

**Financial Statements for the Second Quarter Ended 31 December 2005**

The figures in sections 3 to 10 and 14 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

SGX Group achieved a half year profit of \$82.4 million, a record since SGX went public in 2000, on the back of buoyant market conditions.

The directors are pleased to declare an interim base dividend of 1.5 cents per share on tax exempt one-tier basis. Under the current dividend policy, the directors aim to declare, at a minimum, the higher of 80% of the net profit after tax or 6.0 cents per share, for the financial year.

In our securities market, the daily average trading value increased 35%, from \$629.5 million to \$846.6 million in 1H FY2006 compared to the same period a year ago. As at end 2005, there were 74 listed companies with market capitalization in excess of \$1.0 billion, 10 more than a year ago.

Our derivatives market saw significant growth in both futures and structured warrants business. Futures clearing revenue rose by 59.7% year-on-year, upon 28.4% increase in trading volume to 14.7 million contracts.

Our strategic focus to be an Asian Gateway continues to be strengthened by Singapore's pre-eminent role in the region as a leading global financial centre.

Securities Market

Underscoring our commitment to be an Asian Listing Platform, SGX successfully attracted more than 60% (22) of total IPOs (34) from issuers in the region in 1H FY2006, including companies from Greater China, Korea, South East Asia and Australia. The average funds raised per company increased 74% to \$96.6 million and the average market capitalization per new issuer increased 41% to \$226.5 million compared to 1H FY2005. This positive trend demonstrates our success in attracting larger issuers as well as sectoral diversification.

We have signed a Memorandum of Understanding (MOU) with Zhejiang Provincial Government in China to facilitate listings of Zhejiang enterprises on our exchange. We are negotiating similar agreements with other Chinese provincial governments.

The Global Depository Receipt (GDR) programme is on track to be launched by mid 2006. GDRs offer our investors exposure to shares listed on other stock exchanges and offer alternative access to our capital market.

Derivatives Market

With our strong regulatory infrastructure and diverse exposure to the regional markets, SGX is emerging as a premier risk management centre. Our offering of Asian equity index and interest rate products benefits market participants wishing to trade offshore products efficiently on SGX.

We continue to see strong growth in our derivatives market following the successful electronic migration of our core Asian contracts, namely Nikkei 225 and MSCI Taiwan futures. Our Nikkei futures volume, in particular, benefited from the resurgent Japanese market. In addition, the repricing of our derivatives has lifted derivatives clearing revenue.

Over-the-Counter Clearing and Commodities Market

We aim to leverage our well-established clearing infrastructure to generate additional sources of revenue. The over-the-counter central clearing facility for energy derivatives and forward freight agreements will be launched in the second quarter of 2006. We recently announced the formation of a 50/50 joint venture company with Chicago Board of Trade (CBOT) for developing commodity contracts to be traded on a commodity derivatives market, Joint Asian Derivatives Exchange (JADE). We expect JADE to commence operations by September 2006.

Other Developments

(i) Product Development

We recently signed an agreement with FTSE Group (FTSE) and Yasaar Research on the development of a series of Shariah-compliant indices, under the FTSE-SGX Shariah Index Series. The FTSE-SGX Asia Shariah 100 Index, the first of the series, is expected to be launched in February 2006.

By mid 2006, new functionalities for Euroyen contracts on Quest-DT, our electronic platform for derivatives trading, will be rolled out to facilitate more complex trading strategies. We are also assessing the need to extend trading hours for these products in the future.

We are planning to re-launch Nikkei 225 and MSCI Taiwan options with new features in the first half of 2006, and introduce Single Stock Derivatives to the market by end 2006.

(ii) Partnerships and Linkages

Due to the delay announced by Bursa Malaysia (BM) in its new trading platform, SGX and BM will review the status and announce a new target launch date of the co-trading link once it is determined.

On 23 November 2005, we signed a MOU with The Stock Exchange of Thailand to explore a derivatives trading link.

(iii) IT Infrastructure

Quest-ST is expected to go live by mid 2006. The ongoing development of our back-end open access will allow market participants to complete transactions more expediently via straight-through-processing in future.

We have outsourced our Data Centre and IT infrastructure to Hewlett-Packard Singapore. The outsourcing arrangement will commence in mid-February 2006.

2. Financial Highlights - Group

2Q				Half Year			Key Variances	
***	FY 2006	FY 2005		***	FY 2006	FY 2005		
			Key Results (in S\$ million)					
↑	40.1	35.3	Securities market revenue	↑	89.6	70.6	<i>15.4% and 32.4% increase in securities trading value in 2Q FY2006 and 1H FY2006 respectively. 47.5% and 28.4% increase in futures trading volume in 2Q FY2006 and 1H FY2006 respectively and significant growth in structured warrants activity.</i>	
↑	23.2	11.2	Net derivatives clearing revenue	↑	41.0	23.2		
↑	24.1	19.4	Stable revenue	↑	47.1	38.6		
↑	87.4	65.9	Operating revenue	↑	177.7	132.4		
↑	43.2	34.1	Operating expenses	↑	79.4	70.2		
↑	44.2	31.8	Operating profit	↑	98.3	62.2		
↑	2.6	1.7	Net non-operating revenue/(loss)	↑	5.3	2.2		<i>Improvement in performance of the managed funds.</i>
↑	46.8	33.5	Profit before tax	↑	103.6	64.4		
↑	37.0	26.0	Profit attributable to Shareholders	↑	82.4	50.2		
↑	50.4	37.4	EBITDA	↑	110.7	72.3		
↓	485.0	610.9	Shareholders' equity as at 31 December 2005 and 31 December 2004 (in S\$ million)	↓	485.0	610.9		
			Segment Revenue (in S\$ million)					
↑	56.8	47.4	Securities market	↑	121.9	95.4	<i>Increase in securities trading value. Significant increase in futures and structured warrants activity.</i>	
↑	29.4	17.4	Derivatives market	↑	53.2	34.9		
↑	1.2	1.1	Other operations	↑	2.6	2.1		
			Key ratios					
↑	32.5%	(15.7%)	Revenue growth	↑	34.1%	(19.0%)	<i>Improvement in all three revenue categories.</i>	
↓	49.5%	51.8%	Cost to income ratio	↓	44.7%	53.0%		
↑	50.5%	48.2%	Operating profit margin	↑	55.3%	47.0%		
↑	41.2%	38.5%	Net profit margin	↑	45.0%	37.3%		
↑	30.6%	17.0%	Return on shareholders' equity (annualised)	↑	34.0%	16.4%		

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

2. Financial Highlights - Group (cont'd)

2Q				Half Year			Key Variances
***	FY 2006	FY 2005		***	FY 2006	FY 2005	
			Key cash flows (in S\$ million)				
↑	(20.6)	(65.0)	Cash from operating activities	↑	18.3	(55.4)	Special dividends paid in 2Q FY2005 and 1H FY2005.
↑	4.0	1.8	Payment for capital expenditure	↑	6.9	3.4	
			Key per share data (in cents)				
↑	3.55	2.52	Basic earnings per ordinary share	↑	7.90	4.87	
↑	3.51	2.51	Diluted earnings per ordinary share	↑	7.82	4.85	
↓	46.49	59.05	Net asset value per ordinary share as at 31 December 2005 and 31 December 2004	↓	42.00	59.05	
			Net dividend per share (in cents)				
	1.50	2.80	Interim - base		1.50	2.80	

*** ↑ and ↓ 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 2005 to 31 Dec 2005	1 Oct 2004 to 31 Dec 2004	Change		1 Jul 2005 to 31 Dec 2005	1 Jul 2004 to 31 Dec 2004	Change
S\$'000	S\$'000	%		S\$'000	S\$'000	%
			Securities market revenue			
26,172	23,464	11.5	- Securities clearing fees	58,395	47,589	22.7
6,911	5,847	18.2	- Securities related processing fees	15,065	11,606	29.8
7,032	5,962	17.9	- Access fees	16,183	11,359	42.5
23,213	11,197	107.3	Net derivatives clearing revenue	41,039	23,242	76.6
			Stable revenue *			
4,996	4,212	18.6	- Account maintenance and corporate action fees	10,640	9,203	15.6
3,120	2,633	18.5	- Terminal and connection fees	6,303	5,094	23.7
7,799	5,560	40.3	- Listing and membership fees	13,939	11,005	26.7
4,359	4,061	7.3	- Price information fees	8,721	7,598	14.8
1,761	1,541	14.3	- Sale of software and other computer services	3,784	2,898	30.6
2,027	1,462	38.6	- Other operating revenue	3,586	2,847	26.0
87,390	65,939	32.5	Total operating revenue	177,655	132,441	34.1
			Operating expenses			
12,808	12,740	0.5	- Staff costs	24,380	25,498	(4.4)
8,663	3,708	133.6	- Variable bonus (including CPF)	14,423	7,427	94.2
3,598	3,511	2.5	- Occupancy costs	6,999	6,972	0.4
4,879	3,412	43.0	- System maintenance and rental	9,237	7,996	15.5
3,592	3,916	(8.3)	- Depreciation and amortisation	7,011	7,952	(11.8)
3,375	1,301	159.4	- Professional charges	5,772	2,694	114.3
1,365	755	80.8	- Marketing and travelling	1,855	2,086	(11.1)
685	780	(12.2)	- Communication charges	1,265	1,489	(15.0)
575	575	-	- Fees to MAS for transfer of participant supervision function	1,150	1,150	-
(101)	(316)	(68.0)	- Allowance for doubtful debts and bad debts written off	(87)	(271)	(67.9)
(799)	(820)	(2.6)	- Provision for surplus leased premises	(1,619)	(1,220)	32.7
78	198	(60.6)	- Net foreign exchange loss/(gain)	35	267	(86.9)
11	23	(52.2)	- Loss/(gain) on disposal of property, plant and equipment	8	22	(63.6)
3,113	3,235	(3.8)	- Direct cost for processing and royalties	6,451	6,015	7.2
38	-	NM	- Finance charges	87	-	NM
1,342	1,116	20.3	- Other operating expenses	2,409	2,143	12.4
43,222	34,134	26.6	Total operating expenses	79,376	70,220	13.0
44,168	31,805	38.9	Profit/(Loss) from operating activities	98,279	62,221	58.0
			Net non-operating revenue/(loss)			
2,347	1,079	117.5	- Investment income/(loss)	4,828	960	402.9
279	594	(53.0)	- Other revenue including interest income	457	1,191	(61.6)
46,794	33,478	39.8	Profit/(Loss) before tax	103,564	64,372	60.9
(6)	(14)	(57.1)	Share of results of joint venture	(14)	(15)	(6.7)
(9,741)	(7,465)	30.5	Tax	(21,177)	(14,166)	49.5
37,047	25,999	42.5	Profit/(Loss) after tax	82,373	50,191	64.1
			Attributable to:			
37,047	25,999	42.5	Shareholders of the Company	82,373	50,191	64.1
-	1	(100.0)	Minority interests	-	7	(100.0)
37,047	26,000	42.5		82,373	50,198	64.1

NM: Not meaningful.

* Stable revenue is revenue that is considered less volatile.

4. Earnings Per Share - Group

3 Months			Half Year	
1 Oct 2005 to 31 Dec 2005	1 Oct 2004 to 31 Dec 2004		1 Jul 2005 to 31 Dec 2005	1 Jul 2004 to 31 Dec 2004
Cents	Cents	Earnings per ordinary share for the period based on net profit attributable to shareholders	Cents	Cents
3.55	2.52	(a) Based on weighted average number of ordinary shares in issue	7.90	4.87
3.51	2.51	(b) On a fully diluted basis	7.82	4.85
1,043,050	1,032,445	Weighted average number of ordinary shares in issue for basic earnings per share ('000)	1,042,579	1,031,130
11,682	4,888	Adjustment for assumed exercise of share options ('000)	10,250	4,845
1,054,732	1,037,333	Weighted average number of ordinary shares for diluted earnings per share ('000)	1,052,829	1,035,975

5. Statement of Profit and Loss - Company

3 months				Half Year		
1 Oct 2005 to 31 Dec 2005	1 Oct 2004 to 31 Dec 2004	Change		1 Jul 2005 to 31 Dec 2005	1 Jul 2004 to 31 Dec 2004	Change
S\$'000	S\$'000	%		S\$'000	S\$'000	%
			Operating revenue			
22,957	15,350	49.6	- Management fees from subsidiaries	40,599	32,789	23.8
40,125	50,000	(19.8)	- Gross dividends from subsidiaries	83,375	100,000	(16.6)
			Securities market revenue			
1,546	1,480	4.5	- Securities related processing income	3,338	2,847	17.2
			Stable revenue *			
221	181	22.1	- Account maintenance and corporate action fees	474	366	29.5
475	458	3.7	- Sale of software and other computer services	1,056	919	14.9
768	484	58.7	- Other operating revenue	1,415	1,034	36.8
66,092	67,953	(2.7)	Total operating revenue	130,257	137,955	(5.6)
			Operating expenses			
9,085	8,688	4.6	- Staff costs	17,162	17,153	0.1
6,821	2,366	188.3	- Variable bonus (including CPF)	11,128	4,739	134.8
2,387	2,371	0.7	- Occupancy costs	4,690	4,675	0.3
1,175	1,159	1.4	- System maintenance and rental	2,604	1,636	59.2
1,766	1,974	(10.5)	- Depreciation and amortisation	3,468	4,145	(16.3)
1,350	449	200.7	- Professional charges	2,329	1,607	44.9
547	(71)	NM	- Marketing and travelling	791	1,097	(27.9)
405	307	31.9	- Communication charges	767	746	2.8
575	575	-	- Fees to MAS for transfer of participant supervision function	1,150	1,150	-
-	-	-	- Allowance for doubtful debts and bad debts written off	-	73	(100.0)
(639)	(655)	(2.4)	- Provision for surplus leased premises	(1,299)	(890)	46.0
5	1	400.0	- Net foreign exchange loss/(gain)	(5)	2	NM
-	23	(100.0)	- Loss/(gain) on disposal of property, plant and equipment	1	21	(95.2)
338	334	1.2	- Direct cost for processing and royalties	694	710	(2.3)
-	-	-	- Finance charges	1	-	NM
1,308	976	34.0	- Other operating expenses	2,126	1,827	16.4
25,123	18,497	35.8	Total operating expenses	45,607	38,691	17.9
40,969	49,456	(17.2)	Profit/(Loss) from operating activities	84,650	99,264	(14.7)
			Net non-operating revenue/(loss)			
2,040	7,778	(73.8)	- Other revenue including interest income	953	7,811	(87.8)
43,009	57,234	(24.9)	Profit/(Loss) before tax	85,603	107,075	(20.1)
(4,489)	(10,692)	(58.0)	Tax	(13,409)	(21,056)	(36.3)
38,520	46,542	(17.2)	Profit/(Loss) attributable to shareholders of the company	72,194	86,019	(16.1)

NM: Not meaningful.

* Stable revenue is revenue that is considered less volatile.

6. Balance Sheets - Group and Company

Group			Company	
As at 31 Dec 2005	As at 30 Jun 2005		As at 31 Dec 2005	As at 30 Jun 2005
S\$'000	S\$'000		S\$'000	S\$'000
		Current assets		
134,629	117,882	Cash and cash equivalents	33,570	6,353
219,094	490,763	Trade and other debtors	4,542	3,349
37,092	36,201	Securities clearing funds	-	-
145,959	152,236	Other financial assets at fair value through profit or loss	-	-
536,774	797,082		38,112	9,702
		Non-current assets		
205,589	209,229	Property, plant and equipment	26,378	29,365
24,083	19,485	Computer software	1,687	1,556
582	582	Club memberships	582	582
-	-	Investments in subsidiaries	581,381	581,381
5,163	177	Investment in joint venture	-	-
-	2,287	Deferred tax assets	-	-
235,417	231,760		610,028	612,884
772,191	1,028,842	Total assets	648,140	622,586
		Current liabilities		
205,639	491,797	Trade and other creditors	184,859	173,890
15,652	-	Dividends Payable	15,652	-
12,092	11,201	Securities clearing members' contributions to clearing funds	-	-
5,690	8,144	Provisions	1,931	3,762
2,497	2,004	Finance lease liabilities	-	-
41,873	37,050	Taxation	7,221	6,688
283,443	550,196		209,663	184,340
		Non-current liabilities		
2,453	2,778	Finance lease liabilities	-	-
1,251	1,299	Deferred tax liabilities	290	355
3,704	4,077		290	355
287,147	554,273	Total liabilities	209,953	184,695
485,044	474,569	Net assets	438,187	437,891
		Share capital and reserves		
10,434	10,421	Share capital	10,434	10,421
354,643	353,012	Share premium	354,643	353,012
85,676	34,633	Retained profits	63,819	22,955
25,000	25,000	Securities clearing fund reserve	-	-
9,291	6,694	Share-based compensation reserve	9,291	6,694
-	44,809	Proposed dividends	-	44,809
485,044	474,569	Interest of shareholders of the Company	438,187	437,891
485,044	474,569	Total equity	438,187	437,891

7. Net Asset Value - Group and Company

Group			Company	
As at 31 Dec 2005	As at 30 Jun 2005		As at 31 Dec 2005	As at 30 Jun 2005
Cents	Cents		Cents	Cents
46.49	45.54	Net asset value per ordinary share based on issued share capital as at the end of the reporting period	42.00	42.02

8. Borrowings and Debt Securities - Group

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

As at 31 Dec 2005			As at 30 Jun 2005	
Secured	Unsecured		Secured	Unsecured
S\$'000	S\$'000		S\$'000	S\$'000
Nil	2,497	Amount repayable in one year or less, or on demand	Nil	2,004
Nil	2,453	Amount repayable after one year	Nil	2,778

(b) Details of any collaterals

None.

9. Statement of Cash Flow - Group

3 Months Ended			Half Year Ended	
31 Dec 2005	31 Dec 2004		31 Dec 2005	31 Dec 2004
S\$'000	S\$'000		S\$'000	S\$'000
		Cash flows from operating activities		
46,794	33,478	Profit before tax and share of results of joint venture	103,564	64,372
		Adjustments for:		
3,592	3,916	Depreciation and amortisation	7,011	7,952
(3,707)	(1,096)	Loss/(gain) on investments	(6,607)	(949)
1,358	-	Loss on disposal of investment	1,777	-
11	23	Loss/(gain) on disposal of property, plant and equipment	8	22
(799)	(820)	Provision for surplus leased premises	(1,619)	(1,220)
38	-	Finance charges	87	-
1,549	1,274	Share-based compensation expense	2,597	2,214
(974)	(920)	Interest income	(1,782)	(1,731)
47,862	35,855	Operating cash flow before working capital change	105,036	70,660
		Change in operating assets and liabilities		
76,464	350,021	Trade and other receivables	274,889	60,904
(70,652)	(345,784)	Trade and other payables	(287,027)	(77,293)
53,674	40,092	Cash generated from operations	92,898	54,271
(13,768)	(17,916)	Income tax paid	(14,115)	(22,479)
(60,487)	(87,221)	Dividends paid	(60,487)	(87,221)
(20,581)	(65,045)	Net cash provided by/(used in) operating activities	18,296	(55,429)
		Cash flows from investing activities		
(4,017)	(1,802)	Payments for property, plant and equipment and software	(6,917)	(3,416)
54	149	Proceeds from disposal of property, plant & equipment and software	141	150
18,425	-	Proceeds from sale/redemption of investments	47,472	-
(10,371)	-	Investment in managed funds	(39,275)	(154,661)
774	975	Interest received	1,472	1,549
(5,000)	-	Investment in joint venture	(5,000)	-
-	(565)	Acquisition of subsidiary	-	(565)
(135)	(1,243)	Net cash used in investing activities	(2,107)	(156,943)
		Cash flows from financing activities		
775	3,466	Net proceeds from issue of ordinary shares	1,644	5,022
-	99	Receipt from FSDF	-	99
(568)	-	Repayment of lease liabilities	(999)	-
(38)	-	Finance charges	(87)	-
169	3,565	Net cash provided by financing activities	558	5,121
(20,547)	(62,723)	Net increase/(decrease) in cash and cash equivalents held	16,747	(207,251)
155,176	307,723	Cash and cash equivalents at the beginning of the period	117,882	452,251
134,629	245,000	Cash and cash equivalents at the end of the period	134,629	245,000

10(a). 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 based compensation reserve*	Proposed dividends	Total		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
(i) Consolidated - 2Q FY2006										
Balance at 1 October 2005										
- As previously reported	10,427	353,875	64,287	25,000	-	7,742	-	461,331	-	461,331
Net profit for the financial period	-	-	37,047	-	-	-	-	37,047	-	37,047
Total recognised gains for the financial period	-	-	37,047	-	-	-	-	37,047	-	37,047
Dividends paid										
Under-provision of interim base dividends - 1Q FY2006	-	-	(6)	-	-	-	-	(6)	-	(6)
Dividend payable										
Interim base dividends - 2Q FY2006	-	-	(15,652)	-	-	-	-	(15,652)	-	(15,652)
Issue of ordinary shares	7	768	-	-	-	-	-	775	-	775
Share-based compensation expense	-	-	-	-	-	1,549	-	1,549	-	1,549
Balance at 31 December 2005	10,434	354,643	85,676	25,000	-	9,291	-	485,044	-	485,044
(ii) Consolidated - 2Q FY2005										
Balance at 1 October 2004										
- As previously reported - Restated	10,310	342,384	199,077	25,000	602	2,538	-	579,911	564	580,475
Currency exchange loss	-	-	-	-	250	-	-	250	-	250
Transfer to income statement	-	-	43	-	(43)	-	-	-	-	-
Net profit for the financial period	-	-	25,957	-	-	-	-	25,957	(564)	25,393
Total recognised gains for the financial period	-	-	26,000	-	207	-	-	26,207	(564)	25,643
Dividends paid										
Interim dividends - FY2005	-	-	(28,967)	-	-	-	28,967	-	-	-
Issue of ordinary shares	35	3,431	-	-	-	-	-	3,466	-	3,466
Share-based compensation expense	-	-	-	-	-	1,274	-	1,274	-	1,274
Balance at 31 December 2004 - Restated	10,345	345,815	196,110	25,000	809	3,812	28,967	610,858	-	610,858
(iii) Company - 2Q FY2006										
Balance at 1 October 2005										
- As previously reported	10,427	353,875	40,957	-	-	7,742	-	413,001	-	413,001
Total recognised gains for the financial period - net profit	-	-	38,520	-	-	-	-	38,520	-	38,520
Dividends paid										
Under-provision of interim base dividends - 1Q FY2006	-	-	(6)	-	-	-	-	(6)	-	(6)
Dividend payable										
Interim base dividends - 2Q FY2006	-	-	(15,652)	-	-	-	-	(15,652)	-	(15,652)
Issue of ordinary shares	7	768	-	-	-	-	-	775	-	775
Share-based compensation expense	-	-	-	-	-	1,549	-	1,549	-	1,549
Balance at 31 December 2005	10,434	354,643	63,819	-	-	9,291	-	438,187	-	438,187
(iv) Company - 2Q FY2005										
Balance at 1 October 2004										
- As previously reported - Restated	10,310	342,384	41,092	-	-	2,538	-	396,324	-	396,324
Total recognised gains for the financial period - net profit	-	-	46,542	-	-	-	-	46,542	-	46,542
Dividends paid										
Interim dividends - FY2005	-	-	(28,967)	-	-	-	28,967	-	-	-
Issue of ordinary shares	35	3,431	-	-	-	-	-	3,466	-	3,466
Share-based compensation expense	-	-	-	-	-	1,274	-	1,274	-	1,274
Balance at 31 December 2004 - Restated	10,345	345,815	58,667	-	-	3,812	28,967	447,606	-	447,606

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

10 (b). 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 based compensation reserve*	Proposed dividends	Total		
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000		
(v) Consolidated - Half Year 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	-	-	82,373	-	-	-	-	82,373	-	82,373
Total recognised gains for the financial period	-	-	82,373	-	-	-	-	82,373	-	82,373
Dividends paid										
Final base and variable dividends - FY2005	-	-	-	-	-	-	(44,839)	(44,839)	-	(44,839)
Under-provision of final & special dividends - FY2005	-	-	(30)	-	-	-	30	-	-	-
Interim base dividends - 1Q FY2006	-	-	(15,642)	-	-	-	-	(15,642)	-	(15,642)
Under-provision of interim base dividends - 1Q FY2006	-	-	(6)	-	-	-	-	(6)	-	(6)
Dividend payable										
Interim base dividends - 2Q FY2006	-	-	(15,652)	-	-	-	-	(15,652)	-	(15,652)
Issue of ordinary shares	13	1,631	-	-	-	-	-	1,644	-	1,644
Share-based compensation expense	-	-	-	-	-	2,597	-	2,597	-	2,597
Balance at 31 December 2005	10,434	354,643	85,676	25,000	-	9,291	-	485,044	-	485,044
(vi) Consolidated - Half Year 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	-	-	-	-	241	-	-	241	-	241
Transfer to income statement	-	-	44	-	(44)	-	-	-	-	-
Net profit for the financial period	-	-	50,154	-	-	-	-	50,154	(570)	49,584
Total recognised gains/(losses) for the financial period	-	-	50,198	-	197	-	-	50,395	(570)	49,825
Dividends paid										
Final and special dividends - FY2004	-	-	-	-	-	-	(87,221)	(87,221)	-	(87,221)
Under-provision of final and special dividends - FY2004	-	-	(132)	-	-	-	132	-	-	-
Interim dividends - FY2005	-	-	(28,967)	-	-	-	28,967	-	-	-
Issue of ordinary shares	51	4,971	-	-	-	-	-	5,022	-	5,022
Share-based compensation expense	-	-	-	-	-	2,214	-	2,214	-	2,214
Balance at 31 December 2004 - Restated	10,345	345,815	196,110	25,000	809	3,812	28,967	610,858	-	610,858
(vii) Company - Half Year 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	-	-	72,194	-	-	-	-	72,194	-	72,194
Dividends paid										
Final base and variable dividends - FY2005	-	-	-	-	-	-	(44,839)	(44,839)	-	(44,839)
Under-provision of final & special dividends - FY2005	-	-	(30)	-	-	-	30	-	-	-
Interim base dividends - 1Q FY2006	-	-	(15,642)	-	-	-	-	(15,642)	-	(15,642)
Under-provision of interim base dividends - 1Q FY2006	-	-	(6)	-	-	-	-	(6)	-	(6)
Dividend payable										
Interim base dividends - 2Q FY2006	-	-	(15,652)	-	-	-	-	(15,652)	-	(15,652)
Issue of ordinary shares	13	1,631	-	-	-	-	-	1,644	-	1,644
Share-based compensation expense	-	-	-	-	-	2,597	-	2,597	-	2,597
Balance at 31 December 2005	10,434	354,643	63,819	-	-	9,291	-	438,187	-	438,187
(viii) Company - Half Year 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	-	-	86,019	-	-	-	-	86,019	-	86,019
Dividends paid										
Final and special dividends - FY2004	-	-	-	-	-	-	(87,221)	(87,221)	-	(87,221)
Under-provision of final and special dividends - FY2004	-	-	(132)	-	-	-	132	-	-	-
Interim base dividends - FY2005	-	-	(28,967)	-	-	-	28,967	-	-	-
Issue of ordinary shares	51	4,971	-	-	-	-	-	5,022	-	5,022
Share-based compensation expense	-	-	-	-	-	2,214	-	2,214	-	2,214
Balance at 31 December 2004 - Restated	10,345	345,815	58,667	-	-	3,812	28,967	447,606	-	447,606

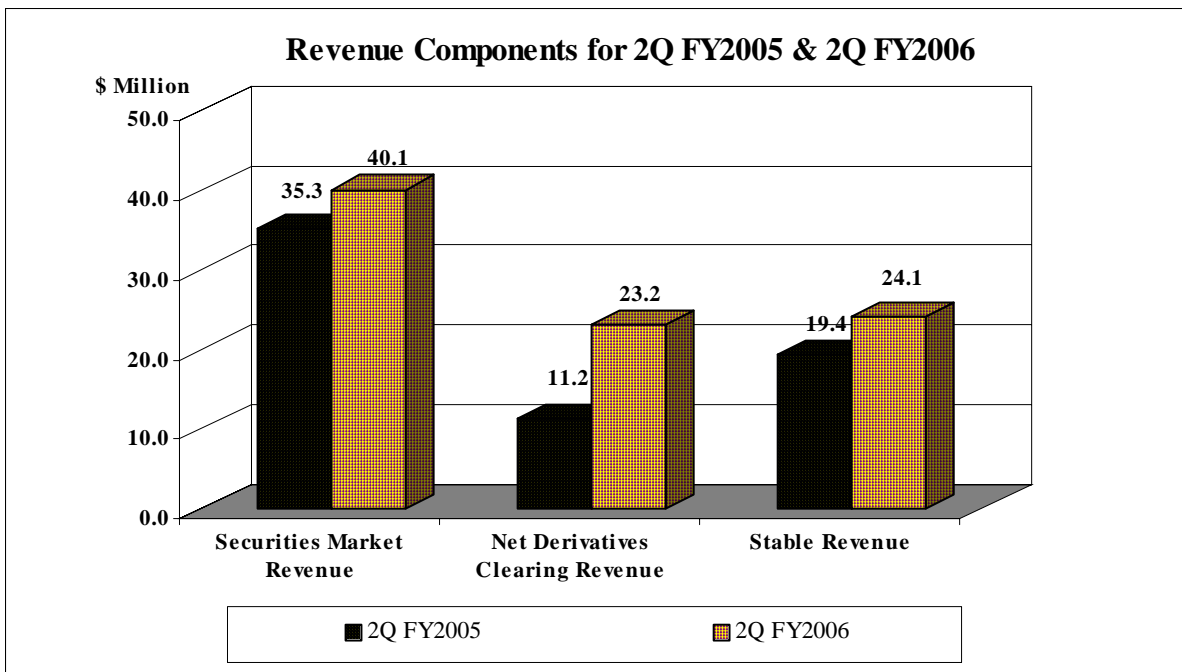
11 Review of the Performance of SGX Group

(i) *2Q FY2006 Financial Highlights*

SGX Group recorded \$37.0 million net profit after tax and minority interests for the current quarter ended 31 December 2005, compared to \$26.0 million for the previous corresponding quarter ended 31 December 2004. Operating profit for the current quarter rose 38.9% to \$44.2 million, compared to \$31.8 million for the previous corresponding quarter.

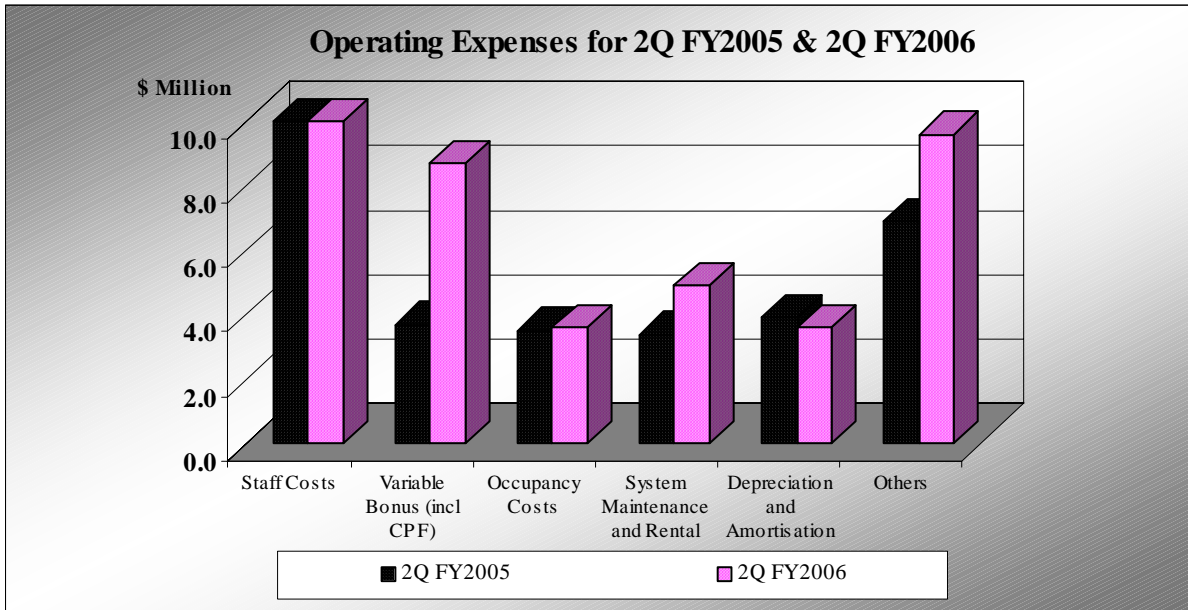
Revenue

The Group's revenue grew 32.5% to \$87.4 million from \$65.9 million, with improvement in all three revenue categories, i.e. Securities Market Revenue, Net Derivatives Clearing Revenue and Stable Revenue, as follows:



Expenses

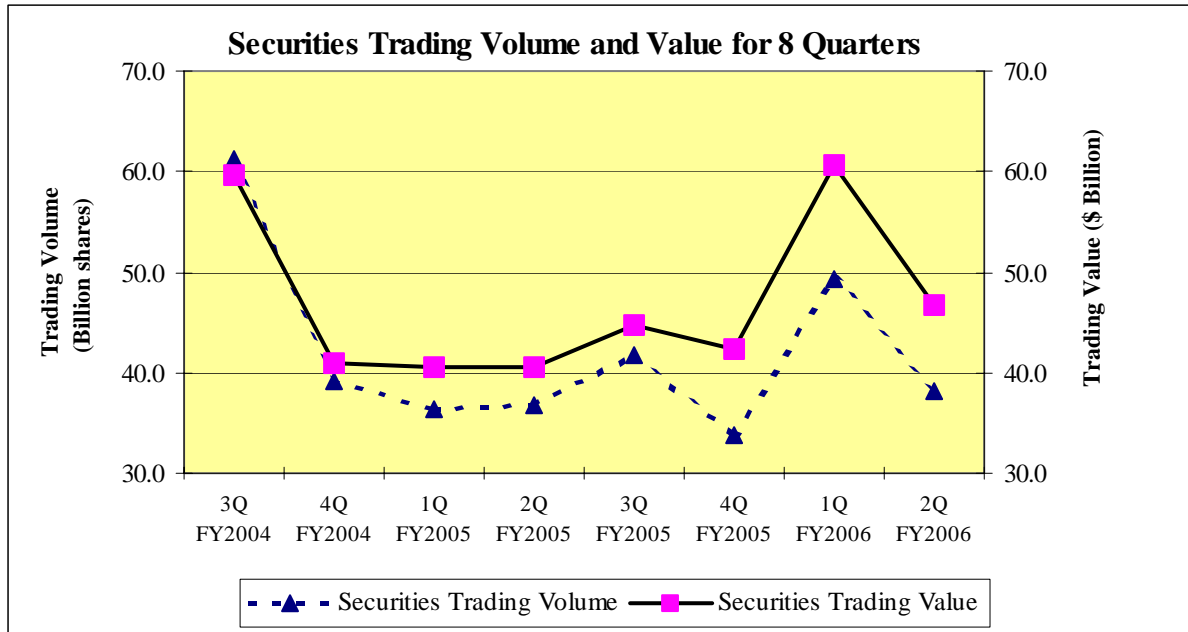
Operating expenses for 2Q FY2006 increased 26.6% to \$43.2 million from \$34.1 million, largely due to increase in variable bonus provision and professional charges relating to various projects and initiatives. The following chart highlights the major expenses for these two periods:



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	2Q FY2006	2Q FY2005	Change
Clearing fees (\$ million)	26.2	23.5	11.5%
Trading value (\$ billion)	46.8	40.6	15.4%
Trading volume (billion shares)	38.1	36.7	3.9%
Number of IPOs, including Foreign IPOs	20	30	(10)
	14	19	(5)
Number of Securities Market members as at quarter end	26	24	2



Derivatives Market

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

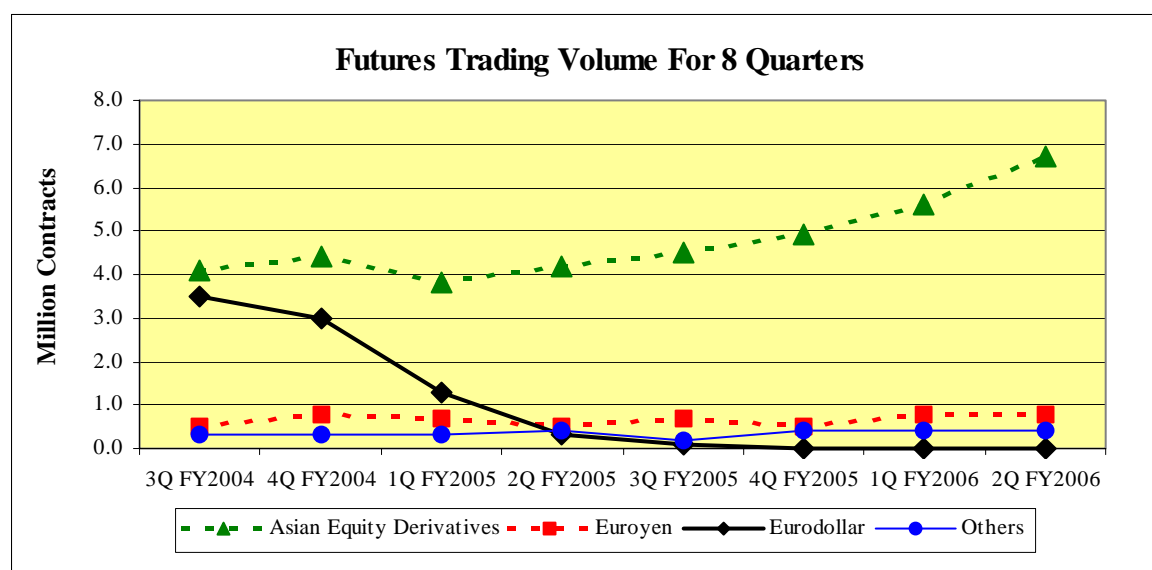
Net Derivatives Clearing Revenue	2Q FY2006 (\$ million)	2Q FY2005 (\$ million)	Change (%)
Futures Clearing Revenue	20.6	10.3	100.8
Structured Warrants Clearing Revenue	2.6	0.9	178.1
Total	23.2	11.2	107.3

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	2Q FY2006	2Q FY2005	Change (%)	% of Total Volume	
				2Q FY2006	2Q FY2005
Clearing Revenue (\$ million)	20.6	10.3	100.8		
Trading volume (million contracts)					
• Asian Equity Derivatives	6.7	4.3	59.7	85.2	78.7
- Nikkei 225 Stock Index	4.0	2.0	108.6	51.4	36.3
- MSCI Taiwan Index	2.3	1.9	22.6	28.6	34.5
- MSCI Singapore Index	0.4	0.4	(3.1)	5.2	7.9
• Euroyen	0.8	0.5	48.7	9.7	9.6
• Eurodollar	0.0	0.3	(98.9)	0.0	6.5
• Others	0.4	0.3	43.2	5.1	5.2
Total	7.9	5.4	47.5	100.0	100.0

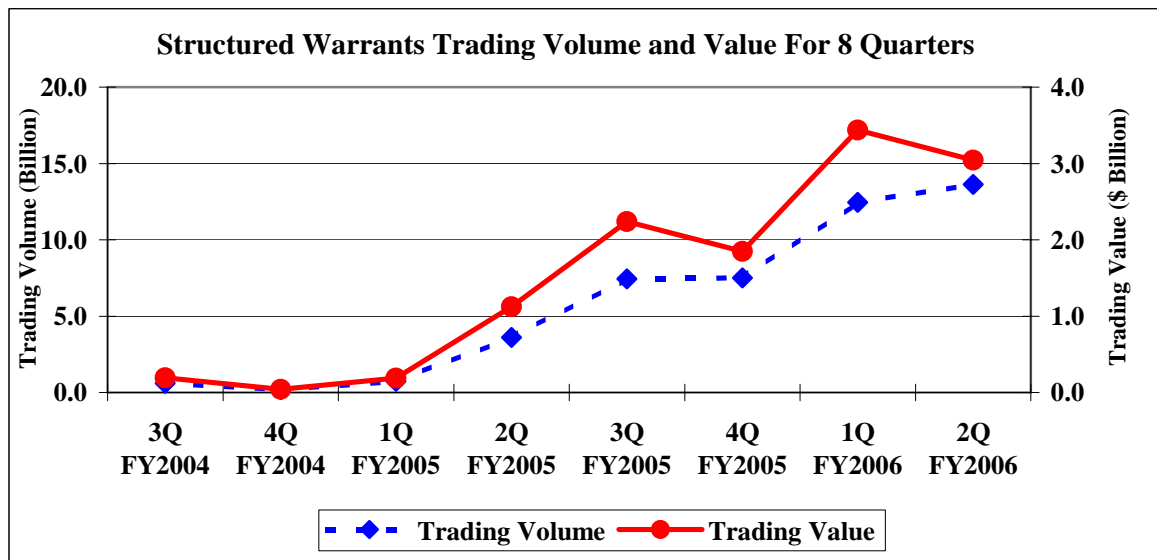
Number of Futures members	As at 31 December 2005	As at 31 December 2004	Change
Local	508	570	(62)
Corporate	58	54	4
Total	566	624	(58)



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	2Q FY2006	2Q FY2005	Change
Clearing Revenue (\$ million)	2.6	0.9	178.1%
Trading value (\$ billion)	3.0	1.1	171.1%
Trading volume (billion units)	13.6	3.6	278.4%
Number of new issues	159	100	59



(ii) **Financial Summary - 3 months ended 31 December 2005 vs 3 months ended 31 December 2004**

Securities Market Revenue

Securities Clearing Fees

- Securities clearing fees increased 11.5% on 15.4% growth in securities trading value and 3.9% increase in trading volume.

Securities Related Processing Fees

- The 18.2% increase was mainly attributable to higher securities transfer fees on higher market turnover.

Access Fees

- The income grew by 17.9% on higher turnover traded via SGX Access.

Net Derivatives Clearing Revenue

- The 107.3% increase in clearing revenue was mainly attributable to increase in structured warrants activity, higher futures trading volume and repricing of clearing fees.

Stable Revenue

Account Maintenance & Corporate Action Fees

- Higher structured warrants processing income contributed to the 18.6% improvement.

Terminal & Connection Fees

- The 18.5% increase was mainly due to increase in income from forced order charges.

Listing and Membership Fees

- Listing fees and listing processing fees accounted for bulk of the increase.

Other Operating Revenue

- The 38.6% increase was mainly attributable to higher interest on securities trust accounts.

Operating Expenses

Variable Bonus (including CPF)

- Higher bonus provision was made in 2Q FY2006 in view of the year-on-year improvement in business performance.

System Maintenance and Rental

- The 43.0% increase mainly comprises the new maintenance and support cost for network equipment via outsourcing and upkeep of Quest-DT.

Depreciation and Amortisation

- Fully depreciated assets contributed to this 8.3% improvement.

Professional Charges

- The 159.4% rise reflected the increase in consultancy fees for various projects and initiatives in 2Q FY2006.

Marketing and Travelling

- The 80.8% increase was mainly due to a reversal of accrual for advertising expenses in 2Q FY2005.

Investment Performance

Investment Income/(Loss)

- The gain of the managed fund portfolio before hedging costs is \$1.0 million higher in 2Q FY2006.

Other Revenue including Interest Income

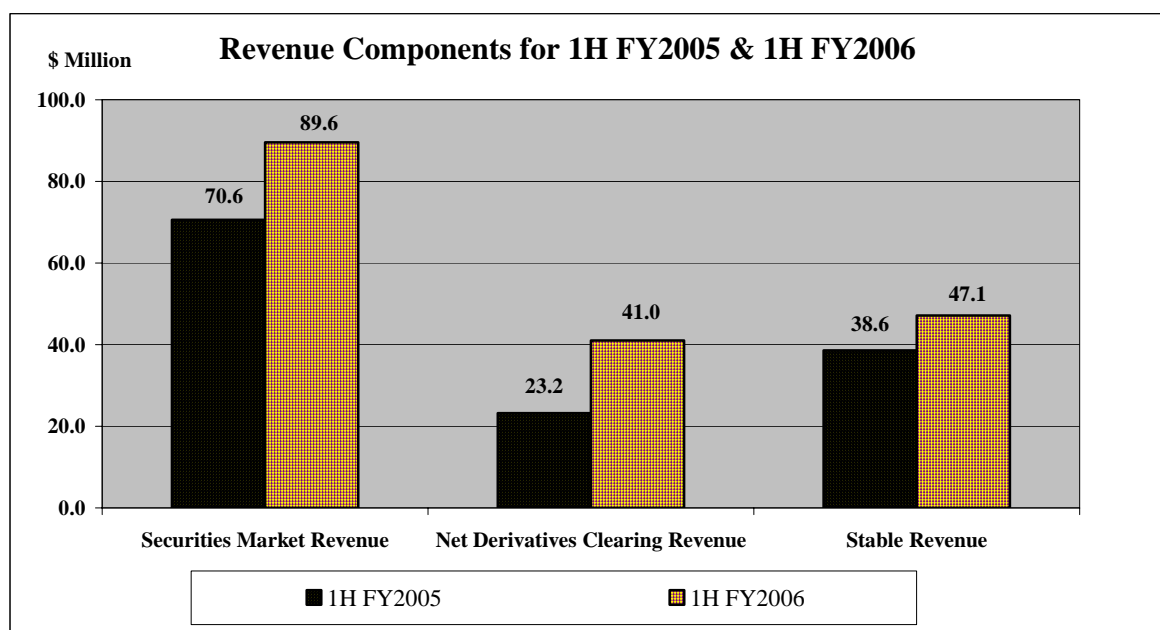
- Hedging cost for the managed fund portfolio is \$0.4 million higher in 2Q FY2006.

(iii) 1H FY2006 Financial Highlights

SGX Group achieved \$82.4 million net profit after tax and minority interests for the current half year ended 31 December 2005, compared to \$50.2 million for the previous corresponding half year ended 31 December 2004. Operating profit for the current half year amounted to \$98.3 million, compared to \$62.2 million for the previous corresponding half year.

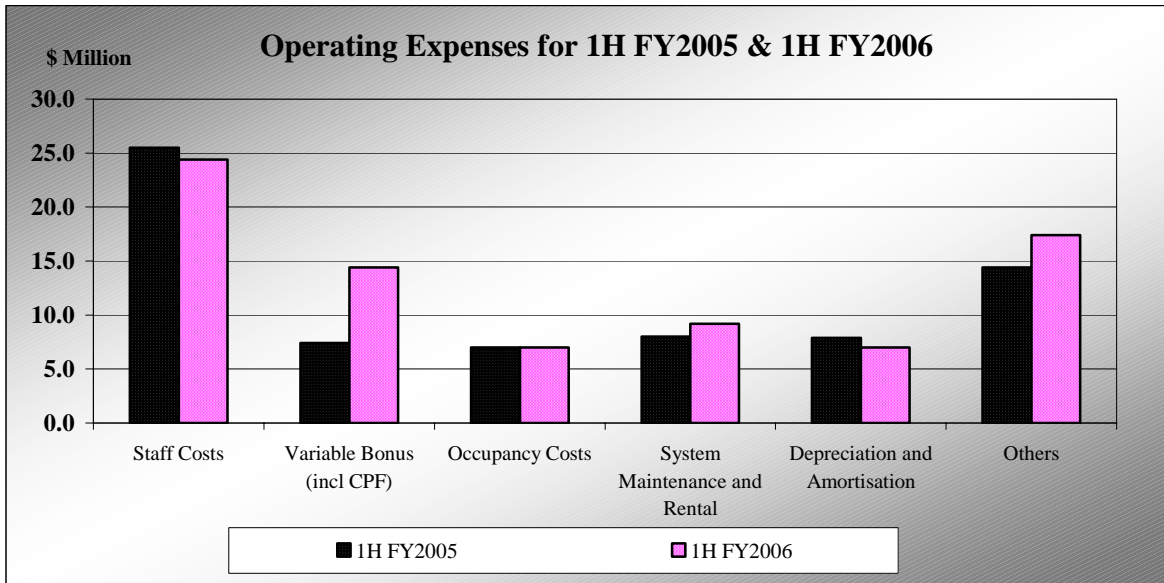
Revenue

The Group's revenue increased 34.1% to \$177.7 million from \$132.4 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 1H FY2006 increased 13.0% to \$79.4 million from \$70.2 million. The increase was mainly due to increase in variable bonus provision and professional charges relating to various projects and initiatives. The following chart highlights the major expenses for these two periods:



Securities Market

The table below shows the key figures for securities market:

Securities Market Data	1H FY2006	1H FY2005	Change
Clearing fees (\$ million)	58.4	47.6	22.7%
Trading value (\$ billion)	107.5	81.2	32.4%
Trading volume (billion shares)	87.4	73.1	19.6%
Number of IPOs, including Foreign IPOs	34	46	(12)
	22	30	(8)

Derivatives Market

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

Net Derivatives Clearing Revenue	1H FY2006 (\$ million)	1H FY2005 (\$ million)	Change (%)
Futures Clearing Revenue	35.3	22.1	59.7
Structured Warrants Clearing Revenue	5.7	1.1	411.5
Total	41.0	23.2	76.6

Futures

The table below summarises the key figures for futures business performance and futures member data.

Futures Data	1H FY2006	1H FY2005	Change (%)	% of Total Volume	
				1H FY2006	1H FY2005
Clearing Revenue (\$ million)	35.3	22.1	59.7		
Trading volume (million contracts)					
• Asian Equity Derivatives	12.3	8.0	54.5	83.7	69.6
- Nikkei 225 Stock Index	7.0	3.7	90.6	48.0	32.3
- MSCI Taiwan Index	4.4	3.4	29.3	29.8	29.6
- MSCI Singapore Index	0.9	0.9	(0.6)	5.9	7.7
• Euroyen	1.6	1.2	30.2	10.9	10.7
• Eurodollar	0.0	1.7	(99.5)	0.1	14.9
• Others	0.8	0.6	39.6	5.3	4.8
Total	14.7	11.5	28.4	100.0	100.0

Structured Warrants

Following are the key figures for structured warrants:

Structured Warrants Data	1H FY2006	1H FY2005	Change
Clearing Revenue (\$ million)	5.7	1.1	411.5%
Trading value (\$ billion)	6.5	1.3	394.8%
Trading volume (billion units)	26.1	4.3	502.1%
Number of new issues	358	122	236

(iv) **Financial Summary - 6 months ended 31 December 2005 vs 6 months ended 31 December 2004**

Securities Market Revenue

Securities Clearing Fees

- Securities clearing fees increased 22.7% on 32.4% growth in securities trading value and 19.6% increase in trading volume.

Securities Related Processing Fees

- Higher securities transfer fees on higher market turnover contributed to this increase of 29.8%.

Access Fees

- The income grew by 42.5% on higher turnover traded via SGX Access.

Net Derivatives Clearing Revenue

- The 76.6% increase in clearing revenue was mainly attributable to substantial increase in structured warrants activity, higher futures trading volume and repricing of clearing fees.

Stable Revenue

Account Maintenance & Corporate Action Fees

- Higher processing income from structured warrants contributed to the 15.6% improvement.

Terminal & Connection Fees

- The 23.7% increase was mainly due to increase in income from forced order charges and higher ETS terminal income on increase in terminal subscriptions.

Listing and Membership Fees

- Listing fees and listing processing fees accounted for bulk of the increase.

Price Information Fees

- The 14.8% improvement comprises increase in SGX SecuritiesBook and derivatives datafeed income, and fees income from SGXNews, which was launched in August 2005.

Sale of Software and Other Computer Services

- The 30.6% increase was mainly attributable to fees income for SGXNet, which was launched in November 2004.

Other Operating Revenue

- The 26.0% increase was mainly attributable to higher interest income from securities trust accounts.

Operating Expenses

- | | |
|---|--|
| <i>Variable Bonus (including CPF)</i> | <ul style="list-style-type: none">• Higher bonus provision was made in 1H FY2006 in view of the year-on-year improvement in business performance. |
| <i>System Maintenance and Rental</i> | <ul style="list-style-type: none">• The 15.5% increase mainly comprises the new maintenance and support cost for network equipment via outsourcing and upkeep of Quest-DT. |
| <i>Depreciation and Amortisation</i> | <ul style="list-style-type: none">• The 11.8% improvement was due to fully depreciated assets. |
| <i>Professional Charges</i> | <ul style="list-style-type: none">• The 114.3% rise was mainly due to the increase in consultancy fees for various projects and initiatives in 1H FY2006. |
| <i>Provision for Surplus Leased Premises</i> | <ul style="list-style-type: none">• \$1.6 million of provision was utilized in the current half year, compared to \$1.2 million in 1H FY2005. The remaining provision balance of \$1.1 million will be completely utilized by 4Q FY2006. |
| <i>Direct Cost for Processing and Royalties</i> | <ul style="list-style-type: none">• This 7.2% 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">• The gain of the managed fund portfolio before hedging costs is \$4.0 million higher in 1H FY2006. |
| <i>Other Revenue including Interest Income</i> | <ul style="list-style-type: none">• Hedging cost for the managed fund portfolio is \$0.8 million higher in 1H FY2006. |

(v) *Performance of 3 months ended 31 December 2005 vs 3 months ended 30 September 2005*

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

	2Q FY2006	1Q FY2006	Change (%)
A. Financial Performance (\$ million)			
Operating Revenue	87.4	90.2	(3.2)
Operating Expenses	43.2	36.1	19.5
Operating Profit	44.2	54.1	(18.4)
Net Non-Operating Revenue/(Loss)	2.6	2.7	(1.2)
Tax	(9.8)	(11.5)	(14.8)
Profit Attributable to Shareholders	37.0	45.3	(18.3)
B. Market Turnover Statistics			
Securities Trading			
- Value (\$ billion)	46.8	60.7	(22.8)
- Volume (billion shares)	38.1	49.3	(22.7)
Futures Trading Volume (million contracts)	7.9	6.8	16.9
Structured Warrants Trading			
- Value (\$ billion)	3.0	3.4	(11.4)
- Volume (billion units)	13.6	12.5	9.4

Operating revenue decreased slightly in 2Q FY2006, on lower Securities Market Revenue which partly offset higher Net Derivatives Clearing Revenue and Stable Revenue. Operating expenses increased on higher variable bonus provision, gratuity provision upon data centre outsourcing and increase in professional charges for various projects and initiatives.

(vi) 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 31 December 2005, the Group had contingent liabilities to banks for US\$185.0 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.

12(a). Segment Information - Group

3 Months ended 31 December 2005				Reporting by Market	3 Months ended 31 December 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				
56,755	29,454	1,181	87,390	External revenue	47,420	17,452	1,067	65,939
71	-	-	71	Inter-segment revenue	121	(35)	-	86
56,826	29,454	1,181	87,461		47,541	17,417	1,067	66,025
(71)	-	-	(71)	Less: Consolidation elimination	(121)	35	-	(86)
56,755	29,454	1,181	87,390		47,420	17,452	1,067	65,939
				RESULTS				
38,982	12,328	133	51,443	Segment results	32,818	3,874	(70)	36,622
			(7,275)	Unallocated expenses				(4,817)
			44,168	Profit/(Loss) from operating activities				31,805
			2,626	Net non-operating revenue/(loss)				1,673
			(6)	Share of results of joint venture				(14)
			(9,741)	Tax				(7,465)
			37,047	Profit after tax and before minority interests				25,999
			-	Minority interests				1
			37,047	Profit attributable to shareholders				26,000
				OTHER INFORMATION				
428,298	116,446	5,185	549,929	Segment assets	506,669	116,657	3,311	626,637
			222,262	Unallocated assets				259,653
			772,191	Consolidated total assets				886,290
209,070	16,732	608	226,410	Segment liabilities	220,192	13,415	866	234,473
			60,737	Unallocated liabilities				40,959
			287,147	Consolidated total liabilities				275,432
3,858	289	118	4,265	Capital expenditure	1,704	95	3	1,802
2,046	1,542	4	3,592	Depreciation and amortisation	2,838	1,072	6	3,916

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

3 Months ended 31 December 2004	Securities Market	Derivatives Market	Group
	S\$'000	S\$'000	S\$'000
Structured warrants related:			
- External revenue	(2,046)	2,046	-
- Segment results	(1,517)	1,517	-

Segment Information - By Country

3 Months ended 31 December 2005			Reporting by Country	3 Months ended 31 December 2004		
Singapore	Other Country	Group		Singapore	Other Country	Group
S\$'000	S\$'000	S\$'000		S\$'000	S\$'000	S\$'000
87,390	-	87,390	Operating Revenue	65,939	-	65,939
616,467	155,724	772,191	Total assets	704,246	182,044	886,290
4,265	-	4,265	Capital expenditure	1,802	-	1,802

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

12 (b). Segment Information - Group

Half Year ended 31 December 2005				Reporting by Market	Half Year ended 31 December 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				
121,865	53,215	2,575	177,655	External revenue	95,370	34,908	2,163	132,441
111	-	-	111	Inter-segment revenue	194	1	-	195
121,976	53,215	2,575	177,766		95,564	34,909	2,163	132,636
(111)	-	-	(111)	Less: Consolidation elimination	(194)	(1)	-	(195)
121,865	53,215	2,575	177,655		95,370	34,908	2,163	132,441
				RESULTS				
87,745	23,969	434	112,148	Segment results	62,445	9,597	(700)	71,342
			(13,869)	Unallocated expenses				(9,121)
			98,279	Profit/(Loss) from operating activities				62,221
			5,285	Net non-operating revenue				2,151
			(14)	Share of results of joint venture				(15)
			(21,177)	Tax				(14,166)
			82,373	Profit after tax and before minority interests				50,191
			-	Minority interests				7
			82,373	Profit attributable to shareholders				50,198
				OTHER INFORMATION				
428,298	116,446	5,185	549,929	Segment assets	506,669	116,657	3,311	626,637
			222,262	Unallocated assets				259,653
			772,191	Consolidated total assets				886,290
209,070	16,732	608	226,410	Segment liabilities	220,192	13,415	866	234,473
			60,737	Unallocated liabilities				40,959
			287,147	Consolidated total liabilities				275,432
7,493	459	132	8,084	Capital expenditure	2,918	492	6	3,416
4,049	2,958	4	7,011	Depreciation and amortisation	5,410	2,525	17	7,952

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

Half Year ended 31 December 2004	Securities Market	Derivatives Market	Group
	S\$'000	S\$'000	S\$'000
Structured warrants related:			
- External revenue	(2,452)	2,452	-
- Segment results	(1,808)	1,808	-

Segment Information - By Country

Half Year ended 31 December 2005			Reporting by Country	Half Year ended 31 December 2004		
Singapore	Other Country	Group		Singapore	Other Country	Group
S\$'000	S\$'000	S\$'000		S\$'000	S\$'000	S\$'000
177,655	-	177,655	Operating Revenue	132,441	-	132,441
616,467	155,724	772,191	Total assets	704,246	182,044	886,290
8,084	-	8,084	Capital expenditure	3,416	-	3,416

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

13. Dividend - Company

(a) Interim Dividend

	3 Months Ended	
	31 December 2005	31 December 2004
Name of Dividend	Interim Base	Interim
Dividend Type	Cash	Cash
Dividend Rate - base	1.500 cents per ordinary share	3.500 cents per ordinary share less tax
Par Value of Shares	\$0.01	\$0.01
Tax Rate	Tax Exempt One-Tier	20%
Books Closure Date	27 January 2006, 5pm	7 February 2005, 5pm
Date Payable	10 February 2006	21 February 2005

(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.

14. Share Capital - Company

During the 3 months ended 31 December 2005, the Company issued 702,500 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 31 December 2005, there were outstanding options for 28,664,000 (30 June 2005: 30,521,200) 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 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 Scheme (ESOS) 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 January 2006

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

PricewaterhouseCoopers
8 Cross Street #17-00
PWC Building
Singapore 048424
Telephone (65) 6236 3388
Facsimile (65) 6236 3300
www.pwc.com/sg

GST No.: 52-871777-D
Co. Reg. No.: 52871777D

12 January 2006

Dear Sirs,

**Singapore Exchange Limited and its subsidiaries ("Group")
Review of the interim financial information
For the second quarter and half year ended 31 December 2005**

We have been engaged by the Company to review the interim financial information for the second quarter and half year ended 31 December 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 comprises:

- (a) the balance sheets and net asset values of the Company and of the Group, and the borrowings and debt securities of the Group as at 31 December 2005; and
- (b) the related statements of income and changes in equity of the Company and of the Group, the consolidated cash flow statement and earnings per share of the Group, and changes in share capital of the Company for the second quarter and half year 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 is 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