



Financial Statements for the Third Quarter Ended 31 March 2003

Financial statements on consolidated results for the third quarter ended 31 March 2003. Certain items reported for the third quarter ended 31 March 2002 have been reclassified to conform with this report for the third quarter ended 31 March 2003.

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

These figures have not been audited.

1(a)(i) Income Statements for 9 months ended 31 March 2003

	Notes	Group			Company		
		1 Jul 2002 to 31 Mar 2003	1 Jul 2001 to 31 Mar 2002	Change	1 Jul 2002 to 31 Mar 2003	1 Jul 2001 to 31 Mar 2002	Change
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
Turnover							
Operating revenue							
- Management fees from subsidiaries		-	-	-	59,235	58,020	2.1
- Clearing and related income		76,332	86,193	(11.4)	-	-	-
- Access and terminal fees		24,375	23,969	1.7	-	-	-
- Account maintenance and processing fees		23,230	27,219	(14.7)	3,307	-	NM
- Listing and membership fees		12,018	12,208	(1.6)	-	-	-
- Price information fees		9,549	8,741	9.2	-	-	-
- Sale of software and other computer services		4,335	4,748	(8.7)	1,423	-	NM
- Other operating revenue		4,899	5,631	(13.0)	1,209	970	24.6
Total operating revenue		154,738	168,709	(8.3)	65,174	58,990	10.5
Operating expenses							
- Staff costs		50,450	50,907	(0.9)	30,716	31,137	(1.4)
- Occupancy costs		12,266	13,378	(8.3)	7,561	6,454	17.2
- System maintenance and rental		15,831	14,632	8.2	6,626	5,939	11.6
- Depreciation		16,884	16,903	(0.1)	7,582	6,899	9.9
- Provision for surplus leased premises		-	7,000	(100.0)	-	7,000	(100.0)
- Other operating expenses		22,185	21,882	1.4	11,006	7,536	46.0
Total operating expenses		117,616	124,702	(5.7)	63,491	64,965	(2.3)
Profit/(Loss) from operating activities	A	37,122	44,007	(15.6)	1,683	(5,975)	NM
Net non-operating revenue	B	19,101	9,343	104.4	16,558	6,279	163.7
Profit before tax and minority interests		56,223	53,350	5.4	18,241	304	5,900.3
Share of results of joint venture		(70)	(114)	(38.6)	-	-	-
Tax		(14,401)	(15,839)	(9.1)	(5,003)	(995)	402.8
Profit/(Loss) after tax and before minority interests		41,752	37,397	11.6	13,238	(691)	NM
Minority interests		2,337	1,769	32.1	-	-	-
Profit/(Loss) attributable to shareholders of the company		44,089	39,166	12.6	13,238	(691)	NM

NM: Not meaningful.

Notes:

		Group	
		1 Jul 2002 to 31 Mar 2003	1 Jul 2001 to 31 Mar 2002
		S\$'000	S\$'000
A	Profit/(Loss) from operating activities is arrived at after crediting/(charging):		
	- Foreign exchange gain/(loss)	(70)	166
	- Gain from sale of investments, properties, and/or plant and equipment	185	-
B	Net non-operating revenue:		
	- Investment income from externally managed funds	16,469	5,628
	- Other revenue including interest income	2,632	3,715
	Total	19,101	9,343

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

	Notes	Group			Company		
		1 Jan 2003 to 31 Mar 2003	1 Jan 2002 to 31 Mar 2002	Change	1 Jan 2003 to 31 Mar 2003	1 Jan 2002 to 31 Mar 2002	Change
		S\$'000	S\$'000	%	S\$'000	S\$'000	%
Turnover							
Operating revenue							
- Management fees from subsidiaries		-	-	-	18,524	20,791	(10.9)
- Clearing and related income		22,867	36,384	(37.2)	-	-	-
- Access and terminal fees		8,017	8,211	(2.4)	-	-	-
- Account maintenance and processing fees		6,400	10,430	(38.6)	901	-	NM
- Listing and membership fees		4,078	3,956	3.1	-	-	-
- Price information fees		3,285	2,825	16.3	-	-	-
- Sale of software and other computer services		1,137	1,720	(33.9)	519	-	NM
- Other operating revenue		1,466	1,566	(6.4)	348	356	(2.2)
Total operating revenue		47,250	65,092	(27.4)	20,292	21,147	(4.0)
Operating expenses							
- Staff costs		15,409	17,850	(13.7)	9,149	10,692	(14.4)
- Occupancy costs		4,317	4,572	(5.6)	2,260	2,040	10.8
- System maintenance and rental		4,865	4,857	0.2	2,214	1,876	18.0
- Depreciation		5,320	6,719	(20.8)	2,661	2,817	(5.5)
- Other operating expenses		8,773	7,364	19.1	4,352	2,225	95.6
Total operating expenses		38,684	41,362	(6.5)	20,636	19,650	5.0
Profit/(Loss) from operating activities	C	8,566	23,730	(63.9)	(344)	1,497	NM
Net non-operating revenue/(loss)	D	7,416	(1,350)	NM	6,707	(2,109)	NM
Profit/(Loss) before tax and minority interests		15,982	22,380	(28.6)	6,363	(612)	NM
Share of results of joint venture		(8)	(83)	(90.4)	-	-	-
Tax		(4,216)	(5,164)	(18.4)	(1,751)	1,256	NM
Profit after tax and before minority interests		11,758	17,133	(31.4)	4,612	644	616.1
Minority interests		1,319	313	321.4	-	-	-
Profit/(Loss) attributable to shareholders of the company		13,077	17,446	(25.0)	4,612	644	616.1

NM: Not meaningful.

Notes:

		Group	
		1 Jan 2003 to 31 Mar 2003	1 Jan 2002 to 31 Mar 2002
		SS'000	SS'000
C	Profit/(Loss) from operating activities is arrived at after crediting/(charging):		
	- Foreign exchange gain/(loss)	70	(54)
	- Gain from sale of investments, properties, and/or plant and equipment	87	-
D	Net non-operating revenue/(loss):		
	- Investment income/(loss) from externally managed funds	6,690	(2,168)
	- Other revenue including interest income	726	818
	Total	7,416	(1,350)

1(b)(i) Balance Sheets

	Group		Company	
	As at 31 Mar 03	As at 30 Jun 02	As at 31 Mar 03	As at 30 Jun 02
	SS'000	SS'000	SS'000	SS'000
Current assets				
Cash and cash equivalents	196,898	253,048	2,977	23,127
Trade and other debtors	240,489	313,371	4,924	21,809
Derivatives margin funds and deposits	1,891,533	1,532,519	-	-
Securities clearing funds	34,601	34,148	-	-
Available-for-sale investments	352,640	335,437	334,480	317,454
	2,716,161	2,468,523	342,381	362,390
Non-current assets				
Property, plant and equipment	277,911	282,344	51,968	47,413
Club memberships	720	700	720	700
Investments in subsidiaries	-	-	392,340	392,340
Investments in joint venture	298	368	-	-
	278,929	283,412	445,028	440,453
Net assets of securities and derivatives fidelity funds	52,335	51,913	-	-
Total assets	3,047,425	2,803,848	787,409	802,843
Current liabilities				
Trade and other creditors	239,063	337,430	39,051	13,382
Derivatives margin funds and deposits	1,891,533	1,532,519	-	-
Securities clearing members' contributions to clearing funds	9,601	9,148	-	-
Provision for surplus leased premises and unutilized leave	3,984	4,049	2,514	2,601
Taxation	17,467	19,595	5,314	2,119
	2,161,648	1,902,741	46,879	18,102
Non-current liabilities				
Provision for surplus leased premises	4,816	4,816	3,549	3,549
Deferred tax liabilities	5,209	6,527	3,875	4,404
	10,025	11,343	7,424	7,953
Total liabilities	2,171,673	1,914,084	54,303	26,055
Net assets	875,752	889,764	733,106	776,788
Equity				
Share capital	10,007	10,000	10,007	10,000
Reserves	814,469	826,573	723,099	766,788
Shareholders' equity	824,476	836,573	733,106	776,788
Minority interests	(1,059)	1,278	-	-
Accumulated funds of securities and derivatives fidelity funds	52,335	51,913	-	-
	875,752	889,764	733,106	776,788

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

	As at 31/03/2003		As at 31/03/2002	
	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

	9 Months Ended		3 Months Ended	
	31 Mar 2003	31 Mar 2002	31 Mar 2003	31 Mar 2002
	SS'000	SS'000	SS'000	SS'000
Cash flows from operating activities				
Profit before tax and share of results of joint venture	56,223	53,350	15,982	22,380
Adjustments for:				
Depreciation	16,884	16,903	5,320	6,719
Provision for surplus leased premises	-	7,000	-	-
Write off of property, plant and equipment	2,297	1,048	2,000	376
Net (gain)/loss on revaluation of investments	(17,201)	(5,405)	(6,906)	2,158
Gain on disposal of property, plant and equipment	(185)	-	(87)	-
Interest income	(2,412)	(4,522)	(698)	(923)
Operating cash flow before working capital change	55,606	68,374	15,611	30,710
Change in operating assets and liabilities				
Trade and other receivables	73,835	4,852	(141,166)	(142,709)
Trade and other payables	(77,256)	(15,006)	142,257	136,107
Cash generated from operations	52,185	58,220	16,702	24,108
Income tax paid	(17,847)	(16,913)	(6,219)	(5,810)
Dividends paid	(57,706)	(55,115)	(23,416)	(22,650)
Net cash used in operating activities	(23,368)	(13,808)	(12,933)	(4,352)
Cash flows from investing activities				
Payments for retention sum of properties	(21,175)	-	-	-
Payments for property, plant and equipment	(15,009)	(22,533)	(1,048)	(3,366)
Purchase of investments	(20)	-	-	-
Proceeds from disposal of property, plant and equipment	285	-	-	-
Interest received	2,189	7,124	544	1,125
Redemption of investments	-	10,187	-	6,250
Receipt from FSDF for property, plant and equipment purchased	161	6,640	-	6,640
Net cash (used in)/from investing activities	(33,569)	1,418	(504)	10,649
Cash flows from financing activities				
Proceeds from issue of ordinary shares	786	-	624	-
Contributions from minority interests	-	3,920	-	-
Net cash from financing activities	786	3,920	624	-
Net (decrease)/increase in cash and cash equivalents held	(56,151)	(8,470)	(12,813)	6,297
Cash and cash equivalents at the beginning of the period	253,048	230,719	209,708	215,956
Effects of exchange rate changes on cash and cash equivalents	1	3	3	(1)
Cash and cash equivalents at the end of the period	196,898	222,252	196,898	222,252

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

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

	Share capital	Share premium *	Retained profits and general reserve	Clearing fund reserve *	Hedging reserve *	Translation reserve *	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2003	10,001	305,698	492,889	25,000	296	14	833,898
Gain/(Loss) on hedging							
- unrealised	-	-	-	-	469	-	469
- transfer to profit and loss	-	-	179	-	(179)	-	-
Net profit before realisation of hedging reserve	-	-	12,898	-	-	-	12,898
Net profit for the financial period	-	-	13,077	-	290	-	13,367
Currency translation differences recognised directly in shareholders' equity	-	-	-	-	-	3	3
Total recognised gains for the financial period	-	-	13,077	-	290	3	13,370
Dividends paid							
Interim dividends - FY2003	-	-	(23,416)	-	-	-	(23,416)
Issue of share capital	6	618	-	-	-	-	624
Balance at 31 March 2003	10,007	306,316	482,550	25,000	586	17	824,476

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

	Share capital	Share premium *	Retained profits and general reserve	Clearing fund reserve *	Hedging reserve *	Translation reserve *	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2002	10,000	305,537	479,631	25,000	(776)	32	819,424
Gain/(Loss) on hedging							
- unrealised	-	-	-	-	(180)	-	(180)
- transfer to profit and loss	-	-	(28)	-	28	-	-
Net profit before realisation of hedging reserve	-	-	17,474	-	-	-	17,474
Net profit for the financial period	-	-	17,446	-	(152)	-	17,294
Currency translation differences recognised directly in shareholders' equity	-	-	-	-	-	(1)	(1)
Total recognised gains for the financial period	-	-	17,446	-	(152)	(1)	17,293
Dividends paid							
Interim dividends - FY2002	-	-	(22,650)	-	-	-	(22,650)
Balance at 31 March 2002	10,000	305,537	474,427	25,000	(928)	31	814,067

* 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 March 2003 - Company

	Share capital	Share premium *	Retained profits and general reserve	Clearing fund reserve *	Hedging reserve *	Translation reserve *	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2003	10,001	305,698	435,587	-	-	-	751,286
Net profit - total recognised gains for the financial period	-	-	4,612	-	-	-	4,612
Dividends paid							
Interim dividends - FY2003	-	-	(23,416)	-	-	-	(23,416)
Issue of share capital	6	618	-	-	-	-	624
Balance at 31 March 2003	10,007	306,316	416,783	-	-	-	733,106

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

	Share capital	Share premium *	Retained profits and general reserve	Clearing fund reserve *	Hedging reserve *	Translation reserve *	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 January 2002	10,000	305,537	476,014	-	-	-	791,551
Net profit - total recognised gains for the financial period	-	-	644	-	-	-	644
Dividends paid							
Interim dividends - FY2002	-	-	(22,650)	-	-	-	(22,650)
Balance at 31 March 2002	10,000	305,537	454,008	-	-	-	769,545

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

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

During the 3 months ended 31 March 2003, the Company issued 567,000 ordinary shares of \$0.01 each upon the exercise of options granted under the SGX Share Option Plan (ESOS).

As at 31 March 2003, there were 46,107,000 (31 March 2002: 27,901,000) 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 2002.

- 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			
	9 Months		3 Months	
	1 Jul 2002 to 31 Mar 2003	1 Jul 2001 to 31 Mar 2002	1 Jan 2003 to 31 Mar 2003	1 Jan 2002 to 31 Mar 2002
	Cents	Cents	Cents	Cents
Earnings per ordinary share for the period based on net profit attributable to shareholders:-				
(a) Based on weighted average number of ordinary shares in issue	4.41	3.92	1.31	1.74
(b) On a fully diluted basis	4.40	3.91	1.31	1.74
Weighted average number of ordinary shares in issue for basic earnings per share ('000)	1,000,100	1,000,000	1,000,100	1,000,000
Adjustment for assumed conversion of share options ('000)	1,185	632	1,185	632
Weighted average number of ordinary shares for diluted earnings per share ('000)	1,001,285	1,000,632	1,001,285	1,000,632

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

	Group		Company	
	As at 31 Mar 2003	As at 30 June 2002	As at 31 Mar 2002	As at 30 June 2002
	Cents	Cents	Cents	Cents
Net asset value per ordinary share based on issued share capital as at the end of the reporting period	82.39	83.66	73.26	77.68

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

SGX Group's business comprised mainly operating a Securities Market and Derivatives Market. We present herewith the financial information for the nine months ended 31 March 2003 and 31 March 2002.

8(a)(i) Year To Date Results – 9 Months ended 31 March 2003 vs 9 Months ended 31 March 2002

Net Profit / Operating Profit

The Group recorded \$44.1 million net profit after tax and minority interests for the nine months ended 31 March 2003, compared to \$39.2 million for the previous corresponding period. Operating profit for the current nine months amounted to \$37.1 million, compared to \$51.0 million for the previous corresponding period, excluding the impact of \$7.0 million provision for surplus leased premises.

Operating Revenue

The Group generated operating revenue of \$154.7 million for the nine months ended 31 March 2003, compared to \$168.7 million for the previous corresponding period. The 8.3% decrease was mainly due to the decrease in revenue from the Securities Market.

Securities trading value and volume both decreased for the nine months ended 31 March 2003, compared to the previous corresponding period. Securities trading value dropped 34.2% to \$68.1 billion in the current nine months from \$103.5 billion for the previous corresponding period. Trading volume decreased 19.8% to 65.4 billion shares from 81.5 billion shares between the same periods. Securities clearing fees, as a result, decreased 21.1% to \$45.0 million from \$57.1 million.

Derivatives trading registered a 9.5% increase to 25.4 million contracts in the nine months ended 31 March 2003 from 23.2 million contracts for the previous corresponding period. The increase was largely due to higher trading volume of Eurodollar, Nikkei 225 Stock Index and MSCI Taiwan Index Futures. This resulted in a 7.6% increase in derivatives clearing fees and related income to \$31.3 million from \$29.1 million.

Account maintenance and processing fees decreased 14.7% to \$23.2 million in the current nine months from \$27.2 million for the previous corresponding period, largely due to lower income from securities transfer fees, contract charges, computer processing and takeover processing.

Price information fees increased 9.2% to \$9.5 million in the current nine months from \$8.7 million for the previous corresponding period, mainly on income from real-time multi-level market data feed introduced on 1 July 2002.

Sale of software and other computer services decreased 8.7% to \$4.3 million in the current nine months from \$4.7 million in the previous corresponding period, mainly due to lower software services income.

Other operating revenue decreased 13.0% to \$4.9 million in the current nine months from \$5.6 million in the previous corresponding period, on lower buying-in brokerage income.

Operating Costs

Total operating costs for the Group decreased 0.1% to \$117.6 million for the nine months ended 31 March 2003 from \$117.7 million for the previous corresponding period, not including the \$7.0 million exceptional provision for surplus leased premises. Excluding Asia Converge Pte Ltd, total operating costs decreased 3.1% to \$109.4 million from \$112.9 million between the same periods.

Total staff costs decreased 0.9% to \$50.5 million for the nine months ended 31 March 2003 from \$50.9 million in the previous corresponding period. Excluding Asia Converge Pte Ltd, total staff costs decreased 5.2% to \$46.4 million from \$49.0 million between the same periods.

The Group had a total headcount of 814 as at 31 March 2003, compared to 849 as at 31 March 2002. Excluding Asia Converge Pte Ltd, the headcount was 744 and 765 respectively.

Occupancy costs decreased 8.3% to \$12.3 million in the current nine months from \$13.4 million for the previous corresponding period, mainly due to current period's reversal of over-provision of property tax on SGX Centre.

System maintenance and rental expenses increased 8.2% to \$15.8 million in the current nine months from \$14.6 million for the previous corresponding period, mainly due to system maintenance services which commenced in late FY2002.

Performance of the Securities Market

For the nine months ended 31 March 2003, the Securities Market generated \$98.1 million of operating revenue and \$55.6 million of segment profit. This compared to \$113.5 million of operating revenue and \$65.3 million of segment profit for the previous corresponding period.

Despite the adverse impact of the weak global economy on global securities markets, including ours, the number of new listings increased to 30 in the current nine months from 22 in the previous corresponding period.

Securities Market members increased to 27 as at 31 March 2003 from 26 as at 31 December 2002, after admission of a non-clearing member.

Performance of the Derivatives Market

For the nine months ended 31 March 2003, the Derivatives Market generated \$46.5 million of operating revenue and \$13.4 million of segment profit. This compared to \$43.9 million of operating revenue and \$9.5 million of segment profit for the previous corresponding period.

The volume growth in the current nine months was mainly attributable to active trading in Eurodollar contracts. The Eurodollar volume in the current nine months increased 13.4% to 15.1 million contracts from 13.3 million contracts for the previous corresponding period. The volume also represented 59.4% of our total derivatives volume for the current nine months.

The Nikkei 225 Stock Index trading volume grew 17.9% to 4.1 million contracts in the current nine months from 3.5 million contracts for the previous corresponding period. MSCI Taiwan Index Futures trading volume grew 16.3% to 3.6 million contracts in the current nine months, compared to 3.1 million contracts for the previous corresponding period. MSCI Singapore Index Futures trading volume surged 55.9% to 636,732 contracts in the current nine months from 408,330 contracts for the previous corresponding period.

Trading volume on our electronic market (ETS) increased 19.9% to 1.4 million contracts in the current nine months, compared to 1.1 million contracts for the previous corresponding period.

Investment Performance

The investment portfolio managed by independent fund managers appreciated \$16.5 million in the nine months ended 31 March 2003, compared to the \$5.6 million appreciation for the previous corresponding period. The gains were largely attributable to lower interest rates during the two periods.

Interest from bank deposits amounted to \$1.8 million for the nine months ended 31 March 2003, \$1.3 million lower than the previous corresponding period, mainly due to declining interest rates.

Balance Sheet

The Group remained debt-free. Major assets as at 31 March 2003 included \$334.5 million placed with independent fund managers, \$196.9 million of cash and cash equivalents, and the SGX Centre premises at net book value of \$210.4 million.

Shareholders' equity for the Group reduced to \$824.5 million as at 31 March 2003 from \$836.6 million as at 30 June 2002. The drop mainly represented the difference between net profit for the current nine months and total dividend paid during the same period.

Minority interest was in a net receivable position. Shareholder's equity of Asia Converge Pte Ltd was in deficit as at 31 March 2003. A capital injection is expected from its shareholders at a later stage.

Cash Flow

The Group had net cash outflow of \$56.2 million for the nine months ended 31 March 2003, compared to \$8.5 million net cash outflow for the previous corresponding period. The larger outflow was mainly due to the \$21.2 million payment of retention sum for SGX Centre and \$9.6 million lower cash inflow from operations for the current nine months, and the receipt of \$10.2 million on sale and redemption of investments in the previous corresponding period.

Contingent Liabilities

As at 31 March 2003, the Group had unsecured contingent liabilities to banks for US\$64 million of 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 also had A\$4.8 million unsecured guarantee to ASX International Services Pty Ltd in respect of obligations of SGXLink Pte Ltd.

8(a)(ii) Third Quarter Results - 3 Months ended 31 March 2003 vs 3 Months ended 31 March 2002

Net Profit / Operating Profit

The Group recorded \$13.1 million net profit after tax and minority interests in the third quarter ended 31 March 2003, compared to \$17.4 million for the third quarter ended 31 March 2002. Operating profit for the current third quarter amounted to \$8.6 million, compared to \$23.7 million for the previous corresponding quarter.

Operating Revenue

The Group generated operating revenue of \$47.3 million for 3Q FY2003, compared to \$65.1 million for 3Q FY2002. The 27.4% decrease was mainly due to the decrease in revenue from the Securities Market.

Securities trading value decreased 51.4% to \$20.4 billion in 3Q FY2003 from \$41.9 billion in 3Q FY2002. Trading volume decreased 49.1% to 19.1 billion shares from 37.5 billion shares between the same periods. As a result, securities clearing fee decreased 52.2% to \$12.5 million in 3Q FY2003 from \$26.2 million in 3Q FY2002.

New listings increased to 10 in 3Q FY2003 from 8 in 3Q FY2002.

Derivatives clearing fees and related income increased 1.8% to \$10.3 million in 3Q FY2003 from \$10.2 million for 3Q FY2002. Trading volume increased 10.8% to 8.1 million contracts in 3Q FY2003 from 7.3 million contracts in 3Q FY2002.

Account maintenance and processing fees decreased 38.6% to \$6.4 million in 3Q FY2003 from \$10.4 million in 3Q FY2002. This was largely due to lower processing and contract charges on lower securities trading volume.

Price information fees increased 16.3% to \$3.3 million in 3Q FY2003 from \$2.8 million in 3Q FY2002, mainly on income from real-time multi-level market data feed introduced on 1 July 2002.

Sale of software and other computer services decreased 33.9% to \$1.1 million in 3Q FY2003 from \$1.7 million in 3Q FY2002 due to decrease in software support and network connection charges.

Operating Costs

Total operating costs decreased 6.5% to \$38.7 million in 3Q FY2003 from \$41.4 million in 3Q FY2002. The decrease resulted mainly from lower staff cost and lower depreciation charges for computer equipment, partly offset by fixed assets written off in 3Q FY2003.

Segment Performance

For 3Q FY2003, the Securities Market generated \$28.8 million of operating revenue and \$15.1 million of segment profit, compared to \$44.9 million of operating revenue and \$26.8 million of segment profit for 3Q FY2002.

The Derivatives Market generated \$15.5 million of operating revenue and \$4.7 million of segment profit for 3Q FY2003, compared to \$15.0 million of operating revenue and \$3.2 million of segment profit for 3Q FY2002.

Investment Performance

The investments placed with fund managers appreciated by \$6.7 million in 3Q FY2003, compared to \$2.2 million depreciation for 3Q FY2002.

Interest from bank deposits decreased slightly to \$0.5 million for 3Q FY2003, compared to \$0.6 million for 3Q FY2002 due to lower interest rates.

Cash Flow

The Group had net cash outflow of \$12.8 million in 3Q FY2003, compared to \$6.3 million net cash inflow in 3Q FY2002. The \$19.1 million net larger outflow was mainly due to \$8.6 million lower cash inflow from operations for 3Q FY2003, coupled with the receipt of \$6.6 million government grant and \$6.3 million on sale and redemption of investments in 3Q FY2002.

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

Our operating revenue is dependent on the level of activity on our exchange, including the volume and value of the securities and derivatives contracts traded. Other factors such as the number of, and market capitalization of, listed entities and the number of new listings also affect our revenue.

Global equity market and geo-political uncertainties, and the outbreak of SARS, may impact business performance. However, we are not aware of any other business factors that will have a substantial adverse impact on the Group's business performance.

We highlight below key updates of our business initiatives on calendar year basis.

(a) Securities Market Initiatives

(i) *Listing and Depository Fees*

Listing and depository fees were increased from 1 March 2003, to better reflect the costs of providing quality listing and depository services.

(ii) *Structured Warrants*

Effective 3 January 2003, if a structured warrant (formerly "covered warrants") issuer commits to make a market, the issuer does not have to comply with the minimum placement and holder size requirement, while the minimum issue size is reduced from S\$5 million to S\$2 million. The alternative set of rules allows a wider range of structured warrants to be offered in the market and improves market liquidity.

(iii) *SGXAccess*

On 13 January 2003, SGX announced a one-year SGXAccess trading fee rebate scheme for brokers who trade via SGXAccess from 1 February 2003 to 31 January 2004. Since its launch in March 2001, 12 members have adopted, and 4 other members have committed to adopt, SGXAccess.

(iv) ***Unit Share Market***

On 14 April 2003, the Unit Share Market, which allows trading of odd lots with a minimum size of 1 share, was launched. The Unit Share Market replaces the Odd Lot Market.

(v) ***ASX Link***

From 31 March 2003 the number of stocks available for co-trading doubled to 100 Singapore stocks and 100 Australian stocks in response to increased interest.

(vi) ***New Membership Structure***

In line with the newly introduced Risk Based Capital (“RBC”) framework, SGX introduced separate membership categories for securities trading and clearing on 22 January 2003. The first Trading Only Member was admitted on 27 January 2003.

(b) Derivatives Market Initiatives

(i) ***Electronic Front-End Trading System***

On 3 December 2002, SGX agreed to use Patsystems electronic trading software as the second exchange-hosted electronic front-end trading system for the SGX ETS. The new system is expected to be operational in the third quarter of 2003.

(ii) ***Collateral Management and Optimisation System (COSMOS)***

The Collateral Management and Optimisation System was launched on 10 January 2003. COSMOS allows clearing members and the clearing house manage margin collateral more efficiently.

(c) Securities Processing & Settlement Outsourcing Services Initiative

Asia Converge Pte Ltd (AC)

AC continued its cost rationalisation measures to reduce operating cost.

10(a) Subsequent Event

On 5 May 2003, The Group announced the restructuring of its operations to serve its customers better and to focus on being a market-led, fully-integrated organization.

The restructuring entailed a redundancy of 67 staff. Redundancy cost of about \$3.5 million will be recognized in the fourth quarter of this financial year.

11 Dividend

(a) Latest Period

Name of Dividend
Dividend Type
Dividend Rate
Par Value of Shares
Tax Rate

NA

(b) Previous Corresponding Period

Name of Dividend
Dividend Type
Dividend Rate
Par Value of Shares
Tax Rate

NA

(c) Date payable

Not applicable.

(d) Books closure date

Not applicable.

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

No dividend have been declared for the current quarter.

13(a) Group Segment Information for the 9 months ended 31 March 2003

	Securities Market	Derivatives Market	Other Operations	Group
	SS'000	SS'000	SS'000	SS'000
SEGMENT REVENUE				
External revenue	98,110	46,463	10,165	154,738
Inter-segment revenue	2,434	1,256	58,949	62,639
	100,544	47,719	69,114	217,377
Less: Consolidation elimination	(2,434)	(1,256)	(58,949)	(62,639)
	98,110	46,463	10,165	154,738
RESULTS				
Segment results	55,550	13,350	4,686	73,586
Unallocated costs				(36,464)
Operating profit before tax				37,122
Interest income and other non-operating income				19,101
Share of losses of joint venture	(70)	-	-	(70)
Income taxes				(14,401)
Net profit after tax				41,752
Minority interests				2,337
Profit attributable to shareholders				44,089
OTHER INFORMATION				
Segment assets	657,913	2,102,714	8,955	2,769,582
Unallocated assets				277,843
Consolidated total assets				3,047,425
Segment liabilities	232,998	1,899,246	1,455	2,133,699
Unallocated liabilities				37,974
Consolidated total liabilities				2,171,673
Capital expenditure				
- Allocated	1,173	1,550	160	2,883
- Unallocated				12,045
				14,928
Depreciation				
- Allocated	5,553	3,288	461	9,302
- Unallocated				7,582
				16,884

13(b) Group Segment Information for the 9 months ended 31 March 2002

	Securities Market	Derivatives Market	Other Operations	Group
	SS'000	SS'000	SS'000	SS'000
SEGMENT REVENUE				
External revenue	113,499	43,876	11,334	168,709
Inter-segment revenue	632	1,404	58,920	60,956
	114,131	45,280	70,254	229,665
Less: Consolidation elimination	(632)	(1,404)	(58,920)	(60,956)
	113,499	43,876	11,334	168,709
RESULTS				
Segment results	65,342	9,467	1,074	75,883
Unallocated costs				(31,876)
Operating profit before tax				44,007
Interest income and other non-operating income				9,343
Share of losses of joint venture	(114)	-	-	(114)
Income taxes				(15,839)
Net profit after tax				37,397
Minority interests				1,769
Profit attributable to shareholders				39,166
OTHER INFORMATION				
Segment assets	699,713	1,875,314	17,670	2,592,697
Unallocated assets				310,183
Consolidated total assets				2,902,880
Segment liabilities	313,534	1,672,924	5,165	1,991,623
Unallocated liabilities				43,308
Consolidated total liabilities				2,034,931
Capital expenditure				
- Allocated	4,722	936	3,984	9,642
- Unallocated				18,860
				28,502
Depreciation				
- Allocated	5,870	3,668	467	10,005
- Unallocated				6,898
				16,903

14 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.

15 Breakdown of sales

Not applicable.

16 A breakdown of the total net annual dividend (in dollar value) for the issuer's latest full year and its previous full year

Not applicable.

BY ORDER OF THE BOARD

Joyce Fong
Company Secretary
14 May 2003

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

Dear Sirs

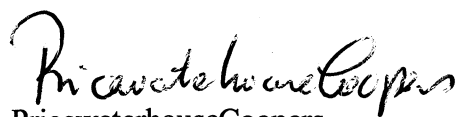
**Singapore Exchange Limited and its subsidiaries
Review of the interim financial information
For the third quarter ended 31 March 2003**

We have been engaged by the Company to review the interim financial information for the third quarter ended 31 March 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 provisions thereof. The accompanying financial information comprise the balance sheet of Singapore Exchange Limited and the consolidated balance sheet of the Group as at 31 March 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 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, 13 May 2003