4.40 |
| Weighted average number of ordinary shares in issue for basic earnings per share ('000) | 1,026,278 | 1,000,100 | 1,018,401 | 1,000,100 |
| Adjustment for assumed conversion of share options ('000) | 8,009 | 1,185 | 7,644 | 1,185 |
| Weighted average number of ordinary shares for diluted earnings per share ('000) | 1,034,287 | 1,001,285 | 1,026,045 | 1,001,285 |

7 Net asset value (for the issuer and group) per ordinary share based on issued share capital of the issuer at the end of the current period reported on and immediately preceding financial year.

| | Group | | Company | |
|--|----------------------|-----------------------|----------------------|-----------------------|
| | As at 31 Mar 2004 | As at 30 June 2003 | As at 31 Mar 2004 | As at 30 June 2003 |
| | Cents | Cents | Cents | Cents |
| Net asset value per ordinary share based on issued share capital as at the end of the reporting period | 58.82 | 79.69 | 42.71 | 73.00 |

8(a) Review of the Performance of the Company and its Subsidiaries

The Group's business is mainly operating a Securities Market and Derivatives Market.

8(a)(i) *Financial Summary - 3 months ended 31 March 2004*

Securities Market Revenue

Securities trading value increased 194.0% to \$59.9 billion in 3Q FY2004, compared to \$20.4 billion for 3Q FY2003. The corresponding securities trading volume increased 224.6% to 61.9 billion shares from 19.1 billion shares. Securities clearing fees, as a result, increased 208.5% to \$38.6 million from \$12.5 million, between the 2 quarters.

Securities Market members decreased to 24 as at 31 March 2004 from 27 as at 31 March 2003, after the resignation of 4 clearing members and admission of 1 new clearing member.

Higher computer processing and contract charges income produced a 53.2% improvement in account maintenance and processing fees.

Net Derivatives Clearing Revenue

Derivatives trading volume increased 4.6% to 8.47 million contracts in 3Q FY2004 from 8.09 million contracts for 3Q FY2003, and is as follows:

| Derivatives Contract | 3Q FY2004 (MM Contracts) | 3Q FY2003 (MM Contracts) | Change |
|--------------------------------|-------------------------------------|-------------------------------------|---------------|
| Eurodollar | 3.49 | 4.49 | (22.3%) |
| Euroyen | 0.52 | 0.25 | 104.0% |
| Asian Equity Indices | | | |
| - Nikkei 225 Stock Index | 1.99 | 1.55 | 28.3% |
| - MSCI Taiwan Index Futures | 1.78 | 1.21 | 47.2% |
| - MSCI Singapore Index Futures | 0.36 | 0.24 | 48.3% |
| Subtotal | 4.13 | 3.00 | 37.5% |
| Others | 0.33 | 0.35 | (5.9%) |
| Total | 8.47 | 8.09 | 4.6% |

The increased trading volume in non-Eurodollar derivatives contracts which have higher profit margins augurs well for our derivatives business. In particular, our Asian equity index derivatives have benefited significantly from the recovery of Asian equity markets, and the trading volume in these contracts registered significant growth between the 2 quarters. Thus despite the decline in Eurodollar volume, net derivatives clearing income increased by 13.4% between the 2 quarters.

Recent intense competition between US and European exchanges has caused market participants to shift their Eurodollar trading activity to electronic trading platforms. In turn, this has adversely impacted our market share of this contract, which we trade on the floor. To meet the challenge, we have built up our existing electronic trading capabilities to expand our customer base and services. In particular, we have been consistently promoting the Asian equity index products, all of which are

available on our electronic trading platform. These contracts have shown continuous improvement in trading volume since the beginning of the current financial year. The MSCI Singapore index futures contract, which is currently our most active electronic contract, grew by more than 40% year-on-year in the first 9 months. Meanwhile, following the implementation of our Nikkei 225 futures on the mutual offset system with the Chicago Mercantile Exchange (CME), we have seen a significant increase in after-hour trading of the contract on our electronic platform, as it now consistently contributes more than 10% of total Nikkei 225 futures trading volume.

As at 31 March 2004, the derivatives market has 567 local and 48 corporate members. This compared to 558 and 47 respectively, as at 31 March 2003.

Stable Revenue

Access and terminal fees increased 8.8% on higher SGX Access income.

Listing and membership fees rose 31.4% on higher listing related fee rates effective March 2003 and the increase in the number of new listings.

Other operating revenue gained 79.2%, mainly on higher buying-in brokerage income.

Operating Costs

Overall staff costs increased 20.1% on increase in provision for variable bonus as a result of improvement in business performance in 3Q FY2004. However, excluding bonuses, there was a 19.4% reduction in salary and AWS over the previous corresponding quarter, because of reduction of headcount to 648 as at 31 March 2004, from 744 as at 31 March 2003. The headcount figures excluded those of Asia Converge Pte Ltd which ceased operations in September 2003.

Occupancy costs fell 20.4% on rental rate reduction upon lease re-negotiation and expiration of some units in OUB Centre and Equity Plaza.

System maintenance and rental expenses declined 10.2% upon re-negotiation of some system maintenance services.

Depreciation decreased 12.9% mainly due to fully depreciated assets in 3Q FY2004.

The 59.9% increase in professional charges in 3Q FY2004 comprised mainly credit facility fees.

\$2.1 million of the provision for surplus leased premises at Equity Plaza was utilized in 3Q FY2004. The remaining provision will be completely utilized by the end of FY2006, upon expiry of the lease.

Cost of sales mainly comprises cost of contract processing and royalties. The 31.2% increase was mainly due to higher securities trading volume in 3Q FY2004.

Other operating expenses dropped 67.0%, primarily due to fixed asset written off in 3Q FY2003.

For 3Q FY2004, approximately 30% of the Group's operating costs pertained to IT, compared to 33% for 3Q FY2003.

Investment Performance

In 3Q FY2003, the investment income comprised \$6.7 million investment profits from the portfolio managed by external fund managers, which was liquidated in July 2003.

In an effort to manage our capital more efficiently, we are planning to place out \$150 million with a broad group of fund managers employing market neutral strategies.

8(a)(ii) *Financial Summary - 9 months ended 31 March 2004*

Securities Market Revenue

Securities trading value increased 145.3% to \$167.0 billion in the nine months ended 31 March 2004, compared to \$68.1 billion for the previous corresponding period. The corresponding securities trading volume increased 224.7% to 212.3 billion shares from 65.4 billion shares. Securities clearing fees, as a result, increased 156.3% to \$115.4 million from \$45.0 million, between the 2 periods.

Account maintenance and processing fees rose 35.3% on higher contract charges and computer processing income.

Net Derivatives Clearing Revenue

Derivatives trading volume edged up 4.4% to 26.47 million contracts in the nine months ended 31 March 2004 from 25.36 million contracts for the previous corresponding period, and is as follows:

| Derivatives Contract | 9 Months FY2004 (MM Contracts) | 9 Months FY2003 (MM Contracts) | Change |
|--------------------------------|---|---|---------------|
| Eurodollar | 12.19 | 15.06 | (19.1%) |
| Euroyen | 1.94 | 1.00 | 93.5% |
| Asian Equity Indices | | | |
| - Nikkei 225 Stock Index | 5.86 | 4.09 | 43.3% |
| - MSCI Taiwan Index Futures | 4.67 | 3.62 | 28.8% |
| - MSCI Singapore Index Futures | 0.93 | 0.64 | 45.3% |
| Subtotal | 11.46 | 8.35 | 37.1% |
| Others | 0.88 | 0.95 | (6.3%) |
| Total | 26.47 | 25.36 | 4.4% |

Despite the drop in Eurodollar volume, net derivatives clearing income gained 15.3%, mainly on higher income margins for non-Eurodollar derivatives contracts.

Stable Revenue

Access and terminal fees rose 3.8% on higher SGX Access income.

Listing and membership fees expanded 31.5% due to the increase in annual listing fees on higher fee rates effective March 2003 and the increase in the number of new listings. This was partly offset by the decrease in membership subscription and transfer fees for securities brokers and remisiers.

Price information fees increased 6.4%, mainly on higher income from SecuritiesBook.

Other operating revenue increased 30.8%, mainly on higher buying-in brokerage income.

Operating Costs

Overall staff costs rose 8.7% on increase in provision for variable bonus as a result of improvement in business performance in the current nine months. Excluding bonuses, salaries and AWS actually fell 17.1% as a result of a reduction in headcount.

Occupancy costs decreased 4.7% on rental rate reduction upon lease re-negotiation and expiration of some units in OUB Centre and Equity Plaza, offset partly by office premise reorganization costs in the current period.

System maintenance and rental expenses fell 10.2% upon re-negotiation of some system maintenance services.

Depreciation dropped 15.7% mainly due to fully depreciated assets.

The 70.5% increase in professional charges comprised mainly human resources and project consultancy fees.

\$2.1 million of the provision for surplus leased premises at Equity Plaza was utilized in the current nine months. The remaining provision will be completely utilized by the end of FY2006, upon expiry of the lease.

The 35.9% rise in cost of sales was mainly due to increase in cost of contract processing, in line with higher securities trading volume in the current nine months.

Other operating expenses declined 47.3%, primarily due to fixed asset written off in FY2003.

For the current nine months ended 31 March 2004, approximately 31% of the Group's operating costs pertained to IT, compared to 33% for the previous corresponding period.

Investment Performance

The investment portfolios managed by independent fund managers were liquidated in July 2003. A capital loss of \$3.1 million on the position closed out was recognized in the current period.

Interest from bank deposits amounted to approximately \$2.1 million and \$1.8 million for the current and previous corresponding nine months, respectively. The value of in-house bond investments depreciated by \$0.4 million in FY2004, compared to \$0.2 million appreciation in FY2003 over the same period.

8(a)(iii) *Bank Facilities & Contingent Liabilities*

The Group has \$300 million of bank credit facilities in place, comprising \$150 million in committed share financing and \$150 million in committed unsecured credit lines, for prudent risk management to cater to emergency funding needs.

As at 31 March 2004, the Group had contingent liabilities to banks for US\$75 million of unsecured standby letters of credit issued to CME as margin for derivatives trading.

The Group has provided a standby credit of \$75 million to the CDP Clearing Fund in accordance with the CDP Clearing Rules, and has extended \$68.0 million of financial guarantee to its subsidiary, Singapore Exchange Derivatives Clearing Limited ("SGX-DC"), to meet liabilities, if any, arising from default of derivatives clearing members.

The Group also has A\$4.8 million unsecured guarantee to ASX International Services Pty Ltd in respect of obligations of SGXLink Pte Ltd.

9 Where a forecast, or a prospect statement, has been properly disclosed to shareholders, any variance between it and the actual results.

Not applicable

10 Current Year Prospects And Initiatives

In the current quarter, the trading volume and new listings on our securities market continued to perform well. The 20 new listings in the current quarter took the total number of new listings on SGX to 55 for the current financial year, compared to 30 last year. Interest from companies seeking to raise capital on SGX continues to come from throughout the region, with China-related plays currently providing a healthy pipeline for SGX.

Our improved derivatives trading volume reflected well on our efforts on product diversification. In 3Q FY2004, Asian equity index derivatives constituted 49% of our derivatives market, exceeding the Eurodollar contract, which accounted for 41% of the market volume. In comparison, the Asian equity index derivatives and Eurodollar accounted for 37% and 55% of our market volumes respectively over the same period in FY2003.

Our Eurodollar contract faces noticeable competition from electronic trading platforms, like Globex (CME's electronic trading platform). This has started to adversely impact our market share.

Under the terms of the mutual offset agreement with CME, we are not allowed to offer Eurodollar contracts on our electronic trading platform. However, we are entitled to share a portion of revenues generated from Eurodollar contracts traded on Globex during the Asian time zone.

To ensure healthy growth of our core derivatives products, we have introduced various measures to improve the efficiency of pit trading for our Eurodollar contract. At the same time, we continue our market promotion efforts to further improve the volumes of Asian equity index contracts, so we can more than offset the impact of our Eurodollar volume decline.

In 3Q FY2004, 9% of our total derivatives trading volume was traded on our electronic platform, compared to 5.6% in the previous corresponding quarter. Looking forward, we will continue our efforts to encourage electronic trading in our derivatives market to raise our market share on this platform.

11 Dividend

(a) Latest Period

| | |
|---------------------|----|
| Name of Dividend | NA |
| Dividend Type | |
| Dividend Rate | |
| Par Value of Shares | |
| Tax Rate | |

(b) Previous Corresponding Period

| | |
|---------------------|----|
| Name of Dividend | NA |
| Dividend Type | |
| Dividend Rate | |
| Par Value of Shares | |
| Tax Rate | |

(c) Date Payable

Not applicable

(d) Books Closure Date

Not applicable

12 If no dividend has been declared/recommendeded, a statement to that effect.

Not applicable.

12(a) Group Segment Information for the 3 months ended 31 March 2004

| | Securities Market | Derivatives Market | Other Operations | Group |
|--|----------------------|-----------------------|---------------------|-----------|
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| SEGMENT REVENUE | | | | |
| External revenue | 60,261 | 17,085 | 4,185 | 81,531 |
| Inter-segment revenue | 49 | 96 | 16,122 | 16,267 |
| | 60,310 | 17,181 | 20,307 | 97,798 |
| Less: Consolidation elimination | (49) | (96) | (16,122) | (16,267) |
| | 60,261 | 17,085 | 4,185 | 81,531 |
| RESULTS | | | | |
| Segment results | 45,110 | 6,867 | 4,023 | 56,000 |
| Unallocated costs | | | | (11,182) |
| Operating profit before tax | | | | 44,818 |
| Interest income and other non-operating loss | | | | 875 |
| Share of losses of joint venture | (20) | - | - | (20) |
| Income taxes | | | | (8,345) |
| Net profit after tax | | | | 37,328 |
| Minority interests | | | | - |
| Profit attributable to shareholders | | | | 37,328 |
| OTHER INFORMATION | | | | |
| Segment assets | 770,488 | 151,625 | 6,765 | 928,878 |
| Unallocated assets | | | | 89,421 |
| Consolidated total assets | | | | 1,018,299 |
| Segment liabilities | 334,541 | 8,604 | 1,143 | 344,288 |
| Unallocated liabilities | | | | 68,892 |
| Consolidated total liabilities | | | | 413,180 |
| Capital expenditure | | | | |
| - Allocated | 894 | 283 | 9 | 1,186 |
| - Unallocated | | | | 2,810 |
| | | | | 3,996 |
| Depreciation | | | | |
| - Allocated | 1,102 | 883 | 46 | 2,031 |
| - Unallocated | | | | 2,605 |
| | | | | 4,636 |

The Group operates only in Singapore.

12(b) Group Segment Information for the 3 months ended 31 March 2003

| | Securities Market | Derivatives Market | Other Operations | Group |
|---|----------------------|-----------------------|---------------------|-----------|
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| SEGMENT REVENUE | | | | |
| External revenue | 28,807 | 15,533 | 2,910 | 47,250 |
| Inter-segment revenue | 737 | 681 | 18,587 | 20,005 |
| | 29,544 | 16,214 | 21,497 | 67,255 |
| Less: Consolidation elimination | (737) | (681) | (18,587) | (20,005) |
| | 28,807 | 15,533 | 2,910 | 47,250 |
| RESULTS | | | | |
| Segment results | 15,125 | 4,720 | 466 | 20,311 |
| Unallocated costs | | | | (11,742) |
| Operating profit before tax | | | | 8,569 |
| Interest income and other non-operating revenue | | | | 7,416 |
| Share of losses of joint venture | (8) | - | - | (8) |
| Income taxes | | | | (4,216) |
| Net profit after tax | | | | 11,761 |
| Minority interests | | | | 1,319 |
| Profit attributable to shareholders | | | | 13,080 |
| OTHER INFORMATION | | | | |
| Segment assets | 626,567 | 190,192 | 8,955 | 825,714 |
| Unallocated assets | | | | 277,843 |
| Consolidated total assets | | | | 1,103,557 |
| Segment liabilities | 232,998 | 7,713 | 1,455 | 242,166 |
| Unallocated liabilities | | | | 37,974 |
| Consolidated total liabilities | | | | 280,140 |
| Capital expenditure | | | | |
| - Allocated | 210 | 313 | 103 | 626 |
| - Unallocated | | | | 502 |
| | | | | 1,128 |
| Depreciation | | | | |
| - Allocated | 1,213 | 770 | 202 | 2,185 |
| - Unallocated | | | | 3,135 |
| | | | | 5,320 |

The Group operates only in Singapore.

12(c) Group Segment Information for the 9 months ended 31 March 2004

| | Securities Market | Derivatives Market | Other Operations | Group |
|--|----------------------|-----------------------|---------------------|-----------|
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| SEGMENT REVENUE | | | | |
| External revenue | 179,544 | 51,724 | 13,748 | 245,016 |
| Inter-segment revenue | 168 | 635 | 58,464 | 59,267 |
| | 179,712 | 52,359 | 72,212 | 304,283 |
| Less: Consolidation elimination | (168) | (635) | (58,464) | (59,267) |
| | 179,544 | 51,724 | 13,748 | 245,016 |
| RESULTS | | | | |
| Segment results | 135,954 | 22,224 | 11,727 | 169,905 |
| Unallocated costs | | | | (43,100) |
| Operating profit before tax | | | | 126,805 |
| Interest income and other non-operating loss | | | | (841) |
| Share of losses of joint venture | (65) | - | - | (65) |
| Income taxes | | | | (27,469) |
| Net profit after tax | | | | 98,430 |
| Minority interests | | | | 170 |
| Profit attributable to shareholders | | | | 98,600 |
| OTHER INFORMATION | | | | |
| Segment assets | 770,488 | 151,625 | 6,765 | 928,878 |
| Unallocated assets | | | | 89,421 |
| Consolidated total assets | | | | 1,018,299 |
| Segment liabilities | 334,541 | 8,604 | 1,143 | 344,288 |
| Unallocated liabilities | | | | 68,892 |
| Consolidated total liabilities | | | | 413,180 |
| Capital expenditure | | | | |
| - Allocated | 1,313 | 523 | 60 | 1,896 |
| - Unallocated | | | | 4,550 |
| | | | | 6,446 |
| Depreciation | | | | |
| - Allocated | 3,569 | 2,483 | 245 | 6,297 |
| - Unallocated | | | | 7,933 |
| | | | | 14,230 |

The Group operates only in Singapore.

12(d) Group Segment Information for the 9 months ended 31 March 2003

| | Securities Market | Derivatives Market | Other Operations | Group |
|---|----------------------|-----------------------|---------------------|-----------|
| | S\$'000 | S\$'000 | S\$'000 | S\$'000 |
| SEGMENT REVENUE | | | | |
| External revenue | 98,110 | 46,463 | 10,165 | 154,738 |
| Inter-segment revenue | 2,434 | 1,256 | 58,949 | 62,639 |
| | 100,544 | 47,719 | 69,114 | 217,377 |
| Less: Consolidation elimination | (2,434) | (1,256) | (58,949) | (62,639) |
| | 98,110 | 46,463 | 10,165 | 154,738 |
| RESULTS | | | | |
| Segment results | 55,550 | 13,351 | 4,686 | 73,587 |
| Unallocated costs | | | | (36,464) |
| Operating profit before tax | | | | 37,123 |
| Interest income and other non-operating revenue | | | | 19,101 |
| Share of losses of joint venture | (70) | - | - | (70) |
| Income taxes | | | | (14,401) |
| Net profit after tax | | | | 41,753 |
| Minority interests | | | | 2,337 |
| Profit attributable to shareholders | | | | 44,090 |
| OTHER INFORMATION | | | | |
| Segment assets | 626,567 | 190,192 | 8,955 | 825,714 |
| Unallocated assets | | | | 277,843 |
| Consolidated total assets | | | | 1,103,557 |
| Segment liabilities | 232,998 | 7,713 | 1,455 | 242,166 |
| Unallocated liabilities | | | | 37,974 |
| Consolidated total liabilities | | | | 280,140 |
| Capital expenditure | | | | |
| - Allocated | 1,173 | 1,550 | 160 | 2,883 |
| - Unallocated | | | | 12,045 |
| | | | | 14,928 |
| Depreciation | | | | |
| - Allocated | 5,553 | 3,288 | 461 | 9,302 |
| - Unallocated | | | | 7,582 |
| | | | | 16,884 |

The Group operates only in Singapore.

13 In the review of performance, the factors leading to any material changes in contributions to turnover and earnings by the business or geographical segments

Pleaser refer to Section 8.

Joyce Fong
Company Secretary
8 April 2004

The Board of Directors
Singapore Exchange Limited
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Dear Sirs,

**Singapore Exchange Limited and its subsidiaries
Review of the interim financial information
For the third quarter ended 31 March 2004**

We have been engaged by the Company to review the interim financial information for the third quarter ended 31 March 2004.

Appendix 7.2 of the Singapore Exchange Securities Trading Limited Listing Manual ("Listing Manual") requires the preparation of interim financial information to be in compliance with the relevant positions thereof. The accompanying financial information comprise the balance sheet of Singapore Exchange Limited and the consolidated balance sheet of the Group as at 31 March 2004, and the related statements of income, changes in equity and consolidated cash flows for the 3-month period then ended. The interim financial information is the responsibility of, and has been approved by, the directors. Our responsibility is to issue a report solely for the use of the directors on the interim financial information based on our review.

We conducted our review in accordance with the Singapore Statement of Auditing Practice 11 'Review of Interim Financial Information'. A review of interim financial information consists principally of applying analytical review procedures to financial data and making inquiries of, and having discussions with, persons responsible for the financial and accounting matters. It is substantially less in scope than an audit in accordance with Singapore Standards on Auditing and does not provide assurance that we would become aware of any or all significant matters that might be identified in an audit. We have not performed an audit and, accordingly, we do not express an audit opinion.

Based on our review, nothing has come to our attention that causes us to believe that there are any material modification that needs to be made to the accompanying interim financial information for it to be in accordance with Appendix 7.2 of the Listing Manual.


PricewaterhouseCoopers
Certified Public Accountants

Singapore, 8 April 2004