



Financial Statements for the Quarter Ended 30 September 2005

Financial statements on consolidated results for the quarter ended 30 September 2005.

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:

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1. CEO's Statement

SGX Group achieved a record quarter since its listing in November 2000, with \$45.3 million net profit after tax reported for 1Q FY2006 on strong revenue growth and continued cost management.

The directors are pleased to declare an interim base dividend of 1.5 cents per share on tax exempt one-tier basis.

Our securities market saw an active quarter with record trading value of \$60.7 billion in 1Q FY2006, a 49.3% jump from 1Q FY2005. Straits Times Index rose from 2212.66 at the close on 30 June 2005 to 2305.14 at 30 September 2005.

During 1Q FY2006, \$1.7 billion was raised in our securities market for 14 IPOs, including seven foreign listings. This compared with \$0.4 billion raised for the 16 IPOs for 1Q FY2005, of which 11 were foreign. This underscores our new focus on larger IPOs.

Futures clearing revenue rose by 24.3% year-on-year in 1Q FY2006 upon significant improvement in Asian Equity Derivatives trading volume.

Structured warrants grew substantially in turnover, and contributed to impressive year-on-year improvement in clearing revenue, and listing and processing fees.

The Group continues its momentum to serve the customers through our three strategic thrusts: Delivery Excellence, Developing an Asian Gateway and Growing Our Domestic Market. Following is a brief update of the key initiatives and progress in 1Q FY2006:

(i) Securities Trading Platform

SGXTrade and Quest trading engine for the securities market (Quest-ST) are on track to go live consecutively by early 2006.

(ii) Over-the-counter ("OTC") Clearing Facility

We are developing a central clearing facility for energy derivatives and forward freight agreements. Thirteen general clearing members have confirmed their participation to provide OTC clearing services, which will commence by March 2006.

(iii) Product Launches

To tap on the growth in India market, we re-launched the CNX Nifty index futures on 10 October 2005. The product is traded on SGX Quest, our electronic platform. In addition, we plan to launch a Chinese index futures in early 2006, which will also be traded on the same platform.

An Exchange Traded Fund ("ETF") based on the new FTSE/ASEAN 40 Index is targeted to be launched in 2006. This ETF will provide investors with a well-diversified exposure in the five ASEAN countries via a single trade.

(iv) Foreign Listings

We continue to broaden the market geographically and sectorally to help position SGX as an Asian listing platform for growth companies. Our efforts have started to bear fruit. Further to the listing of the first infrastructure fund in last financial year, we witnessed the first bond index fund and Korean company listed on our exchange in 1Q FY2006.

To attract larger Chinese companies to list on our exchange, we are partnering selected Chinese provincial governments, IE Singapore, Economic and Development Board and the Chinese Embassy to further strengthen our position as a market place of choice for Chinese listings.

We are going to launch a Global Depository Receipt (“GDR”) program by end of FY2006. The GDRs will allow foreign companies greater exposure in the Singapore market and provide them with a wider international shareholder base.

(v) Partnerships and Linkages

On 22 August 2005, we signed a Memorandum of Understanding with The Chicago Board of Trade (CBOT) on the establishment of a joint venture commodity futures market in Singapore. The joint venture aims to attain optimal market efficiency by leveraging on CBOT’s electronic trading platform and SGX’s derivatives clearing infrastructure.

We continue to maintain our efforts in developing the co-trading link with Bursa Malaysia, and are closely monitoring the timeline.

(vi) Domestic Market

The structured warrants market continues to grow, with 199 new issues in 1Q FY2006. The two REITs listed in the quarter were over-subscribed, and made a total of seven REITs listed on our market as at the quarter end.






To further improve the speed of information flow in the local market, we launched SGXNews on 1 August 2005. This service allows subscribers to gain access to real time corporate announcements by our listed companies.

2. Financial Highlights - Group

***	1Q FY 2006	1Q FY 2005		Key Variances for year-on-year (1Q FY2006 vs 1Q FY2005)
			Key Results (in S\$ million)	
↑	49.5	35.3	Securities market revenue	<i>49.3% and 35.4% increase in securities trading value and volume respectively.</i>
↑	17.8	12.0	Net derivatives clearing revenue	<i>11.4% increase in futures trading volume, and substantial increase in structured warrants trading volume.</i>
↑	22.9	19.2	Stable revenue	<i>Improvement in price information revenue and terminal & connection fees.</i>
↑	90.2	66.5	Operating revenue	
↑	36.1	35.1	Operating expenses	<i>Cost discipline maintained for operating expenses.</i>
↑	54.1	31.4	Operating profit	
↑	2.7	0.4	Net non-operating revenue/(loss)	<i>Improvement in performance of the managed funds.</i>
↑	56.8	31.8	Profit before tax	
↑	45.3	25.1	Profit attributable to Shareholders	
↑	60.2	35.9	EBITDA	
↓	461.3	474.6	Shareholders' equity as at 30 September 2005 and 30 September 2004 (in S\$ million)	
			Segment Revenue (in S\$ million)	
↑	65.1	48.0	Securities market	<i>Securities clearing fees rose on record trading value in 1Q FY2006.</i>
↑	23.8	17.5	Derivatives market	<i>Increase in futures and structured warrants clearing revenue.</i>
↑	1.4	1.1	Other operations	
			Key ratios	
↑	35.6%	-22.0%	Revenue growth	<i>Improvement in all three revenue categories.</i>
↓	40.0%	52.8%	Cost to income ratio	
↑	60.0%	47.2%	Operating profit margin	
↑	48.8%	37.6%	Net profit margin	
↑	39.3%	21.2%	Return on shareholders' equity (annualised)	

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

2. Financial Highlights - Group (cont'd)

***	1Q FY 2006	1Q FY 2005		Key Variances for year-on-year (1Q FY2006 vs 1Q FY2005)
			Key cash flows (in S\$ million)	
	38.9	9.6	Cash from operating activities	
	2.9	1.6	Payment for capital expenditure	
			Key per share data (in cents)	
	4.35	2.44	Basic earnings per ordinary share	
	4.31	2.43	Diluted earnings per ordinary share	
	44.24	45.54	Net asset value per ordinary share as at 30 September 2005 and 30 June 2005	<i>Decrease mainly due to \$44.8MM FY2005 final dividends and \$15.6MM 1Q FY2006 interim dividend.</i>
			Net dividend per share (in cents)	
	1.50	NA	Interim - base	
	NA	NA	- special	

***  and  represent an increase and decrease respectively, compared to the previous corresponding period.

3. Statement of Profit and Loss - Group and Company

Group				Company		
3 months				3 months		
1 Jul 2005 to 30 Sept 2005	1 Jul 2004 to 30 Sept 2004	Change		1 Jul 2005 to 30 Sept 2005	1 Jul 2004 to 30 Sept 2004	Change
S\$'000	S\$'000	%	S\$'000	S\$'000	%	
			Intercompany revenue			
-	-	-	- Management fees from subsidiaries	17,641	17,439	1.2
-	-	-	- Gross dividends from subsidiaries	43,250	50,000	(13.5)
			Securities market revenue			
32,223	24,125	33.6	- Securities clearing fees	-	-	-
8,154	5,759	41.6	- Securities related processing fees	1,792	1,367	31.1
9,151	5,397	69.6	- Access fees	-	-	-
17,826	12,045	48.0	Net derivatives clearing revenue	-	-	-
			Stable revenue *			
5,644	4,991	13.1	- Account maintenance and corporate action fees	253	185	36.8
3,183	2,461	29.3	- Terminal and connection fees	-	-	-
6,140	5,445	12.8	- Listing and membership fees	-	-	-
4,362	3,537	23.3	- Price information fees	-	-	-
2,023	1,357	49.1	- Sale of software and other computer services	581	461	26.0
1,559	1,385	12.6	- Other operating revenue	647	550	17.6
90,265	66,502	35.7	Total operating revenue	64,164	70,002	(8.3)
			Operating expenses			
11,572	11,818	(2.1)	- Staff costs	8,076	7,523	7.4
5,760	3,719	54.9	- Variable bonus (including CPF)	4,307	2,373	81.5
3,401	3,461	(1.7)	- Occupancy costs	2,303	2,306	(0.1)
4,358	4,584	(4.9)	- System maintenance and rental	1,430	881	62.3
3,419	4,036	(15.3)	- Depreciation and amortisation	1,702	2,171	(21.6)
2,397	1,393	72.1	- Professional charges	979	754	29.8
490	1,331	(63.2)	- Marketing and travelling	244	1,168	(79.1)
580	709	(18.2)	- Communication charges	362	439	(17.5)
575	575	-	- Fees to MAS for transfer of participant supervision function	575	575	-
14	45	(68.9)	- Specific allowance for doubtful debts and bad debts written off	-	73	(100.0)
(820)	(400)	105.0	- Provision for surplus leased premises	(660)	(235)	180.9
(43)	69	NM	- Net foreign exchange loss/(gain)	(11)	1	NM
(3)	(1)	200.0	- Loss/(gain) on disposal of property, plant and equipment	1	(2)	NM
3,338	2,780	20.1	- Direct cost for processing and royalties	356	376	(5.3)
49	-	NM	- Finance charges	1	-	NM
1,067	1,027	3.9	- Other operating expenses	818	851	(3.9)
36,154	35,146	2.9	Total operating expenses	20,483	19,254	6.4
54,111	31,356	72.6	Profit/(Loss) from operating activities	43,681	50,748	(13.9)
			Net non-operating revenue/(loss)			
2,481	(119)	NM	- Investment income/(loss)	-	-	-
178	597	(70.2)	- Other revenue including interest income	(1,087)	33	NM
56,770	31,834	78.3	Profit/(Loss) before tax	42,594	50,781	(16.1)
(8)	(1)	700.0	Share of results of joint venture	-	-	-
(11,436)	(6,701)	70.7	Tax	(8,920)	(10,364)	(13.9)
45,326	25,132	80.4	Profit/(Loss) after tax	33,674	40,417	(16.7)
			Attributable to:			
45,326	25,132	80.4	Shareholders of the Company	33,674	40,417	(16.7)
-	6	(100.0)	Minority interests	-	-	-
45,326	25,138	80.3		33,674	40,417	(16.7)

NM: Not meaningful.

* Stable revenue is revenue that is considered less volatile.

4. Earnings Per Share - Group

	Group	
	1 Jul 2005 to 30 Sept 2005	1 Jul 2004 to 30 Sept 2004
Earnings per ordinary share for the period based on net profit attributable to shareholders	Cents	Cents
(a) Based on weighted average number of ordinary shares in issue	4.35	2.44
(b) On a fully diluted basis	4.31	2.43
Weighted average number of ordinary shares in issue for basic earnings per share ('000)	1,042,105	1,029,815
Adjustment for assumed exercise of share options ('000)	9,109	6,405
Weighted average number of ordinary shares for diluted earnings per share ('000)	1,051,214	1,036,220

5. Balance Sheets - Group and Company

Group			Company	
As at 30 Sept 2005	As at 30 Jun 2005		As at 30 Sept 2005	As at 30 Jun 2005
S\$'000	S\$'000		S\$'000	S\$'000
155,176	117,882	Current assets		
292,379	490,763	Cash and cash equivalents	49,790	6,353
36,934	36,201	Trade and other debtors	6,870	3,349
		Securities clearing funds	-	-
154,645	152,236	Other financial assets at fair value through profit or loss	-	-
639,134	797,082		56,660	9,702
		Non-current assets		
207,780	209,229	Property, plant and equipment	27,838	29,365
21,249	19,485	Computer software	1,657	1,556
582	582	Club memberships	582	582
-	-	Investments in subsidiaries	581,381	581,381
169	177	Investment in joint venture	-	-
1,500	2,287	Deferred tax assets	-	-
231,280	231,760		611,458	612,884
		Total assets	668,118	622,586
870,414	1,028,842	Current liabilities		
		Trade and other creditors	183,998	173,890
275,725	491,797	Dividends Payable	60,480	-
60,480	-	Securities clearing members' contributions to clearing funds	-	-
11,934	11,201	Provisions	2,939	3,762
		Finance lease liabilities	-	-
7,024	8,144	Taxation	7,402	6,688
2,393	2,004		254,819	184,340
47,494	37,050	Non-current liabilities		
405,050	550,196	Finance lease liabilities	-	-
		Deferred tax liabilities	298	355
2,876	2,778		298	355
1,157	1,299	Total liabilities	255,117	184,695
4,033	4,077	Net assets	413,001	437,891
409,083	554,273	Share capital and reserves		
461,331	474,569	Share capital	10,427	10,421
		Share premium	353,875	353,012
10,427	10,421	Retained profits	40,957	22,955
353,875	353,012	Securities clearing fund reserve	-	-
64,287	34,633	Cash flow hedge reserve	-	-
25,000	25,000	Share option reserve	7,742	6,694
-	-	Proposed dividends	-	44,809
7,742	6,694	Interest of shareholders of the Company	413,001	437,891
-	44,809	Total equity	413,001	437,891
461,331	474,569			
461,331	474,569			

6. Net Asset Value - Group and Company

Group			Company	
As at 30 Sept 2005	As at 30 Jun 2005		As at 30 Sept 2005	As at 30 Jun 2005
Cents	Cents		Cents	Cents
44.24	45.54	Net asset value per ordinary share based on issued share capital as at the end of the reporting period	39.61	42.02

7. Borrowings and Debt Securities - Group

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

As at 30 Sept 2005			As at 30 Jun 2005	
Secured	Unsecured		Secured	Unsecured
S\$'000	S\$'000		S\$'000	S\$'000
Nil	2,393	Amount repayable in one year or less, or on demand	Nil	2,004
Nil	2,876	Amount repayable after one year	Nil	2,778

(b) Details of any collaterals

None.

8. Statement of Cash Flow - Group

	Group	
	1 Jul 2005 to 30 Sept 2005	1 Jul 2004 to 30 Sept 2004
	S\$'000	S\$'000
Cash flows from operating activities		
Profit before tax and share of results of joint venture	56,770	31,834
Adjustments for:		
Depreciation and amortisation	3,419	4,036
Loss/(gain) on investments	(2,900)	147
Loss on disposal of investment	419	-
Loss/(gain) on disposal of property, plant and equipment	(3)	(1)
Provision for surplus leased premises	(820)	(400)
Finance charges	49	-
Share option expense	1,048	-
Interest income	(808)	(811)
Operating cash flow before working capital change	57,174	34,805
Change in operating assets and liabilities		
Trade and other receivables	198,425	(289,117)
Trade and other payables	(216,375)	268,491
Cash generated from operations	39,224	14,179
Income tax paid	(347)	(4,563)
Net cash from/(used in) operating activities	38,877	9,616
Cash flows from investing activities		
Payments for property, plant and equipment and software	(2,900)	(1,614)
Proceeds from disposal of property, plant and equipment and software	87	1
Proceeds from sale/redemption of investments	29,047	-
Investment in managed funds	(28,904)	(154,661)
Interest received	698	574
Net cash from/(used in) investing activities	(1,972)	(155,700)
Cash flows from financing activities		
Net proceeds from issue of ordinary shares	869	1,556
Repayment of lease liabilities	(431)	-
Finance charges	(49)	-
Net cash from/(used in) financing activities	389	1,556
Net increase/(decrease) in cash and cash equivalents held	37,294	(144,528)
Cash and cash equivalents at the beginning of the period	117,882	452,251
Cash and cash equivalents at the end of the period	155,176	307,723

9. Statement of Changes in Equity - Group and Company

	Attributable to shareholders of the Company								Minority interest	Total Equity
	Share capital	Share premium *	Retained profits	Securities clearing fund reserve *	Cash flow hedge reserve *	Share option reserve*	Proposed dividends	Total		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
(i) Consolidated - 3 months FY2006										
Balance at 1 July 2005										
- As previously reported	10,421	353,012	41,327	25,000	-	-	44,809	474,569	-	474,569
- Effect on adoption of FRS 102	-	-	(6,694)	-	-	6,694	-	-	-	-
- Restated	10,421	353,012	34,633	25,000	-	6,694	44,809	474,569	-	474,569
Net profit for the financial period	-	-	45,326	-	-	-	-	45,326	-	45,326
Total recognised gains/(losses) for the financial period	-	-	45,326	-	-	-	-	45,326	-	45,326
Dividend payable										
Final base and variable dividends - FY2005	-	-	-	-	-	-	(44,839)	(44,839)	-	(44,839)
Over/(under)-provision of final & special dividend	-	-	(30)	-	-	-	30	-	-	-
Interim base dividends - FY2006	-	-	(15,642)	-	-	-	-	(15,642)	-	(15,642)
Issue of ordinary shares	6	863	-	-	-	-	-	869	-	869
Share option expense	-	-	-	-	-	1,048	-	1,048	-	1,048
Balance at 30 September 2005	10,427	353,875	64,287	25,000	-	7,742	-	461,331	-	461,331
(ii) Consolidated - 3 months FY2005										
Balance at 1 July 2004										
- As previously reported	10,294	340,844	176,609	25,000	612	-	87,089	640,448	570	641,018
- Effect on adoption of FRS 102	-	-	(1,598)	-	-	1,598	-	-	-	-
- Restated	10,294	340,844	175,011	25,000	612	1,598	87,089	640,448	570	641,018
Currency exchange loss	-	-	-	-	(10)	-	-	(10)	-	(10)
Transfer to income statement	-	-	-	-	-	-	-	-	-	-
Net profit for the financial period	-	-	25,138	-	-	-	-	25,138	(6)	25,132
Total recognised gains/(losses) for the financial period	-	-	25,138	-	(10)	-	-	25,128	(6)	25,122
- currency translation differences transferred to income statement	-	-	-	-	-	-	-	-	-	-
Dividends paid										
Final dividends - FY2004	-	-	-	-	-	-	(87,221)	(87,221)	-	(87,221)
Under-provision of final dividends - FY2004	-	-	(132)	-	-	-	132	-	-	-
Issue of ordinary shares	16	1,540	-	-	-	-	-	1,556	-	1,556
Share option expense	-	-	(940)	-	-	940	-	-	-	-
Balance at 30 September 2004 - Restated	10,310	342,384	199,077	25,000	602	2,538	-	579,911	564	580,475
(iii) Company - 3 months FY2006										
Balance at 1 July 2005										
- As previously reported	10,421	353,012	29,649	-	-	-	44,809	437,891	-	437,891
- Effect on adoption of FRS 102	-	-	(6,694)	-	-	6,694	-	-	-	-
- Restated	10,421	353,012	22,955	-	-	6,694	44,809	437,891	-	437,891
Total recognised gains for the financial period - net profit	-	-	33,674	-	-	-	-	33,674	-	33,674
Dividend payable										
Final base and variable dividends - FY2005	-	-	-	-	-	-	(44,839)	(44,839)	-	(44,839)
Over/(under)-provision of final & special dividend	-	-	(30)	-	-	-	30	-	-	-
Interim base dividends - FY2006	-	-	(15,642)	-	-	-	-	(15,642)	-	(15,642)
Issue of ordinary shares	6	863	-	-	-	-	-	869	-	869
Share option expense	-	-	-	-	-	1,048	-	1,048	-	1,048
Balance at 30 September 2005	10,427	353,875	40,957	-	-	7,742	-	413,001	-	413,001
(iv) Company - 3 months FY2005										
Balance at 1 July 2004										
- As previously reported	10,294	340,844	3,345	-	-	-	87,089	441,572	-	441,572
- Effect on adoption of FRS 102	-	-	(1,598)	-	-	1,598	-	-	-	-
- Restated	10,294	340,844	1,747	-	-	1,598	87,089	441,572	-	441,572
Total recognised gains for the financial period - net profit	-	-	40,417	-	-	-	-	40,417	-	40,417
Dividends paid										
Final dividends - FY2004	-	-	-	-	-	-	(87,221)	(87,221)	-	(87,221)
Under-provision of final and special dividends - FY2004	-	-	(132)	-	-	-	132	-	-	-
Issue of ordinary shares	16	1,540	-	-	-	-	-	1,556	-	1,556
Share option expense	-	-	(940)	-	-	940	-	-	-	-
Balance at 30 September 2004 - Restated	10,310	342,384	41,092	-	-	2,538	-	396,324	-	396,324

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

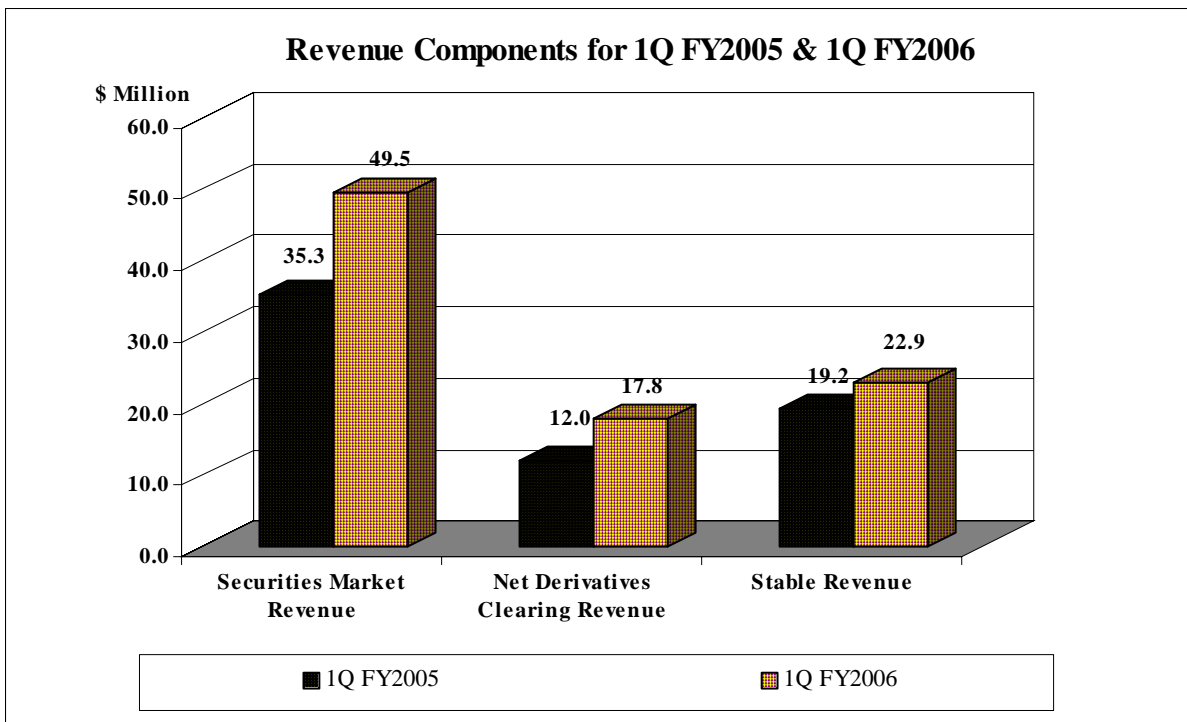
10 **Review of the Performance of SGX Group**

(i) ***1Q FY2006 Financial Highlights***

SGX Group recorded \$45.3 million net profit after tax and minority interests for the current quarter ended 30 September 2005, compared to \$25.1 million for the previous corresponding quarter ended 30 September 2004. Operating profit for the current quarter amounted to \$54.1 million, compared to \$31.4 million for the previous corresponding quarter.

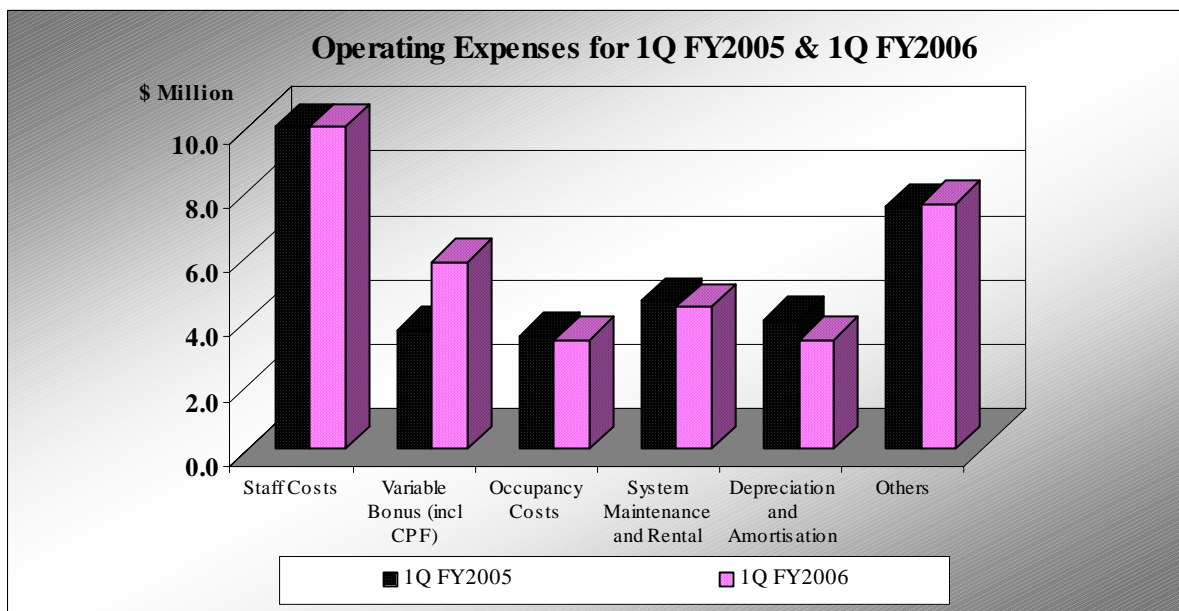
Revenue

The Group's revenue increased 35.7% to \$90.2 million from \$66.5 million, with improvement in all three revenue categories, i.e. Securities Market Revenue, Net Derivatives Clearing Revenue and Stable Revenue, as follows:



Expenses

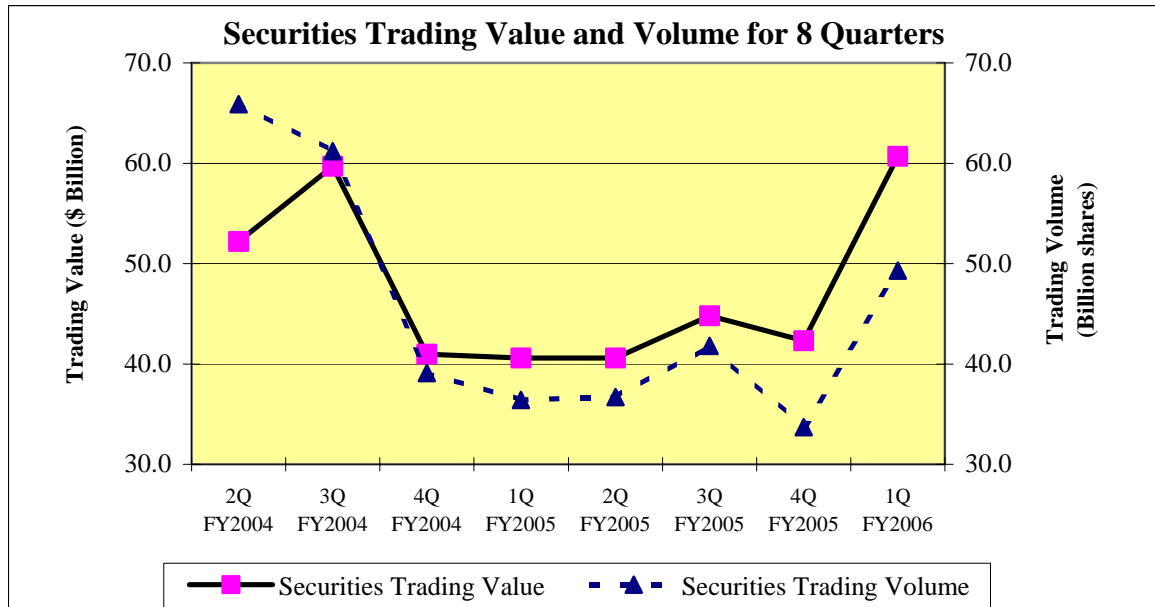
Operating expenses for 1Q FY2006 were well contained at \$36.1 million. The 2.9% rise from \$35.1 million in 1Q FY2005 reflected the nearly offsetting impact of the increase in variable bonus provision and the drop in depreciation and marketing related expenses. The following chart highlights the major expenses for these two periods:



Securities Market

The table below shows the key figures for securities market, followed by a chart with its turnover statistics for the past eight quarters:

Securities Market Data	1Q FY2006	1Q FY2005	Change
Clearing fees (\$ million)	32.2	24.1	33.6%
Trading value (\$ billion)	60.7	40.6	49.3%
Trading volume (billion shares)	49.3	36.4	35.4%
Number of IPOs, including Foreign IPOs	14	16	(2)
	7	11	(4)
Funds raised via IPOs (\$ billion)	1.7	0.4	378.2%
Number of Securities Market members as at quarter end	25	24	1



Derivatives Market

Net Derivatives Clearing Revenue comprises clearing revenue from futures and structured warrants, as follows:

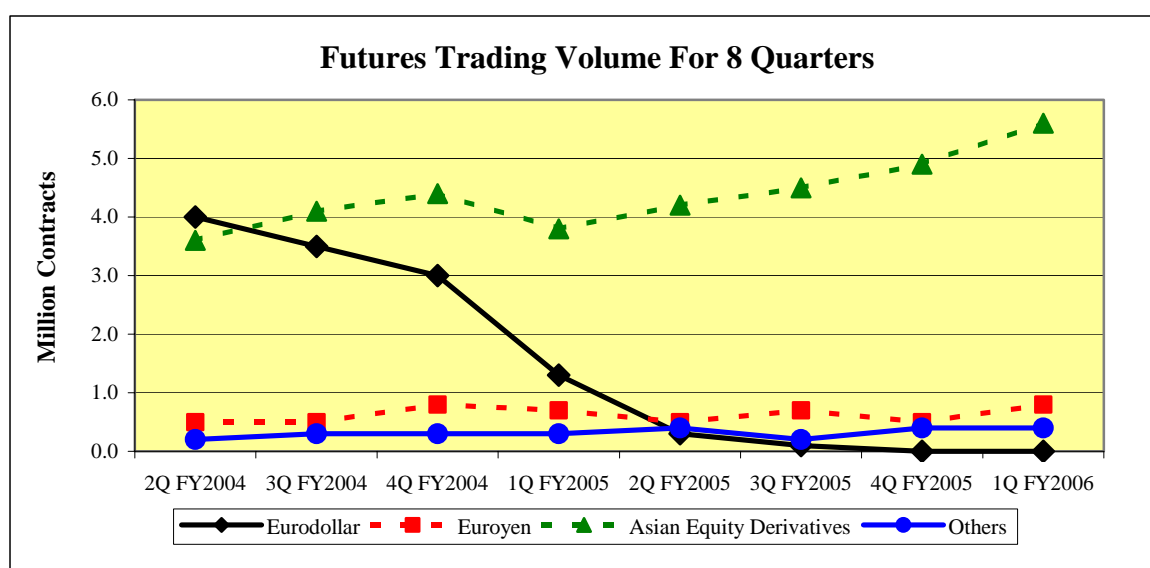
Net Derivatives Clearing Revenue	1Q FY2006 (\$ million)	1Q FY2005 (\$ million)	Change (%)
Futures Clearing Revenue	14.7	11.8	24.3
Structured Warrants Clearing Revenue	3.1	0.2	1,741.1
Total	17.8	12.0	48.0

Futures

The table below summarises the key figures for futures business performance and futures member data, followed by a chart on the turnover statistics for the past eight quarters:

Futures Data	1Q FY2006	1Q FY2005	Change (%)	% of Total Volume	
				1Q FY2006	1Q FY2005
Clearing Revenue (\$ million)	14.7	11.8	24.3		
Trading volume (million contracts)					
• Asian Equity Derivatives	5.6	3.8	48.6	82.1	61.6
- Nikkei 225 Stock Index	3.0	1.8	70.6	44.1	28.8
- MSCI Taiwan Index	2.1	1.5	37.4	31.2	25.3
- MSCI Singapore Index	0.5	0.5	1.7	6.8	7.5
• Euroyen	0.8	0.7	16.7	12.2	11.7
• Eurodollar	0.0	1.3	(99.7)	0.1	22.3
• Others	0.4	0.3	39.5	5.6	4.4
Total	6.8	6.1	11.4	100.0	100.0

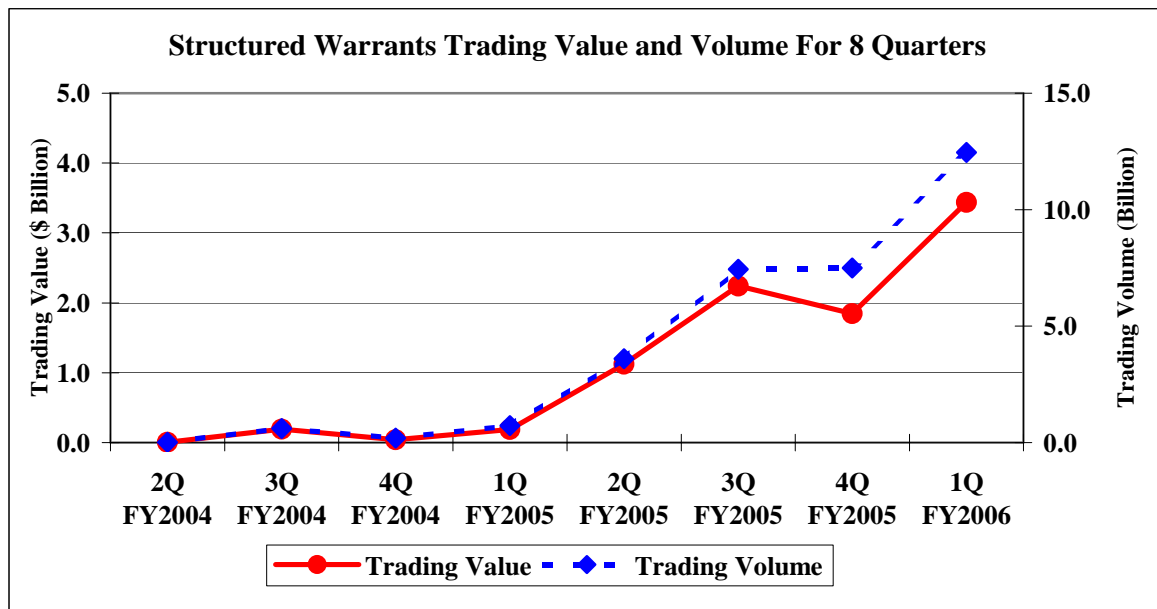
Number of Futures members	As at 30 September 2005	As at 30 September 2004	Change
Local	532	588	(56)
Corporate	59	49	10
Total	591	637	(46)



Structured Warrants

Following are the key figures for structured warrants, together with a chart on the turnover statistics for the past eight quarters:

Structured Warrants Data	1Q FY2006	1Q FY2005	Change
Clearing Revenue (\$ million)	3.1	0.2	1,741.1%
Trading value (\$ billion)	3.4	0.2	1,740.1%
Trading volume (billion units)	12.5	0.7	1,605.8%
Number of new issues	199	22	177



(ii) **Financial Summary - 3 months ended 30 September 2005 vs 3 months ended 30 September 2004**

Securities Market Revenue

Securities Clearing Fees

- Securities clearing fees increased 33.6% on 49.3% growth in securities trading value and 35.4% increase in trading volume.

Securities Related Processing Fees

- The 41.6% increase was mainly attributable to higher securities transfer fees and contract processing fees on higher market turnover.

Access Fees

- The income grew by 69.6% on higher turnover traded via SGX Access.

Net Derivatives Clearing Revenue

- Clearing revenue from both futures and structured warrants improved on 11.4% increase in futures turnover and substantial growth in structured warrants activity.

Stable Revenue

Account Maintenance & Corporate Action Fees

- The higher processing income from structured warrants contributed to the 13.1% improvement.

Terminal & Connection Fees

- The 29.3% increase was mainly due to increase in income from forced order charges and higher ETS terminal income on more terminals subscribed.

Listing and Membership Fees

- Initial listing fees from structured warrants accounted for the bulk of the 12.8% increase.

Price Information Fees

- Improvement in both SGX SecuritiesBook and derivatives datafeed income contributed to the 23.3% rise.

Sale of Software and Other Computer Services

- The 49.1% increase was mainly attributable to fees income for SGXNet, which was launched in November 2004.

Operating Expenses

- | | |
|---|--|
| <i>Staff Costs</i> | <ul style="list-style-type: none">• This 2.1% drop mainly reflected higher provision for unutilized leave in 1Q FY2005. The 1Q FY2006 staff costs included \$1.0 million for share option expensing. |
| <i>Variable Bonus (including CPF)</i> | <ul style="list-style-type: none">• The higher bonus provision in 1Q FY2006 contributed to the 54.9% increase. |
| <i>Depreciation and Amortisation</i> | <ul style="list-style-type: none">• Fully depreciated assets contributed to this 15.3% improvement. |
| <i>Professional Charges</i> | <ul style="list-style-type: none">• The 72.1% rise was mainly due to the increase in consultancy fees for various projects in 1Q FY2006. |
| <i>Marketing and Travelling</i> | <ul style="list-style-type: none">• The 63.2% decrease reflected the cost control effort and timing difference in incurring these expenses. |
| <i>Provision for Surplus Leased Premises</i> | <ul style="list-style-type: none">• \$0.8 million of provision was utilized in the current quarter, compared to \$0.4 million in 1Q FY2005. The remaining provision balance of \$1.9 million will be completely utilized by 4Q FY2006. |
| <i>Direct Cost for Processing and Royalties</i> | <ul style="list-style-type: none">• This 20.1% increase reflected an increase in royalties paid on higher futures trading volume in MSCI Taiwan, MSCI Singapore and Nikkei 225 contracts. |

Investment Performance

- | | |
|--|--|
| <i>Investment Income</i> | <ul style="list-style-type: none">• \$2.5 million gain, before hedging costs, was recorded for 1Q FY2006, compared to \$0.1 million loss in 1Q FY2005. |
| <i>Other Revenue including Interest Income</i> | <ul style="list-style-type: none">• Higher hedging cost for the managed fund portfolio was incurred in 1Q FY2006. |

(iii) Performance of 3 months ended 30 September 2005 vs 3 months ended 30 June 2005

Following is an overview of the quarter-on-quarter comparison:

	1Q FY2006	4Q FY2005	Change (%)
A. Financial Performance (\$ million)			
Operating Revenue	90.2	73.2	23.3
Operating Expenses	36.1	34.8	3.9
Operating Profit	54.1	38.4	40.9
Net Non-Operating Revenue/(Loss)	2.7	(0.5)	NM
Tax	(11.5)	(8.5)	33.9
Profit Attributable to Shareholders	45.3	29.4	54.1
B. Market Turnover Statistics			
Securities Trading			
- Value (\$ billion)	60.7	42.3	43.6
- Volume (billion shares)	49.3	33.7	46.3
Futures Trading Volume (million contracts)	6.8	5.8	16.3
Structured Warrants Trading			
- Value (\$ billion)	3.4	1.8	86.1
- Volume (billion units)	12.5	7.5	66.2

Operating revenue improved in 1Q FY2006, on higher Securities Market Revenue and Net Derivatives Clearing Revenue, while operating expenses remained flat. Non-operating revenue rose by approximately \$3.1 million in 1Q FY2006, due mainly to improved performance from our managed funds.

(iv) Adoption of FRS 102

In accordance with Financial Reporting Standard (FRS) 102 on Share-based Payment, \$6.7 million was charged against the opening balance of retained profits for the cumulative financial impact up to 30 June 2005. The charge was revised from the estimated \$7.1 million per our FY2005 full year financial results announcement, on reduced number of options outstanding.

(v) ***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 risk management and emergency funding needs.

Contingent Liabilities

- As at 30 September 2005, the Group had contingent liabilities to banks for US\$143.0 million of unsecured standby letters of credit issued to CME as margin for futures 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.

The Group has also extended financial guarantee of \$22.0 million and purchased a \$46.0 million default insurance policy to be utilized in accordance with Singapore Exchange Derivatives Clearing Limited's clearing rules.

11. Segment Information - Group

3 Months ended 30 September 2005				Reporting by Market	3 Months ended 30 September 2004			
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				
65,110	23,761	1,394	90,265	External revenue	47,950	17,456	1,096	66,502
40	-	-	40	Inter-segment revenue	73	36	-	109
65,150	23,761	1,394	90,305		48,023	17,492	1,096	66,611
(40)	-	-	(40)	Less: Consolidation elimination	(73)	(36)	-	(109)
65,110	23,761	1,394	90,265		47,950	17,456	1,096	66,502
				RESULTS				
48,763	11,641	302	60,706	Segment results	30,210	6,072	(623)	35,659
			(6,595)	Unallocated expenses				(4,303)
			54,111	Profit/(Loss) from operating activities				31,356
			2,659	Net non-operating revenue/(loss)				478
			(8)	Share of results of joint venture				(1)
			(11,436)	Tax				(6,701)
			45,326	Profit after tax and before minority interests				25,132
			-	Minority interests				6
			45,326	Profit attributable to shareholders				25,138
				OTHER INFORMATION				
504,361	120,808	5,031	630,200	Segment assets	895,346	125,958	4,300	1,025,604
			240,214	Unallocated assets				274,820
			870,414	Consolidated total assets				1,300,424
280,880	15,476	628	296,984	Segment liabilities	566,155	13,466	893	580,514
			112,099	Unallocated liabilities				139,435
			409,083	Consolidated total liabilities				719,949
3,635	170	14	3,819	Capital expenditure	1,214	397	3	1,614
2,002	1,416	1	3,419	Depreciation and amortisation	2,572	1,453	11	4,036

* The table below summarizes the reclassification of prior year's comparative figures to conform with the current year's segment presentation.

3 Months ended 30 September 2004	Securities Market	Derivatives Market	Group
	S\$'000	S\$'000	S\$'000
Structured warrants related:			
- External revenue	(406)	406	-
- Segment results	(290)	290	-

Segment Information - By Country

3 Months ended 30 September 2005			Reporting by Country	3 Months ended 30 September 2004		
Singapore	Other Country	Group		Singapore	Other Country	Group
S\$'000	S\$'000	S\$'000		S\$'000	S\$'000	S\$'000
90,265	-	90,265	Operating Revenue	66,502	-	66,502
715,002	155,412	870,414	Total assets	1,112,114	188,310	1,300,424
3,819	-	3,819	Capital expenditure	1,614	-	1,614

The Group operates in Singapore and holds investment portfolio through a subsidiary in Mauritius.

12. Dividend - Company

(a) Interim Dividend

	3 Months Ended	
	30 September 2005	30 September 2004
Name of Dividend	Interim Base	NA
Dividend Type	Cash	NA
Dividend Rate - base*	1.500 cents per ordinary share	NA
Par Value of Shares	\$0.01	NA
Tax Rate	Tax Exempt One-Tier	NA
Books Closure Date	27 October 2005, 5pm	NA
Date Payable	11 November 2005	NA

(b) Directors' Comments

The Directors aim to declare base dividends of at least 1.5 cents net per share every quarter. For each financial year, the Directors aim to pay (a) a net annual sum of no less than 80% of the annual net profit after tax and contributions, if any, to the fidelity funds; or (b) a net annual base dividend of 6.000 cents per share, whichever is higher. This is subject to such conditions as the Directors deem fit. The difference between the targeted dividends and the interim base dividends will be paid with the final dividend of each financial year.

13. Share Capital - Company

During the 3 months ended 30 September 2005, the Company issued 679,000 ordinary shares of \$0.01 each at prices ranging from \$0.85 to \$1.70 upon the exercise of options granted under the SGX Share Option Plan (ESOS).

As at 30 September 2005, there were outstanding options for 29,717,900 (30 June 2005: 30,521,200) of unissued ordinary shares of \$0.01 each under the ESOS.

14. Accounting Policies and Audit - Group

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

The same accounting policies and methods of computation as in the 2005 audited annual financial statements have been applied for the current reporting period except for the following:

Financial Reporting Standards ("FRS") that are effective for the Group's financial year beginning 1 July 2005:

- (i) FRS 1 - Presentation of Financial Statements
- (ii) FRS 8 - Accounting Policies, Changes in Accounting Estimates and Errors
- (iii) FRS 10 - Events after the Balance Sheet Date
- (iv) FRS 16 - Property, Plant and Equipment
- (v) FRS 17 - Leases
- (vi) FRS 21 - The Effect of Changes in Foreign Exchange Rate
- (vii) FRS 24 - Related Party Disclosure
- (viii) FRS 27 - Consolidated and Separate Financial Statements
- (ix) FRS 28 - Investment in Associates
- (x) FRS 32 - Financial Instruments : Disclosure and Presentation
- (xi) FRS 33 - Earnings Per Share
- (xii) FRS 36 - Impairment of Assets
(revised 2004)
- (xiii) FRS 38 - Intangible Assets
(revised 2004)
- (xiv) FRS 102 - Share-based Payment

Adoption of FRS 102 has resulted in a change in accounting policy for share-based payments. The Group's Employee Share Option Plan (ESOP) is an equity-settled, share-based compensation plan. FRS 102 requires the Group and the Company to recognise an expense in the income statement with a corresponding increase in equity for share options granted after 22 November 2002 and not vested by 1 July 2005. The total amount to be recognised as an expense in the income statement is determined by reference to the fair value of the options at the date of the grant and the number of options to be vested by vesting date. At every balance sheet date, the Group revises its estimates of the number of options that are expected to vest by the vesting date. Any revision of this estimate is included in the income statement and a corresponding adjustment to equity over the remaining vesting period.

Option expensing amounting to \$1,598,000 and \$5,096,000 for FY2004 and FY2005, respectively has been adjusted to the FY2006 opening retained profits.

- (xv) FRS 103 - Business Combinations

The adoption of the above FRSs did not result in significant changes to the Group's and the Company's accounting policies.

Joyce Fong

Company Secretary

12 October 2005

The Board of Directors
Singapore Exchange Limited
2 Shenton Way, #19-00 SGX Centre 1
Singapore 068804

12 October 2005

Dear Sirs,

**Singapore Exchange Limited and its subsidiaries
Review of the interim financial information
For the first quarter ended 30 September 2005**

We have been engaged by the Company to review the interim financial information for the first quarter ended 30 September 2005.

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 provisions thereof. The accompanying financial information comprise the balance sheet of Singapore Exchange Limited and the consolidated balance sheet of the Group as at 30 September 2005, 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