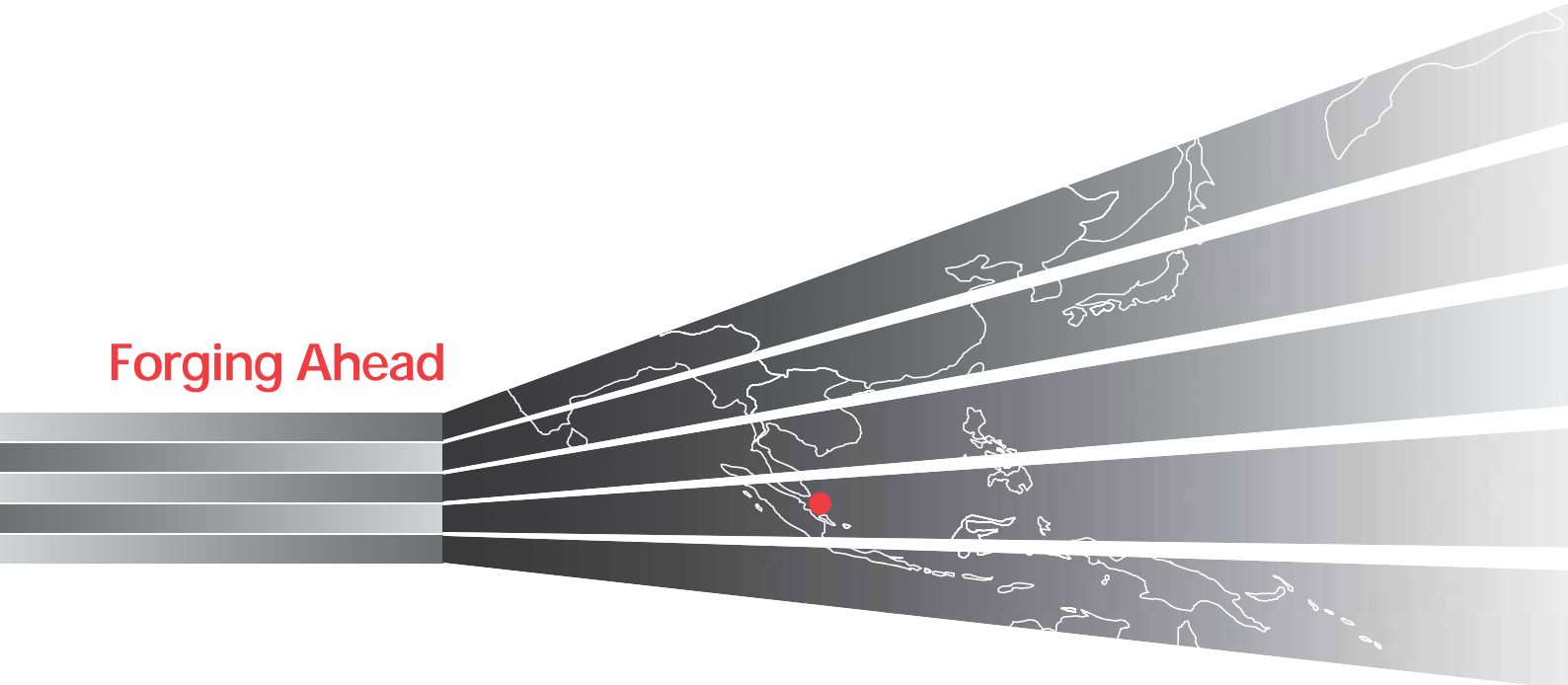


Forging Ahead



MISSION We aim to offer a highly trusted securities and derivatives marketplace for capital raising, risk transfer, trading, clearing and settlement, and to serve our stakeholders.

KEY FIGURES

FY2009 in Review

5-Year Compound Annual Growth Rate

Revenue	\$595 million 22.6% less compared to \$769 million in FY2008	+13% From \$316 million to \$595 million
Net profit	\$306 million 31.2% less compared to \$444 million* in FY2008	+18% From \$131 million to \$306 million
Return on equity	39.3% 10.4 percentage points less compared to 49.7%* in FY2008	+14% From 20.5% to 39.3%
Earnings per share	28.7 cents 13.2 cents less compared to 41.9 cents* in FY2008	+17% From 12.9 cents to 28.7 cents
Total dividend per share	26.0 cents** 12.0 cents less compared to 38.0 cents in FY2008	+19% From 10.8 cents to 26.0 cents**

* Excludes the \$34.0 million distribution from SGX-DT Compensation Fund in FY2008.

** Pending approval by shareholders.

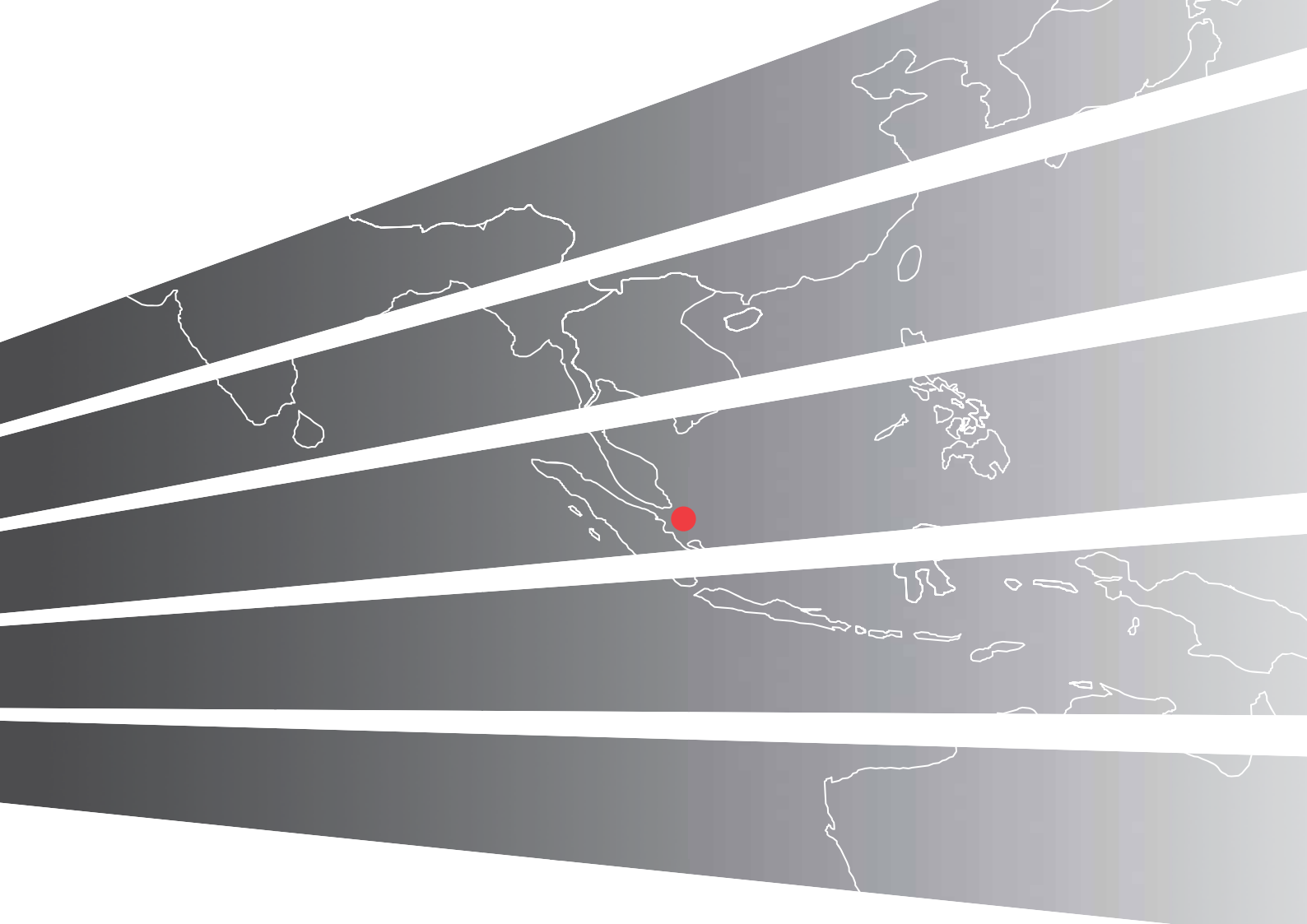
Forging Ahead

The year 2009 marks SGX's 10th Anniversary – we have come a long way and are forging ahead.

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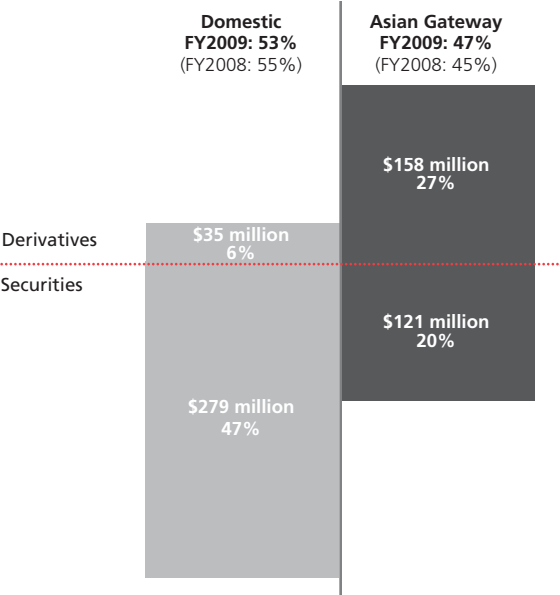
All figures in this Annual Report are in Singapore dollars unless otherwise stated.
FY2009 refers to the financial year ended 30 June 2009.



A **resilient** Asian Gateway

Our Asian Gateway strategy has brought about a more diversified and resilient business that delivers results.

ASIAN GATEWAY REVENUE



GROUP HIGHLIGHTS

GROUP FINANCIAL HIGHLIGHTS

	FY2009	FY2008	FY2007	FY2006	FY2005 ¹
For the year (\$million)					
Operating revenue	595	769	576	408	275
Operating expenses	228	241	211	184	143
EBITDA ²	386	588	509	251	150
Operating profit	367	528	365	224	132
Other gains/(losses)	1	49	128	13	3
Profit attributable to equity holders					
– excluding one-off items ³	306	444	311	188	104
– including one-off items ³	306	478	422	188	104
Operating cash flow	281	506	355	227	101
At year-end (\$million)					
Net current assets	585	708	684	358	247
Total assets	1,417	1,917	1,851	957	1,029
Total liabilities	639	1,023	1,021	370	554
Shareholders' funds ⁴					
– Share capital	415	410	399	378	10
– Share premium	–	–	–	–	353
– Reserves	363	484	431	209	111
Shares issued (million)	1,069	1,067	1,061	1,050	1,042
For the year (%)					
Revenue growth	(22.6)	33.4	41.4	48.4	(13.1)
Operating profit margin	61.7	68.6	63.4	54.9	47.9
Net profit margin ⁵	51.3	56.7	52.5	44.6	37.6
Cost-to-income ratio	38.3	31.4	36.6	45.1	52.1
Return on equity ⁵	39.3	49.7	37.5	32.0	22.0
Dividend payout ratio ⁶	90.5	91.0	90.4	90.6	84.7
Per share data (cents)					
Operating cash flow	26.2	47.4	33.4	21.6	9.7
Basic earnings					
– excluding one-off items ³	28.7	41.9	29.5	18.0	10.1
– including one-off items ³	28.7	45.1	40.0	18.0	10.1
Net assets	73.2	84.0	78.4	55.9	45.5
Net dividend	26.0	38.0	36.0	16.2	23.5
a) Base	14.0	12.0	8.0	6.0	6.0
b) Variable	12.0	26.0	28.0	10.2	2.5
c) Special	–	–	–	–	15.0
Share price information					
Average share price (\$)	5.90	10.45	5.83	3.12	1.85
Share price at financial year-end (\$)	7.10	6.91	9.80	3.52	2.11

¹ Figures have been re-stated to reflect the Employee Share Option Plan expenses following the adoption of FRS102.

² Refers to earnings before interest, tax, depreciation and amortisation.

³ One-off items relate to the following:

i) \$34.0 million distribution from SGX-DT Compensation Fund in FY2008; and

ii) \$45.0 million write-back of allowance for impairment on SGX Centre, and \$65.5 million gain on disposal of SGX Centre in FY2007.

⁴ Under the Companies (Amendment) Act 2005 effective 30 January 2006, the concepts of par value and authorised share capital are abolished and the amount in the share premium account as of 30 January 2006 becomes part of the Company's share capital.

⁵ Excludes one-off items.

⁶ Excludes the \$34.0 million distribution from SGX-DT Compensation Fund in FY2008, and special dividend in FY2005.

FINANCIAL PERFORMANCE

Revenue (\$million)



Net profit (\$million)



Net profit margin (%)



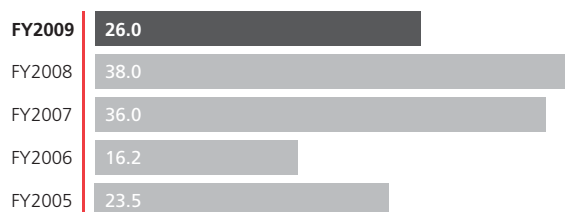
Operating leverage# (%)



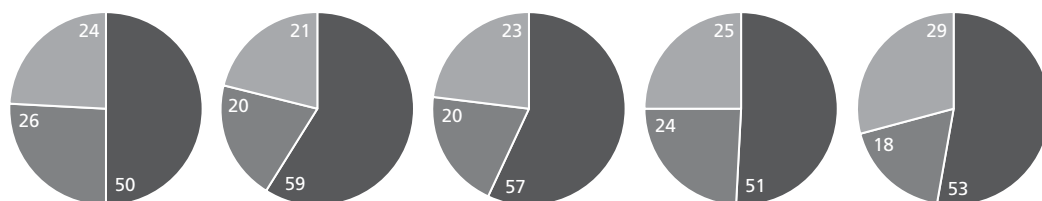
Return on equity (%)



Total dividend per share (cents)



Revenue contribution (%)



Revenue contribution (\$million)	FY2009	FY2008	FY2007	FY2006	FY2005
Securities market revenue	299	450	326	208	144
Net derivatives clearing revenue	156	156	117	96	50
Stable revenue	140	163	133	104	81

* Excludes the \$34.0 million distribution from SGX-DT Compensation Fund.

** Excludes the \$45.0 million write-back of allowance for impairment on SGX Centre, and \$65.5 million gain on disposal of SGX Centre.

Operating leverage is defined as the ratio of stable revenue and net derivatives clearing revenue to total operating expenses.

SGX PROFILE

Singapore Exchange Limited (SGX) is Asia-Pacific's first demutualised and integrated securities and derivatives exchange.

SGX was inaugurated on 1 December 1999, following the merger of two established and well respected financial institutions – the Stock Exchange of Singapore (SES) and the Singapore International Monetary Exchange (SIMEX).

On 23 November 2000, SGX became the first exchange in Asia-Pacific to be listed via a public offer and a private placement. Listed on its own bourse, the SGX stock is a component of benchmark indices such as the MSCI Singapore Free Index and the Straits Times Index.

Underpinned by a robust regulatory framework and supported by a network of local and international intermediaries, our horizontally and vertically-integrated business provides and supports a broad range of services. These include listing, trading, clearing and settlement of securities and derivatives and depository services. Our seamless end-to-end solutions enable us to efficiently meet the needs of our customers and optimise our revenue streams.

We are recognised for our market-leading developments and product innovations, and serve a wide array of customers, from domestic retail investors to some of the world's largest financial institutions, and from large capitalised entities to small, fast-growing companies.

With more than 20 years' experience in derivatives clearing, SGX is well-placed to provide central counterparty clearing services through SGX AsiaClear® to serve the growing Over-The-Counter (OTC) market.

The acquisition of Singapore Commodity Exchange (SICOM), completed on 30 June 2008, further enhances SGX's position to develop a vibrant international commodities market.

We continue to form strategic partnerships and global alliances to extend our product range and market reach, as well as improve access for all our customers.

Anchored in Singapore, yet firmly plugged into the global markets, SGX provides a sound, transparent and efficient marketplace in an increasingly borderless world.

2009 marks SGX's 10th Anniversary. We have come a long way and are still forging ahead.

AWARDS AND ACCOLADES

2008

- Asia Risk Magazine
 - > Derivatives Exchange of the Year
- Singapore Corporate Awards
 - > Best Managed Board Award (Gold)
 - > Best Investor Relations Award (Gold)
 - > Best Annual Report Award (Bronze)
- Energy Business Awards, Asia
 - > Gold Award for Excellence in Energy Trading & Risk Management
- IR Magazine S.E. Asia Conference & Awards
 - > John Gollifer: "Best Investor Relations Officer – Large Cap"

2009

- SIMEX founding Chairman Ng Kok Song inducted into the Futures Industry Association (FIA) Futures Hall of Fame
- Governance and Transparency Index (GTI) Award
 - > 3rd Position

PRODUCTS AND SERVICES

SGX's growing suite of products and services caters to international and increasingly sophisticated market participants.

Securities

- Equities
 - Mainboard
 - Catalist
- Real Estate Investment Trusts (REITs)
- Exchange Traded Funds (ETFs)
- Business Trusts
- Infrastructure Funds
- Global Depository Receipts (GDRs)
- Bonds, Debentures and Loan Stocks
- Company Warrants

Derivatives

- Equity Index Futures and Options on Futures
- Short-Term Interest Rate Futures and Options on Futures
- Long-Term Interest Rate Futures and Options on Futures
- Extended Settlement (ES) Contracts
- Commodity Futures
- Structured Warrants
- Certificates
- OTC clearing of energy, freight and bulk commodity derivatives

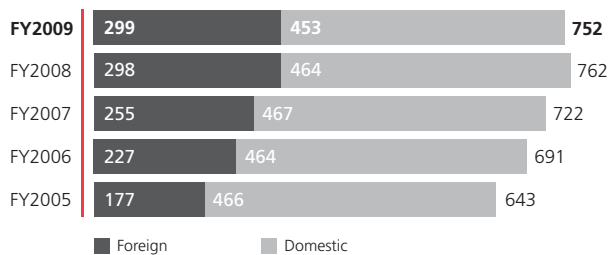
Other services

- Post-Trade Services including clearing, settlement and depository
- Securities Borrowing and Lending
- Proximity Hosting Services for both securities and derivatives markets
- SGXAccess FIX and SGXAccess API for securities market
- Connectivity to SGX Quest-DT for derivatives market
- SGX Securities Market Direct Feed
- SGX SecuritiesBook
- SGX DerivativesQuote
- SGXNews
- Orders and Trade Data
- Mobile Data Services
- Listed Companies Data
- Historical Market Data
- Publications

BUILDING AN ENDURING MARKETPLACE WITH A STRONG DIVERSIFIED BUSINESS

SECURITIES MARKET

Number of listed companies



Value traded (\$billion)



Turnover velocity (%)



Volume traded (billion shares)

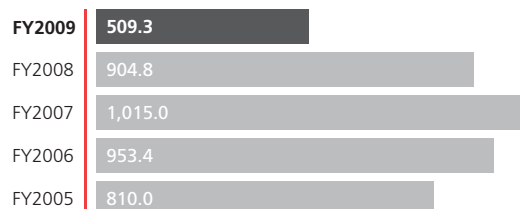


DERIVATIVES MARKET

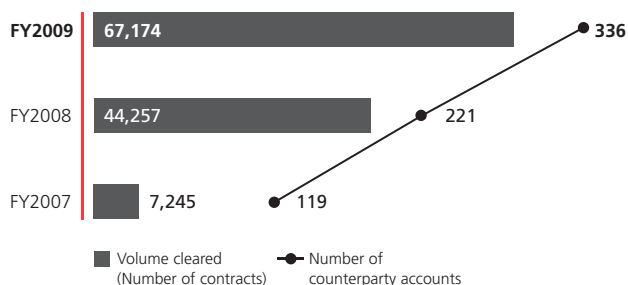
Futures & options volume traded (million contracts)*



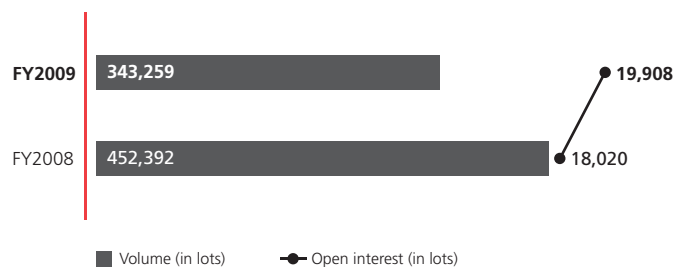
Futures & options open interest** (thousand contracts)



AsiaClear: Number of contracts cleared and number of counterparty accounts



SICOM: Total volume traded and open interest

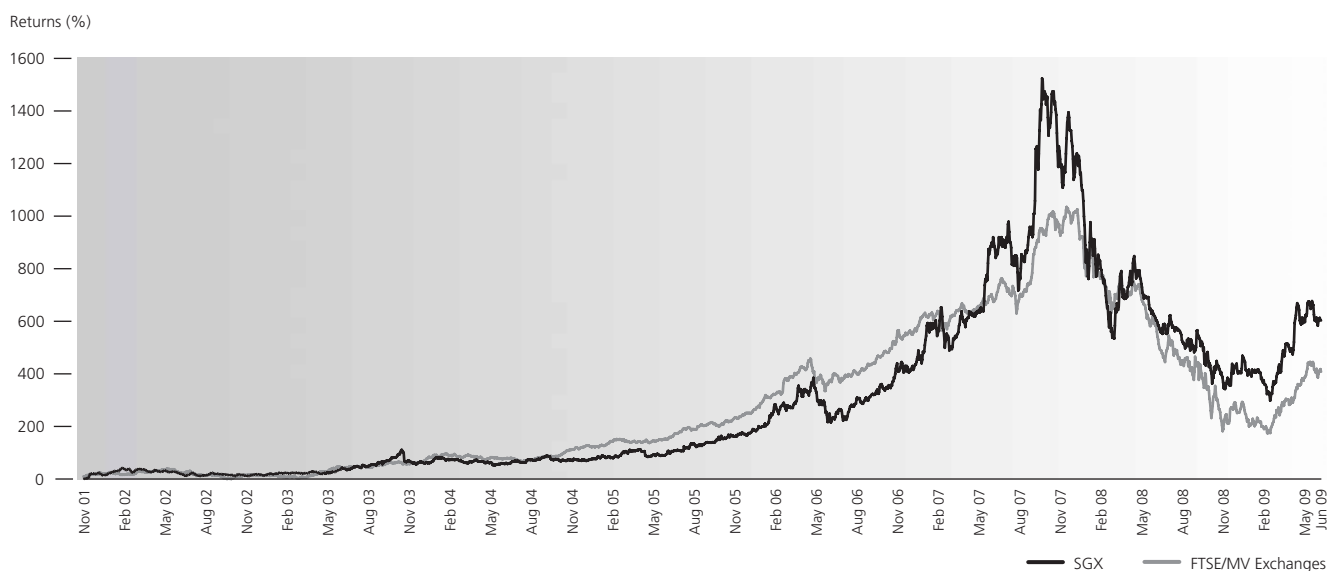


* The number of CNX Nifty Index Futures contracts (IN) has been adjusted for comparison purposes as the contract size was reduced five-fold in November 2007.

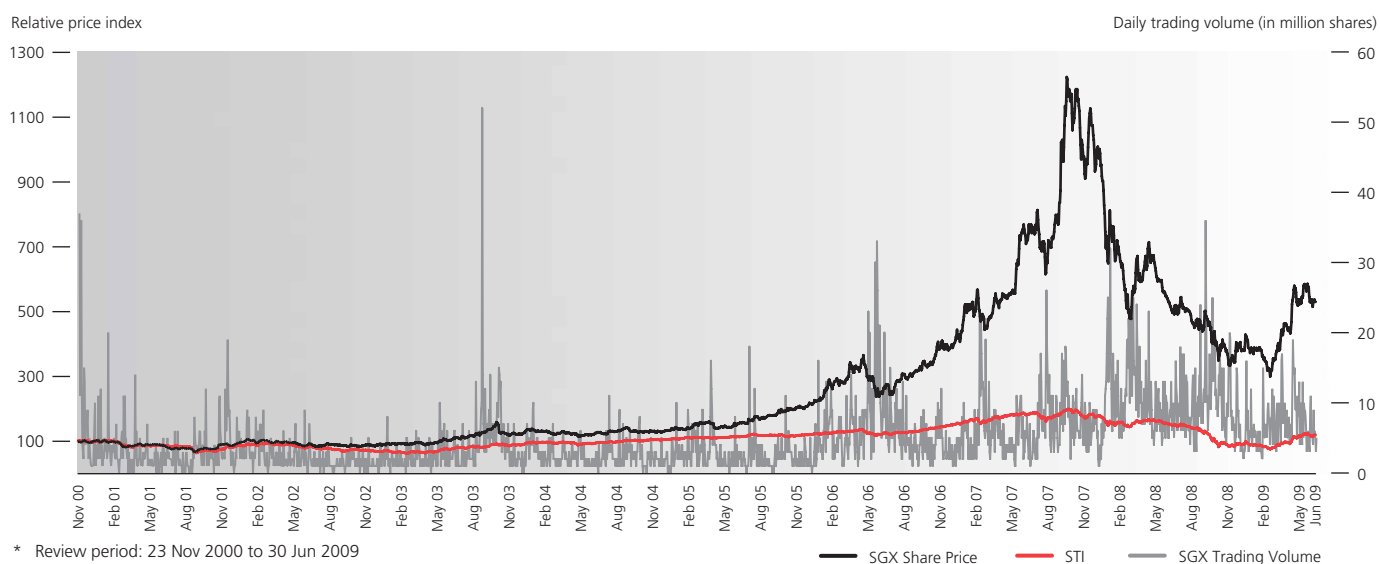
** As at 30 June

SGX SHARE PERFORMANCE

SGX share price vs FTSE/MV Exchanges Index



SGX share performance vs Straits Times Index (STI)*



CHAIRMAN'S STATEMENT

“ Underpinning the entire spectrum of activities are our well-honed regulatory framework and risk management systems, which we believe are respected by peers, market participants, and our regulator – the Monetary Authority of Singapore (MAS). ”

The 12-month period covered by our Financial Year 2009 was one that most investors may prefer to forget. SGX is no exception. Nonetheless, while our financial performance faltered, we continued to strengthen the foundations for future growth. So, product development, market development, the upgrading and modernisation of our software and operational systems were vigorously pursued. Not least, the strengthening of the organisation, coupled with the training and development of our people, continued at a steady pace. Underpinning the entire spectrum of activities are our well-honed regulatory framework and risk management systems, which we believe are respected by peers, market participants, and our regulator – the Monetary Authority of Singapore (MAS).

During the year, we introduced further initiatives to facilitate high velocity and algorithmic trading, supported by an upgrading of our trading engine to produce faster reaction times, or reduce latency in market terminology. In technology, we shall be introducing the new SGXClear clearing system not long after the close of the year.

We acknowledge concerns expressed in the local media on the dire fate of several foreign companies, particularly from China – the so-called S-chips. S-chips hit the headlines because of the remarkable audacity of a few miscreants, usually followed by their disappearance into remote regions, out of reach of the enforcement authorities here. Yet, we should not forget that the majority of S-chips behave well, thanks to our stringent standards. As the year drew to a close, investors seemed to have revived their interest in S-chips, going by the volume of trading.

Notwithstanding the sharp fall in profit, we retained the practice of declaring a regular quarterly dividend of 3.5 cents. Coupled with a variable dividend of 12.0 cents, the total payout for the year was 26.0 cents. It accounted for a payout ratio of 90%.

FY2009 was the last full year of service of our outstanding and popular CEO, Mr Hsieh Fu Hua. To say we are sorry and saddened by his imminent departure is an understatement. He has served

Total dividend per share*

26.0 cents

For the year, including a regular quarterly dividend of 3.5 cents per share and a variable dividend of 12.0 cents per share

* Pending approval by shareholders

us with great distinction for six-and-a-half years. That was a strenuous, albeit exhilarating, period for him and his colleagues. Fu Hua deserves his break. Farewell, my friend, you have fulfilled the aspirations and hopes we placed in you at your entry.

We welcome in Fu Hua's place, Mr Magnus Bocker, who joins SGX on 1 December 2009. Magnus, we believe, shares our cherished values, and will effortlessly fit into our collegial company culture. He has distinguished himself in most areas of the exchange business. We look forward to him leading SGX in the next phase of its evolution, the outlines of which we are unable to discern with great clarity or precision at this stage.

I thank my fellow directors, who have done an outstanding job in guiding the process that resulted in the selection of Magnus. Besides of course, they have skilfully directed the fortunes of the Company in a quite turbulent period.

At the start of the new financial year, FY2010, Mr Liew Mun Leong entered the Board. Mun Leong has enjoyed an outstanding career in public service as well as in the private sector. I am confident his all-round attributes will serve SGX well.

I thank our diligent management and staff for their customary steadfast contribution. They did not take their eyes off the ball. Much rests on their broad shoulders.

I should not forget our market participants. They have helped us greatly in developing the markets. May I particularly acknowledge the keen interest shown by our retail investors in the Company's affairs. Their numbers have increased by leaps and bounds to a total of, at last count, 28,199. No wonder our auditorium, which houses the annual meetings, now bursts at the seams. We must be doing something right.

Finally, we acknowledge with gratitude our regulator, MAS, which has guided and helped us in honing our regulatory activities to the best global standards and ensuring that our risk management systems are robust.

I have spent a good 10 years on the Board since the inception of the Company. It has been an exhilarating and rewarding experience. I look forward to facilitating the smooth and successful introduction and settling down of the new CEO.

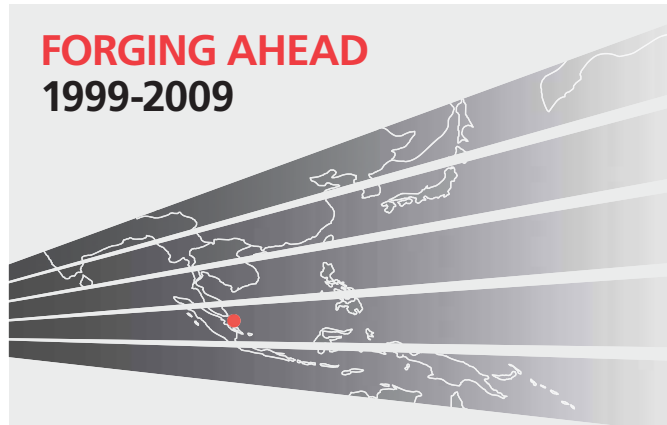


J Y PILLAY

Chairman

5 August 2009

FORGING AHEAD **1999-2009**



This year we commemorate the 10th anniversary of our corporate existence. The two legacy exchanges – the Stock Exchange of Singapore and Singapore International Monetary Exchange – merged and demutualised in December 1999. A year later, SGX was listed on its own board.

Bountiful expectations were harboured of the new Exchange. Ten years later, we are sober and realistic. Not all our ambitions were realised. But good progress was made in many areas where we enjoyed greater control of our destiny.

Our organisation now is almost unrecognisable from the one that was launched 10 years ago. It has taken a long and arduous time to bring it to its present state of robustness.

We have yet to strike up firm and meaningful linkages with other exchanges, although some progress has been made. The permutations possible and evident in that activity around the world are bewildering in their scope and longevity. Meanwhile we bide our time, establishing the basis for meaningful relationships, and continuing vigorously with organic growth in many dimensions.

There is little doubt that we have established our position as an Asian gateway for investments into Asia. SGX is not the only Asian portal available, but it may reasonably claim to be among the most diverse, nimble, progressive and dynamic.

Much remains to be done. The foundations have been laid. We shall abide by our values and culture. That means setting clear directions, being alert and responsive to the current and future needs of our customers, treating our employees with respect, acknowledging our corporate and social responsibilities, and rewarding our faithful shareholders.

We look forward with confidence to the next 10 years.

CEO'S MESSAGE

“ As market operator and front-line regulator, SGX fared well in the circumstances. We remain profitable and the foundation of our business has stood up to the test of the crisis, most significantly in risk management and regulation. ”

Following the euphoric market run-up to FY2008, this past year witnessed the full force of the global financial crisis which brought challenging times for investors, financial institutions, listed companies and regulators alike. As market operator and front-line regulator, SGX fared well in the circumstances. We remain profitable and the foundation of our business has stood up to the test of the crisis, most significantly in risk management and regulation. The crisis has prompted us to review the business to ensure we are well poised to face further challenges, and seize opportunities to grow.

RISK AND REGULATION

“ It's crucial that customers have a belief in the marketplace in which they are being served. And this comes down to an issue of trust. ” *(The Business Times, 2004)*

At the heart of our foundation is market integrity, which is based on maintaining a fair, orderly, transparent marketplace, with safe and efficient clearing. Although the current crisis brought the relevance of the *caveat emptor* regime into question, this regime remains fundamental to the development of a vibrant regulated marketplace. It is often overlooked that *caveat emptor* does not mean a market without standards. As a Self-Regulatory Organisation (SRO), we continue to align our commercial interests with the maintenance of high regulatory standards for market integrity, which is closely monitored by our Board's Regulatory Conflicts Committee. Recent responses to the crisis stand as testament to responsible SRO management.

In the course of the crisis, we undertook measures to cope with the volatility, and in particular, the risks arising from the collapse of Lehman Brothers and potential failures of other financial institutions. All outstanding financial obligations were resolved during that fateful episode in a safe and orderly manner, with no losses to our Clearing Houses.

Besides safety, the transparency of the marketplace was tested. The sharp and severe downturn generally impacted listed companies and resulted in a spike in business failures and difficulties in capital raising. In particular, it brought focus to Singapore-listed Chinese companies (commonly known as S-chips). There were some instances of wrongdoing, though these were not limited to S-chips. We viewed these developments with concern. In response, we took unprecedented steps to flush out any detritus from the system. These included requiring independent directors, audit committees, and audit professionals to verify cash balances and other items in the corporate accounts, and to focus on risk management and corporate governance in general.

Operating expenses
further reduced by

5.6%

notwithstanding continuing
investment in technology

Asian Gateway revenue
contribution to total revenue
continues to inch upwards to

47%

PEOPLE AND CULTURE

“ Market responsiveness in business needs to be grounded on solid values, and not driven to excesses... ” *(The Business Times, 2003)*

If market integrity is the heart of the market, people and culture are its lifeblood. Our business is a people business. We are committed to developing our staff and retaining them. We have strengthened our organisational capabilities through the judicious hiring of key staff, particularly in regulation, technology, product development and customer services. We draw talent without borders. With a fundamental belief in cultivating quality people, emphasis is on continuous learning, personal development, and the embodiment of trust among our employees. Trust must not only permeate the organisation but also the marketplace.

Since our formation through the merger of two mutuals, SGX has transformed itself from a utility mindset into a customer-oriented business. We maintain a strong culture of customer service through close collaboration with the variety of market participants. These include listed companies, issue managers, investors and broking members. A host of programmes continue to be developed to meet the different and changing needs of these market participants. For example, we have sponsored the formation of IRPAS¹ to promote investor relations among our listed companies, and this year, initiated the setting up of the new AFACT² to build the community of professional derivatives traders.

Running the SGX business as a business is also a journey in cultivating a spirit of discipline and the ability to make tough decisions. Our record for prudent capital management and cost control has served us well over the years. Notwithstanding higher expense commitments in technology, operating expenses were reduced by 5.6% in FY2009 in the face of declining securities market revenue.

TECHNOLOGY

To maintain the integrity of the marketplace, technology investment is the backbone of this framework. We have been revamping our technology from front-end to back-end. Our commitment has not wavered in spite of the market downturn. Technology robustness has been strengthened through new and upgraded trading platforms, pre-settlement matching services, as well as through preparations for the new derivatives clearing system, SGXClear, our major technology initiative for FY2010.

Similarly, we have continued with measures to serve our customers better by increasing the speed and efficiency of market access. Attracting algorithmic and high velocity traders remains a key feature for enhancing liquidity in both the cash and derivatives markets.

ASIAN GATEWAY

“ It’s about making sure SGX is part of a bigger world out there. Borders have blurred both for our investors as well as our brokers. So, the borders must blur for the Singapore Exchange. ” *(Today, 2008)*

The Asian Gateway benefits from being located in Singapore’s financial centre. It has allowed us to diversify our revenue streams with a considerable range of revenue growth options. Unlike most exchanges that are dependent on the domestic market, we can benefit infinitely from the Asian Gateway, which already accounts for 47% of our total revenue. Diversification has been undertaken both horizontally and vertically.

¹ Investor Relations Professionals Association (Singapore)

² Association of Financial and Commodity Traders (Singapore)

Futures trading volume up by

8%

on continued growth in
Nikkei and Nifty contracts

Horizontal diversification is across geographic markets as well as product classes, ranging from securities, derivatives to commodities. Our foreign listing strategy for securities has expanded our market capitalisation and listings. Foreign listings now account for one-third of the marketplace. Although listings have been slow since the crisis, we expect momentum to revive even in the face of greater competition. The appeal of Singapore as a financial centre combined with a critical mass of foreign companies on our Mainboard should continue to make SGX an attractive listing destination. We will continue to strengthen our listing proposition with emphasis on developments in sectoral strengths. The recent MOU with Oslo Børs serves to enhance the energy, offshore and shipping sectors.

Furthermore, Catalist, our sponsor-supervised Board for fast growing companies, is designed to bring further scale and diversification to our listings platform.

A brighter side to our performance this year is derivatives which make up one third of total revenue. Futures trading volume was up 8% from FY2008 and we saw continued growth in the Nikkei and Nifty. With commodity markets fragmented, we look to establish an Asian trading hub through the Singapore Commodity Exchange (SICOM), an SGX subsidiary. Plans include strengthening its well-established rubber contract while expanding its product base. SICOM's products will soon seamlessly reach SGX's client base by virtue of a trade transfer facility.

Horizontal diversification across geographic markets has been through alliances and partnerships. Our established relationships include the Chicago Mercantile Exchange, MSCI, FTSE, NASDAQ OMX, Nikkei Inc, Tokyo Stock Exchange and

the two leading exchanges in India, National Stock Exchange and Bombay Stock Exchange. We have also established close relations with Chinese provincial governments to promote listings and corporate governance for Chinese companies. In the past year, we extended through SGX International, our consulting arm, a business relationship with the Bahrain Stock Exchange. Collaboration continues with our neighbouring exchanges to form an ASEAN trading linkage.

SGX provides vertically-integrated services from listing to trading, and post-trade settlement and clearing. The global crisis, having focused attention on the benefits of exchanges and clearing houses as price discovery and risk management centres, offers us opportunities as well as a competitive advantage. We are restructuring our CDP and Derivatives Clearing Funds to bolster the resources in anticipation of increased volumes and products.

A clear trend is the regulatory push for OTC derivatives to be cleared through central counterparties. Our efforts in this regard are through AsiaClear which caters for OTC trades in a range of commodity derivatives, and a new platform that will clear OTC financial derivatives.

SERVING OUR STAKEHOLDERS

“...at the end of the day, it must be an organisation with a heart.” *(The Straits Times, 2003)*

The crisis has highlighted the wisdom of a stakeholder approach in business, as opposed to focusing only on shareholder returns. We are naturally mindful of our stakeholders in running the business. Our stakeholders encompass not only customers, employees and shareholders, but also extend to our regulator, industry associations, and society at large. We work closely with various industry associations representing retail investors and market professionals. Most of all, we consult and cooperate closely with the MAS to ensure our conduct and standards are congruent.

We broadened our social responsibility in 2009 to become a key founder and sponsor for a new charity, Shared Services for Charities (SSC). This service builds upon our strengths as front-line regulator and bastion of public trust to enhance the governance of other charitable organisations in Singapore. Our outreach efforts also extended beyond The Bull Charge®, SGX's vanguard charity fundraising initiative, to include a Bull Rally which encourages staff participation in community services.

**Total shareholder return
per annum for the
last 5 years is**

38%

Outperforms:

- Straits Times Index by 27.7 percentage points
- FTSE/MV Exchanges Index by 16.4 percentage points

For our shareholders, we have built our business on a relatively fixed cost base to allow for higher returns in an expansionary period, and optimal returns over a complete business cycle. We have delivered a total shareholder return over the past five years of 38% p.a., outperforming the Straits Times Index by 27.7 percentage points, and the FTSE/MV Exchanges Index by 16.4 percentage points. We continue to meet our medium term ROE target of 42.5% p.a. Our base dividend policy underscores SGX's growth story, having started at 5.6 cents a share in 2004, and now stands at 15 cents a share in FY2010. The minimum payout ratio to shareholders has increased from 50% to 80%.

CONCLUDING REMARKS

2009 has been a year of milestones. As well as a time of crisis, it marks a decade since the formation of SGX effected through a merger. It is also my final year with SGX, having been CEO for three terms.

I am still passionate about SGX and the exchange industry in Asia, both of which have great potential to be discovered. At my start in SGX, I showed a film to my colleagues of the treacherous journey undertaken by the famous explorer, Shackleton. He lost his way in uncharted Antarctic waters but ultimately brought his team home. Back then, I think we too were struggling to understand how to run the exchange, as a business in a nascent industry. Besides, it was a difficult period when markets were at a low point, chastened by the bursting of the technology bubble and the scare of SARS.

**Base dividend a share
in FY2010 increased to**

15 cents

Up from 5.6 cents a share in FY2004

Even as we undergo the current crisis, with more shocks that lie ahead, I believe SGX is in a better place. We have a team that has the stamina and capability to chart and drive SGX forward. It is time for me to hand over to a new CEO with even greater energy and a different perspective to lead SGX in the borderless marketplace. Magnus Bocker, my successor, whom I have known for many years, is the best person to lead.

I am most thankful for having served under a truly great Chairman and an outstanding Board. It was an enriching experience working with them. The members of our executive committee and all the staff at SGX have also inspired me by giving their utmost in serving our mission. Although I have been challenged from time to time in meeting the expectations of our stakeholders, I enjoyed serving them.

Thank you all for this privilege of contributing to a fine institution.



HSIEH FU HUA

Chief Executive Officer
5 August 2009

MILESTONES

2009 marks the 10th year of SGX's existence. Much has been achieved and we look forward with confidence towards the next 10 years.

1999

1999

Formation of SGX on 1 December 1999, following the merger of the Stock Exchange of Singapore and the Singapore International Monetary Exchange

2000

First CEO, Thomas Kloet, joined SGX

SGX became the first exchange in the Asia-Pacific region to be listed via a public offer and a private placement

2000

2001

2001

Introduced SMARTS, a real-time automated market surveillance system

Pioneered the world's first co-trading link with the Australian Stock Exchange, enabling investors to trade securities in both markets

2002

Launched Singapore's first local Exchange Traded Fund (ETF), the streetTRACKS Straits Times Index Fund

Introduced new listing manual

Launched Singapore's first retail Real Estate Investment Trust (REIT), CapitaMall Trust

Listed Singapore's first Business and Industrial REIT, Ascendas Real Estate and Investment Trust

2002

2003

2003

New CEO, Hsieh Fu Hua, joined SGX

Developed the SGX Quotation and Execution System for Trading (SGX QUEST), the world's first integrated trading engine for both securities and derivatives markets

2004

Enunciated SGX vision of "Building an enduring marketplace"

Extended our reach to existing and new derivatives customers around the world following the launch of SGX QUEST-Derivatives Trading

Launched The Bull Run™, the first charity fun run in the Central Business District, which rallied more than 150 organisations and raised over \$2 million

2004

2005

2005

Articulated the SGX "Asian Gateway" strategy

Ceased all open-outcry trading

Partnered with the Chicago Board of Trade to form the Joint Asian Derivatives Exchange (JADE), an electronic commodity derivatives market

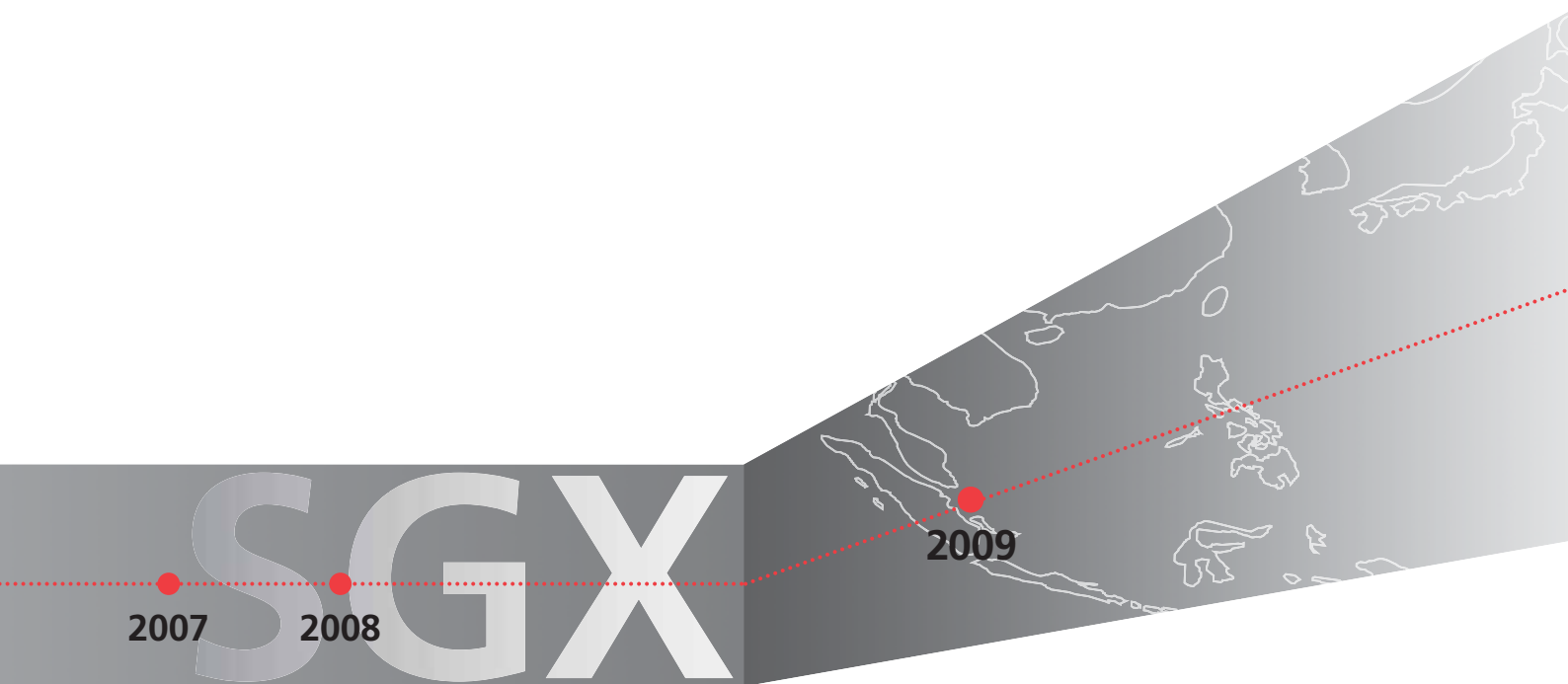
2006

Launched SGX AsiaClear®, our Over-the-Counter (OTC) clearing facility

Listed the world's first ASEAN ETF, the FTSE/ASEAN 40 ETF

Celebrated the 20th anniversary of our Nikkei 225 Futures contract

2006



2007

2008

2009

2007

Acquired a 5% stake in Bombay Stock Exchange

Tokyo Stock Exchange invested 4.99% in SGX

Transformed SESDAQ into Catalist, Asia's first sponsor-supervised listing platform for fast-growing companies

2008

SGX overseas representative offices opened in Beijing, London and Tokyo

SGX took a 20% stake in the Philippine Dealing System

Successfully migrated the securities market from the Central Limit Order Book (CLOB) system to new and enhanced trading engine – SGX QUEST-Securities Trading

Became the first exchange in Asia to offer sub-millisecond trading access

Completed acquisition of Singapore Commodity Exchange (SICOM)

Celebrated the 10th anniversary of the MSCI Singapore Index Futures (SiMSCI), Singapore's first domestic futures contract

2009

Launched world's first clearing of OTC Iron Ore Swap contracts on SGX AsiaClear

Set up Investor Education Fund to benefit investors

SGX International signed consultancy agreement with Bahrain Stock Exchange

Appointed Magnus Bocker as SGX CEO-designate

HIGHLIGHTS OF THE YEAR

2008

7 July 2008

Successfully migrated the securities market from the Central Limit Order Book (CLOB) system to a new and enhanced trading engine, SGX QUEST-Securities Trading

Launched FTSE ST China Top Index

4 August 2008

Signed Memorandum of Understanding (MOU) with Agricultural Bank of China to promote listings on SGX

13 August 2008

Partnered StarHub to provide financial information to 511,000 households in Singapore via cable television

18 September 2008

Celebrated the 10th anniversary of the MSCI Singapore Index Futures (SiMSCI), Singapore's first domestic futures contract

13 October 2008

Launched SGX Prime, our pre-settlement matching service

14 October 2008

Signed MOU with Bahrain Stock Exchange to collaborate for the benefit of the financial services industries of both countries

22 October 2008

Signed MOU with Karachi Stock Exchange to foster closer collaboration

24 October 2008

Raised \$2.1 million for a record 19 charities through The Bull Charge® 2008, SGX's annual charity fun run around the Central Business District

3 November 2008

Signed MOU with Fujian Development and Reform Commission Office of the Fujian Provincial Government in China, to promote listings of Fujian enterprises on SGX

24 November 2008

Signed a consultancy agreement with Bahrain Stock Exchange to provide training and knowledge transfer on management and operations

FY2009 saw SGX attaining some key achievements.

2009

6 January 2009

SGX announced that SGX derivatives and ETF markets set new record volumes and values in 2008

14 January 2009

SGX announced that SGX AsiaClear doubled the volume of OTC trades cleared in 2008

10 February 2009

Initiated Work Attachment Programme for fresh graduates

20 February 2009

Introduced new measures to facilitate secondary fund raising by listed companies

23 February 2009

Signed MOU with four other ASEAN exchanges to develop a pan-ASEAN electronic trading link

Launched Asia's first inverse ETFs

3 March 2009

Implemented new securities listing rules and revised other rules to enhance market efficiency

13 March 2009

SIMEX founding Chairman, Ng Kok Song, inducted into FIA Futures Hall of Fame

6 April 2009

Introduced new initiatives, including the Electronic Negotiated Large Trades (eNLT) system, to develop the options market

7 April 2009

Announced launch of a new access platform, SGXAccess API, and the Securities Market Direct Feed service, to offer faster access to SGX securities market and data

8 April 2009

Launched enhanced SGX website

27 April 2009

SGX AsiaClear launched the world's first clearing of OTC Iron Ore Swap contracts

5 May 2009

Set up Investor Education Fund to benefit investors

26 May 2009

Singapore Commodity Exchange (SICOM) signed Heads of Terms agreement with the National Commodity & Derivatives Exchange Limited (NCDEX) of India, making SICOM the first exchange outside of India to trade NCDEX's products and NCDEX the first exchange outside of Singapore to trade SICOM's products

12 June 2009

Launched The Bull Charge 2009, the sixth in SGX's series of annual fun runs around the Central Business District

22 June 2009

Launched FTSE ST Catalist Index

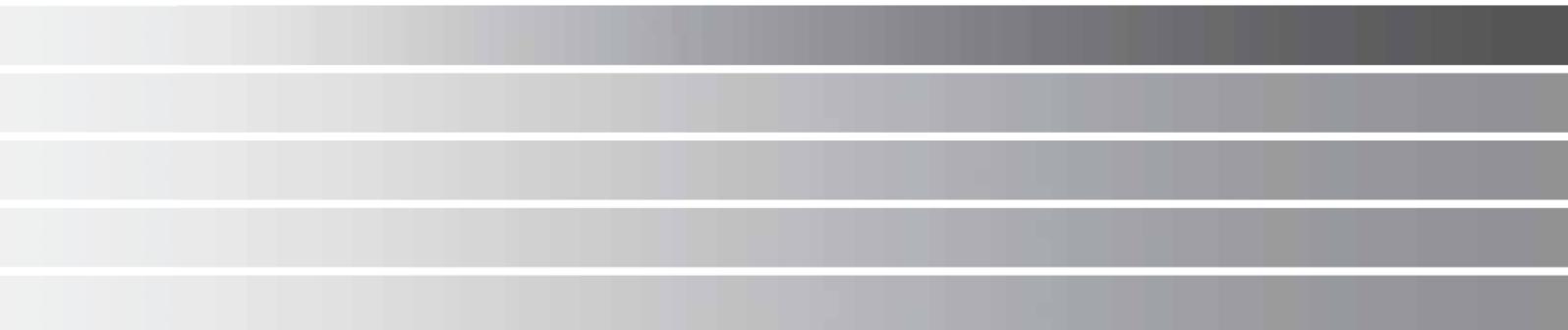
26 June 2009

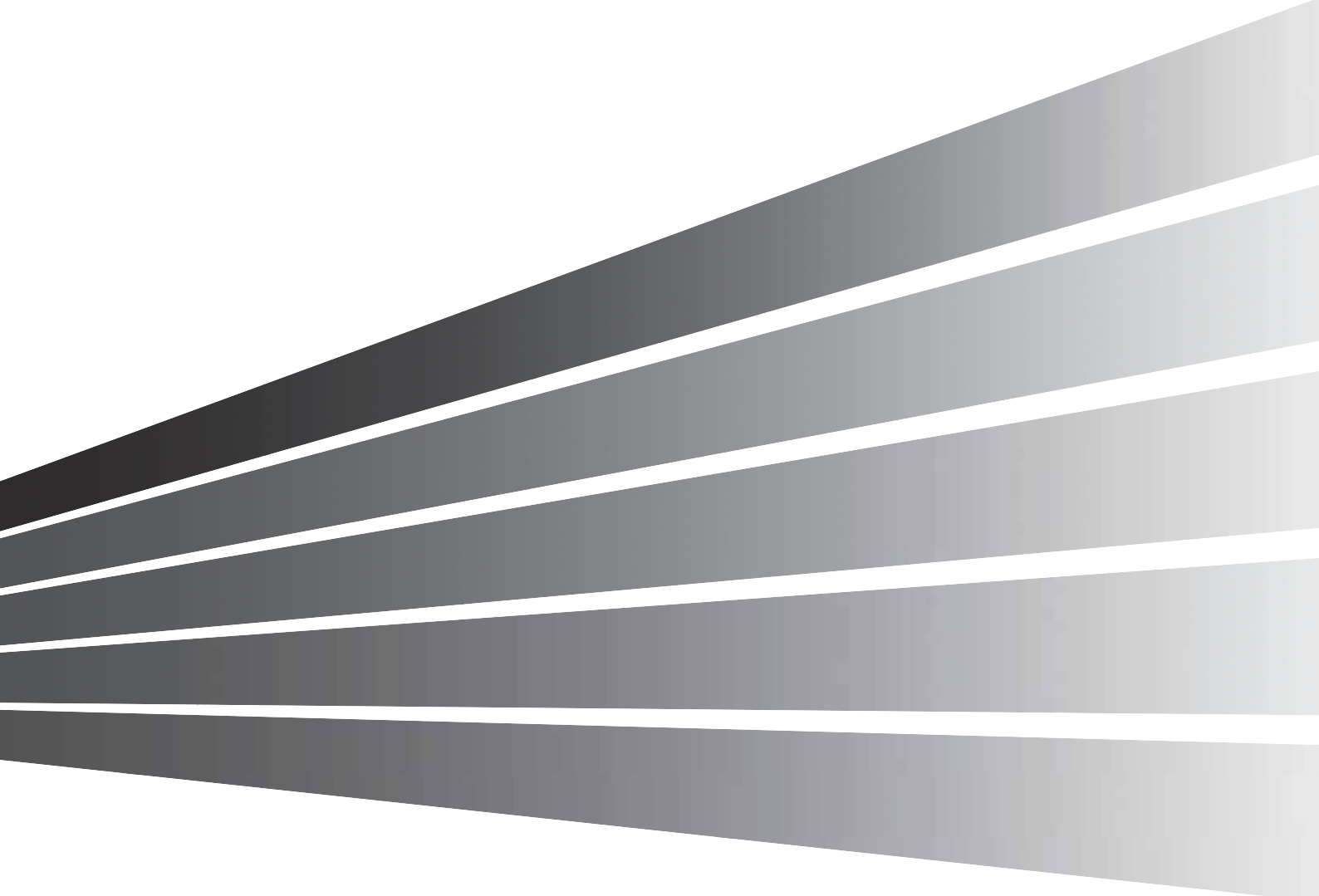
Appointed Liew Mun Leong as a new Independent Non-executive Director from 1 July 2009

20 July 2009

Announced Magnus Bocker as SGX CEO-designate

Forging Ahead **Upholding**
corporate governance

A series of five horizontal bars of varying shades of gray, spanning the width of the page, positioned below the main title.



**Robust regulatory standards and corporate
governance form the foundation of our marketplace.**

BOARD OF DIRECTORS

With a broad range of expertise and a good proportion of independent directors, the Board provides effective and knowledgeable oversight. The interests of both SGX and our investors are soundly safeguarded.

J Y PILLAY

Non-executive Chairman

Mr Pillay has served as Chairman of the SGX board since 18 November 1999. On 28 September 2007, Mr Pillay was re-designated to serve as a non-executive Chairman and a non-independent director on the SGX board.

Mr Pillay also serves as Chairman of the Council of Presidential Advisers and member of the Presidential Council for Minority Rights of the Republic of Singapore, Life Trustee of the Singapore Indian Development Association, Chairman of the Board of Trustees of the Caritas Singapore and Community Council Limited Agape Fund, and Pro-Chancellor of the Singapore Management University.

Mr Pillay held a variety of positions in the Government of Singapore (1961–1995), rising to permanent secretary in 1972. He served in the ministries of finance, defence, national development, Monetary Authority of Singapore and Government of Singapore Investment Corporation. He served, in a non-executive capacity, as Chairman of the boards of several government-linked companies, including Singapore Airlines Limited (1972–1996), Temasek Holdings (Private) Limited (1974–1986), Development Bank of Singapore Ltd (1979–1984), and Singapore Technologies Holdings Private Limited (1991–1994). He was also the Chairman of the Council on Corporate Disclosure and Governance from 2002 till its dissolution in 2007.

Mr Pillay graduated with a BSc (Honours) degree from the Imperial College of Science and Technology, University of London in 1956.

Mr Pillay was last re-elected as a director at the Annual General Meeting on 3 October 2008.

HSIEH FU HUA

Chief Executive Officer

Mr Hsieh has served as CEO and a non-independent director on the SGX board since 1 March 2003.

Mr Hsieh is a member of the National University of Singapore Board of Trustees, the boards of Government of Singapore Investment Corporation and the National Arts Council. He is also Chairman of SIM Pte Ltd (a subsidiary of the Singapore Institute of Management).

Mr Hsieh's career has been in merchant banking and capital markets in Asia. Mr Hsieh was Managing Partner of PrimePartners, a corporate advisory firm, and was Group Managing Director of BNP Prime Peregrine Group in Hong Kong – the joint venture Asian investment banking arm of BNP founded by PrimePartners. Prior to forming PrimePartners in 1993, he was Chief Executive of Morgan Grenfell Asia Holdings Pte Ltd which he joined in 1974.

Mr Hsieh graduated from the University of Singapore in Business Administration in 1974.

Mr Hsieh was last re-elected as a director at the Annual General Meeting on 3 October 2008.

LOW CHECK KIAN

Lead Independent Director

Mr Low has served as an independent director on the SGX board since 20 July 2000, and was appointed Lead Independent Director in May 2006.

Mr Low is one of the founding partners of NewSmith Capital Partners, an independent partnership providing corporate finance advice and investment management services, with its headquarters based in London. Mr Low manages NewSmith's Asia Pacific offices and has over 20 years experience in the securities industry in Asia. Prior to founding NewSmith, Mr Low was a Senior Vice-President and Member of the Executive Management Committee of Merrill Lynch & Co., as well as their Chairman for the Asia Pacific Region.

Mr Low is a director of Fibrechem Technologies Limited, a Singapore listed company and AWAK Technologies Pte. Ltd.

Mr Low was last re-elected as a director at the Annual General Meeting on 28 September 2007.

BOARD OF DIRECTORS

CHEW CHOON SENG

Non-executive Director

Mr Chew has served as an independent director on the SGX board since 1 December 2004.

Mr Chew is CEO of Singapore Airlines Limited and Deputy Chairman of its listed subsidiary, SIA Engineering Company Limited. Mr Chew is a director of the Government of Singapore Investment Corporation and a member of the Board of Governors of the International Air Transport Association.

Mr Chew graduated from the University of Singapore with First Class Honours in Mechanical Engineering, and has a Master in Operations Research and Management Studies from the Imperial College of Science and Technology, University of London.

Mr Chew was last re-elected as a director at the Annual General Meeting on 28 September 2007.

EULEEN GOH YIU KIANG

Non-executive Director

Ms Goh has served as an independent director on the SGX board since 29 September 2006.

She is the non-executive Chairman of the Singapore International Foundation. She is a non-executive board member of Singapore Airlines Limited, DBS Group Holdings Ltd, DBS Bank Ltd, MediaCorp Pte Ltd and Aviva plc, Chairman of the Accounting Standards Council, and Adviser to the Singapore Institute of International Affairs.

Ms Goh had previously served as the non-executive Chairman of International Enterprise Singapore. She had also served on the MOH Holdings Pte Ltd board, as a Council member of The Institute of Banking and Finance and as a member of the Council on Corporate Disclosure and Governance. Ms Goh held various senior management positions in Standard Chartered Bank, retiring in March 2006 after some 21 years with the Bank. She was CEO of Standard Chartered Bank, Singapore from 2001 until March 2006.

Ms Goh is a Chartered Accountant with professional qualifications in banking and taxation.

For her contributions to the financial services sector, Ms Goh was awarded a Public Service Medal by the President of Singapore in 2005.

Ms Goh was appointed as a director at the Annual General Meeting on 29 September 2006.

HO TIAN YEE

Non-executive Director

Mr Ho has served as an independent director on the SGX board since 15 November 1999.

Mr Ho is currently Executive Director of Pacific Asset Management (S) Pte Ltd. Mr Ho holds directorship on the boards of Fraser and Neave Limited and Singapore Power Limited. He is Chairman of Times Publishing Ltd and a member of the Risk Committee of the Government of Singapore Investment Corporation.

Mr Ho was previously General Manager and Managing Director of Bankers Trust Company Singapore.

He holds a Bachelor of Economics (Honours) from Portsmouth University, UK.

Mr Ho was last re-elected as a director at the Annual General Meeting on 28 September 2007.

LEE HSIEN YANG

Non-executive Director

Mr Lee has served as an independent director on the SGX board since 17 September 2004.

He is currently the Chairman of Fraser and Neave Limited and is an independent director of The Islamic Bank of East Asia Limited, and the Australia and New Zealand Banking Group. Mr Lee chairs the Republic Polytechnic's Board of Governors and is a member of the Governing Board of the Lee Kuan Yew School of Public Policy.

Mr Lee served as Group CEO of Singapore Telecommunications Ltd from May 1995 until March 2007.

A President's Scholar and an SAF Scholar, Mr Lee obtained First Class Honours in Engineering Science from Cambridge University, UK and a Master of Science (Management) degree from Stanford University, USA.

Mr Lee was last re-elected as a director at the Annual General Meeting on 3 October 2008.

BOARD OF DIRECTORS

LOH BOON CHYE

Non-executive Director

Mr Loh has served as a non-independent director on the SGX board since 22 October 2003.

Mr Loh currently chairs the Singapore Foreign Exchange Market Committee.

Mr Loh began his career as an Investment Officer with the Monetary Authority of Singapore in 1989 and joined the Singapore branch of Morgan Guaranty Trust Co of New York in 1992. Since 1995, he has been with Deutsche Bank AG, Singapore and was appointed Head of Global Markets for Asia in 2002.

Mr Loh had served as Chairman of the Capital Markets Working Group (1998), Deputy President of ACI Singapore (1999) and Chairman of the Debt Capital Markets Committee of the Singapore Investment Banking Association (2000).

Mr Loh holds a Bachelor of Engineering (Mechanical) from the National University of Singapore.

Mr Loh was last re-elected as a director at the Annual General Meeting on 3 October 2008.

NG KEE CHOE

Non-executive Director

Mr Ng has served as an independent director on the SGX board since 22 October 2003.

Mr Ng is also Chairman of Singapore Power Ltd, SP AusNet* and NTUC Income Insurance Co-Operative Ltd and President-Commissioner of PT Bank Danamon Indonesia Tbk.

He is a member of Temasek Advisory Panel and International Advisory Council of China Development Bank. In addition, Mr Ng is a director of Singapore Airport Terminal Services Limited (SATS) since 1 March 2000.

Mr Ng was the Vice-Chairman of DBS Group Holdings (DBS). He retired from his executive position in July 2003 after 33 years of service with DBS.

For his contributions to the public service, Mr Ng was awarded the Public Service Star Award in 2001.

Mr Ng graduated with a Bachelor of Science (Honours) degree from the University of Singapore.

Mr Ng was last re-elected as a director at the Annual General Meeting on 3 October 2008.

* SP AusNet comprises SP Australia Networks (Transmission) Ltd, SP Australia Networks (RE) Ltd and SP Australia Networks (Distribution) Ltd.

ROBERT OWEN

Non-executive Director

Mr Owen has served as an independent director on the SGX board since 17 September 2004.

Mr Owen is Chairman of Crosby Capital Partners Inc. and International Securities Consultancy Ltd. and a non-executive director of Citibank (Hong Kong) Ltd and a number of other companies and investment funds. Mr Owen is currently a board member of the Dubai Financial Services Authority. He is Governor of Repton School UK and director of Repton School Dubai.

Mr Owen began his career in the UK Foreign Office and Treasury. He later worked for Morgan Grenfell, after which he became Head of Investment Banking for the Lloyds Bank Group. In 1988, Mr Owen was appointed Adviser to the Hong Kong Government on Securities Markets to implement reforms to the regulation and operation of Hong Kong's securities and futures markets. In 1989, he became the first Executive Chairman of the Securities and Futures Commission of Hong Kong, where he served until 1992. He was a member of the Council and Regulatory Board of Lloyds of London from 1993 to 1995.

He graduated with First Class Honours from the University of Oxford, UK, in 1961.

Mr Owen was last re-elected as a director at the Annual General Meeting on 28 September 2007.

BOARD OF DIRECTORS PRESENT AND PAST DIRECTORSHIPS

JOSEPH YUVARAJ PILLAY

Present directorships (As at 30 June 2009)

SGX Group

SGX Investment (Mauritius) Limited

Others

Board of Trustees of the Caritas Singapore and Community Council Limited Agape Fund (*Chairman*)
Council of Presidential Advisers of the Republic of Singapore (*Chairman*)
Lee Kuan Yew School of Public Policy (*Adjunct Professor*)
Lee Kuan Yew World City Prize Council (*Member*)
Ministry of Foreign Affairs Diplomatic Academy (*Senior Fellow*)
Presidential Council for Minority Rights of the Republic of Singapore (*Member*)
Shared Services For Charities Limited (*Patron*)
Singapore Indian Development Association (*Life Trustee*)
Singapore Management University (*Pro-Chancellor*)
The Community Foundation of Singapore (*Board Member*)

Past directorships over the preceding three years (From 30 June 2006 to 29 June 2009)

Assisi Hospice (*Chairman*)
Commonwealth Africa Investments Limited (*Chairman*)
Council for Third Age (*Member*)
Council on Corporate Disclosure and Governance (*Chairman*)
Investment Committee of the United Nations Pension Fund (*Member*)
Mount Alvernia Hospital
SGXLink Pte Ltd
Singapore Exchange Derivatives Clearing Limited
Singapore Exchange Derivatives Trading Limited
Singapore Exchange Securities Trading Limited
Singapore Hospice Council (*Member*)
Temasek Advisory Panel of the Temasek Holdings (Private) Limited (*Member*)
Temasek International Panel of the Temasek Holdings (Private) Limited (*Chairman*)
The Central Depository (Pte) Limited

HSIEH FU HUA

Present directorships (As at 30 June 2009)

SGX Group

American Stock Exchange – SGX Pte Ltd
Asian Gateway Investments Pte. Ltd
(previously known as CDP Nominees (II) Pte. Ltd.)
Joint Asian Derivatives Pte Ltd
SGX Investment (Mauritius) Limited
Singapore Commodity Exchange Limited (SICOM)
Singapore Exchange Derivatives Clearing Limited
Singapore Exchange Derivatives Trading Limited
Singapore Exchange Securities Trading Limited
The Central Depository (Pte) Limited

Others

Binjaitree
Government of Singapore Investment Corporation Pte Ltd
National Arts Council (*Member*)
National University of Singapore (*Board of Trustees*)
Shared Services for Charities Limited (*Board Member*)
SIM Pte Ltd (formerly SIM International Pte Ltd) (*Chairman*)
The National Art Gallery, Singapore

Personal

Hogarth Limited

Past directorships over the preceding three years (From 30 June 2006 to 29 June 2009)

AsiaClear Pte Ltd
Binjai Inc.
CDP Nominees Pte Ltd
GlobalClear Pte Ltd
Macronet Information Pte Ltd
Measurex Engineering Pte Ltd
Options Clearing Company (Pte) Limited
PrimeFounders Inc.
(formerly PPAC Inc)
PrimePartners Assets Inc.
(formerly PrimePartners Asset Management Inc)
PrimePartners Management Pte Ltd
Securities Clearing and Computer Services (Pte) Limited
ServTouch Holdings Pte Ltd
(formerly WyWy Office Solutions Group Pte Ltd)
SGXLink Pte Ltd
Singapore Exchange IT Solutions Pte Limited
Sunshine Portfolio Sdn Bhd
TIF Ventures Pte Ltd

LOW CHECK KIAN

Present directorships (As at 30 June 2009)

AWAK Technologies Limited
Fibrechem Technologies Limited (*Suspended*)
NewSmith Capital Partners (Asia) Pte Ltd (*Chairman*)

Past directorships over the preceding three years (From 30 June 2006 to 29 June 2009)

Singapore Workforce Development Agency
Singapore Workforce Development Agency Investment
Committee (*Chairman*)

CHEW CHOON SENG

Present directorships (As at 30 June 2009)

SIA Group

SIA Engineering Company Limited
Singapore Airlines Limited

Others

Board of Governors of the International Air Transport Association
Government of Singapore Investment Corporation

Past directorships over the preceding three years (From 30 June 2006 to 29 June 2009)

Singapore Aircraft Leasing Enterprise Pte Ltd
Singapore Airport Terminal Services Limited
Singapore International Foundation
Virgin Atlantic Airways Limited
Virgin Atlantic Limited
Virgin Travel Group Limited

BOARD OF DIRECTORS PRESENT AND PAST DIRECTORSHIPS

EULEEN GOH YIU KIANG

Present directorships (As at 30 June 2009)

Accounting Standards Council (*Chairman*)
Aviva plc
DBS Bank Ltd
(*Member of Audit & Nominating Committee*)
DBS Group Holdings Ltd
(*Member of Audit & Nominating Committee*)
MediaCorp Pte Ltd (*Chairman of Audit & Risk Committee*)
Northlight School (*Chairman/Board of Governors*)
Singapore Airlines Limited
(*Chairman of Audit Committee and Member of Board Exco*)
Singapore Chinese Girls' School
Singapore Institute of International Affairs (*Adviser*)
Singapore International Foundation (*Chairman*)

Past directorships over the preceding three years (From 30 June 2006 to 29 June 2009)

CapitaLand Financial Limited (*Deputy Chairman*)
Financial Industry Competency Standards Committee (*Chairman*)
International Enterprise Singapore (*Chairman*)
MOH Holdings Pte Ltd
Standard Chartered Bank Malaysia Berhad
Standard Chartered Bank (Thai) Pcl
The Institute of Banking and Finance (*Council Member*)

HO TIAN YEE

Present directorships (As at 30 June 2009)

Fraser and Neave Limited
Hexa-Team Planners Pte Ltd
Pacific Asset Management (S) Pte Ltd
Singapore Power Limited
Times Publishing Ltd
SP Australia Networks (Distribution) Ltd
SP Australia Networks (RE) Ltd
SP Australia Networks (Transmission) Ltd

Past directorships over the preceding three years (From 30 June 2006 to 29 June 2009)

Great Eastern Holdings Ltd
The Great Eastern Life Assurance Company Ltd
The Overseas Assurance Corporation Limited

LEE HSIEN YANG

Present directorships (As at 30 June 2009)

Fraser and Neave Group

Fraser and Neave Limited (*Chairman*)
Fraser and Neave (Singapore) Pte Ltd.
Frasers Centrepoint Limited

Others

Asia Pacific Investment Pte Ltd.
Australia and New Zealand Banking Group Ltd.
Governing Board of Lee Kuan Yew School of Public Policy
(*Member*)
Kwa Geok Choo Pte Ltd
New Civil Aviation Authority (*Chairman designate*)¹
Republic Polytechnic (*Chairman*)
The Islamic Bank of Asia Limited

Past directorships over the preceding three years (From 30 June 2006 to 29 June 2009)

FCL Bridgepoint Pte Ltd.
FCL Management Services Pte Ltd.
L & L Services (Pte) Ltd
Lion (Singapore) Pte Ltd.
Singapore Post Limited
Singapore Telecom Australia Investments Pty Ltd.
Singapore Telecom International Pte Ltd
Singapore Telecom Mobile Pte Ltd
Singapore Telecommunications Limited
SingTel Optus Pty Limited

LOH BOON CHYE

Present directorships (As at 30 June 2009)

BC Capital Pte Ltd
BC Investments Holdings Ltd
Financial Sector Development Fund Advisory Committee
of MAS (*Member*)
Gym & Sports Pte Ltd
Singapore Foreign Exchange Market Committee (*Chairman*)
The Institute of Banking and Finance (*Council Member*)
Wah Hin & Co Investment Committee (*Member*)

Past directorships over the preceding three years (From 30 June 2006 to 29 June 2009)

BondsInAsia Limited
BondsInAsia (Singapore) Pte Ltd
Deutsche Bank International Asia Ltd
Deutsche Securities India (Pte) Ltd

¹ Mr Lee was appointed Chairman with effect from 1 July 2009.

BOARD OF DIRECTORS

PRESENT AND PAST DIRECTORSHIPS

NG KEE CHOE

Present directorships (As at 30 June 2009)

Singapore Power Group

Singapore Power Limited (*Chairman*)

SP AusNet (*Chairman*)

Others

International Advisory Council of China Development Bank
(*Member*)

NTUC Income Insurance Co-Operative Limited (*Chairman*)

PT Bank Danamon Indonesia Tbk (*President-Commissioner*)

Singapore Airport Terminal Services Limited (*Director*)

Tanah Merah Country Club (*Chairman*)

Temasek Advisory Panel of Temasek Holdings (Private) Limited
(*Member*)

Past directorships over the preceding three years (From 30 June 2006 to 29 June 2009)

DBS Bank Ltd

DBS Group Holdings Ltd

Singapore International Foundation (*Governor*)

Wing Lung Bank Ltd

ROBERT OWEN

Present directorships (As at 30 June 2009)

Citibank (Hong Kong) Ltd

Crosby Active Opportunities Feeder Fund Limited

Crosby Active Opportunities Master Fund Limited

Crosby Capital Partners Inc. (*Chairman*)

(listed on the Alternative Investment Market in London)

Crosby China Chips Fund Ltd

ECK & Partners Ltd.

International Financial Services Consultancy Ltd

International Securities Consultancy Ltd. (*Chairman*)

International Securities Information Services Ltd

International Securities Institute Ltd

ISI Publications Ltd.

KASB Funds Ltd

Mary Knoll Investments Ltd

Repton Foundation Ltd

Repton Preparatory School

Repton School Dubai

Repton School UK (*Governor*)

Securities Institute of Hong Kong Ltd

Sir John Port's Charity

The Dubai Financial Services Authority

Past directorships over the preceding three years (From 30 June 2006 to 29 June 2009)

CMEC GE Capital China Industrial Holdings Ltd.

Crosby Asset Management (Hong Kong) Ltd

Crosby Capital Partners (Holdings) Limited

Crosby Capital Partners (Hong Kong) Ltd

Crosby Capital Partners Limited

Crosby Capital Partners (Shanghai) Limited

European Capital Company Limited

IB Daiwa Corporation (*Chairman*)

Nirvana Capital Limited

Nomura International (HK) Ltd

Regent Pacific Ltd

Sunday Communications Ltd.

Techpacific Capital Ltd.

NEW DIRECTOR

LIEW MUN LEONG

President and Chief Executive Officer, CapitaLand Group

Mr Liew Mun Leong was appointed as an independent non-executive director on the SGX board on 1 July 2009. Mr Liew will be appointed as a member of the Regulatory Conflicts Committee after the SGX Annual General Meeting on 13 October 2009, when the board committees are reconstituted.

Mr Liew Mun Leong is President and CEO of CapitaLand Group and board member of CapitaLand Limited. He is Chairman of CapitaLand Residential Singapore Pte Ltd, CapitaLand China Holdings Pte Ltd, CapitaLand Commercial Limited, CapitaLand Retail Limited, CapitaLand Financial Limited and CapitaLand ILEC Pte. Ltd. He is Deputy Chairman of The Ascott Group Limited, CapitaMall Trust Management Limited, CapitaCommercial Trust Management Limited, CapitaRetail China Trust Management Limited and Ascott Residence Trust Management Limited. He is also Chairman of CapitaLand China Executive Committee, which co-ordinates and aligns CapitaLand's investments, operations, branding and resources in China, and a Director of CapitaLand Hope Foundation, the Group's philanthropic arm.

Mr Liew is Chairman of Changi Airport Group (Singapore) Pte Ltd.

In 2006, Mr Liew was named Outstanding CEO of the Year in the Singapore Business Awards. In 2007, he was conferred the CEO of the Year award in The Business Times' Singapore Corporate Awards. In 2008, Mr Liew was named Asia's Best Executive of 2008 (Singapore) by Asiamoney and Best CEO in Asia (Property) by Institutional Investor.

Mr Liew graduated from the University of Singapore with a Civil Engineering degree and is a registered professional civil engineer.

Present directorships (As at 30 June 2009)

CapitaLand Group

Ascott Residence Trust Management Limited
CapitaCommercial Trust Management Limited
CapitaLand China Holdings Pte Ltd
CapitaLand Commercial Limited
CapitaLand Financial Limited
CapitaLand Financial Services Limited
CapitaLand Hope Foundation
CapitaLand ILEC Pte Ltd
CapitaLand Industrial & Logistics Holdings Limited
CapitaLand Limited
CapitaLand Residential Singapore Pte Ltd
CapitaLand Retail Limited
CapitaLand UK Holdings Limited
CapitaMall Trust Management Limited
CapitaRetail China Trust Management Limited
China Club Investment Pte Ltd
T.C.C. Capital Land Limited
The Ascott Group Limited

Others

Changi Airport Group (Singapore) Pte Ltd
Singapore-China Foundation Ltd

Past directorships over the preceding three years (From 30 June 2006 to 29 June 2009)

CapitaLand Residential Limited
Clarke Quay Pte Ltd
Raffles Holdings Limited
Royal Thali Pte Ltd
The Link Management Limited

EXECUTIVE COMMITTEE

HSIEH FU HUA

Chief Executive Officer

Mr Hsieh's profile can be found on page 21 of this Annual Report.

GAN SEOW ANN

Senior Executive Vice President

Mr Gan is Senior Executive Vice President and Head of Markets. He also oversees the development of Singapore Commodity Exchange (SICOM) and SGX's Corporate & Marketing Communications function.

As Head of Markets, Mr Gan is responsible for the development and management of SGX's securities, derivatives and commodities markets, as well as the clearing business. This involves the development of new products and services, intermediaries and channels, and key customer segments including institutional and private investors, facilitating their access and participation in SGX's markets. Mr Gan is also responsible for the development of SGX as the choice venue for raising funds and a premier risk management centre. As part of his portfolio, Mr Gan establishes and monitors the achievement of performance targets across various business lines.

Prior to joining SGX on 20 March 2001, Mr Gan held various senior positions covering regional capital markets. From 1996 to 2001, he was Managing Director at Merrill Lynch, Singapore, where he oversaw the company's business activities in its South East Asian offices and managed its exchange seats in Indonesia, Malaysia, Philippines, Thailand and Singapore. From 1990 to 1996, he was Managing Director of Crosby Securities, responsible for the equities business in Indonesia, Malaysia and Singapore.

Mr Gan serves on several boards, including Energy Market Authority and National Kidney Foundation. He graduated with a Bachelor of Arts (Economics) with Distinction and holds a Master of Business Administration from McMaster University, Canada.

SECK WAI KWONG

Senior Executive Vice President and Chief Financial Officer

Mr Seck joined SGX on 2 June 2003. He is Senior Executive Vice President and Chief Financial Officer. He also oversees Legal and Governance.

In the first 14 years of his professional career, Mr Seck held senior executive positions in the Monetary Authority of Singapore and the Government of Singapore Investment Corporation. Subsequently, he was Managing Director and Head of Fixed Income for Asia ex-Japan at Lehman Brothers from 1995 to 1999, and was also the Adviser to the Investment Company of the People's Republic of China in 1995. From 1999 to 2002, he was Managing Director of DBS Bank where he headed its wealth management business, and prior to that, co-headed its corporate and investment banking activities. He also served as Chairman of DBS Securities and DBS Asset Management.

Mr Seck is a board member of the Bombay Stock Exchange and the Philippine Dealing System Holdings Corp. He is currently an Advisory Board member of the Financial Sector Development Fund, Chairman of the Investment Committee and Council member of the Institute of Banking and Finance, Vice Chairman of the Financial Industry Competency Standards Steering Committee and a member of Singapore's takeover panel, the Securities Industry Council. He also chairs the Investment Committee and serves as Trustee of the Home Affairs Uniformed Services INVEST Board, and is a trustee of Ministry of Defence's Savings and Employee Retirement (SAVER) Premium Fund.

Mr Seck holds a Master of Business Administration (with Distinction) from the Wharton School, University of Pennsylvania, USA, and a Bachelor of Economics (First Class Honours) from Monash University, Australia.

YEO LIAN SIM

Senior Executive Vice President

Ms Yeo is Senior Executive Vice President and Head of Risk Management & Regulation group, which is responsible for maintaining a robust regulatory framework for SGX's operation of a fair, orderly and transparent market. The group encompasses member supervision, issuer and sponsor regulation, market surveillance, enforcement, risk management, and regulatory policy. It also works closely with the Monetary Authority of Singapore (MAS) in developing and enforcing rules and regulations for market participants. Ms Yeo has been with SGX since July 2004.

Before SGX, Ms Yeo was at Temasek Holdings, where she was responsible for capital resource management. For most part of her career, she was at MAS where she held responsibilities in various areas, namely, managing the Singapore dollar exchange rate, money market operations and the investment of foreign reserves, as well as overseeing the regulation of the securities and futures markets.

Ms Yeo graduated with Honours in Economics and Political Science from the University of Singapore and holds a Master's degree from the London Business School, UK.

MUTHUKRISHNAN RAMASWAMI

Senior Executive Vice President and Chief Operations Officer

Mr Ramaswami is Senior Executive Vice President and Chief Operations Officer. He heads both the Operations & Technology group and the Market Services group. As head of Operations & Technology, his charter includes market control, clearing and settlement, depository operations, IT planning and governance, IT solutions and services delivery. In his role as Head of Market Services, Mr Ramaswami is responsible for data related services and the transformation of SGX into a post-trade processing hub and the development of ancillary services arising out of its core trading and clearing activities. In addition, Mr Ramaswami oversees Business Integration & Programme Management at SGX.

Mr Ramaswami joined SGX on 1 July 2007. He was previously from Citigroup Global Consumer Bank where he was the Chief Information Officer with the International Consumer Business. He also held senior executive positions in Citigroup's international and regional offices.

Mr Ramaswami holds a Master's Degree in Mathematics (Honours) from Birla Institute of Technology and Sciences, and a Post Graduate Diploma in Management Studies (Masters in Business Administration) from the Indian Institute of Management, Ahmedabad.

LAWRENCE WONG

Executive Vice President

Mr Wong joined the Exchange in April 2006 as Head of Listings to further develop SGX as an Asian gateway for companies seeking to tap international capital markets.

Prior to joining SGX, Mr Wong was part of the senior management team at OCBC Bank. During his tenure with the bank, his portfolio included corporate finance, securities and futures, trustee and nominees businesses, fund management and private equity.

Before OCBC Bank, Mr Wong held several senior positions at Schroders Group, including Head of Corporate Finance for South East Asia and Head of Financial Institutions Group, Asia Pacific. His assignments also included an overseas posting to Shanghai, China, as General Manager of Schroders' joint venture and Head of Corporate Finance for Greater China.

Mr Wong currently serves as a member on the Appeal Advisory Committee for Securities and Futures Act, Financial Advisers Act, Insurance Act, Trust Companies Act and Business Trust Act.

K A CHANG

Executive Vice President and Chief Human Resource Officer

Mr Chang is responsible for the management of SGX's human resource and organisational development initiatives. His charter is to align human capital strategy with business priorities, to further enhance SGX as an Asian gateway for raising capital and achieving investment objectives.

A veteran in HR, Mr Chang has extensive regional and corporate experience. He has worked in diverse industries, spanning semiconductor, chemical, apparel, sanitaryware, newsprint manufacturing and financial services.

Prior to joining SGX, Mr Chang was Senior Vice President for Human Resource & Organisational Development with Norke Skog PanAsia. In his more than 20 years in HR, he has developed and deployed corporate initiatives ranging from process re-engineering, productivity enhancement to quality management.

Mr Chang holds a Bachelor of Science degree in Business & Economics from the College of Notre Dame (USA). He currently serves as a Director on the Board of Integrated Plastics Technology Pte Ltd.

CHEW SUTAT

Executive Vice President

Mr Chew leads the Market Development group for the Exchange, which includes business strategy, product development and management, and coverage of institutional and private client segments.

Mr Chew joined SGX in June 2007 and was appointed to the Executive Committee in May 2008. He was previously Group Head, Investment & Treasury Products at Standard Chartered Bank. He was responsible for the Global Wealth Management investment and treasury products business, strategy and development in the bank's existing geographic franchises as well as new ventures.

Before Standard Chartered Bank, Mr Chew was with OCBC Securities, where he headed the development of non-traditional investment products and services for its customers. He began his career with DBS Bank in the Custody function, and held varying portfolios in strategic planning and business development for institutional banking, as well as private clients.

Mr Chew graduated with a Bachelor of Arts (1st Class Honours) degree in Philosophy Politics & Economics (PPE) from Oxford University, Keble College in 1996. He also holds a Master of Arts degree from Oxford.

BOB CAISLEY

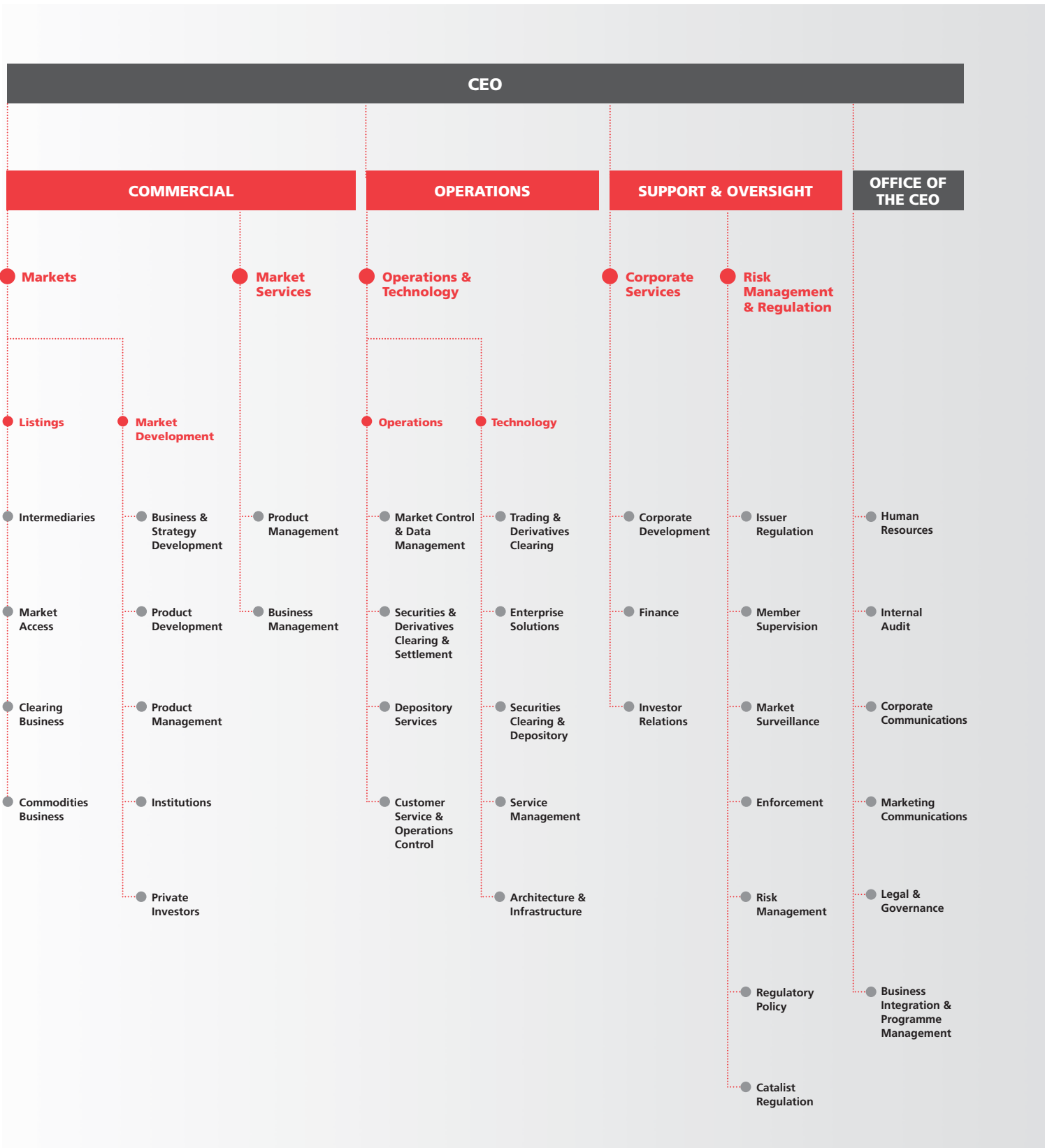
Executive Vice President and Chief Information Officer

Mr Caisley is Executive Vice President and Chief Information Officer. He is responsible for managing the Technology group which comprises the functions of IT planning and governance, enterprise architecture, solutions delivery and services management. He also assists the Chief Operations Officer in ensuring a robust and reliable technology infrastructure that reinforces SGX's strategic business and growth plans.

With more than 25 years of experience in IT project management and operations, Mr Caisley provides strategic guidance in technology direction and business development at SGX.

Mr Caisley joined SGX on 14 January 2008. Prior to SGX, he was employed by the Australian Securities Exchange (ASX) as Head of Integrated Trading Systems. In his career, he has been responsible for the successful implementations of key IT projects with ASX, the Kuwait Investment Office and Commercial Union PLC. He was also the project leader for the development and implementation of the UK's electronic funds transfer system under BACS (Banker Automated Clearing Service) Ltd.

SGX ORGANISATION



OFFICE OF THE CHIEF EXECUTIVE OFFICER

Teams under this group are responsible for the alignment of key strategic business functions with the corporate vision. These include the development and management of strategic communications programmes, human capital development and management, internal audit, legal and company secretarial functions, design of enterprise systems and oversight of key projects.

MARKETS

The group is responsible for the development of SGX's securities, derivatives and commodities markets, driving growth by executing business strategies and enhancing relationships with key market participants from issuers, intermediaries and traders, to institutional and private investors.

The group is also tasked with developing and introducing new and innovative products and services, expanding SGX's clearing business, broadening access into SGX's markets, as well as improving trading efficiency. At the vanguard of SGX's marketing efforts, Markets group identifies new customers and customer segments, and increases distribution of its products and services. It promotes Singapore as the choice listing venue and positions SGX as a premier risk management centre.

MARKET SERVICES

The group is responsible for the post-trade processing and data services businesses. In addition, the group oversees the development of ancillary services arising out of the core trading and clearing activities.

OPERATIONS & TECHNOLOGY

This group is responsible for SGX's IT solutions and infrastructure. The group also manages the securities and derivatives trading, clearing and settlement operations, securities depository and customer service functions.

CORPORATE SERVICES

The group takes charge of the overall financial management of SGX and drives the corporate development and investor relations functions. Corporate Services also ensures good capital and treasury management, compliance, financial planning and reporting, as well as facilities management.

RISK MANAGEMENT & REGULATION

Through the establishment of a robust risk management and regulatory framework, as well as effective market surveillance and enforcement, the Risk Management & Regulation group promotes a fair, orderly and transparent marketplace, and a safe and financially sound clearing system. The group works closely with the Monetary Authority of Singapore in developing and enforcing rules and regulations for issuers and market participants.

SELF-REGULATORY ORGANISATION GOVERNANCE REPORT

INTRODUCTION

SGX is a Self-Regulatory Organisation (SRO) because it functions both as a market regulator and a listed company.

The recent turbulence in the global economy and financial markets resulted in significant upheavals to the capital markets landscape across the globe. Whilst SGX has not been spared the full impact of the financial upheaval, we continue to uphold high regulatory standards and integrity in our marketplace even in the face of these uncertainties. We remain acutely vigilant and committed to the notion that a robust and effective regulatory framework is essential to our success as a market operator, the maintenance of public trust and the integrity of our marketplace.

A wide spectrum of global regulatory developments in FY2009, ranging from corporate failures to short selling issues, required SGX's prompt response. During this unprecedented period of uncertainty, SGX has dedicated greater resources and effort towards our regulatory oversight of the markets. Our regulatory staff rigorously monitor compliance with listing rules and trading activities on our markets, enforce quality standards among our members and maintain the integrity of SGX's clearing systems and risk management framework.

SGX also regularly engages key stakeholders on the progress of our regulatory activities. In particular, we work closely with our statutory regulator, the Monetary Authority of Singapore, to continue upholding high regulatory standards in the marketplace.

REGULATORY CONFLICTS COMMITTEE

The Regulatory Conflicts Committee (RCC) is a Board committee which comprises solely independent directors. The RCC assists the SGX Board in its supervision of the management of SGX's SRO conflicts and reviews the adequacy of resources allocated to SGX's regulatory functions. Where necessary, the RCC makes decisions on specific cases involving SRO conflicts which are referred to it.

This year, the RCC continued to oversee enhancements to SGX's SRO governance framework and reviewed SGX's handling of potential SRO conflict situations. The RCC is satisfied that appropriate systems and processes are in place to manage SRO conflicts. The RCC is also satisfied that SGX's resources are adequate in quantity and quality to carry out SGX's regulatory functions effectively.

INCREASING TRANSPARENCY OF SGX'S REGULATORY ACTIVITIES

Visible regulation is a key pillar of SGX's regulatory philosophy. Increasing transparency of SGX's regulatory activities keeps market participants well-informed and fosters market confidence in our regulatory approach. Market participants will be able to appreciate the basis of our regulatory policies and enforcement actions. For these reasons, enhanced visibility of SGX's regulatory actions is integral to our SRO conflicts management framework.

SGX undertook the following key initiatives in FY2009:

- The Regulator's Column was introduced on the SGX website. This Column discusses current regulatory issues and communicates SGX's regulatory views. The effort is aimed at raising public awareness of regulatory issues and understanding of relevant market developments.
- SGX is providing greater transparency in respect of its enforcement actions by providing fuller explanations of the basis of enforcement actions, such as those in respect of material non-compliance with the Listing Manual. SGX has also set out the outcomes of enforcement actions brought before the Disciplinary Committee and the Appeals Committee on SGX's website. In this way, market participants are informed of SGX's position on behaviour and conduct which is acceptable.
- SGX has engaged an independent consultant to conduct an External Perception Survey. The survey aims to gather feedback from SGX's stakeholders on their expectations and assessments of various aspects of SGX's regulatory activities. The survey will aid in identifying areas for development and/or improvement.
- SGX commenced publication of feedback received from market participants during public consultations and our response to the feedback. This allows market participants to understand the rationale behind the regulatory policies which SGX eventually chooses to adopt.

MONITORING MARKET DEVELOPMENTS

As a frontline market regulator, SGX continuously monitors international developments in relation to regulatory best practice. On the risk management front, SGX has proposed to revise our Clearing Fund structures for both the securities and derivatives markets to a model which is scalable. The changes will strengthen the robustness of SGX's risk management framework to weather different market conditions.

An increasing stream of products such as Exchange Traded Funds (ETFs) and Over-The-Counter (OTC) commodities have been introduced on our trading platforms to cater to market demand. All products are put through SGX's rigorous due diligence process before listing.

FOSTERING CLOSER INTERACTION BETWEEN SGX AND THE MARKET

SGX carries out on-site visits of SGX members and listed companies to understand their business activities and operational processes. This year, SGX has intensified interaction and fostered closer working relationships with market participants through regular meetings and dialogues. We have also engaged the media more actively to keep the market informed and to articulate SGX's approach to various regulatory issues. Dialogue sessions are held with industry professionals to understand new developments in the market.

The closer interaction between SGX and its external stakeholders provides greater clarity on its regulatory principles and philosophy, and continuously builds trust between SGX and market participants.

Such initiatives also elevate SGX's understanding of the concerns of market participants. As a result, responsiveness of regulation is enhanced as SGX is able to address these concerns early. SGX is also better able to calibrate its regulatory policies through a deeper understanding of market practices.

INVESTOR EDUCATION COMMITTEE

To benefit investors in our securities and derivatives markets, the Investor Education Fund (IEF) has been set up to support initiatives that seek to improve the understanding of investors and their ability to make better informed investment decisions. Funding for the IEF comes from money collected from fines imposed for rule breaches. The Investor Education Committee (IEC) administers the Fund, and comprises both industry practitioners and senior management of SGX.

In FY2009, the IEC approved funding for two projects. The first involves the production of easy-to-use reference guides to assist investors in understanding annual reports and becoming active participants at annual general meetings. The second project provides funding for SGX Academy programmes in collaboration with MoneySENSE, a national financial education programme. Going forward, IEF will be funding more projects of similar nature.

CONCLUSION

SGX expects its SRO governance framework to evolve with the development of the marketplace. Our market engagement activities reinforce the commitment of SGX to high regulatory standards. SGX will continue to maintain its high level of responsiveness to potential and live regulatory issues that surface from time to time.

DISCIPLINARY AND APPEALS COMMITTEES

SGX has a total of seven Disciplinary Tribunals, comprising of five Disciplinary Committees and two Appeals Committees as set out below:

- i) SGX Derivatives Trading (SGX-DT) Disciplinary Committee;
- ii) SGX Derivatives Clearing (SGX-DC) Disciplinary Committee;
- iii) SGX Securities Trading (SGX-ST) Disciplinary Committee;
- iv) The Central Depository (CDP) Disciplinary Committee;
- v) SGX Appeals Committee;
- vi) Catalyst Disciplinary Committee; and
- vii) Catalyst Appeals Committee.

(collectively "Disciplinary Tribunals")

The Disciplinary Committees hear charges brought by SGX against Regulated Persons* who are alleged to have violated any of SGX's Rules and Regulations ("Rules"). If the Disciplinary Committees decide that the charges have been established by SGX, they will decide on the appropriate penalty. Penalties that may apply are reprimands, fines, restrictions or conditions on activities, suspension, expulsion, revocation of authorisation, deregistration, undertaking an educational or compliance programme, ordering directors to step down from their day-to-day business, and the confirming, changing or discharging the appointment of a manager by the member.

The Disciplinary Tribunals are managed out of the Legal and Governance unit reporting to the Chief Executive Officer, and the General Counsel is the Secretary of all the Disciplinary Tribunals.

SGX-DT, SGX-DC, SGX-ST AND CDP DISCIPLINARY COMMITTEES

The CDP Disciplinary Committee ("CDP DC") heard one case in the year, in October 2008. The respondent, a clearing member, was fined a total of \$85,000 by the CDP DC. The respondent did not appeal against the CDP DC's decision.

The SGX-ST Disciplinary Committee ("SGX-ST DC") also heard one case in the year, in December 2008. The respondent, a trading member, was fined a total of \$150,000, and ordered to re-administer an examination on the SGX Extended Settlement Contracts for the trading representatives of the respondent who sat for the said examination on certain dates in October 2008.

The respondent appealed. The appeal was heard by the SGX Appeals Committee in February 2009, and was allowed in part. The SGX Appeals Committee reduced the respondent's total fine to \$115,000 but maintained the SGX-ST DC's order for re-administration of the examination.

For purposes of transparency, the Grounds of Decision for all the Disciplinary Tribunal hearings are published on the SGX website.

No charges were proffered against any Regulated Person in the remaining two Disciplinary Committees.

The composition of the respective Disciplinary Committees is as follows:

SGX-DT and SGX-DC Disciplinary Committee members

Name	Profession
Eddie Tan (Chairman)	Regional Treasurer, Asia Pacific, Citibank N.A.
David Yeow	Lawyer, Rajah & Tann LLP
Tan Kah Gee	Futures Broker, The Mizuho Futures (S) Pte Ltd
George Teo Choa Chee	Former Futures Broker
Steve Ng Kuan Kuen	Managing Director, Deutsche Bank

SGX-ST and CDP Disciplinary Committee members

Name	Profession
Nels Radley Friets (Chairman)	Consultant
Leong Mun Wai	Chief Executive Officer, Sunmax Capital Pte Ltd
Petrus Huang Yen San	Lawyer, Drew & Napier LLC
Hamidul Haq	Lawyer, Rajah & Tann LLP
Lam Chee Kin	Global Head, Wholesale Banking Compliance, Standard Chartered Bank Ltd

SGX APPEALS COMMITTEE

A Regulated Person may appeal to the SGX Appeals Committee from the SGX-DT, SGX-DC, SGX-ST and CDP Disciplinary Committees, against the decision of the respective Disciplinary Committee. The decision of the SGX Appeals Committee is final.

* Regulated Persons include in the case of the SGX-DT, SGX-DC, SGX-ST and CDP Disciplinary Committees, a trading member or a clearing member registered with SGX under the Rules, or any of the members' directors, trading representatives, officers, employees or agents; and in the case of the Catalyst Disciplinary Committee, a Sponsor or Registered Professional registered with Catalyst.

The composition of the SGX Appeals Committee is as follows:

Name	Profession
Michael Sydney Hwang (Chairman)	Lawyer, Senior Counsel, Michael Hwang SC
Lim Choo Peng	Consultant
Colin Ng Teck Sim	Lawyer, Colin Ng & Partners
Michael Wong Ping Seng	Futures Broker, Phillip Futures Private Limited
Hugh Young	Fund Manager, Aberdeen Asset Management Asia Limited

CATALIST DISCIPLINARY COMMITTEE AND CATALIST APPEALS COMMITTEE

The Catalyst Disciplinary Committee and the Catalyst Appeals Committee function to discipline Sponsors** and Registered Professionals** where there is a violation of the Catalyst Rules and Regulations.

Catalist is a Sponsor-supervised market, and SGX regulates the Sponsors and Registered Professionals. Sponsors are qualified professional companies experienced in corporate finance and compliance advisory work. If a Sponsor or Registered Professional is the subject of an affirmed or suspected rule breach, SGX will conduct appropriate investigations and the relevant parties may be charged before the Catalyst Disciplinary Committee.

No cases have been brought before the Catalyst Disciplinary Committee to date. The composition of the Catalyst Disciplinary Committee is as follows:

Catalist Disciplinary Committee members

Name	Profession
Nels Radley Friets (Chairman)	Consultant
Hamidul Haq	Lawyer, Rajah & Tann LLP
Petrus Huang Yen San	Lawyer, Drew & Napier LLC
Leong Mun Wai	Chief Executive Officer, Sunmax Capital Pte Ltd
Kan Shik Lum	Corporate Finance Practitioner, DBS Bank Ltd
Mah Kah Loon	Corporate Finance Practitioner, CIMB-GK
Lam Chee Kin	Global Head, Wholesale Banking Compliance, Standard Chartered Bank Ltd

The Sponsor or Registered Professional may appeal to the Catalyst Appeals Committee against the decision of the Catalyst Disciplinary Committee.

The composition of the Catalyst Appeals Committee is as follows:

Catalist Appeals Committee members

Name	Profession
Michael Sydney Hwang (Chairman)	Lawyer, Senior Counsel, Michael Hwang SC
Lim Choo Peng	Consultant
Michael Wong Ping Seng	Futures Broker, Phillip Futures Private Limited
Colin Ng Teck Sim	Lawyer, Colin Ng & Partners
George Lee	Corporate Finance Practitioner, OCBC Bank Ltd
Tracey Woon	Corporate Finance Practitioner, Citigroup Global Markets Pte Ltd
Hugh Young	Fund Manager, Aberdeen Asset Management Asia Limited

INDEPENDENCE OF THE DISCIPLINARY AND APPEALS COMMITTEES

In order to ensure independence of the Disciplinary Tribunals and that due process is observed in the hearings,

- The members of the Disciplinary Tribunals are industry experts and professionals; and
- The process of managing the hearings or meetings by the Disciplinary Tribunals is undertaken by the Legal and Governance unit, which is a unit separate from the Enforcement unit reporting to the Head of Risk Management and Regulation. The Enforcement unit proffers the charges against Regulated Persons.

** As defined in the Catalyst Rules & Regulations

CORPORATE GOVERNANCE REPORT

SGX is committed to high standards of corporate governance and business integrity in all its activities. We have complied with all provisions of the Code of Corporate Governance throughout the financial year ended 30 June 2009.

OVERVIEW

SGX's corporate governance philosophy

VISION

Building an enduring marketplace

MISSION

We aim to offer a highly trusted securities and derivatives marketplace for capital raising, risk transfer, trading, clearing and settlement, and to serve our stakeholders

SGX's Vision and Mission are the cornerstones on which the Board has formulated its corporate governance (CG) policies to steer SGX in the conduct of its business.

We adopt CG practices in conformity with the Securities and Futures (Corporate Governance of Approved Exchanges, Designated Clearing Houses and Approved Holding Companies) Regulations 2005 (SFR 2005) as well as with the Code of Corporate Governance 2005 (Code).

SGX is conscious that it has a leadership role to play in setting the standards of CG; that its behaviour and CG practices will be constantly and minutely scrutinised by all stakeholders, such as its investors, other listed companies, investors in the markets run by SGX, and the Monetary Authority of Singapore (MAS). Its reputation as a trusted marketplace will suffer if its CG practices do not accord with the best practices expected by the market.

An example of good CG practice is the posting of minutes of annual general meetings (AGM) and extraordinary general meetings (EGM) on SGX's website for access by shareholders and other interested parties. In addition, SGX intends to conduct poll voting for all resolutions at the 2009 AGM/EGM so as to allow shareholders to have one vote for every share held.

SGX's CG efforts have been recognised in independent surveys both locally and globally. RiskMetrics Group's Institutional Shareholder Services (ISS) Corporate Governance Quotient has ranked SGX (against non US companies) as:

- 1) Index Ranking – SGX outperformed 97.3% of companies in the ISS Developed Ex-US Universe; and
- 2) Industry Ranking – SGX outperformed 98.1% of the companies in the ISS Diversified Financials group.

The Governance & Transparency Index, launched by the Business Times and the Corporate Governance & Financial Centre of NUS Business School, National University of Singapore, ranked SGX among Singapore's top three companies.

CORPORATE GOVERNANCE FRAMEWORK

The management of our CG is broadly divided into two main categories as follows:

- i) Corporate Governance as a listed company; and
- ii) Self-Regulatory Organisation Governance.

We have described the general framework and our CG practices in relation to this framework on our website www.sgx.com.

CORPORATE GOVERNANCE PRACTICES WITH SPECIFIC REFERENCE TO THE CODE AND THE SFR 2005

This section of the Annual Report describes SGX's CG policies and practices vis-à-vis the Code and the SFR 2005, and is to be read in conjunction with the SRO Governance Report, which sets out our CG as a self-regulatory organisation (SRO).

Unless specified otherwise, references to independence of directors, are references to independence as defined under SFR 2005, which are more stringent than the requirements of independence as set out in the Code.

CODE OF CORPORATE GOVERNANCE 2005

Guideline or Principle	Page	Compliance	Reference
Principle 1 Board's conduct of its affairs	46	✓	See 'Board's Conduct of Its Affairs'
Guideline 1.1	46	✓	See 'Board's Conduct of Its Affairs' and 'Remuneration Matters'
Guideline 1.2	46	✓	See 'Board's Conduct of Its Affairs'
Guideline 1.3	46	✓	See 'Board Committees' and terms of reference of board committees at www.sgx.com
Guideline 1.4	46	✓	See 'Board's Conduct of Its Affairs', 'Directors' Meeting Attendance Report' and Article 106(B) of SGX's Articles of Association
Guideline 1.5	46	✓	See 'Board's Conduct of Its Affairs'
Guideline 1.6	46	✓	See 'Board's Conduct of Its Affairs'
Guideline 1.7	46	✓	See 'Board's Conduct of Its Affairs' and 'Board Membership'
Guideline 1.8	46	✓	See 'Board's Conduct of Its Affairs'
Principle 2 Board composition and guidance	47	✓	See 'Board Composition and Guidance'
Guideline 2.1	47	✓	See 'Board Composition and Guidance'
Guideline 2.2	47	✓	See 'Board Composition and Guidance'
Guideline 2.3	47	✓	See 'Board Composition and Guidance'
Guideline 2.4	47	✓	See 'Board Composition and Guidance'
Guideline 2.5	47	✓	See 'Board Composition and Guidance'
Guideline 2.6	47	✓	See 'Board Composition and Guidance'
Principle 3 Chairman and Chief Executive Officer	48	✓	See 'Chairman and Chief Executive Officer'
Guideline 3.1	48	✓	See 'Chairman and Chief Executive Officer'
Guideline 3.2	48	✓	See 'Chairman and Chief Executive Officer'
Guideline 3.3	48	✓	See 'Chairman and Chief Executive Officer' and 'Board Composition and Guidance'
Principle 4 Board membership	48	✓	See 'Board Membership'
Guideline 4.1	49	✓	See 'Board Committees', Corporate Information and NC terms of reference at www.sgx.com
Guideline 4.2	49	✓	See 'Board Committees'
Guideline 4.3	49	✓	See 'Board Committees'
Guideline 4.4	49	✓	See 'Board Committees'
Guideline 4.5	48	✓	See 'Board Membership'
Guideline 4.6	48	✓	See 'Board Membership', Board of Directors, Directors' Interests in Shares or Debentures and Corporate Information
Principle 5 Board performance	48	✓	See 'Board Performance'
Guideline 5.1	48	✓	See 'Board Performance'
Guideline 5.2	48	✓	See 'Board Performance'
Guideline 5.3	48	✓	See 'Board Performance'
Guideline 5.4	48	✓	See 'Board Performance'
Guideline 5.5	48	✓	See 'Board Performance'
Principle 6 Access to information	49	✓	See 'Access to Information'
Guideline 6.1	49	✓	See 'Access to Information'
Guideline 6.2	49	✓	See 'Access to Information'
Guideline 6.3	49	✓	See 'Access to Information'
Guideline 6.4	49	✓	See 'Access to Information'
Guideline 6.5	49	✓	See 'Access to Information'
Principle 7 Procedures for developing remuneration policies	54	✓	See 'Procedures for Developing Remuneration Policies'
Guideline 7.1	54	✓	See 'Procedures for Developing Remuneration Policies'
Guideline 7.2	54	✓	See 'Procedures for Developing Remuneration Policies'
Guideline 7.3	54	✓	See 'Procedures for Developing Remuneration Policies'

CODE OF CORPORATE GOVERNANCE 2005 (continued)

Guideline or Principle		Page	Compliance	Reference
Principle 8	Level and mix of remuneration	54	✓	See 'Level and Mix of Remuneration'
Guideline 8.1		54	✓	See 'Level and Mix of Remuneration'
Guideline 8.2		54	✓	See 'Level and Mix of Remuneration'
Guideline 8.3		54	✓	See 'Level and Mix of Remuneration'
Guideline 8.4		54	✓	See 'Level and Mix of Remuneration'
Guideline 8.5		54	✓	See 'Level and Mix of Remuneration' and Remuneration Report
Guideline 8.6		54	✓	See 'Level and Mix of Remuneration' and Remuneration Report
Principle 9	Clear disclosure of its remuneration policy, level and mix of remuneration, procedure for setting remuneration and link between remuneration paid to directors and key executives, and performance	55	✓	See 'Disclosure of Remuneration' and Remuneration Report
Guideline 9.1		55	✓	See Remuneration Report
Guideline 9.2		55	✓	See 'Disclosure of Remuneration' and Remuneration Report
Guideline 9.3		55	✓	See 'Disclosure of Remuneration'
Guideline 9.4		55	✓	See Directors' Report
Principle 10	Accountability	52	✓	See 'Accountability'
Guideline 10.1		52	✓	See 'Accountability'
Guideline 10.2		52	✓	See 'Accountability'
Principle 11	Audit committee	49	✓	See 'Board Committees' and AC terms of reference at www.sgx.com
Guideline 11.1		49	✓	See 'Board Committees'
Guideline 11.2		49	✓	See 'Board Committees'
Guideline 11.3		49	✓	See 'Board Committees'
Guideline 11.4		49	✓	See 'Board Committees'
Guideline 11.5		49	✓	See 'Board Committees'
Guideline 11.6		49	✓	See 'Board Committees'
Guideline 11.7		49	✓	See 'Board Committees' and 'Whistleblowing Policy'
Guideline 11.8		49	✓	See 'Board Committees' and Corporate Information
Principle 12	Internal controls	52	✓	See 'Internal Controls'
Guideline 12.1		49	✓	See 'Board Committees'
Guideline 12.2		49	✓	See 'Board Committees'
Principle 13	Internal audit	52	✓	See 'Internal Audit'
Guideline 13.1		52	✓	See 'Internal Audit'
Guideline 13.2		52	✓	See 'Internal Audit'
Guideline 13.3		52	✓	See 'Internal Audit'
Guideline 13.4		52	✓	See 'Internal Audit'
Principle 14	Communication with shareholders	53	✓	See 'Communication with Shareholders'
Guideline 14.1		53	✓	See 'Communication with Shareholders'
Guideline 14.2		53	✓	See 'Communication with Shareholders' and Investor Relations
Principle 15	Greater shareholder participation	53	✓	See 'Greater Shareholder Participation'
Guideline 15.1		53	✓	See 'Greater Shareholder Participation'
Guideline 15.2		53	✓	See 'Greater Shareholder Participation' and Notice of AGM
Guideline 15.3		53	✓	See 'Greater Shareholder Participation'
Guideline 15.4		53	✓	See 'Greater Shareholder Participation'
Guideline 15.5		53	✓	See 'Greater Shareholder Participation'

BOARD MATTERS

BOARD'S CONDUCT OF ITS AFFAIRS

Principle 1

Principal Duties of the Board

The principal duties of the Board include:

- a) approving broad policies, strategies and objectives of SGX;
- b) approving annual budgets, major funding proposals, investment and divestment proposals;
- c) approving the process for succession planning for management;
- d) approving the adequacy of internal controls, risk management, financial reporting and compliance; and
- e) approving the policy for mitigating perceived or actual conflicts of interest between SGX's regulatory accountabilities and commercial interests.

Independent Judgement

All directors exercise independent judgement and make decisions objectively in the best interests of SGX. The assessment criteria in the Chairman's assessment of directors include intensity of participation at meetings, quality of interventions and special contributions.

Delegation by the Board

To assist the Board in the discharge of its oversight function, various Board committees, namely the Audit Committee (AC), Nominating Committee (NC), Regulatory Conflicts Committee (RCC), Remuneration Committee (RC) and Risk Management Committee (RMC), have been constituted with clearly defined terms of reference. The terms of reference set out the duties, authority and accountabilities of each committee as well as qualifications for committee membership, in line with the SFR 2005 and the Code. The terms of reference of Board committees are available on our website.

For details of the Board committees, please refer to 'Board Committees' and 'Remuneration Matters' in this Report.

Key Features of Board Processes

The schedule of all Board and Board committee meetings for a calendar year is usually given to all directors well in advance. Besides the scheduled Board meetings, the Board meets on an ad-hoc basis as warranted by particular circumstances. Telephonic attendance and conference via audio communication at Board meetings are allowed under SGX's Articles of Association (Articles).

For details of Board and Board committee meetings, please refer to the 'Directors' Meeting Attendance Report' in this Report.

Board Approval

SGX has adopted internal guidelines setting forth matters that require Board approval. Matters which are specifically reserved to the Board for approval are:

- 1) matters involving a conflict of interest for a substantial shareholder or a director;
- 2) material acquisitions and disposal of assets;
- 3) corporate or financial restructuring;
- 4) share issuances, dividends and other returns to shareholders;
- 5) matters which require Board approval as specified under SGX's interested person transaction policy; and
- 6) any investments or expenditures exceeding \$10 million in total.

While matters relating in particular to SGX's objectives, strategies and policies require the Board's direction and approval, management is responsible for the day-to-day operation and administration of SGX in accordance with the objectives, strategies and policies set by the Board.

Board Orientation and Training

Upon appointment, a formal letter of appointment is provided to the appointed director. The formal letter of appointment indicates the amount of time commitment required and the scope of duties.

We conduct a comprehensive orientation programme to familiarise new directors with SGX's business and governance practices. The aim of the orientation programme is to give directors a better understanding of our businesses and enable them to assimilate into their new roles.

Each director is provided with an annually updated manual containing Board and SGX policies relating to the disclosure of interests in securities, disclosure of conflicts of interest in transactions involving SGX, prohibition on dealings in our securities and restrictions on the disclosure of price-sensitive information. Directors are also informed of regulatory changes initiated by or affecting us.

The directors are provided with continuing education in areas such as directors' duties and responsibilities, CG, insider trading, changes in the Companies Act and industry-related matters, so as to update and refresh them on matters that affect or may enhance their performance as Board or Board committee members. For example, experts were invited to share with members of the AC on the "Guidebook for Audit Committees in

Singapore” when it was launched. The Board as a whole received a briefing on the recent amendments to the Civil Law Act and the Securities and Futures Act (SFA).

We have an ongoing training budget for directors to receive further relevant training of their choice in connection with their duties. This includes programmes run by the Singapore Institute of Directors. Directors are also welcome to request further explanations, briefings or information on any aspect of our operations or business issues from management.

BOARD COMPOSITION AND GUIDANCE

Principle 2

Board Composition and Independence

The Board comprises 11 directors. CEO is the only Executive Director while the remaining 10 directors are Non-executive Directors (NEDs). In compliance with the requirements of the SFR 2005, eight of the 11 directors are independent from management and business relationships and are independent directors as defined under the SFR 2005. All directors are independent from substantial shareholders as defined under the SFR 2005.

A table setting out each director’s independence under the Code and under the SFR 2005 is included in this Report.

Under the SFR 2005, it is mandatory for the NC to determine if a director is independent. For details of the NC’s determination of a director’s independence, please refer to ‘Board Committees’ in this Report.

If the NC considers a director independent notwithstanding that he is deemed non-independent under the SFR 2005, the NC explains its decision to MAS. MAS may object to the NC’s determination of a director’s independence and may require a change to the composition of the Board or relevant Board committee. To date, MAS has not objected to the NC’s findings on the independence of directors.

The Board considers that the present Board size (11) and number of Board committees facilitate effective decision-making, taking into account the nature and scope of SGX’s business. The Board feels that 10 to 13 directors will provide sufficient diversity without interfering with efficient decision-making.

The members of the Board as a group provide core competencies to ensure the effectiveness of the Board. The competencies include banking, finance, accounting, business acumen, management experience, industry knowledge, familiarity with regulatory requirements and knowledge of risk management. The Board considers that its directors possess the necessary competencies to lead and govern SGX effectively.

The profile of each director and other relevant information are set out under ‘Board of Directors’ in the Annual Report.

Board Guidance

An effective and robust board whose members engage in open and constructive debate and challenge management on its assumptions and proposals is fundamental to good corporate governance. For this to happen, the Board, in particular, NEDs, must be kept well informed of SGX’s businesses and affairs and be knowledgeable about the industry in which the businesses operate. SGX has therefore adopted initiatives to ensure that NEDs are well supported by accurate, complete and timely information, have unrestricted access to management, and have sufficient time and resources to discharge their oversight function effectively. These initiatives include regular informal meetings for management to brief directors on prospective deals and potential developments at an early stage before formal Board approval is sought.

An annual Board strategy meeting is also organised for in-depth discussions on strategic issues and directions for SGX.

Lead Independent Director

Although the Chairman is an NED, he is not considered independent under the SFR 2005 and the Code. The Board appointed Mr Low Check Kian, chairman of the NC, as Lead Independent Director (LID) in May 2006 to lead and co-ordinate the activities of the NEDs of SGX. The terms of reference of the LID are available on our website.

The LID presides at all meetings of the Board at which the Chairman is not present. He develops the agendas for and serves as chairman of the executive session of the NEDs and is the principal liaison on Board issues between the NEDs and the Chairman.

The LID aids the NEDs to constructively challenge and help develop proposals on strategy, review the performance of management in meeting agreed goals and objectives, and monitor the reporting of performance.

Once a year, two formal sessions are arranged for the NEDs to meet without the presence of management or executive directors. One of the sessions is held without the presence of the Chairman and is chaired by the LID.

CHAIRMAN AND CHIEF EXECUTIVE OFFICER

Principle 3

Separation of the Role of Chairman and the Chief Executive Officer

The roles of Chairman and Chief Executive Officer (CEO) are separate to ensure an appropriate balance of power, increased accountability and greater capacity of the Board for independent decision-making. The Chairman is not related to the CEO.

The Chairman manages the business of the Board and the Board committees, and monitors the translation of the Board's decisions and wishes into executive action. He approves the agendas for the Board meetings. Together with the chairmen of the Board committees and with input from the executive committee (EXCO), he also reviews the agendas for Board committee meetings. He exercises control over the quality, quantity and timeliness of information flow between the Board and management. The Chairman plays a key role in the development and maintenance of strategic relations with SGX's business partners. In addition, he provides close oversight, guidance, advice and leadership to the CEO and management.

At AGMs and other shareholder meetings, the Chairman plays a pivotal role in fostering constructive dialogue between shareholders, the Board and management.

The CEO manages the businesses of SGX and implements the Board's decisions. He has appointed an EXCO, comprising senior management executives, to assist him. The CEO is chairman of the EXCO. The CEO and the EXCO are responsible for the day-to-day operation and administration of SGX.

Board interaction with, and independent access to, senior management is encouraged. Members of the EXCO attend all Board meetings. In addition, Board members have the contact details of each member of the EXCO.

The Chairman and the LID:

- 1) facilitate the effective contribution of NEDs in particular; and
- 2) encourage constructive relations between executive directors and NEDs.

The Chairman is committed to SGX complying with the Code, and in some areas, going beyond the Code. See, for example, 'Securities Dealing', 'Interested Person Transactions Policy' and 'Whistleblowing Policy' in this Report.

BOARD MEMBERSHIP

Principle 4

Process for Appointment of New Directors

The policy and procedures for the appointment of NEDs, including a description on the search and nomination process, are available on our website.

Generally all new directors are proposed for election by shareholders at the AGMs with sufficient details of their Curriculum Vitae to enable shareholders to make an informed decision. Subsequently, a formal letter of appointment is provided to the appointed director. The formal letter of appointment indicates the amount of time commitment required and the scope of duties. In accordance with SGX's Articles, any director who has been appointed during the year must stand for election at the next AGM.

Please refer to 'Board Committees' in this Report for more details on Board membership.

BOARD PERFORMANCE

Principle 5

The Board has implemented a process carried out by the NC for assessing the effectiveness of the Board as a whole and for assessing the contribution by each individual director to the effectiveness of the Board.

The NC decides how the Board's performance may be evaluated and proposes objective performance criteria.

In 2007, the NC reviewed the process for evaluation of the Board as a whole. The Board evaluation process is as follows:

- 1) The NC will assess and discuss the performance of the Board as a whole every year, and will ascertain key areas for improvement and requisite follow-up actions; and
- 2) Every two years, independent consultants will be appointed to assist in the Board evaluation process. Board and Board committee performance will be evaluated by each director and each member of the EXCO.

The Board performance targets include a measure aligned with shareholders' interests, as well as a measure to capture its regulatory responsibilities as a SRO. The Board is required to ensure that a proper balance is maintained between our commercial objectives and our regulatory responsibilities taking into account MAS' report. For more details on SGX's regulatory responsibilities as a SRO, please refer to the 'SRO Governance Report' in the Annual Report.

The Board has adopted the recommendation of using quantitative financial indicators. Its performance is assessed on 3-year and 5-year rolling average basis. The measures are:

- an absolute minimum SGX Total Shareholder Return (TSR)
- SGX's TSR performance against the STI TSR
- SGX's TSR performance against the FTSE/MV Exchanges Index TSR

There is an individual assessment of each NED's contribution by the Chairman, and the results of the assessment are discussed with the chairman of the NC. Some factors considered in the individual review are directors' attendance and participation at meetings, the quality of directors' interventions and special skills and contributions made by directors.

The result of the performance evaluation of individual directors is taken into account in their re-appointment. Specific needs which arise from time to time are taken into account in any appointment of new directors.

The assessment of CEO's performance is undertaken by the RC together with the chairman of the NC and the results reviewed by the Board.

ACCESS TO INFORMATION

Principle 6

Proposals to the Board for decision or mandate sought by management are in the form of memos that give the facts, analysis, resources needed, expected outcomes, conclusions and recommendations. Board and Board committee papers are distributed a week in advance of the meeting to directors. Staff who can provide additional insight into matters to be discussed will be present at the relevant time during the Board and Board committee meetings. Draft agendas for Board and Board committee meetings are circulated to EXCO and Board committee chairmen respectively, in advance, in order for them to suggest items onto the agenda and/or review the usefulness of the items in the proposed agenda.

In order to keep directors abreast of analysts' views on our performance, the Board is updated twice a year on the market view which includes a summary of analysts' feedback and recommendations following our full year and interim results. Monthly financial and management reports are also provided to the Board. The reports include the financial and management accounts accompanied by an analysis of SGX's performance and supporting data. Quarterly financial statements are reviewed and approved by the AC except for the financial year end statements which are approved by the Board. In addition, members of the RMC receive monthly risk reports on clearing, credit and market risk.

Company Secretary

Directors have separate and independent access to the Company Secretary. The role of the Company Secretary is clearly defined and includes responsibility for ensuring that Board procedures are followed and that applicable rules and regulations are complied with.

Under the direction of the Chairman, the Company Secretary's responsibilities include ensuring good information flows within the Board and its committees and between senior management and NEDs, as well as facilitating orientation and assisting with professional development as required. The Company Secretary attends all Board and Board committee meetings.

The appointment and the removal of the Company Secretary is a matter for the Board as a whole.

Independent Professional Advice

The Board has a procedure for directors, either individually or as a group, in the furtherance of their duties, to take independent professional advice, if necessary, at SGX's expense.

BOARD COMMITTEES

Principles 4 and 11

The following Board committees assist the Board in executing its duties:

- 1) Audit Committee;
- 2) Nominating Committee;
- 3) Regulatory Conflicts Committee;
- 4) Remuneration Committee; and
- 5) Risk Management Committee.

Audit Committee

The AC is chaired by Mr Lee Hsien Yang and comprises four members, all of whom are independent NEDs based on the Code's criteria.

In compliance with the requirements of the SFR 2005, at least three members of the AC are independent from management and business relationships, and a majority are independent directors as defined under the SFR 2005.

A majority of the AC, including the AC chairman, have expertise or experience in financial management and are qualified to discharge the AC's responsibilities.

The AC has explicit authority to investigate any matter within its terms of reference. It has full access to, and the co-operation of, management and full discretion to invite any director or senior manager to attend its meetings. The AC has adequate resources to enable it to discharge its responsibilities properly.

The AC reviews the scope and results of audit work carried out by external auditors, the cost effectiveness of the audit, and the independence and objectivity of the external auditors. The AC also undertakes regular reviews of the nature, extent and costs of non-audit services provided by the external auditors, seeking to balance the maintenance of objectivity of the external auditors and their ability to provide value-for-money services.

The AC meets on a quarterly basis to review the quarterly and annual audited financial statements and related disclosures, integrity of financial reporting of SGX including accounting principles. The AC approves, on behalf of the Board, each of the first three quarterly financial statements and corresponding SGXNET announcements. The AC recommends to the Board for approval, the annual financial results and related SGXNET announcements.

The AC reviews and assesses the adequacy and effectiveness of SGX's system of internal controls and regulatory compliance through discussions with management, the Head of Internal Audit (IA), the Head of Compliance and the external auditor at its quarterly AC meetings.

The AC considers and reviews with management, the Head of IA and the Head of Compliance:

- 1) significant internal audit observations and management's responses thereto;
- 2) regulatory breaches;
- 3) the planned scope of the Head of IA's annual audit plans and any difficulties encountered in the course of the reviews, including any restrictions on the scope of IA's work or access to required information;
- 4) the planned scope of the Head of Compliance's annual compliance plans; and
- 5) the budget and staffing for IA and Compliance functions.

External Auditors

The AC recommends to the Board the appointment, re-appointment and removal of the external auditors, and approves the remuneration and terms of engagement of the external auditors.

At least once a year, the AC has an *in camera* session with the internal and external auditors, without the presence of management.

The AC has received the requisite information from the external auditors evidencing the latter's independence. It has also reviewed the volume and nature of non-audit services provided by the external auditors during the current financial year. Based on this information, the AC is satisfied that the financial, professional and business relationships between SGX and the external auditors will not prejudice the independence and objectivity of the external auditors.

In the review of the financial statements for the year ended 30 June 2009, the AC discussed with management and the external auditors the accounting principles that were applied and their judgement of items that might affect the financial statements. Based on the review and discussions, the AC is of the view that the financial statements are fairly presented in conformity with the relevant Singapore accounting standards in all material aspects.

In October 2008, the Audit Committee Guidance Committee issued the Guidebook for Audit Committees in Singapore. We had distributed the Guidebook to all members of the Board. Where appropriate, the AC will adopt relevant best practices set out in the Guidebook, which will be used as references to assist the AC in performing its functions.

Nominating Committee

The NC is chaired by Mr Low Check Kian, who is the LID. He is not associated with any substantial shareholder. Mr Low is also independent from management and business relationships as defined under the SFR 2005.

The majority of the members of the NC are independent as defined under the Code. In compliance with the requirements of the SFR 2005, the NC has five members, including the NC Chairman. Four of the five are independent from business and management relationships and are independent directors as defined under the SFR 2005. All five are independent from any substantial shareholder as defined under the SFR 2005.

For details of the NC membership, please refer to 'Corporate Information' in the Annual Report.

The NC is responsible for re-nomination decisions which take into account the director's contribution and performance (e.g. attendance, preparedness, participation and candour) as an independent director, if applicable. The terms of reference of the NC are available on our website.

We place great importance on the Board renewal process. Since our listing in 2000, only three members of the original Board remain. Our Articles provide that at each AGM, one-third of the directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation.

Director's Independence under the Code

The NC conducts an annual review of director independence. The NC also considers the length of a director's tenure to determine their independence. Based on the Code's criteria for independence, nine out of the 10 NEDs are independent.

Mr J Y Pillay was re-designated to serve as a NED since 28 September 2007. Under the SFR 2005 and the Code, he is deemed non-independent as he was an Executive Director in the last three years.

We are also required to comply with MAS' more stringent requirements of independence as set out in the SFR 2005. We have had the requisite number of independent directors as defined in the SFR 2005 sitting on the Board and Board committees since the 2006 AGM.

Director's Independence under the SFR 2005

To be independent as defined under the SFR 2005, a director must be non-executive, and independent of certain business and management relationships with SGX and its subsidiaries. A director cannot have connections with our member firms or related companies of our member firms to be deemed independent. The director must not be connected to any substantial shareholder of SGX. The NC has ascertained that a majority of the Board members are independent according to this criterion. A table setting out the independence requirements for the Board under the SFR 2005, and our compliance, is set out in this Report.

The NC also considers whether directors who serve on many boards are able to commit the necessary time to discharge their responsibilities.

Succession Planning for the Board and Senior Management

Succession planning is an important part of the governance process. The NC has adopted a succession plan to ensure the progressive and orderly renewal of Board membership. As part of this plan, the Board has appointed an additional director, Mr Liew Mun Leong, who stands for election at the 2009 AGM in accordance with SGX's Articles.

With the expiry of the CEO's contract in September 2009, the NC was engaged in the search for Mr Hsieh Fu Hua's successor. The CEO search included candidates from both inside and outside SGX. The key criteria included people leadership, franchise building capabilities, familiarity with the business and regulatory environment in Asia, and the ability to forge lasting partnerships with investors, regulators and other key stakeholders.

After an extensive global search, SGX has appointed Mr Magnus Bocker as CEO with effect from 1 December 2009. Mr Hsieh, who will complete his current term in September 2009, will stay on till Mr Bocker assumes office in December.

The NC reviews the succession and leadership development plans for senior management, including the identification and management of talent.

Regulatory Conflicts Committee

The RCC has been appointed by the Board to manage the supervision of SGX's SRO conflicts. For details of SGX's regulatory responsibilities as a SRO, please refer to the 'SRO Governance Report' in the Annual Report.

Remuneration Committee

For details of the RC, please refer to 'Remuneration Matters' in this Report.

Risk Management Committee

The RMC assists the Board in the oversight of risk management in SGX. Its responsibilities include the reviewing and recommending to the Board the type and level of business risk that SGX undertakes on an integrated basis to achieve its business objectives. It also recommends to the Board the appropriate framework and policies for managing risks that are consistent with SGX's risk appetite. In addition, the RMC ascertains the adequacy of resources required to carry out its risk management functions effectively.

SGX has in place an enterprise-wide risk management framework to enhance its risk management capabilities. This is administered by the Enterprise Risk Management Unit (ERM) which reports to the Chief Risk Officer. The ERM is responsible for the development of enterprise-wide risk management frameworks and policies, facilitating risk assessments and monitoring and reporting risk issues.

Management identifies the key risks faced by SGX on an annual basis and puts in place action plans to address these risks. In addition, other risks at the process levels are identified by the various business units and controls are put in place to mitigate them. Awareness and ownership of risks and controls by the relevant business and support functions are continuously instilled in SGX's policies, procedures and practices.

In accordance with the approved annual audit plan, IA will perform independent reviews of the risks and controls identified to provide reasonable assurance to management and the AC that the key risks and controls have been adequately addressed.

ACCOUNTABILITY

Principle 10

The Board provides shareholders with quarterly and annual financial reports. Results for the first three quarters are released to shareholders within 15 days from the end of the quarter. Annual results are released within 40 days from the financial year-end. In presenting our annual and quarterly financial statements to shareholders, the Board aims to provide shareholders with a balanced and clear assessment of SGX's position and prospects. All financial statements are certified by two directors.

Management provides directors with a monthly financial management report which includes the management accounts, other financial statements and an analysis of SGX's performance. The report is submitted within 15 days from the month-end.

INTERNAL CONTROLS

Principle 12

On an annual basis, IA prepares and executes a risk-based audit plan, which complements that of the external auditors, so as to review the adequacy and effectiveness of the system of internal controls of SGX. These include operational, financial and compliance controls. In addition, the external auditors will highlight any material internal control weaknesses which have come to their attention in the course of their statutory audit. All audit findings and recommendations put up by the internal and external auditors are reported to the AC. Significant issues are discussed at AC meetings. IA follows up on all recommendations by internal and external auditors to ensure management has implemented these timely and appropriately and reports the results to the AC every quarter. Separately, the Compliance Unit (Compliance) is responsible for putting in place frameworks to guide and assist SGX to manage compliance risks that have the potential for resulting in violation of applicable laws and regulations. Compliance reports all breaches, significant issues and their resolutions to the AC every quarter.

The RMC assists the Board in the oversight of risk management in SGX. Its responsibilities include reviewing and recommending to the Board the type and level of business risk that SGX undertakes on a consolidated basis to achieve its business objectives.

SGX has adopted an enterprise-wide risk management framework to enhance its risk management capabilities. The key risks facing SGX have been identified and action plans are in place to mitigate these risks. In addition, the main risks at the process levels have been identified and controls introduced. Risk awareness and ownership of risk treatments are fostered across the organisation.

Based on the work performed by IA and Compliance during the financial year and the review undertaken by the external auditors, the Board, through the AC, is satisfied that the operational, financial and compliance controls are adequate to meet the needs of SGX in its current business environment.

The system of internal controls and risk management established by SGX provides reasonable, but not absolute, assurance that SGX will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. However, the Board also notes that no system of internal controls and risk management can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities.

For further details on internal controls, please refer to 'Board Committees' in this Report.

INTERNAL AUDIT

Principle 13

IA is an independent function within SGX which reports directly to the AC on audit matters, and to the CEO on administrative matters.

IA is a member of The Institute of Internal Auditors Singapore and has adopted the Standards for the Professional Practice of Internal Auditing set by The Institute of Internal Auditors. Based on the review conducted by a qualified and independent external reviewer, IA meets all the 46 requirements of the Standards.

IA operates within the framework stated in its Internal Audit Charter which is approved by the AC. Its mission is to provide independent, objective assurance and consulting services designed to add value and improve our operations. It helps us achieve our objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, controls and governance processes.

The AC is satisfied that IA has adequate resources to perform its functions, and has appropriate standing within SGX.

IA's annual workplan is established in consultation with, but independent of, management. The workplan is submitted to and approved by the AC.

COMMUNICATION WITH SHAREHOLDERS

Principle 14

We adopt the practice of regularly communicating major developments in our businesses and operations through SGXNET and where appropriate, also direct to shareholders, other investors, analysts, the media, the public and our staff. We also hold annual Investor Relations open days where shareholders are briefed on the performance prospects of SGX and are given the chance to meet with senior management. We issue announcements through SGXNET and news releases on an immediate basis where required under the Listing Manual.

Shareholders are provided with quarterly and annual financial reports. Results for the first three quarters are released to shareholders within 15 days from the end of the quarter. Annual results are released within 40 days from the financial year-end.

Briefings to announce full-year results are held for the media and analysts together, with the presence of the CEO, Chief Financial Officer and senior management to answer relevant questions which the media and analysts may have.

Corporate Website

SGX's website is also a source of information for its shareholders and prospective shareholders. We do not practise selective disclosure of material information. Material information is excluded from briefings with investors or analysts, unless it has been publicly released either before, or concurrently with, such meetings. All materials on our quarterly financial results, and webcasts of our half-year and full-year results briefings for analysts and media, are available on our website immediately following confirmation of their release. SGX also makes available Annual Reports to shareholders, speeches and presentations given by the Chairman, CEO, and senior management, and a range of other information considered to be of interest to investors.

The contact details of the Investor Relations Unit (IR) are also available on SGX's website, which allows shareholders to contact SGX easily. IR has procedures in place for addressing investors' queries or complaints as soon as possible.

For details on our communication with shareholders, please refer to 'Investor Relations' in 'Operating and Financial Review' in the Annual Report.

GREATER SHAREHOLDER PARTICIPATION

Principle 15

Our Articles allow a shareholder to appoint up to two proxies to attend and vote in his place at general meetings.

We do not have a specific limit in our Articles on the number of proxy votes for nominee companies. However, there is a limit for the number of proxies for all shareholders to two. This is because we cannot create separate classes of rights for shareholders. Also, under current law, on a show of hands, only one vote is counted per shareholder. As and when the law allows for nominee companies to have more than one vote on a show of hands, SGX will increase the number of proxies for nominee companies to more than two.

Prior to each AGM, a shareholders' forum is made available on our website to facilitate communication between shareholders on matters that concern them. Our AGM procedures provide shareholders the opportunity to ask questions relating to each resolution tabled for approval. Opportunities are given to shareholders to participate, engage, and openly communicate their views on matters relating to SGX, with directors, management and external auditors in attendance to address shareholders' queries.

We have separate resolutions at general meetings on each substantially separate issue. All our resolutions at our general meetings are single item resolutions. For details on resolutions, please refer to the 'Notice of AGM' in the Annual Report.

All minutes of general meetings, and a summary of the questions and answers raised at general meetings are publicly available on our website.

In our 2006 AGM/EGM, we announced (at the meeting) the number of proxy votes for and against each resolution, after each vote by hand. In our May 2007 EGM, we went one step further by making an SGXNET announcement of proxy vote results, which we shall continue to do. Disclosure of results of proxy votes acknowledges the views of shareholders and enhances the quality of disclosure to shareholders.

In our 2009 AGM/EGM, SGX intends to conduct poll voting for all resolutions so as to allow shareholders to have one vote for every share held.

REMUNERATION MATTERS

PROCEDURES FOR DEVELOPING REMUNERATION POLICIES

Principle 7

Remuneration Committee

Mr Ng Kee Choe, an independent director, chairs the RC. Mr Ng has many years of experience in senior management positions in a leading Singapore commercial bank, including dealing with remuneration issues. He has also chaired or sat on the remuneration committees of other listed companies.

All members of the RC, including the RC Chairman, are independent non-executive directors. No member of the RC is involved in deliberations in respect of any remuneration, compensation, options or any form of benefits to be granted to him. All four directors are independent as defined under the SFR 2005.

The RC reviews matters concerning remuneration of the Board, CEO and senior management. The RC approves the framework of remuneration for the entire organisation including the structuring of the long-term incentive plans. The RC also approves annual salary increment pool and variable bonus pool for distribution to staff of all grades.

The chairman of the RC, together with the NC, reviews and recommends to the Board the specific remuneration packages for executive directors and the CEO upon recruitment. Subsequently, annual increments, variable bonuses, performance share grants and other incentive awards, will be reviewed by the RC for recommendation to the Board. The RC also reviews the remuneration of senior management annually. Our compensation philosophy and actual performance targets for the award of long-term incentives is set out in 'Remuneration Report' of the Annual Report.

The RC has access to appropriate advice from the Head of Human Resources, who attends all RC meetings. The RC may seek expert advice inside and/or outside SGX on remuneration of directors and staff.

LEVEL AND MIX OF REMUNERATION

Principle 8

The RC administers the Performance Share Plan (PSP). The performance-related elements of remuneration are designed to align interests of executive directors, EXCO and staff with those of shareholders and link rewards to corporate and individual performance. Details of the PSP, including awards made thereunder and the performance conditions for the vesting of the awards are found in 'Remuneration Report' in the Annual Report.

Non-executive Directors' Remuneration

In FY2008, the RC reviewed the remuneration of NEDs, considering factors such as the scope and extent of a director's responsibilities and obligations, the level of contribution and time spent. The directors' fees were compared against a reference benchmark to ensure they are in line with market norms. Based on the proposal by the RC, the framework for NED remuneration was revised and approved by the Board.

The Chairman receives an annual fee plus other benefits. NEDs receive basic director fees, additional fees for serving as a Board committee member and attendance fees for Board and Board committee meetings.

The parameters for directors' fees are as follows:

Fee Structure

Type of Fees	Quantum of Fees
NED – Basic Fee	\$55,000
Audit Committee – Chairman	\$30,000
Audit Committee – Member	\$18,000
Other Committee – Chairman	\$22,000
Other Committee – Member	\$12,000
Attendance Fee (per meeting)	\$1,500

The fees for NEDs are subject to the approval of shareholders at the AGM.

Executive Directors' Remuneration

Executive directors do not receive directors' fees.

CEO's contract stipulates a fixed term. His service contract does not contain onerous removal clauses or early termination clauses. The CEO's performance measures are available on our website.

Long-term Incentive Scheme

There is in place a long-term incentive scheme for executive directors, EXCO and staff, which includes share options and performance shares. For details of the long-term incentive scheme, please refer to the 'Remuneration Report' in the Annual Report.

Under SGX's Share Option Plan, participants can exercise their options to purchase SGX's shares two years after grant. Under the PSP, performance shares vest in accordance with a vesting schedule only if the performance targets are met.

Under the PSP, participants are required to retain 50% of shares released to them for at least one calendar year from vesting date.

SGX's compensation is made up of four components – fixed pay, short-term incentives, long-term incentives and benefits. The fixed salary is pegged to the 50th percentile of the reference market in the Singapore banking and financial services.

DISCLOSURE OF REMUNERATION

Principle 9

For disclosure of the remuneration of the executive directors and the five top-earning executives and a breakdown of the fees payable to each director, please refer to 'Remuneration Report' in the Annual Report.

Previously, we disclosed the remuneration of the top key executives in bands of \$150,000. Since FY2007, we have disclosed the remuneration of the five top-earning executives in actual figures, with a breakdown in terms of fixed pay, bonus, long-term incentive and benefits-in-kind.

Based on disclosures and checks conducted, none of the current staff/directors are related to each other.

Details of staff share schemes are contained in 'Directors' Report' in the Annual Report.

SECURITIES DEALING

SGX has adopted more stringent "black-out" policies than prescribed in the Listing Manual which prohibit dealings in SGX's securities by directors and staff and their "connected persons" for a period of just over one month before the announcement of its quarterly or half-yearly financial results. For year-end results, the period of prohibition is just over two months.

In line with best practices, SGX issues a quarterly circular to its directors and officers informing them that SGX and its officers must not deal in SGX's securities before the release of results, and at any time they are in possession of unpublished material price-sensitive information.

Staff and their "connected persons" who want to trade securities of any company listed on Singapore Exchange Securities Trading Limited (SGX-ST) must seek prior approval from management. In addition, directors and staff are prohibited at all times from trading if they are in possession of material non-public information.

The Board and management believe that SGX has not only complied with the Listing Manual but with industry best practices.

INTERESTED PERSON TRANSACTIONS POLICY

SGX has procedures in place to comply with existing listing rules governing related party transactions for listed companies. All new directors are briefed on the relevant provisions that they need to comply with.

WHISTLEBLOWING POLICY

SGX has in place a whistleblowing policy which gives staff access to the Chairman, CEO, chairman of the AC, members of the EXCO, the Head of IA and the Head of Human Resources to report in good faith and in confidence, concerns about possible improprieties. Contact details of these persons have been made available to all staff. A well-defined process ensures independent investigation of such matters, and the assurance that staff will be protected from reprisals.

CODE OF CONDUCT & ETHICS FOR EMPLOYEES

SGX has a Code of Conduct & Ethics for Employees (Code of Conduct & Ethics) that sets the standards and ethical conduct expected of staff. The Code of Conduct & Ethics covers all aspects of the business operations of SGX such as confidentiality of information, related party transactions, gifts, gratuities or bribes and dishonest conduct. Staff are required to observe and maintain high standards of integrity, as well as compliance with laws and regulations, and company policies.

CODE OF CONFIDENTIALITY

As an Exchange, SGX deals with confidential information on a daily basis. Hence, protecting the confidentiality of information which SGX receives or has access to is of paramount importance to creating and maintaining a trusted relationship between SGX and its stakeholders. SGX is also obligated by law under the SFA to maintain confidentiality of user information, which refers to transaction information of a member or its customer. In this regard, SGX has a Code of Confidentiality which aims to provide clear guidance to its staff on the proper management, use and disclosure of the different types of confidential information.

CORPORATE GOVERNANCE REPORT

Composition Requirements for Board and Board Committees and Compliance with SFR 2005

No.	Board/Board Committee	SFR 2005 Reg No.	Composition Requirements				
			Independent from management and business relationships	Independent Directors*	Independent from any single substantial shareholder	Additional requirements	Composition requirements fulfilled
1	Board of Directors	6	Majority	One-third	Majority	N.A.	Yes
2	Audit Committee	14	3 directors	Majority (including AC chairman)	N.A.	Must comprise at least 3 directors	Yes
3	Nominating Committee	9	Majority	One-third	Majority	Must comprise at least 5 directors	Yes
4	Regulatory Conflicts Committee	15	3 directors	N.A.	Majority	Must comprise at least 3 directors	Yes
5	Remuneration Committee	13	Majority (including RC chairman)	One-third	Majority	Matters referred to in regulation 3(3)(c), (d) and (e) do not apply to at least 3 directors	Yes
6	Risk Management Committee	7	N.A.	One-third	Majority	N.A.	Yes

* Independent from management and business relationships, and from any substantial shareholder.

DIRECTORS' MEETING ATTENDANCE REPORT

Name of Director	SGX Board		Audit Committee (AC)				Nominating Committee (NC)			
	Number of meetings held	Number of meetings attended	Chairman	Member	Number of meetings held	Number of meetings attended	Chairman	Member	Number of meetings held	Number of meetings attended
J Y Pillay (SGX Chairman)	5	5			4 [#]	4 [#]			4 [#]	4 [#]
Hsieh Fu Hua (CEO)	5	5			4 [#]	4 [#]			4 [#]	4 [#]
Chew Choon Seng	5	5			–	–		√	4	4
Euleen Goh Yiu Kiang	5	5		√	4	4			–	1 [#]
Ho Tian Yee	5	5		√	4	4		√	4	3
Lee Hsien Yang	5	5	√		4	4			–	1 [#]
Loh Boon Chye	5	4		√	4	4		√	4	2
Low Check Kian	5	5			–	–	√		4	4
Ng Kee Choe	5	5			–	–		√	4	3
Robert Owen	5	5			–	–			–	2 [#]
Olivia Lum Ooi Lin ¹	5	1		√	4	1			–	–

[#] By invitation

¹ Stepped down on 3 October 2008.

ASSESSMENT OF INDEPENDENCE OF INDIVIDUAL DIRECTORS

All references to Regulations are a reference to the SFR 2005.

The SFR 2005 can be obtained from www.agc.gov.sg

No.	Name of Director	Independence status under the Code	Independence status under the SFR 2005	Reg 3(1)(a) Independent from management relationship	Reg 3(1)(b) Independent from business relationship	Reg 4 Independent from substantial fulfilled
1	J Y Pillay	No	No ¹	No ²	Yes	Yes
2	Hsieh Fu Hua	No	No	Management	Management	Yes
3	Chew Choon Seng	Yes	Yes	Yes	Yes	Yes
4	Euleen Goh Yiu Kiang	Yes	Yes	Yes	Yes	Yes
5	Ho Tian Yee	Yes	Yes	Yes	Yes	Yes
6	Lee Hsien Yang	Yes	Yes	Yes	Yes	Yes
7	Loh Boon Chye	Yes	No ³	Yes	No	Yes
8	Low Check Kian	Yes	Yes	Yes	Yes	Yes
9	Ng Kee Choe	Yes	Yes	Yes	Yes	Yes
10	Robert Owen	Yes	Yes	Yes	Yes	Yes

¹ J Y Pillay was an Executive Chairman of SGX till 28 September 2007.

² J Y Pillay was employed by SGX as an Executive Chairman till 28 September 2007. He is non-independent from management relationship by virtue of Reg 3(2)(a).

³ Loh Boon Chye is non-independent by virtue of Reg 3(1)(b) as he is employed by Deutsche Bank Group which wholly owns Deutsche Futures Singapore Pte Ltd., an SGX member firm.

Regulatory Conflicts Committee (RCC)				Remuneration Committee (RC)				Risk Management Committee (RMC)			
Chairman	Member	Number of meetings held	Number of meetings attended	Chairman	Member	Number of meetings held	Number of meetings attended	Chairman	Member	Number of meetings held	Number of meetings attended
		2 [#]	2 [#]			2 [#]	1 [#]			3 [#]	3 [#]
		2 [#]	2 [#]			2 [#]	1 [#]			3 [#]	3 [#]
		—	—		√	2	2			—	—
	√	2	2			—	—		√	3	3
		—	—			—	—		√	3	3
		—	—		√	2	2			—	—
		—	—			—	—	√		3	3
	√	2	2		√	2	2			—	—
		—	—	√		2	2		√	3	3
√		2	2			—	—		√	3	3
	√	2	1		√	2	0			—	—

REMUNERATION REPORT

The function of the Remuneration Committee (the Committee) is to consider and determine, within its terms of reference, all matters concerning the remuneration programme for directors and senior management. The Committee comprises the following independent directors:

Ng Kee Choe (Chairman)
Chew Choon Seng
Lee Hsien Yang
Low Check Kian

COMPENSATION PHILOSOPHY

SGX adopts a pay-for-performance compensation philosophy that is built upon organisational and individual performances. For this purpose, both external and internal equity are important in developing, administering and maintaining the reward programmes.

At SGX, our total reward is made up of fixed and variable components. Fixed component includes annual basic salary and annual wage supplement for the non-executives. The variable or "at risk" component is subject to performance and includes a cash-based short-term incentive and equity-based long-term incentives.

The relative weightage of fixed and variable component varies with the level and complexity of the job role and typical market practice. Consistent with market practice, Vice Presidents and above have a greater proportion of their total reward "at risk" – that is, their variable component is a larger portion of the overall reward compared to other employees.

COMPENSATION MIX

Our compensation framework is made up of four key components:

- Fixed pay;
- Short-term incentive;
- Long-term incentives; and
- Benefits

Fixed Pay

Fixed pay comprises a base salary, annual wage supplement (for non-executives only) and fixed allowances. Our base salary is pegged to the market pay data of the Singapore banking and financial services industry as follows:

Corporate title	Base salary position
Associate to Assistant Vice President	55th percentile of the reference market
Vice President to Senior Vice President	50th percentile of the reference market

The annual salary review is in July of each year. Human Resources (HR) benchmarks SGX's salary structure with the banking and financial services industry and recommends to the Committee the appropriate salary increments taking into account the profitability of SGX as a whole. We practise a salary cap for Senior Vice President positions and above.

Total Incentives

The total incentives pool funds our annual variable bonus and long-term incentive plans and is computed using the following formula:

Total Incentives (TI) Pool = A percentage of [NPAT less Cost of Equity] where NPAT is Net Profit before Variable Bonus less Corporate Tax

a) Short-term incentive

Short-term incentive takes the form of an annual variable bonus.

The Committee reviews and approves the variable bonus pool for distribution. The Management moderates and allocates the variable bonus based on the individual performance of employees and their contributions towards the achievement of SGX's performance.

No more than 75% of the TI Pool is allocated for distribution of annual variable bonus.

b) Long-term incentives

Our long-term incentive plans comprise the SGX Performance Share Plan (the Plan) and Deferred Long-term Incentives Scheme (the LTI Scheme). They serve to enhance our overall compensation package and strengthen the Company's ability to reward and retain key employees. The Plan rewards the key senior executives in SGX while the LTI Scheme rewards high-performing and high-potential executives who are not eligible for the Plan.

The SGX Share Option Plan (the Scheme) was terminated following the adoption of the Plan at the Extraordinary General Meeting on 22 September 2005. However, options granted and outstanding prior to termination will continue to be valid and subject to the terms and conditions of the Scheme.

A minimum of 25% of the LTI pool is allocated for distribution of long-term incentives.

The SGX Performance Share Plan

The Plan is an equity-based incentive scheme administered by the Committee.

It was established with the objective of rewarding, motivating, and retaining key senior executives to achieve superior performance. Through the Plan, SGX will be able to recognise and reward past contributions and services, and motivate participants to continue to strive for SGX's long-term prosperity.

The Committee may decide to make an award under the Plan either in the form of SGX shares or in cash (based on the market value of shares on vesting date) or a combination of both.

Restrictions

The total number of new SGX shares which may be issued pursuant to awards granted under the Plan on any date, when added to the total number of new shares issued and issuable in respect of all awards granted under the Plan, and all options granted under the Scheme, shall not exceed 10% of SGX's issued shares on the day preceding the relevant date of award.

Participants[#] are required to retain 50% of the total number of shares that are released to them for at least one calendar year from the vesting date. Failure to comply with this requirement may result in disqualification from further participation in the Plan and other share-based incentive schemes SGX may operate.

Unless otherwise decided by the Committee, the entitlement to this award is conditional on the Participant remaining in service up to the specified vesting date.

Eligibility

Selected senior management who have attained the rank of Vice President, job grade 2 and above are eligible to participate in the Plan.

Performance Share Plans for FY2007, FY2008 and FY2009

The Committee has approved the Plan for FY2007, FY2008 and FY2009, and has absolute discretion in the granting of performance shares. Details are as follows:

a) FY2007 Grant

The FY2007 grant will vest upon achievement of the following measures over a three-year performance period from 1 July 2006 to 30 June 2009:

- i) ROE;
- ii) Absolute TSR; and
- iii) SGX TSR against Straits Times Index (STI) TSR.

The shares awarded on the vesting date could range from 50% to 150%, depending on the level of achievement against the performance targets. There shall be no award if the achievement falls below the threshold performance level. For an achievement between the Threshold and Above Target performance levels, the payout percentage will be pro-rated on a straight-line basis.

FY2007 Grant

Performance level	ROE (Weight = 50%)		+	Absolute TSR (Weight = 25%)		+	SGX TSR against STI TSR (Weight = 25%)	
	Average over 3FYs (%)	Payout % (% of base allocation)		Average over 3FYs (%)	Payout % (% of base allocation)		Average spread over 3FYs (% pts)	Payout % (% of base allocation)
Above Target	> 35.0%	150%		≥ COE* +9.0%	150%		≥ 10.0% pts	150%
At Target	30.0%	100%		COE* +6.0%	100%		6.5% pts	100%
Threshold	25.0%	50%		COE* +3.0%	50%		3.0% pts	50%
Below Threshold	< 25.0%	Nil		< COE* +3.0%	Nil		< 3.0% pts	Nil

* COE represents cost of equity.

The performance shares will vest on 2 November 2009. Details of the shares granted to the Participants are as follows:

Participants (as defined under the Plan)	Shares granted at grant date	Balance as at 01.07.2008 ¹	Shares lapsed during financial year	Balance as at 30.06.2009
Directors' interests				
Hsieh Fu Hua ²	415,000	415,000	–	415,000
EXCO members				
Gan Seow Ann ²	155,000	155,000	–	155,000
Seck Wai Kwong ²	155,000	155,000	–	155,000
Yeo Lian Sim ²	100,000	100,000	–	100,000
Wong Liang Ying Lawrence	65,000	65,000	–	65,000
K A Chang	30,000	30,000	–	30,000
Other staff	740,000	455,000	(38,500)	416,500
	1,660,000	1,375,000	(38,500)	1,336,500

¹ Represents the shares to be awarded to Participants at target achievement of the grant.

² Received more than 5% of the 1,660,000 shares granted under the FY2007 grant.

[#] Defined under the Plan as "A Group Employee or an Associated Company Employee who has been granted an Award".

REMUNERATION REPORT

b) FY2008 Grant

The FY2008 grant will vest upon achievement of the following measures over a three-year performance period from 1 July 2007 to 30 June 2010:

- i) ROE;
- ii) Absolute TSR; and
- iii) SGX TSR against Straits Times Index (STI) TSR.

The shares awarded on the vesting date could range from 50% to 150%, depending on the level of achievement against the performance targets. There shall be no award if the achievement falls below the threshold performance level. For an achievement between the Threshold and Above Target performance levels, the payout percentage will be pro-rated on a straight-line basis.

FY2008 Grant

Performance level	ROE (Weight = 50%)		Absolute TSR (Weight = 25%)		SGX TSR against STI TSR (Weight = 25%)	
	Average over 3FYs (%)	Payout % (% of base allocation)	Average over 3FYs (%)	Payout % (% of base allocation)	Average spread over 3FYs (% pts)	Payout % (% of base allocation)
Above Target	≥ 47.5%	150%	≥ COE* +9.0%	150%	≥ 10.0% pts	150%
At Target	42.5%	100%	COE* +6.0%	100%	6.5% pts	100%
Threshold	37.5%	50%	COE* +3.0%	50%	3.0% pts	50%
Below Threshold	< 37.5%	Nil	< COE* +3.0%	Nil	< 3.0% pts	Nil

* COE represents cost of equity.

The performance shares will vest on 1 November 2010. Details of the shares granted to the Participants are as follows:

Participants (as defined under the Plan)	Shares granted at grant date ¹	Balance as at 01.07.2008 ¹	Shares lapsed during financial year	Balance as at 30.06.2009
Directors' interests				
Hsieh Fu Hua ^{2,3}	225,000	225,000	–	225,000
EXCO members				
Gan Seow Ann ²	86,000	86,000	–	86,000
Seck Wai Kwong ²	73,100	73,100	–	73,100
Muthukrishnan Ramaswami ²	64,500	64,500	–	64,500
Yeo Lian Sim ²	64,500	64,500	–	64,500
Wong Liang Ying Lawrence ²	51,600	51,600	–	51,600
K A Chang	43,000	43,000	–	43,000
Chew Sutat	38,700	38,700	–	38,700
Other staff	245,800	220,000	(7,800)	212,200
	892,200	866,400	(7,800)	858,600

¹ Represents the shares to be awarded to Participants at target achievement of the grant.

² Received more than 5% of the 892,200 shares granted under the FY2008 grant.

³ Hsieh Fu Hua's contract will end on 30 November 2009. Under his contract, he will continue to be eligible to receive the award at the vesting date, depending on the level of achievement against the performance conditions.

c) FY2009 Grant

In the FY2009 grant, the FTSE/Mondo Visione (FTSE/MV) Exchanges Index was introduced as an additional performance criterion to benchmark SGX's performance against the other global exchanges. The FY2009 grant will vest upon achievement of the following measures over a three-year performance period from 1 July 2008 to 30 June 2011:

- i) ROE;
- ii) Absolute TSR;
- iii) SGX TSR against Straits Times Index (STI) TSR; and
- iv) SGX's TSR against FTSE/MV TSR

The shares awarded on the vesting date could range from 50% to 150%, depending on the level of achievement against the performance targets. There shall be no award if the achievement falls below the threshold performance level. For an achievement between the Threshold and Above Target performance levels, the payout percentage will be pro-rated on a straight-line basis.

FY2009 Grant

Performance level	ROE (Weight = 50%)		Absolute TSR* (Weight = 25%)		SGX TSR against STI TSR (Weight = 12.5%)		SGX TSR against FTSE/MV (Weight = 12.5%)	
	Average over 3FYs (%)	Payout % (% of base allocation)	Average over 3FYs (%)	Payout % (% of base allocation)	Average spread over 3FYs (% pts)	Payout % (% of base allocation)	Average spread over 3FYs (% pts)	Payout % (% of base allocation)
Above Target	≥ 52.5%	150%	≥ 19.0%	150%	≥ 10.0% pts	150%	≥ 7.0% pts	150%
At Target	47.5%	100%	16.0%	100%	6.5% pts	100%	4.5% pts	100%
Threshold	42.5%	50%	13.0%	50%	3.0% pts	50%	2.0% pts	50%
Below Threshold	< 42.5%	Nil	< 13.0%	Nil	< 3.0% pts	Nil	< 2.0% pts	Nil

* Absolute TSR is benchmarked against the Weighted Average Cost of Capital, currently at 10% per annum.

The performance shares will vest on 1 September 2011. Details of the shares granted to the Participants are as follows:

Participants (as defined under the Plan)	Shares granted during financial year ¹	Shares lapsed during financial year	Balance as at 30.06.2009
Directors' interests			
Hsieh Fu Hua ^{2,3}	458,500	–	458,500
EXCO members			
Gan Seow Ann ²	150,800	–	150,800
Seck Wai Kwong ²	135,700	–	135,700
Muthukrishnan Ramaswami ²	135,700	–	135,700
Yeo Lian Sim ²	120,600	–	120,600
Wong Liang Ying Lawrence ²	98,000	–	98,000
Chew Sutat	90,500	–	90,500
K A Chang	82,900	–	82,900
Bob Caisley	60,300	–	60,300
Other staff	501,000	(38,800)	462,200
	1,834,000	(38,800)	1,795,200

¹ Represents the shares to be awarded to Participants at target achievement of the grant.

² Received more than 5% of the 1,834,000 shares granted under the FY2009 grant.

³ Hsieh Fu Hua's contract will end on 30 November 2009. Under his contract, he will continue to be eligible to receive the award at the vesting date, depending on the level of achievement against the performance conditions.

REMUNERATION REPORT

The SGX Deferred Long-Term Incentives Scheme

The LTI Scheme was approved by the Committee in July 2006. It recognises past contributions and services, and strengthens the Company's ability to reward and retain high-performing executives who have the potential for higher level jobs.

The Committee may determine to grant a reward, wholly or partly, in the form of SGX shares or in the form of cash subject to a vesting schedule.

Restrictions

The entitlement to this share award is conditional on the participant remaining in service up to the specified vesting date.

Eligibility

Selected executives who have attained the rank of Associate, job grade 9 up to Vice President, job grade 2 and who are not Participants of the Plan are eligible to be considered for participation in the LTI Scheme.

FY2008 Award

There were two awards in FY2008. Both awards were given in the form of shares. One award has a one-year vesting period which vested on 3 November 2008. Another will vest in three equal instalments over a period of three years with the first instalment vested on 3 November 2008.

Below are the details of shares awarded:

Participants (as defined under the LTI Scheme)	Shares awarded at grant date	Balance as at 01.07.2008	Shares lapsed during financial year	Shares vested during financial year	Balance as at 30.06.2009
Award with three-year vesting period	484,100	443,600	(29,000)	(139,100)	275,500
Award with one-year vesting period	23,000	19,000	–	(19,000)	–
Total	507,100	462,600	(29,000)	(158,100)	275,500

FY2009 Award

There were two awards in FY2009. Both awards were given in the form of shares. One award has a one-year vesting period which will vest on 3 November 2009. Another will vest in three equal instalments over a period of three years with the first instalment vesting on 3 November 2009.

Below are the details of shares awarded:

Participants (as defined under the LTI Scheme)	Shares awarded during financial year	Shares lapsed during financial year	Balance as at 30.06.2009
Award with three-year vesting period	710,200	(20,900)	689,300
Award with one-year vesting period	40,000	–	40,000
Total	750,200	(20,900)	729,300

DISCLOSURE ON DIRECTORS' REMUNERATION

In line with the Company's compensation philosophy, the annual variable bonus for executive directors was determined by the Committee after taking into account the achievement of specific quantitative and qualitative KPIs and objectives set for FY2009.

The following tables show the gross remuneration of the executive directors and non-executive directors of SGX for FY2009.

Executive Directors	Fixed Pay \$	Bonus for FY2009 \$	Long-term incentives* \$	Benefits-in-kind \$	Total gross remuneration \$
Hsieh Fu Hua	754,068	3,201,687	–	65,553	4,021,308

* There were no performance shares vested in FY2009.

Non-Executive Directors	Directors' fees \$
J Y Pillay	774,251
Low Check Kian	122,000
Chew Choon Seng	98,500
Euleen Goh Yiu Kiang	122,500
Ho Tian Yee	122,500
Lee Hsien Yang	116,500
Loh Boon Chye	129,500
Ng Kee Choe	123,500
Robert Owen	105,500
Olivia Lum Ooi Lin	30,250
Total	1,745,001

Directors' fees are subject to shareholders' approval at the annual general meeting.

Please refer to the Corporate Governance Report on page 42 for the remuneration framework of non-executive directors.

DISCLOSURE ON FIVE TOP-EARNING EXECUTIVES' REMUNERATION

The bonuses for SGX senior management were determined after taking into account the achievement of specified individual and organisational KPIs set for FY2009.

The table below shows the gross remuneration of the five top-earning executives for the financial year ended 30 June 2009.

	Fixed Pay \$	Bonus for FY2009 \$	Long-term incentives* \$	Benefits-in-kind \$	Total gross remuneration \$
Gan Seow Ann	407,844	1,003,262	–	2,366	1,413,472
Muthukrishnan Ramaswami	405,684	1,002,363	–	1,744	1,409,790
Yeo Lian Sim	404,064	801,687	–	1,944	1,207,695
Seck Wai Kwong	405,684	752,362	–	2,884	1,160,930
Chew Sutat	367,836	633,262	–	1,905	1,003,003

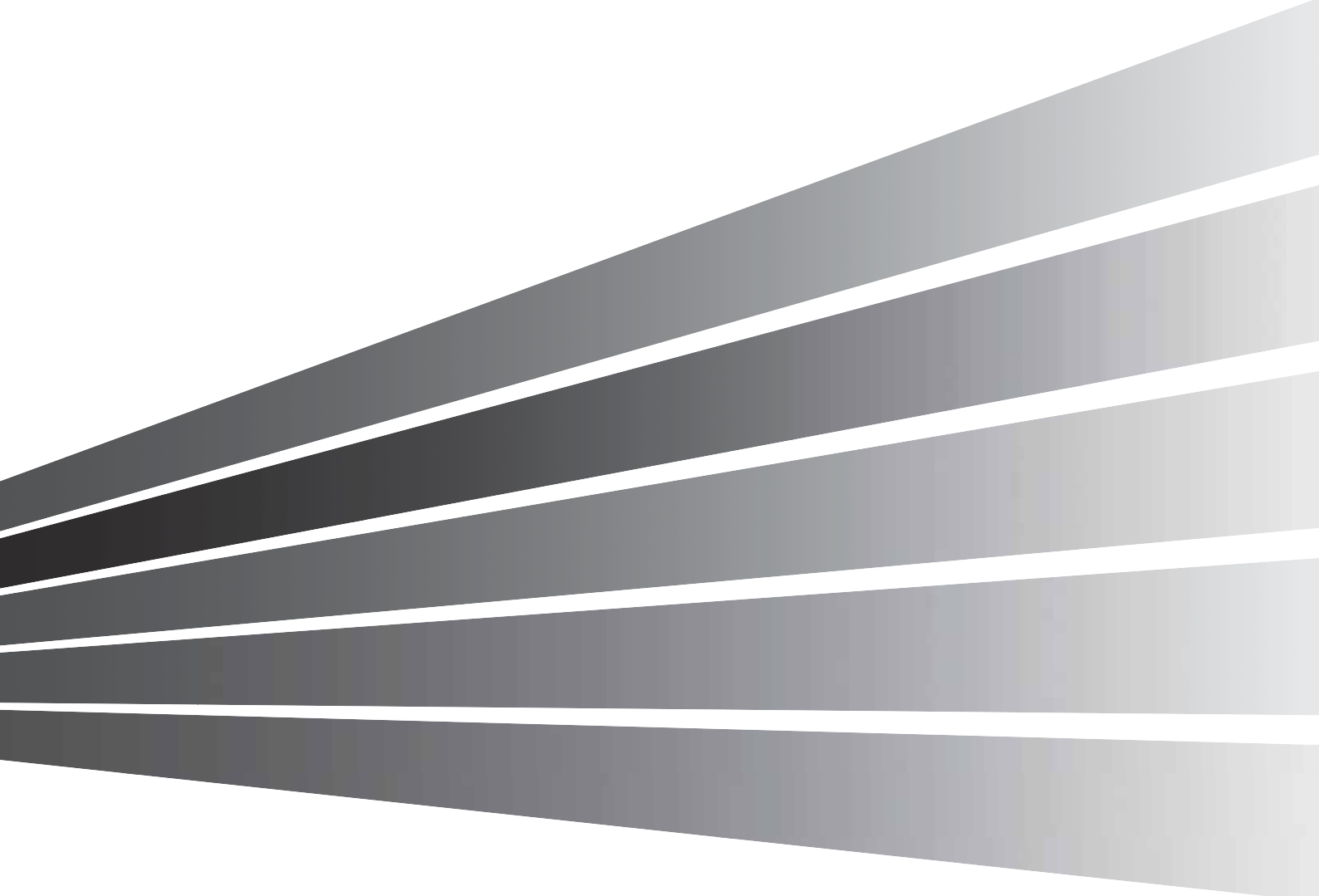
* There were no performance shares vested in FY2009.

Benefits

Benefits provided for employees are comparable with local market practices. These include medical, dental, and group insurances etc.

Forging Ahead **Caring**
for our people
& community

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With the Global Reporting Initiative (GRI) benchmarking, SGX affirms its commitment to building a sustainable future for all its stakeholders.

CORPORATE SOCIAL RESPONSIBILITY

ABOUT THIS CORPORATE SOCIAL RESPONSIBILITY REPORT

This Corporate Social Responsibility (CSR) Report outlines the various CSR initiatives undertaken by SGX and how these initiatives benefit respective stakeholders from the economic policies and practices SGX adopts, to the activities undertaken to contribute back to society and our commitment to caring for our environment.

Global Reporting Initiative

We have used the Global Reporting Initiative (GRI) G3 Guidelines to prepare this Report. Based on its reporting criteria, this Report satisfies GRI requirements and GRI has verified this Report as an Application Level 'C' report.



Reporting Period and Scope

This is SGX's first GRI Report, and it focuses on the operations of active subsidiaries of the SGX Group in Singapore and covers the period from 1 July 2008 to 30 June 2009. We intend to continue this reporting annually.

This Report details our CSR performance in relation to our principal businesses of providing a broad range of services, including listing, trading, clearing and settlement of securities and derivatives and depository services. We have focused on describing our current CSR practices in fulfilling the interests of our stakeholders, and our efforts in CSR are determined in accordance with our CSR Policy. The GRI Content Index outlines the specific GRI reporting elements and indicators addressed.

OUR CSR POLICY

SGX views CSR as fulfilling the legal, legitimate and ethical interests of our stakeholders, as a commercial enterprise, employer, market operator and corporate citizen which supports our vision of building an enduring marketplace (see CSR framework on next page).

Bases of Interest

SGX recognises that our accountability extends to the interests of multiple stakeholders through the different roles we fulfill. Stakeholder interests may be based on the law, conventional norms and/or ethical expectations. These demand our attention in different ways.

Strict legal rights are entitlements of stakeholders that are enshrined in the law or binding agreements. Legal rights have the sanction of the law. SGX must protect the legal rights of stakeholders.

Legitimate claims are entitlements asserted by stakeholders that are based on norms commonly accepted by agreement or convention. SGX will continue to perpetuate legitimate claims.

Ethical expectations are stakeholders' beliefs in entitlements that may be substantiated by moral considerations. Where justified, SGX seeks to meet these ethical expectations to promote stakeholders' interests.

Stakeholders' Bases of Interest	Action
Legal Rights	To Protect
Legitimate Claims	To Perpetuate
Ethical Expectations	To Promote

The bases of stakeholders' interests guide our CSR initiatives. As SGX continues to protect legal rights and perpetuate legitimate claims, we will use the opportunities presented by ethical expectations to further promote stakeholder interests.

The bases for stakeholders' interests may change over time as laws, conventions or expectations evolve. We will continually evaluate the implementation of our CSR initiatives.

Stakeholders

SGX's multi-faceted role engages four main groups of stakeholders. Each of these groups has interests grounded in the three bases mentioned above.

As a commercial enterprise, SGX is accountable to our shareholders.

As an employer, we endeavour to meet and exceed the expectations of our employees.

CORPORATE SOCIAL RESPONSIBILITY



In fulfilling the interests of shareholders and employees, we perform the functions of a listed company and strive for a corporate culture that believes in CSR. SGX is also committed to actively engaging staff in CSR initiatives and supporting worthy causes.

As market operator, we serve the marketplace by upholding high regulatory standards and maintaining an efficient and robust infrastructure. In this role, SGX is committed to building an enduring and highly trusted marketplace.

As corporate citizen, we further the common good and make a positive impact on the general society.

We believe that good CSR practices engender sustainable businesses and underpin our vision of building an enduring marketplace. Accordingly, SGX seeks to lead and engage our listed companies and business partners in adopting good CSR practices.

Stakeholders	SGX's Roles		
Shareholders	Commercial Enterprise	Listed Company	Building An Enduring Marketplace
Employees	Employer		
Marketplace	Market Operator	Market Developer	
Society	Corporate Citizen		

COMMERCIAL ENTERPRISE: FULFILLING SHAREHOLDERS' INTERESTS

Upholding Corporate Governance

As both a listed company and regulator, SGX upholds the highest standards of Corporate Governance (CG). Our CG efforts have been recognised in independent studies conducted both locally and globally. For details of our CG practices, please refer to the Corporate Governance Report section of the SGX Annual Report.

Legal and Ethical Standards

Beyond legal compliance, SGX upholds high standards of ethics, including communications in our marketing materials. We strictly adhere to the Singapore Code of Advertising Practices and ensure that all our advertisements are clear, fair, and reasonable and present a balanced picture of the product or service provided.

Internal Control

SGX follows the Monetary Authority of Singapore (MAS) Guidelines on Risk Management and imposes mandatory block leave (MBL) requirement on staff of all levels. All employees must utilise their Annual Leave and be away from the office for a minimum period of seven consecutive calendar days, starting from a working day. Their authority is delegated to a covering officer during this period as an institutionalised internal control policy.

Delivering Our Promise

SGX has conscientiously increased and delivered on its dividend commitments to shareholders in its 10 years as a listed entity.

EMPLOYER: FULFILLING EMPLOYEES' INTERESTS

Our People

SGX is an equal opportunity employer. We celebrate diversity and hiring, retention and promotions are based on merit.

SGX believes in gender equality with distribution of jobs between men and women. Women also play leading management roles in SGX. 15 out of 36 units are headed by women. The key Risk Management & Regulation (RMR) group has been headed by Ms Yeo Lian Sim since 1 July 2004. Female Directors have served and continue to be on our Board.

We have a calibrated mix of employees from different age groups. Younger staff bring new ideas and fresh perspectives to SGX, while senior staff are an important source for continuity and leadership. As at 30 June 2009, 17.9% of our employees are below the age of 30, 76.1% of employees are between the ages of 30 and 50, while 6.0% of employees are above 50 years of age. We have an established programme to identify and groom future managers and leaders for the organisation.

SGX has 505 executive staff, supported by 64 non-executive staff as at 30 June 2009¹. About 11.6% of our staff are represented by the Singapore Manual and Mercantile Workers' Union (SMMWU). SGX maintains good relationship with the Union and supports unionised staff. To ensure top performance in a sophisticated industry, SGX employs a highly qualified workforce. 73.0% of employees hold tertiary qualifications of a Bachelor's degree and above.

SGX has an extensive HR programme with various initiatives to support personal development and professional excellence while encouraging work-life balance. As a testimony of its commitment to staff, SGX has one of the lowest employee turnover rates in the banking and financial services sector of 12%, with age group distribution similar to our employee profile.

Learning and Development

Talent Management Framework

SGX has a comprehensive Talent Management (TM) framework with clearly defined talent quotients and assessment tools to focus on key human resources development areas. TM is built on the belief that key areas of developments be focused on the strengths of employees in order to catapult talent into positions of leadership.

Development Framework

To unleash the full potential of employees, SGX has in place a development framework that focuses on the following development areas: technical skills, business skills, supervisory and managerial skills and personal strengths. Training is aligned to SGX's corporate goals and employees' core competencies.

Each group in SGX is given a training budget to aid development. All employees have ownership to achieve a minimum number of 40 training hours in a year. The RMR group, for instance, aims to provide each staff who has been employed for less than two years with 50 training hours and staff who have been on the job longer with 65 training hours annually.

In addition to company training schemes, SGX also provides financial subsidies, under its Education Assistance Programme, for employee-initiated courses that support the employee's career progression within SGX. The Financial Scholarship Programme, a partnership with MAS and other Singapore-based financial institutions, seeks to build a talent pool of specialists within the financial sector by sponsoring selected individuals for a full-time Master's degree from a list of top-ranked international and local universities.

Informal Brown Bag sessions conducted over lunch time facilitate a greater understanding of the functional areas within the Company and provide the context within which every job contributes to SGX's strategic direction. Topics covered span the business of SGX and are conducted by senior domain knowledge specialists.

¹ Staff under part-time employment category were counted as the equivalent of a full-time employee. Headcount excludes SICOM employees, representatives in Beijing and London and staff on unpaid/sabbatical leave up to six months or longer.

At the heart of our career development initiatives is the Individual Development Plan (IDP) for all employees. The IDP seeks to align career anchors of individual employees with their career advancement and recognises that career advancement takes many paths, none of which is intrinsically better than the other. The IDP provides a structured framework to solicit self discovery and monitoring. Areas of development include personal, domain knowledge and leadership.

Cross-Functional Training and Domain Knowledge Building

Recognising the different career development paths that employees may prefer, SGX offers the opportunity for employees to receive a wide range of training across different functional departments of SGX, or to concentrate on acquiring in-depth knowledge within a specific work domain. We view both career choices as equally aligned with our corporate goals. Cross-functional training allows the acquisition of multi-disciplinary knowledge which feed into current competency, while domain knowledge building is essential to maintain top functional performance.

SGX Scholarship and Management Associate Programmes

The SGX Scholarship Programme was started in 2000 to nurture and develop talented individuals for an eventual career at SGX. Scholarships are awarded to students pursuing their tertiary studies at the National University of Singapore (NUS), the Nanyang Technological University (NTU) or the Singapore Management University (SMU). To date, 33 scholarships have been awarded.

Scholars have internship opportunities at SGX. Upon graduation, scholars build core foundation skills at SGX through action learning and guidance from Managers in the first two years. Scholars may also be rotated across different functional groups to build cross-functional skills and an in-depth knowledge of the exchange business.

The Management Associate Programme was launched in 2006 to engage and develop bright and promising talents through active learning and a mentorship framework. To date, we have offered the Programme to 12 Management Associates.

Management Associates get wide exposure to the SGX business through rotations within the organisation. These include a working attachment in the CEO's office, learning and contribution opportunities in both frontline and back office functions and close involvement in business projects and special assignments. The two-year programme is aimed at accelerating the young hires' business and functional skills.

Benefits

SGX offers a comprehensive suite of benefits that are reasonable yet competitive with market practice. Our benefits programme also places a strong emphasis on the physical and mental well-being of our staff and their dependents.

We believe in helping employees achieve work-life harmony so as to enable them to be fully productive at work. In addition to adopting work-life harmony practices such as our SGX Health & Wellness Programme, part-time work arrangements and encouraging employees to spend quality time with their families through selected initiatives, we also offer in-house professional counselling service to employees and immediate family members.

iCare Mental Health Alliance

In support of the national effort to raise the mental well-being of all Singaporeans, SGX became a part of the iCare Mental Health Alliance in July 2008. An employer-led alliance, it focuses on promoting mental health and wellness at the workplace. The alliance identified a framework of 10 recommended practices for adoption by companies in the private sector. We have nine out of 10 practices in place and look forward to introduce the 10th practice by the second half of 2009.

Leave Changes

We review our benefits practices on a regular basis to ensure they remain competitive with market practice. Our annual and sick leave entitlements have been revised to maintain external equity. We have also introduced paid volunteer leave to support our Corporate Social Responsibility efforts where all employees can participate in voluntary work at charities supported by The Bull Charge®.

MARKET OPERATOR: FULFILLING MARKETPLACE'S INTERESTS

Self-Regulatory Organisation Governance

Self-Regulatory Organisation (SRO) governance within SGX ensures that our regulatory decision-making is not compromised by our commercial objectives. MAS, our statutory regulator, has a collaborative relationship with us with regard to SRO governance and the maintenance of high regulatory standards.

Full details on our SRO Governance practices are reported in the SRO Governance Report section of the SGX Annual Report.

Promoting Corporate Governance

As a regulator and leading financial institution, SGX promotes the highest standards of Corporate Governance (CG) for Singapore-listed companies. CG sets out the principles, standards and processes by which institutions and organisations, through their boards of directors and senior management, regulate their business activities. These principles balance safe and sound business operations while complying with the relevant laws and regulations.

Full details on our CG practices are reported in the Corporate Governance Report section of the SGX Annual Report.

SGX plays a lead role in collaborations and discussions with the Accounting and Corporate Regulatory Authority (ACRA) on key issues. SGX provides feedback to ACRA and other organisations on surveys or recommendations on improvements relating to the CG of companies.

In particular, SGX supports the Singapore Institute of Directors (SID) in its efforts to enhance director training and professional development in CG practices.

SGX, together with the MAS and the ACRA, established the Audit Committee Guidance Committee (ACGC) last year. In October 2008, the ACGC launched a Guidebook, developed with

extensive industry input, to share the experiences, knowledge and practices of audit committee members.

Fair, Orderly and Transparent Marketplace

As both market operator and a regulator, SGX is a principal actor in Singapore's financial marketplace. The Operating and Financial Review section of the SGX Annual Report elaborates on the initiatives we have undertaken to build and deliver a fair, orderly and transparent marketplace.

Public Policy Development

SGX emphasises market-oriented regulation. We keep market participants informed of our regulatory philosophy, processes and practices as well as our views on emerging issues and market development. Before making rule changes, we typically publish consultation papers to understand market perspectives more comprehensively before finalising decisions. We maintain a "Regulators Column" to raise awareness of listing and governance issues affecting relevant market participants including investors, listing aspirants, listed companies, issue managers and professionals.

In this financial year, the following public consultation papers were issued:

Title of Consultation Paper	Date issued	Date closed
Proposed Amendments to the Listing Rules	10 Jul 2008	7 Aug 2008
Proposed Penalty Framework for Non-Delivery of Securities	13 Nov 2008	4 Dec 2008
Transparency Measures in Relationship to Short Selling	27 Nov 2008	22 Dec 2008
Introduction of Internet Based System for Registration of Negotiated Large Trades	1 Dec 2008	15 Dec 2008
Proposed Launch of SGX Options on MSCI Singapore Index Futures Contract	29 Dec 2008	8 Jan 2009
Revised Requirements for Direct Business Trades	20 Jan 2009	6 Feb 2009
Revisions to Derivatives Clearing Fund Structure	23 Jan 2009	20 Feb 2009
Introduction of Listing Rules for Non-Commercialised Life Science Companies	11 Feb 2009	3 Mar 2009
Revised Settlement Processes to Manage Non-Delivery of Securities	10 Mar 2009	31 Mar 2009
Revised Price Limits for Nikkei Futures and Nifty Futures Contracts	14 May 2009	28 May 2009
Proposed Rule Amendments to Facilitate Clearing Arrangement Between SICOM and SGX	28 May 2009	17 Jun 2009
Proposed Revisions to CDP Clearing Fund Structure and Introduction of Large Exposure Collateralisation for Securities	25 Jun 2009	13 Jul 2009

Engaging Our Investment Community

At SGX, we place a premium on fostering a strong relationship with our investment community, who form a large proportion of our key stakeholders. The Operating and Financial Review of the SGX Annual Report elaborates on the initiatives taken to engage members, listed companies and retail and institutional investors to serve them better.

Investor Education

SGX has always promoted investor education and financial literacy among the general public through regular seminars and events.

In FY2009, SGX Academy ran a total of 79 events, seminars and courses targeted at retail investors with a total of 4,500 participants benefiting from them. SGX also administers the Investor Education Fund (IEF) which seeks to improve investor understanding and their ability to make better informed investment decisions. This was kicked off with the publication of reference guides to equip retail investors with the skills to obtain important information in Annual Reports and ask pertinent questions during Annual General Meetings.

CORPORATE CITIZEN: FULFILLING SOCIETY'S INTERESTS

Community Impact

Work Attachment Programme

Against a backdrop of rising unemployment caused by the global economic downturn, SGX was the first financial institution in Singapore to introduce a Work Attachment Programme (WAP) to assist fresh graduates from tertiary institutions. WAP gives fresh graduates working experience and helps them pick up useful corporate skills while they continue to seek permanent employment. WAP trainees received a monthly stipend to cover their personal expenses during their stints at SGX. From the start of the WAP on 1 April 2009 till 30 June 2009, we employed 36 fresh graduates, of which 21 had successfully found alternative employment by 30 June 2009 and two decided to further their studies.

Bull Rally 2009

A year-long Bull Rally was held to raise awareness and encourage staff participation for SGX's signature annual charity event, The Bull Charge®. A bottom-up initiative led by our Management Associates, the Bull Rally brings out the creative spark and taps on the abilities of our staff to initiate activities that raise spirits among staff, rally the community and reach out in meaningful ways to the beneficiaries of The Bull Charge.

Despite difficult market conditions leading to tighter purse strings, the Bull Rally has proved to be a big success. Staff from various business units got together to organise a *Hong Bao*

Collection drive over the Lunar New Year season, a sale of *Roses For A Lovely Cause* during Valentine's Day, an inter-division Touch Rugby tournament, among other initiatives. Besides promoting staff interaction, Bull Rally helped our 12 beneficiaries raise funds.

The Bull Charge 2008

The Bull Charge 2008 raised \$2.1 million for a record 19 beneficiaries helping needy children, families and youths. Into its fifth consecutive year, 2008 also marked the first time The Bull Charge supported an overseas charity.

Since the inaugural charity run in 2004, The Bull Charge has raised over \$12 million for the less fortunate in our society. The event also gives the charities an opportunity to raise awareness of their cause in the financial and corporate community.

Green SGX

Mindful of our fragile environment, SGX embarked on a series of green initiatives. Spearheaded by our Management Associates, these included a campaign to raise awareness among staff about environmental issues and how the organisation as well as each individual can play their part in simple ways. A recognition award for staff who display exemplary Green leadership was also started.

At the organisational level, SGX committed to raise the indoor ambient temperature to 23.5 degrees Celsius, which translates into a savings of about 30,000 kg of carbon dioxide a year.

In FY2009, SGX consumed a total of 26,038 kg of printing paper in our operations. All the paper used is not made from recycled paper, but we practise recycling our used papers. The Company has also committed to reduce printing of documents, and taken the step of making the switch to more environmentally friendly paper products and supplies. We have also dispensed with serving bottled water. Staff and guests have access to filtered or boiled water instead.

BUILDING AN ENDURING MARKETPLACE

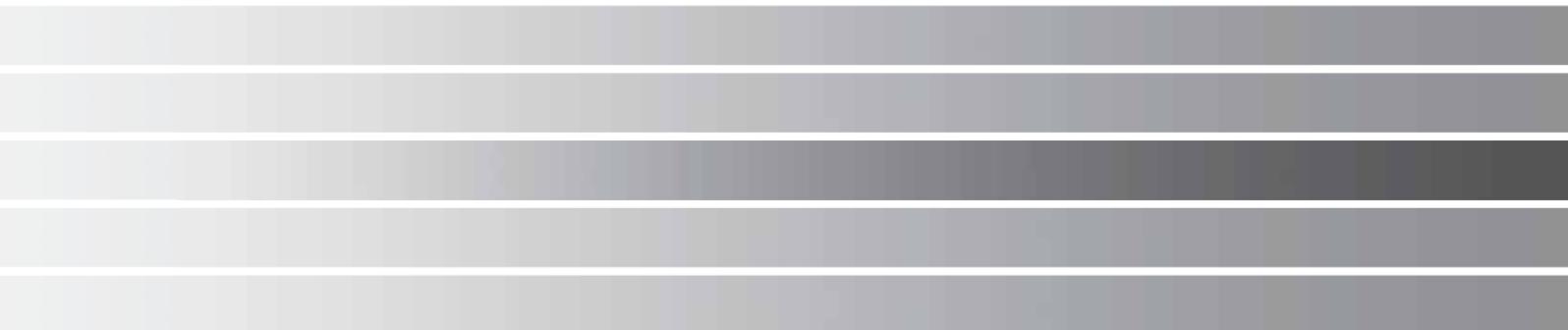
SGX has been taking progressive steps in our CSR journey through each of our roles – as a commercial enterprise, an employer, a market operator and a corporate citizen. These are building blocks in our quest to build an enduring marketplace. Going forward, we hope to encourage our partners and stakeholders to take similar steps, even as we ourselves progress on this journey towards a better world for all.

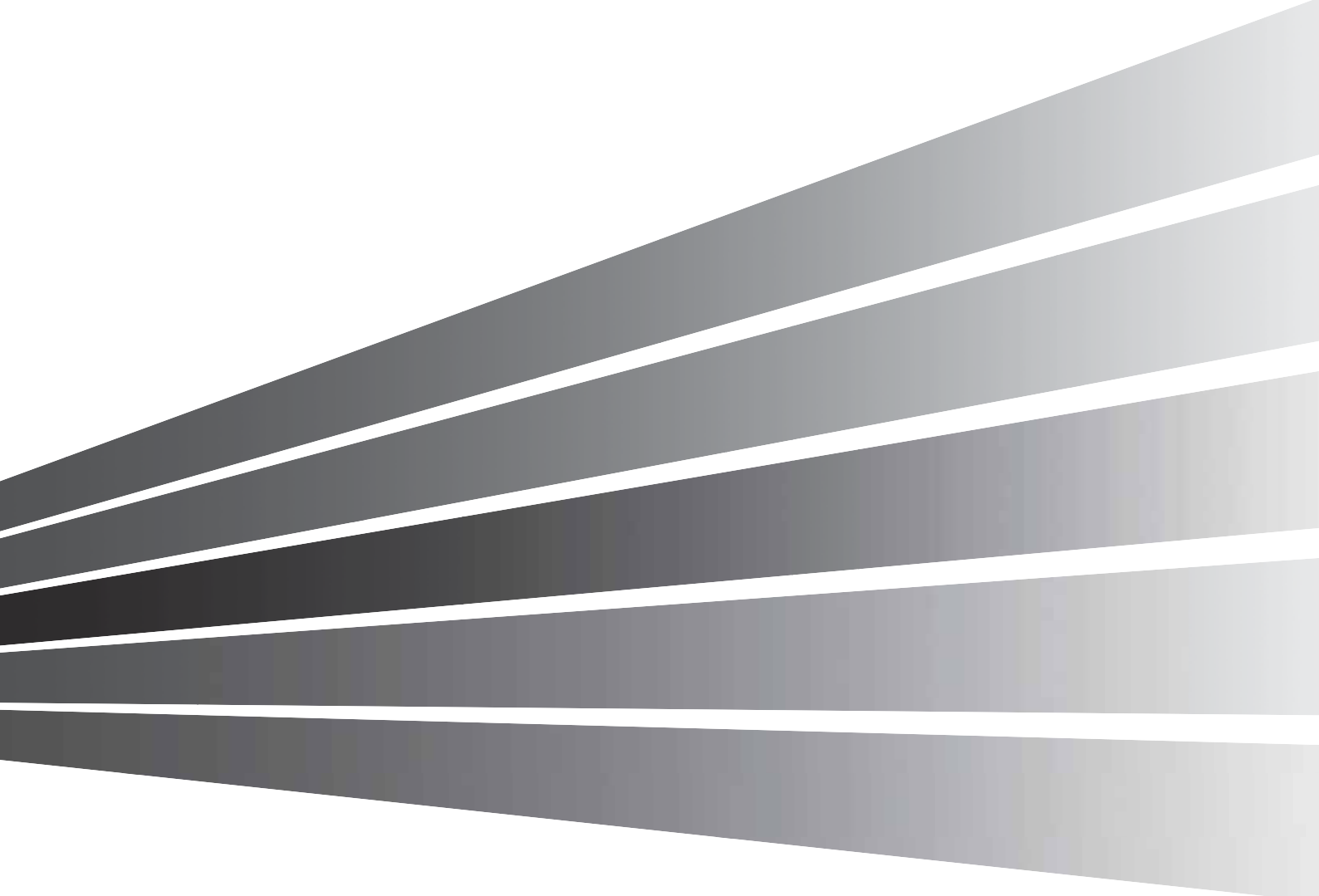
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Forging Ahead **Focusing**
on risk management

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**SGX's risk management strategy seeks to
minimise the adverse effects of the unpredictable
financial markets.**

FOCUSING ON RISK MANAGEMENT

SGX has adopted a consolidated approach to Enterprise Risk Management. Risks in the areas of business strategy, technology, operations and reputation are monitored on a single platform.

ENTERPRISE RISK MANAGEMENT

Managing Risks Across the Organisation

The global financial crisis in the past year has brought to the fore the importance of risk management. In SGX, while the focus has been primarily on clearing risk, management attention has extended to a broad spectrum of risks across the enterprise.

SGX has adopted a consolidated approach to Enterprise Risk Management ("ERM"). Risks in the areas of business strategy, technology, operations and reputation are monitored on a single platform. Attention is also paid to emerging risks. A dedicated Enterprise Risk Management Unit has been set up for this purpose.

Responding to External Challenges via a Robust ERM Framework

The ERM framework encompasses the whole organisation, from the Board down to individual business units. At the topmost level, the Risk Management Committee ("RMC") reviews and recommends to the Board the type and level of risks that SGX undertakes to achieve its objectives. At the management level, the Enterprise Risk Committee ("ERC") oversees risk management policy implementation. It reports to the Chief Executive Officer.

In this past year, SGX management has reviewed the Company's risks in light of greater uncertainty. It identified the key strategic and operational risks and put in place action plans to manage them. Ownership of each risk has been assigned to a member of management and the progress of action plan implementation will be monitored as part of management's overall performance. At the operational level, supporting activities will also be tracked.

CLEARING & COUNTERPARTY RISK MANAGEMENT

Operating a Safe and Efficient Clearing House

Counterparty risk, brought on by the global financial crisis, was a heightened concern of clearing houses. This was true for SGX's clearing houses which continued fulfilling their pivotal roles of assuring members and their customers that contracts would be performed and trades cleared.

SGX Derivatives Clearing ("SGX-DC") and the Central Depository ("CDP") act as central counterparties to market participants in the derivatives and securities market respectively, by standing as a buyer to every seller and a seller to every buyer. Market

participants are guaranteed that obligations to them will be fulfilled. This assurance enables participants to trade without concern for the credit standing of their counterparties, which would otherwise limit their trading to a selected set of counterparties, as in the Over-The-Counter market. By continuing to trade and clear through SGX's clearing houses, market participants have reaffirmed their trust in SGX's management of counterparty risk.

Swift and Professional Handling of Lehman Brothers Inc's Bankruptcy

The financial crisis associated with the bankruptcy of Lehman Brothers Inc ("LBI") in mid-September 2008 tested the robustness of SGX's risk management framework. SGX successfully managed the close-out of the positions of the Singapore entity, Lehman Brothers (Singapore) Pte Ltd ("LBPL"), without loss to SGX-DC or CDP. The integrity of their respective clearing funds was preserved. A keen understanding of clearing members, built up from daily risk monitoring activities, enabled SGX to identify key risk areas and resolve them expeditiously.

SGX had heightened its monitoring of clearing members, months before LBI's bankruptcy. As market sentiment turned negative, SGX-DC and CDP took steps to require additional collateral. This provided adequate financial resources to meet adverse developments. With daily risk monitoring in place, the orderly settlement of LBPL's securities obligations and resolution of its derivatives positions was effected, with no disruption to the markets. LBPL was able to meet its obligations, obviating the question of default.

Steering a Safe Course through the Ensuing Crisis

SGX was tested further in the months following as financial markets were roiled by the widespread crisis and extreme volatility. Many respected institutions in the financial markets faced bankruptcy and needed government support.

Besides overseeing its clearing members, SGX also monitors and actively manages its exposure to banks which effect settlement on behalf of clearing members. SGX's time-tested margin-setting methodology for derivatives as well as our practice of marking-to-market outstanding positions on an intra-day basis also stood us in good stead.

With these measures in place, SGX steered a steady course through the crisis.

The Pillars of SGX's Risk Management Framework

While the handling of events in the past year reflected the importance of vigilance, the foundation has been established with the other pillars of SGX's risk management framework. In the first instance, clearing members must meet stringent admission requirements. Clearing members' senior executives should be 'fit and proper'. After admission, SGX monitors the capital adequacy and financial health of clearing members through a risk-based capital framework and conducts periodic audits on clearing members. Daily risk exposure monitoring enables evaluation of key risk areas.

To support their roles as central counterparties, SGX-DC and CDP maintain separate clearing funds. Each clearing fund is put through rigorous stress tests to assess its adequacy. Despite the challenging environment of the past year, both clearing funds were not utilised and have not been called upon since their inception.

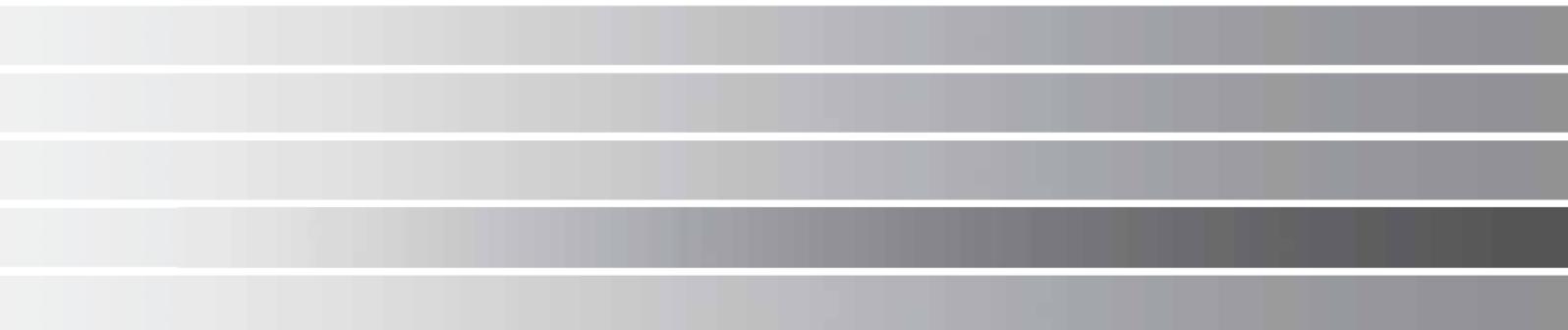
Enhancing SGX's Risk Management Framework

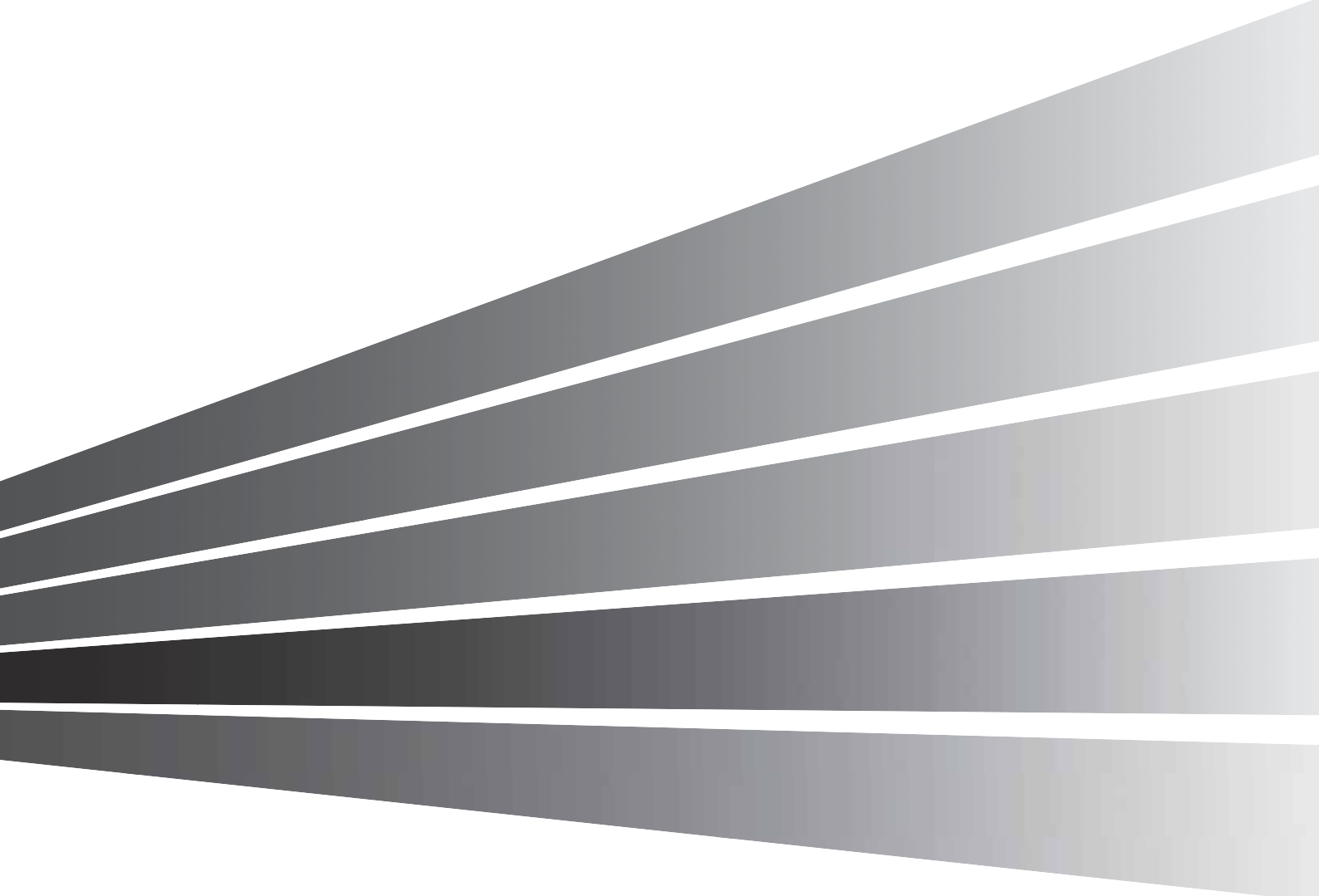
While the clearing risk management framework and processes have served us well in the recent crisis, we seek to continually improve them. We plan to introduce changes to both the SGX-DC and CDP clearing funds in the coming financial year, subject to regulatory approval. The proposed changes increase the funds' scalability and allow for innovation in the securities and derivatives markets.

We are also improving our processes to manage clearing default. On-going work is undertaken by a cross-functional team.

The proposed changes would strengthen SGX's risk management framework to meet future challenges and its ability to operate safe and efficient clearing houses.

Forging Ahead **Delivering**
results

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In a year of global uncertainty and difficult market conditions, SGX performed well.

OPERATING AND FINANCIAL REVIEW

In the midst of the financial turmoil, SGX forged ahead with its strategic initiatives. Building SGX as an enduring marketplace continues to be the major thrust of our corporate strategy.

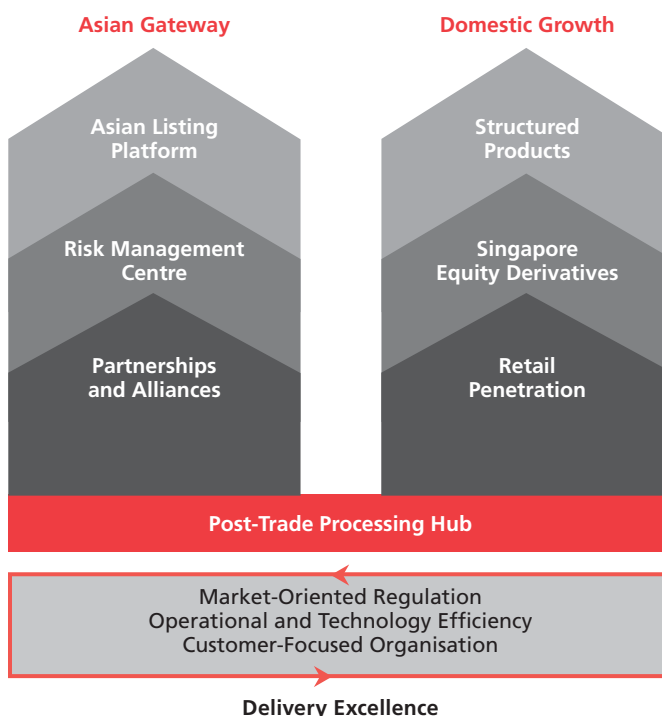
COMPETITIVE LANDSCAPE

With the onslaught of the global financial crisis, most exchanges experienced significantly reduced levels of primary capital raising and cash market trading activity as investors turned risk averse and the deleveraging trend continued. In the last quarter of the financial year, recovery hopes were ignited when trading activity surged following concerted efforts by governments worldwide to help stabilise markets through injecting liquidity.

Besides the financial turmoil, competition has intensified among exchanges. American and European derivatives exchanges continue to court Asian intermediaries and traders while pursuing linkages with Asian exchanges to distribute Asian products as the region's markets remain among the fastest growing in the world. Major exchanges have also stepped up efforts to attract algorithmic traders, a comparatively resilient customer segment, through pricing and other incentives. In addition, non-traditional equity trading venues such as Alternative Trading Systems (ATS) and Electronic Communication Networks (ECNs), spurred by regulatory and technology developments in the Western hemisphere, have made inroads into Asian financial markets.

Due to market uncertainty, FY2009 was characterised by lacklustre activity in primary markets. However, as market sentiment improves, a wave of flotations is expected to return to Asian markets in the second half of 2009. In the area of primary capital raising, SGX faces increasing international competition for issuers.

Fig 1 Building SGX as an enduring marketplace



The collapse of financial institutions such as Lehman Brothers has underscored the value of central counterparty facilities in containing systemic risk and spurred calls, particularly by the US and European governments, for Over-the-Counter (OTC) traded derivatives to be cleared through established central clearing houses. Exchanges and clearing houses in the USA and Europe have seized the opportunity to launch clearing services for these instruments. This development augurs well for our own OTC business, SGX AsiaClear, which provides clearing services for energy, freight agreements and bulk commodity derivatives.

CORPORATE STRATEGY

In the midst of the financial turmoil, SGX forged ahead with its strategic initiatives. Building SGX as an enduring marketplace continues to be the major thrust of our corporate strategy (Fig 1). We are committed to serve our customers and deliver growing value to shareholders through three key strategic objectives:

- Strengthening our Asian Gateway proposition;
- Growing our Domestic Market; and
- Delivery Excellence

Our positioning as the Asian Gateway is not new to most investors. Over the past few years, we have successfully extended our reach beyond our natural marketplace into other markets. Our Asian Gateway represents a number of key growth drivers, including: foreign listings targeted at growth companies keen to raise capital in an international financial centre, like Singapore; a well developed offshore, risk management centre based on our derivatives and commodities business; and various alliances and partnerships with other exchanges and market players that can potentially help us grow our business over the long term.

Besides extending its Asian Gateway reach, SGX needs to defend its core, domestic franchise. This means developing the Singapore marketplace with a focus on investor education and greater retail penetration through use of innovative products and domestic derivatives to meet the needs of our retail customers.

We are also committed to delivery excellence, as we exploit operational and technological efficiencies to offer our market participants the complete value chain of trading, clearing, settlement and depository services. This explains why we are not cutting back our annual spend on our technology refresh plan. On the regulatory front, with greater global awareness of risk, efforts to heighten our vigilance and strengthen corporate governance practices among listed companies have been made.

TRADING ACTIVITY

Securities Market

A total of 310.2 billion shares worth \$309.3 billion was traded in FY2009. The securities daily average trading value (SDAV) fell 42.2% to \$1.23 billion from \$2.12 billion a year ago. A lower annualised turnover velocity of 66.6% was observed (FY2008: 72.2%).

Derivatives Market

SGX traded and cleared a record 58.3 million futures and options contracts in FY2009, up from 53.8 million¹ contracts in FY2008, driven by the strong performance of our flagship Asian equity derivatives (Fig 2). The CNX Nifty India futures contracts continued to outperform the rest, surging 33.6% to 9.6 million contracts (FY2008: 7.2 million¹ contracts). The trading volume of the Nikkei 225 futures contract rose 15.4% to 26.9 million contracts (FY2008: 23.3 million contracts).

Fig 2 Futures and options trading volume (million contracts)

	FY2005	FY2006	FY2007	FY2008	FY2009	% Change (FY09/ FY08)	CAGR
Nikkei 225	9	17	18	23	27	15%	33%
MSCI Taiwan	7	10	11	16	16	2%	23%
CNX Nifty	0	0	0	7	10	34%	NM
MSCI Singapore	2	2	3	5	4	-7%	26%
Asian Equity Derivatives*	18	29	32	51	57	12%	35%
Others	5	5	5	3	1	-58%	-31%
Total Volume	23	34	37	54	58	8%	27%

* Asian Equity Derivatives includes Nikkei 225, MSCI Taiwan, CNX Nifty and MSCI Singapore contracts.

¹ The number of CNX Nifty Index futures contracts (IN) has been adjusted for comparison purposes as the contract size was reduced fivefold in November 2007.

Structured Warrants

In line with the fall in cash market trading activity, structured warrants trading activity in FY2009 was anaemic, with trading value dropping 52.3% to \$14.5 billion (FY2008: \$30.5 billion). Put warrants were the preferred instrument of the market, accounting for 36.8% of total value traded, compared to 23.7% in the previous year.

Commodities and Over-The-Counter (OTC) Clearing

SGX AsiaClear's OTC business cleared 67,174 contracts in FY2009, a 51.8% increase year-on-year (FY2008: 44,257 contracts). We have also expanded our trading and clearing network to reach out to over 335 counterparty accounts and 30 inter-dealer brokers. With the launch of clearing services for iron ore swaps in April 2009, we have a product suite of 26 contracts.

SGX acquired the Singapore Commodity Exchange (SICOM), well-known internationally for its rubber price benchmark, in June 2008. 343,259 rubber contracts (FY2008: 452,392 contracts) were traded and cleared via SICOM, the drop being attributable to adverse credit and trading conditions.

ASIAN GATEWAY:

ASIAN LISTINGS PLATFORM

As at 30 June 2009, there were 752 companies² (30 June 2008: 762³) listed on SGX, with a total market capitalisation of \$526.4 billion (30 June 2008: \$658.0 billion). Foreign listings now account for 39.8% of the total listed companies and 35.3% of market capitalisation as at 30 June 2009 (Fig 3). The bulk of these foreign listings are from Greater China, Southeast Asia and India (Fig 4).

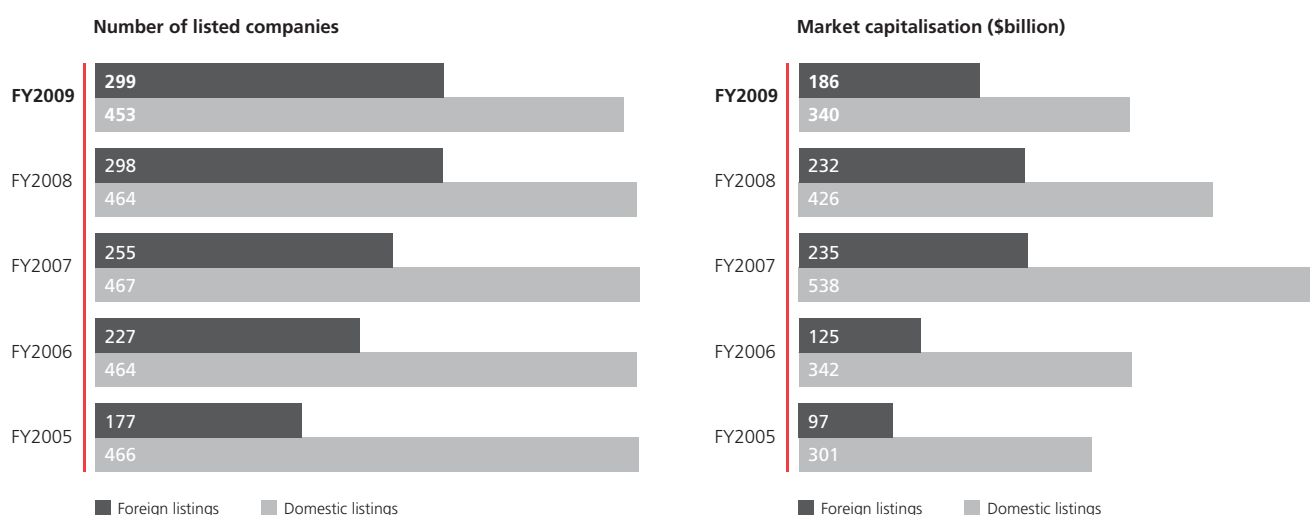
New Listings

A total of 19³ new listings (FY2008: 67⁴) with market capitalisation of \$3.3 billion (FY2008: \$23 billion) was added to our marketplace in FY2009. 52.6% of new listings was foreign. Evidently, our foreign listings strategy continues to bear fruit, as new foreign issuers have consistently outnumbered domestic issuers in terms of the number of issues and market capitalisation in the last five financial years (Fig 5).

Secondary Market Capital Raising

Although IPO activity was weak, secondary market capital raising activity through rights issuance was active. Total funds raised in the secondary market amounted to \$12.1 billion, similar to the amount raised a year ago (FY2008: \$12.2 billion). In response to the global credit crunch, SGX introduced measures to facilitate secondary fund raising by listed companies.

Fig 3 Number of listed companies and market capitalisation (as at 30 June 2009)

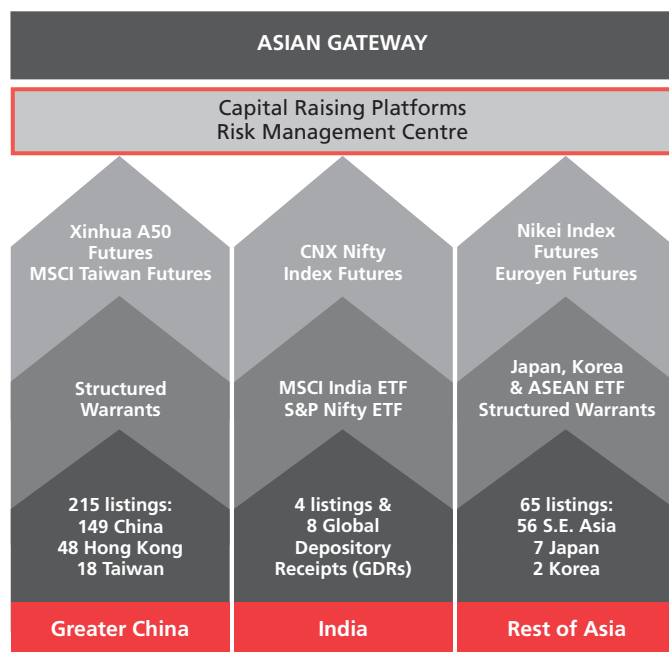


² Excludes Global Depository Receipts (GDRs) and hedge fund listings.

³ Includes 15 initial public offerings (IPOs) and 4 Reverse Takeovers (RTOs).

⁴ Includes 60 IPOs and 7 RTOs.

Fig 4 Connections of the Asian Gateway
(as at 30 June 2009)



Catalist: A Sponsor-Supervised Listing Platform

Catalist, which replaced SESDAQ in February 2008, is Asia's first sponsor-supervised capital raising and listing platform for international growth companies. As at 30 June 2009, 50 companies have successfully transitioned from SESDAQ to the new Catalist regime, and another 9 new companies were listed on the Catalist board in this financial year.

A new FTSE ST Catalist Index, which provides investors with a tracking tool on the performance of Catalist sponsored companies, was launched on 22 June 2009.

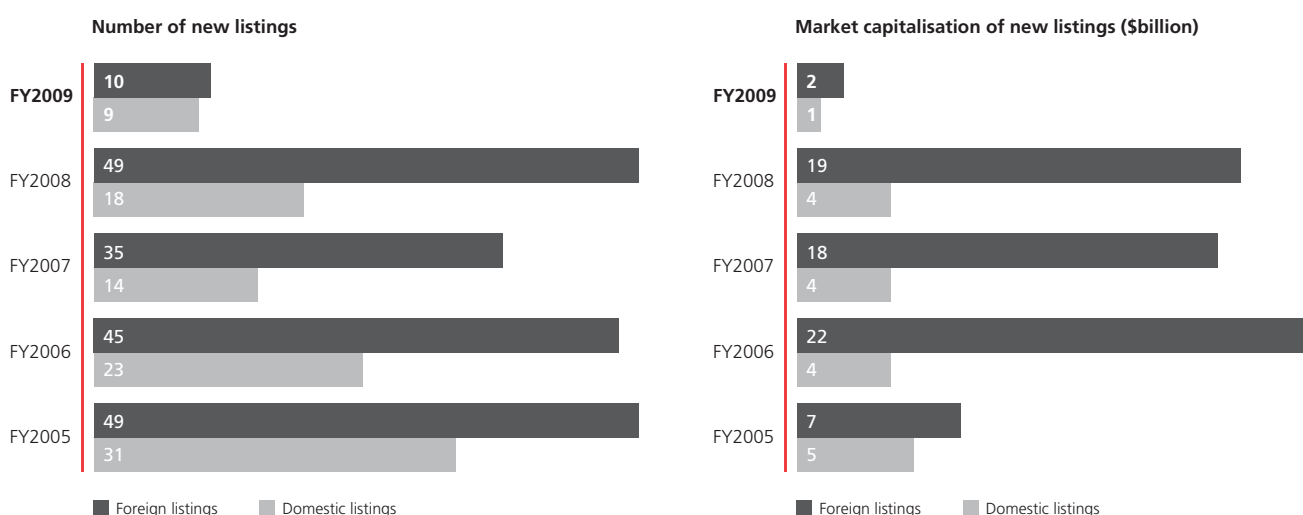
ASIAN GATEWAY: RISK MANAGEMENT CENTRE

Asian Equity Derivatives

As a major Asian risk management centre, we endeavour to expand and enhance our product offering for customers with differing risk management needs.

In April 2009, SGX embarked on various initiatives to grow the options market. These initiatives include enhancing the existing Nikkei 225 Index Options and MSCI Taiwan Index Options contracts, launching the MSCI Singapore Index Options contract and introducing a web-based electronic trade registration system, "eNLT" (Electronic-Negotiated Large Trade). The introduction of eNLT offers our market participants, including OTC customers, greater flexibility to register trades on SGX and to take advantage of the regulated central counterparty clearing platform.

Fig 5 New listings and market capitalisation



Product enhancement initiatives include extending the trading hours for the Nikkei suite of futures contracts, standardising the minimum price fluctuation for strategy trades in the Nikkei 225 futures contract, and removing the lunch break for the MSCI Singapore and STI futures contracts.

Commodities and Over-The Counter (OTC) Clearing

SICOM, a subsidiary of SGX, and the National Commodity & Derivatives Exchange Limited (NCDEX) of India signed an agreement to cooperate and develop their commodity markets. The proposed cooperation will enable selected products to be traded and cleared in both exchanges.

In addition, SGX is building a clearing link between SGX and SICOM, enabling SICOM to expand its distribution network to a larger international customer base via SGX Clearing Members. We also have plans to launch new commodities products, including gold and coffee, on SICOM.

To complement the existing energy-related product suite, we plan to launch a bunker fuel oil futures contract in 1H FY2010. Efforts are also underway to launch clearing services for OTC traded financial derivatives.

ASIAN GATEWAY: PARTNERSHIPS AND ALLIANCES

SGX is one of the most open exchanges when it comes to working with other exchanges through strategic alliances and partnerships to extend our market reach and product offerings, which in turn strengthen SGX's Asian Gateway position. In terms of equity ownership, SGX currently owns 5% of the Bombay Stock Exchange and 20% of the Philippine Dealing System Holdings Corp (PDS). Such partnerships and alliances enable SGX to seek business opportunities and horizontally diversify across geographic markets.

SGX International

SGX International is a newly formed global exchange consultancy that provides consultancy services to other exchanges and financial institutions. The first consultancy agreement with Bahrain Stock Exchange aims to provide overall guidance on its management and operations, while at the same time providing SGX with a foothold into the Middle East market.

MOU with Fujian Provincial Government

In addition to existing Memorandum of Understanding (MOU) arrangements with other Chinese provincial governments, SGX signed a MOU with the Fujian Provincial Government in China in November 2008. The MOUs not only promote the listing of Chinese enterprises on SGX, but also facilitate regulatory review processes and the supervision of SGX-listed Chinese companies.

MOU with Oslo Børs

To further develop its sectoral strength in the energy, offshore and shipping sectors, SGX recently inked a dual-listing cooperation with Oslo Børs to facilitate the secondary listing of companies on each other's exchange. The dual listing framework will enable companies looking to expand their business activities to Norway or Singapore to diversify their shareholder base, build their profile and find greater fund raising opportunities.

Working with ASEAN Exchanges

We continue to collaborate with our neighbouring exchanges to form an ASEAN trading linkage, which will allow intra-ASEAN cross-border trading and attract more international funds into ASEAN.

DOMESTIC GROWTH: STRUCTURED PRODUCTS

Product innovation has always been a key competitive advantage for SGX. We strive to provide investors with a broad range of products offering different investment themes, as well as country exposures. They include Global Depository Receipts, Exchange Traded Funds (ETFs), structured warrants, participation certificates and other similar instruments.

Exchange Traded Funds (ETFs)

The popularity of ETFs as a cost-efficient investment tool for retail investments is a recent phenomenon. The total value of ETFs traded in FY2009 increased 74.9% to \$3.83 billion (FY2008: \$2.19 billion) (Fig 6). Investors can now access a multitude of equity markets such as Singapore, India, North Asia, ASEAN, United States, Eastern Europe, Latin America and emerging markets, as well as commodities, including gold. One of the latest additions to our stable of 35 ETFs is the S&P 500 Short ETF, Asia's first inverse ETF.

Fig 6 ETF trading value (\$million)



Structured Warrants

SGX works closely with issuers of structured warrants to develop products that meet the needs of our investors. This year, two more warrant issuers launched new structured warrants on SGX. Structured warrants with foreign underlying securities remained popular with investors, accounting for 61.0% of total value traded (FY2008: 51.5%).

DOMESTIC GROWTH: SINGAPORE EQUITY DERIVATIVES

Extended Settlement Contracts

Launched in February 2009, Extended Settlement contracts on SGX-listed securities are expected to drive the growth of our domestic derivatives market. Our customers generally use this product to execute different trading strategies and hedge their portfolio to achieve capital efficiency and risk management objectives.

With the support of our broking community, trading activity and open interest in this new product type gained traction: daily open interest averaged 678,400 contracts in FY2009. In response to market demand, we have expanded the range of underlying stocks from 28 to 72 in June 2009, and plan to introduce longer-dated contracts. In addition, SGX intends to launch other options products to augment its domestic derivatives revenue segment.

DOMESTIC GROWTH: GROWING RETAIL PENETRATION

Retail investors are a key customer segment in the stock market. Retail participation remained relatively active in FY2009, although market sentiment fluctuated. Approximately 60,404 accounts⁵ (FY2008: 48,000 accounts) were opened with the Central Depository (CDP) during the year. The average base of active⁶ retail investors was 179,941 (FY2008: 213,103).

In FY2009, 28 seminars and 22 courses on various investment topics were conducted. During the year, SGX also partnered the Securities Investors Association (Singapore) (SIAS) and MoneySENSE to run a series of seminars for investors to reinforce their basic knowledge in investing. Retail investors can also go online to view educational webcasts on SGX-listed products and access live stock prices and other financial information on SGX via StarHub Digital Cable's Interactive TV.

SGX set up an Investor Education Fund (IEF) in May 2009 with monies collected from fines imposed on rule breaches. The IEF supports initiatives that improve the understanding and the ability of investors to make better informed investment decisions.

POST-TRADE PROCESSING HUB

SGX Prime

SGX Prime was launched in October 2008. It is a post-trade securities settlement system, which automates the settlement process and facilitates straight-through processing. Key stakeholders such as depository agents, custodian and settlement banks will benefit from the operational efficiencies.

DELIVERY EXCELLENCE: MARKET-ORIENTED REGULATION

Our Dual Obligations

SGX has obligations both as a market regulator under the Securities and Futures Act and as a commercial entity. Our regulatory and commercial objectives are aligned, and adherence to high regulatory standards is in the interests of our shareholders and market participants. Our management of potential Self-Regulatory Organisation (SRO) conflicts can be found in the 'Self-Regulatory Organisation Governance Report' section of the Annual Report.

Robust Risk Management: Tightening Regulatory Standards

In response to the global financial turbulence and challenging market environment, SGX increased interaction with its listed companies, their Boards and auditors to heighten vigilance on high risk areas. Listed companies were reminded of the obligation to maintain high standards of disclosure, which includes promptly disclosing price-sensitive information and clarifying or confirming market rumours. SGX intends to introduce further measures to assist listed companies in their corporate governance practices in order to meet the high regulatory standards required in our market.

Review of Rules

We regularly review our business rules in listing, trading and clearing to maintain the quality of the marketplace, enhance corporate governance and stay relevant to the industry's needs.

During the financial year, the Listing Manual was amended to include Life Science companies. In addition, the shareholding distribution for IPOs, previously set at 1,000 public shareholders, was reduced by half given market feedback that suggested a lower threshold would suffice.

⁵ Refers to new individual and joint direct and sub-accounts.

⁶ Active retail investors/CDP account holders (direct and sub-accounts) are those who have made at least one stock transaction in the preceding three months.

Acting on industry feedback on the global credit squeeze, SGX announced measures to facilitate secondary fund raising by listed companies. They include: 100% pro-rata share issuance/ rights issues; shortening of rights issue exposure period; 20% price discount limit for placements; allowing placement to substantial shareholders; and new sub-underwriting arrangements.

In October 2008, SGX introduced a new initiative to enhance market transparency by publishing listing rule waivers and the basis for granting waivers on its website.

A revised error trade policy for the securities market took effect in January 2009. The new policy seeks to enhance trade certainty, as well as timeliness and transparency in the resolution of error trades.

Public Consultations

To facilitate the development of sound and responsive regulation, SGX actively seeks market feedback and input through public consultation.

In FY2009, SGX conducted 12 public consultations covering a broad range of key initiatives, including adjustments to the Derivatives and CDP Clearing Fund structures, revised price limits for selected derivatives products, processes for managing non-delivery of securities, and proposed listing rules for Life Science companies, among others. The full list of public consultations is contained in the CSR Report.

Catalist Regulation

A key feature of Catalist is the sponsor-supervised regime in which listed companies are supervised by approved sponsors.

Under this framework, sponsors undertake direct supervision of Catalist companies while SGX maintains its role as market regulator of the Catalist market. However, SGX retains the authority to inquire into the activities of, as well as to impose disciplinary actions against, Catalist companies in the same way it does for Mainboard-listed companies.

Sponsors are supervised and regulated by SGX through strict admission criteria and continuing obligations. To date, we have a total of 11 Full Sponsors and eight Continuing Sponsors, which include international and local investment banks, securities firms as well as corporate finance and law firms.

Audit Committee Guidance Committee (ACGC)

SGX, together with the Monetary Authority of Singapore and the Accounting & Corporate Regulatory Authority, established the ACGC last year. In October 2008, the ACGC launched a Guidebook, developed with extensive industry input, to share the experiences, knowledge and practices of audit committee members.

DELIVERY EXCELLENCE: OPERATIONAL & TECHNOLOGICAL EFFICIENCY

Despite cost-cutting pressures, SGX remains committed to its annual spend on its technology renewal plan, which has been ongoing for the last few financial years.

Technology Renewal Plan

We successfully upgraded our trading engine for the derivatives market, QUEST-DT, in December 2008, enhancing capacity, execution speed and capabilities. This upgrade follows the successful launch of our new securities trading engine, QUEST-ST, in July 2008.

In April 2009, SGX launched SGXAccess API, a new high speed access mechanism to connect into the securities market. This connectivity option is targeted at high velocity and algorithmic traders who will benefit from a reduced latency 10 times faster than the alternative mechanism, SGXAccess FIX. In conjunction with this development, SGX also introduced the Securities Market Direct Feed which delivers market data up to 60% faster than the existing SecuritiesBook product. The success of our technology renewal plan enables us to attract high velocity and algorithmic traders, a key customer segment.

A new derivatives clearing system, SGXClear, is targeted for launch in December 2009. This system will provide enhanced capacity and capability to clear new classes of derivatives and commodities products.

Business Continuity Planning (BCP)

SGX has a comprehensive BCP programme in place to minimise any disruptions to its critical business activities and ensure the markets continue to function in a fair, orderly and transparent manner in the face of a crisis. During the Influenza A (H1N1-2009) outbreak in May 2009, SGX deployed its continuity plans to mitigate risks arising from the pandemic and revalidated its ability to split the operation of its critical business functions between the primary and back-up facilities.

Playing its part in the wider financial community, SGX participated in a financial industry-wide BCP exercise organised by the Association of Banks in Singapore in August and September 2008.

To provide greater assurance that the marketplace is able to resume critical business functions in the event of any operational disruptions or major disaster, SGX introduced new rules requiring its member firms to develop robust business continuity management arrangements by 2010.

DELIVERY EXCELLENCE: CUSTOMER-FOCUSED ORGANISATION

Investor Relations: Keeping in Touch with Shareholders

As an exchange and a listed company, SGX takes a keen interest in promoting Investor Relations (IR) in the marketplace. As with previous financial years, the IR team participated in various international investor conferences and local events, including our annual IR Open Day for retail shareholders.

Our shareholder register continues to reflect a good balance across various types of investor and geography (Fig 7).

Our IR performance and efforts are measured by an independent, annual perception study in which our target audience of existing and prospective shareholders, as well as leading research analysts, assesses our performance. SGX continues to be top-ranked in IR amongst Singapore blue-chips and its peer exchanges. In the most recent study by Carter Research Consulting, Global Market Barometer 2008, we scored 4.40 (FY2008: 4.32) on a scale of 1 to 5. This compared well with a mean score of 3.59 for other Singapore companies and peer exchanges.

We continue to be an active Charter Member of the Investor Relations Professionals Association (Singapore) (IRPAS), which was established in 2006 to develop the IR profession in Singapore and raise the profile of IR among SGX-listed companies.

Attracting Algorithmic Traders

SGX has been at the forefront in attracting an international community of algorithmic traders to Asia. We believe that these high velocity traders will add to the liquidity of our markets. Our algorithmic trading initiatives in the last few years include the reduction of the minimum bid size schedule in the securities market in December 2007, introduction of a low-latency proximity hosting solution in May 2008, as well as a technology renewal plan to overhaul and enhance our trading engines.

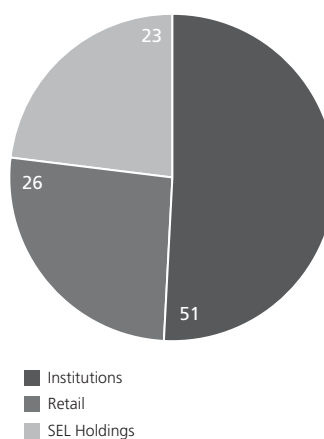
Algorithmic trading accounted for an estimated 21.4% of total derivatives volume in June 2009, rising from 14.0% in December 2008, due to the active participation of an increased number of high velocity traders.

SGX Website

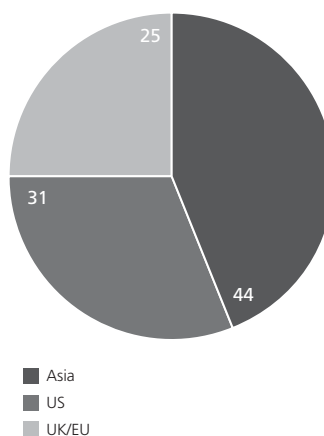
An enhanced SGX website with richer content and utility tools was launched in May 2009 to cater to the various needs of our investors and the public. New features on the website include an enhanced search engine, online investment calculators and technical analysis tools.

Fig 7 Our shareholders

Shareholders' profile (%)



Institutional investors by region (%)



OPERATING AND FINANCIAL REVIEW

Overseas Representative Offices

SGX established representative offices in Beijing, London and Tokyo last year. By staying closer to our customers, we hope to foster a better understanding of our customers' needs and enhance our working relationships with the key stakeholders located in these markets.

A People Business: Human Resources

At the heart of the SGX organisation is its people. As at 30 June 2009, SGX employed 569 staff, comprising 505 executives and 64 non-executives.

Our Guiding Principles

All SGX staff abide by the guiding principles of "Trust", "Passion" and "Service". Trust is the bedrock of the synergy and cohesiveness between employees. When entrenched, it ignites passion and teamwork which are the key elements of a service-oriented culture.

Leadership and Succession Planning

A strong team of leaders provides the stewardship at SGX. A keen focus on executive and leadership development is crucial to the long term growth of the organisation. Over the years, our leadership bench-strength at the Unit Head and

Team Leader levels has been reinforced with external recruits of diverse experience, as well as internal staff who are groomed for promotion.

More information on our human resource policies can be found in the 'Corporate Social Responsibility Report' section of this Annual Report.

FINANCIAL REVIEW

Highlights of the year:

- Total revenue : \$595 million (-22.6%)
- Total expenses : \$228 million (-5.6%)
- Net profit after tax : \$306 million (-31.2%⁷)
- Total dividend per share : 26.0 cents (-12 cents)
- Return on equity : 39.3% (-10.4 percentage points⁷)
- Basic earnings per share⁷ : 28.7 cents (-31.4%)

A PROFITABLE BUSINESS

Despite the financial turmoil and ensuing market uncertainty, SGX achieved a net profit after tax of \$305.7 million for the financial year ended 30 June 2009, 31.2% lower than the preceding year (FY2008: \$444.3 million⁷). In the last five financial years, SGX has maintained healthy key financial ratios (Fig 8).

Fig 8 5-year key financial ratios

	FY2005	FY2006	FY2007	FY2008	FY2009
Return on equity	22.0%	32.0%	37.5%	49.7%	39.3%
Cost-to-income	52.1%	45.1%	36.6%	31.4%	38.3%
Operating profit margin	47.9%	54.9%	63.4%	68.6%	61.7%
Net profit margin	37.6%	44.6%	52.5%	56.7%	51.3%

Note:

FY2007 figures exclude the \$45.0 million write-back of allowance for impairment on SGX Centre and \$65.5 million gain on disposal of SGX Centre. FY2008 figures exclude \$34.0 million distribution from SGX-DT Compensation Fund.

⁷ Excludes the \$34.0 million distribution from SGX-DT Compensation Fund in FY2008.

Fig 9 Return on equity (%)



* Excludes the \$34.0 million distribution from SGX-DT Compensation Fund in FY2008.

** Excludes the \$45.0 million write-back of allowance for impairment on SGX Centre and \$65.5 million gain on disposal of SGX Centre.

Fig 10 SGX TSR compared against STI and FTSE/MV Exchanges Index

Annualised TSR (%)	TSR as at 30 June 2009		
	1 year	3 years	5 years
SGX	8.5	31.8	38.0
STI	-17.7	5.5	10.3
SGX (US\$)	1.8	35.6	42.6
FTSE/MV Exchanges Index (US\$)	-16.7	3.2	26.2

SHAREHOLDER RETURN

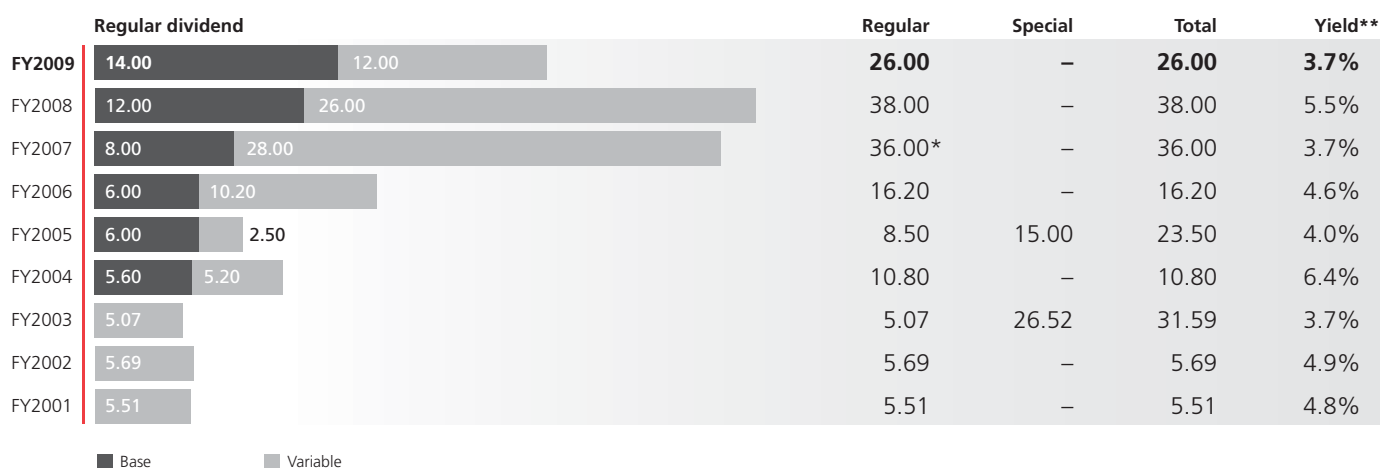
We are committed to improving shareholder return. A creditable Return on Equity (ROE) of 39.3% was achieved in FY2009 (FY2008: 49.7%⁷) (Fig 9).

In terms of Total Shareholder Return (TSR), our share price performance continued to outperform the STI and FTSE/MV Exchanges Index against which we are measured (Fig 10).

Given the Group's financial performance, its cash and retained earnings positions and expected future operational funding needs, the Board of Directors has proposed a final dividend of 15.5 cents per share. This brings the total dividends for FY2009 to 26.0 cents per share, representing a 90% payout of the year's profit (Fig 11).

From FY2010 the base dividend has been increased from 14.0 to 15.0 cents.

Fig 11 Net dividend per share (cents) and dividend yield (%)



* Includes the 90% payout from the \$110.5 million sale proceeds from SGX Centre.

** Based on the total regular dividend (excludes special dividend) declared for the financial year and share price as at 30 June, financial year end.

OPERATING AND FINANCIAL REVIEW

OPERATING LEVERAGE

The operating leverage, defined as the ratio of stable revenue and net derivatives clearing revenue to total operating expenses, stood at 130.2% (FY2008: 132.4%) (Fig 12). This means that the most volatile revenue component, the securities market revenue, contributes directly to the bottom-line.

SGX derives its operating revenue from three main revenue categories: securities market revenue, net derivatives clearing revenue and stable revenue. In FY2009, total operating revenue was \$594.8 million, down 22.6% from the prior year.

Securities Market Revenue

Securities market revenue fell 33.6% to \$298.6 million (FY2008: \$449.6 million) as an uncertain market environment and investor risk aversion led to a substantial decrease in trading activity in our cash market (Fig 13).

Net Derivatives Clearing Revenue

Net derivatives clearing revenue remained flat at \$156.0 million in FY2009 (FY2008: \$156.3 million) as structured warrants clearing revenue fell by more than half, offsetting the gains in futures clearing revenue, as illustrated by Fig 14. Our futures and options business has performed strongly since FY2005, growing at a CAGR of 34.4%. Increasingly, this revenue segment is also well-diversified across different contracts.

Stable Revenue

Stable revenue (Fig 15), which is less correlated with market activity, declined 13.8% year-on-year to \$140.2 million (FY2008: \$162.7 million), as listing and corporate action activities slowed down considerably. Listing fees were down 17.5% this financial year as new listings fell in number as well as size. Account maintenance and corporate action fees decreased from \$41.9 million in FY2008 to \$32.6 million in FY2009, mainly due to lower processing income from structured warrants issues and dividends.

Fig 12 Operating leverage (\$million)

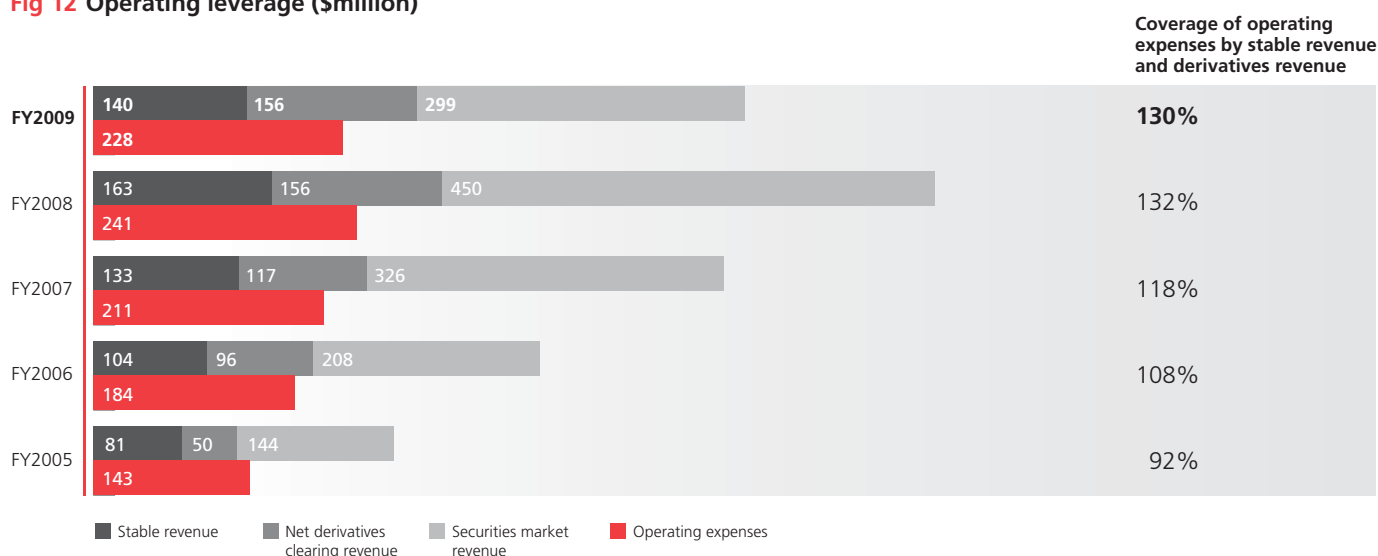


Fig 13 Securities market revenue

(\$million)	FY2005	FY2006	FY2007	FY2008	FY2009	% Change (FY09/FY08)	CAGR
Securities clearing fees	96	139	221	301	188	-38%	18%
Securities related processing fees	24	33	48	68	65	-5%	28%
Access fees	24	36	57	81	46	-42%	18%
Total securities market revenue	144	208	326	450	299	-34%	20%

Securities daily average value (\$billion)	0.7	1.0	1.6	2.1	1.2	-42%	14%
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Fig 14 Net derivatives clearing revenue

(\$million)	FY2005	FY2006	FY2007	FY2008	FY2009	% Change (FY09/FY08)	CAGR
Futures and options clearing revenue	45	85	102	136	147	8%	34%
Nikkei 225	15	34	36	42	48	14%	34%
MSCI Taiwan	7	24	33	41	43	5%	57%
CNX Nifty	0	0	0	11	18	64%	NM
MSCI Singapore	6	7	10	17	19	12%	33%
Other products and services*	17	20	23	25	19	-24%	3%
Structured warrants clearing revenue	5	11	15	20	9	-55%	16%
Total net derivatives clearing revenue	50	96	117	156	156	0%	33%

* Other products and services include other futures contracts, SICOM, OTC, Extended Settlement contracts and clearing related income.

Fig 15 Stable revenue

(\$million)	FY2005	FY2006	FY2007	FY2008	FY2009	% Change (FY09/FY08)	CAGR
Account maintenance and corporate action fees	19	22	35	42	33	-22%	15%
Listing fees	12	26	31	42	34	-18%	30%
Price information fees	16	19	23	29	30	5%	17%
Terminal and connection fees	11	14	18	23	23	2%	20%
Membership fees	10	8	7	9	7	-21%	-9%
Others	13	15	19	18	13	-28%	0%
Total stable revenue	81	104	133	163	140	-14%	15%

OPERATING AND FINANCIAL REVIEW

Fig 16 Operating expenses

(\$million)	FY2005	FY2006	FY2007	FY2008	FY2009	% Change (FY09/FY08)	CAGR
Staff costs (excluding variable bonus; including share-based payment to employees)	53	50	60	67	69	3%	7%
System maintenance and rental	18	29	34	39	44	13%	25%
Depreciation and amortisation	15	14	16	12	19	57%	6%
Rental and maintenance of premises	16	12	6	17	17	-1%	2%
Other operating expenses	19	32	30	34	28	-15%	11%
Sub-total: Fixed costs	121	137	146	169	177	5%	10%
Variable bonus	11	33	46	50	30	-40%	29%
Cost of processing and royalties	11	14	19	22	21	-6%	16%
Sub-total: Variable costs	22	47	65	72	51	-30%	23%
Total operating expenses	143	184	211	241	228	-6%	12%
Variable costs/total operating expenses	15%	26%	31%	30%	22%	–	–

Fig 17 Summary of cash flow

(\$million)	FY2008	FY2009	% Change (FY09/FY08)
Net cash inflow from operating activities	506	280	-45%
Net cash inflow/(outflow) from investing activities	92	(24)	NM
Net cash outflow from financial activities	(390)	(433)	11%
Net cash inflow/(outflow)	208	(177)	NM
Cash and cash equivalents at the end of the financial year (excluding funds set aside for the SGX-DC Clearing Fund)	648	471	-27%

Operating Expenses

The Group's cost discipline was evident in FY2009; total operating expenses shed 5.6% to \$227.5 million (FY2008: \$241.0 million). This was achieved despite continued investment in technology in the market downturn (Fig 16).

Generally, exchanges operate on a fixed cost structure. Excluding variable costs, namely variable bonuses and cost of processing and royalties, our fixed expenses grew moderately at 4.6% to \$177.2 million in FY2009.

Staff costs (including share-based payment expense but excluding variable bonuses) increased 3.4% to \$69.4 million this financial year (FY2008: \$67.1 million), largely due to the higher charges incurred from share-based compensation plans granted in FY2008 and FY2009.

Our investment in technology was observed in the higher technology-related expenses incurred, specifically, \$44.3 million in systems maintenance and rental (FY2008: \$39.1 million), and \$18.9 million in depreciation and amortisation (FY2008: \$12.1 million).

Rental and maintenance of premises was maintained at \$16.7 million in FY2009 (FY2008: \$17.0 million), as SGX has locked in a seven-year rental lease, following the sale and leaseback of our office premises, SGX Centre, in June 2007.

Other key operating expenses include marketing and travelling expenses, professional fees, communication charges and net foreign exchange loss/ (gain) and other expenses.

OTHER GAINS

Other gains of \$1.3 million were primarily attributable to interest income, albeit lower year-on-year, due to lower interest rates on fixed deposits and current accounts and variances from forward foreign exchange contracts to hedge the US-dollar denominated derivatives clearing fees.

CASH FLOW

Operating Activities

Our net cash inflow from operating activities was \$280.5 million, as profit from our operating activities fell in line with our fall in operating revenue from a year ago (FY2008: \$506.2 million).

Investing Activities

The investing cash outflow was \$24.5 million, compared to an inflow of \$91.8 million in FY2008.

The higher investing cash inflow of \$91.8 million in FY2008 was mainly attributable to the \$130.5 million redemption proceeds from our market neutral funds portfolio.

Financing Activities

Net cash outflow of \$432.9 million for financing activities was mainly attributed to the payment of dividends which totalled \$420.0 million and another \$16.5 million for the purchase of treasury shares.

Free Cash Flow

The Group continues to generate a healthy free cash flow from its operating activities. As at 30 June 2009, the Group's cash and cash equivalents stood at \$470.6 million, 27.3% lower than the previous year (FY2008: \$647.6 million) (Fig 17).

CAPITAL MANAGEMENT

The Group's capital management objectives are to optimise returns to shareholders while supporting the growth requirements of the business and fulfilling its obligations to the relevant regulatory authorities and other stakeholders.

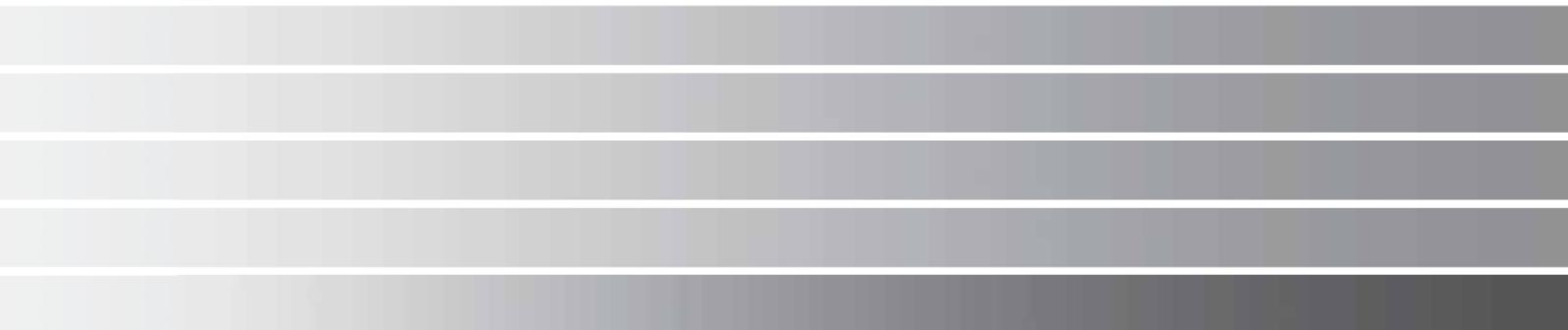
Given the dynamic nature of our business, we regularly review and monitor the Group's capital position to ensure that business activities are prudently funded. In addition, we seek opportunities to optimise shareholders' return by creating a more efficient capital structure so as to reduce the overall cost of capital.

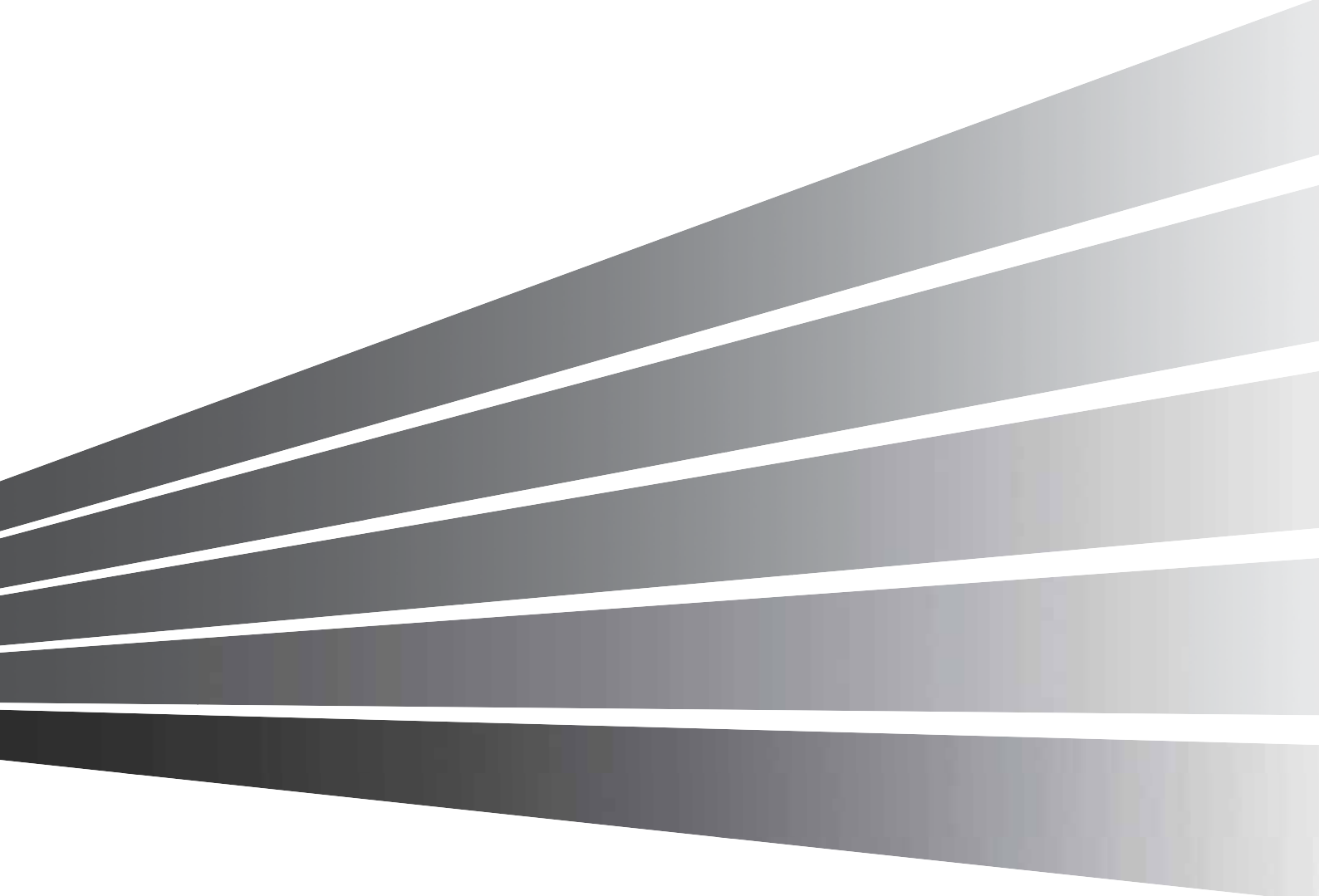
On dividend policy, SGX maintains a base dividend commitment which has risen over time, reflecting the Group's growing sustainable core earnings.

ACCOUNTING POLICIES

The Group's financial statements have been prepared in accordance with the Singapore Financial Reporting Standards (FRS) issued by the Accounting Standards Council. The same accounting policies as in the FY2008 audited financial statements have been applied for the current reporting period. There are no new or amended FRS and Interpretations to FRS that are mandatory for application for the Group for the financial year ended 30 June 2009.

Forging Ahead **Promoting**
disclosure

A series of five horizontal bars of varying shades of gray, spanning the width of the page, positioned below the main title.



**Good governance, transparency and ample disclosure
underpin an enduring marketplace.**

DIRECTORS' REPORT

For the financial year ended 30 June 2009

The directors present their report to the shareholders together with the audited financial statements of Singapore Exchange Limited ("the Company" or "SGX") and of the Group for the financial year ended 30 June 2009.

DIRECTORS

The directors of the Company in office at the date of this report are as follows:

J Y Pillay	(Chairman)
Hsieh Fu Hua	(Chief Executive Officer)
Low Check Kian	(Lead Independent Director)
Chew Choon Seng	
Euleen Goh Yiu Kiang	
Ho Tian Yee	
Lee Hsien Yang	
Liew Mun Leong	(appointed on 1 July 2009)
Loh Boon Chye	
Ng Kee Choe	
Robert Owen	

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose object is to enable the directors of the Company to acquire benefits by means of an acquisition of shares in, or debentures of, the Company or any other body corporate, other than as disclosed under "Share Plans" in this report.

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

- a) According to the register of directors' shareholdings, none of the directors holding office at the end of the financial year had any interest in the share capital or debentures of the Company and related corporations, except as follows:

	Number of ordinary shares registered in name of director or nominee		Number of ordinary shares in which a director is deemed to have an interest	
	At 30.06.2009	At 01.07.2008	At 30.06.2009	At 01.07.2008
The Company				
J Y Pillay	—	—	262,000	262,000
Hsieh Fu Hua	165,000	330,000	2,745,000	3,080,000

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES *(continued)*

- b) According to the register of directors' shareholdings, certain directors holding office at the end of the financial year had interests in the options to subscribe for ordinary shares of the Company granted pursuant to the SGX Share Option Plan as set out below and in the paragraphs on "SGX Share Option Plan".

	Number of unissued ordinary shares under options held by a director	
	At 30.06.2009	At 01.07.2008
Hsieh Fu Hua	1,500,000	2,000,000

- c) According to the register of directors' shareholdings, certain directors holding office at the end of the financial year had interests in the shares of the Company granted pursuant to the SGX Performance Share Plan as set out below and in the paragraphs on "SGX Performance Share Plan".

	Number of shares vested	
	At 30.06.2009	At 01.07.2008
Hsieh Fu Hua	660,000	660,000

Subject to the terms and conditions of the SGX Performance Share Plan, 1,098,500 shares granted to Hsieh Fu Hua will vest between 2 November 2009 and 1 September 2011.

- d) There was no change in any of the abovementioned interests in the Company or in related corporations between the end of the financial year and 21 July 2009.

DIRECTORS' CONTRACTUAL BENEFITS

Since the end of the previous financial year, no director has received or become entitled to receive a benefit (other than as disclosed in the consolidated financial statements or in this report) by reason of a contract made by the Company or a related corporation with the director or with a firm of which he is a member or with a company in which he has a substantial financial interest.

DIRECTORS' REPORT

For the financial year ended 30 June 2009

SHARE PLANS

The Company offers the following share plans to its employees:

- a) SGX Share Option Plan
- b) SGX Performance Share Plan
- c) SGX Deferred Long-Term Incentives Scheme

All share plans are administered by the Remuneration Committee ("the Committee").

a) SGX Share Option Plan ("the Scheme")

The Scheme was approved at the Extraordinary General Meeting of SGX on 1 November 2000 ("EGM 2000"). At the EGM on 22 September 2005 ("EGM 2005"), the Committee terminated the Scheme with regards to grant of further options, following the adoption of the SGX Performance Share Plan. However, options granted and outstanding prior to the aforesaid termination will continue to be valid and be subject to the terms and conditions of the Scheme.

Scheme for Group Employees (as defined in the rules of SGX Share Option Plan ("the Rules"))

Options granted to Group Employees may be exercised two years after the date of the grant. The options will have a term of no longer than seven years from the date of grant.

Scheme for Non-executive Directors and Associated Company Employees (both as defined in the Rules)

Options granted to Non-executive Directors or Associated Company Employees may be exercised one year after the date of the grant. The options granted will have a term of no longer than five years from the date of grant.

Restrictions

The total number of new SGX shares over which options may be granted under the Scheme on any date, when added to the total number of new SGX shares issued and issuable in respect of all options granted under the Scheme, and all shares granted under the SGX Performance Share Plan, shall not exceed 10% of SGX's issued share capital on the day preceding the relevant date of grant. The terms and conditions of the options granted are in accordance with the Scheme duly approved by the SGX shareholders at the EGM 2000 and as modified by the Committee from time to time. The exercise price of an option shall be equal to or higher than the Market Price.

The Market Price is the average of the closing prices of SGX's ordinary shares on Singapore Exchange Securities Trading Limited ("SGX-ST") over five consecutive market days immediately preceding the date of that option grant.

SHARE PLANS (continued)

a) SGX Share Option Plan ("the Scheme") (continued)

Options granted under the Scheme

As the Committee had decided to terminate the Scheme with regards to grant of further options at the EGM 2005, no options were granted to the Group Employees under the Scheme during the financial year.

No options were granted to Non-executive Directors and Associated Company Employees since the commencement of the Scheme.

The exercise prices of all options granted under the Scheme had been set at the Market Price.

Unissued shares under options

The details of the unissued shares under options granted to subscribe for ordinary shares of SGX are as follows:

Date of grant	Balance as at 01.07.2008	Lapsed	Options exercised	Balance as at 30.06.2009	Number of option holders as at 30.06.2009	Exercise price*	Exercise period
03.12.2001	26,000	(18,000)	(8,000)	–	–	\$0.94	03.12.2003 to 02.12.2008
01.10.2002	30,000	–	(10,000)	20,000	4	\$0.90	01.10.2004 to 30.09.2009
27.01.2004	2,512,700	–	(684,500)	1,828,200	15	\$1.70	27.01.2006 to 26.01.2011
27.01.2004	175,000	–	(175,000)	–	–	\$1.70	28.01.2004 to 27.01.2009
27.01.2004	67,000	–	(65,000)	2,000	1	\$1.70	13.02.2006 to 01.11.2009
27.01.2004	100,000	–	(100,000)	–	–	\$1.70	01.04.2008 to 31.12.2009
01.11.2004	1,241,500	–	(631,500)	610,000	20	\$1.60	02.11.2006 to 01.11.2011
01.11.2004	500,000	–	(500,000)	–	–	\$1.60	01.04.2008 to 31.12.2009
	4,652,200	(18,000)	(2,174,000)	2,460,200			

* The exercise price had been adjusted following special dividends paid in 2003 and 2005.

The options granted by SGX do not entitle the holders of the options, by virtue of such holdings, to any right to participate in any share issue of any other company.

As at 30 June 2009, executives and employees, including executive directors, who have been granted 5% or more of the total options available under the Scheme are as follows:

Options granted on 27.01.2004 (exercisable from 27.01.2006 to 26.01.2011) to Chief Executive Officer, Hsieh Fu Hua	Number of shares under options
Options granted for financial year ended 30.06.2009	–
Aggregate options granted since commencement of the Scheme to 30.06.2009	4,000,000
Aggregate options exercised since commencement of the Scheme to 30.06.2009	(2,500,000)
Aggregate options outstanding as at 30.06.2009	1,500,000

DIRECTORS' REPORT

For the financial year ended 30 June 2009

SHARE PLANS (continued)

b) SGX Performance Share Plan ("the Plan")

The Plan was approved at the EGM 2005. It recognises and rewards past contributions and services, and motivates key senior management to ensure the long-term success of the Company.

Eligibility

Selected senior management who have attained the rank of Vice President, job grade 2 and above are eligible to participate in the Plan.

The Committee may determine to grant a reward, wholly or partly, in the form of SGX shares, which will be free of charge, or in the form of cash. The amount released, if in the form of cash, is based on the market value of such shares on vesting date.

Unless otherwise decided by the Committee, the entitlement to this award is conditional on the participant remaining in service up to the specified vesting date.

Restrictions

The total number of new SGX shares which may be issued pursuant to awards granted under the Plan on any date, when added to the total number of new shares issued and issuable in respect of all awards granted under the Plan, and all options granted under the Scheme, shall not exceed 10% of SGX's issued share capital on the day preceding the relevant date of award.

Participants are required to retain 50% of the total number of shares that are released to them for at least one calendar year from the vesting date. Failure to comply with this requirement may result in disqualification from further participation in the Plan and other share-based incentive plans the Company may operate.

Share award grant and vesting

The Committee approved every grant of the Plan, and has absolute discretion in the granting and award of performance shares.

i) Financial Year ("FY") 2006 Grant

The number of SGX shares awarded to each participant was based on the achievement of certain prescribed performance targets over a two-year performance period from 1 July 2005 to 30 June 2007. All the performance shares granted under this grant have vested by 30 June 2008.

ii) Financial Year ("FY") 2007 Grant

The number of SGX shares to be awarded to each participant will be based on the achievement of certain prescribed performance targets, over a three-year performance period from 1 July 2006 to 30 June 2009. The performance shares will vest on 2 November 2009.

The details of shares granted to the participants are as follows:

Participants (as defined under the Plan)	Shares granted at grant date	Balance as at 01.07.2008 ¹	Shares lapsed during financial year	Balance as at 30.06.2009
Directors' interests				
Hsieh Fu Hua ²	415,000	415,000	–	415,000
EXCO members				
Gan Seow Ann ²	155,000	155,000	–	155,000
Seck Wai Kwong ²	155,000	155,000	–	155,000
Yeo Lian Sim ²	100,000	100,000	–	100,000
Wong Liang Ying Lawrence	65,000	65,000	–	65,000
Chang Kuan Aun	30,000	30,000	–	30,000
Other staff	740,000	455,000	(38,500)	416,500
	1,660,000	1,375,000	(38,500)	1,336,500

¹ Represents the numbers of shares required if participants are to be awarded at 100% of the grant. However, the shares to be awarded at the vesting date may range from 50% to 150% of the grant, depending on the level of achievement against the performance conditions. There shall be no award if the achievement falls below the threshold performance condition.

² Received more than 5% of the 1,660,000 shares granted under the FY2007 grant.

SHARE PLANS (continued)

b) SGX Performance Share Plan ("the Plan") (continued)

Share award grant and vesting (continued)

iii) Financial Year ("FY") 2008 Grant

The number of SGX shares to be awarded to each participant will be based on the achievement of certain prescribed performance targets, over a three-year performance period from 1 July 2007 to 30 June 2010. The performance shares will vest on 1 November 2010.

The details of shares granted to the participants are as follows:

Participants (as defined under the Plan)	Shares granted at grant date	Balance as at 01.07.2008 ¹	Shares lapsed during financial year	Balance as at 30.06.2009
Directors' interests				
Hsieh Fu Hua ^{2, 3}	225,000	225,000	–	225,000
EXCO members				
Gan Seow Ann ²	86,000	86,000	–	86,000
Seck Wai Kwong ²	73,100	73,100	–	73,100
Muthukrishnan Ramaswami ²	64,500	64,500	–	64,500
Yeo Lian Sim ²	64,500	64,500	–	64,500
Wong Liang Ying Lawrence ²	51,600	51,600	–	51,600
Chang Kuan Aun	43,000	43,000	–	43,000
Chew Sutat	38,700	38,700	–	38,700
Other staff	245,800	220,000	(7,800)	212,200
	892,200	866,400	(7,800)	858,600

¹ Represents the number of shares required if participants are to be awarded at 100% of the grant. However, the shares to be awarded at the vesting date may range from 50% to 150% of the grant, depending on the level of achievement against the performance conditions. There shall be no award if the achievement falls below the threshold performance condition.

² Received more than 5% of the 892,200 shares granted under the FY2008 grant.

³ Hsieh Fu Hua's contract will end on 30 November 2009. Under his contract, he will continue to be eligible to receive the award at the vesting date, depending on the level of achievement against the performance conditions.

DIRECTORS' REPORT

For the financial year ended 30 June 2009

SHARE PLANS (continued)

b) SGX Performance Share Plan ("the Plan") (continued)

Share award grant and vesting (continued)

iv) Financial Year ("FY") 2009 Grant

The number of SGX shares to be awarded to each participant will be based on the achievement of certain prescribed performance targets, over a three-year performance period from 1 July 2008 to 30 June 2011. The performance shares will vest on 1 September 2011.

The details of shares granted to the participants are as follows:

Participants (as defined under the Plan)	Shares granted during financial year ¹	Shares lapsed during financial year	Balance as at 30.06.2009
Directors' interests			
Hsieh Fu Hua ^{2,3}	458,500	–	458,500
EXCO members			
Gan Seow Ann ²	150,800	–	150,800
Seck Wai Kwong ²	135,700	–	135,700
Muthukrishnan Ramaswami ²	135,700	–	135,700
Yeo Lian Sim ²	120,600	–	120,600
Wong Liang Ying Lawrence ²	98,000	–	98,000
Chew Sutat	90,500	–	90,500
Chang Kuan Aun	82,900	–	82,900
Robert Ian Caisley	60,300	–	60,300
Other staff	501,000	(38,800)	462,200
	1,834,000	(38,800)	1,795,200

¹ Represents the number of shares required if participants are to be awarded at 100% of the grant. However, the shares to be awarded at the vesting date may range from 50% to 150% of the grant, depending on the level of achievement against the performance conditions. There shall be no award if the achievement falls below the threshold performance condition.

² Received more than 5% of the 1,834,000 shares granted under the FY2009 grant.

³ Hsieh Fu Hua's contract will end on 30 November 2009. Under his contract, he will continue to be eligible to receive the award at the vesting date, depending on the level of achievement against the performance conditions.

v) Summary of the Plan

The summary of the total number of shares granted, lapsed, vested and outstanding as at 30 June 2009 are as follows:

	Shares granted during financial year	Aggregate shares granted since commencement of the Plan to 30.06.2009	Aggregate shares lapsed since commencement of the Plan to 30.06.2009	Aggregate shares vested since commencement of the Plan to 30.06.2009	Aggregate outstanding as at 30.06.2009
Participants who received more than 5% of the total grants available					
Hsieh Fu Hua	458,500	1,758,500	–	(660,000)	1,098,500
Gan Seow Ann	150,800	631,800	–	(240,000)	391,800
Seck Wai Kwong	135,700	603,800	–	(240,000)	363,800
Yeo Lian Sim	120,600	465,100	–	(180,000)	285,100
Participants who received less than 5% of the total grants available					
Other staff	968,400	3,520,750	(548,400)	(1,121,250)	1,851,100
	1,834,000	6,979,950	(548,400)	(2,441,250)	3,990,300

No shares were granted to Associated Company Employees (as defined under the Plan) since the commencement of the Plan.

SHARE PLANS (continued)

c) SGX Deferred Long-Term Incentives Scheme ("the LTI Scheme")

The LTI Scheme was approved by the Committee in July 2006. It recognises past contributions and services, and strengthens the Company's ability to reward and retain high-performing executives who have the potential for higher level jobs.

Eligibility

Selected executives who have attained the rank of Associate, job grade 9 up to Vice President, job grade 2 and who are not participants of the Plan are eligible to be considered for participation in the LTI Scheme.

The entitlement to this share award is conditional on the participant remaining in service up to the specified vesting date.

The Committee may determine to grant a reward, wholly or partly, in the form of SGX shares, which will be free of charge, or in the form of cash. If the grant is in the form of SGX shares, the LTI Scheme only allows the delivery of SGX shares held in treasury by the Company to fulfill its obligations to participants. If the grant is in the form of cash, the amount released is based on the market value of such shares on vesting date.

Share award and vesting

i) Financial Year ("FY") 2008 Award

There were two awards in FY2008. Both awards were in the form of SGX shares. One award has a one-year vesting period which vested on 3 November 2008. Another will vest in three equal instalments over a period of three years with the first instalment vested on 3 November 2008.

The details of shares awarded are as follows:

	Shares awarded at grant date	Balance as at 01.07.2008	Shares lapsed during financial year	Shares vested during financial year	Balance as at 30.06.2009
Participants (as defined under the LTI Scheme)	507,100	462,600	(29,000)	(158,100)	275,500
Total	507,100	462,600	(29,000)	(158,100)	275,500

ii) Financial Year ("FY") 2009 Award

There were two awards in FY2009. Both awards were in the form of SGX shares. One award has a one-year vesting period which will vest on 3 November 2009. Another will vest in three equal instalments over a period of three years with the first instalment vesting on 3 November 2009.

The details of shares awarded are as follows:

	Shares awarded during financial year	Shares lapsed during financial year	Balance as at 30.06.2009
Participants (as defined under the LTI Scheme)	750,200	(20,900)	729,300
Total	750,200	(20,900)	729,300

Since the commencement of the LTI Scheme, no participant has been awarded 5% or more of the total shares available under the LTI Scheme.

DIRECTORS' REPORT

For the financial year ended 30 June 2009

AUDIT COMMITTEE

The Audit Committee comprises the following Non-executive Directors:

Lee Hsien Yang (Chairman)
Euleen Goh Yiu Kiang
Ho Tian Yee
Loh Boon Chye

Based on criteria prescribed in the Singapore Code of Corporate Governance, all the Audit Committee members are independent.

There are, however, additional requirements on directors' independence set out in the Securities and Futures (Corporate Governance of Approved Exchanges, Designated Clearing Houses and Approved Holding Companies) Regulations 2005. Based on these criteria, Loh Boon Chye has been ascertained by the Nominating Committee as non-independent.

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act, Section 14 of the Securities & Futures (Corporate Governance of Approved Exchanges, Designated Clearing Houses and Approved Holding Companies) Regulations 2005, the Singapore Code of Corporate Governance, and the SGX-ST Listing Manual. These functions include a review of the financial statements of the Company and of the Group for the financial year and the independent auditor's report thereon.

Accordingly, the Audit Committee has also undertaken a review of the nature and extent of non-audit services provided by the firm acting as the auditor. In the opinion of the Audit Committee, these services would not affect the independence of the auditor.

The Audit Committee has conducted a Request for Proposal for the provision of statutory audit services resulting in proposals received from several audit firms. The Audit Committee decided to nominate PricewaterhouseCoopers LLP for re-appointment as the Company's auditors for financial year 2010.

This re-appointment will be put to shareholders' approval at the forthcoming Annual General Meeting.

INDEPENDENT AUDITOR

The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept re-appointment.

On behalf of the directors



J Y Pillay
Director

5 August 2009



Hsieh Fu Hua
Director

STATEMENT BY DIRECTORS

For the financial year ended 30 June 2009

In the opinion of the directors,

- a) the income statement, balance sheet and statement of changes in equity of the Company and the consolidated financial statements of the Group as set out on pages 107 to 170 are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group at 30 June 2009, of the results of the business and changes in equity of the Company and of the Group for the financial year then ended, and of the cash flows of the Group for the financial year then ended; and
- b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the directors



J Y Pillay
Director

5 August 2009



Hsieh Fu Hua
Director

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SINGAPORE EXCHANGE LIMITED

We have audited the accompanying financial statements of Singapore Exchange Limited (the "Company") and its subsidiaries (the "Group") set out on pages 107 to 170, for the financial year ended 30 June 2009, which comprise the balance sheet, income statement and statement of changes in equity of the Company, and the consolidated financial statements of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory notes.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

Management is responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act (Cap. 50) (the "Act") and Singapore Financial Reporting Standards. This responsibility includes:

- a) devising and maintaining a system of internal accounting control sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets;
- b) selecting and applying appropriate accounting policies; and
- c) making accounting estimates that are reasonable in the circumstances.

AUDITOR'S RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

OPINION

In our opinion,

- a) the accompanying financial statements of the Company and the consolidated financial statements of the Group are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company and of the Group as at 30 June 2009, the results and changes in equity of the Company and of the Group for the financial year ended on that date, and of the cash flows of the Group for the financial year ended on that date; and
- b) the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditor, have been properly kept in accordance with the provisions of the Act.



PricewaterhouseCoopers LLP

Public Accountants and Certified Public Accountants

Singapore, 5 August 2009

BALANCE SHEETS

As at 30 June 2009

		The Group		The Company	
	Note	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
ASSETS					
Current assets					
Cash and cash equivalents	3	645,162	822,082	465,273	415,285
Trade and other receivables	4	543,912	877,901	6,093	6,024
Derivative financial instruments	5	874	3,081	673	245
Securities clearing funds	6	25,000	25,000	–	–
		1,214,948	1,728,064	472,039	421,554
Non-current assets					
Financial assets, available-for-sale	7	73,256	76,956	73,256	76,956
Property, plant and equipment	8	26,398	32,980	23,224	22,279
Software	9	92,274	70,574	8,963	6,967
Club memberships		315	423	315	423
Investments in subsidiaries	10	–	–	425,418	422,418
Investments in joint ventures	11	–	121	–	–
Investments in associated companies	12	3,813	3,767	4,389	4,389
Goodwill	13	2,721	2,721	–	–
Deferred tax assets	15	3,279	1,446	3,279	1,446
		202,056	188,988	538,844	534,878
Total assets		1,417,004	1,917,052	1,010,883	956,432
LIABILITIES					
Current liabilities					
Trade and other payables	14	557,808	910,910	317,475	142,652
Taxation	15	65,111	102,328	7,556	7,493
Provisions	16	7,284	7,235	4,362	4,342
		630,203	1,020,473	329,393	154,487
Non-current liability					
Deferred tax liabilities	15	8,696	2,647	–	–
Total liabilities		638,899	1,023,120	329,393	154,487
Net assets		778,105	893,932	681,490	801,945
EQUITY					
Capital and reserves attributable to the Company's equity holders					
Share capital	17	414,851	409,880	414,851	409,880
Treasury shares	17	(42,826)	(27,271)	(42,826)	(27,271)
Cash flow hedge reserve		595	–	–	–
Currency translation reserve		(616)	(579)	–	–
Derivatives clearing fund reserve	28	34,021	34,021	–	–
Fair value reserve	7	(3,700)	–	(3,700)	–
Securities clearing fund reserve	6	25,000	25,000	–	–
Share-based payment reserve		23,927	11,656	23,927	11,656
Retained profits		161,974	132,679	124,359	99,134
Proposed dividends	23	164,879	308,546	164,879	308,546
Total equity		778,105	893,932	681,490	801,945

The accompanying notes form an integral part of these financial statements. Independent Auditor's Report – page 106.

INCOME STATEMENTS

For the financial year ended 30 June 2009

	Note	The Group		The Company	
		2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Operating revenue					
Securities clearing fees		187,442	301,240	–	–
Securities related processing fees		64,965	68,104	10,690	13,358
Access fees		46,205	80,261	–	–
Net derivatives clearing revenue		156,031	156,305	–	–
Account maintenance and corporate action fees		32,568	41,910	1,392	1,728
Terminal and connection fees		22,966	22,578	–	–
Listing fees		34,312	41,587	–	–
Membership fees		7,452	9,411	–	–
Price information fees		30,158	28,846	–	–
Sale of software and other computer services		8,921	11,021	2,696	2,932
Management fees from subsidiaries		–	–	116,091	119,654
Dividends from subsidiaries		–	–	292,600	429,990
Others		3,810	7,316	1,039	921
Total operating revenue		594,830	768,579	424,508	568,583
Operating expenses					
Staff costs	18	99,562	117,262	75,993	84,193
Rental and maintenance of premises		16,710	16,955	12,397	11,368
System maintenance and rental		44,316	39,098	13,872	11,152
Depreciation and amortisation		18,922	12,088	4,772	3,760
Net write-off/impairment of property, plant and equipment and software		753	538	223	–
Others	19	47,305	55,018	19,077	22,449
Total operating expenses		227,568	240,959	126,334	132,922
Profit from operating activities	20	367,262	527,620	298,174	435,661
Other gains	21	1,303	48,528	5,622	3,010
Profit before tax and share of results of joint ventures and associated companies		368,565	576,148	303,796	438,671
Share of results of joint ventures and associated companies		47	(622)	–	–
Profit before tax		368,612	575,526	303,796	438,671
Tax	15	(62,955)	(97,206)	(2,209)	(3,125)
Net profit after tax		305,657	478,320	301,587	435,546
Attributable to:					
Equity holders of the Company		305,657	478,320	301,587	435,546
Earnings per share based on net profit attributable to the equity holders of the Company (in cents per share)					
– Basic	22	28.74	45.09		
– Diluted	22	28.55	44.78		

The accompanying notes form an integral part of these financial statements. Independent Auditor's Report – page 106.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 30 June 2009

The Group

Note	Share capital \$'000	Cash flow hedge reserve* \$'000	Currency translation reserve* \$'000	Derivatives clearing fund reserve* \$'000	Fair value reserve* \$'000	Securities clearing fund reserve* \$'000	Share- based payment reserve* \$'000	Treasury shares \$'000	Retained profits \$'000	Proposed dividends \$'000	Total \$'000
2009											
Balance at 1 July 2008	409,880	-	(579)	34,021	-	25,000	11,656	(27,271)	132,679	308,546	893,932
Fair value gains/(losses)	-	717	-	-	-	-	-	-	-	-	717
Tax on fair value gains/(losses)	-	(122)	-	-	-	-	-	-	-	-	(122)
Fair value losses on financial assets, available-for-sale	7	-	-	-	(3,700)	-	-	-	-	-	(3,700)
Net currency translation differences of financial statements of associated company	-	-	(37)	-	-	-	-	-	-	-	(37)
Net gain/(loss) recognised directly in equity	-	595	(37)	-	(3,700)	-	-	-	-	-	(3,142)
Net profit for the financial year	-	-	-	-	-	-	-	-	305,657	-	305,657
Total recognised gains/(losses) for the financial year	-	595	(37)	-	(3,700)	-	-	-	305,657	-	302,515
Dividends paid											
- Financial year 2008 - Final dividend	-	-	-	-	-	-	-	-	-	(308,546)	(308,546)
- Financial year 2008 - Overprovision of final dividend	-	-	-	-	-	-	-	-	191	-	191
- Financial year 2009 - Interim dividends	-	-	-	-	-	-	-	-	(111,855)	-	(111,855)
- Financial year 2009 - Overprovision of interim dividends	-	-	-	-	-	-	-	-	181	-	181
Proposed dividend											
- Financial year 2009 - Final dividend	23	-	-	-	-	-	-	-	(164,879)	164,879	-
Issue of ordinary shares	17(a)	4,407	-	-	-	-	(839)	-	-	-	3,568
Employee share plan - value of employee services	-	-	-	-	-	-	14,491	-	-	-	14,491
Purchase of treasury shares	17(a)	-	-	-	-	-	-	(16,488)	-	-	(16,488)
Vesting of shares under share plans	17(a)	564	-	-	-	-	(1,381)	817	-	-	-
Tax effect on treasury shares **	17(a)	-	-	-	-	-	-	116	-	-	116
Balance at 30 June 2009		414,851	595	(616)	34,021	(3,700)	23,927	(42,826)	161,974	164,879	778,105

* These reserves are not available for distribution as dividends to the equity holders of the Company.

** The tax effect relates to the deferred tax benefit/(liability) available on the difference between consideration paid for treasury shares and share-based payment to employees.

The accompanying notes form an integral part of these financial statements. Independent Auditor's Report – page 106.

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 30 June 2009

The Group (continued)

	Note	Share capital \$'000	Currency translation reserve* \$'000	Derivatives clearing fund reserve* \$'000	Securities clearing fund reserve* \$'000	Share-based payment reserve* \$'000	Treasury shares \$'000	Retained profits \$'000	Proposed dividends \$'000	Total \$'000
2008										
Balance at 1 July 2007		398,533	–	–	25,000	8,457	(12,393)	92,360	318,411	830,368
Net currency translation differences of financial statements of associated company		–	(579)	–	–	–	–	–	–	(579)
Net loss recognised directly in equity		–	(579)	–	–	–	–	–	–	(579)
Net profit for the financial year		–	–	–	–	–	–	478,320	–	478,320
Total recognised gains/(losses) for the financial year		–	(579)	–	–	–	–	478,320	–	477,741
Dividends paid										
– Financial year 2007		–	–	–	–	–	–	–	(318,411)	(318,411)
– Final dividend		–	–	–	–	–	–	118	–	118
– Financial year 2007		–	–	–	–	–	–	–	–	–
– Overprovision of final dividend		–	–	–	–	–	–	–	–	–
– Financial year 2008		–	–	–	–	–	–	(95,730)	–	(95,730)
– Interim dividends		–	–	–	–	–	–	–	–	–
– Financial year 2008		–	–	–	–	–	–	178	–	178
– Overprovision of interim dividends		–	–	–	–	–	–	–	–	–
Proposed dividend										
– Financial year 2008	23	–	–	–	–	–	–	(308,546)	308,546	–
– Final dividend		–	–	–	–	–	–	–	–	–
Issue of ordinary shares	17(a)	11,884	–	–	–	(2,579)	–	–	–	9,305
Transfer to derivatives clearing fund reserve		–	–	34,021	–	–	–	(34,021)	–	–
Employee share plan		–	–	–	–	9,533	–	–	–	9,533
– value of employee services		–	–	–	–	–	–	–	–	–
Purchase of treasury shares	17(a)	–	–	–	–	–	(19,057)	–	–	(19,057)
Vesting of shares under share plans	17(a)	(537)	–	–	–	(3,755)	4,292	–	–	–
Tax effect on treasury shares **	17(a)	–	–	–	–	–	(113)	–	–	(113)
Balance at 30 June 2008		409,880	(579)	34,021	25,000	11,656	(27,271)	132,679	308,546	893,932

* These reserves are not available for distribution as dividends to the equity holders of the Company.

** The tax effect relates to the deferred tax benefit/(liability) on the difference between consideration paid for treasury shares and share-based payment to employees.

The accompanying notes form an integral part of these financial statements. Independent Auditor's Report – page 106.

STATEMENT OF CHANGES IN EQUITY

For the financial year ended 30 June 2009

The Company

	Note	Share capital \$'000	Fair value reserve* \$'000	Share-based payment reserve* \$'000	Treasury shares \$'000	Retained profits \$'000	Proposed dividends \$'000	Total \$'000
2009								
Balance at 1 July 2008		409,880	–	11,656	(27,271)	99,134	308,546	801,945
Fair value losses on financial assets, available-for-sale	7	–	(3,700)	–	–	–	–	(3,700)
Net loss recognised directly in equity		–	(3,700)	–	–	–	–	(3,700)
Net profit after tax		–	–	–	–	301,587	–	301,587
Total recognised gains/(losses) for the financial year		–	(3,700)	–	–	301,587	–	297,887
Dividends paid								
– Financial year 2008 – Final dividend		–	–	–	–	–	(308,546)	(308,546)
– Financial year 2008 – Overprovision of final dividend		–	–	–	–	191	–	191
– Financial year 2009 – Interim dividends		–	–	–	–	(111,855)	–	(111,855)
– Financial year 2009 – Overprovision of interim dividends		–	–	–	–	181	–	181
Proposed dividend								
– Financial year 2009 – Final dividend	23	–	–	–	–	(164,879)	164,879	–
Issue of ordinary shares	17(a)	4,407	–	(839)	–	–	–	3,568
Employee share plan – value of employee services		–	–	14,491	–	–	–	14,491
Purchase of treasury shares	17(a)	–	–	–	(16,488)	–	–	(16,488)
Vesting of shares under share plans	17(a)	564	–	(1,381)	817	–	–	–
Tax effect on treasury shares **	17(a)	–	–	–	116	–	–	116
Balance at 30 June 2009		414,851	(3,700)	23,927	(42,826)	124,359	164,879	681,490
2008								
Balance at 1 July 2007		398,533	–	8,457	(12,393)	67,568	318,411	780,576
Total recognised gains for the financial year – net profit		–	–	–	–	435,546	–	435,546
Dividends paid								
– Financial year 2007 – Final dividend		–	–	–	–	–	(318,411)	(318,411)
– Financial year 2007 – Overprovision of final dividend		–	–	–	–	118	–	118
– Financial year 2008 – Interim dividends		–	–	–	–	(95,730)	–	(95,730)
– Financial year 2008 – Overprovision of interim dividends		–	–	–	–	178	–	178
Proposed dividend								
– Financial year 2008 – Final dividend	23	–	–	–	–	(308,546)	308,546	–
Issue of ordinary shares	17(a)	11,884	–	(2,579)	–	–	–	9,305
Employee share plan – value of employee services		–	–	9,533	–	–	–	9,533
Purchase of treasury shares	17(a)	–	–	–	(19,057)	–	–	(19,057)
Vesting of shares under share plans	17(a)	(537)	–	(3,755)	4,292	–	–	–
Tax effect on treasury shares **	17(a)	–	–	–	(113)	–	–	(113)
Balance at 30 June 2008		409,880	–	11,656	(27,271)	99,134	308,546	801,945

* These reserves are not available for distribution as dividends to the equity holders of the Company.

** The tax effect relates to the deferred tax benefit/(liability) available on the difference between consideration paid for treasury shares and share-based payment to employees.

The accompanying notes form an integral part of these financial statements. Independent Auditor's Report – page 106.

CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 30 June 2009

	Note	2009 \$'000	2008 \$'000
Cash flows from operating activities			
Profit before tax and share of results of joint ventures and associated companies		368,565	576,148
Adjustments for:			
– Depreciation and amortisation		18,922	12,088
– Net write-off/impairment of property, plant and equipment and software		753	538
– Net gain on disposal of property, plant and equipment and software		(1,635)	(106)
– Net loss on disposal of financial assets at fair value through profit or loss		–	2,423
– Distribution from SGX-DT Compensation Fund upon its expiry		–	(34,021)
– Share-based payment to employees		14,491	9,533
– Impairment of associated company		–	682
– Impairment of club memberships		35	–
– Net loss on sale of club memberships		41	–
– Dividend income		(366)	(181)
– Interest income		(7,903)	(15,253)
Operating cash flow before working capital change		392,903	551,851
Change in operating assets and liabilities, net of effects from acquisition of subsidiaries			
– Trade and other receivables		336,584	40,083
– Trade and other payables		(353,046)	(13,850)
Cash generated from operations		376,441	578,084
Income tax paid		(95,962)	(71,906)
Net cash provided by operating activities		280,479	506,178
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment and software		3,904	165
Purchases of property, plant and equipment and software		(37,062)	(45,786)
Dividend received		366	181
Interest received		8,232	14,421
Investment in financial assets, available-for-sale		–	(1,144)
Investment in associated company		–	(5,139)
Acquisition of subsidiaries, net of cash acquired		–	(1,370)
Proceeds from termination of investment in joint venture		88	–
Sale of club memberships		22	–
Proceeds from sale/redemption of financial assets at fair value through profit or loss		–	130,461
Net cash (used in)/provided by investing activities		(24,450)	91,789
Cash flows from financing activities			
Net proceeds from issue of ordinary shares		3,568	9,305
Purchase of treasury shares		(16,488)	(19,057)
Dividends paid		(420,029)	(413,845)
Distribution from SGX-DT Compensation Fund upon its expiry		–	34,021
Net cash used in financing activities		(432,949)	(389,576)
Net (decrease)/increase in cash and cash equivalents		(176,920)	208,391
Cash and cash equivalents at beginning of financial year		647,561	523,691
Cash set aside for Singapore Exchange Derivatives Clearing Limited's Clearing Fund		–	(84,521)
Cash and cash equivalents at end of financial year	3	470,641	647,561

The accompanying notes form an integral part of these financial statements. Independent Auditor's Report – page 106.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2009

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL

The Company is incorporated and domiciled in Singapore. On 23 November 2000, the Company was admitted to the Official List of Singapore Exchange Securities Trading Limited ("SGX-ST"). The address of the registered office is:

2 Shenton Way
#19-00 SGX Centre 1
Singapore 068804

The principal activities of the Company are those of investment holding, treasury management, provision of management and administrative services to related corporations, provision of securities related processing services and sale of software and other computer services. The principal activities of the subsidiaries are set out in Note 10 to the financial statements. There have been no significant changes in the principal activities of the Company and its subsidiaries during the financial year.

2. SIGNIFICANT ACCOUNTING POLICIES

a) Basis of preparation

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") and under the historical cost convention except as disclosed in the accounting policies below. The preparation of financial statements in conformity with FRS requires the use of estimates and assumptions, based on management's best knowledge, that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year.

There are no new or amended FRS and Interpretations to FRS that are mandatory for application for the Group for the financial year ended 30 June 2009.

b) Group accounting

1) Subsidiaries

Subsidiaries are entities over which the Group has power to govern the financial and operating policies, generally accompanying a shareholding of more than 50% of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity.

The purchase method of accounting is used to account for the acquisition of subsidiaries. The cost of an acquisition is measured as the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair values on the date of acquisition, irrespective of the extent of any minority interest. Please refer to Note 2(j)(1) for the accounting policy on goodwill on acquisition of subsidiaries.

Subsidiaries are consolidated from the date on which control is transferred to the Group to the date on which that control ceases. In preparing the consolidated financial statements, intercompany transactions, balances and unrealised gains and losses on transactions between group companies are eliminated unless losses cannot be recovered. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

Minority interest is that part of the net results of operations and of net assets of a subsidiary attributable to interests which are not owned directly or indirectly by the Group. It is measured at the minorities' share of the fair values of the subsidiaries' identifiable assets and liabilities, at the date of acquisition by the Group and the minorities' share of changes in equity since the date of acquisition, except when the losses applicable to the minority in a subsidiary exceed the minority interest in the equity of that subsidiary. In such cases, the excess losses applicable to the minority are attributable to the equity holders of the Company, unless the minority has a binding obligation to, and is able to, make good the losses. When that subsidiary subsequently reports profits, the profits applicable to the minority are attributable to the equity holders of the Company until the minority's share of losses previously absorbed by the equity holders of the Company has been recovered.

Please refer to Note 2(h) for the Company's accounting policy on investments in subsidiaries.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2009

2 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

b) Group accounting *(continued)*

2) Associated companies

Associated companies are entities over which the Group has significant influence, but not control. Investments in associated companies are accounted for in the consolidated financial statements using the equity method of accounting. Investments in associated companies in the consolidated balance sheet includes goodwill (net of any accumulated impairment losses) identified on acquisition. Please refer to Note 2(j)(1) for the Group's accounting policy on goodwill, on acquisition of associated companies.

Investments in associated companies are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

In applying the equity method of accounting, the Group's share of its associated companies' post-acquisition profits or losses is recognised in the income statement and its share of post-acquisition movements in reserves is recognised in equity directly. These post-acquisition movements are adjusted against the carrying amount of the investment. When the Group's share of losses in an associated company equals or exceeds its interest in the associated company, the Group does not recognise further losses, unless it has obligations or has made payments on behalf of the associated company.

Unrealised gains on transactions between the Group and its associated companies are eliminated to the extent of the Group's interest in the associated companies. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Please refer to Note 2(h) for the Company's accounting policy on investments in associated companies.

3) Joint ventures

Joint ventures are those equity investments in companies, in which the Group has a long-term interest and has, by way of contractual arrangements, joint control in the companies' operational and financial affairs.

Joint ventures are accounted for under the equity method whereby the Group's share of profit or losses of joint ventures is included in the consolidated income statement and the Group's share of net assets or liabilities is included in the consolidated balance sheet. Where the accounting policies of joint ventures do not conform with those of the Group, adjustments to the Group's financial statements are made for the amounts which are considered significant to the Group.

Please refer to Note 2(h) for the Company's accounting policy on investments in joint ventures.

4) Transaction costs

Costs directly attributable to an acquisition are included as part of the cost of acquisition.

c) Currency translation

1) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("the functional currency"). The presentation currency of the consolidated financial statements is Singapore Dollars, which is the Company's functional currency.

2) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in the income statement.

Foreign currency monetary assets and liabilities are translated into the functional currency at the rates of exchange at the balance sheet date. Currency translation differences are recognised in the income statement.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

2 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

d) Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and deposits with banks.

e) Trade and other receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment. An allowance for impairment of trade and other receivables is recognised when there is objective evidence that the Group will not be able to collect amounts due according to the original terms of the receivables. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. The amount of the allowance is recognised in the income statement.

f) Financial assets at fair value through profit or loss

Investments, which are designated as financial assets at fair value through profit or loss at inception, are initially recognised at fair value and are subsequently carried at fair value. These investments are those that are managed and their performance is evaluated on a fair value basis, in accordance with the documented Group's investment strategy. Purchase and sales of investments are recognised on trade date, on which the Group commits to purchase or sell the asset. Investments are derecognised when the rights to receive cash flows from the investments have expired or all risks and rewards of ownership have been transferred. Changes in the fair value of the investments are included in the income statement. The fair values of quoted investments in an active market are based on bid prices at the balance sheet date.

g) Financial assets, available-for-sale

Investments, which are designated in this category, are initially recognised at fair value plus transaction costs and are subsequently carried at fair value. Purchase and sales of investments are recognised on trade date, on which the Group commits to purchase or sell the asset. Investments are derecognised when the rights to receive cash flows from the investment have expired or all risks and rewards of ownership have been transferred. Changes in fair values of available-for-sale equity securities are recognised in the fair value reserve, together with the related currency translation differences. The fair values of investments not traded in an active market are determined by using valuation techniques, such as discounted cash flow analyses.

Dividends on available-for-sale equity securities are recognised in the income statement when the Group's right to receive payment is established. When financial assets classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in the fair value reserve within equity are included in the income statement.

The Group assesses at each balance sheet date whether there is objective evidence that the financial assets are impaired. A significant or prolonged decline in the fair value of the asset below its cost is considered an indicator that the security is impaired. When there is objective evidence that an available-for-sale financial asset is impaired, the cumulative loss that has been recognised directly in the fair value reserve is removed from the fair value reserve within equity and recognised in the income statement. The cumulative loss is measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the income statement. Impairment losses recognised in the income statement on equity instruments are not reversed through the income statement.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2009

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

h) Investments in subsidiaries, joint ventures and associated companies

Investments in subsidiaries, joint ventures and associated companies are stated at cost less accumulated impairment losses. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down to its recoverable amount. Impairment losses are recognised in the income statement in the year in which it is determined.

On disposal of an investment, the difference between the net proceeds and its carrying amount is recognised in the income statement.

Please refer to Note 2(u)(2) for the Company's accounting policy on impairment of investments in subsidiaries and joint ventures.

i) Property, plant and equipment

1) Land and buildings

Land and buildings are initially recorded at cost. Freehold land is subsequently stated at cost less accumulated impairment losses (Note 2(u)(2)). Buildings and leasehold land are subsequently stated at cost less accumulated depreciation and accumulated impairment losses (Note 2(u)(2)).

2) Other property, plant and equipment

All other property, plant and equipment are initially recorded at cost and subsequently, stated at cost less accumulated depreciation and accumulated impairment losses (Note 2(u)(2)).

3) Component of costs

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is required to be incurred for the purpose of acquiring and using the asset.

4) Depreciation of property, plant and equipment

No depreciation is provided on freehold land and work-in-progress.

Depreciation is calculated on a straight-line basis to write off the cost of property, plant and equipment over their expected useful lives as follows:

	Useful lives
Freehold and leasehold buildings	Lower of 30 to 50 years or remaining lease period
Leasehold improvements	Lower of 5 years or remaining lease period
Furniture, fittings and office equipment	3 to 10 years
Computer hardware	1 to 7 years
Motor vehicles	4 years

Fully depreciated assets still in use are retained in the financial statements.

The residual values and useful lives of property, plant and equipment are reviewed, and adjusted as appropriate, at each financial year end.

5) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Group and the cost can be reliably measured. Other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

2 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

i) Property, plant and equipment *(continued)*

6) Disposal

On disposal of a property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is recognised in the income statement.

j) Intangible assets

1) Goodwill on acquisitions

Goodwill represents the excess of the cost of an acquisition over the fair value of the Group's share of the identifiable net assets and contingent liabilities of the acquired subsidiaries and associated companies at the date of acquisition.

Goodwill on subsidiaries is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Goodwill on associated companies is included in the carrying amount of the investments.

2) Software

Costs that are directly associated with identifiable software controlled by the Group that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Costs incurred for maintaining computer software programmes are recognised as an expense when incurred.

Acquired computer software licences are capitalised on the basis of the cost incurred to acquire and bring to use of the software. Expenditure which enhances or extends the performance of computer software programmes beyond their original specifications is recognised as a capital improvement and added to the original cost of the software.

Computer software costs and acquired computer software licences are stated at cost less accumulated amortisation and accumulated impairment losses (Note 2(u)(2)). These costs are amortised using the straight-line method over their estimated useful lives, a period not exceeding 7 years. Where an indication of impairment exists, the carrying cost is assessed and written down immediately to its recoverable amount.

The period and method of amortisation of the software are reviewed at least at each financial year end. The effects of any revision of the amortisation period or method are included in the income statement for the period in which the changes arise.

k) Trade and other payables

Trade and other payables are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest method.

l) Provisions

Provisions are recognised when the Group has a legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2009

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

m) Derivative financial instruments and hedging activities

A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Group documents at the inception of the transaction the relationship between the hedging instruments and hedged items, as well as its risk management objective and strategies for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, on whether the derivatives designated as hedging instruments are highly effective in offsetting changes in fair value or cash flows of the hedged items.

Derivatives that are designated as hedging instrument are designated by the Group as cash flow hedge. Fair value changes on derivatives that are not designated or do not qualify for hedge accounting are recognised in the income statement when the changes arise.

Currency forwards – cash flow hedge

The Group has entered into currency forwards that qualify as cash flow hedges against highly probable forecasted transactions in foreign currencies. The fair value changes on the effective portion of the currency forwards designated as cash flow hedges are recognised in the hedging reserve and transferred to either the cost of a hedged non-monetary asset upon acquisition or the income statement when the hedged forecast transactions are recognised.

The fair value of currency forward contracts purchased or sold is based on the quoted bid price or offer price respectively at the balance sheet date. The notional principal amounts of the currency forward contracts are recorded as off-balance sheet items.

When a forecasted transaction is no longer expected to occur, the gains and losses that were previously recognised in the hedging reserve are transferred to the income statement immediately.

n) Share capital and treasury shares

Ordinary shares are classified as equity.

When any entity within the Group purchases the Company's ordinary shares (treasury shares), the consideration paid, including any directly attributable incremental costs, net of income taxes, is deducted from equity attributable to the Company's equity holders and presented as "treasury shares" within equity, until they are cancelled, sold or reissued.

When treasury shares are cancelled, the cost of the treasury shares is deducted against the share capital account, if the shares are purchased out of capital of the Company, or against the retained profits of the Company, if the shares are purchased out of profits of the Company.

When treasury shares are subsequently sold or reissued pursuant to the share-based compensation plan, the cost of the treasury shares is reversed from the treasury share account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is taken to the share capital account of the Company.

o) Dividends

Interim dividends are deducted from retained profits during the financial year in which they are declared payable.

Final dividends are transferred from retained profits to a proposed dividend reserve when they are proposed by the directors. The amount will be transferred from the proposed dividend reserve to dividend payable when the dividends are approved by the shareholders.

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

p) Revenue recognition

Revenue is recognised on the following basis:

- i) clearing fees and related income, net of rebates, on a due date basis;
- ii) listing and membership fees, terminal and connection fees and rental income on a time proportion basis;
- iii) access, price information and processing fees, account maintenance and corporate action fees, sale of software and other computer services and other income, when the services are rendered;
- iv) interest income, on a time proportion basis using the effective interest method;
- v) dividend income is recorded gross in the income statement in the financial year in which a dividend is declared; and
- vi) management fees, when the services are rendered.

q) Income taxes

Current income tax liabilities (and assets) for current and prior periods are recognised at the amounts expected to be paid to (or recovered from) the tax authorities, using the tax rates (and tax laws) that have been enacted or substantially enacted by the balance sheet date.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax assets and liabilities are measured at:

- i) the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates (and tax laws) that have been enacted or substantially enacted by the balance sheet date; and
- ii) the tax consequence that would follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same tax jurisdiction.

r) Leases

1) Where a group company is the lessee:

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to the ownership of the leased assets, and operating leases under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised at the inception of the lease at the lower of fair value of the leased property or the estimated present value of the underlying lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate of return on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in finance lease liabilities. The interest element of the finance charge is charged to the income statements over the lease period. Plant and equipment acquired under finance leases is depreciated over the estimated useful life of the asset.

Operating lease payments are recognised in the income statement on a straight-line basis over the lease period.

When a finance or operating lease is terminated before the expiry of the lease period, any payment required to be made to the lessor by way of penalty is recognised as an expense in the financial year in which the lease is terminated.

2) Where a group company is the lessor:

Operating lease rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2009

2 SIGNIFICANT ACCOUNTING POLICIES (continued)

s) Government grants

Grants from the government are recognised at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions. Government grants relating to expenses are offset against the related expenses. Government grants relating to assets are deducted against the carrying amount of the assets.

t) Employee benefits

The Group's contributions are recognised as employee compensation expense when they are due, unless they can be capitalised as an asset.

1) Defined contribution plans

The Group makes legally required contributions to the Central Provident Fund ("Fund"). The Group's obligation, in regard to the defined contribution plan, is limited to the amount it contributes to the Fund. The Group's contributions are recognised as employee compensation expense when they are due.

2) Employee leave entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

3) Long-term incentive scheme (cash-based)

The Group awards long term incentive to employees. The entitlement to this benefit is conditional on the employee remaining in service up to the specified service period. The expected costs of this benefit are accrued over the specified service period.

4) Share-based compensation

i) Share options

The fair value of the employee services received in exchange for the grant of the share options is recognised as share-based payment to employees in the income statement with a corresponding increase in the share-based payment reserve over the vesting period. The amount is determined by reference to the fair value of the share options on grant date and the expected number of shares under options to be vested on vesting date.

The expected number of shares under options to be vested is fixed unless they have been forfeited or have lapsed prior to vesting date. Any changes to the expected number of shares under options to be vested will entail a corresponding adjustment to the share-based payment to employees and share-based payment reserve. The Group assesses this change at the end of each financial reporting period.

The proceeds received net of any directly attributable transaction costs and the related balance previously recognised in the share based payment reserve are credited to share capital when the options are exercised.

ii) Performance share plan/Deferred long-term incentives scheme (share-based)

The fair value of the employee services received in exchange for the grant of shares is recognised as share-based payment to employees in the income statement with a corresponding increase in the share-based payment reserve over the vesting period. The amount is determined by reference to the fair value of the shares on grant date and the expected number of shares to be vested on vesting date.

At the end of each financial reporting period, the Company revises its estimates of the expected number of shares that the participants are expected to receive. Any changes to the expected number of shares to be vested will entail a corresponding adjustment to the share-based payment to employees and share-based payment reserve.

2 SIGNIFICANT ACCOUNTING POLICIES *(continued)*

u) Impairment of non-financial assets

1) Goodwill

Goodwill is tested for impairment annually and whenever there is indication that the goodwill may be impaired. Goodwill included in the carrying amount of an investment in associated company is tested for impairment as part of the investment, rather than separately.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating-units ("CGU") expected to benefit from synergies arising from the business combination.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. Recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised in the income statement and is not reversed in a subsequent period.

2) Intangible assets

Property, plant and equipment

Investment in subsidiaries, associated companies and joint ventures

Assets including property, plant and equipment, other intangible assets and investments in subsidiaries, associated companies and joint ventures are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be fully recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount, which is the higher of an asset's net selling value and its value in use.

The recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the cash-generating units to which the asset belongs. A cash-generating unit is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets.

The impairment is recognised in the income statement.

v) Segment reporting

A business segment is a distinguishable component of the Group engaged in providing products or services that are subject to risks and returns that are different from those of other business segments. A geographical segment is a distinguishable component of the Group engaged in providing products or services within a particular economic environment that is subject to risks and returns that are different from those of segments operating in other economic environments.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2009

3 CASH AND CASH EQUIVALENTS

	The Group		The Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Cash at bank and on hand	29,677	34,880	9,210	11,257
Fixed deposits with banks	615,485	787,202	456,063	404,028
	645,162	822,082	465,273	415,285

For the purposes of the consolidated cash flow statement, the consolidated cash and cash equivalents comprised the following:

	The Group	
	2009 \$'000	2008 \$'000
Cash and bank balances (as above)	645,162	822,082
Less: Cash set aside for Singapore Exchange Derivatives Clearing Limited ("SGX-DC") Clearing Fund (Note 26)	(174,521)	(174,521)
Cash and cash equivalents per consolidated cash flow statement	470,641	647,561

The carrying amounts of cash and cash equivalents approximate their fair values.

Fixed deposits have the following average maturity from the end of the financial year with the following weighted average effective interest rates:

	The Group		The Company	
	2009	2008	2009	2008
Average maturity (days)	75	107	87	97
Effective weighted average interest rate (% per annum)	0.83	1.34	0.97	1.33

The exposure of cash and cash equivalents to interest rate risks is disclosed in Note 35.

3 CASH AND CASH EQUIVALENTS *(continued)*

Acquisition of subsidiaries

In the financial year ended 30 June 2008, the Group acquired two subsidiaries, Joint Asian Derivatives Pte. Ltd. ("JADL") and Singapore Commodity Exchange Limited ("SICOM"). Details of the acquisition are set out in Note 10.

The aggregate effects of the acquisition of subsidiaries on the cashflows of the Group for the financial year ended 30 June 2008 are as follows:

	The Group	
	At fair values \$'000	Carrying amounts in acquiree's books \$'000
Identifiable assets and liabilities		
Cash and cash equivalents	7,422	7,422
Trade and other receivables	1,399	1,399
Property, plant and equipment	16	16
Software	16	16
Total assets	8,853	8,853
Trade and other payables	1,679	1,679
Total liabilities	1,679	1,679
Identifiable net assets	7,174	7,174
Less: Share of identifiable net assets in joint venture	(1,103)	(1,103)
Identifiable net assets acquired	6,071	6,071
Goodwill (Note 13)	2,721	
Cash consideration paid	8,792	
Less: Cash and cash equivalents in subsidiaries acquired	(7,422)	
Net cash outflow on acquisition	1,370	

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2009

4 TRADE AND OTHER RECEIVABLES

	The Group		The Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Trade receivables (net) (Note (a))	535,444	867,602	2,381	2,349
Other receivables (Note (b))	8,468	10,299	3,712	3,675
	543,912	877,901	6,093	6,024

a) Trade receivables comprise:

Receivables from clearing members and settlement banks	451,897	793,526	–	–
– Daily settlements of accounts for due contracts and rights				
Trade receivables	84,211	74,420	2,381	2,349
	536,108	867,946	2,381	2,349
Less: Allowance for impairment of trade receivables (Note 35)	(664)	(344)	–	–
	535,444	867,602	2,381	2,349

b) Other receivables comprise:

Interest receivable	1,588	3,015	1,050	514
Prepayments	4,923	5,426	2,409	2,898
Deposits	216	224	153	130
Staff advances	100	78	54	21
Others (non-trade)	1,641	1,556	46	112
	8,468	10,299	3,712	3,675

The carrying amounts of trade and other receivables approximate their fair values.

The weighted average effective interest rate for staff advances is 4% (2008: 4%) per annum.

5 DERIVATIVE FINANCIAL INSTRUMENTS

The table below sets out the notional principal amounts of the outstanding currency forward contracts of the Group and the Company, and their corresponding fair values at the balance sheet date:

	Contract notional principal		Fair value asset		Fair value liability	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
The Group						
Currency forwards						
– Cash flow hedges	38,306	–	717	–	–	–
– Non-designated hedges	80,965	88,645	157	3,081	–	–
Total	119,271	88,645	874	3,081	–	–
The Company						
Currency forwards						
– Non-designated hedges	70,082	19,909	673	245	–	–

5 DERIVATIVE FINANCIAL INSTRUMENTS *(continued)*

The fair values of currency forward contracts have been calculated using the rates quoted by the Group's and the Company's bankers to terminate the contracts at the balance sheet date.

As at 30 June 2009, the settlement dates on currency forward contracts range between 1 and 9 months (2008: 1 and 9 months).

Currency forwards designated as cash flow hedges are entered to hedge highly probable forecast transactions denominated in United States dollar expected to occur at various dates within nine months from the balance sheet date. Gains and losses recognised in the hedging reserve prior to the occurrence of these transactions are transferred to the income statement in the month the transaction takes place.

6 SECURITIES CLEARING FUNDS

	The Group	
	2009 \$'000	2008 \$'000
Contribution by The Central Depository (Pte) Limited ("CDP")		
Contribution by CDP		
– Cash at bank	25,000	25,000

As at the year end, cash contributions by CDP are denominated in Singapore dollar and placed in interest bearing accounts with a bank. The corresponding reserve for the contributions by CDP is recorded as securities clearing funds reserve.

	The Group	
	2009 \$'000	2008 \$'000
Contribution by Clearing Members		
Contributions by CDP clearing members		
– cash at bank, held in trust	13,479	12,591
– bank guarantees	4,550	6,450
	18,029	19,041
Contributions by Options Clearing Company (Pte) Limited ("OCC") clearing members		
– cash at bank, held in trust	390	420

The cash contributions from CDP and OCC clearing members are not recorded in the consolidated balance sheet of the Group as these contributions are held in trust by the Group.

The bank guarantees are not recorded in the consolidated balance sheet of the Group.

The securities clearing funds were established under the clearing rules of the securities clearing subsidiaries, CDP and OCC. The clearing funds are to provide resources to enable CDP and OCC to discharge their respective obligations and the liabilities of defaulting clearing members arising from transactions in approved securities, futures and options.

The CDP clearing fund is a trust asset held subject to the trust purposes set out in Clearing Rule 7.1.2 of CDP.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2009

6 SECURITIES CLEARING FUNDS *(continued)*

Payments out of the securities clearing funds shall be made in the following order:

a) CDP Clearing Fund

- i) Contributions by defaulting clearing members
- ii) Contributions by CDP of \$25 million in cash
- iii) Contributions by all other non-defaulting clearing members on a pro rata basis in the proportion of each clearing member's turnover to the total turnover of all clearing members at the time of default
- iv) Insurance. SGX has purchased a \$45 million insurance cover
- v) Standby line of credit provided by CDP of \$75 million

Clearing members of the securities exchange are required to contribute a total of at least \$15 million in cash, acceptable assets or an equivalent amount in the form of bank guarantees with each member's contribution being in proportion to their market share.

CDP is proposing to revise the structure of the CDP Clearing Fund. The proposed changes would provide for a risk-based approach that allows the clearing members' contribution to vary in accordance with the risk that the members contribute to the clearing system. These changes are necessary to build a more robust clearing system for the long-term.

CDP invited public comments on the proposed changes from 15 June 2009 to 13 July 2009. CDP is in the process of reviewing the public feedback and will seek the necessary regulatory approval before implementing the changes.

b) OCC Clearing Fund

- i) Total deposits of defaulting clearing members
- ii) Base deposits of all other non-defaulting clearing members on a pro rata basis
- iii) Insurance

The clearing member's clearing fund total deposit shall consist of the aggregate amount of the base and variable deposit paid by the clearing member. Each clearing member is required to contribute a base deposit of an initial amount of \$30,000 in cash to the Clearing Fund. In addition to the base deposit, each clearing member shall be liable to contribute a variable deposit which shall be based upon the amount of business transacted or cleared by the clearing member.

7 FINANCIAL ASSETS, AVAILABLE-FOR-SALE

	The Group		The Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Balance at beginning of financial year	76,956	75,812	76,956	75,812
Additions				
– Unlisted equity securities – Bombay Stock Exchange Limited	–	1,144	–	1,144
Fair value gains/(losses) recognised in fair value reserve	(3,700)	–	(3,700)	–
Balance at end of financial year	73,256	76,956	73,256	76,956

As of 30 June 2009, the fair value of the unlisted equity securities has been determined by discounting the future estimated cash flows at the discount rate of 13%. The discount rate used reflected the specific risks relating to operating an exchange in India. Future cash flows are forecasted based on past financial performance and after considering factors such as macroeconomics, general market and industry-specific conditions and other relevant information.

While the estimated fair value is sensitive to any change in key assumptions and inputs to the valuation model, the change in the fair value estimate is not likely to be material to the overall financial positions of the Group or the Company.

8 PROPERTY, PLANT AND EQUIPMENT

	Freehold land \$'000	Freehold buildings \$'000	Leasehold buildings \$'000	Leasehold improve- ments \$'000	Furniture, fittings and office equipment \$'000	Computer hardware \$'000	Motor vehicles \$'000	Work-in- progress ^a \$'000	Total \$'000
2009									
The Group									
Cost									
At 1 July 2008	17,478	8,261	433	35,265	4,542	80,752	532	7,548	154,811
Reclassification	-	-	-	2,645	-	3,508	-	(9,337)	(3,184) ^b
Additions	-	-	-	693	381	428	-	2,209	3,711
Disposals	-	-	-	(1)	(98)	(683)	-	-	(782)
Write-off	-	-	-	-	-	(67,643)	-	(61)	(67,704)
At 30 June 2009	17,478	8,261	433	38,602	4,825	16,362	532	359	86,852
Accumulated depreciation									
At 1 July 2008	-	3,508	156	31,676	3,759	77,325	407	-	116,831
Depreciation charge	-	265	18	1,428	363	4,022	125	-	6,221
Disposals	-	-	-	(1)	(88)	(411)	-	-	(500)
Write-off	-	-	-	-	-	(67,332)	-	-	(67,332)
At 30 June 2009	-	3,773	174	33,103	4,034	13,604	532	-	55,220
Accumulated impairment charge									
At 1 July 2008	5,000	-	-	-	-	-	-	-	5,000
Impairment loss ^c	-	-	234	-	-	-	-	-	234
At 30 June 2009	5,000	-	234	-	-	-	-	-	5,234
Net book value									
At 30 June 2009	12,478	4,488	25	5,499	791	2,758	-	359	26,398
2008									
Cost									
At 1 July 2007	17,478	8,261	433	34,350	4,096	84,808	532	6,934	156,892
Acquisition of subsidiaries (Note 3)	-	-	-	-	4	12	-	-	16
Reclassification	-	-	-	788	-	226	-	(1,014)	-
Additions	-	-	-	127	454	497	-	1,628	2,706
Disposals	-	-	-	-	(12)	(310)	-	-	(322)
Write-off	-	-	-	-	-	(4,481)	-	-	(4,481)
At 30 June 2008	17,478	8,261	433	35,265	4,542	80,752	532	7,548	154,811
Accumulated depreciation									
At 1 July 2007	-	3,243	137	30,122	3,417	76,385	276	-	113,580
Depreciation charge	-	265	19	1,554	354	5,192	131	-	7,515
Disposals	-	-	-	-	(12)	(309)	-	-	(321)
Write-off	-	-	-	-	-	(3,943)	-	-	(3,943)
At 30 June 2008	-	3,508	156	31,676	3,759	77,325	407	-	116,831
Accumulated impairment charge									
At 1 July 2007 and 30 June 2008	5,000	-	-	-	-	-	-	-	5,000
Net book value									
At 30 June 2008	12,478	4,753	277	3,589	783	3,427	125	7,548	32,980

^a Work-in-progress comprises mainly systems infrastructure under development.

^b There was a reclassification of \$3,184,000 from work-in-progress hardware to work-in-progress software during the financial year (Note 9).

^c Impairment loss charged on the leasehold building during the financial year is based on an indicative offer from a third-party.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2009

8 PROPERTY, PLANT AND EQUIPMENT *(continued)*

	Freehold land \$'000	Freehold buildings \$'000	Leasehold improve- ments \$'000	Furniture, fittings and office equipment \$'000	Computer hardware \$'000	Motor vehicles \$'000	Work-in- progress ^a \$'000	Total \$'000
2009								
The Company								
Cost								
At 1 July 2008	17,478	8,261	35,085	1,245	19,522	532	421	82,544
Reclassification	-	-	2,645	-	96	-	(2,741)	-
Additions	-	-	490	70	136	-	2,740	3,436
Disposals	-	-	-	(1)	(101)	-	-	(102)
Write-off	-	-	-	-	(16,795)	-	(61)	(16,856)
At 30 June 2009	17,478	8,261	38,220	1,314	2,858	532	359	69,022
Accumulated depreciation								
At 1 July 2008	-	3,508	31,586	796	18,968	407	-	55,265
Depreciation charge	-	265	1,363	117	464	125	-	2,334
Disposals	-	-	-	(1)	(101)	-	-	(102)
Write-off	-	-	-	-	(16,699)	-	-	(16,699)
At 30 June 2009	-	3,773	32,949	912	2,632	532	-	40,798
Accumulated impairment charge								
At 1 July 2008 and 30 June 2009	5,000	-	-	-	-	-	-	5,000
Net book value								
At 30 June 2009	12,478	4,488	5,271	402	226	-	359	23,224
2008								
Cost								
At 1 July 2007	17,478	8,261	34,263	881	19,519	532	202	81,136
Reclassification	-	-	789	-	-	-	(789)	-
Additions	-	-	33	373	145	-	1,008	1,559
Intercompany transfer	-	-	-	-	3	-	-	3
Disposals	-	-	-	(9)	(145)	-	-	(154)
At 30 June 2008	17,478	8,261	35,085	1,245	19,522	532	421	82,544
Accumulated depreciation								
At 1 July 2007	-	3,243	30,068	734	18,603	276	-	52,924
Depreciation charge	-	265	1,518	71	507	131	-	2,492
Intercompany transfer	-	-	-	-	3	-	-	3
Disposals	-	-	-	(9)	(145)	-	-	(154)
At 30 June 2008	-	3,508	31,586	796	18,968	407	-	55,265
Accumulated impairment charge								
At 1 July 2007 and 30 June 2008	5,000	-	-	-	-	-	-	5,000
Net book value								
At 30 June 2008	12,478	4,753	3,499	449	554	125	421	22,279

^a Work-in-progress comprises mainly systems infrastructure under development.

8 PROPERTY, PLANT AND EQUIPMENT *(continued)*

The properties owned by the Group which are used for its operations and staff recreation are as follows:

Brief description	Tenure	Net book value as at 30 June 2009 \$'000
Industrial building, located at 18 New Industrial Road, Singapore	Freehold	16,966
Villa at Bintan Lagoon Golf and Beach Resort, Indonesia	26 years lease commencing from 14.06.1996	25

9 SOFTWARE

	Software \$'000	Work-in-progress software ^a \$'000	Total \$'000
2009			
The Group			
Cost			
At 1 July 2008	46,424	55,835	102,259
Reclassification	50,213	(47,029)	3,184 ^b
Additions	4,909	28,442	33,351
Disposals	(3,372)	–	(3,372)
Write-off	(10,770)	(51)	(10,821)
At 30 June 2009	87,404	37,197	124,601
Accumulated amortisation			
At 1 July 2008	31,685	–	31,685
Amortisation charge	12,701	–	12,701
Disposals	(1,385)	–	(1,385)
Write-off	(10,674)	–	(10,674)
At 30 June 2009	32,327	–	32,327
Net book value			
At 30 June 2009	55,077	37,197	92,274
2008			
The Group			
Cost			
At 1 July 2007	35,430	23,849	59,279
Acquisition of subsidiary (Note 3)	–	16	16
Reclassification	10,879	(10,879)	–
Additions	215	42,865	43,080
Disposals	(100)	(16)	(116)
At 30 June 2008	46,424	55,835	102,259
Accumulated amortisation			
At 1 July 2007	27,170	–	27,170
Amortisation charge	4,573	–	4,573
Disposals	(58)	–	(58)
At 30 June 2008	31,685	–	31,685
Net book value			
At 30 June 2008	14,739	55,835	70,574

^a Work-in-progress comprises mainly software application under development.

^b There was a reclassification of \$3,184,000 from work-in-progress hardware to work-in-progress software during the financial year (Note 8).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2009

9 SOFTWARE (continued)

	Software \$'000	Work-in- progress software \$'000	Total \$'000
2009			
The Company			
Cost			
At 1 July 2008	11,438	4,849	16,287
Reclassification	5,636	(5,636)	–
Additions	1,180	3,320	4,500
Write-off	(1,109)	(51)	(1,160)
At 30 June 2009	17,145	2,482	19,627
Accumulated amortisation			
At 1 July 2008	9,320	–	9,320
Amortisation charge	2,438	–	2,438
Write-off	(1,094)	–	(1,094)
At 30 June 2009	10,664	–	10,664
Net book value			
At 30 June 2009	6,481	2,482	8,963
2008			
The Company			
Cost			
At 1 July 2007	9,110	1,821	10,931
Reclassification	2,169	(2,169)	–
Additions	159	6,160	6,319
Intercompany transfer	–	(963)	(963)
At 30 June 2008	11,438	4,849	16,287
Accumulated amortisation			
At 1 July 2007	8,052	–	8,052
Amortisation charge	1,268	–	1,268
At 30 June 2008	9,320	–	9,320
Net book value			
At 30 June 2008	2,118	4,849	6,967

10 INVESTMENTS IN SUBSIDIARIES

	The Company	
	2009 \$'000	2008 \$'000
Equity investments at cost		
Balance at beginning of financial year	422,418	581,381
Acquisition	–	7,657
Capital injection/(reduction)	3,000	(154,620)
Impairment loss	–	(12,000)
Balance at end of financial year	425,418	422,418

10 INVESTMENTS IN SUBSIDIARIES *(continued)*

Details of the subsidiaries are as follows:

Names of subsidiaries	Note	Principal activities	Country of business and incorporation	Equity held by			
				The Company		Subsidiaries	
				2009 %	2008 %	2009 %	2008 %
Singapore Exchange Securities Trading Limited	(a)	Operating a securities exchange	Singapore	100	100	–	–
Singapore Exchange Derivatives Trading Limited	(a)	Operating a derivatives exchange	Singapore	100	100	–	–
The Central Depository (Pte) Limited	(a)	Providing clearing, counterparty guarantee, depository and related services for securities transactions	Singapore	100	100	–	–
Singapore Exchange Derivatives Clearing Limited	(a)	Providing clearing, counterparty guarantee and related services for derivatives transactions	Singapore	100	100	–	–
Singapore Commodity Exchange Limited	(a)	Operating a commodity exchange	Singapore	100 ^d	100 ^d	–	–
Singapore Exchange IT Solutions Pte Limited	(a)	Providing computer services and maintenance, and software maintenance	Singapore	100	100	–	–
Options Clearing Company (Pte) Limited	(a)	Providing facilities for the registration of options and the maintenance of margin for the options relating to securities	Singapore	–	–	100	100
SGX International Pte. Ltd.	(a)	Providing business management and consultancy services	Singapore	100	100	–	–
Joint Asian Derivatives Pte. Ltd.	(a)	Inactive	Singapore	–	–	100	100
Macronet Information Pte Ltd	(a)	Inactive	Singapore	–	–	100	100
SGX America Ltd	(b)	Inactive	United States of America	–	–	100	100
SGX Investment (Mauritius) Limited	(c)	Inactive	Mauritius	100	100	–	–
SGXLink Pte Ltd	(a)	Inactive	Singapore	100	100	–	–
Asia Converge Pte Ltd	(a)	Dormant	Singapore	–	–	100	100
Asian Gateway Investments Pte Ltd	(a)	Dormant	Singapore	100	100	–	–
Asiaclear Pte Ltd	(a)	Dormant	Singapore	–	–	100	100
CDP Nominees Pte Ltd	(a)	Dormant	Singapore	–	–	100	100
Globalclear Pte Ltd	(a)	Dormant	Singapore	–	–	100	100
Securities Clearing and Computer Services (Pte) Limited	(a)	Dormant	Singapore	100	100	–	–

a) Audited by PricewaterhouseCoopers LLP, Singapore.

b) Not required to be audited in the United States of America.

c) Audited by PricewaterhouseCoopers, Mauritius.

d) International Enterprise Singapore holds one share.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2009

10 INVESTMENTS IN SUBSIDIARIES *(continued)*

Acquisition of subsidiaries

In the financial year ended 30 June 2008, the Group made the following acquisitions:

- i) On 13 November 2007, the Group acquired 50% of the issued ordinary share capital of JADL for a cash consideration of \$1,135,000 which represented its identifiable net assets at the date of acquisition; and
- ii) On 30 June 2008, the Company acquired 100% of the issued ordinary share capital of SICOM for a cash consideration of \$7,657,000 (inclusive of transaction costs of \$157,000).

The fair value of identifiable net assets of SICOM at the date of acquisition amounted to \$4,936,000, resulting in goodwill on acquisition of \$2,721,000 (Note 13). Details of identifiable net assets acquired are disclosed in Note 3. The goodwill was attributable to the synergies expected to arise after the acquisition.

JADL incurred net expenses and contributed a net loss of \$310,000 to the Group for the period from 13 November 2007 to 30 June 2008. SICOM was only acquired on 30 June 2008 and did not contribute to the Group's net profit for the financial year ended 30 June 2008. The subsidiaries' assets and liabilities at 30 June 2008 were \$8,050,000 and \$1,218,000 respectively. If the acquisitions had occurred on 1 July 2007, Group revenue would have been \$770,129,000 and net profit would have been \$474,351,000.

11 INVESTMENTS IN JOINT VENTURES

	The Group	
	2009 \$'000	2008 \$'000
Investments at cost		
Balance at beginning of financial year	121	5,940
Share of results	(33)	(4,717)
Distribution of net assets – termination of joint venture	(88)	–
Joint venture which became a subsidiary during the financial year		
– Investment, at cost	–	(5,000)
– Share of results	–	3,898
Balance at end of financial year	–	121

Names of joint ventures	Principal activities	Country of business and incorporation	Equity holding	
			2009 %	2008 %
American Stock Exchange – SGX Pte Ltd ("AMEX") (Note (a))	Promote the listing and trading of exchange traded funds	Singapore	50	50
Joint Asian Derivatives Pte. Ltd. (Note (b))	Providing business management and consultancy services	Singapore	–	–

- a) On 4 March 2009, the shareholders of AMEX, American Stock Exchange International, LLC and Singapore Exchange Securities Trading Limited ("SGX-ST") entered into a termination deed to terminate the joint venture. The entire net assets of AMEX as recorded in the audited financial statements as at 30 April 2009 have been distributed equally between the two shareholders. AMEX will make an application under Section 344 of the Singapore Companies Act (Cap.50) to be struck-off the register of companies.
- b) On 13 November 2007, the Group acquired the remaining 50% of JADL. With the acquisition, JADL became a wholly-owned subsidiary of the Group (Note 10).

11 INVESTMENTS IN JOINT VENTURES *(continued)*

The following amounts represent the Group's 50% share of the assets and liabilities and results of the joint ventures which have been equity accounted for in the consolidated balance sheet and income statement:

	The Group	
	2009 \$'000	2008 \$'000
Balance sheet		
Assets:		
Current assets	–	140
Non-current assets	–	–
	–	140
Liabilities:		
Current liabilities	–	19
Net assets	–	121
Income statement		
Revenue	–	–
Expenses	36	511
Loss before tax	(36)	(511)
Tax	–	–
Loss after tax	(36)	(511)
Cash flow		
Operating cash outflows	(52)	(511)
Financing cash outflows	(88)	–
Total cash outflows	(140)	(511)
Capital commitments in relation to interest in joint ventures	–	–
Proportionate interest in joint ventures' commitments	–	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2009

12 INVESTMENTS IN ASSOCIATED COMPANIES

	The Group		The Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Equity investment at cost			4,389	4,389
Balance at beginning of financial year	3,767	5,139		
Currency translation differences	(37)	(579)		
Share of results	83	(111)		
Impairment loss made during the year	–	(682)		
Balance at end of financial year	3,813	3,767		
The summarised financial information of associated companies is as follows (Group's proportionate share)				
– Assets	3,684	3,807		
– Liabilities	446	615		
– Revenue	1,967	617		
– Net profit/(loss)	83	(111)		
Share of associated companies contingent liabilities incurred jointly with other investors	–	–		
Contingent liabilities in which the Group is severally liable	–	–		

Goodwill amounting to \$575,000 (2008: \$575,000) is included in the carrying amount of investments in associated companies.

Details of the associated companies held by the Group are as follows:

Names of companies	Principal activity	Country of business and incorporation	Equity holding	
			2009 %	2008 %
Philippine Dealing System Holdings Corp. *	Investment holding	Philippines	20	20
Webinops Pte. Ltd.	Software development	Singapore	10	10

* Audited by SyCip Gorres Velayo & Co, Philippines

Investment in Webinops Pte. Ltd. ("Webinops") has been fully impaired in the financial year ended 30 June 2008 as Webinops has ceased business operations in March 2008 and is in the process of liquidation. There is no recoverable amount from the net assets held by Webinops.

13 GOODWILL

Goodwill arising from consolidation

	The Group	
	2009 \$'000	2008 \$'000
Cost		
Balance at beginning of financial year	2,721	–
Acquisition of subsidiary (Note 3)	–	2,721
Balance at end of financial year	2,721	2,721

Impairment test for goodwill

The goodwill relates to the acquisition of SICOM, the subsidiary operating a commodity exchange.

The recoverable amount of the goodwill was determined based on value-in-use calculation, a discounted cash flow model. The key variables of the computation are as follows:

	Key variables	Basis
Cash flow projections	Based on financial budgets and forecasts over a ten-year period, as approved by management	Based on past performance and its expectations of the market development
Terminal growth rate	5%	Did not exceed the long-term average growth rate for the market in which SICOM operates
Discount rate	10%	Reflected the specific risks relating to operating a commodity exchange in Singapore

A period greater than five years was used as it is indicative of SICOM's overall performance. As SICOM was only acquired on 30 June 2008, the first five-year period is expected to be an expansionary phase focusing on development of new products, extending distribution and alliances growth. The business performance is expected to stabilise and strengthen in the following five-year period.

Based on the value-in-use calculations, there is no impairment charge on the goodwill. While the estimated recoverable amount of the goodwill is sensitive to any change in key variables and inputs to the value-in-use calculations, the change in the estimated recoverable amount is not likely to be material to the overall financial position of the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2009

14 TRADE AND OTHER PAYABLES

	The Group		The Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Trade payables (Note (a))	476,827	810,716	–	–
Other payables (Note (b))	80,981	100,194	41,823	57,271
Amount due to subsidiaries (non-trade) (Note (c))	–	–	275,652	85,381
	557,808	910,910	317,475	142,652
a) Trade payables comprise:				
Payables to clearing members and settlement banks – daily settlements of accounts for due contracts and rights	451,897	793,526	–	–
Other trade payables	24,930	17,190	–	–
	476,827	810,716	–	–
b) Other payables comprise:				
Accrual for operating expenses	35,159	29,305	12,510	12,504
Accrual for bonus	36,199	59,738	26,505	41,962
Central Provident Fund payable	824	1,187	512	848
Advance receipts	4,276	5,879	6	6
Others (non-trade)	4,523	4,085	2,290	1,951
	80,981	100,194	41,823	57,271

c) The amounts due to subsidiaries are unsecured, non-interest bearing and repayable on demand. The carrying amounts approximate their fair values.

d) The carrying amounts of trade and other payables approximate their fair values.

15 INCOME TAXES

(a) Income tax expense

	The Group		The Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Tax expense attributable to profit is made up of:				
– current income tax	58,734	98,930	3,926	4,035
– deferred income tax	4,210	(723)	(1,717)	(910)
	62,944	98,207	2,209	3,125
Under/(over) provision in preceding financial years:				
– current income tax	11	(1,001)	–	–
	62,955	97,206	2,209	3,125

15 INCOME TAXES (continued)

b) Tax reconciliation

The tax expense on profit differs from the amount that would arise using the Singapore rate of income tax due to the following:

	The Group		The Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Profit before tax and share of results of joint ventures and associated companies	368,565	576,148	303,796	438,671
Tax calculated at a tax rate of 17% (2008: 18%)	62,656	103,707	51,645	78,961
Tax effect of:				
Different tax rates in other countries	(80)	(27)	–	–
Singapore statutory income exemption	(175)	(157)	(26)	(27)
Income not subject to tax	(135)	(9,431)	(49,877)	(78,133)
Expenses not deductible for tax purposes	364	3,843	353	2,191
Changes in tax rate	(175)	–	(28)	–
Others	489	272	142	133
	62,944	98,207	2,209	3,125

On 22 January 2009, the Government announced a 1% reduction in statutory tax rate from Year of Assessment 2010.

c) Movements in provision for tax

	The Group		The Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Balance at beginning of financial year	102,328	76,305	7,493	8,157
Income tax paid	(95,962)	(71,906)	(3,863)	(4,699)
Tax expense on profit for the financial year	58,734	98,930	3,926	4,035
Under/(over) provision in preceding financial years	11	(1,001)	–	–
Balance at end of financial year	65,111	102,328	7,556	7,493

d) Deferred income tax

The following amounts, determined after appropriate offsetting, are shown in the balance sheets:

	The Group		The Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Deferred tax assets:				
– to be recovered within 12 months	1,547	102	1,547	102
– to be recovered after more than 12 months	2,743	1,969	2,743	1,969
	4,290	2,071	4,290	2,071
– Effect of offsetting	(1,011)	(625)	(1,011)	(625)
	3,279	1,446	3,279	1,446
Deferred tax liabilities:				
– to be settled within 12 months	2,847	1,302	408	418
– to be settled after more than 12 months	6,860	1,970	603	207
	9,707	3,272	1,011	625
– Effect of offsetting	(1,011)	(625)	(1,011)	(625)
	8,696	2,647	–	–

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2009

15 INCOME TAXES (continued)

d) Deferred income tax (continued)

The movements in the gross deferred tax assets and liabilities during the financial year are as follows:

The Group – deferred tax assets

	Other	
	2009 \$'000	2008 \$'000
Balance at beginning of financial year	2,071	1,020
Credited to income statement	2,103	1,164
Credited/(charged) to equity	116	(113)
Balance at end of financial year	4,290	2,071

The Group – deferred tax liabilities

	Accelerated tax depreciation	
	2009 \$'000	2008 \$'000
Balance at beginning of financial year	3,272	2,831
Charged to income statement	6,313	441
Charged to equity	122	–
Balance at end of financial year	9,707	3,272

The Company – deferred tax assets

	Other	
	2009 \$'000	2008 \$'000
Balance at beginning of financial year	2,071	1,020
Credited to income statement	2,103	1,164
Credited/(charged) to equity	116	(113)
Balance at end of financial year	4,290	2,071

The Company – deferred tax liabilities

	Accelerated tax depreciation	
	2009 \$'000	2008 \$'000
Balance at beginning of financial year	625	371
Charged to income statement	386	254
Balance at end of financial year	1,011	625

15 INCOME TAXES (continued)

d) Deferred income tax (continued)

Deferred tax assets have not been recognised in respect of the following items:

	The Group	
	2009 \$'000	2008 \$'000
Tax losses	20,353	15,027
Unutilised wear and tear allowances	615	615

These items principally relate to three entities within the Group which are dormant. Deferred tax assets have not been recognised in respect of these items as it is not probable that future taxable profits will be available against which the Group can utilise the benefits. The tax losses and unutilised wear and tear allowances are subject to the relevant provisions of the Singapore Income Tax Act and confirmation by the tax authorities.

16 PROVISIONS

	The Group		The Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Provision for SGX-MAS Market Development Scheme (Note (a))	2,284	2,435	–	–
Provision for unutilised leave (Note (b))	2,000	1,800	1,362	1,342
Provision for dismantlement, removal or restoration of property, plant and equipment (Note (c))	3,000	3,000	3,000	3,000
	7,284	7,235	4,362	4,342

a) Provision for SGX-MAS Market Development Scheme

Provision for SGX-MAS Market Development Scheme is used to fund projects that will raise awareness of the securities and derivatives market among investors.

Movements in this provision are as follows:

	The Group		The Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Balance at beginning of financial year	2,435	2,637	–	–
Utilisation of provision	(151)	(202)	–	–
Balance at end of financial year	2,284	2,435	–	–

b) Provision for unutilised leave

Provision for unutilised leave is the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

Movements in this provision are as follows:

	The Group		The Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Balance at beginning of financial year	1,800	1,720	1,342	1,238
Provision made during the financial year (net)	200	80	20	104
Balance at end of financial year	2,000	1,800	1,362	1,342

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2009

16 PROVISIONS (continued)

- c) Provision for dismantlement, removal or restoration of property, plant and equipment
Provision for dismantlement, removal or restoration is the estimated costs of dismantlement, removal or restoration of leased premises, which are capitalised and included in the cost of property, plant and equipment. The provision is expected to be utilised upon return of the leased premises at SGX Centre.

Movements in this provision are as follows:

	The Group		The Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Balance at beginning and end of financial year	3,000	3,000	3,000	3,000

17 SHARE CAPITAL OF SINGAPORE EXCHANGE LIMITED

a) Share capital and treasury shares

The Company

	Number of shares		Amount	
	Issued share capital '000	Treasury shares '000	Share capital \$'000	Treasury shares \$'000
2009				
Balance at beginning of financial year	1,067,023	3,070	409,880	(27,271)
Issue of shares under employee share option plans	2,174	–	4,407	–
Tax effect on treasury shares	–	–	–	116
Purchase of treasury shares	–	2,551	–	(16,488)
Vesting of shares under share plans	–	(158)	564	817
Balance at end of financial year	1,069,197	5,463	414,851	(42,826)
2008				
Balance at beginning of financial year	1,061,370	2,781	398,533	(12,393)
Issue of shares under employee share option plans	5,653	–	11,884	–
Tax effect on treasury shares	–	–	–	(113)
Purchase of treasury shares	–	1,452	–	(19,057)
Vesting of shares under share plans	–	(1,163)	(537)	4,292
Balance at end of financial year	1,067,023	3,070	409,880	(27,271)

Pursuant to the Share Purchase Mandate approved by shareholders, the Company purchased 2,550,200 (2008: 1,451,700) of its ordinary shares by way of on-market purchases, ranging from \$5.97 to \$6.83 per share (2008: \$9.25 to \$15.60 per share). The total amount paid to purchase the shares was \$16,488,000 (2008: \$19,057,000) and this is shown as a component within shareholders' equity as a reduction of total shareholders' equity. The Company holds the shares bought back as treasury shares and plans to use the shares to fulfil its obligations under the Company's share-based compensation plans.

17 SHARE CAPITAL OF SINGAPORE EXCHANGE LIMITED *(continued)*

b) Share options

i) Outstanding options

Share options are granted to executive directors and employees.

At the EGM on 22 September 2005 ("EGM 2005"), the Remuneration Committee terminated the SGX Share Option Plan ("the Scheme"), with regards to grant of further options, following the adoption of the SGX Performance Share Plan. However, options granted and outstanding prior to the aforesaid termination will continue to be valid and be subject to the terms and conditions of the Scheme.

Upon the aforesaid termination, no options were granted to the Group Employees under the Scheme during the financial year.

Movements in the number of unissued ordinary shares under options which are outstanding at the balance sheet date are as follows:

	The Group and The Company	
	2009	2008
Balance at beginning of financial year	4,652,200	10,330,900
Lapsed	(18,000)	(25,900)
Exercised	(2,174,000)	(5,652,800)
Balance at end of financial year	2,460,200	4,652,200

All outstanding options have vested as at 30 June 2009 and the average share price of SGX's ordinary shares for the financial year is \$5.90 (2008: \$10.45).

As at 30 June 2009, the outstanding options granted to an executive director and employees to subscribe for ordinary shares were as follows:

Number of ordinary shares under options	Exercise price \$	Exercise period	
		From	To
20,000	0.90	01.10.2004	30.09.2009
1,828,200	1.70	27.01.2006	26.01.2011
2,000	1.70	13.02.2006	01.11.2009
610,000	1.60	02.11.2006	01.11.2011
2,460,200			

The terms of the exercise of options are set out in the Directors' Report under the caption "SGX Share Option Plan".

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2009

17 SHARE CAPITAL OF SINGAPORE EXCHANGE LIMITED (continued)

b) Share options (continued)

ii) Options exercised during the year

During the financial year ended 30 June 2009, options for 2,174,000 (2008: 5,652,800) shares were exercised as follows:

Number of ordinary shares under options	Exercise price \$	Proceeds \$'000	Exercise month
25,000	1.70	42	July 2008
143,000	1.60	229	August 2008
610,500	1.70	1,037	August 2008
827,500	1.60	1,324	September 2008
285,500	1.70	485	September 2008
2,000	1.60	3	October 2008
8,000	0.94	8	November 2008
10,000	1.60	16	November 2008
88,000	1.70	150	January 2009
6,000	0.90	5	February 2009
45,000	1.60	72	February 2009
10,500	1.70	18	February 2009
56,000	1.60	90	March 2009
4,000	0.90	4	April 2009
1,000	1.70	2	April 2009
25,000	1.60	40	May 2009
2,000	1.70	3	May 2009
23,000	1.60	37	June 2009
2,000	1.70	3	June 2009
2,174,000		3,568	

iii) Fair value of share options

The fair value of the options was estimated by adopting the Cox-Ross-Rubinstein (1979) binomial tree model, based on the following information and assumptions on expected dividend yield, risk-free interest rate, expected volatility and time to maturity:

Date of grant	Exercise period	Number of unissued shares under options	Fair value of option at grant date \$	Exercise price* \$	Expected dividend yield %	Risk-free interest rate %	Expected volatility rate %
27.01.2004	27.01.2006 to 26.01.2011	1,828,200	0.48	1.70	3.03	2.84	29.86
27.01.2004	28.01.2004 to 27.01.2009	–	0.48	1.70	3.03	2.84	29.86
27.01.2004	13.02.2006 to 01.11.2009	2,000	0.48	1.70	3.03	2.84	29.86
27.01.2004	01.04.2008 to 31.12.2009	–	0.48	1.70	3.03	2.84	29.86
01.11.2004	02.11.2006 to 01.11.2011	610,000	0.43	1.60	3.15	2.64	27.94
01.11.2004	01.04.2008 to 31.12.2009	–	0.43	1.60	3.15	2.64	27.94

* The exercise price has been adjusted following a special dividend paid in 2005.

17 SHARE CAPITAL OF SINGAPORE EXCHANGE LIMITED *(continued)*

b) Share options *(continued)*

iv) Share options committed to Chief Executive Officer

The Chief Executive Officer Hsieh Fu Hua's initial contract, which was effective on 1 March 2003, provided that options for a minimum of 2 million shares would be granted to him for each completed year of service with the Company.

His contract was renewed before its expiry on 28 February 2006. It was renewed again for the current term running from 21 December 2006 to 30 September 2009. His contract is further extended to 30 November 2009. He is not entitled to any share options under the renewed contract.

Under the current contract, share options granted to-date will be exercisable until the seventh anniversary date of grant if the Company prematurely terminates his employment through no fault of his own. If Hsieh Fu Hua terminates his employment before the end of this employment contract, all unexercised share options granted to him shall lapse.

c) Performance share plans ("the Plan")

i) Outstanding performance shares

Details of performance shares awarded to participants at the balance sheet date are as follows:

Number of shares	The Group and The Company				Total
	FY2006 grant *	FY2007 grant **	FY2008 grant **	FY2009 grant **	
2009					
Balance at beginning of financial year	–	1,375,000	866,400	–	2,241,400
Granted	–	–	–	1,834,000	1,834,000
Lapsed	–	(38,500)	(7,800)	(38,800)	(85,100)
Balance at end of financial year	–	1,336,500	858,600	1,795,200	3,990,300
2008					
Balance at beginning of financial year	1,252,500	1,635,000	–	–	2,887,500
Granted	–	–	892,200	–	892,200
Lapsed	(90,000)	(260,000)	(25,800)	–	(375,800)
Vested	(1,162,500)	–	–	–	(1,162,500)
Balance at end of financial year	–	1,375,000	866,400	–	2,241,400

* The number of shares awarded are based on achievement of pre-set performance targets over the performance period.

** Represents the shares to be awarded to participants at 100% of the grant. However, the shares awarded at the vesting date may range from 50% to 150% of the grant, depending on the level of achievement against the performance conditions. There shall be no award if the achievement falls below the threshold performance conditions.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2009

17 SHARE CAPITAL OF SINGAPORE EXCHANGE LIMITED *(continued)*

c) Performance share plans ("the Plan") *(continued)*

ii) Fair value of performance shares

The fair value of performance shares at grant date and the key assumptions of the fair value model for the grants were as follows:

	FY2009 grant	FY2008 grant	FY2007 grant	FY2006 grant	FY2006 grant
Date of grant	07.07.2008	01.11.2007	01.11.2006	30.06.2006	30.06.2006
Vesting date	01.09.2011	01.11.2010	02.11.2009	30.06.2008	30.06.2007
Number of performance shares at grant date	1,834,000	892,200	1,660,000	875,000	875,000
Fair value per performance share at grant date	\$5.52	\$17.17	\$4.54	\$3.13	\$3.26
Assumption under Monte-Carlo Model					
Expected volatility					
Shares of Singapore Exchange Limited	44.15%	31.59%	21.77%	21.92%	21.92%
Straits Times Index	16.56%	11.44%	9.91%	NA	NA
FTSE Mondo Visione	28.68%	NA	NA	NA	NA
Historical volatility period	36 months	36 months	36 months	36 months	36 months
Risk-free interest rate					
Date on which yield of Singapore government bond was based	1.49%	2.19%	3.05%	3.10%	2.76%
	04.07.2008	31.10.2007	31.10.2006	29.06.2006	29.06.2006
Term	3	3	3	2	1
Cost of funding					
Fixed deposit/risk-free interest rate	1.49%	2.5%	NA	NA	NA
Expected dividend yield based on management's forecast					
	5.41%	1.67%	4.00%	3.90%	3.90%
Share price on day preceding date of grant					
	\$6.68	\$15.60	\$4.50	\$3.38	\$3.38

NA: Not Applicable

17 SHARE CAPITAL OF SINGAPORE EXCHANGE LIMITED *(continued)*

d) Deferred long-term incentives scheme ("the LTI Scheme")

i) Outstanding deferred long-term incentives shares

Details of deferred long-term incentives shares awarded to participants at the balance sheet date are as follows:

	The Group and The Company		
	FY2008 grant	FY2009 grant	Total
Number of shares			
2009			
Balance at beginning of financial year	462,600	–	462,600
Granted	–	750,200	750,200
Lapsed	(29,000)	(20,900)	(49,900)
Vested	(158,100)	–	(158,100)
Balance at end of financial year	275,500	729,300	1,004,800
2008			
Balance at beginning of financial year	–	–	–
Granted	507,100	–	507,100
Lapsed	(44,500)	–	(44,500)
Balance at end of financial year	462,600	–	462,600

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2009

17 SHARE CAPITAL OF SINGAPORE EXCHANGE LIMITED (continued)

d) Deferred long-term incentives scheme ("the LTI Scheme") (continued)

ii) Fair value of deferred long-term incentives shares

Fair value of deferred long-term incentives shares was estimated by present value of the share price adjusted for future expected dividends and funding cost. The fair value of shares at grant date and the key assumptions of the fair value model for the grants were as follows:

FY 2009 Grant

Date of grant	←-----14.08.2008-----→		
Vesting date	03.11.2009	03.11.2010	03.11.2011
Number of shares at grant date	272,900	235,400	241,900
Fair value per performance share at grant date	\$6.62	\$6.31	\$5.95

Assumption used in fair value model

Risk-free interest rate	1.03%	1.19%	1.53%
Date on which yield of Singapore government bond was based	13.08.2008	13.08.2008	13.08.2008

Cost of funding

Fixed deposit/risk-free interest rate	1.03%	1.19%	1.53%
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Expected dividend yield based on management's forecast

4.44%	5.39%	6.38%
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Share price on day preceding date of grant

\$6.72	\$6.72	\$6.72
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FY 2008 Grant

Date of grant	←-----21.08.2007-----→			←-----01.11.2007-----→		
Vesting date	03.11.2008	02.11.2009	01.11.2010	03.11.2008	02.11.2009	01.11.2010
Number of shares at grant date	175,500	155,500	158,400	5,700	6,000	6,000
Fair value per performance share at grant date	\$8.48	\$8.14	\$7.78	\$15.64	\$15.30	\$14.94

Assumption used in fair value model

Risk-free interest rate	2.29%	2.22%	2.36%	2.02%	2.02%	2.19%
Date on which yield of Singapore government bond was based	20.08.2007	20.08.2007	20.08.2007	31.10.2007	31.10.2007	31.10.2007

Cost of funding

Fixed deposit/risk-free interest rate	2.25%	2.47%	2.50%	2.25%	2.47%	2.50%
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Expected dividend yield based on management's forecast

3.88%	3.96%	4.38%	2.21%	2.26%	2.50%
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Share price on day preceding date of grant

\$8.90	\$8.90	\$8.90	\$15.60	\$15.60	\$15.60
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18 STAFF COSTS

	The Group		The Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Wages and salaries	50,621	52,902	34,975	38,413
Employer's contribution to Central Provident Fund on salary and wages	4,230	4,131	2,690	2,760
Variable bonus	30,729	51,528	24,218	34,540
Employer's contribution to Central Provident Fund on variable bonus	(585)	(1,376)	(457)	(1,326)
	30,144	50,152	23,761	33,214
Long-term incentive scheme	–	492	–	221
Retrenchment benefits	76	52	76	52
Share-based payment to employees	14,491	9,533	14,491	9,533
	99,562	117,262	75,993	84,193

Included in staff costs is remuneration of key management and directors under the employment of the Group and the Company (Note 34).

19 OTHER OPERATING EXPENSES

	The Group		The Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Professional charges	16,254	13,539	9,460	8,237
Marketing and travelling	4,038	7,540	2,150	3,073
Communication charges	3,447	3,515	2,448	2,228
Fees to MAS for transfer of participant supervision function	–	2,300	–	2,300
Allowance for impairment of trade receivables (net)	426	21	–	51
Net foreign exchange (gain)/loss	(1,793)	547	(468)	199
Net (gain)/ loss on disposal of property, plant and equipment and software	(1,635)	(106)	–	–
Cost for processing and royalties	20,195	21,440	774	1,808
Others	6,373	6,222	4,713	4,553
	47,305	55,018	19,077	22,449

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2009

20 PROFIT FROM OPERATING ACTIVITIES

	The Group		The Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Profit from operating activities is arrived at after:				
Charging:				
Audit services by auditor of the Company				
– current year	443	427	185	214
– overprovision in prior years	(29)	(24)	–	–
Other services by auditor of the Company				
– current year	91	212*	16	28
Rental expenses – operating leases	14,557	14,549	10,532	9,248
Provision for unutilised leave	200	80	20	104
Write-off/impairment of property, plant and equipment	753	538	223	199
And crediting:				
Grants received from Financial Sector Development Fund	4,623	1,345	84	64
Interest income on margin deposits held in trust (net)	13,631	18,866	–	–

* \$90,000 of other services by auditor of the Company is for audit related services engaged for the review of a computer application.

21 OTHER GAINS

	The Group		The Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Losses on financial assets at fair value through profit or loss (Note (a))	–	(2,423)	–	–
Interest income and other income/(loss) (Note (b))	1,338	17,612	5,657	15,010
Impairment of club memberships	(35)	–	(35)	–
Impairment loss on subsidiary (Note (c))	–	–	–	(12,000)
Impairment of associated company	–	(682)	–	–
Distribution from SGX-DT Compensation Fund upon its expiry (Note 28)	–	34,021	–	–
	1,303	48,528	5,622	3,010

21 OTHER GAINS (continued)

a) Losses on financial assets at fair value through profit or loss

	The Group		The Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Managed funds				
– Net loss on disposal	–	(2,423)	–	–

b) Interest income and other income/(loss)

	The Group		The Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Fixed deposits with banks	6,962	14,254	3,804	5,282
Bank interest income	145	920	30	142
Other interest income	108	79	8	4
Dividend income	366	181	366	181
Net foreign exchange gain	–	895	–	9,401
Realised/unrealised gain/(loss) from currency forwards	(6,387)	1,376	1,490	–
Others	144	(93)	(41)	–
	1,338	17,612	5,657	15,010

- c) The impairment loss on subsidiary is due to the Company's investment in SGX Investment (Mauritius) Limited, which is denominated in USD and fully hedged for foreign exchange risk since inception. As the USD has declined since the original investment date and the cost of investment in subsidiary is recognised at cost in the Company's balance sheet, the Company has recognised an impairment loss. This has no impact on the Group's results.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2009

22 EARNINGS PER SHARE

	The Group	
	2009 \$'000	2008 \$'000
Net profit attributable to the equity holders of the Company	305,657	478,320
Weighted average number of ordinary shares in issue for basic earnings per share ('000)	1,063,460	1,060,878
Adjustments for ('000)		
– Share options	1,764	3,916
– Shares granted under the Plan and the LTI Scheme	5,539	3,298
Weighted average number of ordinary shares for diluted earnings per share ('000)	1,070,763	1,068,092
Earnings per share (in cents per share)		
– Basic	28.74	45.09
– Diluted	28.55	44.78

Basic earnings per share is calculated by dividing the net profit attributable to the equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

For the purpose of calculating diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted for the effects of all dilutive potential ordinary shares. The Company has two categories of dilutive potential ordinary shares: share options granted under the Scheme and shares granted under the Plan and the LTI Scheme (Note 17).

For share options granted under the Scheme, the adjustment made to weighted average number of shares on issue represents the number of shares that could have been issued upon the exercise of all dilutive share options less the number of shares that could have been issued at fair value (determined as the Company's average share price for the financial year) for the same total proceeds.

For the Plan and the LTI Scheme, the adjustment made represents the number of shares expected to vest.

23 DIVIDENDS

	The Group and The Company	
	2009 \$'000	2008 \$'000
Interim tax exempt one-tier dividends of 10.5 cents per share (2008: 9.0 cents)	111,674	95,552
Proposed final tax exempt one-tier dividends of 15.5 cents per share (2008: 29 cents)	164,879	308,546
	276,553	404,098

The directors have proposed a final tax exempt one-tier dividend for 2009 of 15.5 cents (2008: 29.0 cents) per share amounting to a total of \$164,879,000 (2008: \$308,546,000). The proposed dividend has been transferred from retained profits to a proposed dividend reserve.

24 SEGMENT INFORMATION

Primary reporting format – business segments

	Securities market \$'000	Derivatives market \$'000	Other operations \$'000	The Group \$'000
2009				
Segment revenue				
External revenue	399,312	193,121	2,397	594,830
Inter-segment revenue	203	–	–	203
	399,515	193,121	2,397	595,033
Less: Consolidation elimination	(203)	–	–	(203)
	399,312	193,121	2,397	594,830
Results				
Segment results	279,218	113,824	1,777	394,819
Unallocated costs				(27,557)
Profit from operating activities				367,262
Other gains/ (losses)				
– Unallocated				1,303
Share of results of joint ventures and associated companies				47
Tax				(62,955)
Profit after tax				305,657
Segment assets				
Segment assets	642,028	197,968	6,147	846,143
Unallocated assets				570,861
Consolidated total assets				1,417,004
Segment liabilities				
Segment liabilities	521,610	38,339	772	560,721
Unallocated liabilities				78,178
Consolidated total liabilities				638,899
Other information				
Capital expenditure	7,596	29,465	1	37,062
Depreciation and amortisation	11,550	7,302	70	18,922

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2009

24 SEGMENT INFORMATION (continued)

Primary reporting format – business segments (continued)

	Securities market \$'000	Derivatives market \$'000	Other operations \$'000	The Group \$'000
2008				
Segment revenue				
External revenue	564,623	203,050	906	768,579
Inter-segment revenue	136	–	–	136
	564,759	203,050	906	768,715
Less: Consolidation elimination	(136)	–	–	(136)
	564,623	203,050	906	768,579
Results				
Segment results	440,802	116,718	460	557,980
Unallocated costs				(30,360)
Profit from operating activities				527,620
Other gains/ (losses)				
– Distribution from SGX-DT Compensation Fund upon its expiry	–	34,021	–	34,021
– Unallocated				14,507
Share of results of joint ventures and associated companies				(622)
Tax				(97,206)
Profit after tax				478,320
Segment assets				
Segment assets	1,151,439	233,911	6,668	1,392,018
Unallocated assets				525,034
Consolidated total assets				1,917,052
Segment liabilities				
Segment liabilities	838,517	74,858	375	913,750
Unallocated liabilities				109,370
Consolidated total liabilities				1,023,120
Other information				
Capital expenditure	21,812	23,972	2	45,786
Depreciation and amortisation	8,120	3,840	128	12,088

The Group is organised into three main business segments:

- Securities market – providing listing, trading, clearing, account maintenance and corporate action and price information services for the securities market.
- Derivatives market – providing trading, clearing and price information services for the derivatives market.
- Other operations – providing other services apart from those listed in (i) and (ii) above.

24 SEGMENT INFORMATION *(continued)*

Primary reporting format – business segments *(continued)*

Inter-segment results include transfers between business segments. Such transfers are accounted for at competitive market prices charged to external parties for similar services. Those transfers are eliminated on consolidation.

Segment assets comprise mainly securities clearing funds, property, plant and equipment, software, operating cash, receivables and investments.

Segment liabilities comprise mainly payables.

Capital expenditure comprises additions to property, plant and equipment and software.

Expenses, assets and liabilities which are common and cannot be meaningfully allocated to the business segments are presented under unallocated expenses, assets and liabilities respectively.

The Group operates only in Singapore.

25 SECURITIES AND DERIVATIVES FIDELITY FUNDS

The Fidelity funds are administered by Singapore Exchange Securities Trading Limited ("SGX-ST") and Singapore Exchange Derivatives Trading Limited ("SGX-DT"), as required by Section 176 of the Securities and Futures Act. The assets of the Funds are kept separate from all other assets, and are held in trust for the purposes set out in the Securities and Futures Act. The balances of the Fidelity funds are as follows:

	2009 \$'000	2008 \$'000
Securities Exchange Fidelity Fund	34,286	33,944
Derivative Exchange Fidelity Fund	23,242	22,984
	57,528	56,928

The purposes of the fidelity funds pursuant to Section 186 of the Securities and Futures Act are as follows:

- a) to compensate any person (other than an accredited investor) who has suffered a pecuniary loss from any defalcation committed
 - i) in the course of, or in connection with, dealing in securities, or the trading of a futures contract;
 - ii) by a member of a securities exchange or a futures exchange or by any agent of such member; and
 - iii) in relation to any money or other property entrusted to or received:
 - by that member or any of its agents; or
 - by that member or any of its agents as trustee or on behalf of the trustees of that money or property.
- b) to pay the Official Assignee or a trustee in bankruptcy within the meaning of the Bankruptcy Act (Cap. 20) if the available assets of a bankrupt, who is a member of SGX-ST or SGX-DT, are insufficient to satisfy any debts arising from dealings in securities or trading in futures contracts which have been proved in the bankruptcy by creditors of the bankrupt member.
- c) to pay a liquidator of a member of SGX-ST or SGX-DT which is being wound up if the available assets of a member are insufficient to satisfy any debts arising from dealings in securities or trading in futures contracts which have been proved in the liquidation of the member.

Any reference to dealing in securities or trading of a futures contract refers to such dealing or trading through the exchange which establishes, keeps and administers the fidelity fund or through a trading linkage of the exchange with an overseas securities exchange or an overseas futures exchange.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2009

25 SECURITIES AND DERIVATIVES FIDELITY FUNDS *(continued)*

No further provision has been made in the financial year ended 30 June 2009 for contribution to be paid to the securities and derivatives fidelity funds as the minimum sum of \$20 million for each fund as currently required under the Securities and Futures Act has been met.

	2009 \$'000	2008 \$'000
The assets and liabilities of the Funds are as follows:		
Assets		
Fixed deposits with banks	51,066	47,713
Quoted bonds	6,105	6,212
Interest receivable	143	127
Bank balance	656	3,515
	57,970	57,567
Liabilities		
Other payables and accruals	10	10
Taxation	408	606
Deferred tax liabilities	24	23
	442	639
Net assets	57,528	56,928

The assets and liabilities of the Funds are not included in the consolidated balance sheet of the Group as they are held in trust.

26 SINGAPORE EXCHANGE DERIVATIVES CLEARING LIMITED ("SGX-DC") CLEARING FUND

The rules of SGX-DC enable SGX-DC to mobilise resources should any derivatives clearing member be unable to meet its obligations to SGX-DC. The resources available to SGX-DC would be utilised in the following priority:

- a) the defaulting derivatives clearing member's margin deposits, security deposits, letters of credit and/or all other assets and securities of that derivatives clearing member;
- b) i) the capital of SGX-DC not exceeding \$68,000,000; and
ii) financial guarantee and/or default insurance not exceeding \$68,000,000;
- c) up to 50% of the SGX-DT Compensation Fund established by SGX-DT (Note 27);
- d) security deposits in equal amounts from each non-defaulting derivatives clearing member; and
- e) further assessments on derivatives clearing members based on a formula that takes into consideration their capital requirements and share of volume and open interest on SGX-DC (capped at \$8,000,000 if a letter of credit of that amount is posted with SGX-DC).

The Group has set aside cash amounting to \$174,521,000 (2008: \$174,521,000) (Note 3) to support the SGX-DC Clearing Fund in relation to the following:

- i) SGX-DC capital, \$68,000,000;
- ii) Company's financial guarantee to SGX-DC, \$72,500,000 (2008: \$72,500,000); and
- iii) Derivatives clearing fund reserve, \$34,021,000 (Note 28).

Except for the \$174,521,000 (2008: \$174,521,000) mentioned above, the other resources available for the SGX-DC Clearing Fund are not included in the consolidated balance sheet of the Group. These are third party obligations towards the SGX-DC Clearing Fund and where they are held by SGX-DC, these resources are held in trust.

SGX-DC is revising the structure of the SGX-DC Clearing Fund to reinforce the integrity of the clearing system. The proposed changes would provide for a risk-based approach that allows the clearing members' contributions to be commensurate with risk the members contribute to the system.

SGX-DC invited public comments on the proposed changes from 23 January 2009 to 13 February 2009. SGX-DC is seeking the necessary regulatory approval before implementing the changes.

27 SGX-DT COMPENSATION FUND

The SGX-DT Compensation Fund ("the Fund") expired on 24 November 2007, following the completion of the public consultation. Note 28, Derivatives clearing fund reserve, provides further information on the distribution from the Fund upon its expiry.

The Fund was originally established by SGX-DT for the primary purpose of providing compensation to SGX-DT, SGX-DC, customers of any SGX-DT member who suffer, sustain or incur a loss in consequence of the default of that SGX-DT member in meeting its obligations in connection with the trading of futures contracts on any market association or exchange established or approved by SGX-DT. The Fund was also intended to compensate in relation to losses of any money or property entrusted to or received by any SGX-DT member or by any of its directors or employees for and on behalf of any other persons or entrusted to or received by the SGX-DT member as a trustee.

As the Fund has expired, there are no assets and liabilities as at year end.

28 DERIVATIVES CLEARING FUND RESERVE

Upon the dissolution of the SGX-DT Compensation Fund on 24 November 2007, the cash proceeds of \$34,021,000 were reverted back to SGX-DT. SGX-DT recorded the proceeds as income and transferred the equivalent amount from its retained profits to a derivatives clearing fund reserve. Subsequently, the cash proceeds and the derivatives clearing fund reserve were transferred from SGX-DT to SGX-DC and set aside as additional resources to support the SGX-DC Clearing Fund (Note 26). This reserve is not available for distribution as dividend.

29 SICOM CLEARING FUND

The rules of SICOM enable it to mobilise resources should any clearing member be unable to meet its obligations to SICOM. The resources available to SICOM would be utilised in the following priority:

- a) the defaulting clearing member's margin deposits, security deposits and/or all other assets and securities of that clearing member which SICOM has ready access to and is able in its discretion, to realise and appropriate towards discharge of such clearing member's obligations to SICOM;
- b) such surplus funds of SICOM as the management may determine are in excess of funds necessary for normal operations;
- c) security deposits in equal amounts from each non-defaulting clearing member;
- d) further assessments on clearing members based on a formula that takes into consideration their capital requirements and share of volume and open interest on SICOM (capped at their capital requirements).

SICOM has not pledged any resources to the Clearing Fund because it has been assessed that the Fund has adequate resources to cover default of the member with the largest potential loss under simulated extreme but plausible market conditions.

30 SECURITY, MARGIN AND OTHER DEPOSITS

The Group, in its normal course of business, through subsidiaries operating as clearing houses, holds assets in trust or contingent assets such as irrevocable letters of credit or on-demand guarantees. None of these assets or contingent assets, together with the corresponding liabilities, are included in the consolidated balance sheet of the Group.

a) Singapore Exchange Derivatives Clearing Limited ("SGX-DC")

As the clearing house for futures and options traded on SGX-DT and over-the-counter ("OTC") contracts, SGX-DC becomes the novated counterparty for these derivative instruments.

The rules of SGX-DC require its clearing members to deposit, as security for their derivatives clearing obligations to SGX-DC, the higher of US\$250,000 or 2.5% of monthly average risk margin in cash or irrevocable letter of credit.

In addition, the rules also require its clearing members to provide collateral in the form acceptable to SGX-DC as margin deposits to guarantee the performance of the obligations associated with futures or option positions. The total margins required by SGX-DC at 30 June 2009 were approximately \$2,948,500,000 (2008: \$4,041,543,000).

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2009

30 SECURITY, MARGIN AND OTHER DEPOSITS *(continued)*

a) Singapore Exchange Derivatives Clearing Limited ("SGX-DC") *(continued)*

As at that date, clearing members had lodged the following collateral with SGX-DC for security and margin deposits purposes:

	2009 \$'000	2008 \$'000
Security deposits		
Cash	79,676	90,348
Irrevocable letters of credit	58,580	56,304
Margin deposits		
Cash	3,414,926	4,553,533
Quoted government securities, at fair value	1,741,131	1,808,631
Irrevocable letters of credit	149,415	154,087

All cash deposits are placed in interest bearing accounts with banks. Interest earned on the cash deposits is credited to the derivatives clearing members, with a portion retained by SGX-DC.

As at 30 June 2009, the clearing members had also lodged the following with SGX-DC to fulfill other clearing fund requirements:

	2009 \$'000	2008 \$'000
Cash	24,006	–
Irrevocable letters of credit	136,000	152,000

b) The Central Depository Pte Ltd ("CDP")

As the clearing house for securities and marginable futures contracts traded on SGX-ST, CDP becomes the novated counterparty for these instruments.

The rules of CDP require its clearing members to provide collateral in the form acceptable to CDP as margin deposits to guarantee the performance of the obligations associated with marginable futures contracts. The total margins required by CDP at 30 June 2009 were approximately \$595,000 (2008: nil).

In addition, the CDP Clearing Rules provides that CDP may request its clearing members to place collateral with CDP in respect of its securities clearing activities.

As at that date, clearing members had lodged the following collateral with CDP:

	2009 \$'000	2008 \$'000
Margin deposits		
Cash	5,102	–
Other collateral		
Cash	15,012	–
Irrevocable letters of credit	20,000	–

30 SECURITY, MARGIN AND OTHER DEPOSITS (continued)

c) Singapore Commodity Exchange Limited ("SICOM")

Clearing members had lodged the following collateral with SICOM for security, margin and performance deposit purposes:

	2009 \$'000	2008 \$'000
Security deposits (Note (i))		
Cash	2,000	1,000
Irrevocable letters of credit/on-demand guarantees	14,000	15,000
Margin deposits (Note (ii))		
Cash	30,388	18,296
Irrevocable letters of credit	9,648	5,286
Performance deposits (Note (iii))		
Cash	964	394

The total margins required by SICOM at 30 June 2009 were approximately \$16,469,000 (2008: \$9,988,000).

i) Security deposits

The rules of SICOM require each clearing member to deposit with SICOM as security for its obligations to SICOM, the sum of \$1 million in the form of cash, an irrevocable letter of credit or an on-demand guarantee.

ii) Margin deposits

Margin requirements are prescribed under the rules of SICOM for outstanding futures contracts. Margins can be in the form of cash or letters of credit. Margins in the form of cash are placed in interest-bearing accounts with banks. Interest earned on the cash deposits is credited to the clearing members, with a portion retained by SICOM.

iii) Performance deposits

These relate to cash deposited by clearing members as performance deposits against delivery obligations on matured futures contracts.

31 FINANCIAL REQUIREMENTS

a) SGX-DC

The rules of SGX-DC impose financial requirements on its clearing members. As at 30 June 2009, clearing members had lodged the following with SGX-DC to support their financial requirements:

	2009 \$'000	2008 \$'000
Irrevocable letters of credit	114,669	122,362
Quoted government securities, at fair value	75,264	43,012

b) CDP

The rules of CDP impose financial requirements on its clearing members. As at 30 June 2009, clearing members had lodged the following with CDP to support their financial requirements:

	2009 \$'000	2008 \$'000
Irrevocable letters of credit	10,000	10,000

None of these assets or contingent assets, together with the corresponding liabilities, are included in the consolidated balance sheet of the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2009

32 CONTINGENT LIABILITIES

At the balance sheet date, the Group and the Company have contingent liabilities as follows:

	The Group		The Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Unsecured guarantees by the derivatives clearing subsidiary to banks for standby letters of credit issued by the banks to Chicago Mercantile Exchange for members' open positions on these exchanges. These guarantees are supported by members' margin deposits (Note 30(a))	72,500	204,000	–	–
Standby line of credit obtained by CDP to the Clearing Fund to be utilised in accordance with CDP's Clearing Rules (Note 6(a))	75,000	75,000	–	–
Cash set aside to support SGX-DC Capital for the Clearing Fund to be utilised in accordance with SGX-DC's Clearing Rules (Note 26(b)(i))	68,000	68,000	–	–
Financial guarantee provided to SGX-DC for the Clearing Fund (Note 26)	72,500	72,500	72,500	72,500
Cash set aside for Derivatives clearing fund reserve to support SGX-DC Clearing Fund	34,021	34,021	–	–
	322,021	453,521	72,500	72,500

33 COMMITMENTS

a) Operating lease commitments – where a group company is a lessee

The Company leases its office premises and equipment from non-related parties under non-cancellable operating lease agreements. For the lease of office premises in SGX Centre, Singapore, the initial lease term is for seven years with effect from 12 June 2007, at an average gross rent of \$6.25 per square foot per month with a fixed annual escalation of 4% for each year of the initial term of seven years. There is a further option to renew the lease for three years.

The future aggregate minimum lease payments payable under non-cancellable operating leases contracted for at the reporting date but not recognised as liabilities, are as follows:

	The Group		The Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Not later than one financial year	14,410	13,631	14,404	13,631
Later than one financial year but not later than five financial years	61,537	60,038	61,519	60,038
Later than five financial years	–	15,590	–	15,590
	75,947	89,259	75,923	89,259

33 COMMITMENTS (continued)

b) Operating lease commitments – where a group company is a lessor

The Company leases out office premises to non-related parties under non-cancellable operating lease. The future aggregate minimum lease payments receivable under non-cancellable operating leases contracted for at the reporting date but not recognised as receivables, are as follows:

	The Group		The Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Not later than one financial year	342	332	342	332
Later than one financial year but not later than five financial years	28	370	28	370
	370	702	370	702

c) Capital commitments

Capital commitments contracted for at the balance sheet date but not recognised in the financial statements are as follows:

	The Group		The Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Property, plant and equipment and software	8,016	11,500	249	–

34 RELATED PARTY TRANSACTIONS

Directors' fees and key management's remuneration

Key management's remuneration included fees, salary, bonus, commission and other emoluments (including benefits-in-kind) computed based on the cost incurred by the Group and the Company, and where the Group or the Company did not incur any costs, the value of the benefit is included. The amounts disclosed below include the bonuses payable to the Chairman and the Chief Executive Officer for the financial year which have been approved by the Remuneration Committee and the actual bonuses paid to other key members of the management relating to the preceding financial year. The directors' fees and key management's remuneration are as follows:

	The Group	
	2009 \$'000	2008 \$'000
Salaries and other short-term employee benefits	16,525	15,898
Employer's contribution to Central Provident Fund	65	68
Share-based payment to employees	8,029	4,861
	24,619	20,827

Included in the above is total remuneration to directors of the Company amounting to \$8,783,000 (2008: \$10,208,000).

There were no share options granted to key management of the Group during the financial year (2008: nil).

During the financial year, 1,333,000 shares (2008: 646,400 shares) under performance share plan were granted to key management of the Group. The performance shares were granted under the same terms and conditions as those offered to other employees of the Company.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2009

35 FINANCIAL RISK MANAGEMENT

Financial risk management objectives and policies

The Group is exposed to market risk (including currency risk, price risk and interest rate risk), credit risk and liquidity risk arising from its business activities. The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance.

The Board of Directors has overall responsibility for the oversight of financial risk management for the Group. To assist the Board in discharging its oversight responsibility, a board committee, the Risk Management Committee ("RMC") was established. The RMC's primary function is to review, recommend to the Board for approval, and where appropriate approve:

- a) the type and level of business risks (risk appetite) that the Group undertakes on an integrated basis to achieve its business strategy; and
- b) the policies and frameworks for managing risks that are consistent with its risk appetite.

The management is responsible for identifying, monitoring and managing the Group's financial risk exposures.

The main financial risks that the Group is exposed to and how they are managed are set out below:

Market risk – Currency risk

The Group managed its main currency exposure as follows:

a) Revenue receivable from clearing of derivative products

The Group's revenue from the clearing of derivative products are mainly in Singapore Dollars ("SGD") and United States Dollars ("USD"). For revenue denominated in USD, the Group manages the currency exposure through currency forward contracts. Upon settlement of the currency forward contracts and payment obligations denominated in foreign currency, any excess foreign currencies are converted back to SGD in a timely manner to minimise currency exposure. As at 30 June 2009 and 30 June 2008, there are no significant currency risk exposure arising from receivables. These receivables are also exposed to counterparty and credit risk.

b) Investment in financial assets, available-for-sale

The Company has invested in unlisted equity securities in Bombay Stock Exchange Limited ("BSE"). This investment is denominated in Indian Rupee ("INR") and forms part of the Group's long-term strategic investments in line with its strategy to position SGX as an Asian Gateway. Management monitors the Group's currency exposure by tracking the INR currency movement on a regular basis. As this investment is long-term in nature, the Group does not hedge the currency exposure of this investment. This investment is also exposed to price risk.

c) Cash and cash equivalents

As at 30 June 2009, the Group and the Company has \$69,440,000 (2008: \$19,778,000) in fixed deposits denominated in USD. The currency risk has been fully hedged through a USD forward sale contract. The fixed deposits are also exposed to counterparty and credit risk.

35 FINANCIAL RISK MANAGEMENT (continued)

Market risk – Currency risk (continued)

The Group and Company's currency exposure as at 30 June 2009 and 30 June 2008 are as follows:

	The Group At 30 June 2009				
	SGD* \$'000	USD \$'000	INR \$'000	Others \$'000	Total \$'000
Financial assets					
Cash and cash equivalents	572,799	71,711	–	652	645,162
Trade and other receivables					
– Daily settlement of accounts for due contracts and rights	407,524	42,523	–	1,850	451,897
– Others	79,424	12,512	–	79	92,015
Securities Clearing Funds	25,000	–	–	–	25,000
Financial assets, available-for-sale	–	–	73,256	–	73,256
Financial liabilities					
Trade and other payables					
– Daily settlement of accounts for due contracts and rights	(407,524)	(42,523)	–	(1,850)	(451,897)
– Others	(96,389)	(9,352)	–	(170)	(105,911)
Net financial assets	580,834	74,871	73,256	561	729,522
Less: Currency forward contracts *	–	(119,271)	–	–	(119,271)
Currency exposure	580,834	(44,400)	73,256	561	610,251

* Currency forward contracts entered by the Group is to hedge future revenue receivable arising from clearing of various derivative products denominated in USD and bank deposits denominated in USD.

* The SGD balances have been included for completeness.

	The Group At 30 June 2008				
	SGD + \$'000	USD \$'000	INR \$'000	Others \$'000	Total \$'000
Financial assets					
Cash and cash equivalents	797,306	22,821	–	1,955	822,082
Trade and other receivables					
– Daily settlement of accounts for due contracts and rights	710,035	82,872	–	619	793,526
– Others	70,167	13,474	–	734	84,375
Securities Clearing Funds	25,000	–	–	–	25,000
Financial assets, available-for-sale	–	–	76,956	–	76,956
Financial liabilities					
Trade and other payables					
– Daily settlement of accounts for due contracts and rights	(710,035)	(82,872)	–	(619)	(793,526)
– Others	(114,240)	(2,841)	–	(303)	(117,384)
Net financial assets	778,233	33,454	76,956	2,386	891,029
Less: Currency forward contracts ^	–	(88,645)	–	–	(88,645)
Currency exposure	778,233	(55,191)	76,956	2,386	802,384

^ Currency forward contracts entered by the Group was to hedge future revenue receivables arising from clearing of various derivative products denominated in USD and bank deposits denominated in USD.

* The SGD balances have been included for completeness.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2009

35 FINANCIAL RISK MANAGEMENT (continued)

Market risk – Currency risk (continued)

	The Company At 30 June 2009				
	SGD* \$'000	USD \$'000	INR \$'000	Others \$'000	Total \$'000
Financial assets					
Cash and cash equivalents	395,688	69,492	–	93	465,273
Trade and other receivables	5,321	747	–	25	6,093
Financial assets, available-for-sale	–	–	73,256	–	73,256
Financial liabilities					
Trade and other payables	(315,556)	(1,898)	–	(21)	(317,475)
Net financial assets	85,453	68,341	73,256	97	227,147
Less: Currency forward contract **	–	(70,082)	–	–	(70,082)
Currency exposure	85,453	(1,741)	73,256	97	157,065

** Currency forward contract entered by the Company is to hedge the currency risk of bank deposits denominated in USD.

* The SGD balances have been included for completeness.

	The Company At 30 June 2008				
	SGD* \$'000	USD \$'000	INR \$'000	Others \$'000	Total \$'000
Financial assets					
Cash and cash equivalents	395,390	19,833	–	62	415,285
Trade and other receivables	5,859	97	–	68	6,024
Financial assets, available-for-sale	–	–	76,956	–	76,956
Financial liabilities					
Trade and other payables	(141,480)	(1,068)	–	(104)	(142,652)
Net financial assets	259,769	18,862	76,956	26	355,613
Less: Currency forward contract ^	–	(19,909)	–	–	(19,909)
Currency exposure	259,769	(1,047)	76,956	26	335,704

^ Currency forward contracts entered by the Company was to hedge the currency risk of bank deposits denominated in USD.

* The SGD balances have been included for completeness.

The currency risk sensitivity analysis for financial assets, available-for-sale is included within the price risk sensitivity analysis.

35 FINANCIAL RISK MANAGEMENT (continued)

Market risk – Price risk

The Group manages the price risk of its investment in financial assets, available-for-sale as follows:

The investment in Bombay Stock Exchange Limited (“BSE”) is an unlisted long-term strategic investment. The management maintains regular dialogue with the management of BSE on the latest development of the business, regularly monitors the business performance relating to this investment and assesses the financial performance of BSE on an on-going basis.

The impact on profit after tax and equity would be as follows should the price of BSE change by 3% (2008: 3%) with all other variables including tax rate being held constant:

	2009 Increase/(decrease)		2008 Increase/(decrease)	
	Profit after tax \$'000	Equity \$'000	Profit after tax \$'000	Equity \$'000
The Group and The Company				
Price of BSE				
– increased	–	2,198	–	2,309
– decreased	–	(2,198)	–	(2,309)

Market risk – Interest rate risk

The Group is not subject to significant interest rate risk as the Group's fixed deposit placements are mainly short-term in nature. Fixed deposits are placed with banks that offer the most competitive interest rate.

The tables below set out the Group's and the Company's financial assets and liabilities at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

The Group

	Variable rates		Fixed rates			Non-interest bearing	Total
	Less than 6 months \$'000	6 to 12 months \$'000	Less than 6 months \$'000	6 to 12 months \$'000	Over 1 year \$'000	\$'000	\$'000
At 30 June 2009							
Financial assets							
Cash and cash equivalents	28,462	–	615,485	–	–	1,215	645,162
Trade and other receivables	–	–	12	12	76	543,812	543,912
Securities Clearing Funds	–	–	25,000	–	–	–	25,000
Financial assets, available-for-sale	–	–	–	–	–	73,256	73,256
Financial liabilities							
Trade and other payables	–	–	–	–	–	(557,808)	(557,808)
Net financial assets	28,462	–	640,497	12	76	60,475	729,522
At 30 June 2008							
Financial assets							
Cash and cash equivalents	32,236	–	785,402	1,800	–	2,644	822,082
Trade and other receivables	–	–	3	–	75	877,823	877,901
Securities Clearing Funds	–	–	25,000	–	–	–	25,000
Financial assets, available-for-sale	–	–	–	–	–	76,956	76,956
Financial liabilities							
Trade and other payables	–	–	–	–	–	(910,910)	(910,910)
Net financial assets	32,236	–	810,405	1,800	75	46,513	891,029

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2009

35 FINANCIAL RISK MANAGEMENT (continued)

Market risk – Interest rate risk (continued)

The Company

	Variable rates		Fixed rates			Non-interest bearing \$'000	Total \$'000		
	Less than 6 months \$'000	6 to 12 months \$'000	Less than 6 months \$'000	6 to 12 months \$'000	Over 1 year \$'000				
At 30 June 2009									
Financial assets									
Cash and cash equivalents	8,947	–	456,063	–	–	263	465,273		
Trade and other receivables	–	–	5	5	44	6,039	6,093		
Financial assets, available-for-sale	–	–	–	–	–	73,256	73,256		
Financial liabilities									
Trade and other payables	–	–	–	–	–	(317,475)	(317,475)		
Net financial assets	8,947	–	456,068	5	44	(237,917)	227,147		
At 30 June 2008									
Financial assets									
Cash and cash equivalents	11,020	–	402,278	1,750	–	237	415,285		
Trade and other receivables	–	–	–	–	21	6,003	6,024		
Financial assets, available-for-sale	–	–	–	–	–	76,956	76,956		
Financial liabilities									
Trade and other payables	–	–	–	–	–	(142,652)	(142,652)		
Net financial assets	11,020	–	402,278	1,750	21	(59,456)	355,613		

As the Group is not exposed to significant interest rate risks, no sensitivity analysis is provided for this risk.

Counterparty and credit risk

The Group manages its main counterparty and credit exposure as follows:

a) Trade receivables (excluding balances arising from clearing and settlement of trade)

Trade receivables of the Group and the Company comprise receivables from trading and clearing members, listed companies and other entities. The trade receivable exposure is continuously monitored and followed up by Finance and relevant business units.

Management believes that the credit risk with respect to trade receivables is limited. Impairment allowances are made for debts that are outstanding above 360 days and debtors that are under judicial management, scheme of arrangement or other financial difficulties. Management believes that there is no other additional credit risk beyond the amount of allowance for impairment made in these financial statements.

The Group, excluding the balances arising from clearing and settlement of trade, has no significant concentration of credit risk on its trade receivables.

The Company, excluding the receivable from the Inland Revenue Authority of Singapore, has 6 (2008: 5) debtors that represented 69% (2008: 58%) of the remaining trade receivables.

35 FINANCIAL RISK MANAGEMENT *(continued)*

Counterparty and credit risk *(continued)*

b) Cash deposits

Cash balances of the Group and the Company are mainly placed in fixed deposits with financial institutions with high credit quality. The Board has approved policies that limit the maximum credit exposure to each financial institution. Exposure and compliance with counterparty limits set by the RMC are monitored by the relevant business units and reported by the Risk Management unit to the RMC. The Group placed 84% (2008: 84%) of its cash and cash equivalents with 4 (2008: 3) banks. The Company placed 84% (2008: 76%) of its cash and cash equivalents with 4 (2008: 2) banks.

The maximum exposure to credit risk for trade receivables and cash deposits is the carrying amount of the financial assets presented on the balance sheet as the Group and the Company do not hold any collateral against these financial assets.

c) Clearing and settlement

In the normal course of business as clearing houses, SGX-DC and CDP act as central counterparties ("CCP") for every transaction received by or matched through the Group's facilities. As CCP, each clearing house substitutes itself as the buyer to the selling clearing member, and seller to the buying clearing member, and assume all rights and obligations to the counterparty. As a result, each clearing house faces considerable credit risk exposure should any of its clearing member be unable to meet its settlement obligations, resulting in a default on the clearing house. The Group has in place a sound and transparent regulatory framework governing the operations of securities and derivatives markets. On an on-going basis, the Group mitigates its counterparty risk through active monitoring and management of its exposure to clearing members and has in place a system of financial safeguards.

Credit risk management practices

The Group mitigates its exposures to risk by admitting clearing members which meet prescribed capital and financial requirements and have risk management systems to monitor their exposures. On an on-going basis, a clearing member must continue to comply with the financial requirements, and also set aside capital that commensurate with its risk exposures. In addition, it must ensure that it has the necessary systems and procedures to preserve sound liquidity and financial position at all times.

Both SGX-DC and CDP have well-established risk management systems to monitor and measure the risk exposures of its members. In addition, SGX-DC and CDP require all derivative positions and marginable futures contracts to be collateralised by sufficient margins at all times and these collaterals protect the SGX-DC and CDP against potential losses. The SGX-DC also revalues and settles the daily mark-to-market variations with clearing members to prevent losses from accumulating. The CDP requires all positions in Extended Settlement Contracts, being marginable futures contracts, to be collateralised by sufficient margins and these collaterals protect the CDP against cumulative mark-to-market and potential losses. The CDP also requires clearing members to monitor compliance with risk management measures such as monitoring for large exposures.

Financial safeguards

A clearing fund has been established for each of the securities and derivatives markets to be used in support of the clearing houses' roles as CCP. The Group and the relevant clearing members are required to contribute to the respective clearing funds.

Trade receivables arising from settlement of securities trade

Settlement for all securities transactions of securities clearing members are effected through the Group's subsidiary, CDP. Such settlements can be effected through designated settlement banks.

The "receivables from clearing members and settlement bank" included in trade receivables represent the aggregate of net settlement obligations of each of the clearing members and settlement banks to CDP for the last three trading days of the financial year. At 30 June 2009, there were 24 (2008: 26) securities clearing members and 6 (2008: 6) designated settlement banks. The Group may have concentration risk exposure to these securities clearing members and settlement banks with regards to their net settlement obligations to CDP. The settlement exposure of CDP to each securities clearing member or settlement bank fluctuates daily according to the net trading position (net buy or net sell) of each securities clearing member and the extent to which these settlement obligations are effected through the settlement banks.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2009

35 FINANCIAL RISK MANAGEMENT *(continued)*

Counterparty and credit risk *(continued)*

d) Financial assets that are neither past due nor impaired

All of the Group's cash deposits are not impaired as the deposits are placed with banks of high credit quality.

Trade receivables that are neither past due nor impaired comprise companies with good payment track record with the Group. As at 30 June 2009, 99.4% (2008: 99.4%) and 95.9% (2008: 93.8%) of the Group's and the Company's trade receivables fall into this category.

e) Financial assets that are past due and/or impaired

There is no other class of financial assets that is past due and/or impaired except for trade receivables.

The age analysis of trade receivables past due but not impaired is as follows:

	The Group		The Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Past due up to 90 days	2,418	2,655	97	106
Past due 91 days to 360 days	672	475	1	40
	3,090	3,130	98	146

The carrying amount of trade receivables individually determined to be impaired and the movement in the related allowance for impairment are as follows:

	The Group		The Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Gross amount	664	344	–	–
Less: Allowance for impairment	(664)	(344)	–	–
	–	–	–	–
Balance at beginning of financial year	344	438	–	21
Allowance made	634	462	–	91
Allowance utilised	(67)	(105)	–	(72)
Allowance written back	(247)	(451)	–	(40)
Balance at end of financial year	664	344	–	–

35 FINANCIAL RISK MANAGEMENT *(continued)*

Liquidity risk

a) Liabilities related risk

The Group has minimal liquidity risk as it maintains sufficient cash for daily operations through prudent liquidity risk management. The Group has no external borrowings.

The financial liabilities of the Group and Company are analysed into the relevant maturity buckets based on their contractual maturity dates in the table below:

The Group

	Up to 3 months \$'000	> 3 months to 1 year \$'000	Above 1 year \$'000	Total \$'000
At 30 June 2009				
Financial liabilities				
Trade and other payables *	557,808	–	–	557,808

* Included \$451,897,000 payable to clearing members and settlement banks for daily settlement of accounts for due contracts and rights with a corresponding amount in trade receivables.

At 30 June 2008

Financial liabilities				
Trade and other payables *	910,910	–	–	910,910

* Included \$793,526,000 payable to clearing members and settlement banks for daily settlement of accounts for due contracts and rights with a corresponding amount in trade receivables.

The Company

	Up to 3 months \$'000	> 3 months to 1 year \$'000	Above 1 year \$'000	Total \$'000
At 30 June 2009				
Financial liabilities				
Trade and other payables	41,823	275,652	–	317,475

At 30 June 2008

Financial liabilities				
Trade and other payables	57,271	85,381	–	142,652

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2009

35 FINANCIAL RISK MANAGEMENT (continued)

Liquidity risk (continued)

a) Liabilities related risk (continued)

As at 30 June 2009, the gross notional value of outstanding currency forward contracts held by the Group was \$119,271,000 (2008: \$88,645,000). The Group's outstanding currency forward contracts that would be settled on a gross basis are analysed into relevant maturity buckets based on the remaining contractual maturity dates as follows:

	At 30 June 2009			At 30 June 2008		
	Up to 3 months \$'000	> 3 months to 1 year \$'000	Total \$'000	Up to 3 months \$'000	> 3 months to 1 year \$'000	Total \$'000
The Group						
Currency forward contracts						
– gross outflows	90,034	29,237	119,271	38,284	50,361	88,645
– gross inflows	90,135	29,691	119,826	39,518	51,629	91,147
The Company						
Currency forward contracts						
– gross outflows	70,082	–	70,082	19,909	–	19,909
– gross inflows	70,556	–	70,556	20,058	–	20,058

The amounts disclosed above are contractual undiscounted cash flows, which are different from the carrying amount disclosed in these financial statements.

b) Contingent liabilities related risk

At the balance sheet date, the Group and the Company have financial guarantees as follows:

	The Group		The Company	
	2009 \$'000	2008 \$'000	2009 \$'000	2008 \$'000
Unsecured guarantees by the derivatives clearing subsidiary to banks for standby letters of credit issued by the banks to Chicago Mercantile Exchange	72,500	204,000	–	–
Financial guarantee provided to SGX-DC for the Clearing Fund	72,500	72,500	72,500	72,500
	145,000	276,500	72,500	72,500

The settlement obligation of the above financial guarantees is not determinable as the obligation arises from the occurrence of future events that are not within the control of the Group and the Company. The financial guarantee provided for the Clearing Fund is supported by cash set aside by the Group and the Company.

c) Clearing and settlement-related risk

The clearing houses of the Group, CDP and SGX-DC, act as the novated counterparty for transactions of approved securities and derivatives. The Group is exposed to liquidity risk should any Clearing Member default. The Group has secured sufficient committed bank credit facilities of \$450,000,000 (2008: \$600,000,000), comprising \$200,000,000 (2008: \$250,000,000) committed share financing and \$250,000,000 (2008: \$350,000,000) committed unsecured credit lines, to meet the expected liquidity requirement arising from clearing members' default.

36 CAPITAL REQUIREMENT AND MANAGEMENT

The Group's capital management objectives are to optimise returns to shareholders whilst supporting the growth requirements of the business and fulfilling its obligations to the relevant regulatory authorities and other stakeholders.

Effective 1 July 2008, the Group is required, under the Regulatory Capital Framework ("the Framework") formalised by the Monetary Authority of Singapore ("MAS"), to maintain adequate financial resources to meet prudential requirements that commensurate with the operational risk, investment risk and the counterparty default risk arising from its central counterparty clearing and settlement activities. With respect to the counterparty default risk, each of the Group's clearing house subsidiaries is required to contribute capital to maintain a clearing fund that is sufficient to cover simultaneous default of three members including the member with the largest potential loss under simulated extreme but plausible market conditions. The Group has been in compliance with the Framework since 1 July 2008.

Given the dynamic nature of the Group's business and the new framework, the Group regularly reviews and monitors its capital position to ensure that the business activities and growth are prudently funded. In addition, the Group will seek opportunities to optimise shareholder returns by creating a more efficient capital structure to reduce the overall cost of capital. On dividend policy, SGX maintains a base dividend commitment which had risen over time, reflecting the Group's growing sustainable core earnings.

Separately, SICOM has been in compliance with the capital requirements imposed by MAS, since the effective date 26 February 2008.

SICOM is planning to establish an investor compensation fund, to be called SICOM Compensation Fund. The amount to be set aside for the establishment of this Fund is still being assessed. Nonetheless, SICOM does not expect the amount to be set aside for this purpose to have a material impact on SICOM's financial position.

37 COMPARATIVES

i) Income statement – Group

In the financial statements for the year ended 30 June 2008, the Group's realised gain from forward foreign exchange contracts on derivatives clearing fees amounting to \$1,376,000 has been reclassified from net foreign exchange loss/gain under operating expenses to other revenue including interest income under other gains/losses.

The revised presentation is to better reflect the nature of the expense as a non-operating expense to be in line with current year's presentation and does not result in a change in net profit before and after tax of the Group.

ii) Balance sheet – Group

Members' contributions to the securities and options clearing fund as at 30 June 2008 amounting to \$13,011,000 have been presented off balance sheet and are no longer included within the current assets and current liabilities on the balance sheet.

The revised presentation is to better reflect the members' contributions as trust monies and does not result in a change in the net assets of the Group.

NOTES TO THE FINANCIAL STATEMENTS

For the financial year ended 30 June 2009

38 NEW ACCOUNTING STANDARDS AND FRS INTERPRETATIONS

Certain new accounting standards, amendments and interpretations to existing standards have been published and are mandatory for companies with accounting periods beginning on or after 1 January 2009 or later periods and which the companies have not early adopted.

The Group has assessed the impact of adopting those new accounting standards, amendments and interpretations that are relevant to the Group and expects that the adoption will have no material impact on the financial statements in the period of initial application, except for FRS 1(R), FRS 107 (Amendment) and FRS 108 as indicated below:

a) FRS 1(R) Presentation of Financial Statements (effective for annual periods beginning on or after 1 January 2009)

The revised standard requires:

- All changes in equity arising from transactions with owners in their capacity as owners to be presented separately from components of comprehensive income;
- Components of comprehensive income not to be included in statement of changes in equity;
- Items of income and expenses and components of other comprehensive income to be presented either in a single statement of comprehensive income with subtotals, or in two separate statements (a separate statement of profit and loss followed by a statement of comprehensive income);
- Presentation of restated balance sheet as at the beginning of the comparative period when entities make restatements or reclassifications of comparative information.

The revisions also include changes in the titles of some of the financial statements primary statements.

The Group will apply the revised standard from 1 July 2009 and provide comparative information that conforms to the requirements of the revised standard. The key impact of the application of the revised standard is the presentation of an additional primary statement, that is, the statement of comprehensive income.

b) FRS 107 (Amendment) Financial Instruments: Disclosures (effective for annual periods beginning on or after 1 January 2009)

FRS 107 (Amendment) introduces a three-level hierarchy for fair value measurement disclosure and requires some specific quantitative disclosures for financial instruments in the lowest level in the hierarchy.

The amended standard also clarifies and enhances the existing requirements for the disclosure of liquidity risk. This is aimed at ensuring that the information disclosed enables users of the Group's financial statements to evaluate the nature and extent of liquidity risk arising from financial instruments and how the Group manages that risk.

The Group will apply FRS 107 (Amendment) from 1 July 2009 and is not required to provide comparative disclosures in the first year of application. The key impact of the application of the amended standard is the disclosure of the fair value measurement and liquidity risk in the financial statements.

c) FRS 108 Operating Segments (effective for annual periods beginning on or after 1 January 2009)

FRS 108 supersedes FRS 14 Segment Reporting and requires the Group to report the financial performance of its operating segments based on the information used internally by management for evaluating segment performance and deciding on allocation of resources. Such information may be different from the information included in the financial statements, and the basis of its preparation and reconciliation to the amounts recognised in the financial statements shall be disclosed.

The Group will apply FRS 108 from 1 July 2009 and provide comparative information that conforms to the requirements of FRS 108. The Group has assessed the impact of FRS 108 and concluded that there is no material impact on the Group as the business segments currently disclosed is in line with the new operating segments under FRS 108.

39 AUTHORISATION OF FINANCIAL STATEMENTS

These financial statements have been authorised for issue by the Board of Directors on 5 August 2009.

STATISTICS OF SHAREHOLDINGS

As at 18 August 2009

Share Capital	: 1,069,196,700
Number of issued and paid-up shares	: 1,069,196,700
Class of Shares	: Ordinary shares
Voting Rights	: One vote per share. The Company cannot exercise any voting rights in respect of shares held by it as treasury shares.

DISTRIBUTION OF SHAREHOLDINGS

Size of shareholdings	No. of shareholders	%	No. of shares (excluding treasury shares)	%*
1 – 999	118	0.41	27,985	0.00
1,000 – 10,000	25,811	89.44	72,631,986	6.84
10,001 – 1,000,000	2,896	10.03	132,718,292	12.49
1,000,001 and above	35	0.12	857,046,887	80.67
Total	28,860	100.00	1,062,425,150	100.00

Based on information available to the Company as at 18 August 2009, approximately 99.21% of the issued ordinary shares of the Company are held by the public and, therefore, Rule 723 of the Listing Manual issued by the Singapore Exchange Securities Trading Limited is complied with.

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of shares	%*
1	SEL Holdings Pte Ltd ¹	249,991,184	23.53
2	DBS Nominees Pte Ltd	184,737,400	17.39
3	Citibank Nominees Singapore Pte Ltd	90,050,384	8.48
4	DBSN Services Pte Ltd	76,932,841	7.24
5	HSBC (Singapore) Nominees Pte Ltd	59,995,395	5.65
6	Nomura Singapore Limited	53,133,000	5.00
7	Raffles Nominees (Pte) Ltd	36,185,791	3.41
8	United Overseas Bank Nominees Pte Ltd	33,513,095	3.15
9	Phillip Securities Pte Ltd	8,878,037	0.84
10	BNP Paribas Securities Services Singapore	8,532,382	0.80
11	DB Nominees (S) Pte Ltd	6,081,713	0.57
12	UOB Kay Hian Pte Ltd	4,589,452	0.43
13	DBS Vickers Securities (S) Pte Ltd	4,156,145	0.39
14	Leong Khuen Nyeon	3,450,000	0.32
15	Morgan Stanley Asia (Singapore) Securities Pte Ltd	3,228,460	0.30
16	TM Asia Life Singapore Ltd-Par Fund	3,200,000	0.30
17	Wong Kong Choo	2,450,000	0.23
18	OCBC Securities Private Ltd	2,406,646	0.23
19	OCBC Nominees Singapore Pte Ltd	2,238,242	0.21
20	Royal Bank of Canada (Asia) Ltd	2,073,000	0.20
Total		835,823,167	78.67

¹ Pursuant to Section 11(2)(b) of the Exchanges (Demutualisation & Merger) Act 1999 (the "Merger Act"), SEL Holdings Pte Ltd ("SEL"), being the special purpose company set up under the Merger Act to hold the SGX shares for the benefit of the Financial Sector Development Fund, shall not exercise or control the exercise of votes attached to the SGX shares. Owing to the restriction in the exercise of votes attached to the shares, SEL is not regarded as a substantial shareholder of SGX.

TREASURY SHARES

Number of ordinary shares held in treasury: 6,771,550

Percentage of such holding against the total number of issued ordinary shares (excluding ordinary shares held in treasury): 0.64%

SUBSTANTIAL SHAREHOLDERS

According to the Register of Substantial Shareholders maintained by the Company, the Company had no substantial shareholders as at 18 August 2009.

* Percentage is calculated based on the total number of issued shares, excluding treasury shares of the Company.

NOTICE OF ANNUAL GENERAL MEETING

SINGAPORE EXCHANGE LIMITED

Company Registration No. 199904940D
(Incorporated in the Republic of Singapore)

NOTICE IS HEREBY GIVEN that the Tenth Annual General Meeting of Singapore Exchange Limited (the "Company") will be held at SGX Auditorium, 2 Shenton Way, SGX Centre 1, 2nd Level, Singapore 068804 on Tuesday, 13 October 2009 at 10.00 am to transact the following business:

A) ORDINARY BUSINESS	ORDINARY RESOLUTION
1 To receive and adopt the Directors' Report and Audited Financial Statements for the financial year ended 30 June 2009 and the Auditor's Report thereon.	Resolution 1
2 To declare a one-tier tax exempt final dividend amounting to 15.5 cents per share for the financial year ended 30 June 2009. (FY2008: 29 cents per share)	Resolution 2
3 To re-appoint Mr Joseph Yuvaraj Pillay pursuant to Section 153(6) of the Companies Act, Chapter 50 of Singapore, as a director of the Company to hold such office from the date of this Annual General Meeting until the next Annual General Meeting of the Company.	Resolution 3
4 To re-elect the following directors retiring by rotation under Article 99A of the Company's Articles of Association (the "Articles") and who, being eligible, offer themselves for re-election: (i) Ms Euleen Goh (ii) Mr Ho Tian Yee (iii) Mr Low Check Kian (iv) Mr Robert Owen	Resolution 4 Resolution 5 Resolution 6 Resolution 7
(Ms Goh and Mr Ho will, upon re-election as directors, remain as members of the Audit Committee and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited.)	
5 To re-elect Mr Liew Mun Leong who ceases to hold office under Article 104 of the Articles and who, being eligible, offers himself for re-election. The biodata of Mr Liew Mun Leong is found in the "New Director" section of the Annual Report.	Resolution 8
6 To approve the sum of up to \$750,000 to be paid to Mr Joseph Yuvaraj Pillay as director's fees, and the provision to him of transport benefits, including a car and a driver, for the financial year ending 30 June 2010. (FY2009: up to \$790,000) <i>(Please see explanatory notes)</i>	Resolution 9
7 To approve the sum of up to \$1,200,000 to be paid to all directors (other than Mr Joseph Yuvaraj Pillay) as directors' fees for the financial year ending 30 June 2010. (FY2009: up to \$1,200,000) <i>(Please see explanatory notes)</i>	Resolution 10
8 To re-appoint Messrs PricewaterhouseCoopers as Auditors of the Company and to authorise the directors to fix their remuneration.	Resolution 11
B) SPECIAL BUSINESS	
9 That authority be and is hereby given to the directors of the Company to: a) i) issue shares in the capital of the Company ("shares") whether by way of rights, bonus or otherwise; and/or ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares, at any time and upon such terms and conditions and for such purposes and to such persons as the directors may in their absolute discretion deem fit; and b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the directors while this Resolution was in force,	Resolution 12

provided that:

- 1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50 per cent of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 10 per cent of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
 - 2) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited ("SGX-ST")) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time this Resolution is passed, after adjusting for:
 - i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and
 - ii) any subsequent bonus issue or consolidation or subdivision of shares;
 - 3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the Monetary Authority of Singapore) and the Articles of Association for the time being of the Company; and
 - 4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.
- 10 That approval be and is hereby given to the directors of the Company to grant awards in accordance with the provisions of the SGX Performance Share Plan and to allot and issue from time to time such number of ordinary shares in the capital of the Company as may be required to be issued pursuant to the exercise of options under the SGX Share Option Plan and/or such number of fully-paid shares as may be required to be issued pursuant to the vesting of awards under the SGX Performance Share Plan, provided that the aggregate number of new shares to be issued pursuant to the SGX Share Option Plan and the SGX Performance Share Plan shall not exceed 10 per cent of the total number of issued ordinary shares (excluding treasury shares) in the capital of the Company from time to time.

Resolution 13

C) TO TRANSACT ANY OTHER BUSINESS AS MAY PROPERLY BE TRANSACTED AT AN ANNUAL GENERAL MEETING

By Order Of The Board



Ms Joyce Fong Foong Chao
Company Secretary
Singapore Exchange Limited

17 September 2009

NOTICE OF ANNUAL GENERAL MEETING

EXPLANATORY NOTES

Ordinary Resolution 9 is to seek approval for the payment to Mr Joseph Yuvaraj Pillay of up to \$750,000 as director's fees, and the provision by the Company to him of transport benefits, including a car and a driver, for the financial year ending 30 June 2010. In the event that the amount proposed is insufficient, approval will be sought at next year's AGM to meet the shortfall.

Ordinary Resolution 10 is to seek approval for the payment of up to \$1,200,000 to all directors (other than Mr Joseph Yuvaraj Pillay) as directors' fees for the financial year ending 30 June 2010. The directors' fees are calculated based on, amongst other things, the number of expected Board and committee meetings for the financial year ending 30 June 2010 and the number of directors expected to hold office during the course of that year, at the fee rates shown in page 54 of the Annual Report. The amount also takes into account unforeseen circumstances, for example, the appointment of an additional director or additional unscheduled Board and/or committee meetings. In the event that the amount proposed is insufficient, approval will be sought at next year's AGM for payments to meet the shortfall.

Ordinary Resolution 12 is to empower the directors to issue shares in the capital of the Company and to make or grant instruments (such as warrants or debentures) convertible into shares, and to issue shares in pursuance of such instruments, up to a number not exceeding 50 per cent of the total number of issued shares (excluding treasury shares) in the capital of the Company (the "50% Limit"), with a sub-limit ("Sub-Limit") of 10 per cent for issues other than on a pro rata basis to shareholders. For the purpose of determining the aggregate number of shares that may be issued, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time that Ordinary Resolution 12 is passed, after adjusting for (a) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time that Ordinary Resolution 12 is passed, and (b) any subsequent bonus issue or consolidation or sub-division of shares.

Although the Listing Manual of the Singapore Exchange Securities Trading Limited enables the Company to seek a mandate to permit its directors to issue shares up to the 50% Limit if made on a pro rata basis to shareholders, and up to a Sub-Limit of 20 per cent if made other than on a pro rata basis to shareholders, the Company is nonetheless only seeking a Sub-Limit of 10 per cent. The Company believes that the lower limit sought for the issue of shares made other than on a pro rata basis to shareholders is adequate for the time being and will review this limit annually.

Ordinary Resolution 13 is to empower the directors to grant awards pursuant to the SGX Performance Share Plan (which was approved by the shareholders at the Extraordinary General Meeting held on 22 September 2005), as modified by the Remuneration Committee from time to time, and to issue new ordinary shares in the capital of the Company pursuant to the SGX Share Option Plan (which was approved by shareholders at the Extraordinary General Meeting held on 1 November 2000), as modified by the Remuneration Committee from time to time, and the SGX Performance Share Plan, provided that the aggregate number of new ordinary shares to be issued pursuant to the SGX Share Option Plan and the SGX Performance Share Plan shall not exceed 10 per cent of the total number of issued ordinary shares (excluding treasury shares) in the capital of the Company from time to time.

Notes:

- 1) The Chairman of the Annual General Meeting will be exercising his right under Article 66(a) of the Articles of Association of the Company to demand a poll in respect of each of the resolutions to be put to the vote of members at the Annual General Meeting and at any adjournment thereof. Accordingly, each resolution at the Annual General Meeting will be voted on by way of a poll.
- 2) An ordinary shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint one or two proxies to attend and vote on his behalf.
- 3) A proxy need not be a member of the Company.
- 4) The instrument appointing a proxy or proxies (together with the power of attorney, if any, under which it is signed or a certified copy thereof) must be deposited at the registered office of the Company at 2 Shenton Way, #19-00 SGX Centre 1, Singapore 068804 not less than 48 hours before the time appointed for holding the Annual General Meeting.

BOOKS CLOSURE DATE AND PAYMENT DATE FOR FINAL DIVIDEND

Subject to the approval of the shareholders to the final dividend at the Annual General Meeting, the Register of Members and the Transfer Books of the Company will be closed from 20 October 2009 (Tuesday) after 5.00 pm to 21 October 2009 (Wednesday), both dates inclusive, for the preparation of dividend warrants. The Register of Members and the Transfer Books will re-open on 22 October 2009 (Thursday). Duly completed registered transfers of ordinary shares in the capital of the Company received by the Company's Share Registrar, Boardroom Limited, at 3 Church Street, #08-01 Samsung Hub, Singapore 049483 before 5.00 pm on 20 October 2009 (Tuesday), will be registered in the Register of Members and the Transfer Books of the Company to determine shareholders' entitlements to the final dividend. In respect of ordinary shares in securities accounts with The Central Depository (Pte) Limited ("CDP"), the final dividend will be paid by the Company to CDP which will, in turn, distribute the entitlements to the final dividend to CDP account-holders in accordance with its normal practice.

The final dividend, if approved by shareholders, will be paid on 30 October 2009.

CORPORATE INFORMATION

BOARD OF DIRECTORS

Non-executive Chairman

J Y Pillay

Chief Executive Officer

Hsieh Fu Hua

Lead Independent Director

Low Check Kian

Non-executive Directors

Chew Choon Seng

Euleen Goh Yiu Kiang

Ho Tian Yee

Lee Hsien Yang

Liew Mun Leong¹

Loh Boon Chye

Ng Kee Choe

Robert Owen

COMPANY SECRETARY

Joyce Fong Foong Chao

AUDIT COMMITTEE

Lee Hsien Yang (Chairman)

Euleen Goh Yiu Kiang

Ho Tian Yee

Loh Boon Chye

Secretary:

Joyce Fong Foong Chao²

NOMINATING COMMITTEE

Low Check Kian (Chairman)

Chew Choon Seng

Ho Tian Yee

Loh Boon Chye

Ng Kee Choe

Secretary:

Joyce Fong Foong Chao

REGULATORY CONFLICTS COMMITTEE

Robert Owen (Chairman)

Euleen Goh Yiu Kiang

Low Check Kian³

Liew Mun Leong⁴

Secretary:

Joyce Fong Foong Chao

REMUNERATION COMMITTEE

Ng Kee Choe (Chairman)

Chew Choon Seng

Lee Hsien Yang

Low Check Kian

Secretary:

Joyce Fong Foong Chao

RISK MANAGEMENT COMMITTEE

Loh Boon Chye (Chairman)

Euleen Goh Yiu Kiang

Ho Tian Yee

Ng Kee Choe

Robert Owen

Secretary:

Joyce Fong Foong Chao

EXECUTIVE COMMITTEE

Hsieh Fu Hua (Chairman)

Bob Caisley⁵

Chang Kuan Aun

Chew Sutat

Gan Seow Ann

Lawrence Wong Liang Ying

Muthukrishnan Ramaswami

Seck Wai Kwong

Yeo Lian Sim

Secretary:

Sibylla Muecke

INVESTOR RELATIONS

John Gollifer

Tel : (65) 6236 8540

Email : johngollifer@sgx.com

CORPORATE SOCIAL RESPONSIBILITY

Email: csr@sgx.com

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Website: www.sgx.com

SHARE REGISTRAR

Boardroom Limited

3 Church Street

#08-01 Samsung Hub

Singapore 049483

Person-in-Charge:

Chia Hui Dih

AUDITORS

PricewaterhouseCoopers LLP

8 Cross Street #17-00

PWC Building

Singapore 048424

Partner-in-Charge:

Chua Kim Chiu

(appointed from 1 July 2004)

¹ appointed on 1 July 2009

² effective 15 October 2008

³ stepping down on 13 October 2009

⁴ effective 13 October 2009

⁵ appointed on 11 November 2008

SGX Logo

The logo combines a contemporary type treatment of the brand name with a dynamic monogram 'E'. The concept of 'exchange' through the sense of movement is suggested by the five interlocking bands. More than just a logo, this distinctive mark is a visual metaphor of the Company's brand positioning suggesting an innovative exchange offering a wide range of fully integrated services and a willing business partner. SGX serves as a gateway for international investments into Asia and links investors in Asia to the rest of the world. The square shape complements the Exchange's vision with the traditional image of secure stability.

Cover Rationale

Our theme "**Forging Ahead**" is visually represented through the use of SGX's own logo. The five interlocking bands "open up" to a funnel shape depicting paths of growth. Our area of operation, Asia, is in these growth paths and SGX, Asia's gateway, is in the middle of the regional marketplace.

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strategic communicator and visual creator
greymatter williams and phoa (asia)



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