



Unaudited Financial Statements and Dividend Announcement for the Year Ended 30 June 2002

Financial statements on consolidated results for the year ended 30 June 2002. Certain items reported for the year ended 30 June 2001 have been reclassified to conform to this report for the year ended 30 June 2002.

These figures have not been audited.

	Group			Company		
	S\$'000		%	S\$'000		%
	1 Jul 2001 to 30 Jun 2002	1 Jul 2000 to 30 Jun 2001	Change	1 Jul 2001 to 30 Jun 2002	1 Jul 2000 to 30 Jun 2001	Change
1.(a) <b>Turnover</b>						
<b>Operating revenue</b>						
- Management fees from subsidiaries	-	-	-	79,690	77,097	3.4
- Gross dividend income from subsidiaries	-	-	-	-	106,490	(100.0)
- Clearing and related income	115,834	107,176	8.1	-	-	-
- Access & terminal fees	32,180	31,064	3.6	-	-	-
- Account maintenance & processing fees	37,111	36,921	0.5	-	-	-
- Listing & membership fees	16,677	17,295	(3.6)	-	-	-
- Price information fees	11,498	11,214	2.5	-	-	-
- Sale of software & other computer services	6,057	5,217	16.1	-	-	-
- Other operating revenue	9,126	8,132	12.2	1,399	1,346	3.9
Total operating revenue	228,483	217,019	5.3	81,089	184,933	(56.2)
1.(b) Investment income #	16,029	7,802	105.4	15,176	6,841	121.8
1.(c) Other income including interest income	4,078	9,265	(56.0)	654	3,042	(78.5)
2.(a) Profit before income tax, minority interests, extraordinary items, interest on borrowings, depreciation and amortisation, foreign exchange gain/(loss) and exceptional items and after charging:-	107,690	108,854	(1.1)	26,325	130,395	(79.8)
- Staff costs	(74,765)	(62,515)	19.6	(44,343)	(39,547)	12.1
- Occupancy costs	(17,977)	(14,494)	24.0	(8,894)	(7,675)	15.9
- System maintenance & rental	(18,930)	(20,964)	(9.7)	(7,090)	(10,557)	(32.8)
- Other operating expenses	(29,228)	(27,259)	7.2	(10,267)	(6,642)	54.6
2.(b)(i) Interest on borrowings	-	-	-	-	-	-
2.(b)(ii) Depreciation and amortisation	(23,521)	(19,716)	19.3	(9,658)	(7,227)	33.6
2.(b)(iii) Foreign exchange gain/(loss)	(72)	303	NA	(22)	(13)	69.2
2.(c) Exceptional items ##	(7,000)	(20,545)	(65.9)	(4,893)	(20,545)	(76.2)
2.(d) Profit/(Loss) before income tax, minority interests and extraordinary items but after interest on borrowings, depreciation and amortisation, foreign exchange gain/(loss) and exceptional items	77,097	68,896	11.9	11,752	102,610	(88.5)
2.(e) Share of losses of joint venture	(123)	(449)	(72.6)	-	-	-
2.(f) Less income tax	(18,710)	(19,422)	(3.7)	(5,200)	(25,675)	(79.7)
2.(g)(i) Profit/(Loss) after tax before deducting minority interests	58,264	49,025	18.8	6,552	76,935	(91.5)
2.(g)(ii) Minority interests	2,642	-	NA	-	-	-
2.(h) Profit/(Loss) after tax attributable to shareholders of the company	60,906	49,025	24.2	6,552	76,935	(91.5)

	Group			Company			
	S\$'000		%	S\$'000		%	
	1 Jul 2001 to 30 Jun 2002	1 Jul 2000 to 30 Jun 2001	Change	1 Jul 2001 to 30 Jun 2002	1 Jul 2000 to 30 Jun 2001	Change	
2.(i)(i)	Extraordinary items	-	-	-	-	-	
2.(i)(ii)	Less minority interests	-	-	-	-	-	
2.(i)(iii)	Extraordinary items attributable to shareholders of the company	-	-	-	-	-	
2.(i)(iv)	Transfer to/from Exchange Reserve	-	-	-	-	-	
2.(i)(v)	Transfer to Capital Reserve	-	-	-	-	-	
2.(i)(vi)	Transfer to Reserve Fund	-	-	-	-	-	
2.(j)	Profit/(Loss) after tax and extraordinary items attributable to shareholders of the company	60,906	49,025	24.2	6,552	76,935	(91.5)

# Investment income comprises realised and unrealised gains or losses, and interest income from managed funds and fixed income securities.  
## See Paragraph 5d.  
NA: Not applicable.

	Group Figures		
	1 Jul 2001 to 30 Jun 2002	1 Jul 2000 to 30 Jun 2001	
3.(a)	Profit [2(g)(i) above] as a percentage of turnover [1(a) above]	26%	23%
3.(b)	Profit [2(h) above] as a percentage of issued capital and reserves at end of year	7%	6%
3.(c)	Earnings per share based on 2(h) above:-	Cents	Cents
	(i) Based on existing issued share capital	6.09	6.47
	(ii) On a fully diluted basis	6.08	6.46
3.(c)(i)	Earnings per share based on 2(j) above:-		
	(i) Based on existing issued share capital	6.09	6.47
	(ii) On a fully diluted basis	6.08	6.46
	Weighted average number of ordinary shares in issue for basic earnings per share ('000)	1,000,000	757,477
	Adjustment for assumed conversion of share options ('000)	971	1,206
	Weighted average number of ordinary shares for diluted earnings per share ('000) @	1,000,971	758,683
3.(d)	Net tangible asset backing per ordinary share @@	83.66	83.09

@ The weighted average number of ordinary shares for the financial year ended 30 June 2001 has been used to compute the comparative earnings per share to provide a better comparison of earnings per share.

@@ Net tangible asset backing per ordinary share is computed based on the existing share capital of 1 billion ordinary shares as at 30 June 2002 and 30 June 2001.

	Group			Company		
	S\$'000		%	S\$'000		%
	1 Jul 2001 to 30 Jun 2002	1 Jul 2000 to 30 Jun 2001	Change	1 Jul 2001 to 30 Jun 2002	1 Jul 2000 to 30 Jun 2001	Change
4.(a) <b>Operating revenue reported for first half year</b>						
- Management fees from subsidiaries	-	-	-	37,229	36,551	1.9
- Gross dividend income from subsidiaries	-	-	-	-	106,490	(100.0)
- Clearing and related income	49,809	55,861	(10.8)	-	-	-
- Access & terminal fees	15,758	14,726	7.0	-	-	-
- Account maintenance & processing fees	16,788	17,659	(4.9)	-	-	-
- Listing & membership fees	8,253	8,280	(0.3)	-	-	-
- Price information fees	5,916	5,603	5.6	-	-	-
- Sale of software & other computer services	3,028	3,376	(10.3)	-	-	-
- Other operating revenue	3,901	3,162	23.4	607	792	(23.4)
Total operating revenue	103,453	108,667	(4.8)	37,836	143,833	(73.7)
4.(b) Profit [2(g)(i) above] reported for first half year	20,264	18,760	8.0	(1,335)	69,646	NA
4.(c) <b>Operating revenue reported for second half year</b>						
- Management fees from subsidiaries	-	-	-	42,461	40,546	4.7
- Gross dividend income from subsidiaries	-	-	-	-	-	-
- Clearing and related income	66,025	51,315	28.7	-	-	-
- Access & terminal fees	16,422	16,338	0.5	-	-	-
- Account maintenance & processing fees	20,323	19,262	5.5	-	-	-
- Listing & membership fees	8,424	9,015	(6.6)	-	-	-
- Price information fees	5,582	5,611	(0.5)	-	-	-
- Sale of software & other computer services	3,029	1,841	64.5	-	-	-
- Other operating revenue	5,225	4,970	5.1	792	554	43.0
Total operating revenue	125,030	108,352	15.4	43,253	41,100	5.2
4.(d) Profit [2(g)(i) above] reported for second half	38,000	30,265	25.6	7,887	7,289	8.2

5.(a) **Amount of Adjustment for Under/Over-provision of Tax in respect of Previous Years**

The Group's tax charge for the year ended 30 June 2002 included adjustment for over-provision of \$1,329,000 in respect of prior years.

5.(b) **Amount of Pre-Acquisition Profits**

Nil.

5.(c) **Amount of Gain/(Loss) on Sale of Investments**

	S\$'000	S\$'000
	1 Jul 2001 to 30 Jun 2002	1 Jul 2000 to 30 Jun 2001
Realised loss arising from equity investments	-	(20,545)
Realised gain/(loss) arising from fixed income securities	981	(270)
Total	981	(20,815)

5.(d) **Other Comments Relating to Paragraph 5**

A provision had been made in the first half of FY2002 for estimated surplus leased space as a result of the relocation to SGX Centre.

In the previous period, the exceptional item related to the liquidation of all our equity portfolio.

6.(a) **Segment Information for the year ended 30 June 2002**

	<b>Securities Market</b>	<b>Derivatives Market</b>	<b>Other Operations</b>	<b>The Group</b>
	<b>SS'000</b>	<b>SS'000</b>	<b>SS'000</b>	<b>SS'000</b>
<b>SEGMENT REVENUE</b>				
External revenue	154,239	58,934	15,310	228,483
Inter-segment revenue	1,927	2,180	81,703	85,810
	156,166	61,114	97,013	314,293
Less: Consolidation elimination	(1,927)	(2,180)	(81,703)	(85,810)
	154,239	58,934	15,310	228,483
<b>RESULTS</b>				
Segment results	84,146	10,530	2,993	97,669
Unallocated costs				(40,679)
Operating profit before tax				56,990
Interest income and other non-operating income				20,107
Share of losses of joint venture	(123)	-	-	(123)
Income taxes				(18,710)
Minority interests				2,642
Net profit				60,906
<b>OTHER INFORMATION</b>				
Segment assets	712,200	1,751,630	18,608	2,482,438
Unallocated assets				321,410
Consolidated total assets				2,803,848
Segment liabilities	312,740	1,550,432	5,748	1,868,920
Unallocated liabilities				45,164
Consolidated total liabilities				1,914,084
Capital expenditure				
- Allocated	3,641	1,016	3,799	8,456
- Unallocated				19,494
				27,950
Depreciation				
- Allocated	8,747	5,238	866	14,851
- Unallocated				8,670
				23,521

## 6.(b) Segment Information for the year ended 30 June 2001

	Securities Market	Derivatives Market	Other Operations	The Group
	SS'000	SS'000	SS'000	SS'000
<b>SEGMENT REVENUE</b>				
External revenue	148,345	55,435	13,239	217,019
Inter-segment revenue	26	1,330	183,650	185,006
	148,371	56,765	196,889	402,025
Less: Consolidation elimination	(26)	(1,330)	(183,650)	(185,006)
	148,345	55,435	13,239	217,019
<b>RESULTS</b>				
Segment results	83,023	9,535	4,238	96,796
Unallocated costs				(24,422)
Operating profit before tax				72,374
Interest income and other non-operating income/ (loss)				(3,478)
Share of results of joint venture	(449)	-	-	(449)
Income taxes				(19,422)
Net Profit				49,025
<b>OTHER INFORMATION</b>				
Segment assets	673,437	2,064,103	8,440	2,745,980
Unallocated assets				362,806
Consolidated total assets				3,108,786
Segment liabilities	324,059	1,863,358	2,494	2,189,911
Unallocated liabilities				36,839
Consolidated total liabilities				2,226,750
Capital expenditure				
- Properties under development	73,460	48,657	-	122,117
- Allocated	10,106	1,074	527	11,707
- Unallocated				11,606
				145,430
Depreciation				
- Allocated	7,226	5,100	163	12,489
- Unallocated				7,227
				19,716

The Group operates mainly in Singapore, with one marketing office in the United States of America.

## 7(a) Review of the Performance of the Company and its Subsidiaries

SGX group's business is comprised mainly of operating a Securities Market and Derivatives Market. We present herewith the unaudited financial information for the financial year ended 30 June 2002.

### 7(a)(i) Full Year Results – Year ended 30 June 2002 vs Year ended 30 June 2001

#### *Net Profit / Operating Profit*

The group recorded \$60.9 million net profit after tax and minority interests, and excluding the \$7.0 million exceptional provision for surplus leased premises, it achieved a \$64.0 million operating profit for the current financial year. This compared to \$49.0 million net profit after tax and minority interests, and \$72.4 million operating profit for the previous financial year ended 30 June 2001. The lower operating profit for the current financial year included \$4.4 million operating loss of Asia Converge Pte Ltd, a subsidiary incorporated in the current financial year.

#### *Operating Revenue*

The group generated operating revenue of \$228.5 million for the current financial year, compared to \$217.0 million for the previous financial year ended 30 June 2001. The 5.3% increase was attributable to the increase in revenue from both Securities and Derivative Markets.

Although securities trading value dropped 9.5% to \$132.4 billion in the current financial year, from \$146.3 billion of the previous financial year, the trading volume increased by 16.7% to 109.4 billion shares in the current financial year from 93.7 billion shares in the previous financial year. Securities clearing fees increased by 4.2% to \$76.5 million from \$73.4 million despite the decrease in trading value, mainly due to an increase in volume of non-capped transactions.

Access and terminal fees increased by 3.6% to \$32.2 million in the current financial year from \$31.1 million in the previous financial year, mainly due to the monthly SESOPS fee increase from \$400 to \$480 per terminal from 1 October 2001 onward.

Derivatives trading registered record volume on a 12.2% increase to 31.5 million contracts in the current financial year from 28.1 million contracts in the previous financial year, largely on higher Eurodollar trading volume. This resulted in a 16.4% increase in derivatives clearing fees and related income to \$39.3 million from \$33.8 million.

#### *Operating Costs*

Total operating costs, excluding the \$7.0 million exceptional provision for surplus leased premises, increased by 13.7% to \$164.5 million in the current financial year from \$144.6 million of the previous financial year, in line with our expectation of a 15% increase driven by new initiatives and other capacity building efforts initiated by the Group.

The current financial year figure included \$7.6 million in consolidated non-intercompany expenses of Asia Converge Pte Ltd, which in turn represented 38.2% of the total operating cost increase between the two financial years.

Total staff costs for the current financial year included a first time accrual of \$1.9 million for staff's unutilized leave balance, as required under SAS17, a new accounting standard on employee benefits

and \$3.6 million of staff costs related to Asia Converge Pte Ltd. Excluding these items, the Group's staff costs increased by 10.8% between the two financial years.

Occupancy costs and depreciation charges increased by 24.0% and 19.3% respectively mainly due to relocation to the new SGX Centre premises during the current financial year.

Other major expenses for the current financial year included \$7.0 million provision for surplus leased premises which was reported as exceptional item, \$0.7 million fixed asset write-off on relocation to the new premises at SGX Centre, and \$1.9 million various other expense items incurred by Asia Converge Pte Ltd.

### ***Performance of the Securities Market***

For the current year ended 30 June 2002, the Securities Market generated \$154.2 million of operating revenue and \$84.1 million of segment profit. This compared to \$148.3 million of operating revenue and \$83.0 million of segment profit for the previous year ended 30 June 2001.

During the current financial year, our performance has been impacted by a weaker global economy leading to declining trading values in global securities markets, including ours. The market conditions also discouraged new listings, which dropped to 26 in the current financial year from 65 of the previous financial year.

As a result of recent consolidations and mergers of local brokers, the number of Securities Market members dropped to 26 as at 30 June 2002 from 32 as at 30 June 2001.

### ***Performance of the Derivatives Market***

For the current year ended 30 June 2002, the Derivatives Market generated \$58.9 million of operating revenue and \$10.5 million of segment profit. This compared to \$55.4 million of operating revenue and \$9.5 million of segment profit for the previous year ended 30 June 2001.

The volume growth in the current financial year was mainly attributable to the active trading in Eurodollar contracts due to increased volatility of interest rates on the actions by the U.S. Federal Reserve Board during the financial year. Eurodollar trading volume in the current financial year increased 43% to 18.3 million contracts from 12.8 million contracts in the previous financial year, and represented 58% of our total derivatives volume for the current financial year. MSCI Taiwan Index Futures contract trading volume also grew by 16% to 4.3 million contracts in the current financial year compared to 3.7 million contracts in the previous financial year. Euroyen trading volume, in contrast, fell by 55% to 2.2 million contracts, on lower yen interest rate volatility.

With respect to domestic products, the Singapore Government Bond Futures contract, which started in June 2001, registered a total trade of 129,503 contracts for the current financial year. Singapore Dollar Interest Rate Futures contract recorded a total trade of 115,592 contracts during the current financial year, an increase of 6% over the previous financial year. Since its launch on 26 October 2001, Single Stock Futures recorded a total trading volume of 17,036 contracts up to 30 June 2002. We expect interest in this new product to increase with additional marketing and educational efforts.

Trading volume in our electronic market (ETS) increased by 19.9% to 1.5 million contracts in the current financial year from 1.3 million contracts in the previous financial year. This was mainly attributable to business development and marketing efforts on the Singapore equity index and the new Singapore-dollar government bond products.

### ***Exceptional Item***

A provision of \$7.0 million had been made for estimated surplus leased premises as a result of the relocation to SGX Centre.

The previous financial year recorded an exceptional loss of \$20.5 million arising from the liquidation of SGX's equity portfolio managed by independent fund managers.

### ***Investment Performance***

The investment portfolio managed by independent fund managers appreciated by \$15.2 million in the current financial year, compared to appreciation of \$6.4 million in the previous financial year. Declining interest rate in the current financial year, as well as the relatively weak equity market conditions were conducive to the fixed income market performance.

Interest from bank deposits amounted to \$3.8 million for the current financial year, \$4.6 million lower than the previous financial year, mainly on declining interest rates.

### ***Balance Sheet***

The Group remained debt-free and its major assets included \$317.5 million placed with independent fund managers, \$253.0 million of cash and cash equivalents, and the SGX Centre premises at net book value of \$212.6 million. The Group's net assets amounted to \$836.6 million as at 30 June 2002, up by \$22.5 million from \$814.1 million as at 31 March 2002.



Consolidated balance sheet as of 30 June 2002 compared to 30 June 2001 as follows:

(\$ Million)	<u>30 June 2002</u>	<u>30 June 2001</u>
<b>Current Assets</b>		
Cash & cash equivalents	253.0	230.7
Trade and other debtors	313.4	337.3
Derivatives margin funds and deposits	1,532.5	1,846.4
Securities Clearing funds	34.1	34.2
Available-for-sale investments	335.5	329.8
	<u>2,468.5</u>	<u>2,778.4</u>
<b>Non-Current Assets</b>	283.4	279.3
Net assets of securities and derivatives fidelity funds	51.9	51.1
<b>Total Assets</b>	<u>2,803.8</u>	<u>3,108.8</u>
<b>Current Liabilities</b>		
Trade and other creditors	341.5	346.5
Derivatives margin funds and deposits	1,532.5	1,846.4
Securities clearing members' contributions to clearing funds	9.1	9.2
Taxation	19.6	22.3
	<u>1,902.7</u>	<u>2,224.4</u>
<b>Non-current Liabilities</b>	11.3	2.4
<b>Total Liabilities</b>	<u>1,914.0</u>	<u>2,226.8</u>
<b>Net Assets</b>	<u>889.8</u>	<u>882.0</u>
<b>Shareholders' Funds</b>	836.6	830.9
<b>Minority Interest</b>	1.3	-
<b>Accumulated funds of securities and derivatives fidelity funds</b>	51.9	51.1
	<u>889.8</u>	<u>882.0</u>

Shareholders' funds increased by \$5.7 million to \$836.6 million from June 2001's \$830.9 million, after netting the final dividend for last financial year and interim dividend for current financial year against current year's profit.

A substantial portion of our assets, and an equivalent amount of our total liabilities, consisted of margin funds and settlement variations relating to derivatives contracts which decreased to \$1.5 billion at 30 June 2002 from \$1.8 billion at 30 June 2001 on a 13.9% decrease in open interest.

### ***Cash Flow***

The Group had net cash inflow of \$22.3 million for the current financial year. This compared with \$370.7 million net cash outflow for the previous financial year, upon the \$315 million placement with independent fund managers, and \$100.9 million payment for the SGX Centre premises during that year.

### ***Contingent Liabilities***

As at 30 June 2002, we had unsecured contingent liabilities to banks for US\$37.5 million of standby letters of credit issued to Chicago Mercantile Exchange. These standby letters of credit provided guarantees as margin for the open positions of our clearing members, and were in turn supported by the margin funds placed with us by the latter. We also had \$4.8 million unsecured guarantee to ASX International Services Pty Ltd in respect of obligations of SGXLink Pte Ltd.

7(a)(ii) Quarterly Results - 3 Months ended 30 June 2002 vs 3 Months ended 31 March 2002

*Group Financial Highlights – 4Q FY2002 vs 3Q FY2002*

(S\$'000)	<u>4Q FY2002</u>	<u>3Q FY2002</u>
<b>Operating Revenue</b>		
Clearing and Related Income	29,641	36,384
Access & Terminal Fees	8,211	8,211
Account Maintenance & Processing Fees	9,892	10,430
Listing & Membership Fees	4,468	3,956
Price Information Fees	2,757	2,825
Sale of Software & Other Computer Services	1,309	1,720
Other Operating Revenue	3,698	1,529
	<u>59,976</u>	<u>65,055</u>
Investment Income	9,935	(1,965)
Other income including interest income	629	650
Profit before income tax, minority interests, extraordinary items, interest on borrowings, depreciation and amortisation, foreign exchange gain/(loss) and exceptional items and after charging:-	30,603	29,153
Staff Costs	(23,858)	(17,850)
Occupancy Costs	(4,599)	(4,572)
System Maintenance & Rental	(4,298)	(4,857)
Other Operating Expenses	(7,182)	(7,308)
Interest on borrowings	-	-
Depreciation and amortisation	(6,618)	(6,719)
Foreign exchange gain/(loss)	(238)	(54)
Exceptional item	-	-
Profit before income tax, minority interests and extraordinary items but after interest on borrowings, depreciation and amortisation, foreign exchange gain/(loss) and exceptional item	23,747	22,380
Share of losses of joint venture	(9)	(83)
Less Income Tax	(2,871)	(5,164)
Profit After Tax before deducting minority interests	20,867	17,133
Minority Interests	873	313
Profit After Tax and Minority Interests	21,740	17,446

### ***Net Profit / Operating Profit***

The group recorded \$21.7 million net profit after tax and minority interests, and \$13.2 million operating profit for the fourth quarter ended 30 June 2002. This compared to \$17.4 million net profit after tax and minority interests, and \$23.7 million operating profit for the third quarter ended 31 March 2002.

### ***Operating Revenue***

The group generated operating revenue of \$60.0 million for the fourth quarter, compared to \$65.1 million for the third quarter. The 7.8% decrease was mainly attributable to the decrease in income from the Securities Market.

Trading activity in the securities market was lackluster in the fourth quarter on the slow pace of economic recovery. Securities trading value decreased 31% to \$28.9 billion in the fourth quarter from \$41.9 billion in the third quarter; securities clearing fee decreased 25.8% to \$19.4 million from \$26.2 million between the two quarters. IPO listings decreased from 8 in the third quarter to 4 in the fourth quarter.

Derivatives clearing fees and related income, net of rebates, remained unchanged at \$10.2 million in the fourth quarter despite a 13.9% increase in the trading volume to 8.3 million contracts in the fourth quarter from 7.3 million contracts in the third quarter, mainly due to higher rebates during the fourth quarter.

### ***Operating Costs***

Total operating costs increased by 13.1% to \$46.8 million from \$41.4 million between the two quarters. The 33.7% increase in staff costs was mainly due to the first time accrual for staff's unutilized leave balance in accordance with SAS 17, the new accounting standard on employee benefits, as well as a provision for staff bonus for the financial year ended 30 June 2002.

### ***Segment Performance***

The Securities Market generated \$40.9 million of operating revenue and \$20.6 million of segment profit for the fourth quarter, compared to \$44.9 million of operating revenue and \$26.8 million of segment profit for the third quarter.

The Derivatives Market generated \$15.1 million of operating revenue and \$1.5 million of segment profit for the fourth quarter, compared to \$15.0 million of operating revenue and \$3.2 million of segment profit for the third quarter.

### ***Investment Performance***

The investments placed with fund managers appreciated by \$9.5 million in the fourth quarter, compared to a depreciation of \$2.2 million in the third quarter, as a result of favorable fixed income market performance.

Interest from bank deposits remained fairly constant at \$0.6 million in the fourth quarter.

**7(b) Forecast Statement**

Not Applicable.

**7(c) Unusual Items After the Financial Period**

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen from 30 June 2002 to the date of this report which would affect substantially the results of the operations of the Company and the Group for the financial period in which this report is made.

**8 Current Year Prospects And Initiatives**

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

Global equity market conditions remain uncertain since our third quarter result announcement. However, we are not aware of any business factors, other than those disclosed in this announcement, that will have a substantially adverse impact on the Group's business performance.

We highlight below our business initiatives and the corresponding time frame on calendar year basis.

**8(a) Securities Market Initiatives**

In our efforts to continuously grow the securities market, we plan to broaden our membership base by attracting new international members through marketing our membership to securities houses on a regional as well as global basis. In addition, we are streamlining the membership class structure in our market divisions. We will be introducing a new membership structure that allows new and existing members to choose between trading-only membership or clearing-only membership or both trading and clearing membership. We have revised the CDP clearing rules to incorporate the admission requirements and expect to launch the new membership structure in the third quarter of 2002.

To ensure that our listing requirements meet market needs and practices, we have introduced a new listing manual which reflected international best practices and feedbacks from market practitioners and members of the public. The new listing manual, which took effect from 1 July 2002, incorporated key amendments designed to clarify and simplify obligations of listed issuers while retaining the essential requirements for a fair and orderly market.

We have started a major review of the Singapore Exchange Securities Trading (SGX-ST) Rules & Bye Laws to ensure that our rules and bye laws were in line with current market practices and the new Securities and Futures Act and Regulations, and expect to complete the review by the second quarter of 2003.

To become an international marketplace with a world-class infrastructure to attract greater institutional and retail interests to our market, we have also been undertaking the following projects:

(a) ***SGXAccess***

On 29 March 2001, we launched SGXAccess, an open interface for securities trading which provides for wider and more direct distribution of products. SGXAccess uses a widely accepted international protocol (FIX 4.2) and allows brokers to differentiate their products to clients.

Nine members have adopted SGXAccess while another member has signed a Memorandum of Intent to adopt SGXAccess by the third quarter of 2002. We will continue to market SGXAccess to other member companies, on-line brokers and potential overseas brokers and traders.

In April 2002, SGX was named Computerworld Honors Laureate for the development of SGXAccess. The award recognizes organizations and institutions that are leading the global information technology revolution.

(b) ***Exchange Traded Funds (ETFs)***

ETFs are indexed funds or baskets of stocks that trade in the same way as individual stocks. Further to the 5 ETFs launched in May 2001, Singapore's first local ETF, the streetTRACKS<sup>SM</sup> Straits Times Index Fund, was listed on SGX on 17 April 2002. This product was jointly developed by SGX and State Street Global Advisors.

(c) ***Securities Borrowing and Lending***

The SGX Securities Lending programme was launched on 7 January 2002 and to date we have built a lending pool with more than 1,100 participants registered to lend about 492 million shares of 188 eligible securities valued above \$740 million in total.

We continue to enhance the facility to increase borrowing activities. Effective 8 April 2002, borrowers are able to request for successive rollovers of the loan term of T+3 market days. From 15 April 2002 onward, live information on the securities lending pool is accessible via SGX website. This information allows market participants and investors to make more timely decisions to cover potential fail trades and to execute additional trading strategies.

We are developing the next phase of the lending programme, which will provide borrowers with the flexibility of requesting for specific loan periods and negotiating the borrowing rates.

The Securities Lending programme provides investors with additional income opportunities, improves investment and hedging opportunities for market participants and will help pave the way for the development of an active equity options market.

(d) ***Straight Through Processing***

We are planning to develop an open settlement infrastructure that will allow member companies to connect their own settlement and risk management systems to the CDP settlement system, and facilitate Straight Through Processing (STP) to improve market efficiency. STP, which automates trade processing from order entry to settlement and custody, will reduce operating costs and lower the risk for market participants in securities settlement.

We have presented the business and technical architecture of the proposed STP infrastructure to various sectors of the industry, and have received feedback on the design.

We are now considering the feedback and will be issuing a Request for Proposal to technology vendors to build the STP infrastructure.

The second phase of the STP initiative, which is to build and implement the STP infrastructure, is expected to take between 18 and 24 months from the contract award date.

**(e) *Cross Border Linkage Infrastructure***

The ASX-SGX co-trading linkage, the first such facility in the world, was officially launched on 20 December 2001. This electronic linkage allows brokers at each exchange to transmit orders through their existing trading terminals directly into the electronic trading system of the other exchange for execution. Information necessary for clearing and settlement is also provided.

This facility is intended to increase the liquidity of the securities covered. The linkage may also serve as a model for regional co-operation to enhance our market reach, liquidity and product range to meet the needs of investors. Through 30 June 2002, about \$100 million in securities trading value has gone through the link.

**(f) *Strategic Alliance With Tokyo Stock Exchange***

On 1 October 2001, SGX and Tokyo Stock Exchange (TSE) signed a Heads of Agreement (HOA) to pursue a strategic alliance with the aim of broadening distribution and enhancing the liquidity of products traded on both markets.

Two working group meetings have been held to explore issues relating to cross access arrangements for the co-trading and clearing of products listed on both exchanges, new product development, marketing, information technology development, and information sharing. On 1 July 2002, SGX and TSE agreed to extend the HOA by another 120 days to facilitate further discussions between the two exchanges. Meanwhile, a third working group meetings is being planned to advance ongoing discussions.

**(g) *Real-time Market Data Feed***

On 1 July 2002, we launched the SGX SecuritiesBook, a new real-time multi-level data feed dissemination system. This system allows investors to access full order book information on the SGX securities market, on a subscription basis. The greater transparency and the enhanced price discovery process offered by the system will enable investors to make better-informed decisions.

**(h) *Enhancement to Corporate Announcement System***

To facilitate reporting by listed companies, especially those from overseas, we are planning to replace the existing MASNET system with a web-based corporate announcement system. The new system will enable global usage and allow for customized corporate data subscription. We expect to launch the new system by end of second quarter 2003.

**8(b) *Derivatives Market Initiatives***

In our parallel efforts to continuously grow the derivatives market, we have been expanding trading access and improving the facilities for transaction executions. In addition, new products have been scheduled for launching to provide additional market liquidity and to increase trading and hedging opportunities.

Following are highlights of major projects:

**(i) Trading Access and Facilities**

**(a) *Global Access to SGX-DT Electronic Trading System (ETS)***

We have been actively working with independent software vendors (ISVs) and Corporate Members to develop direct interfaces to the ETS. SGX-DT products on ETS can then be accessed directly through such ISVs/proprietary front-ends globally through internet and other leased or private network lines. Several ISVs and member companies are already successfully connected to the ETS from several major overseas markets and the ETS now has more than 2,000 registered users in fifteen countries.

**(b) *Palm/Pocket PC Access to Derivatives Trading***

The ETS has been accessible globally from palm/pocket PCs since 26 October 2001. The SGX derivatives contracts which can be traded via palm/pocket PCs include:

- Euroyen Futures;
- Japanese Government Bond Futures;
- Nikkei 225 Futures;
- Nikkei 300 Futures;
- MSCI Taiwan Index Futures;
- MSCI Singapore Index Futures;
- MSCI Japan Index Futures Contract
- Straits Times Index Futures;
- S&P CNX NIFTY Index Futures;
- 5-year Singapore Government Bond futures; and
- Single Stock Futures.

**(c) *Trade Management System***

In April 2002, we implemented the Trade Management System, which enables Clearing Members to submit their trade amendment, deletion and transfer requests electronically, thereby improving the efficiency and productivity of both SGX's and Clearing Members' back-office operations. We are now looking at further enhancement to the system to enable greater convenience and time saving to Clearing Members.

**(d) *Auto-mailing Facility***

We introduced an auto-mailing facility in March 2002 whereby members are automatically notified whenever there are changes to margin rates. This allows direct access to more timely information on margin changes, thereby enabling them more time to make the necessary arrangements to meet their funding needs.

**(ii) Product Initiatives**

**(a) *Singapore Dollar Interest Rate Futures and Nikkei 225 Options Contracts***

Singapore Dollar Interest Rate Futures (SD) and Nikkei 225 Options contracts were made available for trading via the ETS with effect from 23 November 2001 and 27 August 2001 respectively. These two contracts can be traded electronically through ETS terminals, SESOPS terminals and terminals provided by independent software vendors, or palm/pocket PCs.



**(b) *Single Stock Futures***

Single Stock Futures (SSFs) based on 15 selected stocks listed on SGX-ST were launched on 26 October 2001. They can be traded electronically through ETS terminals and SESOPS terminals. SSFs based on major stocks listed in the key regional, European and US stock markets are expected to be listed at a later stage.

The introduction of SSFs represents an important synergy of our securities and derivatives markets. We expect to see increased inter-market trading and hedging activities involving the two markets.

We continue to conduct extensive marketing and education programme on this new product and have received excellent responses to our SSFs seminars.

**(c) *Serial Months for Nikkei 225 Futures***

On 4 March 2002, we launched the trading of three nearest serial months for the Nikkei 225 Futures and changed the final settlement of Nikkei 225 Options serial months to expire during the corresponding Nikkei 225 Futures serial months, instead of the nearest Futures quarterly month.

**(d) *Full-Sized JGB Futures and Options***

We launched a fungible full-sized SGX 10-year Japanese Government Bond Futures and Options Contracts on 18 April 2002. We believe this product will create cost efficiencies for hedgers with large inventory.

**(e) *MSCI Japan Index Futures Contract***

We launched the MSCI Japan Index Futures Contract on 15 May 2002. This contract complements the highly successful Nikkei 225 Index futures by providing new trading, arbitraging and risk management opportunities based on a well established and widely followed capitalization-weighted benchmark of the Japan market.

With the support of our international market participants and members, we are optimistic of the potential of this product. The addition of the MSCI Japan Index Futures to our growing suite of index contracts is expected to be highly attractive and beneficial to the existing users of our MSCI index contracts. In addition, the MSCI Japan Index Futures Contract, traded exclusively on ETS, provides global accessibility and hence facilitates greater international market participation. This contract can also be traded globally via SESOPS terminals and terminals provided by independent software vendors.

**(f) *Euroyen Options on Mutual Offset System with CME***

We will be introducing Euroyen options on SGX's Mutual Offset System (MOS) with the Chicago Mercantile Exchange (CME) in the second half of 2002. This new addition will meet market demands for greater cost efficiency by using the instrument for round-the-clock trading and hedging.

**(g) *Middle Eastern Crude Oil Index***

On 3 April 2002, SGX and the Tokyo Commodity Exchange (TOCOM) signed an agreement to cooperate on the launch of the Middle Eastern Crude Oil (MECO) futures on SGX, and the possibility of further co-operation in other products.

The MECO Index, which is expected to be launched during the third quarter of 2002, will follow similar contract specifications as the successful TOCOM MECO futures contract, although it will trade in a US Dollar per barrel pricing convention. SGX and TOCOM will work towards the fungibility of their respective contracts so as to deepen the contracts' liquidity and margin efficiency for their market participants.

**(iii) Innovation and Synergy Initiatives**

**(a) *Collateral Innovation***

We have identified a new form of collateral which Members and their customers may use to meet their margin requirement at lower cost. Preparations are currently underway to implement the new collateral.

**(b) *Synergistic Alliance***

We are in discussion with a number of exchanges about the possibility of establishing trading and clearing co-operation, with an aim to expand the trading product range and allow market participants to manage their positions and risks around the clock with minimal costs.

**8(c) Securities Processing & Settlement Outsourcing Services Initiative**

• ***Asia Converge Pte Ltd (previously known as "Megatrex Trading Pte Ltd")***

On 27 March 2001, SGX-ITS signed an agreement to form a joint venture company, Asia Converge Pte Ltd (AC), with DBS Vickers Securities (Singapore) Pte Ltd and OCBC Securities Pte Ltd to provide securities processing and settlement outsourcing services.

AC expects to increase client brokers' operational efficiency and reduce transaction costs by providing technology (Application Service Provider, or ASP) and operational (Business Service Provider, or BSP) outsourcing services for securities processing. These services will cover the whole value chain of securities back-office processing from trade capture, trade confirmation, trade enrichment, settlement, trade payments and receipts to custody. Other value added back-office services include opening of trading accounts and handling of corporate actions. These services can be offered on a modular basis.

AC will also be developing a system which includes multi-market, multi-product, multi-currency and real time analysis capabilities. The solution will ultimately enable straight through processing for the entire chain of securities processes by integrating the front-end with the back-end of a securities transaction. We are currently evaluating the infrastructure development proposals submitted by technology vendors.

In September 2001, SGX-ITS injected \$4.1 million into AC and retained a 51% equity interest in it.

AC now processes more than 20% of the securities markets transactions in Singapore. The processing infrastructure of AC is now a proven multi-broker model. To assure processing quality, efforts have been undertaken to identify and materialize processing efficiencies through automation and recommending the best practices on operating procedures to existing customers. In addition, AC commissioned an independent audit in February 2002 to conduct an operations review, which ascertained that confidentiality of client information is maintained, and that processing is reliable. Regular operational audits will be scheduled to

ensure that operational risks are well controlled. Extensive marketing efforts are now underway.

**8(d) Technology and System Initiative**

- ***Consolidation of Trading and Clearing System***

We have issued Request for Information documents to external vendors to examine the feasibility of consolidating our technology operating systems and we have received numerous proposals from the vendors. We are currently conducting a structured assessment of the proposals.

This move is part of our broader strategic study currently being undertaken to review our technology plan, in support of our strategic vision of creating a fully integrated trading, clearing and settlement facility for both equities and derivatives products.

9. **Dividend**

9.(a) *Year Ended 30 June 2002*

Name of Dividend	Interim	Final
Dividend Type	Cash	Cash
Dividend Rate	2.904 cents per ordinary share less tax	4.396 cents per ordinary share less tax
Par Value of Shares	S\$0.01	S\$0.01
Tax Rate	22%	22%

9.(b) *Year Ended 30 June 2001*

Name of Dividend	Interim	Final
Dividend Type	Cash	Cash
Dividend Rate	3.000 cents per ordinary shares less tax	4.300 cents per ordinary shares less tax
Par Value of Shares	\$0.01	\$0.01
Tax Rate	24.5%	24.5%

9.(c) *Total Annual Dividend (net of tax)*

	S\$'000	S\$'000
	1 Jul 2001 to 30 Jun 2002	1 Jul 2000 to 30 Jun 2001
Ordinary	56,940	55,115
Preference	-	-
Total	56,940	55,115

9.(d) *Date payable*

The final dividend, if approved at the Annual General Meeting, will be paid on 22 October 2002.

9.(e) *Books Closing Date*

5.00pm on 10 October 2002.

9.(f) *Any other comments relating to Paragraph 7*

Total gross dividend for the current financial year amounted to \$0.07300 per share, which is equivalent to \$0.05694 per share net of tax.

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

## Balance Sheets

	Group		Company	
	As at 30 Jun 02	As at 31 Mar 02	As at 30 Jun 02	As at 31 Mar 02
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Current assets</b>				
Cash and cash equivalents	253,048	222,252	23,127	4,158
Trade and other debtors	313,371	322,032	21,809	36,834
Derivatives margin funds and deposits	1,532,519	1,657,359	-	-
Securities clearing funds	34,148	34,594	-	-
Available-for-sale investments	335,437	325,489	317,454	307,702
	<b>2,468,523</b>	<b>2,561,726</b>	<b>362,390</b>	<b>348,694</b>
<b>Non-current assets</b>				
Property, plant and equipment	282,344	288,319	47,413	49,595
Club memberships	700	728	700	728
Investments in subsidiaries	-	-	392,340	392,340
Investments in joint venture	368	377	-	-
	<b>283,412</b>	<b>289,424</b>	<b>440,453</b>	<b>442,663</b>
Net assets of securities and derivatives fidelity funds	51,913	51,730	-	-
<b>Total assets</b>	<b>2,803,848</b>	<b>2,902,880</b>	<b>802,843</b>	<b>791,357</b>
<b>Current liabilities</b>				
Trade and other creditors	337,430	337,389	13,382	12,500
Derivatives margin funds and deposits	1,532,519	1,657,359	-	-
Securities clearing members' contributions to clearing funds	9,148	9,594	-	-
Provision for surplus leased premises and unutilized leave	4,049	1,600	2,601	1,600
Taxation	19,595	21,910	2,119	2,317
	<b>1,902,741</b>	<b>2,027,852</b>	<b>18,102</b>	<b>16,417</b>
<b>Non-current liabilities</b>				
Provision for surplus leased premises	4,816	5,400	3,549	5,400
Deferred tax liabilities	6,527	1,679	4,404	-
	<b>11,343</b>	<b>7,079</b>	<b>7,953</b>	<b>5,400</b>
<b>Total liabilities</b>	<b>1,914,084</b>	<b>2,034,931</b>	<b>26,055</b>	<b>21,817</b>
<b>Net assets</b>	<b>889,764</b>	<b>867,949</b>	<b>776,788</b>	<b>769,540</b>
<b>Equity</b>				
Share capital	10,000	10,000	10,000	10,000
Share premium	305,537	305,537	305,537	305,537
Retained profits and general reserve	461,877	474,428	426,961	454,003
Clearing fund reserve	25,000	25,000	-	-
Hedging reserve	(147)	(928)	-	-
Translation reserve	16	31	-	-
Proposed dividends	34,290	-	34,290	-
Share capital and reserves	<b>836,573</b>	<b>814,068</b>	<b>776,788</b>	<b>769,540</b>
<b>Minority interests</b>	1,278	2,151	-	-
Accumulated funds of securities and derivatives fidelity funds	51,913	51,730	-	-
	<b>889,764</b>	<b>867,949</b>	<b>776,788</b>	<b>769,540</b>

## 10.(b) Consolidated Cash Flow Statement

	Year Ended	
	30 Jun 02	30 Jun 01
	SS'000	SS'000
<b>Cash flows from operating activities</b>		
Profit before tax and share of results of joint venture	77,097	68,896
Adjustments for:		
Depreciation	23,521	19,716
Provision for surplus leased premises	7,000	-
Net (gain)/loss on revaluation of investments	(15,148)	13,960
Write-off of fixed assets	635	-
Write-down of club memberships	28	-
Interest income	(4,660)	(10,128)
Operating cash flow before working capital change	88,473	92,444
Change in operating assets and liabilities		
Trade and other receivables	15,108	32,023
Trade and other payables	(7,046)	(27,332)
Cash generated from operations	96,535	97,135
Income tax paid	(17,385)	(36,056)
Dividends paid	(55,115)	(22,650)
<b>Net cash from operating activities</b>	<b>24,035</b>	<b>38,429</b>
<b>Cash flows from investing activities</b>		
Payments for properties under development	-	(100,864)
Payments for property, plant and equipment	(29,578)	(23,313)
Purchase of investments	-	(315,000)
Interest received	7,134	13,822
Proceeds from sale of investments	10,187	9,000
Receipt from FSDF for fixed assets purchased	1,628	112
Investment in joint venture	(890)	(50)
<b>Net cash used in investing activities</b>	<b>(11,519)</b>	<b>(416,293)</b>
<b>Cash flows from financing activities</b>		
Net proceeds from issue of ordinary shares	-	7,197
Contributions from minority interests	3,920	-
Receipt from FSDF	5,905	-
<b>Net cash from financing activities</b>	<b>9,825</b>	<b>7,197</b>
<b>Net increase/(decrease) in cash and cash equivalents held</b>	<b>22,341</b>	<b>(370,667)</b>
Cash and cash equivalents at the beginning of the financial year	230,719	601,375
Effects of exchange rate changes on cash and cash equivalents	(12)	11
<b>Cash and cash equivalents at the end of the financial year</b>	<b>253,048</b>	<b>230,719</b>

10.(c) Changes in Equity

(i) Consolidated statement of changes in equity for the year ended 30 June 2002

	Share capital	Share premium *	Retained profits and general reserve	Clearing fund reserve *	Hedging reserve *	Translation reserve *	Proposed dividends	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1 July 2001</b>								
- as previously reported	10,000	305,537	457,911	25,000	-	28	-	798,476
- effect of adopting SAS 31	-	-	-	-	-	-	32,465	32,465
	10,000	305,537	457,911	25,000	-	28	32,465	830,941
- effect of adopting SAS 33	-	-	-	-	(1,755)	-	-	(1,755)
- as restated	10,000	305,537	457,911	25,000	(1,755)	28	32,465	829,186
Gain/(Loss) on hedging								
- unrealised	-	-	-	-	1,279	-	-	1,279
- transfer to profit and loss	-	-	(329)	-	329	-	-	-
Net profit before realisation of hedging reserve	-	-	61,235	-	-	-	-	61,235
Net profit for the financial period	-	-	60,906	-	1,608	-	-	62,514
Currency translation differences recognised directly in shareholders' equity	-	-	-	-	-	(12)	-	(12)
Total recognised gains for the financial period	-	-	60,906	-	1,608	(12)	-	62,502
Dividends paid								
Final dividends - FY2001	-	-	-	-	-	-	(32,465)	(32,465)
Interim dividends - FY2002	-	-	(22,650)	-	-	-	-	(22,650)
Proposed dividends								
Final dividends - FY2002	-	-	(34,290)	-	-	-	34,290	-
<b>Balance at 30 June 2002</b>	<b>10,000</b>	<b>305,537</b>	<b>461,877</b>	<b>25,000</b>	<b>(147)</b>	<b>16</b>	<b>34,290</b>	<b>836,573</b>

(ii) Consolidated statement of changes in equity for the year ended 30 June 2001

	Share capital	Share premium *	Retained profits and general reserve	Clearing fund reserve *	Hedging reserve *	Translation reserve *	Proposed dividends	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1 July 2000</b>	62	308,278	464,001	25,000	-	17	-	797,358
Net profit for the financial period	-	-	49,025	-	-	-	-	49,025
Currency translation differences recognised directly in shareholders' equity	-	-	-	-	-	11	-	11
Total recognised gains for the financial period	-	-	49,025	-	-	11	-	49,036
Bonus issue of ordinary shares	2,741	(2,741)	-	-	-	-	-	-
Issue of ordinary share capital	7,197	-	-	-	-	-	-	7,197
Dividends paid								
Interim dividends - FY2001	-	-	(22,650)	-	-	-	-	(22,650)
Proposed dividends								
Final dividends - FY2001	-	-	(32,465)	-	-	-	32,465	-
<b>Balance at 30 June 2001</b>	<b>10,000</b>	<b>305,537</b>	<b>457,911</b>	<b>25,000</b>	<b>-</b>	<b>28</b>	<b>32,465</b>	<b>830,941</b>

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

## (iii) Statement of changes in equity for the year ended 30 June 2002 - Company

	Share capital	Share premium *	Retained profits and general reserve	Clearing fund reserve *	Hedging reserve *	Translation reserve *	Proposed dividends	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1 July 2001</b>								
- as previously reported	10,000	305,537	477,349	-	-	-	-	792,886
- effect of adopting SAS 31	-	-	-	-	-	-	32,465	32,465
- as restated	10,000	305,537	477,349	-	-	-	32,465	825,351
Net profit - total recognised gains for the financial period	-	-	6,552	-	-	-	-	6,552
Dividends paid								
Final dividends - FY2001	-	-	-	-	-	-	(32,465)	(32,465)
Interim dividends - FY2002	-	-	(22,650)	-	-	-	-	(22,650)
Proposed dividends								
Final dividends - FY2002	-	-	(34,290)	-	-	-	34,290	-
<b>Balance at 30 June 2002</b>	<b>10,000</b>	<b>305,537</b>	<b>426,961</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>34,290</b>	<b>776,788</b>

## (iv) Statement of changes in equity for the year ended 30 June 2001 - Company

	Share capital	Share premium *	Retained profits and general reserve	Clearing fund reserve *	Hedging reserve *	Translation reserve *	Proposed dividends	Total
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<b>Balance at 1 July 2000</b>	62	308,278	455,529	-	-	-	-	763,869
Net profit - total recognised gains for the financial period	-	-	76,935	-	-	-	-	76,935
Bonus issue of ordinary shares	2,741	(2,741)	-	-	-	-	-	-
Issue of ordinary share capital	7,197	-	-	-	-	-	-	7,197
Dividends paid								
Interim dividends - FY2001	-	-	(22,650)	-	-	-	-	(22,650)
Proposed dividends								
Final dividends - FY2001	-	-	(32,465)	-	-	-	32,465	-
<b>Balance at 30 June 2001</b>	<b>10,000</b>	<b>305,537</b>	<b>477,349</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>32,465</b>	<b>825,351</b>

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



11. **Details of Changes in the Company's Issued Share Capital**  
Nil.

12. **Comparative Figures of the Group's Borrowings and Debt Securities**

		As at 30/06/2002		As at 30/06/2001	
		Secured	Unsecured	Secured	Unsecured
12.(a)	Amount repayable in one year or less, or on demand	Nil	Nil	Nil	Nil
12.(b)	Amount repayable after one year	Nil	Nil	Nil	Nil

12.(c) Any other comments relating to Paragraph 9  
Nil.

13. The financial statements have been prepared in compliance with Singapore Statements of Accounting Standard ("SAS"). New or revised SASs adopted in the current financial year include:

- i) SAS 8 - Net Profit or Loss for the Period, Fundamental Errors and Changes in Accounting Policies;
- ii) SAS 10 - Events after the Balance Sheet Date;
- iii) SAS 12 - Income Taxes;
- iv) SAS 17 - Employee Benefits;
- v) SAS 22 - Business Combinations;
- vi) SAS 26 - Consolidated Financial Statements and Accounting for Investments in Subsidiaries;
- vii) SAS 29 - Financial Reporting of Interests in Joint Ventures;
- ix) SAS 31 - Provisions, Contingent Liabilities and Contingent Assets;
- x) SAS 32 - Financial Instruments: Disclosure and Presentation;
- xi) SAS 33 - Financial Instruments: Recognition and Measurement;
- xii) SAS 34 - Intangible Assets; and
- xiii) SAS 36 - Impairment of Assets.

SAS 33, which the Group has adopted before its effective date, requires the gain or loss on the effective cash flow hedge to be recognised directly in equity. Accordingly, an amount of \$1,755,000 was reclassified from trade and other debtors to hedging reserve as of 1 July 2001. SAS 33 specifically requires no retrospective adjustment to be made for the comparative figures as of 30 June 2001.

There are no other major adjustments to the financial statements arising from the adoption of these revised or new accounting standards.

**BY ORDER OF THE BOARD**

Joyce Fong  
Company Secretary  
15 August 2002