Chairman's Statement

In November 2000, halfway through the year, SGX completed the private placement of a tranche of its shares as well as an IPO, and arranged a listing on its own board. Thus culminated a process that started two years earlier under a programme of the Monetary Authority of Singapore to modernise the exchange industry. That programme included the merger and demutualisation of the Stock Exchange of Singapore (SES) and the Singapore International Monetary Exchange (SIMEX), which duly took place on 1 December 1999; the IPO and listing of SGX; and an array of measures to liberalise the industry.

An Eventful First Full Year The first full year of SGX's existence proved to be rewarding, in terms of formulating and carrying out organisational and business strategy. On the other hand, the steady erosion in the stock index and the sharp decline in the volume of securities trading — portents of economic softness in Singapore and around the world — severely undermined SGX's revenue base.

In keeping with its new role as a listed company, bent on seizing profitable opportunities in a rapidly evolving and deregulating global industry, SGX proceeded at a vigorous, but measured, pace to adjust to the new environment. It recruited new talent, expanded its numbers, and embarked on several strategic initiatives. Foremost among those initiatives were: an open-access protocol for securities trading; a co-trading link with the Australian Stock Exchange; listing of exchange traded funds in conjunction with The American Stock Exchange and of Singapore government bond futures; preparations for the launch of single stock futures, straight-through-processing, and securities lending; and a joint-venture with two leading broking houses to provide outsourced services to the securities industry.

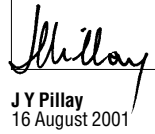
A Stronger Organisation through Enlightened HR Practices At the same time, the need to strengthen the organisation and to introduce modern human resource management practices proceeded vigorously. That was in recognition of the unyielding fact that no organisation can fulfill its destiny without ensuring that its employees are carefully recruited, trained, led and paid. The Board has emphasised the importance of building a robust organisation that is able to satisfy its various constituencies, particularly the needs of market participants.

Rising Costs to be Moderated Those measures to strengthen the organisation, to improve the infrastructure of business activities, and to launch new commercial initiatives, have inevitably raised the platform of costs within SGX. Operating costs rose 21%* during the year, following a 23%* rise the previous year, and are expected to increase further in financial year 2001/02. With revenue falling for cyclical reasons, profit is being squeezed. Net profit before tax fell to $68 million, from $145 million the previous year*. Should the present difficult market conditions persist, SGX's profitability will continue to be under pressure. Nonetheless, the Board has decided to continue with SGX's development programme, while urging management to practise cost discipline.

Corporate Governance Code In keeping with the spirit of the times, SGX as a self-regulatory organisation has taken steps to observe the Corporate Governance Code that was approved by the authorities in April 2001 and embodied as a disclosure requirement in the listing rules of SGX. While disclosure regarding compliance with the Code is not required till 2003, the SGX Board decided to start the process in its own annual report this year.

Dividend In accordance with the intentions expressed at the time of the IPO, the Board will declare a gross final dividend of 4.3 cents per share which, together with the interim dividend of 3 cents, results in a total dividend of 7.3 cents for the year, or 5.5 cents net of tax of 24.5%.

Acknowledgements My colleagues on the Board join me in thanking all ranks of management and staff for their discipline and dedication in the interests of SGX in a daunting year. The Board also thanks market participants and all others with whom SGX has a commercial relationship. I, in turn, want to thank my fellow directors for their unfailing support, and for the generous contribution of their valuable time to the mission of leading SGX to a great future.



J Y Pillay
16 August 2001

* Stated on a pro-forma basis

CEO's Message

The first full year for SGX will best be remembered for the ambitious set of initiatives we embarked on. Our theme for this year's annual report, "Tomorrow's Market, Today" captures the innovative spirit and dynamism that now exists within the SGX Group and accompanies our efforts to deliver those initiatives. For SGX, the most far-reaching event this year was the placement and IPO of SGX shares leading to a listing on our exchange. Our conversion to a listed company not only completed the structural conversion of SGX via the demutualisation process but accelerated a change in culture and management style to one which focuses on delivering shareholder value and responding to customer needs. This transformation occurred against a backdrop of significant change in the global economic environment impacting the world's equity and derivatives markets. Add to this a constantly changing landscape in the financial sector, particularly for exchanges and clearing organisations competing globally, and it is clear that this was truly an exciting year for SGX.

In our efforts to further develop the sophistication and vibrancy of our marketplace, we have embarked on a number of initiatives designed to extend our market reach, expand our product range, and enhance the infrastructure of the marketplace we serve.

Extending Market Reach Driven by the separation of trading access from ownership created by our demutualisation, we have taken a number of steps to extend our market reach. In March 2001, we launched SGXAccess, an open interface that enables our member firms to trade in our securities market from anywhere in the world. Available through alternative order routing or front end trading terminals and using the global messaging standard FIX 4.2 (Financial Information eXchange), SGXAccess enables the enhanced functionality for complex trading strategies and risk management. This will position our securities market for greater access to the global market maker community, ultimately increasing our market depth and liquidity.

Our open access efforts extended to our derivatives market as well. In April 2001, we entered into an agreement with Bloomberg to open access to the SGX derivatives market via Bloomberg's terminals worldwide. This link, together with the commencement of internet access to SGX's derivatives electronic trading system (ETS), gives our members alternatives to dedicated trading terminals and leased lines, ultimately resulting in better allocation of resources, cost-savings and increased efficiency.

Through our linkage being developed with the Australian Stock Exchange for cross trading in selected securities, we believe we have found the right model for regional cross access to other marketplaces. The ultimate vision is for a linked, cross border marketplace creating a larger pool of liquidity for issuers to access.

Expanding Our Product Range The customer focus referred to earlier has resulted in significant efforts in expanding our product range and our efforts around investor education. In May 2001, we launched a set of exchange traded funds (ETFs) in a joint-venture with The American Stock Exchange. The resulting network created the first fully fungible trading of ETFs across the North American and Asian continents. Our goal is for this joint-venture to be the exchange network of choice for ETFs. We will also be launching Singapore's first indigenous exchange traded fund, based on the benchmark Straits Times Index, in the second half of this year.

In June 2001, we launched a 5-Year Singapore Government Bond Futures contract to complement the SGX 3-Month Singapore Dollar Interest Rate Futures. Together, these instruments will provide the market with risk management tools covering the short and medium end of the yield curve. Adding domestic instruments to our suite of interest rate products seems timely as our interest rate derivatives volume rose 4.9% during the financial year as compared to the same period last year.

We recently announced plans to trade single stock futures based initially on a selected group of high capitalisation stocks from our securities market. This product will benefit from the synergies derived from the integration of our securities and derivatives markets and provide our customers with important risk management and trading instruments with which to manage their investment portfolios. We are also planning to introduce single stock futures on other regional and global stocks at a later stage.

We are in the advanced stages of developing a securities lending facility, which will not only give investors an additional income opportunity while holding stock, but also give SGX a mechanism for building an equity options market. This facility is a natural extension of our central depository function and will add to the sophistication and international appeal of our capital markets.

Our commitment to enhancing investor education is central to the success of our new and existing products. Over the past year, we have significantly expanded and enhanced the array of seminars, product promotions and educational forums. Virtually every area of the exchange regularly interfaces with customers and product end users. We believe this effort is critical for SGX's long-term success.

Enhancing Market Infrastructure Our efforts this past year include major initiatives to develop our market infrastructure. In July 2000, we opened our securities market to new members, and five new member firms joined during the remainder of the year. We also changed our rules to allow a single legal entity to be the member firm in each of our securities and derivatives markets, thereby furthering our members' opportunities to trade in both markets. In October 2000, we eliminated the fixed commission structure in our securities market, leaving the commission rate fully negotiable between the interested parties.

In March 2001, we formed a joint-venture with two member firms to provide outsourcing services for securities processing and settlement. We expect to be the first such company in Asia-Pacific to offer complete technology and operations solutions for securities brokerage firms. This exciting initiative expands on the established processing capabilities of SGX IT Solutions and has the potential to provide an important new revenue stream for SGX.

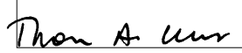
This year we embarked on a project to bring our securities market and its institutional participants to a straight-through-processing environment, from trade execution to final settlement. This will reduce the operating and business costs, lower the settlement risks, and provide more timely risk management information for our participants. A long-term project, we expect this facility to be in place in about two years' time.

Much of our regulatory effort this year has centred on the improvement of corporate governance in our marketplace and a review of our listing manual. We have adopted the recommendations of the Corporate Governance Committee, a private sector led committee, and have been actively encouraging our listed companies to adopt higher standards of disclosure and transparency. We expect our revised listing manual to be effective in 2002, following a period of public consultation later this year.

In December 2000, we created a negotiated large trade (NLT) facility, which allows off market, matched trades to be posted for clearing through our derivatives clearing house. By providing such a facility we believe important synergies can be created between our listed market and the OTC market. The growing acceptance of this facility by our customers is best demonstrated by the fact that we cleared over 800,000 such contracts between January and June 2001, including a record 275,000 contracts in June 2001.

Moving Ahead With the foundation we have built in the past year as a basis, we must remain diligent at anticipating the needs of our customers and delivering the solutions they desire. Such a commitment, if executed faithfully, will result in increased shareholder value and steer the continued development of SGX.

The accomplishments of the past year happened as a result of the leadership of our Board, support of our members and customers, the commitment of our shareholders and dedicated effort of our staff. I thank all for their active participation and contribution to this most exciting year at SGX and look forward with great anticipation as we build together the marketplace of tomorrow.



Thomas A. Kloet
16 August 2001

Year In Review

SGX spent the year formulating and implementing organisational and business strategies, setting the stage for our future growth. In November 2000, we successfully completed a private placement, an IPO, and a listing on our own Mainboard. We strengthened the organisation and worked on several initiatives to improve the business infrastructure, launch new products and form more alliances in our efforts to extend our global reach and increase our market depth.

OVERVIEW OF OUR PERFORMANCE

Securities Market For the financial year ended 30 June 2001, our securities market attracted 65 new listings which raised a total of S$1.7 billion. With these additions, there were a total of 491 companies listed on our exchange as at 30 June 2001, with a total market capitalisation of S$361 billion. During the year, the exchange recorded trading turnover of about 94 billion shares worth a total of S$146.4 billion.

In the same period, SGX Securities Clearing and Depository cleared and settled a total of 87.65 billion Singapore-dollar denominated shares valued at S$134.21 billion. It also cleared and settled 5.4 billion US-dollar denominated shares amounting to US$6.75 billion. As at 30 June 2001, 1.1 million direct accounts were registered (of which 99% were opened by individuals); 85 depository agents maintained 60,937 sub-accounts on behalf of investors; and a total of 180.66 billion securities were deposited.

Derivatives Market SGX was named Asia's Best Derivatives Exchange 2001 by The Asset magazine and the Derivatives Exchange of the Year 2000 by AsiaRisk, for our extensive range of international derivatives products and our innovative and market-led approach.

For the financial year ended 30 June 2001, a healthy volume of 27.5 million futures contracts and almost 579,000 options contracts were traded on our derivatives market. As at 30 June 2001, there was open interest of 711,630 futures contracts, and 54,638 options contracts.

IT Solutions For the financial year 2000/01, SGX IT Solutions derived revenue of approximately S$6 million from transaction-driven computer processing and printing services. Income from the sale of applications systems and maintenance added about S$3 million, while revenue from services related to mergers and acquisitions contributed another S$0.8 million.

EXTENDING OUR GLOBAL REACH AND DISTRIBUTION NETWORK

SGX-ASX Linkage In June 2000, SGX and the Australian Stock Exchange (ASX) signed a historic agreement to jointly design, develop and establish an active electronic link between the two exchanges' trading and settlement systems. The link will facilitate the efficient trading, settlement and holding of SGX-quoted securities by Australian investors and of ASX-quoted securities by Singaporean investors. The trading link will also provide brokers access to market and trading information on the selected securities and allow them to transmit orders through their existing trading terminals directly into the electronic trading systems of the other exchange. We expect this linkage to be operationally ready in the second half of 2001.

SGXAccess In March 2001, we launched SGXAccess, an open interface that enables our member firms to trade in our securities market from anywhere in the world, through alternative order routing and front end trading terminals. First in the region to use FIX 4.2 (Financial Information eXchange) — a global financial messaging interface standard — SGXAccess will allow us to tap into the global market maker community, ultimately increasing our market depth and liquidity. 13 securities member firms have signed Memoranda of Intent to adopt SGXAccess. They are BNP Paribas Peregrine Securities, CLSA Singapore, DBS Securities Singapore, G. K. Goh Stockbrokers, HSBC Securities (Singapore), ING Barings Securities (Singapore), Merrill Lynch (Singapore), Morgan Stanley Asia (Singapore) Securities, Nomura Securities Singapore, Phillip Securities, OCBC Securities, SG Securities (Singapore) and UBS Warburg.

Straight-Through-Processing (STP) In March 2001, we embarked on a project to bring our securities market and its institutional participants to an STP environment, from trade execution to final settlement. This initiative includes the development of common messaging standards to facilitate automated trade processing, which positions our central depository as a trade settlement house for local and overseas participants. STP will reduce the operating and business costs, lower the settlement risks, and provide more timely risk management information for our participants. We expect this project to be completed in about two years.

Bloomberg Linkage and Internet Trading In April 2001, we opened access to the SGX derivatives market via the internet and Bloomberg's 157,000 terminals worldwide. With these links, market participants, including over 250,000 investment professionals using Bloomberg terminals, can enjoy fast and easy access to the region's widest range of risk management and investment tools. The links also give our members alternatives to dedicated trading terminals and leased lines, ultimately resulting in better allocation of resources, cost-savings and increased efficiency. SGX's derivatives market is also accessible via the global distribution networks of its member firms and independent software vendors.

CREATING A VIBRANT MARKETPLACE THROUGH PRODUCT INNOVATION AND CUSTOMER-DRIVEN INITIATIVES

SGX Securities Clearing and Depository Email Service In July 2000, SGX Securities Clearing and Depository launched a service which provided 24-hour email access to investors' share statements. This service enables direct securities account holders faster access to information on their shareholdings.

Liberalisation of Commissions In October 2000, SGX fully liberalised the brokerage fees on securities transactions and gave our members a free rein to negotiate and agree with their remisiers on the sharing of brokerage commissions.

Derivatives Contracts The exchange further broadened its range of derivatives products with the launch of two new instruments last year. In September 2000, we introduced the SGX S&P CNX Nifty Index Futures contract. In June 2001, we launched a 5-Year Singapore Government Bond Futures contract, which complements our existing SGX 3-Month Singapore Dollar Interest Rate Futures, providing the market with risk management tools covering the short and medium end of the yield curve.

Outsourcing Services for Securities Processing and Settlement In November 2000, SGX launched Vision Broker III (VBIII), an online central hosting service which allows brokers to effectively outsource their non-core IT functions. In March 2001, we took further steps to meet the broking industry's need to manage its technology solutions and costs. We formed a joint-venture with DBS Securities and OCBC Securities to create the first company in Asia-Pacific to offer complete technology and operation solutions for brokerages. This enables them to outsource their entire securities processing and settlement functions.

Negotiated Large Trades (NLT) In December 2000, we introduced an NLT facility for trades normally concluded in the over-the-counter (OTC) markets. Offering an enhanced alternative to the unregulated OTC markets, NLT enables our derivatives members and their customers to trade large-sized futures, options and spreads with each other and amongst institutional participants, through direct and private negotiation. These NLT trades are then reported to the exchange for clearing. Subsequently, these positions can be traded on the SGX derivatives market as regular contracts.

Single Stock Futures In April 2001, we announced plans to trade single stock futures based initially on a selected group of high capitalisation stocks from our securities market. These plans are a result of the synergy from integrating our securities and derivatives markets, and will provide our end users with greater flexibility in managing their investment portfolios. We expect to launch the first of such products in the second half of 2001, subject to regulatory approval. We also plan to introduce single stock futures on other regional and global stocks at a later stage.

Exchange Traded Funds (ETFs) In May 2001, SGX launched ETFs in a joint-venture with The American Stock Exchange. The resulting network created the first fully fungible trading of ETFs across the North American and Asian continents. The ETFs launched were the S&P 500 SPDRs®, DJIA DIAMONDS, iShares℠ S&P 500 Index Fund, iShares℠ Dow Jones U.S. Technology Sector Index Fund, and iShares℠ MSCI Singapore Index Fund. The five ETFs enjoyed transactions totalling almost S$4.4 million at the close of their first trading day. We intend to introduce more such products and have embarked on a joint effort with State Street Global Advisors (SSgA) to develop Singapore's first indigenous ETF, based on the Straits Times Index. We expect this to start trading in the second half of 2001.

Securities Lending SGX is working on a securities lending facility that will not only give investors holding stocks an additional income opportunity, but also give SGX the mechanism to build an equity options market. Such a market will help to provide a more sophisticated capital markets structure to meet our users' needs. The introduction of this facility is pending the resolution of tax issues.

Directors' Information

J Y Pillay
Chairman
Singapore Exchange Limited

Mr Pillay is the Chairman of the SGX Board and has served as the Chairman since 18 November 1999. Since 16 August 2001, Mr Pillay has served as an executive and non-independent director on the SGX Board. Mr Pillay holds 212,000 ordinary shares in SGX. He is proposed for re-election at SGX's forthcoming Annual General Meeting on 26 September 2001.

Mr Pillay has 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 and national development. Between 1985 and 1989, Mr Pillay was the Managing Director of the Monetary Authority of Singapore (MAS) and of the Government of Singapore Investment Corporation. He was High Commissioner to the United Kingdom from 1996 to 1999. Mr Pillay has served, in a non-executive capacity, as chairman of the board of several government-linked companies: Temasek Holdings (Private) Limited (1974–1986), Development Bank of Singapore Ltd (1979–1984), Singapore Technologies Holdings (Private) Limited (1991–1994) and Singapore Airlines Ltd (1972– 1996). He served as Chairman of the International Advisory Panel of the MAS from 1999 to 2000. Mr Pillay now serves as a board director of Oversea-Chinese Banking Corporation Limited, as member of the Investment Committee of the United Nations Pension Fund, as Chairman of Commonwealth Africa Investments Limited, as member of the Board of Governors of Asia-Europe Foundation, as member of the Financial Sector Development Fund Advisory Committee of the MAS, as Life Trustee of the Singapore Indian Development Association, and as member of the Council of Presidential Advisors of the Republic of Singapore. Mr Pillay graduated with a first-class B.Sc (Hons) degree from Imperial College London in 1956. He was conferred with an honorary PhD in Law from the National University of Singapore in 1996, and with a Fellowship of Imperial College in 1997.

Thomas A. Kloet
Chief Executive Officer
Singapore Exchange Limited

Mr Kloet has served as a non-independent director on the SGX Board since 24 April 2000. He holds 12,500,000 share options in SGX. Mr Kloet was last re-elected onto the SGX Board on 11 December 2000. Mr Kloet joined SGX as its Chief Executive Officer on 24 April 2000. Prior to this, Mr Kloet was a Senior Managing Director for ABN AMRO, Inc., the US investment banking and broker-dealer subsidiary of ABN AMRO Bank, NV, where he was responsible for the derivatives brokerage business throughout the Asia-Pacific region, including Singapore. Mr Kloet was also a Senior Vice President of ABN AMRO Bank, NV. From 1990 through 1997, Mr Kloet was Chief Operating Officer of Credit Agricole Futures, Inc. and Chief Financial Officer of Segespar Capital Markets, Inc. Mr Kloet served as a member of the Board of Directors and Executive Committee of the Chicago Mercantile Exchange from 1996 until he assumed his position at SGX. Mr Kloet graduated with a bachelor's degree in business administration from the University of Iowa in 1980. He is a certified public accountant and a member of the American Institute of Certified Public Accountants.

Richard Gnodde
President
Goldman Sachs (Asia) L.L.C.

Mr Gnodde has served as an independent director on the SGX Board since 18 November 1999. He is proposed for re-election at SGX's forthcoming Annual General Meeting on 26 September 2001.

Mr Gnodde joined Goldman Sachs International in London in 1987. He was appointed President of Goldman Sachs (Asia) L.L.C. in July 1999. Immediately prior to his current responsibilities, Mr Gnodde served as President of Goldman Sachs (Singapore) Pte Ltd. Mr Gnodde holds a Bachelor of Commerce degree from the University of Cape Town and a Master of Arts degree in Law from the University of Cambridge.

Goh Yew Lin
Executive Director
G. K. Goh Stockbrokers Ltd

Mr Goh has served as an independent director on the SGX Board since 20 July 2000. He was last re-elected onto the SGX Board on 11 December 2000. Mr Goh has a deemed interest in 2,340,000 ordinary shares in SGX through G. K. Goh Strategic Holdings Pte Ltd.

Mr Goh has worked at G. K. Goh, a regional securities group, since 1984. Since 1990, he has been an Executive Director of SGX-listed G. K. Goh Holdings Ltd. Mr Goh is also an independent director in Boyer Allan Investment Management Ltd. He also serves on the boards of the National Arts Council and the Singapore Symphonia Company Ltd. Mr Goh graduated from the Wharton School, University of Pennsylvania, with a Bachelor of Science degree in Economics.

Ho Tian Yee
Executive Director
Pacific Asset Management (S) Pte Ltd

Mr Ho has served as an independent director on the SGX Board since 15 November 1999. He was last re-elected onto the SGX Board on 11 December 2000.

In 1995, Mr Ho was appointed Executive Director in Pacific Asset Management (S) Pte Ltd, where he is the Chief Investment Officer overseeing all its investment strategies.

Mr Ho's experience includes 19 years with Bankers Trust Company where he was the Regional Head of Southeast Asian Operations and was responsible for the execution of the bank's global trading business in Asia. Mr Ho serves as an independent director on the boards of several SGX-listed companies, namely, Tuan Sing Holdings Ltd, SPP Limited, Fraser and Neave Ltd, SMRT Corporation Limited, The Overseas Assurance Corporation Limited, Times Publishing Ltd and Great Eastern Holdings Ltd. He is also a member of the Board of Directors of the SAVER-Premium Fund of the Ministry of Defence, and Singapore Power International Pte Ltd. Mr Ho holds a Bachelor of Economics (Honours) from Portsmouth University in the United Kingdom, and has graduated from the Executive Management Program at Carnegie Mellon University.

Victor Liew Cheng San
Chairman
OUB Bullion and Futures Ltd

Mr Liew has served as an independent director on the SGX Board since 15 November 1999. He was last re-elected onto the SGX Board on 11 December 2000.

Mr Liew has served as Chairman of OUB Bullion and Futures Ltd since 1993. Previously, he was the Head of Treasury at First National Bank of Chicago. Mr Liew has been actively involved in the development of Singapore International Monetary Exchange Ltd (SIMEX) since its inception in 1984. He has been a Director of SIMEX since 1991 and Chairman from 1996 to 1999. He also served as a member of the Pro-Tem Committee overseeing the merger of SES and SIMEX. In addition, Mr Liew is currently alternate Chairman of the Singapore Foreign Exchange Market Committee (SFEMC). He has been an active member of the SFEMC representing "Treasury" Markets since its inception in 1986 and was its Chairman from 1996 to April 1999. Mr Liew is also the Chairman of the Singapore Commodity Exchange Ltd. He graduated from the University of Singapore in 1973 with a degree of Bachelor of Social Sciences with Honours.

Low Check Kian
Managing Director
Merrill Lynch (Singapore) Pte Ltd

Mr Low has served as an independent director on the SGX Board since 20 July 2000. He was last re-elected onto the SGX Board on 11 December 2000.

Mr Low is currently the Merrill Lynch Head of Equities for Asia-Pacific, Japan and Australia. Prior to this, he was the Vice-Chairman of the Corporate & Institutional Client Group for their Asia-Pacific region. Mr Low also sits on the Board of the Infocomm Development Authority of Singapore and is serving as the Chairman of its investment arm, Infocomm Investments Pte Ltd. He had also held several advisory roles on various Singapore Government Committees including the Financial Centre Advisory Group. He graduated from the London School of Economics (LSE) with a B.Sc. (Econ)(First Class Honours) in June 1983 and a M.Sc. (Econ) in June 1984. During his stay at the LSE, he was awarded the Allan Young Prize, the Baxter-Edey Award and the Henry Luce Foundation Award.

Hidetoshi Mine
Managing Director, Principal Investment
Investment Banking Headquarters, Orix Corporation (Tokyo, Japan)

Mr Mine has served as an independent director on the SGX Board since 15 November 1999. He was last re-elected onto the SGX Board on 11 December 2000.

Mr Mine is presently based at the Investment Banking Headquarters of Orix Corporation in Japan. He has served as Managing Director overseeing the company's Private Equity business since January 2001. Prior to that, Mr Mine was Managing Director of Tokyo-Mitsubishi International (Singapore) Ltd— an investment banking subsidiary of Bank of Tokyo-Mitsubishi—since April 1996. Mr Mine began his banking career with the Bank of Tokyo right after his graduation from the Hitotsubashi University, Tokyo in 1973. He moved to the investment banking business after spending several years in foreign exchange and commercial banking. Over the last 20 years, he has held several management positions at Headquarters, London, Hong Kong and Singapore respectively.

Robert Stein
Chairman
Deutsche Asia Pacific Holdings

Mr Stein has served as an independent director on the SGX Board since 20 July 2000. He was last re-elected onto the SGX Board on 11 December 2000. Mr Stein holds 8,000 ordinary shares in SGX.

Directors' Information

Mr Stein is the CEO, Asia Pacific, Deutsche Bank Group where he is responsible for the Group's activities in Asset Management, Private Banking and Retail Banking. Before joining Deutsche Bank, he was Head of Debt and Equity Markets, Asia Pacific at Merrill Lynch. He is also a non-executive director or advisor for several e-commerce companies and funds, such as Frontline Technologies Corporation Ltd, E-Millenium Ltd Fund, I-Options USA, ComMira USA, Focus Ventures II USA Fund. Mr Stein holds a Bachelor of Arts degree in Philosophy and Biochemistry (Honours) from Dartmouth College and a Master of Science degree in International and Development Economics from University College, Oxford University.

George Teo Eng Kim
Chairman
J.M. Sassoon & Co. (Pte) Ltd. and Sassoon Financial Futures Pte Ltd (Sassoon Group)

Mr Teo has served as an independent director on the SGX Board since 15 November 1999. He is proposed for re-election at SGX's forthcoming Annual General Meeting on 26 September 2001. Mr Teo has a deemed interest in 7,323,000 ordinary shares in SGX through J.M. Sassoon & Co. (Pte) Ltd. and a deemed interest in 963,636 ordinary shares in SGX through Sassoon Financial Futures Pte Ltd.

He was elected Committee Member of the Stock Exchange of Singapore Ltd (SES) in October 1984 and since 1986, has served as Deputy Chairman of SES until 1999. He has also served as a member of the Pro-Tem Committee overseeing the merger of SES and SIMEX. Mr Teo has served as a Managing Director of the Sassoon Group, a regional securities group, since 1975. Mr Teo is a member of the Institute of Certified Public Accountants of Singapore (ICPAS) and a Fellow of the Institute of the Chartered Accountants in England & Wales (F.C.A.).

Wong Ngit Liong
Managing Director
Venture Manufacturing (Singapore) Ltd

Mr Wong has served as an independent director on the SGX Board since 15 November 1999. He is proposed for re-election at SGX's forthcoming Annual General Meeting on 26 September 2001.

Mr Wong was instrumental in developing the business of Venture Manufacturing from the start-up phase. Prior to Venture, Mr Wong spent more than 12 years with Hewlett-Packard Company in various management positions at headquarters Palo Alto, Santa Clara and Cupertino Divisions, HP Singapore and HP Malaysia. Mr Wong is also an independent director on the boards of SGX-listed Keppel Capital Holdings Ltd, Keppel TatLee Bank Ltd, SIA Engineering Company Ltd and k1 Ventures Ltd. Mr Wong holds a first class (Honors) degree in Electrical Engineering, and a Master of Science (Electrical Engineering) degree from the University of California at Berkeley where he was a Fulbright Scholar. He also holds a Master of Business Administration degree (with distinction) from McGill University under the Canadian Commonwealth Fellowship.

Statistics of Shareholdings

As at 13 August 2001

Authorised Share Capital: S$1,000,000,000
Issued and Paid-up Capital: S$10,000,000
Class of Shares: Ordinary Shares S$0.01 each
Voting Rights: One vote per share

Distribution of Shareholdings

Size of Shareholdings	Number of Shareholders	%	Number of Shares	%
1–1,000	3,209	26.72	3,193,276	0.32
1,001 –10,000	7,470	62.20	27,761,092	2.78
10,001–1,000,000	1,283	10.69	113,058,020	11.30
1,000,001 and above	47	0.39	855,987,612	85.60
Total	**12,009**	**100.00**	**1,000,000,000**	**100.00**

Substantial Shareholders

	Number of Shares			
	Direct Interest	Deemed Interest	Total Interest	%
The Capital Group Companies, Inc	-	54,073,000	54,073,000	5.41

20 Largest Shareholders

Number	Name	Number of Shares	%
1	SEL Holdings Pte Ltd[1]	249,991,184	25.00
2	Raffles Nominees Pte Ltd	129,421,732	12.94
3	DBS Nominees Pte Ltd	98,486,647	9.85
4	Oversea-Chinese Bank Nominees Pte Ltd	52,666,000	5.27
5	HSBC (Singapore) Nominees Pte Ltd	49,298,992	4.93
6	Citibank Nominees Singapore Pte Ltd	46,539,587	4.65
7	DB Nominees (Singapore) Pte Ltd	18,896,000	1.89
8	UOB Kay Hian Pte Ltd	14,931,452	1.49
9	DMG & Partners Securities Pte Ltd	14,751,513	1.48
10	United Overseas Bank Nominees Pte Ltd	13,139,318	1.31
11	Overseas Union Bank Nominees Pte Ltd	11,766,242	1.18
12	J.M. Sassoon & Co. (Pte) Ltd.	11,612,000	1.16
13	Morgan Stanley Asia (Singapore) Securities Pte Ltd	10,368,499	1.04
14	Phillip Securities Pte Ltd	10,063,648	1.01
15	Kim Eng Securities Pte Ltd	9,008,301	0.90
16	Merrill Lynch (Singapore) Pte Ltd	8,550,061	0.86
17	Ong & Company Pte Ltd	8,208,816	0.82
18	Lim & Tan Securities Pte Ltd	7,670,359	0.77
19	Vickers Ballas & Co. Pte Ltd	6,545,726	0.65
20	Citicorp Investment Bank (Singapore) Limited	6,000,000	0.60
	Total	**777,916,077**	**77.80**

[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, inter alia, warehouse the SGX shares, 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.

Corporate Governance Report

For the financial year 2000/01

SGX is committed to good standards of corporate governance. This report describes SGX's corporate governance processes and activities. In conjunction with the SGX's Listing Manual requirement (the "listing requirement") introduced in April 2001 which requires that issuers which hold their AGMs on or after 1 January 2003 should describe their corporate governance practices with specific reference to the Code of Corporate Governance in their annual reports, SGX has taken steps in this report towards achieving full compliance with the listing requirement in 2003.

		Code Compliance Checklist
1	**BOARD OF DIRECTORS**	
1.1	The Board meets at least once every two months and supervises the management of the business and affairs of the Company. The Board approves the Company's strategic directions, action plan and tactical implementation, appointment of board directors and key managerial personnel, annual budgets, major funding and investment proposals, and reviews the financial performance of the Company. Board approval is specifically required for any funding or investment proposal above S$5 million.	Principle 1, GN*: 1.1, 1.2
1.2	To facilitate effective management, certain functions have been delegated by the Board to various Board Committees, each of which has its own written terms of reference.	Principle 4, GN: 4.1; Principle 11
1.3	Key information regarding the directors is given in "Directors' Information" on page 6. The number of board meetings held in the year, as well as the attendance of every board member at those meetings and meetings of the various Board Committees is given on page 12.	Principle 1, GN: 1.1; Principle 4, GN: 4.5; Principle 11, GN: 11.7
1.4	The Board consists of a majority of non-executive and independent directors whose objective judgement and collective experience is a valuable asset and resource.	Principle 2
1.5	In order to ensure that the Board is able to fulfill its responsibilities, management provides the Board with the monthly management accounts, and a quarterly report of the Company's activities.	Principle 6; Principle 10, GN: 10.2
2	**AUDIT COMMITTEE ("AC")**	
2.1	The AC comprises five members, all of whom are independent non-executive directors.	Principle 11, GN: 11.1
2.2	The AC has established a quarterly reporting practice to review the financial statements before the announcement, in view of SGX's move to quarterly reporting of its financial results.	Principle 11, GN: 11.5; Principle 10, GN: 10.1
2.3	The AC performs the following functions:	Principle 12, GN:12.1
a	Reviews the audit plans of the internal and external Auditors of the Company, ensures the adequacy of the Company's system of accounting controls and the co-operation given by the Company's management to the external and internal Auditors;	
b	Reviews the interim and annual financial statements and the Auditors' report of the Company before their submission to the Board of Directors;	
c	Reviews with the management and the Chief Internal Auditor the adequacy of the Company's internal controls over management, business and service systems and practices;	
d	Reviews legal and regulatory matters that may have a material impact on the financial statements, related exchange compliance policies, and programmes and reports received from regulators.	
2.4	The Committee has the power to conduct or authorise investigations into any matters within the Committee's scope of responsibility.	Principle 11, GN: 11.3
2.5	In the opinion of the AC, the Company complies with the SGX Securities Trading Best Practices Guide on Audit Committee.	
2.6	The AC, having reviewed the volume of non-audit services to the Company by the external Auditors, and being satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external Auditors, are pleased to confirm their re-nomination.	Principle 11, GN: 11.4, 11.6
2.7	The AC has met with the external and internal Auditors, without the presence of the Company's management.	Principle 11, GN: 11.5
3	**NOMINATING COMMITTEE ("NC")**	
3.1	The NC is charged with the responsibility to review and make recommendations to the Board on all board appointments and re-appointments.	Principle 4, GN: 4.2
3.2	The appointment of members of the NC is subject to the prior approval of the Monetary Authority of Singapore.	
3.3	The NC also conducts ad-hoc meetings to interview and approve the appointment of senior management positions.	
3.4	In accordance with the requirements of the Code of Corporate Governance ("CGC"), the NC has also conducted:	
a	an exercise to determine the independence of each director, and	Principle 4, GN: 4.3
b	a formal assessment of the effectiveness of the Board as a whole and the contribution by each director to the effectiveness of the Board.	Principle 5
3.5	In the process of evaluating the Board's performance, the NC had considered a set of quantitative and qualitative performance criteria, and had also, in conjunction with the CMD Committee, conducted a review of the CEO's performance and approved the CEO's performance targets (including quantitative financial figures such as EBITDA, ROE and revenue growth) for the next financial year.	Principle 5, GN: 5.1, 5.2
3.6	The NC, in assessing the contribution by each individual director to the effectiveness of the Board, has, at this stage, decided to adopt a purely objective criterion, which is the attendance record of the director at Board and Committee Meetings.	Principle 5, GN: 5.3
4	**COMPENSATION AND MANAGEMENT DEVELOPMENT COMMITTEE ("CMD Committee")**	
4.1	The CMD Committee comprises seven directors, of whom a majority are non-executive and independent directors.	Principle 7, GN: 7.1
4.2	The CMD Committee reviews all matters concerning the Company's senior management remuneration programme to ensure that it is competitive and sufficient to attract, retain and motivate senior management of the required quality to run the Company successfully. The CMD Committee also reviews the Company's incentive and bonus schemes.	Principle 7, GN: 7.3
4.3	The CMD Committee also administers the SGX Share Option Plan (the "Plan") established on 1 November 2000, in accordance with the rules as approved by shareholders.	
4.4	The CMD Committee also reviews all matters concerning the non-executive director's remuneration programme to ascertain that the remuneration is commensurate with the contribution and responsibilities of the director.	Principle 8, GN: 8.3
5	**APPEALS COMMITTEE**	
5.1	The Appeals Committee conducts hearings on appeals against the decisions of the exchange with regard to the cancellation of contracts transacted on the securities market, disciplinary actions taken against members of the securities and derivatives markets for breaches of exchange rules, matters relating to admission or rejection of applications for memberships.	
5.2	The Appeals Committee also conducts hearings on appeals against the decisions of the Business Conduct Committee, the Clearing House Committee and the Disciplinary Committees of the Company's securities and derivatives markets.	
5.3	A total of three appeals have been filed and heard by the Appeals Committee as at the date of this report.	
6	**STRATEGY COMMITTEE ("SC")**	
6.1	The SC serves as an advisory committee, making recommendations to the Board on corporate policies and strategies pertaining to any area of SGX's activities. Its principal responsibilities are to periodically review the overall strategic direction of the exchange; to review and consider material new strategic developments of the exchange; and to review and consider material new businesses of the exchange. The SC will consider ideas mooted by the Board, as well as the management of SGX.	
7	**CONFLICTS COMMITTEE**	
7.1	The Conflicts Committee was constituted as a consequence of SGX's listing in November. The Head of the Risk Management and Regulation Division, Alan Shaw, is the secretary of this committee.	
7.2	The appointment of members of the Conflicts Committee is subject to the prior approval of the Monetary Authority of Singapore.	
7.3	The Conflicts Committee's responsibility is to consider possible conflicts of interest that may arise from the listing or quotation of SGX shares on SGX Securities Trading.	
7.4	The Conflicts Committee has not, in the past eight months since SGX's listing,	

* GN – Guidance Note

Corporate Governance Report

Code Compliance Checklist

encountered any occasion requiring the necessity for a meeting.

8 MANAGEMENT COMMITTEE

8.1 The Management Committee is not a Board Committee. Decisions of the SGX Board are communicated to the Management Committee, which comprises senior management and is chaired by the CEO.

8.2 Weekly Management Committee meetings are held by the CEO with the senior management, who are the Heads of Divisions in the Company, to review the status of various projects, discuss or propose strategic objectives, plans and key policies for the Company and recommend any strategic ventures or proposals to the Board.

Code Compliance Checklist

9 DEALINGS IN SECURITIES

9.1 SGX has adopted internal codes pursuant to the SGX Securities Trading Best Practices Guide applicable to all SGX officers in relation to dealings in SGX's securities.

Dated: 30 June 2001

Directors' Attendance at Board and Committee Meetings

Name	SGX Board		Audit Committee		Nominating Committee		Appeals Committee		Compensation and Management Development Committee		Strategy Committee	
	Number of meetings held	Number of meetings attended	Number of meetings held	Number of meetings attended	Number of meetings held	Number of meetings attended	Number of meetings held	Number of meetings attended	Number of meetings held	Number of meetings attended	Number of meetings held	Number of meetings attended
J Y Pillay	12	12			3	3	1	1	2	2	2	2
Thomas A. Kloet	12	12							2	2	2	2
Richard Gnodde	12	8			1	0			2	2		
Goh Yew Lin	11	8			2	2					2	2
Ho Tian Yee	12	8	3	3	3	3					2	2
Victor Liew Cheng San	12	8	3	3	2	1	1	1				
Low Check Kian	11	10			2	1	0	0	2	1	2	2
Hidetoshi Mine	12	9	3	1					2	2		
Robert Stein	11	7	2	0					2	0	2	1
George Teo Eng Kim	12	12			3	3	1	1			1	1
Wong Ngit Liong	12	8	2	2					2	1		

Summary Directors' Report

For the financial year ended 30 June 2001

IMPORTANT
The Summary Financial Statements as set out on pages 14 to 26 contains only a summary of the information in the directors' report and financial statements of the Company's Annual Report. It does not contain sufficient information to allow for a full understanding of the results and the state of affairs of the Company and the Group. For further information, the full financial statements, the auditors' report on those statements and the directors' report in the Annual Report should be consulted. Shareholders may request for a copy of the Annual Report at no cost. Please use the Request Form on page 31.

Summary Directors' Report
The directors present their report to the members together with the audited financial statements of the Company ("SGX") and of the Group for the financial year ended 30 June 2001.

Directors
The directors of the Company at the date of this report are:

J Y Pillay, Chairman	Thomas A. Kloet, Chief Executive Officer	Richard Gnodde	Goh Yew Lin
Ho Tian Yee	Victor Liew Cheng San	Low Check Kian	Hidetoshi Mine
Robert Stein	George Teo Eng Kim	Wong Ngit Liong	

Principal Activities
The principal activities of the Company are those of investment holding, treasury management and the provision of management and administrative services to related corporations.

The principal activities of the subsidiaries in the Group are:

- Conducting of securities and derivatives exchanges
- Providing clearing, counterparty guarantee, depository and related services for securities transactions
- Providing clearing, counterparty guarantee and related services for derivatives transactions
- Providing computer services and maintenance, leasing and rental of software and hardware, developing applications and software maintenance
- Providing corporate share registration and custody-related services
- Providing facilities for the registration of options and the maintenance of margin for the options relating to securities

There have been no significant changes in the principal activities of the Company and its subsidiaries during the financial year.

Acquisition and Disposal of Subsidiaries
On 6 July 2000, Singapore Exchange Derivatives Clearing Limited ("SGX-DC") was incorporated as a wholly-owned subsidiary of the Company with an authorised share capital of S$100,000 comprising ordinary shares of S$1 each and an initial issued and paid up capital of S$2 comprising two ordinary shares of S$1 each.

On 6 February 2001, the Company's subsidiary, Singapore Exchange IT Solutions Pte Limited ("SGX-ITS") incorporated a shell company, Megatrex Trading Pte Ltd ("Megatrex") by subscribing to two ordinary shares of S$1 each. Megatrex is a result of a joint-venture by SGX-ITS with two other securities clearing members, with SGX-ITS eventually having a 51% interest. Megatrex is established to offer technology and operational solutions to broker-dealers and other capital market intermediaries in the Asia-Pacific region to enable them to completely outsource their securities processing and settlement functions. As at 30 June 2001, Megatrex had not started operations.

There were no other acquisitions or disposals of interests in subsidiaries during the financial year.

Issue of Shares and Debentures

a In connection with SGX's initial public share offering, SGX's share capital was restructured on 16 November 2000 as follows:

i The then existing 61,670 issued ordinary shares of par value S$1.00 each were sub-divided into 6,167,000 ordinary shares of par value S$0.01 each;

ii A total of 274,150,906 bonus shares of par value S$0.01 each were issued to the then existing shareholders by the capitalisation of S$2,741,509 from the share premium account of the Company;

In accordance with the Exchanges (Demutualisation and Merger) Act 1999 ("Merger Act"), a total of 719,682,094 ordinary shares were issued on 16 November 2000 to SEL Holdings Pte Ltd ("SEL") at par value S$0.01 each.

Out of the shares issued to SEL, the Company together with SEL, made an initial public offer of 319,700,000 ordinary shares of par value S$0.01 each (comprising an invitation of 278,000,000 shares and an over-allotment of 41,700,000 shares), and a private placement of 150,000,000 ordinary shares of par value S$0.01 each to strategic investors in November 2000 at the offer price of S$1.10 per share.

As of 30 June 2001, SEL held 249,991,184 ordinary shares of par value S$0.01 each in the Company. These shares rank pari passu in all respects with the existing issued ordinary shares of the Company. Under Section 11 of the Merger Act, SEL holds these shares for the benefit of the Financial Sector Development Fund ("FSDF") and shall not exercise or control the exercise of the votes attached to the shares.

Consequently, the issued and fully paid share capital of the Company increased from S$61,670 as at 30 June 2000 to S$10 million as at 16 November 2000. On 23 November 2000, the Company was admitted to the official list of Singapore Exchange Securities Trading Limited ("SGX-ST").

b During the financial year, the following subsidiaries of the Company issued ordinary shares:

Singapore Exchange Derivatives Clearing Limited ("SGX-DC")
On 6 July 2000, SGX-DC was incorporated as a wholly-owned subsidiary of the Company with an authorised share capital of S$100,000 comprising 100,000 ordinary shares of S$1 each and initial issued and paid-up capital of S$2 comprising two ordinary shares of S$1 each. Subsequently on 29 June 2001, the issued and paid-up share capital of SGX-DC was increased to S$100,000 by the issue of 99,998 ordinary shares of S$1 each at a total premium of S$67,900,000 to the Company, satisfied by offsetting an intercompany payable to the Company of S$67,999,998, which arose from the transfer of assets to SGX-DC for its derivatives clearing operations.

Megatrex Trading Pte Ltd ("Megatrex")
On 6 February 2001, the Company's subsidiary, Singapore Exchange IT Solutions Pte Limited ("SGX-ITS") purchased a shell company, Megatrex whose issued and paid-up capital as at 30 June 2001 is S$2. It is intended that Megatrex should be a joint-venture vehicle with two joint-venture partners, DBS Securities Pte Ltd and OCBC Securities Pte Ltd, to provide backroom outsourcing services to securities brokers.

c There were no other issues of shares or debentures by any corporation in the Group during the financial year.

Arrangements to Enable Directors to Acquire Shares and Debentures
The Company was not, at any time during the financial year, a party to any arrangement whose object was 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 Options" in this report.

Directors' Interests in Shares or Debentures
The directors holding office at the end of the financial year had the following interests in the share capital of the Company:

	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	
	S$0.01 each at 30.6.2001	S$1 each at 1.7.2000	S$0.01 each at 30.6.2001	S$1 each at 1.7.2000
J Y Pillay	212,000	–	–	–
Goh Yew Lin	–	–	2,340,000	1,257
Robert Stein	8,000	–	–	–
George Teo Eng Kim	–	–	8,286,636	1,359

According to the register of directors' shareholdings, the director holding office at 30 June 2001 who had interests in the options to subscribe for ordinary shares of the Company is set out below:

	Number of unissued ordinary shares of S$0.01 each under option held by director at 30.6.2001	Number of unissued ordinary shares of S$1 each under option held by director at 1.7.2000
Thomas A. Kloet	12,500,000	616

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 2001.

Ability to Meet Obligations
No contingent or other liability of the Company or any other corporation in the Group has become enforceable or is likely to become enforceable within the period of 12 months after the end of the financial year which, in the opinion of the directors, will or may substantially affect the ability of the Company and the Group to meet their obligations as and when they fall due.

Other Circumstances Affecting the Financial Statements
At the date of this report, the directors are not aware of any circumstances not otherwise dealt with in this report or the consolidated financial statements which would render any amount stated in the financial statements of the Company and the consolidated financial statements misleading.

Summary Directors' Report

Directors' Contractual Benefits

Since the end of the previous financial period, 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.

Mr J Y Pillay and Mr Thomas A. Kloet are directors of SEL. Pursuant to Section 8 of the Merger Act, the Company made a single offer of 719,682,094 ordinary shares of par value S$0.01 each at par to SEL, who then, together with the Company, made an initial public offer of some of the shares as detailed in the section on "Issue of Shares and Debentures".

Neither Mr J Y Pillay nor Mr Thomas A. Kloet has any financial interest in SEL.

Share Options

a SGX Share Option Plan ("Scheme")

The Scheme is administered by the Compensation and Management Development Committee which comprises the following SGX directors:

J Y Pillay, Chairman	Thomas A. Kloet, Chief Executive Officer	Richard Gnodde	Low Check Kian
Hidetoshi Mine	Robert Stein	Wong Ngit Liong	

The Scheme was approved at the Extraordinary General Meeting ("EGM")of SGX on 1 November 2000.

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

Under the Scheme, options granted to Group Employees may be exercised two years after the date of the grant and 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 with subscription prices which are equal to, or higher than, the Market Price of SGX shares may be exercised one year after the date of the grant; while options with subscription prices at a discount to the Market Price may be exercised two years after the date of the grant. Options granted will have a term no longer than five years from the date of grant.

Restrictions

The aggregate nominal amount of new SGX shares over which options may be granted under the Scheme on any date, when added to the nominal amount of new SGX shares issued and issuable in respect of all options granted under the Scheme shall not exceed 15% 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.The subscription price of an option will be equal to the Market Price or such higher price or a price which is set at a discount to the Market Price, subject to a maximum discount of 20% from the Market Price. Market Price is the average of the closing prices of SGX's ordinary shares on SGX-ST over five consecutive market days immediately preceding the date of grant of that option.

Options Granted Under the Scheme

During the financial year, the following option was granted to Group Employees under the Scheme:

Date of grant	Exercise period	Number of ordinary shares granted under options	Subscription price
20.11.2000	20.11.2002 to 19.11.2007	8,547,000	S$1.10*

* The subscription price is equivalent to SGX's initial public offer price which is the Market Price at the date of grant.

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

b Thomas A. Kloet's Employment Contract ("Contract")

The SGX share options under the Contract was granted to Mr Thomas A. Kloet at the EGM.

Options Granted Under the Contract

In respect of this financial year, Mr Thomas A. Kloet is entitled, pursuant to the Contract, to an option to subscribe for 0.25% of SGX's issued share capital as of the date of the grant, i.e. 24 April 2001, at a subscription price per share equal to the fair market value of a share at the date of the grant. The option vests and becomes exercisable 12 months from the date of the grant of the option for the period of 10 years. Details of the option granted are as follows:

Name of participant	Number of ordinary shares granted under options during the financial year under review	Aggregate number of ordinary shares granted under options since commencement of Contract to end of the financial year under review	Aggregate number of ordinary shares granted under options exercised since commencement of Contract to end of the financial year under review	Aggregate number of ordinary shares granted under options outstanding as at end of the financial year under review
Thomas A. Kloet	2,500,000	12,500,000 *	–	12,500,000

* The breakdown of the number of ordinary shares of SGX granted under the options to Mr Thomas A. Kloet since the commencement of the Contract to the end of the financial year is as follows:

Date of grant	Exercise period	Number of ordinary shares granted under options	Subscription price
24.4.2000	24.4.2001 to 23.4.2010	5,000,000 **	S$1.10
24.4.2000	24.4.2001 to 23.4.2010	5,000,000 **	S$1.65
24.4.2001	24.4.2002 to 23.4.2011	2,500,000 **	S$1.17

Apart from the options already granted as shown above, Mr Thomas A. Kloet will be entitled, pursuant to the Contract, to a share option effective on 24 April 2002, to subscribe for 0.25% of SGX's issued share capital as of the date of the respective grant, at a subscription price per share equal to the Market Price at the date of the grant. Market Price is the average of the closing prices of SGX's ordinary shares on SGX-ST over five consecutive market days immediately preceding the date of grant of that option. The terms of the options granted are in accordance with the Contract duly approved by the SGX shareholders at the EGM.

c Issue of Shares Under Option (the Scheme and the Contract)

During the financial year, no SGX shares were allotted and issued by virtue of the exercise of the options granted pursuant to the Scheme or the Contract.

d Unissued Shares Under Option (the Scheme and the Contract)

There were 20,290,000 unissued ordinary shares under the options granted pursuant to the Scheme and the Contract at the end of the financial year. Details of the options to subscribe for ordinary shares of S$0.01 each of SGX granted to Group Employees pursuant to the Scheme and Mr Thomas A. Kloet under the Contract are as follows:

Date of grant	Balance as at 1.7.2000 or date of grant if later	Adjustments**	Options lapsed	Options exercised	Balance as at 30.6.2001	Number of holders as at 30.6.2001	Subscription price	Exercise period
24.4.2000	308	4,999,692	–	–	5,000,000	1***	S$1.10	24.4.2001 to 23.4.2010
24.4.2000	308	4,999,692	–	–	5,000,000	1***	S$1.65	24.4.2001 to 23.4.2010
20.11.2000	8,547,000	–	(757,000)	–	7,790,000	594	S$1.10	20.11.2002 to 19.11.2007
24.4.2001	2,500,000	–	–	–	2,500,000	1***	S$1.17	24.4.2002 to 23.4.2011
Total	11,047,616	9,999,384	(757,000)	–	20,290,000			

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. There are no SGX employees who have been granted or who hold options representing 5% or more of the total number of shares available under the Scheme. No share options were granted to the SGX directors apart from Mr Thomas A. Kloet pursuant to the Contract, during this financial year.

** Adjusted from 308 shares to a total of 5,000,000 shares due to the change in the capital structure of SGX

*** Relates to Thomas A. Kloet

Summary Directors' Report

Audit Committee
The Audit Committee, which its Chairman and all its members are independent non-executive directors, are as follows:

Ho Tian Yee, Chairman Victor Liew Cheng San Hidetoshi Mine Robert Stein Wong Ngit Liong

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act, including a review of the financial statements of the Company and of the Group for the financial year and the Auditors' report thereon.

The Audit Committee has nominated PricewaterhouseCoopers for re-appointment as Auditors of the Company at the forthcoming Annual General Meeting.

Unusual Items During and After the Financial Year
In the opinion of the directors, except for the exceptional loss of S$20,545,421 as disclosed in the notes to the full financial statements, no item, transaction or event of a material and unusual nature has arisen during the financial year or in the interval between the end of the financial year and the date of this report which would substantially affect the results of the operations of the Company and of the Group for the financial year in which this report is made, or render any item in the financial statements of the Company and of the Group for the current financial year misleading, and/or affect the ability of the Company and of the Group in meeting their obligations as and when they fall due.

The Summary Financial Statements set out on pages 14 to 26 were approved by the Board of Directors and signed on its behalf by:

J Y Pillay
Director

Thomas A. Kloet
Director

16 August 2001

Statement of the Auditors

For the financial year ended 30 June 2001

Auditors' Statement to the Members of Singapore Exchange Limited
We have examined the Summary Financial Statements set out on pages 14 to 26.

In our opinion, the Summary Financial Statements are consistent with the full financial statements and directors' report of Singapore Exchange Limited for the financial year ended 30 June 2001 from which they were derived, and complies with the requirements of Section 203A of the Companies (Amendment) Act 1995, and regulations made thereunder, applicable to summary financial statements.

We have issued our audit report dated 16 August 2001 on the full financial statements of Singapore Exchange Limited and its subsidiary companies for the financial year ended 30 June 2001. The audit report is as follows:

"Auditors' Report to the Members of Singapore Exchange Limited
We have audited the financial statements of Singapore Exchange Limited and the consolidated financial statements of the Group for the financial year ended 30 June 2001 set out on pages # to #. These financial statements are the responsibility of the Company's directors. 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 plan and perform our audit to obtain reasonable assurance whether the financial statements are free of material mis-statement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion,

a The accompanying financial statements of the Company and consolidated financial statements of the Group are properly drawn up in accordance with the provisions of the Singapore Companies Act ("Act") and Singapore Statements of Accounting Standard and so as to give a true and fair view of:

i The state of affairs of the Company and of the Group at 30 June 2001, the profit and changes in equity of the Company and of the Group, and the cash flows of the Group for the financial year ended on that date; and

ii The other matters required by Section 201 of the Act to be dealt with in the financial statements of the Company, and the consolidated financial statements of the Group;

b The accounting and other records, and the registers required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore, of which we are the Auditors, have been properly kept in accordance with the provisions of the Act.

We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations as required by us for those purposes.

The Auditors' reports on the financial statements of the subsidiaries were not subject to any qualification and in respect of subsidiaries incorporated in Singapore, did not include any comment made under Section 207(3) of the Act."

PricewaterhouseCoopers
Certified Public Accountants

Singapore, 16 August 2001

The page numbers are as stated in the Auditors' report dated 16 August 2001 included in Singapore Exchange Limited's Annual Report for the financial year ended 30 June 2001.

Balance Sheets

As at 30 June 2001

	The Group		The Company	
	2001 S$'000	2000 S$'000	**2001 S$'000**	2000 S$'000
Current Assets				
Cash and cash equivalents	**230,719**	601,375	**65,964**	363,365
Trade receivables	**314,942**	342,218	**1,449**	395
Margin funds and settlement variation relating to derivative contracts	**1,816,244**	2,400,006	**–**	–
Other debtors	**22,107**	31,904	**11,200**	24,710
Due from fidelity funds	**204**	–	**–**	–
Amounts under fund management	**301,632**	–	**301,632**	–
Investments	**28,196**	37,035	**–**	32,505
Amounts due from subsidiaries – trade	**–**	–	**27,753**	8,728
Security deposits of derivatives clearing members	**30,175**	23,096	**–**	–
Securities clearing funds	**34,194**	33,473	**–**	–
	2,778,413	3,469,107	**407,998**	429,703
Non-Current Assets				
Club memberships, at cost	**728**	728	**728**	528
Investments in subsidiaries	**–**	–	**391,340**	323,340
Investment in joint venture	**–**	–	**–**	–
Property, plant and equipment	**278,550**	62,065	**40,381**	35,160
Properties under development	**–**	90,883	**–**	–
	279,278	153,676	**432,449**	359,028
Net assets of securities and derivatives fidelity funds	**51,095**	50,037	**–**	–
Total Assets	**3,108,786**	3,672,820	**840,447**	788,731
Current Liabilities				
Due to fidelity funds	**–**	5,395	**–**	–
Trade creditors	**293,196**	323,940	**–**	–
Margin funds and settlement variation relating to derivative contracts	**1,816,244**	2,400,006	**–**	–
Other creditors	**53,278**	23,422	**12,170**	6,130
Amounts due to subsidiaries – non-trade	**–**	–	**1,698**	16,698
Security deposits received from derivatives clearing members	**30,175**	23,096	**–**	–
Securities clearing members' contributions to clearing funds	**9,194**	8,473	**–**	–
Taxation	**22,301**	37,541	**1,228**	2,034
Proposed dividends	**32,465**	–	**32,465**	–
	2,256,853	2,821,873	**47,561**	24,862
Non-Current Liability				
Deferred tax	**2,362**	3,552	**–**	–
Total Liabilities	**2,259,215**	2,825,425	**47,561**	24,862
Net Assets	**849,571**	847,395	**792,886**	763,869
Equity				
Share capital	**10,000**	62	**10,000**	62
Reserves	**788,476**	797,296	**782,886**	763,807
	798,476	797,358	**792,886**	763,869
Securities and Derivatives Fidelity Funds				
Accumulated funds	**51,095**	50,037	**–**	–
	849,571	847,395	**792,886**	763,869

Income Statements

For the financial year ended 30 June 2001

	The Group		The Company	
	For the financial year ended 30 June 2001	For the financial period from 21 August 1999 (date of incorporation) to 30 June 2000	**For the financial year ended 30 June 2001**	For the financial period from 21 August 1999 (date of incorporation) to 30 June 2000
	S$'000	S$'000	**S$'000**	S$'000
Operating Revenue				
Management fees from subsidiaries	**–**	–	**77,097**	34,267
Gross dividend income from subsidiaries	**–**	–	**106,490**	610,500
Clearing fees (net of rebates)	**107,176**	78,474	**–**	–
Rental of computer terminals	**27,720**	15,648	**–**	–
Account maintenance and processing fees	**31,609**	23,828	**–**	–
Listing and membership fees	**17,295**	8,355	**–**	–
Price information fees	**11,214**	4,098	**–**	–
Sale of software and other computer services	**5,217**	1,380	**–**	–
Other operating revenue	**8,132**	4,362	**289**	246
Total Operating Revenue	**208,363**	136,145	**183,876**	645,013
Operating Expenses				
Staff costs	**62,515**	28,502	**39,547**	18,588
Occupancy costs	**14,494**	6,226	**7,675**	3,559
Depreciation	**19,716**	12,124	**7,227**	4,317
System maintenance and rental	**20,964**	7,865	**10,557**	4,153
Other operating expenses	**18,300**	9,414	**5,598**	2,672
Total Operating Expenses	**135,989**	64,131	**70,604**	33,289
Profit from Operating Activities	**72,374**	72,014	**113,272**	611,724
Net Non-Operating Income/(Expense)	**(3,478)**	10,309	**(10,662)**	1,516
Profit Before Tax	**68,896**	82,323	**102,610**	613,240
Share of results of joint venture	**(449)**	–	**–**	–
	68,447	82,323	**102,610**	613,240
Tax	**(19,422)**	(20,098)	**(25,675)**	(157,711)
Profit After Tax	**49,025**	62,225	**76,935**	455,529
Contribution to fidelity funds	**–**	(4,150)	**–**	–
Profit After Tax and Contribution to Fidelity Funds	**49,025**	58,075	**76,935**	455,529
Directors' Remuneration and Fees				
– of the Company	**4,080**	742	**4,080**	742
– of the subsidiaries	**1,024**	596	**–**	–
Interim Dividend of 3 Cents per Share (2000: Nil) Net of Tax at 24.5%	**22,650**	–	**22,650**	–
Proposed Final Dividend of 4.3 Cents per Share (2000: Nil) Net of Tax at 24.5%	**32,465**	–	**32,465**	–
Gross Dividend per Ordinary Share (cents)	**7.3**	–	**7.3**	–

(Continued on next page)

	The Group	
	For the financial year ended 30 June 2001	For the financial period from 21 August 1999 (date of incorporation) to 30 June 2000
	S$'000	S$'000
Basic Earnings per Share (cents)		
– Before deduction of contribution to fidelity funds	**6.47**	22.2
– After deduction of contribution to fidelity funds	**6.47**	20.7
Diluted Earnings per Share (cents)		
– Before deduction of contribution to fidelity funds	**6.46**	22.2
– After deduction of contribution to fidelity funds	**6.46**	20.7
Weighted average number of ordinary shares in issue for basic earnings per share ('000)	**757,477**	280,318
Adjustment for assumed conversion of share options ('000)	**1,206**	–
Weighted average number of ordinary shares for diluted earnings per share ('000)	**758,683**	280,318

Consolidated Statement of Changes in Equity

For the financial year ended 30 June 2001

							The Group
	Share capital	Share premium*	Clearing fund reserve*	Translation reserve*	General reserve	Retained profits	Total
	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000	S$'000
Balance at 1 July 2000	**62**	**308,278**	**25,000**	**17**	**404,322**	**59,679**	**797,358**
Currency translation differences recognised directly in shareholders' equity	–	–	–	11	–	–	11
Net profit for the financial year	–	–	–	–	–	49,025	49,025
Total Recognised Gains for the Financial Year	**–**	**–**	**–**	**11**	**–**	**49,025**	**49,036**
Bonus issue of ordinary shares	2,741	(2,741)	–	–	–	–	–
Issue of ordinary share capital	7,197	–	–	–	–	–	7,197
Dividends	–	–	–	–	–	(55,115)	(55,115)
Balance at 30 June 2001	**10,000**	**305,537**	**25,000**	**28**	**404,322**	**53,589**	**798,476**
Balance at 21 August 1999 (date of incorporation)	–	–	–	–	–	–	–
Currency translation differences recognised directly in shareholders' equity	–	–	–	17	–	–	17
Net profit for the financial period	–	–	–	–	–	58,075	58,075
Total Recognised Gains for the Financial Period	**–**	**–**	**–**	**17**	**–**	**58,075**	**58,092**
Issue of ordinary share capital	62	308,278	–	–	–	–	308,340
Transfer from general reserve	–	–	–	–	(1,604)	1,604	–
General reserve on acquisition of subsidiaries pursuant to the Exchanges (Demutualisation and Merger) Act 1999	–	–	–	–	401,926	–	401,926
Clearing fund reserve on acquisition of subsidiary	–	–	25,000	–	–	–	25,000
General reserve on reduction of issued share capital of subsidiary	–	–	–	–	4,000	–	4,000
Balance at 30 June 2000	**62**	**308,278**	**25,000**	**17**	**404,322**	**59,679**	**797,358**

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

Statement of Changes in Equity

For the financial year ended 30 June 2001

	The Company			
	Share capital	Share premium*	Retained profits	Total
	S$'000	S$'000	S$'000	S$'000
Balance at 1 July 2000	**62**	**308,278**	**455,529**	**763,869**
Net profit – total recognised gains for the financial year	–	–	76,935	76,935
Bonus issue of ordinary shares	2,741	(2,741)	–	–
Issue of ordinary shares	7,197	–	–	7,197
Dividends	–	–	(55,115)	(55,115)
Balance at 30 June 2001	**10,000**	**305,537**	**477,349**	**792,886**
Balance at 21 August 1999 (date of incorporation)	–	–	–	–
Net profit – total recognised gains for the financial period	–	–	455,529	455,529
Issue of ordinary shares	62	308,278	–	308,340
Balance at 30 June 2000	**62**	**308,278**	**455,529**	**763,869**

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

Consolidated Cash Flow Statement

For the financial year ended 30 June 2001

	2001	2000
	S$'000	S$'000
Cash Flows from Operating Activities		
Profit before tax and share of results of joint venture	**68,896**	82,323
Adjustments for:		
– Depreciation	**19,716**	12,124
– Net loss on revaluation of investments	**13,960**	343
– Interest income	**(10,128)**	(10,337)
– Net gain on disposal of property, plant and equipment	**–**	(41)
Operating cash flow before working capital change	**92,444**	84,412
Change in operating assets and liabilities		
– Trade and other receivables	**32,023**	199,557
– Trade and other payables	**(27,332)**	(207,068)
Cash generated from operations	**97,135**	76,901
Income tax paid	**(36,056)**	(18,205)
Dividends paid	**(22,650)**	–
Net Cash from Operating Activities	**38,429**	58,696
Cash Flows from Investing Activities		
Payments for properties under development	**(100,864)**	(25,130)
Payments for property, plant and equipment	**(23,313)**	(6,743)
Payments for club membership	**–**	(225)
Purchase of investments	**(315,000)**	–
Interest received	**13,822**	10,337
Proceeds from sale of investments	**9,000**	4,000
Receipt from property, plant and equipment (prior year additions) claimed under FSDF	**112**	–
Investment in joint venture	**(50)**	–
Proceeds from disposal of property, plant and equipment	**–**	86
Net Cash Used in Investing Activities	**(416,293)**	(17,675)
Cash Flows from Financing Activities		
Net proceeds from issue of ordinary shares	**7,197**	–
Net Cash from Financing Activities	**7,197**	–
Net (Decrease)/Increase in Cash and Cash Equivalents Held	**(370,667)**	41,021
Cash and Cash Equivalents at the Beginning of the Financial Year/Period	**601,375**	–
Cash acquired on acquisition of subsidiaries	**–**	560,337
Effects of exchange rate changes on cash and cash equivalents	**11**	17
Cash and Cash Equivalents at the End of the Financial Year/Period	**230,719**	601,375

Notes to Summary Financial Statements

For the financial year ended 30 June 2001

1 Material Changes in Accounting Policies

During the financial year, there were no material changes in accounting policies for the Company and the Group.

2 Directors and Employees Information

a The number of employees as at 30 June 2001 was 813 (2000: 718).

b Remuneration of Directors of the Company

	2001	2000
Number of directors of the Company in remuneration bands:		
$750,000 and above	**1**	–
$500,000 to $749,999	**1**	–
$250,000 to $499,999	**–**	2
$ 50,000 to $249,999	**–**	–
Less than $50,000	**9**	9
Total	**11**	11

c Remuneration of Executives

The table below shows the ranges of gross remuneration received by the top 5 executives (including executive directors) of the Group.

	2001	2000
Number of executives of the Group in remuneration bands:		
$850,000 and above	**1**	–
$700,000 to $849,999	**1**	–
$550,000 to $699,999	**1**	–
$400,000 to $549,999	**1**	–
$250,000 to $399,999	**1**	3
Less than $250,000	**–**	2
Total	**5**	5

d Gross Remuneration

The gross remuneration disclosed in (b) and (c) above is computed based on gross salaries, bonus paid in respect of prior year performance and other benefits received during the financial year. However, share options not yet exercised are excluded.

3 Related Party Transactions

Certain directors are also directors of securities broking or derivatives broking companies. The Group, in the ordinary course of business, enters into transactions under prevailing commercial terms and conditions with corporations with which these directors are either related or employed.

4 Net Current Assets

	The Group		The Company	
	2001	2000	**2001**	2000
	S$'000	S$'000	**S$'000**	S$'000
Total current assets	**2,778,413**	3,469,107	**407,998**	429,703
Total current liabilities	**2,256,853**	2,821,873	**47,561**	24,862
Net current assets	**521,560**	647,234	**360,437**	404,841

Notice of Annual General Meeting

NOTICE IS HEREBY GIVEN that the Second Annual General Meeting of Singapore Exchange Limited will be held at The Pan Pacific Singapore, Level 1, 7 Raffles Boulevard, Marina Square, Singapore 039595 on 26 September 2001 at 10.00 a.m. to transact the following businesses:

1 As Ordinary Business

Resolution 1 To receive and adopt the Directors' Report and the Audited Accounts for the year ended 30 June 2001 with the Auditors' Report thereon.

Resolution 2 To re-elect Directors retiring by rotation under Article 99 of the Company's Articles of Association (the "Articles"):

a Mr J Y Pillay
b Mr Richard Gnodde
c Mr George Teo Eng Kim
d Mr Wong Ngit Liong

Resolution 3 To approve the amount of S$907,400 proposed as Directors' fees.

Resolution 4 To declare a gross final dividend of S$0.043 per share less income tax of 24.5% for the year ended 30 June 2001.

Resolution 5 To re-appoint Messrs PricewaterhouseCoopers as Auditors of the Company and to authorise the Directors to fix their remuneration.

2 As Special Business

To consider, and if thought fit, to pass the following resolutions as ordinary resolutions:

Resolution 6 That pursuant to the provisions of Section 161 of the Companies Act, Chapter 50 (the "Act") but subject otherwise to the provisions of the Act and the Articles, authority be and is hereby given to the Directors of the Company to issue shares in the Company (whether by way of rights, bonus or otherwise) 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 provided that the aggregate number of shares to be issued pursuant to this Resolution does not exceed 50% of the issued share capital of the Company for the time being, of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company does not exceed 20% of the issued share capital of the Company for the time being, and, unless revoked or varied by the Company in general meeting, such authority 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.

Resolution 7 That approval be and is hereby given to the Directors to offer and grant options in accordance with the provisions of the SGX Share Option 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 the options under the SGX Share Option Plan, provided that the aggregate number of new shares to be issued pursuant to the SGX Share Option Plan shall not exceed 15% of the total issued share capital of the Company from time to time.

Resolution 8 That the Directors be and are hereby authorised to grant to Mr Thomas A. Kloet (the "CEO") any additional options to subscribe for ordinary shares in the capital of the Company pursuant to the terms of the employment agreement made between the Company and the CEO which took effect on 24 April 2000, 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 such options.

3 To Transact Any Other Business

By Order Of The Board

Joyce Fong Foong Chao
Company Secretary
Singapore Exchange Limited

6 September 2001

Statement Pursuant to Article 59 of the Company's Articles of Association

Ordinary Resolution No. 6 is to authorise the Directors of the Company from the date of that meeting until the next Annual General Meeting to issue or agree to issue shares in the Company up to an amount not exceeding 50% of the issued share capital of the Company for the time being of which the total number of shares to be issued other than a pro rata basis to shareholders of the Company does not exceed 20% of the issued share capital of the Company for the time being.

Ordinary Resolution No. 7 is to authorise the Directors of the Company to offer and grant options in accordance with the provisions of the SGX Share Option Plan which was approved by shareholders at the Extraordinary General Meeting on 1 November 2000.

Ordinary Resolution No. 8 is to authorise the Directors of the Company to grant to Mr Thomas A. Kloet (the "CEO") any additional options to subscribe for ordinary shares in the capital of the Company pursuant to the terms of the employment agreement made between the Company and the CEO which took effect on 24 April 2000, which options were approved by shareholders at the Extraordinary General Meeting on 1 November 2000.

Notes:

1 An ordinary shareholder entitled to attend and vote at the meeting is entitled to appoint one or two proxies to attend and vote on his behalf.
2 A proxy need not be a member of the Company.
3 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 10 Collyer Quay, #19–08 Ocean Building, Singapore 049315 not less than 48 hours before the time appointed for holding the Annual General Meeting.

Singapore Exchange Limited

Notice of Books Closure Date

Notice of Books Closure Date and Dividend Payment Date

The Company hereby gives notice that the Register of Members and the Transfer Books of the Company will be closed from 2 October 2001 after 5.00 p.m. to 3 October 2001, both dates inclusive, for the preparation of dividend warrants. Duly completed registered transfers received by the Company's Share Registrar, Lim Associates (Pte) Ltd, at 10 Collyer Quay, #19–08 Ocean Building, Singapore 049315 before 5.00 p.m. on 2 October 2001, will be registered in the Register of Members and the Transfer Books of the Company to determine shareholders' entitlements to the proposed final dividend. In respect of shares in securities accounts with The Central Depository (Pte) Limited ("CDP"), the proposed final dividend will be paid by the Company to CDP which will in turn distribute the final dividend entitlements to the CDP account holders in accordance with its normal practice.

The proposed final dividend, if approved by the shareholders at the Annual General Meeting to be held on 26 September 2001, will be paid on 12 October 2001.

Copies of Summary Annual Report and Annual Report

The Summary Annual Report will be sent to all shareholders on the Register as at the date of this Notice.

The Annual Report will be sent to shareholders upon request and will be available on SGX's website www.sgx.com.

1 For investors who have used their CPF monies to buy the Company's shares, this report is forwarded to them at the request of their CPF approved nominees and is sent solely FOR THEIR INFORMATION ONLY.

2 This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purportedly to be used by them.

Singapore Exchange Limited

Proxy Form for Annual General Meeting

I/We, ... of .....

being a *member/members of SINGAPORE EXCHANGE LIMITED hereby appoint:

Name(s)	Address	NRIC/Passport number(s)	Proportion of shareholdings (%)

and/or (delete as appropriate)

Or failing *him/her, the Chairman of the Annual General Meeting ("AGM") of the Company, as *my/our *proxy/proxies, to attend and to vote for *me/us on *my/our behalf, at the AGM of the Company to be held at The Pan Pacific Singapore, Level 1, 7 Raffles Boulevard, Marina Square, Singapore 039595 on 26 September 2001 at 10.00 a.m. and at any adjournment thereof.

*I/We direct *my/our *proxy/proxies to vote for or against the Ordinary Resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the *proxy/proxies will vote or abstain from voting at *his/her/their discretion, as *he/she/they will on any other matter arising at the AGM and at any adjournment thereof. If no person is named in the above boxes, the Chairman of the AGM shall be *my/our *proxy/proxies to vote, for or against the Ordinary Resolutions to be proposed at the AGM as indicated hereunder, for *me/us and on *my/our behalf at the AGM and at any adjournment thereof.

No.		Ordinary Resolutions	For	Against
1		To adopt the Directors' Report and Audited Accounts.		
2	a	To re-elect Mr J Y Pillay who retires by rotation under Article 99.		
	b	To re-elect Mr Richard Gnodde who retires by rotation under Article 99.		
	c	To re-elect Mr George Teo Eng Kim who retires by rotation under Article 99.		
	d	To re-elect Mr Wong Ngit Liong who retires by rotation under Article 99.		
3		To approve Directors' fees of S$907,400.		
4		To declare a final dividend.		
5		To appoint Auditors and authorise Directors to fix their remuneration.		
		Special Business		
6		Authority to issue and allot ordinary shares.		
7		Authority to offer and grant options and issue shares under the SGX Share Option Plan.		
8		Authority to grant options to the Chief Executive Officer of the Company, and to allot and issue shares upon the exercise of such options, pursuant to his employment contract.		

Dated this _____ day of_____

Signature(s) of Member(s)/ Common Seal

Total number of shares held

.....

* Delete whichever is not applicable.

Notes:

1 Please insert the number of shares registered in your name(s). If no number is inserted, this form of proxy will be deemed to relate to the entire number of shares registered in your name(s).
2 A member entitled to attend and vote at a meeting of the Company is entitled to appoint one or two proxies to attend and vote instead of him, and the proxy need not be a member of the Company.
3 This 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 10 Collyer Quay, #19-08 Ocean Building, Singapore 049315 not less than 48 hours before the time appointed for the Annual General Meeting.
4 Where a member appoints more than one proxy, the appointments shall be invalid unless he specifies the proportion (expressed as a percentage of the whole) of his holding to be represented by each proxy.
5 This instrument appointing a proxy or proxies must be under the hand of the appointor or of his attorney duly authorised in writing. Where the instrument appointing a proxy or proxies is executed by a corporation, it must be executed either under its seal or under the hand of any officer or attorney duly authorised.
6 A corporation which is a member may authorise by resolution of its directors or other governing body such person as it thinks fit to act as its representative at the meeting, in accordance with Section 179 of the Companies Act, Chapter 50.
7 The Company shall be entitled to reject this instrument of proxy if it is incomplete, or illegible, or where the true intentions are not ascertainable from the instructions of the appointor specified in this instrument of proxy. In addition, in the case of a member whose shares are entered in the Depository Register, the Company shall be entitled to reject this instrument of proxy which has been lodged if such member is not shown to have shares entered against his name in the Depository Register at least 48 hours before the time appointed for holding the AGM as certified by The Central Depository (Pte) Limited to the Company.

Fold along this line

Affix Postage Stamp

The Company Secretary
Singapore Exchange Limited
c/o Lim Associates (Pte) Ltd
10 Collyer Quay
#19–08 Ocean Building
Singapore 049315

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Singapore Exchange Limited

Request Form

6 September 2001
Dear Shareholder

This is a copy of the Summary Annual Report ("SAR") of Singapore Exchange Limited ("SGX") for the financial year 2000/01. The SAR contains a review of SGX for the year ended 30 June 2001. It also contains a summary of the audited financial statements of SGX. We will be sending you a copy of the SAR for so long as you are a SGX shareholder unless you indicate otherwise.

The Directors' Report and the full financial statements of SGX for the year ended 30 June 2001 are set out in a separate report called Annual Report ("AR") 2001. This report is available to all registered SGX shareholders at no cost upon request.

For shareholders receiving this SAR, if you wish to receive a copy of the AR for 2001 or for so long as you are a shareholder, please complete the request form below by ticking the appropriate box and returning it to us by **17 September 2001**. If we do not receive your request form, it would indicate that you do not wish to receive copies of the AR for 2001 and for future financial years.

Please note that the AR will be available on SGX's website www.sgx.com.

Yours faithfully
for Singapore Exchange Limited

Joyce Fong Foong Chao
Company Secretary

Request Form
To: **Singapore Exchange Limited**

N.B.: Please tick only one box. Incomplete forms will not be processed.

☐ Please send *me/us the AR in addition to the SAR for financial year 2000/01.
☐ Please do not send *me/us *the SAR and the AR/ the AR for so long as *I am a/we are shareholder(s) of Singapore Exchange Limited.
☐ Please send *me/us the AR in addition to the SAR for financial year 2000/01 and for so long as *I am a/we are shareholder(s) of Singapore Exchange Limited.

Name of shareholder(s) | NRIC/Passport Number(s) | CDP Securities Account No.

Address | Postcode

Signature(s) | Date

* Delete whichever is not applicable.

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The Company Secretary
c/o Lim Associates (Pte) Ltd
10 Collyer Quay
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