



Financial Statements for the Second Quarter Ended 31 December 2004

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

Following is the content of the financial statements:

Section	Entity	Content
1	Group	CEO's Statement
2	Group	Financial Highlights - 2Q and 1H
3	Group	Statement of Profit and Loss - 2Q and 1H
4	Group	Earnings Per Share - 2Q and 1H
5	Company	Statement of Profit and Loss - 2Q and 1H
6	Group and Company	Balance Sheets
7	Group and Company	Net Asset Value
8	Group	Borrowings and Debt Securities
9	Group	Statement of Cash Flow - 2Q and 1H
10	Group and Company	Statement of Changes in Equity - 2Q and 1H
11	Group	Review of the Performance
12	Group	Segment Information - 2Q and 1H
13	Company	Dividend
14	Company	Share Capital
15	Group	Accounting Policies and Audit

1. CEO's Statement

The Group recorded S\$52.4 million net profit after tax for the first half of FY2005. We are paying a higher net interim dividend of 2.8 cents per share, and are pleased to announce that the Directors proposed increasing the payout ratio to 80% of our annual net profit after tax, from 50% previously, while maintaining the base net annual dividend of 5.6 cents per share.

The market environment has been difficult for SGX in the first half of FY2005, as reflected by the lower turnover in both the securities and derivatives markets. While the ST Index rose, trading activity has generally been confined to a relatively small number of counters.

Under these testing market conditions, we have been able to demonstrate our focus on cost management. All major cost lines are down when compared to the previous year's corresponding reporting period. We will endeavour to control our expenditure in line with the revenue prospects.

The highlight of the first half of FY2005 is the growing number of IPOs, up to 46 compared to 34 in the first half of FY2004. Of this 46, 21 issuers are from China. We are pleased with our ability to attract regional growth companies across all sectors. Central to our listings strategy is the targeting of foreign issuers from Greater China.

At the same time, our efforts to bring domestic, South and Southeast Asian issuers to market will contribute to the healthy pipeline of issuers who are keen to use their SGX listing as a springboard to the international capital markets. We are pleased with the positive response to our REITS market and this asset class should continue to feature as a growth area for SGX. In addition, the recent resurgence of warrants activity augurs well for our further product development in 2005 to target a broader retail investor base.

The recent China Aviation Oil matter has served to highlight the need for all relevant parties to address the increasing demands of going public. We will continue to work with listed companies, issue managers and other intermediaries to uphold high standards of due diligence and corporate governance. Importance will be placed on obligations of the issuer and issue manager. SGX is also taking the opportunity to review what can best meet the needs of the investment community.

Turning to the derivatives market, the SGXQuest trading engine was launched last August to accelerate the electronic trading of existing derivatives contracts from the floor, and to enable market participants to trade a wider range of products. The successful launch of the recent E-Nikkei futures contract has demonstrated the importance of our electronic migration efforts. After just 2 months of trading the E-Nikkei, this contract contributes more than 60% of our daily Nikkei futures turnover.

Given the decline in the trading volume of our open outcry EuroDollar contract and the success of our E-Nikkei contract, the trend towards electronic trading is inexorable. All remaining non-EuroDollar contracts that are traded on open outcry will in due course move to our electronic trading platform. We expect this trend towards electronic trading to benefit our members and new market participants who have direct access to our marketplace, and to win greater market share for SGX. Over the coming months, we expect to see greater market participation as we add more products to SGXQuest.

Looking forward, SGXQuest is currently undergoing testing for the securities market. Its launch is planned for the second half of 2005. SGXTrade, which provides fast and efficient access to our securities market while enabling enhanced risk management, is currently being rolled out to member sites.

We continue to work closely with Bursa Malaysia in our efforts to develop the cross-trading link between our securities markets. The implementation of this link is dependent, among other things, on regulatory approvals and the timely delivery of compatible trading systems that are currently being put in place in both markets. We now expect the link to be in place by the end of 2006.

2. Financial Highlights - Group

2Q				Half Year			Key Variances
***	FY 2005	FY 2004		***	FY 2005	FY 2004	
			Key Results (in S\$ million)				
↓	34.0	46.6	Securities market revenue	↓	68.6	98.5	<i>20.1% and 23.0% decrease in securities trading value in 2Q FY2005 and 1H FY2005 respectively.</i>
↓	10.2	11.4	Net derivatives clearing revenue	↓	22.1	24.4	<i>Despite 35.4% and 36.3% decrease in derivatives trading volume in 2Q FY2005 and 1H FY2005 respectively, the improvement in turnover of higher margin Asian Equity Derivatives contracts helped moderate the impact on derivatives clearing fees.</i>
↑	21.7	20.2	Stable revenue	↑	41.7	40.6	
↓	65.9	78.2	Operating revenue	↓	132.4	163.5	
↓	32.8	41.9	Operating expenses	↓	68.0	81.5	<i>Lower variable bonus, system maintenance and rental costs, and depreciation and amortisation costs for 2Q FY2005 and 1H FY2005.</i>
↓	38.7	41.7	EBITDA	↓	74.5	89.9	
↓	33.1	36.3	Operating profit	↓	64.4	82.0	
↑	1.7	0.7	Non-operating revenue/(loss)	↑	2.2	(1.7)	<i>Capital loss of \$3.1MM incurred upon liquidation of investment portfolio in July 2003. About \$150MM was placed with market neutral fund managers in August 2004.</i>
↓	34.8	37.0	Profit before tax and minority interests	↓	66.6	80.3	
↓	27.3	28.4	Profit attributable to Shareholders	↓	52.4	61.3	
↓	610.9	640.4	Shareholders' equity as at 31 December 2004 and 30 June 2004 (in S\$ million)	↓	610.9	640.4	
			Segment Revenue (in S\$ million)				
↓	49.6	60.5	Securities Market	↓	98.2	125.7	<i>Decrease in securities clearing fees and account maintenance and processing fees for both 2Q FY2005 and 1H FY2005 on lower turnover.</i>
↓	15.4	16.5	Derivatives Market	↓	32.5	34.6	<i>Decrease in derivatives clearing fees for both 2Q FY2005 and 1H FY2005 on lower turnover.</i>
↓	0.9	1.2	Other operations	↓	1.8	3.1	
			Key ratios				
↑	50.2%	46.4%	Operating profit margin	↓	48.7%	50.2%	
↑	40.3%	36.0%	Net profit margin	↑	38.9%	37.9%	
			Key per share data (in cents)				
↓	2.64	2.78	Basic earnings per ordinary share	↓	5.08	6.04	
↓	2.63	2.76	Diluted earnings per ordinary share	↓	5.06	5.99	
↓	59.05	62.22	Net asset value per ordinary share as at 31 December and 30 June 2004	↓	59.05	62.22	

*** : ↑ & ↓ represent an increase and decrease respectively, compared to the previous corresponding period.

3. Statement of Profit and Loss - Group

3 Months				Half Year		
1 Oct 2004 to 31 Dec 2004	1 Oct 2003 to 31 Dec 2003	Change		1 Jul 2004 to 31 Dec 2004	1 Jul 2003 to 31 Dec 2003	Change
S\$'000	S\$'000	%	S\$'000	S\$'000	%	
			Operating revenue			
-	-	-	- Management fees from subsidiaries	-	-	
-	-	-	- Gross dividends from subsidiaries	-	-	
			Securities market revenue			
24,411	36,667	(33.4)	- Securities clearing fees	48,702	76,742 (36.5)	
9,593	9,973	(3.8)	- Account maintenance and processing fees	19,890	21,733 (8.5)	
10,250	11,379	(9.9)	Net derivatives clearing revenue	22,129	24,368 (9.2)	
			Stable revenue *			
8,595	7,971	7.8	- Access and terminal fees	16,453	15,870 3.7	
5,560	4,969	11.9	- Listing and membership fees	11,005	10,442 5.4	
4,061	3,368	20.6	- Price information fees	7,598	6,732 12.9	
1,541	2,044	(24.6)	- Sale of software and other computer services	2,898	3,885 (25.4)	
1,928	1,859	3.7	- Other operating revenue	3,766	3,713 1.4	
65,939	78,230	(15.7)	Total operating revenue	132,441	163,485 (19.0)	
			Operating expenses			
11,466	11,738	(2.3)	- Staff costs	23,284	23,889 (2.5)	
3,708	6,949	(46.6)	- Variable bonus (including CPF)	7,427	12,444 (40.3)	
3,511	4,727	(25.7)	- Occupancy costs	6,972	8,459 (17.6)	
3,016	4,660	(35.3)	- System maintenance and rental	7,381	9,411 (21.6)	
3,916	4,670	(16.1)	- Depreciation and amortisation	7,952	9,594 (17.1)	
1,697	2,662	(36.3)	- Professional charges	3,309	4,146 (20.2)	
755	1,003	(24.7)	- Marketing and travelling	2,086	2,306 (9.5)	
780	744	4.8	- Communication charges	1,489	1,506 (1.1)	
575	575	-	- Fees to MAS for transfer of participant supervision function	1,150	1,150 -	
(316)	-	NM	- Specific allowance for doubtful debts and bad debts written off	(271)	(45) 502.2	
(820)	-	NM	- Provision for surplus leased premises	(1,220)	- NM	
-	96	(100.0)	- Net write-off / impairment of property, plant and equipment	-	160 (100.0)	
198	101	96.0	- Net foreign exchange loss	267	218 22.5	
23	-	NM	- Loss/(gain) on disposal of property, plant and equipment	22	(167) NM	
3,235	3,165	2.2	- Cost of sales for processing and royalties paid	6,015	6,577 (8.5)	
1,116	843	32.4	- Other operating expenses	2,143	1,842 16.3	
32,860	41,933	(21.6)	Total operating expenses	68,006	81,490 (16.5)	
33,079	36,297	(8.9)	Profit from operating activities	64,435	81,995 (21.4)	
			Net non-operating revenue/(loss)			
1,079	26	4,050.0	- Investment income/(loss) from externally managed funds	960	(3,055) NM	
594	710	(16.3)	- Other revenue including interest income	1,191	1,339 (11.1)	
34,752	37,033	(6.2)	Profit before tax and minority interests	66,586	80,279 (17.1)	
(14)	(31)	(54.8)	Share of results of joint venture	(15)	(45) (66.7)	
(7,465)	(8,549)	(12.7)	Tax	(14,166)	(19,124) (25.9)	
27,273	28,453	(4.1)	Profit after tax and before minority interests	52,405	61,110 (14.2)	
1	(20)	NM	Minority interests	7	170 (95.9)	
27,274	28,433	(4.1)	Profit attributable to shareholders of the company	52,412	61,280 (14.5)	

NM: Not meaningful.

* Stable revenue is revenue that is considered less volatile.

4. Earnings Per Share - Group

3 Months			Half Year	
1 Oct 2004 to 31 Dec 2004	1 Oct 2003 to 31 Dec 2003		1 Jul 2004 to 31 Dec 2004	1 Jul 2003 to 31 Dec 2003
Cents	Cents	Earnings per ordinary share for the period based on net profit attributable to shareholders	Cents	Cents
2.64	2.78	(a) Based on weighted average number of ordinary shares in issue	5.08	6.04
2.63	2.76	(b) On a fully diluted basis	5.06	5.99
1,032,445	1,021,072	Weighted average number of ordinary shares in issue for basic earnings per share ('000)	1,031,130	1,014,506
4,888	8,976	Adjustment for assumed conversion of share options ('000)	4,845	8,606
1,037,333	1,030,048	Weighted average number of ordinary shares for diluted earnings per share ('000)	1,035,975	1,023,112

5. Statement of Profit and Loss - Company

3 Months				Half Year		
1 Oct 2004 to 31 Dec 2004	1 Oct 2003 to 31 Dec 2003	Change		1 Jul 2004 to 31 Dec 2004	1 Jul 2003 to 31 Dec 2003	Change
S\$'000	S\$'000	%	S\$'000	S\$'000	%	
			Operating revenue			
15,350	27,537	(44.3)	- Management fees from subsidiaries	32,789	42,247 (22.4)	
50,000	-	NM	- Gross dividends from subsidiaries	100,000	- NM	
			Securities market revenue			
-	-	-	- Securities clearing fees	-	- -	
1,661	2,474	(32.9)	- Account maintenance and processing fees	3,213	5,257 (38.9)	
			Stable revenue *			
-	-	-	- Access and terminal fees	-	- -	
-	-	-	- Listing and membership fees	-	- -	
-	-	-	- Price information fees	-	- -	
458	674	(32.0)	- Sale of software and other computer services	919	1,198 (23.3)	
484	383	26.4	- Other operating revenue	1,034	776 33.2	
67,953	31,068	118.7	Total operating revenue	137,955	49,478 178.8	
			Operating expenses			
7,414	7,440	(0.3)	- Staff costs	14,939	14,794 1.0	
2,366	5,077	(53.4)	- Variable bonus (including CPF)	4,739	8,482 (44.1)	
2,371	3,907	(39.3)	- Occupancy costs	4,675	6,651 (29.7)	
629	2,245	(72.0)	- System maintenance and rental	1,342	4,255 (68.5)	
1,974	2,640	(25.2)	- Depreciation and amortisation	4,145	5,328 (22.2)	
979	1,725	(43.2)	- Professional charges	1,901	2,616 (27.3)	
(71)	673	NM	- Marketing and travelling	1,097	1,698 (35.4)	
307	451	(31.9)	- Communication charges	746	910 (18.0)	
575	575	-	- Fees to MAS for transfer of participant supervision function	1,150	1,150 -	
-	-	-	- Specific allowance for doubtful debts	73	- NM	
(655)	-	NM	- Provision for surplus leased premises	(890)	- NM	
1	1	-	- Net foreign exchange loss	2	6 (66.7)	
23	(1)	NM	- Loss/(gain) on disposal of property, plant and equipment	21	(4) NM	
334	443	(24.6)	- Cost of sales for processing and royalties paid	710	725 (2.1)	
976	601	62.4	- Other operating expenses	1,827	1,691 8.0	
17,223	25,777	(33.2)	Total operating expenses	36,477	48,302 (24.5)	
50,730	5,291	858.8	Profit from operating activities	101,478	1,176 8,529.1	
			Net non-operating revenue/(loss)			
-	26	(100.0)	- Investment income/(loss) from externally managed funds	-	(3,055) (100.0)	
7,778	405	1,820.5	- Other revenue including interest income	7,811	815 858.4	
58,508	5,722	922.5	Profit/(Loss) before tax and minority interests	109,289	(1,064) NM	
-	-	-	Share of results of joint venture	-	- -	
(10,692)	(1,119)	855.5	Tax	(21,056)	(1,119) 1,781.7	
47,816	4,603	938.8	Profit/(Loss) after tax and before minority interests	88,233	(2,183) NM	
-	-	-	Minority interests	-	- -	
47,816	4,603	938.8	Profit/(Loss) attributable to shareholders of the company	88,233	(2,183) NM	

NM: Not meaningful.

* Stable revenue is revenue that is considered less volatile.

6. Balance Sheets - Group and Company

Group			Company	
As at 31 Dec 2004	As at 30 Jun 2004		As at 31 Dec 2004	As at 30 Jun 2004
S\$'000	S\$'000		S\$'000	S\$'000
		Current assets		
245,000	452,251	Cash and cash equivalents	74,972	171,767
227,295	281,356	Trade and other debtors	4,807	4,504
35,434	35,734	Securities clearing funds	-	-
156,547	7,498	Investments	-	-
664,276	776,839		79,779	176,271
		Non-current assets		
204,039	209,404	Property, plant and equipment	32,661	35,795
14,170	13,513	Software	1,783	2,523
582	582	Club memberships	582	582
-	-	Investments in subsidiaries	581,381	392,340
189	204	Investment in joint venture	-	-
3,034	3,536	Deferred tax assets	-	-
222,014	227,239		616,407	431,240
		Total assets	696,186	607,511
886,290	1,004,078			
		Current liabilities		
222,356	299,649	Trade and other creditors	235,792	148,821
10,434	10,734	Securities clearing members' contributions to clearing funds	-	-
3,739	5,119	Provision for surplus leased premises and unutilised leave	2,604	3,655
35,176	43,747	Taxation	7,639	10,923
271,705	359,249		246,035	163,399
		Non-current liabilities		
2,741	2,581	Provision for surplus leased premises	2,193	2,033
986	1,230	Deferred tax liabilities	352	507
3,727	3,811		2,545	2,540
		Total liabilities	248,580	165,939
275,432	363,060			
610,858	641,018	Net assets	447,606	441,572
		Equity		
10,345	10,294	Share capital	10,345	10,294
345,815	340,844	Share premium	345,815	340,844
199,922	176,609	Retained profits	62,479	3,345
25,000	25,000	Clearing fund reserve	-	-
809	612	Hedging reserve	-	-
28,967	87,089	Proposed dividends	28,967	87,089
610,858	640,448	Shareholders' equity	447,606	441,572
	570	Minority interests	-	-
-				
610,858	641,018		447,606	441,572

7. Net Asset Value - Group and Company

Group			Company	
As at 31 Dec 2004	As at 30 Jun 2004		As at 31 Dec 2004	As at 30 Jun 2004
Cents	Cents		Cents	Cents
59.05	62.22	Net asset value per ordinary share based on issued share capital as at the end of the reporting period	43.27	42.90

8. Borrowings and Debt Securities - Group

(a) Aggregate amount of group's borrowings and debt securities

As at 31 Dec 2004			As at 30 Jun 2004	
Secured	Unsecured		Secured	Unsecured
S\$'000	S\$'000		S\$'000	S\$'000
Nil	Nil	Amount repayable in one year or less, or on demand	Nil	Nil
Nil	Nil	Amount repayable after one year	Nil	Nil

(b) Details of any collaterals

None.

9. Statement of Cash Flow - Group

3 Months Ended			Half Year Ended	
31 Dec 2004 S\$'000	31 Dec 2003 S\$'000		31 Dec 2004 S\$'000	31 Dec 2003 S\$'000
		Cash flows from operating activities		
34,752	37,033	Profit before tax and share of results of joint venture	66,586	80,279
		Adjustments for:		
3,916	4,670	Depreciation and amortisation	7,952	9,594
-	96	Net write-off/impairment of property, plant and equipment	-	160
(1,096)	184	Net (gain)/loss on investments	(949)	3,601
23	-	Loss/(gain) on disposal of property, plant and equipment	22	(167)
(820)	-	Provision for surplus leased premises	(1,220)	-
(920)	(1,058)	Interest income	(1,731)	(1,859)
35,855	40,925	Operating cash flow before working capital change	70,660	91,608
		Change in operating assets and liabilities		
350,021	(20,381)	Trade and other receivables	60,904	59,894
(345,784)	32,796	Trade and other payables	(77,293)	(57,107)
40,092	53,340	Cash generated from operations	54,271	94,395
(17,916)	(4,145)	Income tax paid	(22,479)	(6,179)
(87,221)	(299,689)	Dividends paid	(87,221)	(299,689)
(65,045)	(250,494)	Net cash used in operating activities	(55,429)	(211,473)
		Cash flows from investing activities		
(1,802)	(1,292)	Payments for property, plant and equipment	(3,416)	(2,450)
149	8	Proceeds from disposal of property, plant and equipment	150	286
-	-	Investment in market neutral funds	(154,661)	-
975	1,167	Interest received	1,549	1,698
(565)	-	Acquisition of subsidiary	(565)	-
-	-	Proceeds from liquidation of externally managed fund portfolios	-	337,383
(1,243)	(117)	Net cash (used in)/from investing activities	(156,943)	336,917
		Cash flows from financing activities		
3,466	15,470	Net proceeds from issue of ordinary shares	5,022	27,742
99	-	Receipt from FSDF	99	-
3,565	15,470	Net cash from financing activities	5,121	27,742
(62,723)	(235,141)	Net (decrease)/increase in cash and cash equivalents held	(207,251)	153,186
307,723	609,805	Cash and cash equivalents at the beginning of the period	452,251	221,478
245,000	374,664	Cash and cash equivalents at the end of the period	245,000	374,664

10 (a) Statement of Changes in Equity

	Share capital	Share premium *	Retained profits	Clearing fund reserve *	Hedging reserve *	Translation reserve *	Proposed dividends	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
(a) Consolidated - 3 Months FY2005								
Balance at 1 October 2004	10,310	342,384	201,615	25,000	602	-	-	579,911
Hedging								
- unrealised gain	-	-	-	-	250	-	-	250
- transfer to income statement	-	-	43	-	(43)	-	-	-
Net profit before realisation of hedging reserve	-	-	27,231	-	-	-	-	27,231
Total recognised gains for the financial period	-	-	27,274	-	207	-	-	27,481
Proposed dividends								
Interim dividends - FY2005	-	-	(28,967)	-	-	-	28,967	-
Issue of ordinary shares	35	3,431	-	-	-	-	-	3,466
Balance at 31 December 2004	10,345	345,815	199,922	25,000	809	-	28,967	610,858
(b) Consolidated - 3 Months FY2004								
Balance at 1 October 2003	10,138	321,022	193,929	25,000	967	-	293,381	844,437
Hedging								
- unrealised loss	-	-	-	-	(72)	-	-	(72)
- transfer to income statement	-	-	112	-	(112)	-	-	-
Net profit before realisation of hedging reserve	-	-	28,321	-	-	-	-	28,321
Total recognised gains for the financial period	-	-	28,433	-	(184)	-	-	28,249
Dividends paid								
Final and special dividends - FY2003	-	-	-	-	-	-	(299,689)	(299,689)
Under-provision of final and special dividends - FY2003	-	-	(6,308)	-	-	-	6,308	-
Proposed dividends								
Interim dividends - FY2004	-	-	(23,987)	-	-	-	23,987	-
Issue of ordinary shares	113	15,357	-	-	-	-	-	15,470
Balance at 31 December 2003	10,251	336,379	192,067	25,000	783	-	23,987	588,467
(c) Company - 3 Months FY2005								
Balance at 1 October 2004	10,310	342,384	43,630	-	-	-	-	396,324
Net profit	-	-	47,816	-	-	-	-	47,816
Proposed dividends								
Interim dividends - FY2005	-	-	(28,967)	-	-	-	28,967	-
Issue of ordinary shares	35	3,431	-	-	-	-	-	3,466
Balance at 31 December 2004	10,345	345,815	62,479	-	-	-	28,967	447,606
(d) Company - 3 Months FY2004								
Balance at 1 October 2003	10,138	321,022	113,144	-	-	-	293,381	737,685
Net profit	-	-	4,603	-	-	-	-	4,603
Dividends paid								
Final and special dividends - FY2003	-	-	-	-	-	-	(299,689)	(299,689)
Under-provision of final and special dividends - FY2003	-	-	(6,308)	-	-	-	6,308	-
Proposed dividends								
Interim dividends - FY2004	-	-	(23,987)	-	-	-	23,987	-
Issue of ordinary shares	113	15,357	-	-	-	-	-	15,470
Balance at 31 December 2003	10,251	336,379	87,452	-	-	-	23,987	458,069

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

10 (b) Statement of Changes in Equity

	Share capital	Share premium *	Retained profits	Clearing fund reserve *	Hedging reserve *	Translation reserve *	Proposed dividends	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
(e) Consolidated - Half Year FY2005								
Balance at 1 July 2004	10,294	340,844	176,609	25,000	612	-	87,089	640,448
Hedging								
- unrealised gain	-	-	-	-	241	-	-	241
- transfer to income statement	-	-	44	-	(44)	-	-	-
Net profit before realisation of hedging reserve	-	-	52,368	-	-	-	-	52,368
Total recognised gains for the financial period	-	-	52,412	-	197	-	-	52,609
Dividends paid								
Final and special dividends - FY2004	-	-	-	-	-	-	(87,089)	(87,089)
Under-provision of final and special dividends - FY2004	-	-	(132)	-	-	-	-	(132)
Proposed dividends								
Interim dividends - FY2005	-	-	(28,967)	-	-	-	28,967	-
Issue of ordinary shares	51	4,971	-	-	-	-	-	5,022
Balance at 31 December 2004	10,345	345,815	199,922	25,000	809	-	28,967	610,858
(f) Consolidated - Half Year FY2004								
Balance at 1 July 2003	10,030	308,858	161,082	25,000	965	8	293,381	799,324
Hedging								
- unrealised loss	-	-	-	-	(70)	-	-	(70)
- transfer to income statement	-	-	112	-	(112)	-	-	-
Net profit before realisation of hedging and currency translation reserve	-	-	61,160	-	-	-	-	61,160
Currency translation differences transferred to income statement	-	-	8	-	-	(8)	-	-
Total recognised gains for the financial period	-	-	61,280	-	(182)	(8)	-	61,090
Dividends paid								
Final and special dividends - FY2003	-	-	-	-	-	-	(299,689)	(299,689)
Under-provision of final and special dividends - FY2003	-	-	(6,308)	-	-	-	6,308	-
Proposed dividends								
Interim dividends - FY2004	-	-	(23,987)	-	-	-	23,987	-
Issue of ordinary shares	221	27,521	-	-	-	-	-	27,742
Balance at 31 December 2003	10,251	336,379	192,067	25,000	783	-	23,987	588,467
(g) Company - Half Year FY2005								
Balance at 1 July 2004	10,294	340,844	3,345	-	-	-	87,089	441,572
Net profit	-	-	88,233	-	-	-	-	88,233
Dividends paid								
Final and special dividends - FY2004	-	-	-	-	-	-	(87,089)	(87,089)
Under-provision of final and special dividends - FY2004	-	-	(132)	-	-	-	-	(132)
Proposed dividends								
Interim dividends - FY2005	-	-	(28,967)	-	-	-	28,967	-
Issue of ordinary shares	51	4,971	-	-	-	-	-	5,022
Balance at 31 December 2004	10,345	345,815	62,479	-	-	-	28,967	447,606
(h) Company - Half Year FY2004								
Balance at 1 July 2003	10,030	308,858	119,930	-	-	-	293,381	732,199
Net loss	-	-	(2,183)	-	-	-	-	(2,183)
Dividends paid								
Final and special dividends - FY2003	-	-	-	-	-	-	(299,689)	(299,689)
Under-provision of final and special dividends - FY2003	-	-	(6,308)	-	-	-	6,308	-
Proposed dividends								
Interim dividends - FY2004	-	-	(23,987)	-	-	-	23,987	-
Issue of ordinary shares	221	27,521	-	-	-	-	-	27,742
Balance at 31 December 2003	10,251	336,379	87,452	-	-	-	23,987	458,069

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

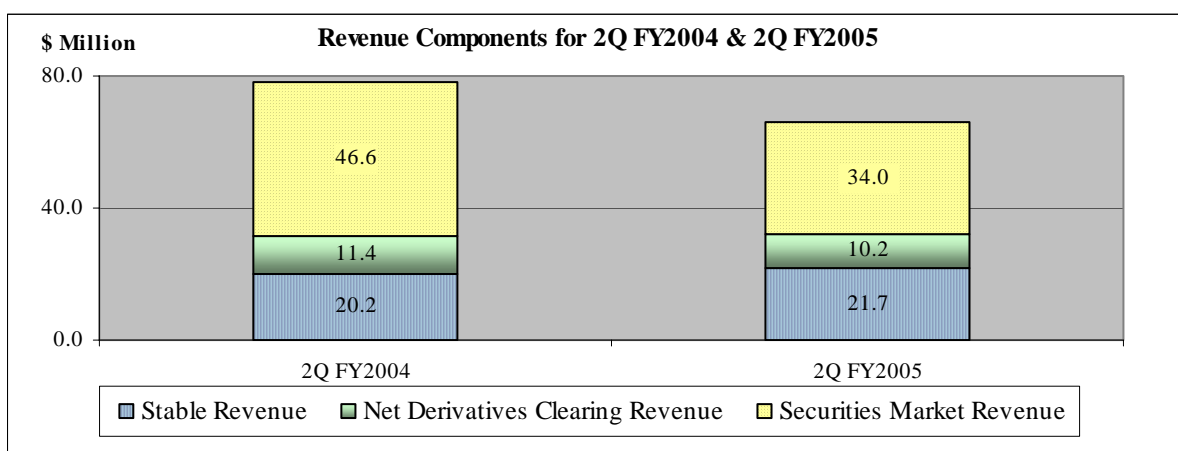
11 Review of the Performance of the SGX Group

(i) *2Q FY2005 Financial Highlights*

SGX Group achieved \$27.3 million net profit after tax and minority interests for the second quarter ended 31 December 2004, compared to \$28.4 million for the previous corresponding quarter ended 31 December 2003. Operating profit for the current quarter amounted to \$33.1 million, compared to \$36.3 million for the previous corresponding quarter.

Revenue

The Group's revenue declined 15.7% to \$65.9 million from \$78.2 million, as follows:



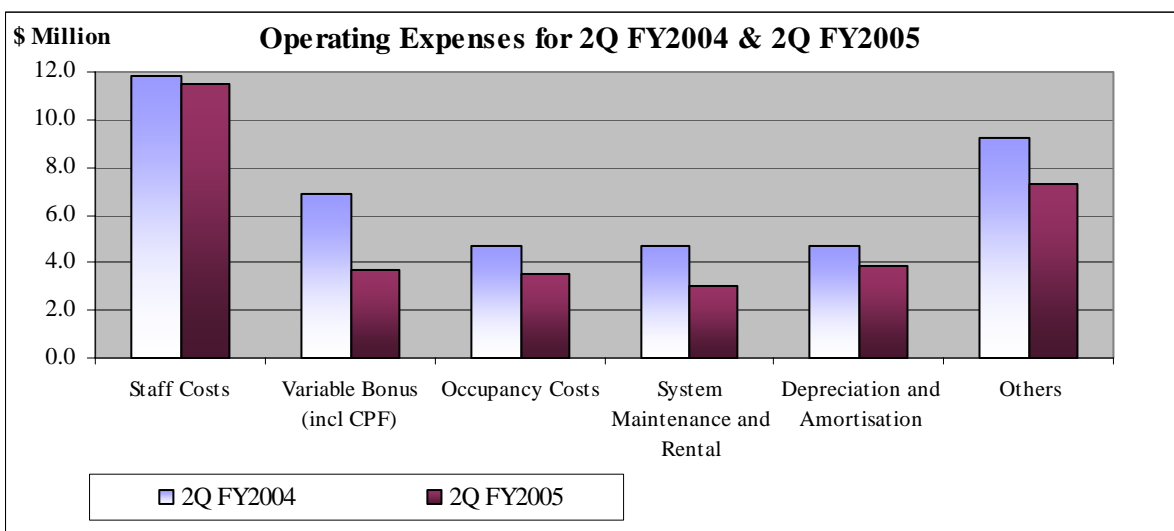
As broking houses migrated to SGX Access from SESOPs environment, our SGX Access revenue which depends on the volume traded through the platform, grew, while SESOPs related income, continued to subside. Currently, both SESOPs and SGX Access related income are grouped under Stable Revenue.

In light of the evolving nature of our various business revenue items, management is reviewing the reclassification arising from the foregoing or similar situations. We will determine the proper course of action by the end of this financial year.

Expenses

The Group continued the diligence and discipline in controlling costs, with a 6.5% improvement in total operating expenses, between 2Q FY2005 and 1Q FY2005.

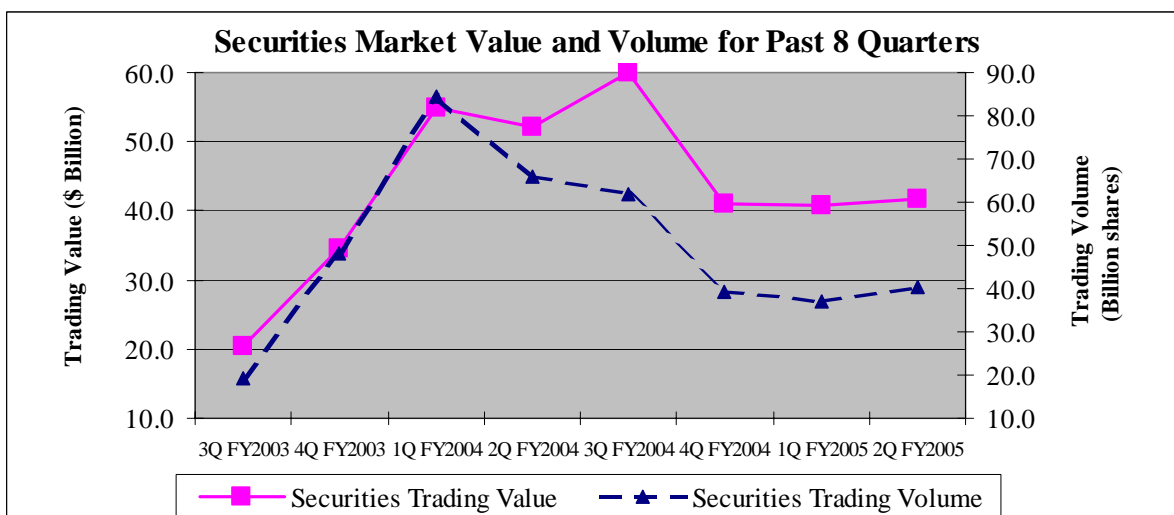
Year-on-year, for the second quarter, the Group recorded a 21.6% drop to \$32.8 million from \$41.9 million, mainly attributable to the improvement in all major costs items, including lower variable bonus provision, reduction in system maintenance and rental costs and lower depreciation and amortisation costs. The following chart highlights the major expenses for these two periods:



Securities Market

Following are the key figures for the securities market, followed by a chart with the turnover statistics for the past 8 quarters:

Securities Market Data	2Q FY2005	2Q FY2004	Change
Clearing fees (\$ million)	24.4	36.7	(33.4%)
Trading value (\$ billion)	41.7	52.2	(20.1%)
Trading volume (billion shares)	40.3	66.0	(38.9%)
Number of IPOs, including number of Chinese IPOs	30	14	16
	14	6	8
Number of Securities Market members as at quarter end	24	24	0

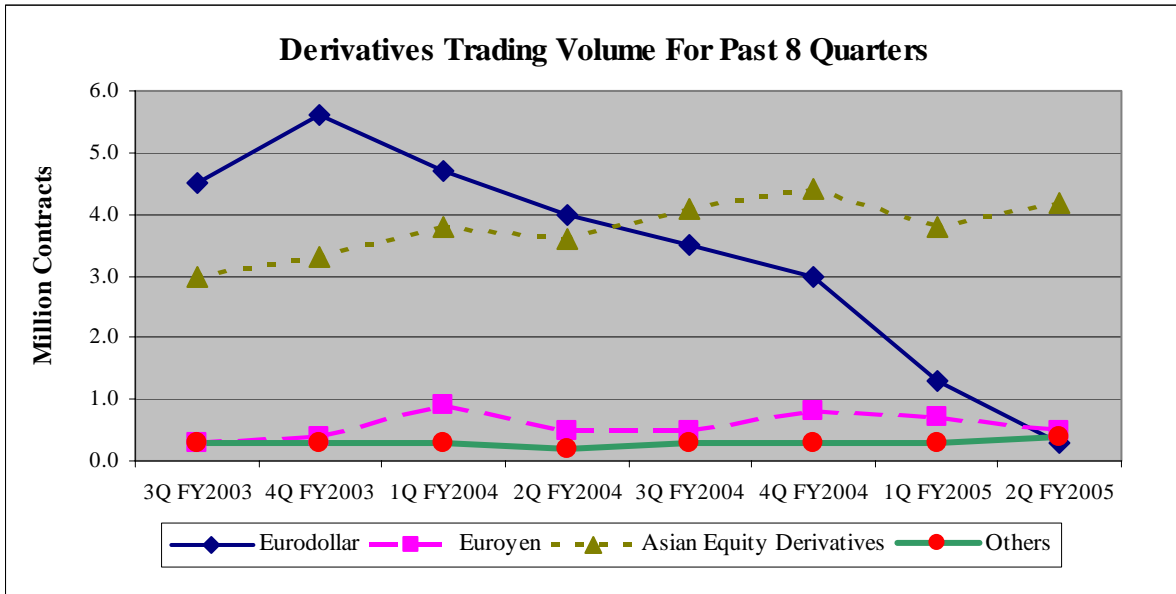


Securities clearing fees fell 33.4% in 2Q FY2005 over the year ago quarter on a 20.1% drop in securities trading value and 38.9% decline in trading volume. This reflected a shift in trading mix in the second quarter, toward a relatively higher proportion of institutional trades in larger cap stocks.

Derivatives Market

Following are the key figures for the derivatives market, and a chart on the turnover statistics for the past 8 quarters:

Derivatives Market Data	2Q FY2005	2Q FY2004	Change	% Split	
				2Q FY2005	2Q FY2004
Net Derivatives Clearing Revenue (\$ million)	10.2	11.4	(9.9%)		
Trading volume (million contracts)					
• Asian Equity Derivatives	4.3	3.6	19.0%	78.6	42.7
- Nikkei 225 Stock Index	2.0	1.9	4.8%	36.3	22.4
- MSCI Taiwan Index Futures	1.9	1.4	32.6%	34.4	16.8
- MSCI Singapore Index Futures	0.4	0.3	45.2%	7.9	3.5
• Euroyen	0.5	0.5	(5.7%)	9.6	6.6
• Eurodollar	0.3	4.0	(91.3%)	6.5	48.0
• Others	0.3	0.2	23.7%	5.3	2.7
Total	5.4	8.3	(35.4%)	100.0	100.0
Number of Derivatives Market members as at quarter end					
• Local	570	568	2		
• Corporate	54	44	10		
Total	624	612	12		



Despite the 35.4% drop in total trading volume from the previous corresponding quarter, net derivatives clearing revenue eased only 9.9%, thanks to the relatively better turnover performance of the higher margin Asian Equity Derivatives contracts.

Asia Converge Pte Ltd

On 7 December 2004, the Group’s wholly owned subsidiary, Singapore Exchange IT Solutions Pte Limited (SGX-ITS), acquired the remaining 49% stake in Asia Converge Pte Ltd, a joint venture securities processing company between SGX-ITS, DBS Vickers Securities (Singapore) Pte Ltd, and OCBC Securities Private Limited, for a total cash consideration of \$565,049. The purchase price was based on the net tangible asset value (largely cash) of Asia Converge as at 31 August 2004. The company has been dormant since September 2003. This wholly owned subsidiary may serve as a legal vehicle for specific business activities which the Group may undertake in future.

(ii) Financial Summary - 3 months ended 31 December 2004 vs 3 months ended 31 December 2003

Securities Market Revenue

Securities Clearing Fees

- Securities clearing fees decreased 33.4% in 2Q FY2005 on 20.1% drop in securities trading value and 38.9% decline in trading volume.

Account Maintenance and Processing Fees

- The 3.8% drop was mainly attributable to the lower contract charges and computer processing income, on lower market turnover.

Net Derivatives Clearing Revenue

- Despite the 35.4% fall in trading volume from the previous corresponding quarter, net derivatives clearing revenue eased only 9.9%, upon the improvement in turnover of the higher margin Asian Equity Derivatives contracts.

Stable Revenue

- | | |
|-----------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>Access and Terminal Fees</i> | <ul style="list-style-type: none">• The 7.8% rise mainly reflected the growth in number of brokers (from 14 to 18) subscribing to SGX Access and higher turnover traded via the platform, offset by lower SESOPs related revenue. |
| <i>Listing and Membership Fees</i> | <ul style="list-style-type: none">• The 11.9% growth arose from new listings which increased to 30 IPOs from 14 IPOs, year-on-year. |
| <i>Price Information Fees</i> | <ul style="list-style-type: none">• Improvement in both derivatives datafeed and SGX SecuritiesBook income contributed to the 20.6% increase. |
| <i>Sale of Software and Other Computer Services</i> | <ul style="list-style-type: none">• This 24.6% decline was essentially due to one-off system setup revenue in 2Q FY2004, and lower internet order charges to brokers on lower volume traded via internet in the current quarter. |

Operating Expenses

- | | |
|----------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <i>Staff Costs</i> | <ul style="list-style-type: none">• Staff costs remained stable. The Group continued its discipline in controlling headcount and staff related costs. |
| <i>Variable Bonus (including CPF)</i> | <ul style="list-style-type: none">• This 46.6% decline reflected lower bonus provision in 2Q FY2005 due to lower profits. |
| <i>Occupancy Costs</i> | <ul style="list-style-type: none">• The 25.7% improvement was mainly due to the provision for office relocation costs in 2Q FY2004. |
| <i>System Maintenance and Rental</i> | <ul style="list-style-type: none">• Lower upkeep of computer costs contributed to this 35.3% decline. |
| <i>Depreciation and Amortisation</i> | <ul style="list-style-type: none">• The 16.1% improvement arose from fixed assets which were fully depreciated between the two periods. With the Group gearing up its technology related investment, depreciation is expected to rise gradually in future. |
| <i>Professional Charges</i> | <ul style="list-style-type: none">• The 36.3% decrease mainly reflected the impact of lower human resources and project consultancy fees. |
| <i>Provision for Surplus Leased Premises</i> | <ul style="list-style-type: none">• \$0.8 million of provision was utilized in 2Q FY2005. The Group commenced utilization since 3Q FY2004. |

Investment Performance

Investment Income from Externally Managed Funds

- About \$150 million was placed with a broad group of fund managers in August 2004. An appreciation of \$1.1MM was recorded in 2Q FY2005.

(iii) Bank Facilities & Contingent Liabilities

Bank Facilities

- The Group has \$480.0 million of bank credit facilities in place, comprising \$210.0 million in committed share financing and \$270.0 million in committed unsecured credit lines, for prudent treasury risk management, and catering to emergency funding needs.

Contingent Liabilities

- As at 31 December 2004, the Group had contingent liabilities to banks for US\$72.0 million of unsecured standby letters of credit issued to CME as margin for derivatives trading.

Standby Credit to Group Companies

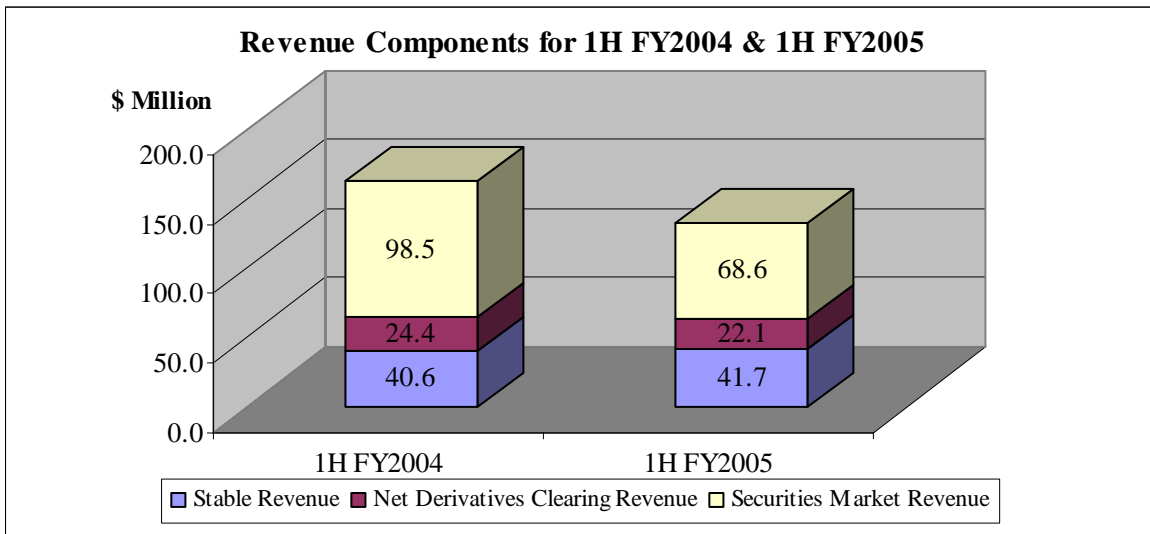
- The Group has provided an unsecured standby credit of \$75.0 million to the CDP Clearing Fund in accordance with the CDP Clearing Rules, and has extended \$68.0 million of financial guarantee for the Common Bond Fund to be utilized in accordance with Singapore Exchange Derivatives Clearing Limited's Clearing Rules.

(iv) 1H FY2005 Financial Highlights

SGX Group achieved \$52.4 million net profit after tax and minority interests for the current half year ended 31 December 2004, compared to \$61.3 million for the previous corresponding half year ended 31 December 2003. Operating profit for the current half year amounted to \$64.4 million, compared to \$82.0 million for the previous corresponding half year.

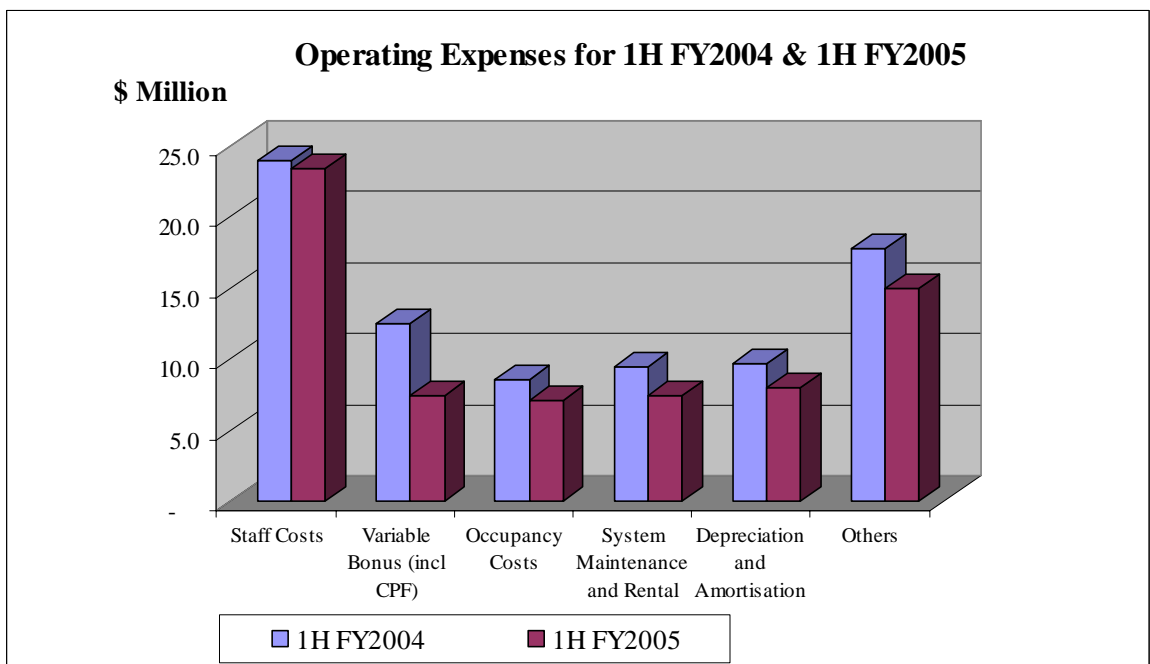
Revenue

The Group's revenue declined 19.0% to \$132.4 million from \$163.5 million, as follows:



Expenses

Year-on-year, Group operating expenses fell 16.5% to \$68.0 million from \$81.5 million. All major cost items, including variable bonus provision, system maintenance and rental costs and depreciation and amortisation costs are down. The following chart highlights the major expenses for these two periods:



Securities Market

Following are the key figures for the securities market:

Securities Market Data	1H FY2005	1H FY2004	Change
Clearing fees (\$ million)	48.7	76.7	(36.5%)
Trading value (\$ billion)	82.5	107.1	(23.0%)
Trading volume (billion shares)	77.4	150.5	(48.6%)
Number of IPOs, including number of Chinese IPOs	46	34	12
	21	11	10

The Securities Market turnover figures in 1H FY2005 reflected a shift in the trading mix in the first half, with a larger proportion of institutional trades in higher value securities, as trading values dropped 23.0% while trading volumes saw a fall of 48.6%.

Derivatives Market

Following are the key figures for the derivatives market:

Derivatives Market Data	1H FY2005	1H FY2004	Change	% Split	
				1H FY2005	1H FY2004
Net Derivatives Clearing Revenue (\$ million)	22.1	24.4	(9.2%)		
Trading volume (million contracts)					
• Asian Equity Derivatives	8.0	7.3	9.0%	69.6	40.6
- Nikkei 225 Stock Index	3.7	3.9	(4.1%)	32.3	21.5
- MSCI Taiwan Index Futures	3.4	2.9	17.6%	29.6	16.0
- MSCI Singapore Index Futures	0.9	0.5	55.8%	7.7	3.1
• Eurodollar	1.7	8.7	(80.4%)	14.9	48.4
• Euroyen	1.2	1.5	(15.8%)	10.7	8.1
• Others	0.6	0.5	6.0%	4.8	2.9
Total	11.5	18.0	(36.3%)	100.0	100.0

Despite the 36.3% drop in total trading volume from the previous corresponding half year, net derivatives clearing revenue eased only 9.2%, thanks to the relatively better turnover performance of the higher margin Asian Equity Derivatives contracts which accounted for 69.6% of total volume, a sharp rise from 40.6% a year ago.

(v) **Financial Summary - 6 months ended 31 December 2004 vs 6 months ended 31 December 2003**

Securities Market Revenue

- Securities Clearing Fees*
- Securities clearing fees decreased 36.5% in 1H FY2005 on 23.0% drop in securities trading value and 48.6% decline in trading volume.
- Account Maintenance and Processing Fees*
- The 8.5% drop was mainly attributable to the lower contract charges and computer processing income, on lower market turnover.
- Net Derivatives Clearing Revenue**
- Despite the 36.3% fall in trading volume from the previous corresponding period, net derivatives clearing revenue eased only 9.2%, upon the improvement in turnover of the higher margin Asian Equity Derivatives contracts.

Stable Revenue

- Access and Terminal Fees*
- The 3.7% rise mainly reflected the growth in number of brokers (from 14 to 18) subscribing to SGX Access and higher turnover traded via the platform, offset by lower SESOPs related revenue.
- Listing and Membership Fees*
- The 5.4% growth arose from new listings which increased to 46 IPOs from 34 IPOs, year-on-year.
- Price Information Fees*
- Improvement in both derivatives datafeed and SGX SecuritiesBook income contributed to the 12.9% increase.
- Sale of Software and Other Computer Services*
- This 25.4% decline was essentially due to one-off system setup revenue in 1H FY2004, and lower internet order charges to brokers on lower volume traded via internet in the current half year.

Operating Expenses

- Staff Costs*
- Staff costs remained stable and under control.
- Variable Bonus (including CPF)*
- This 40.3% decline reflected lower bonus provision in 1H FY2005.
- Occupancy Costs*
- The 17.6% improvement was mainly due to the provision for office relocation costs in 1H FY2004.
- System Maintenance and Rental*
- Cessation of Asia Converge's operations in September 2003 and lower upkeep of computer costs contributed to this 21.6% decline.

Depreciation and Amortisation

- The 17.1% improvement arose from fixed assets which were fully depreciated between the two periods. With the Group gearing up its technology related investment, depreciation is expected to rise gradually in future.

Professional Charges

- The 20.2% decrease mainly reflected the impact of human resources and project consultancy fees.

Provision for Surplus Leased Premises

- \$1.2 million of provision was utilized in 1H FY2005. The Group commenced utilization since 3Q FY2004.

Cost of Sales for Processing and Royalties Paid

- The 8.5% drop mainly reflected the lower securities turnover, and thus lower cost of contracts processing.

Investment Performance

Investment Income from Externally Managed Funds

- The investment portfolios managed by independent fund managers were liquidated in July 2003. A capital loss of \$3.1 million was recognized in 1H FY2004.
- About \$150 million was placed with a broad group of fund managers in August 2004. An appreciation of approximately \$0.9MM was recorded since then.

12 (a). Segment Information - Group

3 months ended 31 December 2004				Reporting by Market	3 months ended 31 December 2003			
Securities Market	Derivatives Market	Other Operations	Group		Securities Market	Derivatives Market	Other Operations	Group
S\$'000	S\$'000	S\$'000	S\$'000		S\$'000	S\$'000	S\$'000	S\$'000
				SEGMENT REVENUE				
49,647	15,406	886	65,939	External revenue	60,543	16,521	1,166	78,230
121	(35)	65,518	65,604	Inter-segment revenue	75	325	27,537	27,937
49,768	15,371	66,404	131,543		60,618	16,846	28,703	106,167
(121)	35	(65,518)	(65,604)	Less: Consolidation elimination	(75)	(325)	(27,537)	(27,937)
49,647	15,406	886	65,939		60,543	16,521	1,166	78,230
				RESULTS				
34,964	3,460	(616)	37,808	Segment results	42,452	3,405	(1,085)	44,772
			(4,729)	Unallocated costs				(8,475)
			33,079	Operating profit before tax				36,297
			1,673	Net non-operating revenue				736
			(14)	Share of results of joint venture				(31)
			(7,465)	Tax				(8,549)
			27,273	Profit after tax and before minority interests				28,453
			1	Minority interests				(20)
			27,274	Profit attributable to shareholders				28,433
				OTHER INFORMATION				
502,290	120,445	3,902	626,637	Segment assets	558,965	121,970	3,037	683,972
			259,653	Unallocated assets				244,672
			886,290	Consolidated total assets				928,644
220,384	13,126	962	234,472	Segment liabilities	273,673	15,558	2,098	291,329
			40,960	Unallocated liabilities				48,260
			275,432	Consolidated total liabilities				339,589
1,470	330	2	1,802	Capital expenditure	955	323	14	1,292
2,696	1,215	5	3,916	Depreciation and amortisation	2,896	1,696	78	4,670

* The comparative segment results and revenue have been reclassified to conform with the current year's segment presentation. For 2Q FY2004, certain unallocated corporate costs amounting to \$7,419,000 have been allocated to the various business segments and certain other operations revenue items amounting to \$3,148,000 have been reclassified to the securities market segment.

Segment Information - By Country

3 months ended 31 December 2004			Reporting by Country	3 months ended 31 December 2003		
Singapore	Other Country	Group		Singapore	Other Country	Group
S\$'000	S\$'000	S\$'000		S\$'000	S\$'000	S\$'000
65,939	-	65,939	Operating Revenue	78,230	-	78,230
704,246	182,044	886,290	Total assets	928,644	-	928,644
1,802	-	1,802	Capital expenditure	1,292	-	1,292

12 (b) Segment Information - Group

Half Year ended 31 December 2004				Reporting by Market	Half Year ended 31 December 2003			
Securities Market	Derivatives Market	Other Operations	Group		Securities Market	Derivatives Market	Other Operations	Group
S\$'000	S\$'000	S\$'000	S\$'000		S\$'000	S\$'000	S\$'000	S\$'000
SEGMENT REVENUE								
98,188	32,456	1,797	132,441	External revenue	125,738	34,639	3,108	163,485
194	1	132,789	132,984	Inter-segment revenue	120	540	42,342	43,002
98,382	32,457	134,586	265,425		125,858	35,179	45,450	206,487
(194)	(1)	(132,789)	(132,984)	Less: Consolidation elimination	(120)	(540)	(42,342)	(43,002)
98,188	32,456	1,797	132,441		125,738	34,639	3,108	163,485
RESULTS								
65,503	9,154	(1,101)	73,556	Segment results	89,690	9,580	(3,118)	96,152
			(9,121)	Unallocated costs				(14,157)
			64,435	Operating profit before tax				81,995
			2,151	Net non-operating revenue/(loss)				(1,716)
			(15)	Share of results of joint venture				(45)
			(14,166)	Tax				(19,124)
			52,405	Profit after tax and before minority interests				61,110
			7	Minority interests				170
			52,412	Profit attributable to shareholders				61,280
OTHER INFORMATION								
502,290	120,445	3,902	626,637	Segment assets	558,965	121,970	3,037	683,972
			259,653	Unallocated assets				244,672
			886,290	Consolidated total assets				928,644
220,384	13,126	962	234,472	Segment liabilities	273,673	15,558	2,098	291,329
			40,960	Unallocated liabilities				48,260
			275,432	Consolidated total liabilities				339,589
2,927	483	6	3,416	Capital expenditure	1,551	822	77	2,450
5,491	2,445	16	7,952	Depreciation and amortisation	5,923	3,387	284	9,594

* The comparative segment results and revenue have been reclassified to conform with the current year's segment presentation. For 1H FY2004, certain unallocated corporate costs amounting to \$17,761,000 have been allocated to the various business segments and certain other operations revenue items amounting to \$6,455,000 have been reclassified to the securities market segment.

Segment Information - By Country

Half Year ended 31 December 2004			Reporting by Country	Half Year ended 31 December 2003		
Singapore	Other Country	Group		Singapore	Other Country	Group
S\$'000	S\$'000	S\$'000		S\$'000	S\$'000	S\$'000
132,441	-	132,441	Operating Revenue	163,485	-	163,485
704,246	182,044	886,290	Total assets	928,644	-	928,644
3,416	-	3,416	Capital expenditure	2,450	-	2,450

13. Dividend - Company

(a) Proposed Interim Dividend

	Half Year Ended	
	31 Dec 2004	31 Dec 2003
Name of Dividend	Interim	Interim
Dividend Type	Cash	Cash
Dividend Rate	3.500 cents per ordinary share less tax	2.925 cents per ordinary share less tax*
Par Value of Shares	\$0.01	\$0.01
Tax Rate	20%	20%
Books Closure Date	5.00pm on 7 February 2005	5.00pm on 4 February 2004
Date Payable/Paid	21 February 2005	16 February 2004

* The interim dividend for FY2004 had been regrossed at the tax rate of 20%.

(b) Directors' Comments

The Directors expect to declare and pay annual dividends of not less than 80% of the annual net profit after tax and after contribution, if any, to the fidelity funds, or a minimum net annual dividend of 5.600 cents, whichever is higher, for the foreseeable future. However, the frequency, timing and amount of any dividends, is subject to the discretion of the Directors based upon the Group's earnings, cash flow, financial condition and capital requirements and other conditions the Directors deem relevant.

14. Share Capital - Company

During the 3 months ended 31 December 2004, the Company issued 3,561,000 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 December 2004, there were outstanding options for 40,364,000 (30 June 2004: 34,989,500) of unissued ordinary shares of \$0.01 each under the ESOS.

15. Accounting Policies and Audit - Group

The figures have been reviewed in accordance with Singapore Auditing Practice 11 - Review of Interim Financial Information. Please refer to the attached Auditors' Report.

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 2004.

Joyce Fong
Company Secretary
20 January 2005

The Board of Directors
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Singapore 068804

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www.pwc.com/sg
GST No.: 52-871777-D
Co. Reg. No.: 52871777D

Dear Sirs,

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

We have been engaged by the Company to review the interim financial information for the second quarter ended 31 December 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 December 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, 20 January 2005