



Financial statements on consolidated results for the half year ended 31 December 2003. Certain items reported for the half year ended 31 December 2002 have been reclassified to conform with this report for the half year ended 31 December 2003.

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

1(a)(i) Income Statements for the 6 months ended 31 December 2003

	Notes	Group			Company		
		1 Jul 2003 to 31 Dec 2003	1 Jul 2002 to 31 Dec 2002	Change	1 Jul 2003 to 31 Dec 2003	1 Jul 2002 to 31 Dec 2002	Change
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
Operating revenue							
- Management fees from subsidiaries		-	-	-	42,248	40,711	3.8
Securities market revenue							
- Securities clearing fees		76,742	32,500	136.1	-	-	-
- Account maintenance and processing fees		21,732	16,893	28.6	5,257	2,406	118.5
Net derivatives clearing revenue		24,368	20,965	16.2	-	-	-
Stable revenue *							
- Access and terminal fees		15,871	15,666	1.3	-	-	-
- Listing and membership fees		10,442	7,940	31.5	-	-	-
- Price information fees		6,732	6,264	7.5	-	-	-
- Sale of software and other computer services		3,885	3,890	(0.1)	1,198	903	32.7
- Other operating revenue		3,713	3,370	10.2	775	862	(10.1)
Total operating revenue		163,485	107,488	52.1	49,478	44,882	10.2
Operating expenses							
- Staff costs		36,333	35,041	3.7	23,275	21,567	7.9
- Occupancy costs		6,748	7,949	(15.1)	4,940	5,301	(6.8)
- System maintenance and rental		9,851	10,966	(10.2)	4,379	4,412	(0.7)
- Depreciation		9,594	11,564	(17.0)	5,328	4,921	8.3
- Cost of sales		5,162	3,668	40.7	724	839	(13.7)
- Other operating expenses		13,808	9,743	41.7	9,656	5,816	66.0
Total operating expenses		81,496	78,931	3.2	48,302	42,856	12.7
Profit from operating activities	A	81,989	28,557	187.1	1,176	2,026	(42.0)
Net non-operating revenue/(loss)	B	(1,716)	11,685	NM	(2,240)	9,852	NM
Profit/(Loss) before tax and minority interests		80,273	40,242	99.5	(1,064)	11,878	NM
Share of results of joint venture		(45)	(62)	(27.4)	-	-	-
Tax		(19,124)	(10,185)	87.8	(1,119)	(3,252)	(65.6)
Profit/(Loss) after tax and before minority interests		61,104	29,995	103.7	(2,183)	8,626	NM
Minority interests		170	1,017	(83.3)	-	-	-
Profit/(Loss) attributable to shareholders of the company		61,274	31,012	97.6	(2,183)	8,626	NM

NM: Not meaningful.

* Stable revenue is revenue that is considered less volatile.

Notes to the Income Statement:

		Group	
		1 Jul 2003 to 31 Dec 2003	1 Jul 2002 to 31 Dec 2002
		S\$'000	S\$'000
A	Profit from operating activities is arrived at after crediting/(charging):		
	- Provision for doubtful debts (net) and bad debts written off	45	73
	- Net foreign exchange loss	(224)	(15)
	- Gain on disposal of property, plant and equipment	167	98
B	Net non-operating revenue/(loss):		
	- Investment income/(loss) from externally managed funds	(3,055)	9,779
	- Other revenue including interest income	1,339	1,906
	Total	(1,716)	11,685

1(a)(ii) Income Statements for the 3 months ended 31 December 2003

	Notes	Group			Company		
		1 Oct 2003 to 31 Dec 2003	1 Oct 2002 to 31 Dec 2002	Change	1 Oct 2003 to 31 Dec 2003	1 Oct 2002 to 31 Dec 2002	Change
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
Operating revenue							
- Management fees from subsidiaries		-	-	-	27,537	21,436	28.5
Securities market revenue							
- Securities clearing fees		36,667	13,693	167.8	-	-	-
- Account maintenance and processing fees		9,973	8,137	22.6	2,474	1,007	145.7
Net derivatives clearing revenue		11,379	9,272	22.7	-	-	-
Stable revenue							
- Access and terminal fees		7,972	7,721	3.3	-	-	-
- Listing and membership fees		4,969	3,857	28.8	-	-	-
- Price information fees		3,367	3,214	4.8	-	-	-
- Sale of software and other computer services		2,043	1,815	12.6	674	380	77.4
- Other operating revenue		1,860	1,647	12.9	383	509	(24.8)
Total operating revenue		78,230	49,356	58.5	31,068	23,332	33.2
Operating expenses							
- Staff costs		18,687	16,197	15.4	12,517	9,264	35.1
- Occupancy costs		3,086	4,341	(28.9)	2,267	2,744	(17.4)
- System maintenance and rental		4,880	5,599	(12.8)	2,316	2,246	3.1
- Depreciation		4,670	5,648	(17.3)	2,640	2,670	(1.1)
- Cost of sales		2,454	1,846	32.9	443	694	(36.2)
- Other operating expenses		8,151	4,733	72.2	5,594	2,334	139.7
Total operating expenses		41,928	38,364	9.3	25,777	19,952	29.2
Profit from operating activities	C	36,302	10,992	230.3	5,291	3,380	56.5
Net non-operating revenue	D	736	5,401	(86.4)	431	4,474	(90.4)
Profit before tax and minority interests		37,038	16,393	125.9	5,722	7,854	(27.1)
Share of results of joint venture		(31)	(3)	933.3	-	-	-
Tax		(8,549)	(4,586)	86.4	(1,119)	(2,009)	(44.3)
Profit after tax and before minority interests		28,458	11,804	141.1	4,603	5,845	(21.2)
Minority interests		(20)	590	NM	-	-	-
Profit attributable to shareholders of the company		28,438	12,394	129.4	4,603	5,845	(21.2)

NM: Not meaningful.

Notes to the Income Statement:

		Group	
		1 Oct 2003 to 31 Dec 2003	1 Oct 2002 to 31 Dec 2002
		S\$'000	S\$'000
C	Profit from operating activities is arrived at after crediting/(charging):		
	- Provision for doubtful debts (net) and bad debts written off	-	21
	- Net foreign exchange loss	(96)	(158)
	- Gain/(loss) on disposal of property, plant and equipment	64	(3)
D	Net non-operating revenue:		
	- Investment income from externally managed funds	-	4,446
	- Other revenue including interest income	736	955
	Total	736	5,401

1(b)(i) Balance Sheets

	Group		Company	
	As at 31 Dec 03	As at 30 Jun 03	As at 31 Dec 03	As at 30 Jun 03
	SS'000	SS'000	SS'000	SS'000
Current assets				
Cash and cash equivalents	374,664	221,478	238,862	16,838
Trade and other debtors	278,409	338,332	7,211	5,624
Securities clearing funds	35,437	34,602	-	-
Available-for-sale investments	15,835	356,524	-	340,463
Tax recoverable	188	694	-	476
	704,533	951,630	246,073	363,401
Non-current assets				
Property, plant and equipment	218,090	225,513	42,282	45,923
Club memberships	720	720	720	720
Investments in subsidiaries	-	-	392,340	392,340
Investments in joint venture	233	278	-	-
Deferred tax assets	5,068	4,800	-	-
	224,111	231,311	435,342	438,983
Total assets	928,644	1,182,941	681,415	802,384
Current liabilities				
Trade and other creditors	278,117	334,834	202,684	52,017
Securities clearing members' contributions to clearing funds	10,437	9,602	-	-
Provision for surplus leased premises and unutilised leave	6,125	6,220	3,435	4,605
Taxation	37,806	16,375	12,093	-
	332,485	367,031	218,212	56,622
Non-current liabilities				
Provision for surplus leased premises	5,675	5,675	4,434	4,434
Deferred tax liabilities	1,429	10,153	700	9,129
	7,104	15,828	5,134	13,563
Total liabilities	339,589	382,859	223,346	70,185
Net assets	589,055	800,082	458,069	732,199
Equity				
Share capital	10,251	10,030	10,251	10,030
Reserves	578,216	789,294	447,818	722,169
Shareholders' equity	588,467	799,324	458,069	732,199
Minority interests	588	758	-	-
	589,055	800,082	458,069	732,199

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

	As at 31 Dec 2003		As at 31 Dec 2002	
	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.

1(c) Consolidated Cash Flow Statements

	Half Year Ended		3 Months Ended	
	31 Dec 2003	31 Dec 2002	31 Dec 2003	31 Dec 2002
	SS'000	SS'000	SS'000	SS'000
Cash flows from operating activities				
Profit before tax and share of results of joint venture	80,273	40,242	37,038	16,393
Adjustments for:				
Depreciation	9,594	11,564	4,670	5,648
Write off of property, plant and equipment	235	297	97	249
Net (gain)/loss on investments	3,601	(10,295)	184	(4,912)
(Gain)/Loss on disposal of property, plant and equipment	(167)	(98)	(64)	3
Interest income	(1,859)	(1,714)	(1,058)	(744)
Operating cash flow before working capital change	91,677	39,996	40,867	16,637
Change in operating assets and liabilities				
Trade and other receivables	59,902	215,000	(20,381)	70,067
Trade and other payables	(57,107)	(219,513)	32,796	(71,894)
Cash generated from operations	94,472	35,483	53,282	14,810
Income tax paid	(6,179)	(11,628)	(4,145)	(5,846)
Dividends paid	(299,689)	(34,289)	(299,689)	(34,289)
Net cash used in operating activities	(211,396)	(10,434)	(250,552)	(25,325)
Cash flows from investing activities				
Payments for retention sum of properties	-	(21,175)	-	(21,175)
Payments for property, plant and equipment	(2,450)	(13,961)	(1,292)	(8,199)
Proceeds from disposal of property, plant and equipment	211	285	71	184
Purchase of club membership	-	(20)	-	(20)
Interest received	1,698	1,645	1,167	776
Proceeds from liquidation of externally managed fund portfolios	337,383	-	-	-
Receipt from FSDF for property, plant and equipment purchased	-	161	-	161
Net cash from/(used in) investing activities	336,842	(33,065)	(54)	(28,273)
Cash flows from financing activities				
Net proceeds from issue of ordinary shares	27,742	161	15,470	161
Net cash from financing activities	27,742	161	15,470	161
Net increase/(decrease) in cash and cash equivalents held	153,188	(43,338)	(235,136)	(53,437)
Cash and cash equivalents at the beginning of the period	221,478	253,048	609,805	263,150
Effects of exchange rate changes on cash and cash equivalents	(2)	(2)	(5)	(5)
Cash and cash equivalents at the end of the period	374,664	209,708	374,664	209,708

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

(a) Consolidated statement of changes in equity for the half year ended 31 December 2003

	Share capital	Share premium *	Retained profits	Clearing fund reserve *	Hedging reserve *	Translation reserve *	Proposed dividends	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2003	10,030	308,858	161,082	25,000	965	8	293,381	799,324
Gain/(Loss) on hedging								
- unrealised	-	-	-	-	(182)	-	-	(182)
Net profit before realisation of hedging reserve	-	-	61,274	-	-	-	-	61,274
Net profit for the financial period	-	-	61,274	-	(182)	-	-	61,092
Currency translation differences recognised directly in shareholders' equity	-	-	-	-	-	(2)	-	(2)
Total recognised gains for the financial period	-	-	61,274	-	(182)	(2)	-	61,090
Dividends paid								
Final dividends - FY2003	-	-	-	-	-	-	(299,689)	(299,689)
Under-provision of final 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	192,061	25,000	783	6	23,987	588,467

(b) Consolidated statement of changes in equity for the half year ended 31 December 2002

	Share capital	Share premium *	Retained profits	Clearing fund reserve *	Hedging reserve *	Translation reserve *	Proposed dividends	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2002	10,000	305,537	461,878	25,000	(147)	16	34,289	836,573
Gain/(Loss) on hedging								
- unrealised	-	-	-	-	443	-	-	443
Net profit before realisation of hedging reserve	-	-	31,012	-	-	-	-	31,012
Net profit for the financial period	-	-	31,012	-	443	-	-	31,455
Currency translation differences recognised directly in shareholders' equity	-	-	-	-	-	(2)	-	(2)
Total recognised gains for the financial period	-	-	31,012	-	443	(2)	-	31,453
Dividends paid								
Final dividends - FY2002	-	-	-	-	-	-	(34,289)	(34,289)
Proposed dividends								
Interim dividends - FY2003	-	-	(23,403)	-	-	-	23,403	-
Issue of ordinary shares	1	161	-	-	-	-	-	162
Balance at 31 December 2002	10,001	305,698	469,487	25,000	296	14	23,403	833,899

* 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

(c) Statement of changes in equity for the half year ended 31 December 2003 - Company

	Share capital	Share premium *	Retained profits	Clearing fund reserve *	Hedging reserve *	Translation reserve *	Proposed dividends	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2003	10,030	308,858	119,930	-	-	-	293,381	732,199
Net loss - total recognised losses for the financial period	-	-	(2,183)	-	-	-	-	(2,183)
Dividends paid								
Final dividends - FY2003	-	-	-	-	-	-	(299,689)	(299,689)
Under-provision of final 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

(d) Statement of changes in equity for the half year ended 31 December 2002 - Company

	Share capital	Share premium *	Retained profits	Clearing fund reserve *	Hedging reserve *	Translation reserve *	Proposed dividends	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2002	10,000	305,537	426,961	-	-	-	34,289	776,787
Net profit - total recognised gains for the financial period	-	-	8,626	-	-	-	-	8,626
Dividends paid								
Final dividends - FY2002	-	-	-	-	-	-	(34,289)	(34,289)
Proposed dividends								
Interim dividends - FY2003	-	-	(23,403)	-	-	-	23,403	-
Issue of ordinary shares	1	161	-	-	-	-	-	162
Balance at 31 December 2002	10,001	305,698	412,184	-	-	-	23,403	751,286

* 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

(a) Consolidated statement of changes in equity for the 3 months ended 31 December 2003

	Share capital	Share premium *	Retained profits	Clearing fund reserve *	Hedging reserve *	Translation reserve *	Proposed dividends	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 October 2003	10,138	321,022	193,918	25,000	967	11	293,381	844,437
Gain/(Loss) on hedging								
- unrealised	-	-	-	-	(184)	-	-	(184)
- transfer to income statement	-	-	-	-	-	-	-	-
Net profit before realisation of hedging reserve	-	-	28,438	-	-	-	-	28,438
Net profit for the financial period	-	-	28,438	-	(184)	-	-	28,254
Currency translation differences recognised directly in shareholders' equity	-	-	-	-	-	(5)	-	(5)
Total recognised gains for the financial period	-	-	28,438	-	(184)	(5)	-	28,249
Dividends paid								
Final dividends - FY2003	-	-	-	-	-	-	(299,689)	(299,689)
Under-provision of final 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	192,061	25,000	783	6	23,987	588,467

(b) Consolidated statement of changes in equity for the 3 months ended 31 December 2002

	Share capital	Share premium *	Retained profits	Clearing fund reserve *	Hedging reserve *	Translation reserve *	Proposed dividends	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 October 2002	10,000	305,537	480,496	25,000	(137)	19	34,289	855,204
Gain/(Loss) on hedging								
- unrealised	-	-	-	-	433	-	-	433
Net profit before realisation of hedging reserve	-	-	12,394	-	-	-	-	12,394
Net profit for the financial period	-	-	12,394	-	433	-	-	12,827
Currency translation differences recognised directly in shareholders' equity	-	-	-	-	-	(5)	-	(5)
Total recognised gains for the financial period	-	-	12,394	-	433	(5)	-	12,822
Dividends paid								
Final dividends - FY2002	-	-	-	-	-	-	(34,289)	(34,289)
Proposed dividends								
Interim dividends - FY2003	-	-	(23,403)	-	-	-	23,403	-
Issue of ordinary shares	1	161	-	-	-	-	-	162
Balance at 31 December 2002	10,001	305,698	469,487	25,000	296	14	23,403	833,899

* 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

(c) Statement of changes in equity for the 3 months ended 31 December 2003 - Company

	Share capital	Share premium *	Retained profits	Clearing fund reserve *	Hedging reserve *	Translation reserve *	Proposed dividends	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 October 2003	10,138	321,022	113,144	-	-	-	293,381	737,685
Net gain - total recognised gains for the financial period	-	-	4,603	-	-	-	-	4,603
Dividends paid								
Final dividends - FY2003	-	-	-	-	-	-	(299,689)	(299,689)
Under-provision of final 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

(d) Statement of changes in equity for the 3 months ended 31 December 2002 - Company

	Share capital	Share premium *	Retained profits	Clearing fund reserve *	Hedging reserve *	Translation reserve *	Proposed dividends	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 October 2002	10,000	305,537	429,742	-	-	-	34,289	779,568
Net profit - total recognised gains for the financial period	-	-	5,845	-	-	-	-	5,845
Dividends paid								
Final dividends - FY2002	-	-	-	-	-	-	(34,289)	(34,289)
Proposed dividends								
Interim dividends - FY2003	-	-	(23,403)	-	-	-	23,403	-
Issue of ordinary shares	1	161	-	-	-	-	-	162
Balance at 31 December 2002	10,001	305,698	412,184	-	-	-	23,403	751,286

* 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 December 2003, the Company issued 11,273,000 ordinary shares of \$0.01 each at prices ranging from \$0.92 to \$1.65 upon the exercise of options granted under the SGX Share Option Plan (ESOS) and options granted to the former CEO.

As at 31 December 2003, there were 21,169,000 (31 December 2002: 46,984,000) 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			
	Half Year Ended		3 Months Ended	
	1 Jul 2003 to 31 Dec 2003	1 Jul 2002 to 31 Dec 2002	1 Oct 2003 to 31 Dec 2003	1 Oct 2002 to 31 Dec 2002
Earnings per ordinary share for the period based on net profit attributable to shareholders	Cents	Cents	Cents	Cents
(a) Based on weighted average number of ordinary shares in issue	6.04	3.10	2.79	1.24
(b) On a fully diluted basis	5.99	3.10	2.76	1.24
Weighted average number of ordinary shares in issue for basic earnings per share ('000)	1,014,506	1,000,024	1,021,072	1,000,002
Adjustment for assumed conversion of share options ('000)	8,606	792	8,976	622
Weighted average number of ordinary shares for diluted earnings per share ('000)	1,023,112	1,000,816	1,030,048	1,000,624

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 Dec 2003	As at 30 June 2003	As at 31 Dec 2003	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	57.41	79.69	44.69	73.00

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

The Group's business in 1HFY2004 comprised mainly operating a Securities Market and Derivatives Market.

8(a)(i) First Half Financial Highlights - 6 Months ended 31 December 2003 vs 6 Months ended 31 December 2002

Net Profit and Operating Profit

The Group recorded \$61.3 million net profit after tax and minority interests for the current half year ended 31 December 2003, compared to \$31.0 million for the previous corresponding half year ended 31 December 2002. The Group's operating profit for the current half year amounted to \$82.0 million, compared to \$28.6 million for the previous corresponding half year.

Balance Sheet

The Group remained debt-free. Its major assets as at 31 December 2003 included \$374.7 million of cash and cash equivalents, and the SGX Centre premises at net book value of \$163.6 million.

Shareholders' equity for the Group decreased to \$588.5 million as at 31 December 2003 from \$799.3 million as at 30 June 2003. The decrease essentially represented the final and special dividend payment for FY2003 of \$299.7 million, offset by net profit for the current half year of \$61.3 million and additional paid up capital of \$27.7 million upon the exercise of share options.

Cash Flow

The Group had net cash inflow of \$153.2 million for the current half year ended 31 December 2003, compared to \$43.3 million net cash outflow for the previous corresponding half year ended 31 December 2002. The difference of \$196.5 million in net inflow was mainly due to \$337.4 million inflow on liquidation of externally managed funds, \$59.0 million increase in cash inflow from operations, \$32.7 million decrease in cash outflow for property and fixed assets, and \$27.7 million inflow from the exercise of share options in the current half year, offset primarily by \$265.4 increase in dividend payment.

Bank Facilities

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.

Contingent Liabilities

As at 31 December 2003, the Group had contingent liabilities to banks for US\$50 million of unsecured standby letters of credit issued to Chicago Mercantile Exchange. These standby letters of credit provided guarantees as margin for the open positions of our derivatives clearing members, and were in turn supported by the margin funds placed with us by the members.

The Group has provided a standby credit of S\$75 million to the CDP Clearing Fund in accordance with the CDP Clearing Rules. The CDP Clearing Fund will provide resources to enable The Central Depository (Pte) Limited to discharge its obligations and liabilities of defaulting clearing members arising from transactions on approved securities and options.

The Group has extended S\$68.0 million of financial guarantee to its subsidiary, Singapore Exchange Derivatives Clearing Limited (“SGX-DC”), to meet any liabilities, should a derivatives clearing member become insolvent and be unable to pay its full losses to SGX-DC.

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

8(a)(ii) Detailed Financial Analysis – 6 months ended 31 December 2003 vs 6 months ended 31 December 2002

Operating Revenue

The following summarises the major components of the 3 categories of operating revenue:

Revenue Categories	1HFY2004		1HFY2003	
	\$MM	%	\$MM	%
Securities Market Revenue				
• Securities Clearing Fees	76.7		32.5	
• Account Maintenance and Processing Fees	21.7		16.9	
Total	98.4	60	49.4	46
Net Derivatives Clearing Revenue	24.4	15	21.0	20
Stable Revenue				
• Access and Terminal Fees	15.9		15.7	
• Listing and Membership Fees	10.5		7.9	
• Price Information Fees	6.7		6.3	
• Sale of Software and Other Computer Services	3.9		3.9	
• Other Operating Revenue	3.7		3.3	
Total	40.7	25	37.1	34
Total Operating Revenue	163.5	100	107.5	100

The Group generated operating revenue of \$163.5 million for the current half year, compared to \$107.5 million for the previous corresponding half year. The 52.1% increase was mainly due to the increase in securities and derivatives clearing fees, account maintenance and processing fees, and listing and membership fees.

Securities trading value increased 124.5% to \$107.1 billion in the current half year from \$47.7 billion for the previous corresponding half year. Securities clearing fees, as a result, increased by 136.1% to \$76.7 million from \$32.5 million.

Account maintenance and processing fees increased 28.6% to \$21.7 million in the current half year from \$16.9 million for the previous corresponding half year, largely due to higher computer processing and contract charges income.

Derivatives trading volume increased 4.2% to 18.0 million contracts in the current half year from 17.3 million contracts for the previous corresponding half year. The increase was largely due to higher trading volume in Euroyen, Nikkei 225 Stock Index and Taiwan MSCI Index Futures, despite a drop in Eurodollar trading volume. Net derivatives clearing income increased 16.2% to \$24.4 million from \$21.0 million, mainly due to higher income margins for non-Eurodollar derivative contracts.

Access and terminal fees increased 1.3% to \$15.9 million in the current half year from \$15.7 million for the previous corresponding half year, mainly due to higher SGX Access income.

Listing and membership fees increased 31.5% to \$10.5 million in the current half year from \$7.9 million for the previous corresponding half year, primarily due to the increase in annual listing fees on higher fee rates effective March 2003.

Price information fees increased 7.5% to \$6.7 million in the current half year from \$6.3 million for the previous corresponding half year, mainly on higher income from SecuritiesBook, our real-time multi-level market datafeed.

Other operating revenue increased 10.2% to \$3.7 million in the current half year from \$3.3 million for the previous corresponding half year, mainly on higher buying-in brokerage income.

For the current half year, approximately 60% of the Group's operating revenue was Securities Market Revenue, 15% was Net Derivatives Clearing Revenue and 25% was Stable Revenue. These compared to 46%, 20% and 34% respectively for the previous corresponding half year.

Operating Costs

Total operating costs for the Group increased 3.2% to \$81.5 million for the current half year from \$78.9 million for the previous corresponding half year.

Total staff costs increased 3.7% to \$36.3 million in the current half year from \$35.0 million for the previous corresponding half year. The increase essentially reflected the impact of higher bonus provision in the current half year in line with the business performance which offset against the staff cost savings arising from the retrenchment exercise in late FY2003.

The Group had a total headcount of 657 as at 31 December 2003, compared to 747 as at 31 December 2002 (These numbers have excluded Asia Converge Pte Ltd which ceased operations in September 2003).

Occupancy costs decreased 15.1% to \$6.7 million in the current half year from \$7.9 million for the previous corresponding half year, mainly due to the rental rate reduction and lease expiration of some units in OUB Centre and Equity Plaza.

System maintenance and rental expenses decreased 10.2% to \$9.9 million in the current half year from \$11.0 million for the previous corresponding half year, mainly due to decrease in system maintenance expenses.

Depreciation decreased 17.0% to \$9.6 million in the current half year from \$11.6 million for the previous corresponding half year, mainly due to fully depreciated assets in the current half year.

Cost of sales, which mainly comprised cost of account maintenance and contract processing, increased 40.7% to \$5.2 million in the current half year from \$3.7 million for the previous corresponding half year, on higher securities trading volume in the current half year.

Other operating expenses increased 41.7% to \$13.8 million in the current half year from \$9.7 million for the previous corresponding half year, primarily due to provision for office premises reorganisation and the fees paid to MAS for the transfer of participant supervision function.

For the current half year, approximately 30% of the Group's operating costs pertained to IT, compared to 33% for the previous corresponding half year.

Segment and Market Performance

For the current half year ended 31 December 2003, Securities Market generated \$119.3 million of operating revenue and \$90.8 million of segment profit. This compared to \$69.3 million of operating revenue and \$40.4 million of segment profit for the previous corresponding half year.

The number of new listings on SGX increased to 34 in the current half year from 20 in the previous corresponding half year.

Securities Market members decreased to 24 as at 31 December 2003 from 26 as at 31 December 2002, after resignation of 3 clearing members and admission of a non clearing member.

For the current half year, the Derivatives Market generated \$34.6 million of operating revenue and \$15.4 million of segment profit. This compared to \$30.9 million of operating revenue and \$8.6 million of segment profit for the previous corresponding half year.

Derivatives trading volume increased 4.2% to 18.0 million contracts in the current half year from 17.3 million contracts for the previous corresponding half year.

The Euroyen trading volume surged 89.9% to 1.4 million contracts in the current half year, from 0.7 million contracts in the previous corresponding half year. The Nikkei 225 Stock Index trading volume grew 52.4% to 3.9 million contracts in the current half year, from 2.5 million contracts in the previous corresponding half year. MSCI Taiwan Index Futures trading volume grew 19.5% to 2.9 million contracts in the current half year, compared to 2.4 million contracts in the previous corresponding half year. MSCI Singapore Index Futures trading volume increased 43.4% to 563,075 contracts in the current half year, from 392,525 contracts in the previous corresponding half year.

The Eurodollar volume in the current half year decreased 17.7% to 8.7 million contracts from 10.6 million contracts for the previous corresponding half year. The volume represented 48.4% of our total derivatives volume for the current half year, compared to 61.2% for the previous corresponding half year.

Investment Performance

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

Interest from bank deposits amounted to approximately \$1.3 million for both the current and previous corresponding half year.

8(a)(iii) Detailed Financial Analysis – 3 Months ended 31 December 2003 vs 3 Months ended 31 December 2002

Operating Revenue

The following summarises the major components of the 3 categories of operating revenue:

Revenue Categories	2QFY2004		2QFY2003	
	\$MM	%	\$MM	%
Securities Market Revenue				
• Securities Clearing Fees	36.7		13.7	
• Account Maintenance and Processing Fees	10.0		8.1	
Total	46.7	60	21.8	44
Net Derivatives Clearing Revenue	11.4	14	9.3	19
Stable Revenue				
• Access and Terminal Fees	8.0		7.7	
• Listing and Membership Fees	5.0		3.9	
• Price Information Fees	3.3		3.2	
• Sale of Software and Other Computer Services	2.0		1.8	
• Other Operating Revenue	1.8		1.7	
Total	20.1	26	18.3	37
Total Operating Revenue	78.2	100	49.4	100

The Group generated operating revenue of \$78.2 million for 2Q FY2004, compared to \$49.4 million for 2Q FY2003. The 58.5% increase was mainly due to the increase in securities and derivatives clearing fees, account maintenance and processing fees, and listing and membership fees.

Securities trading value increased 152.5% to \$52.2 billion in 2Q FY2004 from \$20.7 billion for 2Q FY2003. Securities clearing fees, as a result, increased by 167.8% to \$36.7 million from \$13.7 million.

Account maintenance and processing fees increased 22.6% to \$10.0 million in 2Q FY2004 from \$8.1 million for 2Q FY2003, largely due to higher computer processing and contract charges income.

Derivatives trading volume increased 12.8% to 8.3 million contracts in 2Q FY2004 from 7.4 million contracts for 2Q FY2003. The increase was largely due to higher trading in Euroyen, Nikkei 225 Stock Index and Taiwan MSCI Index Futures, despite a drop in Eurodollar trading volume. Net derivatives clearing income increased 22.7% to \$11.4 million from \$9.3 million, mainly due to higher income margins for non-Eurodollar derivative contracts.

Access and terminal fees increased 3.3% to \$8.0 million in 2Q FY2004 from \$7.7 million for 2Q FY2003, mainly due to higher SGX Access income.

Listing and membership fees increased 28.8% to \$5.0 million in 2Q FY2004 from \$3.9 million for 2Q FY2003, primarily due to the increase in annual listing fees on higher fee rates effective March 2003.

Price information fees increased 4.8% to \$3.3 million in 2Q FY2004 from \$3.2 million for 2Q FY2003, mainly on higher income from SecuritiesBook, our real-time multi-level market data feed.

Sale of software and other computer services increased 12.6% to \$2.0 million in 2Q FY2004 from \$1.8 million for 2Q FY2003, mainly due to an increase in network connection charges income.

Other operating revenue increased 12.9% to \$1.8 million in 2Q FY2004 from \$1.7 million for 2Q FY2003, mainly on higher buying-in brokerage income.

For 2Q FY2004, approximately 60% of the Group's operating revenue was Securities Market Revenue, 14% was Net Derivatives Clearing Revenue and 26% was Stable Revenue. These compared to 44%, 19% and 37% respectively for 2Q FY2003.

Operating Costs

Total operating costs for the Group increased 9.3% to \$41.9 million for 2Q FY2004 from \$38.4 million for 2Q FY2003.

Total staff costs increased 15.4% to \$18.7 million in 2Q FY2004 from \$16.2 million for 2Q FY2003. The increase essentially reflected the impact of higher bonus provision in 2Q FY2004 in line with the business performance which offset against the staff cost savings arising from the retrenchment exercise in late FY2003.

Occupancy costs decreased 28.9% to \$3.1 million in 2Q FY2004 from \$4.3 million for 2Q FY2003, mainly due to the rental rate reduction and lease expiration of some units in OUB Centre and Equity Plaza.

System maintenance and rental expenses decreased 12.8% to \$4.9 million in 2Q FY2004 from \$5.6 million for 2Q FY2003, mainly due to decrease in system maintenance expenses.

Depreciation decreased 17.3% to \$4.7 million in 2Q FY2004 from \$5.6 million for 2Q FY2003, mainly due to fully depreciated assets in 2Q FY2004.

Cost of sales, which mainly comprised cost of account maintenance and contract processing, increased 32.9% to \$2.5 million in 2Q FY2004 from \$1.8 million for 2Q FY2003, on higher securities trading volume in 2Q FY2004.

Other operating expenses increased 72.2% to \$8.2 million in 2Q FY2004 from \$4.7 million for 2Q FY2003, primarily due to provision for office premises reorganisation and the fees paid to MAS for the transfer of participant supervision function.

For 2Q FY2004, approximately 29% of the Group's operating costs pertained to IT, compared to 31% for 2Q FY2003.

Investment Performance

Interest from bank deposits amounted to approximately \$0.6 million for 2Q FY2004. In 2Q FY2003, the investment income comprised \$0.6 million from bank deposits and \$4.4 million from the investment portfolio managed by the external fund managers, which was liquidated in July 2003.

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**

SGX has performed well in the first half of FY2004 on the back of a rebound in global markets during 2003. Looking forward, while we are encouraged by the early signs of an economic recovery, SGX's sustained performance for the full year of FY2004 will be dependent on, among other things, the continued growth in volume and value of securities and derivatives contracts traded on SGX during this period.

In the past quarter, we have built on the steps taken under the new management team to focus on our customers and the marketplace. The Mutual Offset agreement with Chicago Mercantile Exchange (CME) was extended to February 2007 with provisions for automatic yearly renewals thereafter. We look forward to strengthening this longstanding and mutually beneficial relationship with CME through the introduction of Asian market products on the linkage.

We have recently signed a Memorandum of Understanding with Dow Jones to pioneer the development of exchange traded credit derivatives based on Dow Jones TRAC-X Indexes. We intend to collaborate with other exchanges to develop a global network for the listing and trading of such credit derivatives contracts.

To help retail and institutional investors alike to gain faster, seamless access to trading and hedging opportunities, we are developing the world's first integrated trading engine for securities and derivatives markets. This platform will support a host of new products and sophisticated trading strategies, and will make connectivity between SGX and other markets easier.

The SGX-MAS Research Incentive Scheme, aimed at increasing coverage of SGX stocks and the attractiveness of SGX as a listing venue, has received a strong response as a total of 122 listed companies have signed up and 9 research firms have been approved to participate in the scheme.

There were 34 IPOs in the first half of FY2004 compared to 20 in the previous corresponding half year. SGX continues to attract growth companies, including Chinese listings, in the service and manufacturing sectors as well as in existing consumer sectors like food and beverage. We expect this trend to continue as we seek to match the needs of regional issuers with the needs of our investors.

11 Dividend

(a) Half year ended 31 December 2003

Name of Dividend	Interim
Dividend Type	Cash
Dividend Rate	300.0% per ordinary share less tax
Par Value of Shares	S\$0.01
Tax Rate	22.0%

(b) Half year ended 31 December 2002

Name of Dividend	Interim
Dividend Type	Cash
Dividend Rate	300.0% per ordinary share less tax
Par Value of Shares	S\$0.01
Tax Rate	22.0%

(c) Date Payable

The interim dividend will be paid on 16 February 2004.

(d) Books Closure Date

5.00pm on 4 February 2004.

(e) Any Other Comments Relating to Paragraph 11

The Directors are pleased to announce an interim gross dividend for the half year ended 31 December 2003 of \$0.03 per share, or \$0.0234 per share net of Singapore income tax of 22%.

The Directors expect to declare and pay annual dividends of not less than 50% of the annual net profit after tax and after contribution, if any, to the fidelity funds, or a minimum gross annual dividend of 6.5 cents, whichever is higher, for the foreseeable future. However, the declaration and payment of any dividends, and the timing and amount of any dividends, is subject to the discretion of the Directors. Any future determination by the Directors to pay dividends will be based upon the Group's earnings, cash flow, financial condition and capital requirements and other conditions the Directors deem relevant.

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

Not applicable.

12(a) Group Segment Information for the 6 months ended 31 December 2003

	Securities Market	Derivatives Market	Other Operations	Group
	SS'000	SS'000	SS'000	SS'000
SEGMENT REVENUE				
External revenue	119,283	34,639	9,563	163,485
Inter-segment revenue	120	540	42,343	43,003
	119,403	35,179	51,906	206,488
Less: Consolidation elimination	(120)	(540)	(42,343)	(43,003)
	119,283	34,639	9,563	163,485
RESULTS				
Segment results	90,844	15,359	7,704	113,907
Unallocated costs				(31,918)
Operating profit before tax				81,989
Interest income and other non-operating revenue/(loss)				(1,716)
Share of losses of joint venture	(45)	-	-	(45)
Income taxes				(19,124)
Net profit after tax				61,104
Minority interests				170
Profit attributable to shareholders				61,274
OTHER INFORMATION				
Segment assets	668,932	148,593	6,406	823,931
Unallocated assets				104,713
Consolidated total assets				928,644
Segment liabilities	268,402	9,638	1,189	279,229
Unallocated liabilities				60,360
Consolidated total liabilities				339,589
Capital expenditure				
- Allocated	419	240	51	710
- Unallocated				1,740
				2,450
Depreciation				
- Allocated	2,467	1,600	199	4,266
- Unallocated				5,328
				9,594

12(b) Group Segment Information for the 6 months ended 31 December 2002

	Securities Market	Derivatives Market	Other Operations	Group
	S\$'000	S\$'000	S\$'000	S\$'000
SEGMENT REVENUE				
External revenue	69,303	30,930	7,255	107,488
Inter-segment revenue	1,697	575	40,361	42,633
	71,000	31,505	47,616	150,121
Less: Consolidation elimination	(1,697)	(575)	(40,361)	(42,633)
	69,303	30,930	7,255	107,488
RESULTS				
Segment results	40,425	8,632	4,220	53,277
Unallocated costs				(24,720)
Operating profit before tax				28,557
Interest income and other non-operating revenue				11,685
Share of losses of joint venture	(62)	-	-	(62)
Income taxes				(10,185)
Net profit after tax				29,995
Minority interests				1,017
Profit attributable to shareholders				31,012
OTHER INFORMATION				
Segment assets	474,999	190,969	16,172	682,140
Unallocated assets				291,831
Consolidated total assets				973,971
Segment liabilities	87,231	9,577	5,923	102,731
Unallocated liabilities				37,080
Consolidated total liabilities				139,811
Capital expenditure				
- Allocated	963	1,237	57	2,257
- Unallocated				11,543
				13,800
Depreciation				
- Allocated	4,340	2,518	259	7,117
- Unallocated				4,447
				11,564

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
15 January 2004

The Board of Directors
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Dear Sirs,

**Singapore Exchange Limited and its subsidiaries
Review of the interim financial information
For the second quarter ended 31 December 2003**

We have been engaged by the Company to review the interim financial information for the second quarter ended 31 December 2003.

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 2003, 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, 15 January 2004