

Building an enduring marketplace

# SINGAPORE EXCHANGE YOUR ASIAN GATEWAY



Singapore – geographically a little red dot. But, with an economic footprint that has grown much larger to become a major destination and gateway for global investments in the region. In the same way, the Singapore Exchange (SGX) is rapidly growing both in size and significance by attracting international and local investors and listings. Singapore Exchange is your Asian Gateway.

# OUR MISSION

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

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*All figures in this Summary Annual Report are in Singapore dollars unless otherwise stated.*

*FY2007 refers to the financial year ended 30 June 2007. The last day of trading in FY2007 was Friday, 29 June 2007.*

# OUR ROBUST PERFORMANCE

**FY2007 was SGX's best year since listing in 2000 with robust growth in all revenue categories.**

<p><b>Return on equity</b></p> <p><b>37.5%</b></p> <p>ROE improved to 37.5%* from 32.0%</p>	<p><b>Profit attributable to equity holders</b></p> <p><b>+125%</b></p> <p>Profit rose 125% to \$422 million</p>	<p><b>Revenue growth</b></p> <p><b>+41.4%</b></p> <p>Revenue grew 41.4% to \$576 million</p>
<p><b>Cost-to-income ratio</b></p> <p><b>36.6%</b></p> <p>Cost-to-income ratio improved 8.5 percentage points</p>	<p><b>Net dividend per share</b></p> <p><b>+122%</b></p> <p>Net dividend per share increased to 36.00 cents** from 16.20 cents</p>	<p><b>Basic earnings per share</b></p> <p><b>+122%</b></p> <p>Basic EPS increased to 39.95 cents from 17.96 cents</p>

\* excludes write-back of allowance for impairment and gain on disposal of SGX Centre

\*\* subject to shareholders' approval at the AGM

The key highlights above reflect year-on-year performance.

## CORPORATE PROFILE

**A truly international exchange, SGX offers companies and investors a comprehensive and efficient infrastructure for raising capital and achieving investment objectives.**

**ABOUT SINGAPORE EXCHANGE**

Singapore Exchange Limited (SGX) is Asia's first demutualised and integrated securities and derivatives exchange. We provide integrated clearing and settlement services, as well as central depository facilities.

SGX offers companies and investors a comprehensive and efficient infrastructure for raising capital and achieving investment objectives within a trusted, transparent and efficient marketplace.

Foreign companies from over 20 countries, some from as far as Europe and North America, are listed on our exchange. With over one-third of the companies listed on SGX from overseas, SGX is a truly international exchange and listing hub representing a full spectrum of industries. Through a growing suite of products, SGX is also rapidly emerging as Asia's offshore risk management centre.

For an efficient and well-regulated marketplace, SGX has established a robust regulatory framework, founded on a disclosure-based regime.

Our competitive advantages, together with our strategic alliances and partnerships with other exchanges around the world, firmly position SGX as your Asian Gateway.

**MILESTONES****1999**

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

**2000**

First exchange in the Asia-Pacific region to be listed via a public offer and a private placement. The SGX stock is a component of the benchmark MSCI Singapore Free Index and the Straits Times Index

**2001**

Introduction of SMARTS, a real-time market surveillance system

**2002**

Launch of the first local Exchange Traded Fund, the Straits Times Index Fund, and the first listed business and industry property Real Estate Investment Trusts (REITs)

**2003**

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

**2004**

Extended our reach to existing and new derivatives customers around the world following the launch of QUEST DT

**2005**

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

Launch of our FTSE/ASEAN Indices in partnership with the FTSE Group, Bursa Malaysia, Jakarta Stock Exchange, Philippine Stock Exchange and Stock Exchange of Thailand

**2006**

Launch of SGX AsiaClear<sup>®</sup>, the over-the-counter clearing facility for oil and freight derivatives

**2007**

Acquired a 5% stake in Bombay Stock Exchange

## PRODUCTS AND SERVICES

SGX offers a diverse and exciting suite of securities and derivatives products via a global network of broking members. They provide market participants with convenient access to these products through an array of distribution channels.

Our securities products, traded on an electronic screen-based system, include:

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

Our derivatives products consist of a wide range of international risk management and trading instruments. The products, traded electronically, include:

- Short-Term Interest Rate Futures and Options on Futures
- Long-Term Interest Rate Futures and Options on Futures
- Equity Index Futures and Options on Futures
- Structured Warrants
- Certificates

We also offer a wide range of data and information services providing both historical and "live" data and prices to our customers, including:

- SGX SecuritiesBook
- SGX DerivativesQuote
- SGX News
- Orders and Trade Data
- Mobile Data Services
- Listed Companies Data
- Historical Market Data
- Publications

## HIGHLIGHTS OF THE YEAR

**FY2007 saw SGX developing and launching innovative products, forging closer ties with overseas exchanges, and celebrating new milestones and awards.**

**24 July 2006**

Announced the listing of the first China "A" share index futures (FTSE/Xinhua China A50 Index)

**29 July 2006**

Annual Investor Relations Open Day

**8 August 2006**

Launched the first online securities investment challenge – StockWhiz

**22 August 2006**

The SGX gateway became Trading Technologies International Inc's first connection to the Asian markets

**28 August 2006**

SGX AsiaClear® introduced the clearing of over-the-counter (OTC) Balance-of-Month Fuel Oil swaps

**11 September 2006**

Launched the new futures trading rulebook and clearing rules to meet new market initiatives

**21 September 2006**

Listed the world's first ASEAN Exchange Traded Fund (ETF), FTSE/ASEAN 40 ETF

**25 September 2006**

Joint Asian Derivatives Exchange (JADE) began trading TSR 20 Rubber Futures Contract

**5 October 2006**

Listed Asia's first gold-backed ETF, streetTRACKS® Gold Shares

**30 October 2006**

Renewed the landmark Mutual Offset System Agreement with Chicago Mercantile Exchange

**10 November 2006**

Raised a record amount of \$2.9 million at The Bull Run® 2006, the third annual charity fun run in the Central Business District

**20 November 2006**

Announced the listing of US dollar-denominated Nikkei 225 Index Futures contract

**22 November 2006**

Signed MOU with Korea Exchange

**23 November 2006**

Celebrated 20th Anniversary of Nikkei 225 Futures

**6 December 2006**

Extended trading hours for derivatives market

**14 December 2006**

Forged closer collaboration with Tokyo Stock Exchange

**11 January 2007**

Lowered securities transaction costs to improve overall market competitiveness, and enhance market liquidity

**18 January 2007**

Listed Asia's first commodity index ETF, Lyxor ETF Commodities CRB (Commodity Research Bureau)

**24 January 2007**

Signed agreement with OMX to develop new data feed system

**30 January 2007**

Signed MOU with Abu Dhabi Securities Market

**31 January 2007**

Announced the clearing of OTC Balance-of-Month Gasoil Swaps Contracts by SGX AsiaClear®

**27 February 2007**

Signed MOU with Ho Chi Minh City Securities Trading Center

**7 March 2007**

Announced agreement to invest in a 5% stake in Bombay Stock Exchange

**12 March 2007**

Announced the sale of our interest in SGX Centre

**14 March 2007**

Senior Advisor, Ang Swee Tian, became the first from an Asian exchange to be inducted into the Futures Industry Association (FIA) Futures Hall of Fame

**2 April 2007**

Signed MOU with Hanoi Securities Trading Center

**10 April 2007**

Listed the first Global Depository Receipts (GDRs), Uttam Galva Steels Limited

**29 May 2007**

Transfer of oversight of corporate governance for listed companies from the Council of Corporate Disclosure and Governance to the Monetary Authority of Singapore and SGX

**5 June 2007**

Signed Cooperation Agreement with Singapore Press Holdings (SPH) and FTSE Group to develop a comprehensive suite of equity indices for the Singapore market

**6 June 2007**

SGX AsiaClear® exceeded US\$1.2 billion in value of trades cleared

**15 June 2007**

Tokyo Stock Exchange acquired a 4.99% stake in SGX

**20 June 2007**

Received the Exchange of the Year, Asia 2007 Award from Energy Risk magazine, in recognition of contribution by SGX AsiaClear® to the OTC energy derivatives market

## GROUP FINANCIAL HIGHLIGHTS

	Financial Year (FY)		
	2007	2006	2005 <sup>1</sup>
<b>For the year (\$million)</b>			
Operating revenue	576	408	275
Operating expenses	211	184	143
EBITDA <sup>2</sup>	509	251	150
Operating profit	365	224	132
Other gains/(losses)	128	13	3
Profit attributable to equity holders			
– before write-back of allowance for impairment and gain on disposal <sup>3</sup>	311	188	104
– after write-back of allowance for impairment and gain on disposal	422	188	104
Operating cash flow	355	227	101
<b>At year-end (\$million)</b>			
Net current assets	684	358	247
Total assets	1,851	957	1,029
Total liabilities	1,021	370	554
Shareholders' funds <sup>4</sup>			
– Share capital	399	378	10
– Share premium	–	–	353
– Reserves	431	209	111
Shares issued (million)	1,061	1,050	1,042
<b>For the year (%)</b>			
Revenue growth	41.4	48.4	(13.1)
Operating profit margin	63.4	54.9	47.9
Net profit margin <sup>3</sup>	52.5	44.6	37.6
Cost-to-income ratio	36.6	45.1	52.1
Return on equity <sup>3</sup>	37.5	32.0	22.0
<b>Per share data</b>			
Operating cash flow (cents)	33.41	21.64	9.67
Basic earnings per ordinary share (cents)			
– before write-back of allowance for impairment and gain on disposal <sup>3</sup>	29.48	17.96	10.09
– after write-back of allowance for impairment and gain on disposal	39.95	17.96	10.09
Net tangible assets (cents)	78.23	55.89	45.54
Net dividend (cents):			
(a) Base	8.00	6.00	6.00
(b) Variable	28.00	10.20	2.50
(c) Special	–	–	15.00
Average share price (\$)	5.83	3.12	1.85
Share price at financial year-end (\$)	9.80	3.52	2.11

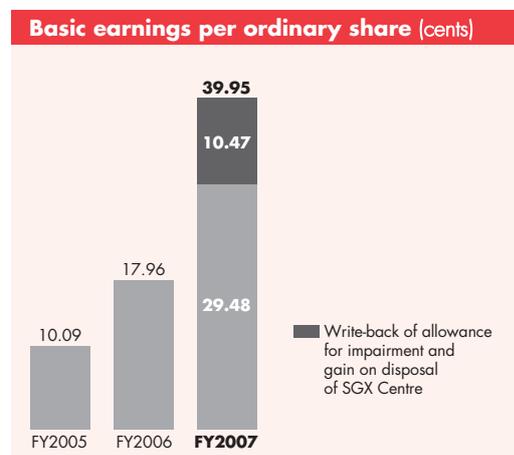
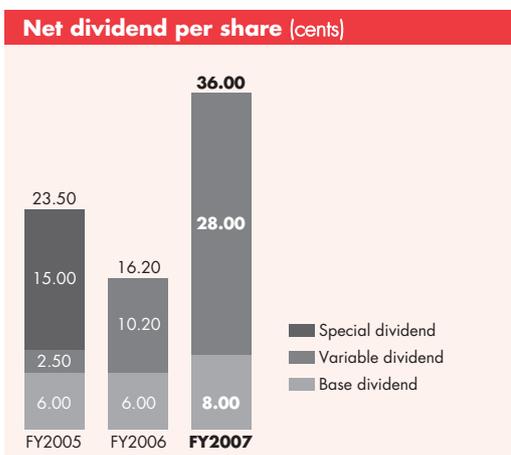
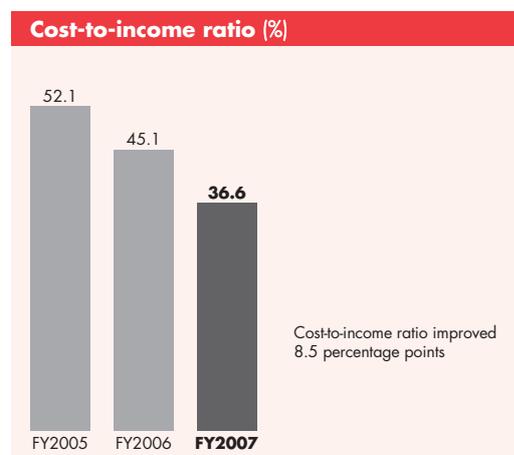
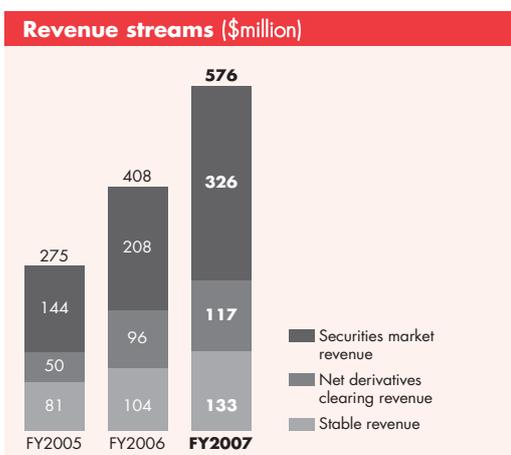
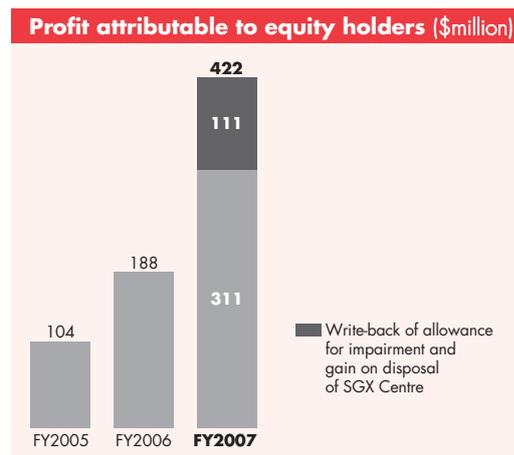
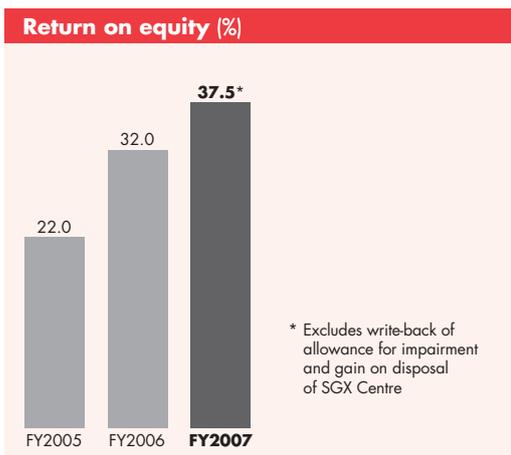
**Notes:**

<sup>1</sup> FY2005 figures have been re-stated to reflect the Employee Share Option Plan expenses following the adoption of FRS 102.

<sup>2</sup> Refers to earnings before interest, tax, depreciation and amortisation.

<sup>3</sup> Excludes \$45 million write-back of allowance for impairment of SGX Centre and \$65.5 million gain on disposal of SGX Centre, which are not subject to tax.

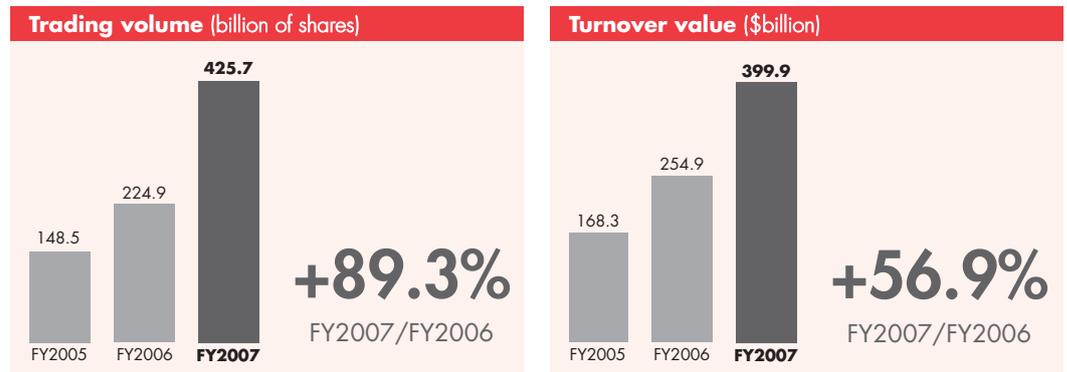
<sup>4</sup> Under the Companies (Amendment) Act 2005 effective 30 January 2006, the concepts of par value and authorised share capital are abolished and the amount in the share premium account as of 30 January 2006 becomes part of the Company's share capital.



## PERFORMANCE HIGHLIGHTS

**SECURITIES MARKET**

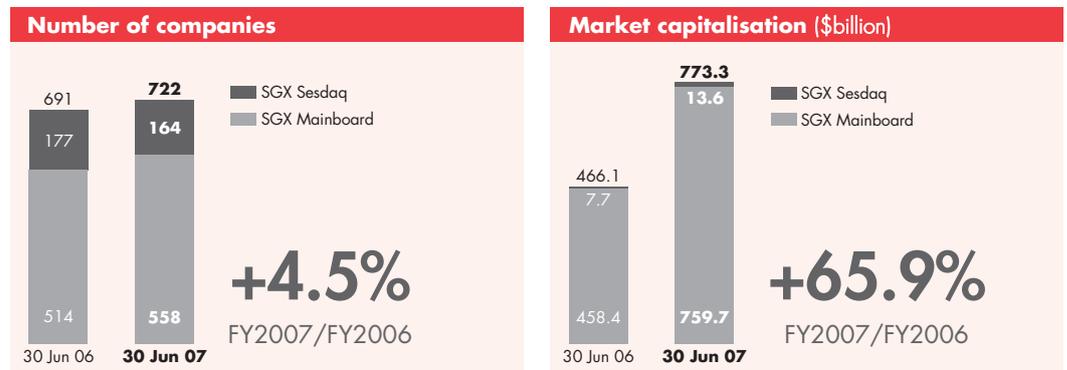
Performance in FY2007 compared to FY2005 and FY2006

Accounts held with The Central Depository (Pte) Limited  
(as at 30 June 2007)

Number of accounts : 1.34 million  
 Number of shares in accounts : 472.6 billion  
 Value of shares in accounts : \$715.8 billion

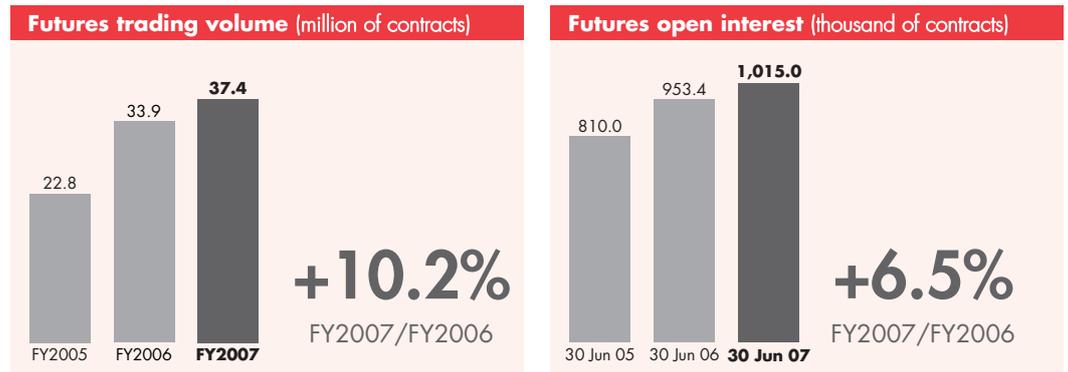
New listings in FY2007

Number : 46  
 Amount raised : \$6.5 billion

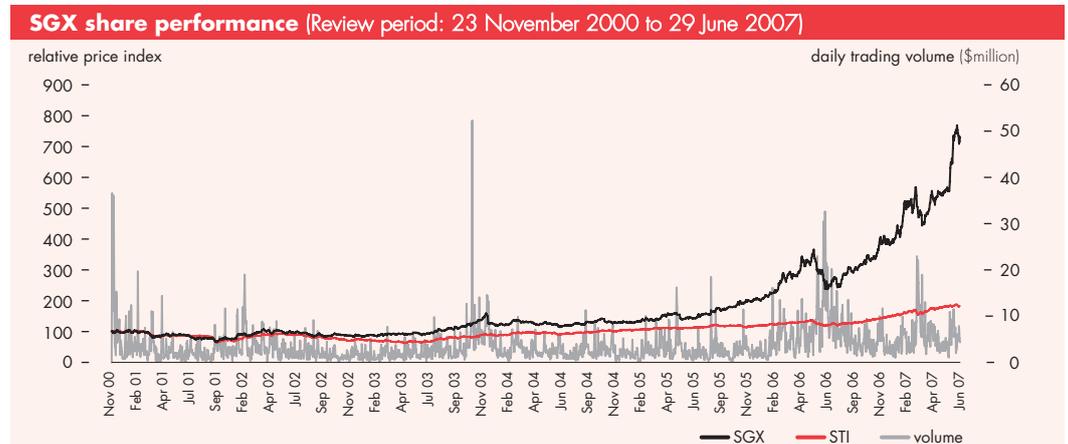
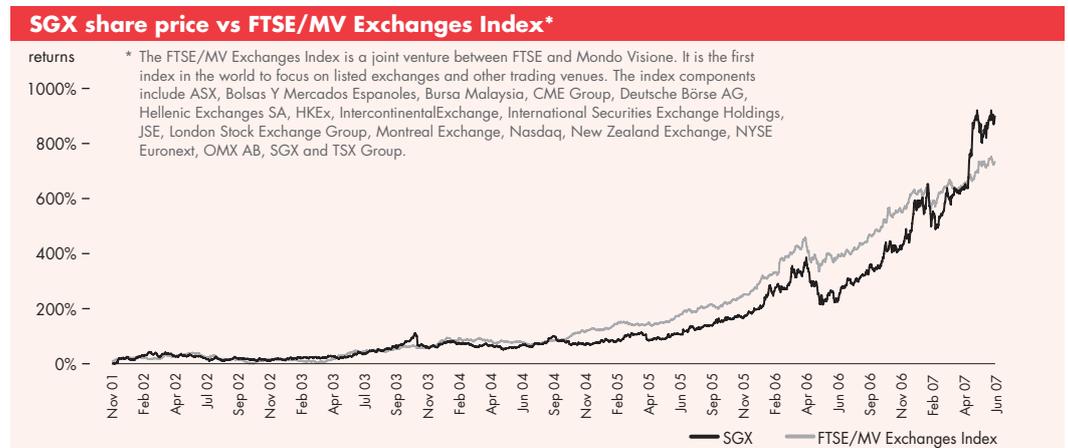
Listed companies and their market capitalisation<sup>1</sup>

<sup>1</sup> SGX has a substantial number of foreign listings, defined as companies whose principal places of business are outside of Singapore. We have excluded inactive secondary foreign listings to give an accurate reflection of our market size.

### DERIVATIVES MARKET



### SGX SHARE PERFORMANCE



## CHAIRMAN'S STATEMENT

**“SGX, like any other prudent entity, has to try to be prepared for, if you like, the known unknowns and the unknown unknowns.”**

**A GOOD YEAR**

SGX has enjoyed a bountiful year, on the back of robust activity in the securities market. The daily average volume of securities trading was 1.7 billion units, up 89% from last year, while average trading value was \$1.6 billion a day, up 57%.

The reasons for the good performance are not difficult to discern. Quite vigorous economic growth in Singapore and globally, coupled with abundant liquidity, strong corporate performance, benign inflation, and low interest rates and risk premiums, are the root causes of the buoyancy of our market, in common with most global markets. The relentless drive by SGX to broaden the appeal of our markets is an added factor.

How long those serendipitous conditions will prevail is unknown. The global outlook continues to bid fair for the ensuing year, the major risk largely coming from identifiable as well as unanticipated shocks of low probability and, of course, indeterminate timing. So SGX, like any other prudent entity, has to try to be prepared for, if you like, the known unknowns and the unknown unknowns.

The situation in the derivatives market was less assured. Growth in futures trading volumes slowed to 10%, from growth of 49% in FY2006. Perhaps the very environmental conditions that fuelled the securities market restrained growth in derivatives. A benign

economic environment with low volatility may have dampened the enthusiasm for hedging and speculation.

Revenue for the year increased 41% to \$576 million, while profit rose 125% to \$422 million.

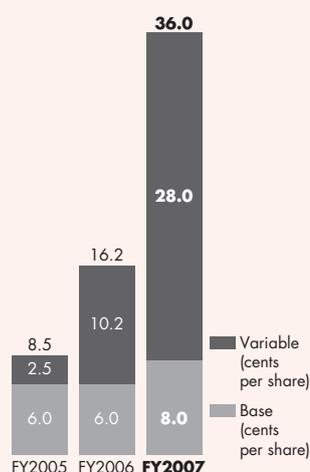
**DISPOSAL OF BUILDING**

In keeping with the prevailing spirit of the times to go asset-light, SGX sold its premises on Shenton Way for net proceeds of \$266 million, a significant appreciation from the carrying amount of \$201 million. A sizeable slice of the proceeds will be deployed in augmenting our clearing funds and regulatory capital, and part will be available for business expansion. There is a reasonable sum remaining for distribution to shareholders.

**ALLIANCES**

SGX continued its path of forging alliances with like-minded, open exchanges. Several collaboration agreements and memoranda of understanding were signed with exchanges in Asia and beyond. The purpose of all this activity was not just to create photo-opportunities. Rather, the expectation is that we shall be able to work cooperatively on joint and meaningful projects that result in significant mutual benefits.

Those alliances may be underpinned by selective and modest outward or inbound investments. Thus, we took a 5% stake in the Bombay Stock Exchange in May 2007, while the Tokyo Stock Exchange invested 4.99% in SGX in June 2007. With the Chicago Board of Trade, we have a joint venture JADE, for commodity derivatives. Those deals are designed principally to expand our product range and market reach. They will foster the design and implementation of projects that transcend national boundaries. Regulators will have to keep pace with the demands of an increasingly seamless global marketplace.

**Profit growth****+125%**Profit rose 125% to  
\$422 million**Regular dividend (Net)****DEVELOPING A ROBUST ORGANISATION**

SGX keeps improving from year to year, thanks to the prudent monitoring, leadership and encouragement of the board, the diligent efforts of the CEO and his senior managers, and the harmonious participation of all the employees. The executive committee is at the apex of a professional management team, able to hold its own among the best exchanges in Asia and the world.

**MISSION STATEMENT**

We have laboured under a wordy mission statement for too long. The role of a mission statement is to crisply express the purpose of an organisation. It explains why the entity exists, and describes in realistic terms the aspirations of the board, management, and staff.

So, early in the year, management conducted a bottom-up exercise to redraft the statement. The draft rose through the layers of the organisation to the board, which eventually signed off on it.

The statement now reads as follows: "We aim to offer a highly trusted securities and derivatives marketplace for capital raising, risk transfer, trading, clearing and settlement, and to serve our stakeholders."

The statement should be of value to all our stakeholders, particularly our employees, who will be encouraged to understand and embrace it, and to strive to fulfil it.

**DIVIDENDS**

The company's policy remains to declare a minimum dividend of 80% of net profit, subject to a minimum of 2.0 cents per quarter. This year, directors propose, subject to shareholders' approval, to pay a total dividend for the year of 36.0 cents per share, compared to 16.2 cents in the previous year. The payout accounts

for 90.4% of NPAT. The dividend for the final quarter is 30.0 cents, as 2.0 cents have been paid for each of the first three quarters.

For financial year 2008, the directors aim to declare a base dividend of 3.0 cents per share every quarter, in tandem with the improved sustainable earnings level of the company.

**ACKNOWLEDGEMENT**

One director, Mr Tang Wee Loke, is leaving us this year, after serving for nearly five years. I thank him for his sound advice during his service on the board, particularly on the important nexus between the exchange and the brokerage community.

A change of guard in the audit committee took place on 27 July 2007. Mr Ho Tian Yee, who had served diligently and effectively as chairman since the inception of SGX in 1999, asked to be relieved. The nominating committee reluctantly agreed. I thank Tian Yee for his outstanding service. His replacement is Mr Lee Hsien Yang, who I am confident will prove a worthy successor. Hsien Yang has served on the audit committee since 20 January 2005.

I thank my fellow directors on the board for their unstinting cooperation and astute steering of the company. I particularly acknowledge the excellent work of the chairmen and members of the five board committees.

On behalf of all the directors, I express deep gratitude to the CEO and all employees for their work ethic and contributions during the year.

**J Y Pillay**  
Chairman  
27 July 2007

## MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

**“2007 has been a rewarding year. Our results and developments showed steady progress and continued strengthening of SGX as an Asian Gateway exchange.”**

Competition is now upon us. The majority of exchanges have become for-profit enterprises. Consolidation has gathered pace in the US and Europe, and resulted in a few combinations that portend global hubs. These hubs aim to converge trading liquidity onto a single platform that offers a spectrum of derivatives only or with both securities and derivatives products.

For those one or two hubs that are largely securities driven, there is intent to dominate fund-raising for international listings. Interestingly, many other exchanges which serve essentially domestic hinterlands have also proclaimed plans to pursue international listings.

As the new order takes shape, it is unclear whether liquidity for securities trading will aggregate in one venue for the plethora of listed companies from across the world. Except for global stocks, trading is more likely to remain geographically confined and time-zone bound. Market participants naturally have better access and accord greater mind-share to news and research closer to home. Hence, trading within the region or time zone will be more active than elsewhere even in a world of increasingly globalised financial markets.

In the Asian time zone, SGX continues to be well-positioned as a regional hub to capture

trade and information flows from the Indian sub-continent on one side, to China and Japan on the other. Besides, it thrives in a developed financial centre well attuned to the dynamics of international capital markets and in a regulatory framework grounded on an Anglo-Saxon legal system. Singapore as a fund management centre continues to grow strongly, with inflows of numerous regional and international fund managers including hedge funds. At SGX, whilst institutional funds are vital, vibrant retail liquidity is just as important to defend against the potential incursion of competing trading platforms.

2007 has been a rewarding year. Our results and developments, as outlined below, showed steady progress and continued strengthening of SGX as an Asian Gateway exchange.

#### LISTINGS PLATFORM

Our listing platform is now host to more foreign listing aspirants than domestic ones. This year, new foreign listings accounted for 70% of the total number of listings. Overall, foreign listings account for about one-third of our total market in terms of number and market capitalisation, and we expect this to enlarge further. The effort to diversify beyond China is bearing fruit as we listed more non-Chinese foreign companies for the first time. Amongst these are companies from Australia, Europe, Indonesia, Malaysia and the US.

The size of our listed companies has grown notably. We witnessed six listings (Initial Public Offers and Reverse Takeovers) each exceeding \$1 billion market capitalisation. In two years, the number of companies with market capitalisation above \$1 billion has doubled to 120 (40% are foreign), accounting for 85% of total market capitalisation. One fine example is Wilmar International,

a transnational company, which has grown from a \$2 billion Mid-Cap to become a \$20 billion Large-Cap within a year of listing.

Launch of the new board in the coming months will dovetail with our efforts to grow our listings franchise. SESDAQ will be transformed to become a sponsor-supervised board. We will position it against competitors like London's AIM market to be the Asian listings hub for regional high-growth companies.

#### **NICHE LISTINGS AND PRODUCTS**

Development of sector-focused themes in REITs (Real Estate Investment Trusts) as well as marine and shipping-related sectors continues to yield results. We expanded the market with an additional six REITs, and four marine and shipping-related companies. These include the largest China REIT, the first REIT in healthcare, two shipping business trusts from Europe and one of China's largest shipbuilders. Market capitalisation for REITs increased by 138% to reach \$29 billion, moving us closer to the market leader in Asia, Japan.

New products such as ETFs (Exchange Traded Funds) are at the early stage of development with small but encouraging trading volume. Since the launch of iShares MSCI India last June, we attracted another eight foreign ETFs providing commodities and regional equities exposure.

#### **TRADING ACTIVITY**

This year, turnover velocity for the securities market has increased steadily, averaging 74% in the last six months, compared to 58% last year. Additionally, the weight of Singapore in the MSCI World Index has increased to 0.53 from 0.38 two years ago, thus attracting higher asset allocation by institutional fund managers.

The litmus test for management is to raise structurally the level of trading activities on our exchange. Besides the growth in listings of larger companies, we also aim to improve market participation and efficiency. In the past year, the revision of securities clearing fees has encouraged more retail participation, which now accounts for 46% of the market in value compared to 39% two years ago. To further enhance market efficiency, we are also on track to implement a reduction in minimum bid schedule to lower cost of trading. In addition, we hope to attract an emerging segment of high velocity participants – algorithmic traders. These traders are prevalent in the US and Europe and are beginning to establish a strong presence in Asia.

#### **RISK MANAGEMENT CENTRE**

Our diversified suite of derivatives products has gained acceptance as a premier off-shore risk management centre. Our flagship futures products – the Nikkei 225, MSCI Taiwan and MSCI Singapore contracts – have achieved record volumes and open interest in the last 12 months. Nikkei 225 and MSCI Taiwan each accounts for a third of total futures revenue, and the remaining contracts and services make up the last one-third. Our strength currently lies in equity derivatives. Building up a fixed income suite still remains a challenge as our Euroyen contract has not turned out as well as we thought. Our joint venture with CBOT to offer commodities futures is still at its nascent stage of growth.

On the other hand, retail investors are embracing derivatives through the trading of structured warrants. Trading value climbed 49% to reach \$19 billion with nearly half of it traded by foreign retail investors.

Trading value for warrants on foreign underlying also tripled, now accounting for 35% of the total warrants market. Leveraging on the warrants platform, we introduced Certificates, the first to be launched in Asia, providing yet another type of instrument for trading.

#### **POST-TRADE PROCESSING HUB**

Efficient post-trade processing capabilities will strengthen our position as a hub for Asia and it is taking shape. The establishment of SGX AsiaClear® in May last year expanded the scope of our clearing business. As Asia's first over-the-counter clearing service for oil swaps and forward freight agreements, this business has made good progress garnering over 120 counterparty accounts and exceeding US\$1.7 billion in value of trades cleared. Whilst growth has been exponential from a very small start, the contribution to revenue is still insignificant.

The past year was also devoted to the development of SGX Prime which is to allow direct connectivity into SGX's back office systems. This should improve the operational efficiencies of our depository agents, broking firms and other intermediaries. We are now preparing for its launch in early 2008.

#### **OPERATIONS AND TECHNOLOGY**

The perennial priority is to continually improve the robustness of our business and technology infrastructure, so as to be nimble and expeditious in delivery. In line with developments in the marketplace, there is constant demand for new functionalities to support increased trading activities. For this year, we have secured industry-wide consensus for participants to work with GL Trade to develop a new Order Management System. This will replace our SESOPS

terminals for securities trading. A new data engine for derivatives information will be rolled out by the end of this year, and Quest ST, a new securities trading system, is slated for launch in mid-2008.

#### **RISK MANAGEMENT AND REGULATION**

In tandem with the development of our business, we place emphasis on enhancing our regulatory and risk management functions. This includes a regulatory review of several aspects of our trading and clearing rules, such as the management of failed trades for structured warrants, error trade policies for both securities and derivatives markets, as well as the listing rules and corporate governance practices. To cater for the growing derivatives market, we are augmenting the clearing fund through insurance, guarantees and capital resources.

As a frontline regulator balancing commercial interests and regulatory objectives, we undertook a thorough independent assessment of our conflicts management framework as a Self-Regulatory Organisation (SRO) and implemented a company-wide SRO training programme on conflicts management.

#### **ORGANISATIONAL DEVELOPMENT**

In early 2007, a new organisational structure was put in place to better deliver business plans and strategies both from the front-end and back-end perspectives. The creation of the Post Trade Services and Retail Group serves to exploit opportunities in our back-office business and the retail segment. The senior management team has been strengthened with the appointment of one Senior Executive Vice President for Operations and Technology, and three Executive Vice Presidents for Listings, Human Resources, and Development.

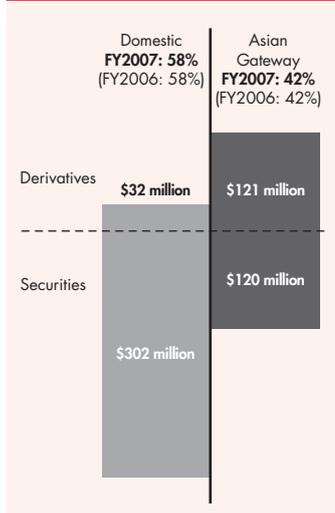
**Return on equity\***

**37.5%**

Return on equity improved to 37.5% from 32.0% previously

\* excludes write-back of allowance for impairment and gain on disposal of SGX Centre

**Asian Gateway revenues\*\***



\*\* internal estimates

**PARTNERSHIPS AND COLLABORATIONS**

We do not foresee consolidation taking place within Asia in the near term. To enhance our position as a regional hub, we form partnerships and alliances to extend our product range and globalise our liquidity. To date, alliances are enhanced through strategic equity toeholds. In this endeavour, SGX has acquired a 5% stake in Bombay Stock Exchange and Tokyo Stock Exchange has taken a 4.99% stake in us. This should open up opportunities for business development in two important markets, India and Japan, placing us in good stead for long-term growth.

**FINANCIAL PERFORMANCE**

SGX saw the best year since our listing in 2000. All revenue categories performed better than in the year before – securities market revenue (up 56%), derivatives market revenue (up 22%) and stable revenue (up 29%).

Our Asian Gateway revenue continues to grow in tandem with the increase in our domestic market. More significantly, the share of operating revenue from the trading of foreign securities now accounts for 21% of total revenue (up from 18% last year) leaving the share of operating revenue from domestic securities relatively constant. This signifies our increasing relevance beyond our home market.

Fixed operating expenses (excluding variable costs such as staff variable bonus, cost of processing and royalties) remained fairly controlled and stable revenue now covers 92% of the fixed operating expenses compared to 76% a year ago.

Overall, our operating return on equity after tax has further improved to 37.5% from 32.0% previously.

**CONCLUDING REMARKS**

We have seen record securities trading volumes reflecting both a buoyant market and structural improvements in our business. As we transcend our home market as a regional hub, foreign listings is a major driver. We aim to attract the growing pool of transnational Mid-Cap companies. In derivatives, the focus has been to grow more retail activity alongside continuing efforts to introduce relevant products and increase institutional volumes. It should contribute better to the bottom line.

In view of the recent important mergers in US and Europe, we will continue to explore collaboration and possible consolidation with like-minded partners to strengthen and expand our role.

Our success so far is owed to the active support of our customers and shareholders, the contributions and teamwork of all staff, in collaboration with our Chairman and Board, intermediary members, and our regulators. To all of you, I give thanks.

**Hsieh Fu Hua**  
Chief Executive Officer  
27 July 2007

## BOARD OF DIRECTORS

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

**J Y PILLAY**

Chairman,  
Singapore Exchange Limited

Mr Pillay has served as Chairman of the SGX board since 18 November 1999. Since 16 August 2001, he has served as an executive and non-independent director on the SGX board.

Mr Pillay now serves as Chairman of the Council on Corporate Disclosure and Governance, Chairman of the Council of Presidential Advisers and member of the Presidential Council for Minority Rights of the Republic of Singapore, Chairman of Assisi Hospice, director of Mount Alvernia Hospital, Life Trustee of the Singapore Indian Development Association, Chairman of Commonwealth Africa Investments Limited and member of the Council for Third Age.

Mr Pillay held a variety of positions in the Government of Singapore (1961–1995), rising to permanent secretary in 1972. He served in the ministries of finance, defence and national development. Between 1985 and 1989, Mr Pillay was Managing Director

of the Monetary Authority of Singapore (MAS) and of the Government of Singapore Investment Corporation. He served, in a non-executive capacity, as Chairman of the boards of several government-linked companies, including Singapore Airlines Limited (1972–1996), Temasek Holdings (Private) Limited (1974–1986), Development Bank of Singapore Ltd (1979–1984), and Singapore Technologies Holdings Private Limited (1991–1994).

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

Mr Pillay was last re-elected as a director at the Annual General Meeting on 29 September 2006.

**HSIEH FU HUA**

Chief Executive Officer,  
Singapore Exchange Limited

Mr Hsieh has served as CEO and a non-independent director on the SGX board since 1 March 2003. His career has been in merchant banking and capital markets in Asia. He was Managing Partner of PrimePartners – an independent private equity firm based in Singapore, and was Group Managing Director of BNP Prime Peregrine Group in Hong Kong – the joint venture Asian investment banking arm of BNP founded by PrimePartners. Prior to forming PrimePartners in 1993, he was Chief Executive of Morgan Grenfell Asia Holdings Pte Ltd which he joined in 1974.

He is a member of the National University of Singapore Board of Trustees, the board of Government of Singapore Investment Corporation (GIC) and the National Arts Council. He is also Chairman of SIM Pte Ltd (a subsidiary of the Singapore Institute of Management). He graduated in 1974 from the University of Singapore in Business Administration.

Mr Hsieh was last re-elected as a director at the Annual General Meeting on 22 September 2005.

**LOW CHECK KIAN**

Chairman,  
NewSmith Capital Partners (Asia) Pte Ltd  
Mr Low has served as an independent director on the SGX board since 20 July 2000 and was appointed Lead Independent Director in May 2006. He was previously a Senior Vice-President and member of the Executive Management Committee of Merrill Lynch & Co., as well as Chairman of Merrill Lynch Asia Pacific.

Mr Low also sits on the board of the Singapore Workforce Development Agency and is serving as Chairman of its Investment Committee. Mr Low 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 Bachelor of Science (Economics) (First Class Honours) in June 1983 and a Master of Science (Economics) in June 1984. During his stay at LSE, he was awarded the Allan Young Prize, the Baxter-Edey Award and the Henry Luce Foundation Award.

Mr Low was last re-elected as a director at the Annual General Meeting on 22 September 2005.

**CHEW CHOON SENG**

Chief Executive Officer,  
Singapore Airlines Limited  
Mr Chew has served as an independent director on the SGX board since 1 December 2004. He is CEO of Singapore Airlines Limited and Deputy Chairman of its listed subsidiaries, SIA Engineering Company Limited and Singapore Airport Terminal Services Limited. Mr Chew is a director of the Government of Singapore Investment Corporation Pte Ltd.

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

Mr Chew was last re-elected as a director at the Annual General Meeting on 22 September 2005.

**EULEEN GOH YIU KIANG**

Chairman,

International Enterprise (IE) Singapore

Ms Goh was recently elected to serve as an independent director on the SGX board. She is the non-executive Chairman of International Enterprise (IE) Singapore, an agency under the Ministry of Trade and Industry spearheading Singapore's efforts to develop its external wing. She is a Chartered Accountant who has held various senior management positions including the role of Chief Executive Officer in Standard Chartered Bank, Singapore. She retired in March 2006 after some 21 years with the Bank.

She is also a non-executive director of Singapore Airlines Limited, MediaCorp Pte Ltd, MOH Holdings Pte Ltd, Standard Chartered Bank Malaysia Berhad and Standard Chartered Bank (Thai) Pcl. She is the Chairman of the Financial Industry Competency Standards Committee, council member of the Singapore Institute of Banking and Finance, and Adviser to the Singapore Institute of International Affairs. She also serves on the board of her alma mater, Singapore Chinese Girls' School.

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

**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 is currently Executive Director of Pacific

Asset Management (S) Pte Ltd. Mr Ho was previously General Manager and Managing Director of Bankers Trust Company Singapore. Mr Ho holds directorship on the boards of Fraser and Neave Ltd and Singapore Power Limited. He also sits on the board of Times Publishing Ltd and is a member of the Risk Committee of the Government of Singapore Investment Corporation Pte Ltd. He holds a Bachelor of Economics (Honours) from Portsmouth University, UK.

Mr Ho was last re-elected as a director at the Annual General Meeting on 17 September 2004.

**LEE HSIEN YANG**

Chairman,

Republic Polytechnic

Mr Lee has served as an independent director on the SGX board since 17 September 2004. He joined Singapore Telecommunications Limited (SingTel) in April 1994 and has served as CEO of SingTel from May 1995 until March 2007. He chairs the Republic Polytechnic's Board of Governors and is a member of the Board of Directors of INSEAD, France, and the Governing Board of the Lee Kuan Yew School of Public Policy, and is a Director of The Islamic Bank of Asia Limited. A President's Scholar and an SAF Scholar, Mr Lee obtained First Class Honours in engineering from Cambridge University, UK and a Master of Science (Management) degree from Stanford University, USA.

Mr Lee was re-elected as a director at the Annual General Meeting on 29 September 2006.

**LOH BOON CHYE**

Head of Global Markets (Asia),  
Deutsche Bank AG, Singapore

Mr Loh has served as an independent director on the SGX board since 22 October 2003. He began his career as an Investment Officer with MAS in 1989 and joined the Singapore branch of Morgan Guaranty Trust Co of New York in 1992. Since 1995, he has been with Deutsche Bank AG, Singapore and was appointed Head of Global Markets for Asia in 2002.

Mr Loh had served as Chairman of the Capital Markets Working Group (1998), Deputy President of ACI Singapore (1999) and Chairman of the Debt Capital Markets Committee of the Singapore Investment Banking Association (2000). He currently chairs the Singapore Foreign Exchange Market Committee. Mr Loh holds a Bachelor of Engineering (Mechanical) from the National University of Singapore.

Mr Loh was last re-elected as a director at the Annual General Meeting on 22 September 2005.

**OLIVIA LUM OOI LIN**

Group Chief Executive Officer and President,  
Hyflux Ltd

Ms Lum has served as an independent director on the SGX board since 17 September 2004. She began her career as a chemist with Glaxo (S) Pte Ltd in 1986. In 1989, she started Hyflux Ltd, a company specialising in water and waste water treatment. Currently, Ms Lum holds

directorship in Hyflux Ltd. She is also a member of the National University of Singapore Board of Trustees. Ms Lum graduated from the National University of Singapore in 1986 with a Bachelor of Science (Honours).

Ms Lum was re-elected as a director at the Annual General Meeting on 29 September 2006.

**NG KEE CHOE**

Chairman,  
Singapore Power Limited

Mr Ng has served as an independent director on the SGX board since 22 October 2003. Mr Ng is Chairman of Singapore Power Limited. He was appointed Chairman and director of Singapore Power Limited on 15 September 2000. He also became Chairman of SP Australia Networks (Transmission) Ltd and SP Australia Networks (Distribution) Ltd on 31 May 2005.

In addition, Mr Ng is Chairman of NTUC Income Insurance Cooperative Limited and President-Commissioner of PT Bank Danamon Indonesia Tbk. He is also a director of Singapore Airport Terminal Services Limited, a member of the Temasek Advisory Panel and a member of the Advisory Council of China Development Bank. For his contributions to the public sector, Mr Ng was awarded the Public Service Star Award in 2001.

Mr Ng was re-elected as a director at the Annual General Meeting on 29 September 2006.

**ROBERT OWEN**

Chairman,  
Crosby Capital Partners Inc.

Mr Owen has served as an independent director on the SGX board since 17 September 2004. He is Chairman of Crosby Capital Partners Inc., IB Daiwa Corp and International Securities Consultancy Ltd. and a non-executive director of Citibank (Hong Kong) Ltd. and a number of other companies and investment funds. Mr Owen began his career in the UK Foreign Office and Treasury. He later worked for Morgan Grenfell, after which he became Head of Investment Banking for the Lloyds Bank Group.

In 1988, Mr Owen was appointed Adviser to the Hong Kong Government on Securities Markets to implement reforms to the regulation and operation of Hong Kong's securities and futures markets. In 1989, he became the first Executive Chairman of the Securities and Futures Commission of Hong Kong, where he served until 1992.

Mr Owen is currently a board member of the Dubai Financial Services Authority. He was a member of the Council and Regulatory Board of Lloyds of London from 1993 to 1995. He is also a Governor of Repton School. He graduated with First Class Honours from the University of Oxford, UK, in 1961.

Mr Owen was elected as a director at the Annual General Meeting on 17 September 2004.

**TANG WEE LOKE**

Deputy Managing Director,  
UOB Kay Hian Private Limited

Mr Tang has served as an independent director on the SGX board since 19 December 2002. He has been Deputy Managing Director of UOB Kay Hian Private Limited since 2001. He is a director and significant shareholder of the UOB-Kay Hian Group which, through its subsidiaries, is engaged in securities broking on the SGX securities market. Mr Tang is also a director of UOB-Kay Hian Holdings Limited, the shares of which are listed and quoted on the SGX Mainboard. He is Vice Chairman of the Securities Association of Singapore which represents the interests of SGX securities trading members in Singapore. He holds a Bachelor of Business Administration degree.

Mr Tang was last re-elected as a director at the Annual General Meeting on 22 September 2005.

Mr Tang will be stepping down as director on 28 September 2007, after the Annual General Meeting.

## CORPORATE INFORMATION

**BOARD OF DIRECTORS****Chairman**

J Y Pillay

**Chief Executive Officer**

Hsieh Fu Hua

**Lead Independent Director**

Low Check Kian

**Independent Directors**

Chew Choon Seng

Euleen Goh Yiu Kiang

Ho Tian Yee

Lee Hsien Yang

Loh Boon Chye

Ng Kee Choe

Olivia Lum Ooi Lin

Robert Owen

Tang Wee Loke\*

**COMPANY SECRETARY**

Joyce Fong Foong Chao

**AUDIT COMMITTEE**

Lee Hsien Yang\*\* (Chairman)

Ho Tian Yee\*\*\*

Loh Boon Chye

Olivia Lum Ooi Lin

Secretary: Lim Meng Wee

**NOMINATING COMMITTEE**

Low Check Kian (Chairman)

J Y Pillay

Ho Tian Yee

Loh Boon Chye

Ng Kee Choe

Secretary:

Joyce Fong Foong Chao

**REMUNERATION COMMITTEE**

Ng Kee Choe (Chairman)

Chew Choon Seng

Low Check Kian

Olivia Lum Ooi Lin

Secretary:

Joyce Fong Foong Chao

**RISK MANAGEMENT COMMITTEE**

Loh Boon Chye (Chairman)

Euleen Goh Yiu Kiang

Ho Tian Yee

Ng Kee Choe

Robert Owen

Tang Wee Loke

Secretary:

Joyce Fong Foong Chao

**CONFLICTS COMMITTEE**

Robert Owen (Chairman)

Euleen Goh Yiu Kiang

Low Check Kian

Olivia Lum Ooi Lin

Secretary:

Joyce Fong Foong Chao

**EXECUTIVE COMMITTEE**

Hsieh Fu Hua (Chairman)

Chew Hong Gian

Daniel Tan Bak Hiang

Gan Seow Ann

Muthukrishnan Ramaswami

Seck Wai Kwong

Yeo Lian Sim

Secretary: Lee Chih-Wei

**INVESTOR RELATIONS**

John Gollifer

Tel : (65) 6236 8540

Email : johngollifer@sgx.com

**REGISTERED OFFICE**

Singapore Exchange Limited

2 Shenton Way

#19-00 SGX Centre 1

Singapore 068804

Tel : (65) 6236 8888

Fax : (65) 6535 6994

Website: www.sgx.com

**SHARE REGISTRAR**

Lim Associates (Pte) Ltd

3 Church Street

#08-01 Samsung Hub

Singapore 049483

Person-in-Charge: Chia Hui Dih

**AUDITORS**

PricewaterhouseCoopers

8 Cross Street #17-00

PWC Building

Singapore 048424

Partner-in-Charge:

Chua Kim Chiu

(appointed from 1 July 2004)

\* stepping down on 28 September 2007

\*\* appointed Chairman on 27 July 2007

\*\*\* stepped down as Chairman on 27 July 2007

## SUMMARY DIRECTORS' REPORT

For the financial year ended 30 June 2007

### IMPORTANT

The Summary Directors' Report and the Summary Financial Statements as set out on pages 22 to 47 contain only a summary of the information derived from the directors' report and financial statements in the Company's Annual Report. It does not contain sufficient information to allow a full understanding of the results and the state of affairs of the Company and of the Group. For further information, the full financial statements, the auditor's report thereon 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 at the end of this Summary Annual Report.

### SUMMARY DIRECTORS' REPORT

The directors present their report to the shareholders together with the audited financial statements of Singapore Exchange Limited ("the Company" or "SGX") and of the Group for the financial year ended 30 June 2007.

### DIRECTORS

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

J Y Pillay	(Chairman)
Hsieh Fu Hua	(Chief Executive Officer)
Low Check Kian	(Lead Independent Director)
Chew Choon Seng	
Euleen Goh Yiu Kiang	(appointed on 29 September 2006)
Ho Tian Yee	
Lee Hsien Yang	
Loh Boon Chye	
Olivia Lum Ooi Lin	
Ng Kee Choe	
Robert Owen	
Tang Wee Loke	

### PRINCIPAL ACTIVITIES

The principal activities of the Company are those of investment holding, treasury management, provision of management and administrative services to related corporations, provision of securities related processing services and sale of software and other computer services.

The principal activities of the subsidiaries in the Group are as follows:

- Operating securities and derivatives exchanges
- Providing clearing, counterparty guarantee, depository and related service for securities transactions
- Providing clearing, counterparty guarantee and related services for derivatives transactions
- Providing computer services and maintenance, 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
- Investment holding

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

## SUMMARY DIRECTORS' REPORT

For the financial year ended 30 June 2007

### ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE SHARES AND DEBENTURES

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

### DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

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

	Number of ordinary shares registered in name of director or nominee		Number of ordinary shares in which a director is deemed to have an interest	
	At 30.06.2007	At 01.07.2006	At 30.06.2007	At 01.07.2006
<b>The Company</b>				
J Y Pillay	–	–	262,000	262,000
Hsieh Fu Hua	415,000	–	800,000	800,000

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

	Number of unissued ordinary shares under options held by a director	
	At 30.06.2007	At 01.07.2006
Hsieh Fu Hua	3,550,000	4,000,000

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

	Number of shares vested	
	At 30.06.2007	At 01.07.2006
Hsieh Fu Hua	330,000	–

Subject to the terms and conditions of the SGX Performance Share Plan, 745,000 shares granted to Hsieh Fu Hua will vest between 30 June 2008 and 2 November 2009.

- (d) There was no change in any of the abovementioned interests in the Company or in related corporations between the end of the financial year and 21 July 2007.

### DIRECTORS' CONTRACTUAL BENEFITS

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

## SUMMARY DIRECTORS' REPORT

For the financial year ended 30 June 2007

### SHARE PLANS

The Company offers the following share plans to its employees:

- (a) SGX Share Option Plan
- (b) SGX Performance Share Plan

All share plans are administered by the Remuneration Committee which comprises the following directors:

Ng Kee Choe (Chairman)  
Chew Choon Seng  
Low Check Kian  
Olivia Lum Ooi Lin

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

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

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

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

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

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

##### *Restrictions*

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

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

##### *Options granted under the Scheme*

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

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

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

SUMMARY DIRECTORS' REPORT  
For the financial year ended 30 June 2007**SHARE PLANS (continued)****(a) SGX Share Option Plan ("the Scheme") (continued)***Unissued shares under options*

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

Date of grant	Balance as at 01.07.2006	Lapsed	Variation of exercise period*	Options exercised	Balance as at 30.06.2007	Number of option holders as at 30.06.2007	Exercise price**	Exercise period
20.11.2000	76,000	(2,000)	–	(18,000)	56,000	4	\$0.85	20.11.2002 to 20.11.2007
20.11.2000	2,000	–	–	(2,000)	–	–	\$0.85	13.02.2006 to 20.11.2007
03.12.2001	152,000	(6,000)	(5,000)	(87,000)	54,000	14	\$0.94	03.12.2003 to 02.12.2008
03.12.2001	6,000	(6,000)	–	–	–	–	\$0.94	01.10.2005 to 30.09.2006
03.12.2001	–	–	5,000	(4,000)	1,000	1	\$0.94	01.10.2006 to 30.09.2007
03.12.2001	52,000	–	–	(52,000)	–	–	\$0.94	13.02.2006 to 02.12.2008
15.01.2002	175,000	–	–	(175,000)	–	–	\$1.00	16.01.2004 to 15.01.2009
01.10.2002	1,278,000	(6,000)	(6,000)	(1,214,000)	52,000	14	\$0.90	01.10.2004 to 30.09.2009
01.10.2002	6,000	–	–	(6,000)	–	–	\$0.90	01.10.2005 to 30.09.2006
01.10.2002	–	–	6,000	(6,000)	–	–	\$0.90	01.10.2006 to 30.09.2007
01.10.2002	2,000	–	–	(2,000)	–	–	\$0.90	13.02.2006 to 30.09.2009
27.01.2004	10,236,400	(2,000)	(14,900)	(4,336,600)	5,882,900	56	\$1.70	27.01.2006 to 26.01.2011
27.01.2004	175,000	–	–	–	175,000	1	\$1.70	28.01.2004 to 27.01.2009
27.01.2004	25,900	–	–	(25,900)	–	–	\$1.70	01.10.2005 to 30.09.2006
27.01.2004	2,000	(2,000)	–	–	–	–	\$1.70	05.10.2005 to 04.10.2006
27.01.2004	97,500	–	–	(30,500)	67,000	3	\$1.70	13.02.2006 to 01.11.2009
27.01.2004	–	–	14,900	(11,900)	3,000	1	\$1.70	01.10.2006 to 30.09.2007
01.11.2004	9,011,600	(22,500)	(11,400)	(4,987,200)	3,990,500	87	\$1.60	02.11.2006 to 01.11.2011
01.11.2004	23,400	–	–	(23,400)	–	–	\$1.60	01.10.2005 to 30.09.2006
01.11.2004	65,000	–	–	(65,000)	–	–	\$1.60	01.11.2005 to 30.10.2006
01.11.2004	–	–	11,400	(3,900)	7,500	1	\$1.60	01.10.2006 to 30.09.2007
01.11.2004	310,800	–	–	(268,800)	42,000	1	\$1.60	02.11.2006 to 01.11.2009
	<b>21,696,600</b>	<b>(46,500)</b>	<b>–</b>	<b>(11,319,200)</b>	<b>10,330,900</b>			

\* The variations of exercise periods for these options had been approved by the Remuneration Committee as provided for under the Scheme.

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

SUMMARY DIRECTORS' REPORT  
For the financial year ended 30 June 2007**SHARE PLANS (continued)****(a) SGX Share Option Plan ("the Scheme") (continued)***Unissued shares under options (continued)*

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

As at 30 June 2007, executives and employees, including executive directors, who have been granted 5% or more of the total options available under the Scheme are as follows:

Options granted on 27.01.2004 (exercisable from 27.01.2006 to 26.01.2011) to Chief Executive Officer, Hsieh Fu Hua	Number of shares under options
Options granted for financial year ended 30.06.2007	–
Aggregate options granted since commencement of the Scheme to 30.06.2007	4,000,000
Aggregate options exercised since commencement of the Scheme to 30.06.2007	450,000
Aggregate options outstanding as at 30.06.2007	3,550,000

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

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

*Eligibility*

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

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

*Restrictions*

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

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

SUMMARY DIRECTORS' REPORT  
For the financial year ended 30 June 2007

**SHARE PLANS (continued)**

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

*Share award grant and vesting*

(i) Financial Year ("FY") 2006 Grant

The number of SGX shares to be awarded to each Participant will be based on the achievement of certain prescribed performance targets over a two-year performance period from 1 July 2005 to 30 June 2007.

Under the Plan, 50% of the performance shares vested on 30 June 2007 and, subject to the terms of the Plan, the balance 50% comprising 1,252,500 shares will vest on 30 June 2008. The awards of performance shares vested will be satisfied by the delivery of existing shares purchased from the market. Below are the details of the shares awarded to the Participants for the FY2006 Grant:

Participants (as defined under the Plan)	Balance as at 01.07.2006	Shares granted/adjusted during the financial year <sup>1</sup>	Shares lapsed during financial year	Shares vested during financial year <sup>4</sup>	Balance as at 30.06.2007
<b>Directors' interests</b>					
Hsieh Fu Hua <sup>2</sup>	440,000	220,000	–	(330,000)	330,000
<b>EXCO members</b>					
Gan Seow Ann <sup>2</sup>	160,000	80,000	–	(120,000)	120,000
Seck Wai Kwong <sup>2</sup>	160,000	80,000	–	(120,000)	120,000
Linus Koh Kia Meng <sup>2</sup>	120,000	60,000	–	(90,000)	90,000
Yeo Lian Sim <sup>2</sup>	120,000	60,000	–	(90,000)	90,000
Daniel Tan Bak Hiang <sup>2</sup>	100,000	50,000	–	(75,000)	75,000
Chew Hong Gian	85,000	42,500	–	(63,750)	63,750
Robert W van Zwieten <sup>3</sup>	35,000	8,750	(17,500)	(26,250)	–
<b>Other staff</b>					
	530,000	242,500	(45,000)	(363,750)	363,750
	<b>1,750,000</b>	<b>843,750</b>	<b>(62,500)</b>	<b>(1,278,750)</b>	<b>1,252,500</b>

<sup>1</sup> The number of shares awarded during the financial year represents an additional 50% payout as a result of achievement of pre-set performance targets over the performance period.

<sup>2</sup> Received more than 5% of the total FY2006 grant available.

<sup>3</sup> Only 50% of the final awards were released to Robert W van Zwieten as his last day of service with the Company was 30 June 2007.

<sup>4</sup> Performance shares vested on 30 June 2007 will be distributed after 30 June 2007.

SUMMARY DIRECTORS' REPORT  
For the financial year ended 30 June 2007**SHARE PLANS (continued)****(b) SGX Performance Share Plan ("the Plan") (continued)***Share award grant and vesting (continued)*

## (ii) Financial Year ("FY") 2007 Grant

The number of SGX shares to be allocated to each Participant will be determined based on the achievement of certain prescribed performance targets, over a three-year performance period from 1 July 2006 to 30 June 2009. The grant is subject to the absolute discretion of the Remuneration Committee. The performance shares will vest on 2 November 2009.

Below are the details of shares awarded to the Participants:

Participants (as defined under the Plan)	Shares granted during financial year <sup>1</sup>	Shares lapsed during financial year	Shares vested during financial year	Balance as at 30.06.2007
<b>Directors' interests</b>				
Hsieh Fu Hua <sup>2</sup>	415,000	–	–	415,000
<b>EXCO members</b>				
Gan Seow Ann <sup>2</sup>	155,000	–	–	155,000
Seck Wai Kwong <sup>2</sup>	155,000	–	–	155,000
Linus Koh Kia Meng <sup>2</sup>	100,000	–	–	100,000
Yeo Lian Sim <sup>2</sup>	100,000	–	–	100,000
Daniel Tan Bak Hiang	80,000	–	–	80,000
Chew Hong Gian	80,000	–	–	80,000
<b>Other staff</b>				
	575,000	(25,000)	–	550,000
	<b>1,660,000</b>	<b>(25,000)</b>	<b>–</b>	<b>1,635,000</b>

<sup>1</sup> The number of shares represents the shares required if Participants are awarded at 100% of the grant. However, the shares awarded at the vesting date could range from 50% to 150%, depending on the level of achievement against the performance conditions. There shall be no award if the achievement falls below the threshold performance condition.

<sup>2</sup> Received more than 5% of the total FY2007 grant available.

SUMMARY DIRECTORS' REPORT  
For the financial year ended 30 June 2007

**SHARE PLANS (continued)**

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

*Share award grant and vesting (continued)*

(iii) Summary of the Plan

Below is the summary of the total number of shares granted, vested and outstanding as at 30 June 2007:

	Shares granted/ adjusted during the financial year	Aggregate shares granted since commencement of the Plan to 30.06.2007	Aggregate shares vested since commencement of the Plan to 30.06.2007	Aggregate outstanding as at 30.06.2007
Participants who received more than 5% of the total grants available				
<b>Directors' interests</b>				
Hsieh Fu Hua	635,000	1,075,000	(330,000)	745,000
<b>EXCO members</b>				
Gan Seow Ann	235,000	395,000	(120,000)	275,000
Seck Wai Kwong	235,000	395,000	(120,000)	275,000
Linus Koh Kia Meng	160,000	280,000	(90,000)	190,000
Yeo Lian Sim	160,000	280,000	(90,000)	190,000
Daniel Tan Bak Hiang	130,000	230,000	(75,000)	155,000
Participants who received less than 5% of the total grants available				
<b>Other staff</b>	948,750	1,598,750	(453,750)	1,057,500
	<b>2,503,750</b>	<b>4,253,750</b>	<b>(1,278,750)</b>	<b>2,887,500</b>

No shares were granted to Associated Company Employees (as defined under the Plan) since the commencement of the Plan.

## SUMMARY DIRECTORS' REPORT

For the financial year ended 30 June 2007

### AUDIT COMMITTEE

The Audit Committee comprises the following independent non-executive directors:

Ho Tian Yee (Chairman)  
Lee Hsien Yang  
Loh Boon Chye  
Olivia Lum Ooi Lin

Based on the Singapore Code of Corporate Governance criteria, all the Audit Committee members are independent.

There are, however, additional requirements on directors' independence set out in The Securities and Futures (Corporate Governance of Approved Exchanges, Designated Clearing Houses and Approved Holding Companies) Regulations 2005. Based on the criteria set out in this regulation, Loh Boon Chye has been ascertained by the Nomination Committee as non-independent.

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 independent auditor's report thereon.

The Audit Committee has undertaken a review of the non-audit services provided by the firm acting as the auditor and in the opinion of the Audit Committee these services would not affect the independence of the auditor.

The Audit Committee has recommended to the Board that the auditor, PricewaterhouseCoopers, be nominated for re-appointment at the forthcoming Annual General Meeting.

### UNUSUAL ITEMS DURING AND AFTER THE FINANCIAL YEAR

In the opinion of the directors, 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 Group and of the Company for the financial year in which this report is made, or render any items in the financial statements of the Group and of the Company for the current financial year misleading, and/or affect the ability of the Group and of the Company in meeting the obligations as and when they fall due, except as disclosed in the notes to the full financial statements.

The Summary Directors' Report and the Summary Financial Statements set out on pages 22 to 47 were approved by the Board of Directors and signed on its behalf by:



**J Y Pillay**  
Director  
27 July 2007



**Hsieh Fu Hua**  
Director

## AUDITOR'S STATEMENT TO THE SHAREHOLDERS OF SINGAPORE EXCHANGE LIMITED

We have examined the Summary Financial Statements set out on pages 33 to 47.

In our opinion, the Summary Financial Statements are consistent with, and are derived from, the full financial statements and Directors' Report of Singapore Exchange Limited (the "Company") and its subsidiaries (the "Group") for the financial year ended 30 June 2007, which comprise the balance sheet, income statement and statement of changes in equity of the Company, and the consolidated financial statements of the Group for the year then ended. The Summary Financial Statements comply with the requirements of Section 203A of the Singapore Companies Act and applicable regulations made thereunder.

For a better understanding of the financial position of the Company and of the Group as at 30 June 2007, the results and changes in the equity of the Company and of the Group for the financial year ended on that date, and the cash flows of the Group for the financial year ended on that date, the Summary Financial Statements should be read in conjunction with the financial statements from which the Summary Financial Statements were derived.

We have issued our report dated 27 July 2007 on the full financial statements for the financial year ended 30 June 2007. The audit report is as follows:

### **"INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SINGAPORE EXCHANGE LIMITED:**

We have audited the accompanying financial statements of Singapore Exchange Limited (the "Company") and its subsidiaries (the "Group") set out on pages xx to xx\*, for the financial year ended 30 June 2007, which comprise the balance sheet, income statement and statement of changes in equity of the Company, and the consolidated financial statements of the Group for the year then ended, and a summary of significant accounting policies and other explanatory notes.

#### **Directors' Responsibility for the Financial Statements**

The Company's directors are responsible for the preparation and fair presentation of these financial statements in accordance with the provisions of the Singapore Companies Act and Singapore Financial Reporting Standards. This responsibility includes designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance as to whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

## AUDITOR'S STATEMENT TO THE SHAREHOLDERS OF SINGAPORE EXCHANGE LIMITED

**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 Companies Act CAP 50 ("the Act") and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company and of the Group as at 30 June 2007, the results and changes in equity of the Company and of the Group for the financial year ended on that date, and of the cash flows of the Group for the financial year ended on that date, and
- (b) the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act."



**PricewaterhouseCoopers**  
Certified Public Accountants  
Singapore, 27 July 2007

\* The page numbers are as stated in the Independent Auditor's Report dated 27 July 2007 included in Singapore Exchange Limited's Annual Report for the financial year ended 30 June 2007.

## BALANCE SHEETS

As at 30 June 2007

	Note	The Group		The Company	
		2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	2	613,691	245,978	219,153	99,222
Trade and other receivables		913,003	289,961	6,540	6,488
Financial assets at fair value through profit or loss		138,666	151,862	–	–
Securities clearing funds – cash		36,959	36,666	–	–
	11	1,702,319	724,467	225,693	105,710
<b>Non-current assets</b>					
Financial assets, available-for-sale	3	75,812	–	75,812	–
Property, plant and equipment		38,312	202,173	23,212	23,614
Software		32,109	26,002	2,879	1,683
Club memberships		423	407	423	407
Investments in subsidiaries		–	–	581,381	581,381
Investments in joint ventures		1,734	4,228	–	–
Deferred tax assets		649	–	649	–
		149,039	232,810	684,356	607,085
<b>Total assets</b>		<b>1,851,358</b>	<b>957,277</b>	<b>910,049</b>	<b>712,795</b>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Trade and other payables		921,801	296,006	115,970	166,769
Derivative financial instruments		1,108	117	1,108	117
Finance lease liabilities		–	2,525	–	–
Taxation		76,305	51,821	8,157	7,190
Provisions		7,357	4,649	4,238	1,090
Securities clearing funds – members' contributions		11,959	11,666	–	–
	11	1,018,530	366,784	129,473	175,166
<b>Non-current liabilities</b>					
Finance lease liabilities		–	1,184	–	–
Deferred tax liabilities		2,460	2,450	–	428
		2,460	3,634	–	428
<b>Total liabilities</b>		<b>1,020,990</b>	<b>370,418</b>	<b>129,473</b>	<b>175,594</b>
<b>Net assets</b>		<b>830,368</b>	<b>586,859</b>	<b>780,576</b>	<b>537,201</b>
<b>Equity</b>					
<b>Capital and reserves attributable to the Company's equity holders</b>					
Share capital	4	398,533	378,452	398,533	378,452
Treasury shares	4	(12,393)	–	(12,393)	–
Share premium		–	–	–	–
Securities clearing funds reserve		25,000	25,000	–	–
Share-based payment reserve		8,457	8,243	8,457	8,243
Retained profits		92,360	52,308	67,568	27,650
Proposed dividends	8	318,411	122,856	318,411	122,856
<b>Total equity</b>		<b>830,368</b>	<b>586,859</b>	<b>780,576</b>	<b>537,201</b>

## INCOME STATEMENTS

For the financial year ended 30 June 2007

	Note	The Group		The Company	
		2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
<b>Operating revenue</b>					
Securities clearing fees		220,860	138,804	-	-
Securities-related processing fees		47,886	32,963	11,119	7,776
Access fees		57,248	36,706	-	-
Net derivatives clearing revenue		116,979	95,576	-	-
Account maintenance and corporate action fees		35,252	22,346	1,336	1,060
Terminal and connection fees		17,659	13,677	-	-
Listing fees		31,511	25,946	-	-
Membership fees		6,993	7,142	-	-
Price information fees		23,014	19,143	-	-
Sale of software and other computer services		10,069	7,466	2,277	2,069
Management fees from subsidiaries		-	-	104,610	87,314
Dividends from subsidiaries		-	-	434,372	180,565
Others		8,752	7,791	1,285	2,367
<b>Total operating revenue</b>		<b>576,223</b>	<b>407,560</b>	<b>554,999</b>	<b>281,151</b>
<b>Operating expenses</b>					
Staff costs		106,066	82,693	78,453	60,096
Rental and maintenance of premises		6,122	12,239	5,177	8,844
System maintenance and rental		33,509	28,666	6,304	6,124
Depreciation and amortisation		16,326	14,259	5,249	6,955
Write-back of provision for surplus leased premises		-	(2,685)	-	(2,151)
Finance charges		-	148	-	1
Net write-off/impairment of property, plant and equipment and software		175	4,865	-	-
Others	5	48,876	43,467	20,255	17,473
<b>Total operating expenses</b>		<b>211,074</b>	<b>183,652</b>	<b>115,438</b>	<b>97,342</b>
<b>Profit/(loss) from operating activities</b>		<b>365,149</b>	<b>223,908</b>	<b>439,561</b>	<b>183,809</b>
<b>Other gains/(losses)</b>	6	<b>127,685</b>	<b>13,171</b>	<b>5,756</b>	<b>8,175</b>
<b>Profit/(loss) before tax and share of results of joint ventures</b>		<b>492,834</b>	<b>237,079</b>	<b>445,317</b>	<b>191,984</b>
Share of results of joint ventures		(2,494)	(949)	-	-
<b>Profit/(loss) before tax</b>		<b>490,340</b>	<b>236,130</b>	<b>445,317</b>	<b>191,984</b>
Tax		(68,563)	(48,516)	(23,674)	(17,350)
<b>Net profit after tax</b>		<b>421,777</b>	<b>187,614</b>	<b>421,643</b>	<b>174,634</b>
Attributable to:					
Equity holders of the Company		421,777	187,614	421,643	174,634
<b>Earnings per share based on net profit attributable to the equity holders of the Company (in cents per share)</b>					
- Basic	7	39.95	17.96		
- Diluted	7	39.68	17.78		

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 30 June 2007

## THE GROUP

	Note	Attributable to equity holders of the Company							Total \$'000
		Share capital \$'000	Share premium* \$'000	Securities clearing funds reserve* \$'000	Share- based payment reserve* \$'000	Treasury shares \$'000	Retained profits \$'000	Proposed dividends \$'000	
<b>Balance at 1 July 2006</b>		378,452	–	25,000	8,243	–	52,308	122,856	586,859
Net profit for the financial year		–	–	–	–	–	421,777	–	421,777
<b>Total recognised gains for the financial year</b>		–	–	–	–	–	421,777	–	421,777
Dividends paid									
– Final dividends									
– Financial year 2006		–	–	–	–	–	–	(122,856)	(122,856)
– Underprovision of final dividends									
– Financial year 2006		–	–	–	–	–	(346)	–	(346)
– Interim dividends									
– Financial year 2007		–	–	–	–	–	(63,378)	–	(63,378)
– Over/(under) provision of interim dividends									
– Financial year 2007		–	–	–	–	–	410	–	410
Proposed dividends									
– Final dividends									
– Financial year 2007	8	–	–	–	–	–	(318,411)	318,411	–
Issue of ordinary shares	4	21,852	–	–	(4,374)	–	–	–	17,478
Employee share plan									
– value of employee services		–	–	–	8,630	–	–	–	8,630
Purchase of treasury shares	4	–	–	–	–	(18,649)	–	–	(18,649)
Vesting of shares under performance share plan	4	(1,771)	–	–	(4,042)	5,813	–	–	–
Tax effect on treasury shares**	4	–	–	–	–	443	–	–	443
<b>Balance at 30 June 2007</b>		<b>398,533</b>	<b>–</b>	<b>25,000</b>	<b>8,457</b>	<b>(12,393)</b>	<b>92,360</b>	<b>318,411</b>	<b>830,368</b>

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

\*\* Tax effect relates to the deferred tax benefit available on the difference between consideration paid for treasury shares and share-based payment expense.

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the financial year ended 30 June 2007

**THE GROUP (continued)**

	Attributable to equity holders of the Company							Total \$'000
	Note	Share capital \$'000	Share premium * \$'000	Securities clearing funds reserve * \$'000	Share- based payment reserve * \$'000	Retained profits \$'000	Proposed dividends \$'000	
<b>Balance at 1 July 2005</b>		10,421	353,012	25,000	6,694	34,633	44,809	474,569
Net profit for the financial year		–	–	–	–	187,614	–	187,614
<b>Total recognised gains for the financial year</b>		–	–	–	–	187,614	–	187,614
Dividends paid								
– Final dividends – Financial year 2005		–	–	–	–	–	(44,839)	(44,839)
– Underprovision of final dividends – Financial year 2005		–	–	–	–	(30)	30	–
– Interim dividends – Financial year 2006		–	–	–	–	(47,025)	–	(47,025)
– Underprovision of interim dividends – Financial year 2006		–	–	–	–	(28)	–	(28)
Proposed dividends								
– Final dividends – Financial year 2006	8	–	–	–	–	(122,856)	122,856	–
Effect of Companies (Amendment) Act 2005	4	354,643	(354,643)	–	–	–	–	–
Issue of ordinary shares	4	13,388	1,631	–	(2,687)	–	–	12,332
Employee share plan – value of employee services		–	–	–	4,236	–	–	4,236
<b>Balance at 30 June 2006</b>		<b>378,452</b>	<b>–</b>	<b>25,000</b>	<b>8,243</b>	<b>52,308</b>	<b>122,856</b>	<b>586,859</b>

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

## STATEMENT OF CHANGES IN EQUITY

For the financial year ended 30 June 2007

## THE COMPANY

	Note	Share capital \$'000	Share premium* \$'000	Share-based payment reserve* \$'000	Treasury shares \$'000	Retained profits \$'000	Proposed dividends \$'000	Total \$'000
<b>Balance at 1 July 2006</b>		378,452	–	8,243	–	27,650	122,856	537,201
<b>Total recognised gains for the financial year</b>								
– net profit		–	–	–	–	421,643	–	421,643
Dividends paid								
– Final dividends – Financial year 2006		–	–	–	–	–	(122,856)	(122,856)
– Underprovision of final dividends								
– Financial year 2006		–	–	–	–	(346)	–	(346)
– Interim dividends – Financial year 2007		–	–	–	–	(63,378)	–	(63,378)
– Over/(under) provision of interim dividends								
– Financial year 2007		–	–	–	–	410	–	410
Proposed dividends								
– Final dividends – Financial year 2007	8	–	–	–	–	(318,411)	318,411	–
Issue of ordinary shares	4	21,852	–	(4,374)	–	–	–	17,478
Employee share plan – value of employee services		–	–	8,630	–	–	–	8,630
Purchase of treasury shares	4	–	–	–	(18,649)	–	–	(18,649)
Vesting of shares under performance share plan	4	(1,771)	–	(4,042)	5,813	–	–	–
Tax effect on treasury shares**	4	–	–	–	443	–	–	443
<b>Balance at 30 June 2007</b>		<b>398,533</b>	<b>–</b>	<b>8,457</b>	<b>(12,393)</b>	<b>67,568</b>	<b>318,411</b>	<b>780,576</b>
<b>Balance at 1 July 2005</b>		10,421	353,012	6,694	–	22,955	44,809	437,891
<b>Total recognised gains for the financial year</b>								
– net profit		–	–	–	–	174,634	–	174,634
Dividends paid								
– Final dividends – Financial year 2005		–	–	–	–	–	(44,839)	(44,839)
– Underprovision of final dividends								
– Financial year 2005		–	–	–	–	(30)	30	–
– Interim dividends – Financial year 2006		–	–	–	–	(47,025)	–	(47,025)
– Underprovision of interim dividends								
– Financial year 2006		–	–	–	–	(28)	–	(28)
Proposed dividends								
– Final dividends – Financial year 2006	8	–	–	–	–	(122,856)	122,856	–
Effect of Companies (Amendment) Act 2005	4	354,643	(354,643)	–	–	–	–	–
Issue of ordinary shares	4	13,388	1,631	(2,687)	–	–	–	12,332
Employee share plan – value of employee services		–	–	4,236	–	–	–	4,236
<b>Balance at 30 June 2006</b>		<b>378,452</b>	<b>–</b>	<b>8,243</b>	<b>–</b>	<b>27,650</b>	<b>122,856</b>	<b>537,201</b>

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

\*\* Tax effect relates to the deferred tax benefit available on the difference between consideration paid for treasury shares and share-based payment expense.

## CONSOLIDATED CASH FLOW STATEMENT

For the financial year ended 30 June 2007

	2007	2006
Note	\$'000	\$'000
<b>Cash flows from operating activities</b>		
Profit before tax and share of results of joint ventures	492,834	237,079
Adjustments for:		
– Depreciation and amortisation	16,326	14,259
– Net write-off/impairment of property, plant and equipment and software	175	4,865
– (Purchase)/disposal of club membership	(16)	175
– Net (gain)/loss on financial assets at fair value through profit or loss	(10,356)	(8,923)
– Net (gain)/loss on disposal of property, plant and equipment and software	1	49
– Net gain on disposal of SGX Centre	(65,520)	–
– Write-back of allowance for impairment on SGX Centre	(45,000)	–
– Net (gain)/loss on disposal of financial assets at fair value through profit or loss	(379)	(1,546)
– Write-back of provision for surplus leased premises	–	(2,685)
– Share-based payment expense	8,630	4,236
– Finance charges	–	148
– Interest income	(9,465)	(5,208)
Operating cash flow before working capital change	387,230	242,449
Change in operating assets and liabilities		
– Trade and other receivables	(617,820)	211,547
– Trade and other payables	629,494	(196,484)
Cash generated from operations	398,904	257,512
Income tax paid	(44,275)	(30,307)
<b>Net cash provided by operating activities</b>	<b>354,629</b>	<b>227,205</b>
<b>Cash flows from investing activities</b>		
Proceeds from disposal of property, plant and equipment and software	1	145
Purchases of property, plant and equipment and software	(14,498)	(18,473)
Net proceeds on disposal of SGX Centre	266,269	–
Interest received	9,382	4,817
Investment in financial assets, available-for-sale	(75,812)	–
Investment in joint venture	–	(5,000)
Proceeds from sale/redemption of financial assets at fair value through profit or loss	19,902	77,505
Purchases of financial assets at fair value through profit or loss	(1,110)	(77,015)
<b>Net cash provided by/(used in) investing activities</b>	<b>204,134</b>	<b>(18,021)</b>
<b>Cash flows from financing activities</b>		
Net proceeds from issue of ordinary shares	17,478	12,332
Purchase of treasury shares	(18,649)	–
Dividends paid	(186,170)	(91,892)
Repayment of lease liabilities	(3,709)	(1,380)
Finance charges	–	(148)
<b>Net cash used in financing activities</b>	<b>(191,050)</b>	<b>(81,088)</b>
<b>Net increase/(decrease) in cash and cash equivalents held</b>	<b>367,713</b>	<b>128,096</b>
Cash and cash equivalents at beginning of financial year	155,978	27,882
<b>Cash and cash equivalents at end of financial year</b>	<b>2 523,691</b>	<b>155,978</b>

## NOTES TO THE SUMMARY FINANCIAL STATEMENTS

For the financial year ended 30 June 2007

**1. ACCOUNTING POLICIES**

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards ("FRS") and under the historical cost convention except as disclosed in the accounting policies in the full financial statements in the Company's Annual Report for the financial year ended 30 June 2007. The preparation of financial statements in conformity with FRS requires the use of estimates and assumptions, based on management's best knowledge, that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the financial year.

From 1 July 2006, the Group has adopted the new or revised FRS and Interpretations to FRS ("INT FRS") that are applicable in the financial year ended 30 June 2007. These financial statements have been prepared and amended as required, in accordance with the relevant transitional provisions in the respective FRS and INT FRS. The following are the FRS and INT FRS that are relevant to the Group:

FRS 19 (Amendment)	Employee Benefits
FRS 21 (Amendment)	The Effects of Changes in Foreign Exchange Rates
FRS 32 (Amendment)	Financial Instruments: Disclosures and Presentation
FRS 39 (Amendment)	Financial Instruments: Recognition and Measurement
INT FRS 104	Determining whether an Arrangement contains a Lease

The adoption of the above FRS and INT FRS did not result in substantial changes to the Group's accounting policies.

**2. CASH AND CASH EQUIVALENTS**

	The Group		The Company	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Cash at bank and on hand	<b>28,310</b>	53,928	<b>653</b>	10,222
Fixed deposits with banks	<b>585,381</b>	192,050	<b>218,500</b>	89,000
	<b>613,691</b>	245,978	<b>219,153</b>	99,222

The carrying amounts of cash and cash equivalents approximate their fair values.

Cash and cash equivalents are denominated in the following currencies:

	The Group		The Company	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Singapore dollar	<b>585,590</b>	239,257	<b>218,871</b>	98,772
United States dollar	<b>25,009</b>	6,206	<b>282</b>	450
Euro	–	91	–	–
Others	<b>3,092</b>	424	–	–
	<b>613,691</b>	245,978	<b>219,153</b>	99,222

Fixed deposits have the following average maturity from the end of the financial year with the following weighted average effective interest rates:

	The Group		The Company	
	2007	2006	2007	2006
Average maturity (days)	<b>34</b>	3.8	<b>22</b>	3
Effective weighted average interest rate (% per annum)	<b>2.36</b>	3.19	<b>2.25</b>	3.19

## NOTES TO THE SUMMARY FINANCIAL STATEMENTS

For the financial year ended 30 June 2007

**2. CASH AND CASH EQUIVALENTS (continued)**

For the purposes of the consolidated cash flow statement, the consolidated cash and cash equivalents comprised the following:

	The Group	
	2007 \$'000	2006 \$'000
Cash and bank balances (as above)	613,691	245,978
Less: Cash set aside for Singapore Exchange Derivatives Clearing Limited ("SGX-DC") Clearing Fund	(90,000)	(90,000)
Cash and cash equivalents per consolidated cash flow statement	523,691	155,978

The \$90,000,000 represents the Group's commitment to support the SGX-DC Clearing Fund in relation to the:

- (i) SGX-DC capital, \$68,000,000; and
- (ii) Company's financial guarantee to SGX-DC, \$22,000,000.

**3. FINANCIAL ASSETS, AVAILABLE-FOR-SALE**

	The Group		The Company	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Balance at beginning of financial year	-	-	-	-
Additions				
- Unlisted equity securities – India	75,812	-	75,812	-
Balance at end of financial year	75,812	-	75,812	-

**4. SHARE CAPITAL OF SINGAPORE EXCHANGE LIMITED****The Company**

	Number of shares		Amount	
	Issued share capital '000	Treasury shares '000	Share capital \$'000	Treasury shares \$'000
<b>2007</b>				
Balance at beginning of financial year	1,050,051	-	378,452	-
Issue of shares under employee share option plans	11,319	-	21,852	-
Tax effect on treasury shares	-	-	-	443
Purchase of treasury shares	-	4,060	-	(18,649)
Vesting of shares under performance share plan*	-	(1,279)	(1,771)	5,813
Balance at end of financial year	1,061,370	2,781	398,533	(12,393)

\* Performance shares vested on 30 June 2007 will be distributed after 30 June 2007

	Number of shares		Amount			
	Issued share capital '000	Treasury shares '000	Share capital \$'000	Share premium \$'000	Total share capital and share premium \$'000	Treasury shares \$'000
<b>2006</b>						
Balance at beginning of financial year	1,042,078	-	10,421	353,012	363,433	-
Issue of shares under employee share option plans	7,973	-	13,388	1,631	15,019	-
Effect of Companies (Amendment) Act 2005*	-	-	354,643	(354,643)	-	-
Balance at end of financial year	1,050,051	-	378,452	-	378,452	-

\* Under the Companies (Amendment) Act 2005 that came into effect on 30 January 2006, the concepts of par value and authorised share capital were abolished. The amount in the share premium account as of 30 January 2006 became part of the Company's share capital.

## NOTES TO THE SUMMARY FINANCIAL STATEMENTS

For the financial year ended 30 June 2007

**4. SHARE CAPITAL OF SINGAPORE EXCHANGE LIMITED (continued)****(a) Treasury shares**

Pursuant to the Share Purchase Mandate approved by shareholders, the Company purchased 4,060,000 of its ordinary shares by way of on-market purchases, at a share price ranging from \$4.02 to \$5.50. The total amount paid to purchase the shares was \$18,649,000 and this is shown as a component within shareholders' equity as a reduction of total shareholders' equity. The Company holds the shares bought back as treasury shares and plans to use the shares to fulfil its obligations under the SGX Performance Share Plan.

**(b) Share options****(i) Outstanding options**

Share options are granted to executive directors and employees.

At the EGM on 22 September 2005 ("EGM 2005"), the Remuneration Committee terminated the SGX Share Option Plan ("the Scheme"), with regards to grant of further options, following the adoption of the SGX Performance Share Plan. However, options granted and outstanding prior to the aforesaid termination will continue to be valid and be subject to the terms and conditions of the Scheme.

Upon the aforesaid termination, no options were granted to the Group Employees under the Scheme during the financial year.

Movements in the number of unissued ordinary shares under options which are outstanding at the balance sheet date are as follows:

	The Group and The Company	
	2007	2006
Balance at beginning of financial year	21,696,600	30,521,200
Granted	-	-
Lapsed	(46,500)	(851,900)
Exercised	(11,319,200)	(7,972,700)
Balance at end of financial year	<b>10,330,900</b>	21,696,600

All outstanding options have vested as at end of the current financial year and the average share price of SGX's ordinary shares for the financial year is \$5.83 (2006: \$3.12).

The terms of the exercise of options are set out in the Summary Directors' Report under the caption "SGX Share Option Plan".

## NOTES TO THE SUMMARY FINANCIAL STATEMENTS

For the financial year ended 30 June 2007

**4. SHARE CAPITAL OF SINGAPORE EXCHANGE LIMITED (continued)****(b) Share options (continued)***(ii) Fair value of share options*

Fair value of options was estimated by adopting the Cox-Ross-Rubinstein (1979) binomial tree model, based on the following information and assumptions on expected dividend yield, risk-free interest rate, expected volatility and time to maturity:

Date of grant	Exercise period	Number of unissued shares under options	Fair value of option at grant date \$	Exercise price** \$	Expected dividend yield %	Risk-free interest-rate %	Expected volatility rate %
27.01.2004	27.01.2006 to 26.01.2011	5,882,900	0.48	1.70	3.03	2.84	29.86
27.01.2004	28.01.2004 to 27.01.2009	175,000	0.48	1.70	3.03	2.84	29.86
27.01.2004	13.02.2006 to 01.11.2009	67,000	0.48	1.70	3.03	2.84	29.86
27.01.2004	01.10.2006 to 30.09.2009	3,000	0.48	1.70	3.03	2.84	29.86
01.11.2004	02.11.2006 to 01.11.2011	3,990,500	0.43	1.60	3.15	2.64	27.94
01.11.2004	01.10.2006 to 30.09.2007	7,500	0.43	1.60	3.15	2.64	27.94
01.11.2004	02.11.2006 to 01.11.2009	42,000	0.43	1.60	3.15	2.64	27.94

\*\* The exercise price has been adjusted following a special dividend paid in 2005.

*(iii) Share options committed to Chief Executive Officer*

The Chief Executive Officer Hsieh Fu Hua's initial contract, which was effective on 1 March 2003, provided that options for a minimum of 2 million shares would be granted to him for each completed year of service with the Company. His contract was renewed before its expiry on 28 February 2006. The revised term runs from 1 January 2005 to 31 December 2007. Under this revised contract, share options granted to-date will be exercisable through the seventh anniversary date of grant should he leave the Company at the end of the term, or if the Company prematurely terminates his employment through no fault of his own. He is not entitled to any share options under this revised contract.

On 28 July 2005, Hsieh Fu Hua waived his entitlement to options for 2 million SGX shares for the period from 29 February 2004 to 1 March 2005. The waiver was to have been taken into account through the grant of performance shares under the SGX Performance Share Plan. In lieu thereof, the Remuneration Committee ("RC") decided to make in June 2006, and Hsieh Fu Hua agreed to accept, an ex-gratia payment. The payment is termed "ex-gratia" because the RC did not formally link the amount to any formula for determining the value of the performance shares forgone.

## NOTES TO THE SUMMARY FINANCIAL STATEMENTS

For the financial year ended 30 June 2007

**4. SHARE CAPITAL OF SINGAPORE EXCHANGE LIMITED (continued)****(c) Performance share plans****(i) Outstanding performance shares**

Details of performance shares awarded to participants at the balance sheet date are as follows:

Number of shares	The Group and The Company		
	FY2006 grant*	FY2007 grant**	Total
<b>2007</b>			
Balance at beginning of financial year	1,750,000	–	1,750,000
Adjustments based on achievement factor	843,750	–	843,750
Granted	–	1,660,000	1,660,000
Lapsed	(62,500)	(25,000)	(87,500)
Vested	(1,278,750)	–	(1,278,750)
Balance at end of financial year	1,252,500	1,635,000	2,887,500
<b>2006</b>			
Balance at beginning of financial year	–	–	–
Granted	1,750,000	–	1,750,000
Lapsed	–	–	–
Vested	–	–	–
Balance at end of financial year	1,750,000	–	1,750,000

\* The number of shares awarded are based on achievement of pre-set performance targets over the performance period.

\*\* The above number of shares represents the shares required if participants are awarded at 100% of the grant. However, the shares awarded at the vesting date could range from 50% to 150%, depending on the level of achievement against the performance condition. There shall be no award if the achievement falls below the threshold performance condition.

**(ii) Fair value of performance shares**

The fair value of performance shares at grant date and the key assumptions of the fair value model for the grants were as follows:

	FY2007 grant	FY2006 grant	FY2006 grant
Date of grant	01.11.2006	30.06.2006	30.06.2006
Vesting date	02.11.2009	30.06.2008	30.06.2007
Number of performance shares	1,660,000	875,000	875,000
Fair value at grant date	\$4.54	\$3.13	\$3.26

**Assumption under Monte-Carlo Model****Expected volatility**

Shares of Singapore Exchange Limited	21.77%	21.92%	21.92%
Historical volatility period	36 months	36 months	36 months
Straits Times Index	9.91%	–	–

**Risk-free interest rate**

Date on which yield of Singapore government bond was based	3.05%	3.10%	2.76%
	31.10.2006	29.06.2006	29.06.2006
Term	← 1–3 years →		

**Expected dividend yield based on Management's forecast**

	4.00%	3.90%	3.90%
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**Share price**

	\$4.50	\$3.38	\$3.38
Share price on day preceding date of grant	31.10.2006	29.06.2006	29.06.2006

## NOTES TO THE SUMMARY FINANCIAL STATEMENTS

For the financial year ended 30 June 2007

**5. OTHER OPERATING EXPENSES**

	The Group		The Company	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Professional charges	<b>13,734</b>	13,003	<b>6,835</b>	5,539
Marketing and travelling	<b>6,708</b>	5,682	<b>3,051</b>	2,263
Communication charges	<b>3,139</b>	2,557	<b>1,984</b>	1,574
Fees to MAS for transfer of participant supervision function	<b>2,300</b>	2,300	<b>2,300</b>	2,300
Allowance/(reversal) for impairment of trade receivables (net)	<b>(233)</b>	168	<b>(14)</b>	76
Net foreign exchange loss/(gain)	<b>(187)</b>	606	<b>13</b>	2
Net (gain)/loss on disposal of property, plant and equipment and software	<b>1</b>	49	<b>1</b>	2
Cost for processing and royalties	<b>19,182</b>	14,201	<b>1,635</b>	1,408
Others	<b>4,232</b>	4,901	<b>4,450</b>	4,309
	<b>48,876</b>	43,467	<b>20,255</b>	17,473

**6. OTHER GAINS/(LOSSES)**

	The Group		The Company	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Gains on financial assets at fair value through profit or loss	<b>10,735</b>	10,469	-	-
Interest income, other income and expenses	<b>6,430</b>	2,702	<b>5,756</b>	8,175
Write-back of allowance for impairment on SGX Centre (Note (a))	<b>45,000</b>	-	-	-
Net gain on disposal of SGX Centre (Note (b))	<b>65,520</b>	-	-	-
	<b>127,685</b>	13,171	<b>5,756</b>	8,175

- (a) As a result of improved property market conditions, allowance for impairment on SGX Centre was written back (in the quarterly financial period ended 31 December 2006) as the allowance was no longer required.
- (b) On 12 June 2007, the Group sold its office premises in Shenton Way, SGX Centre, at a net proceed of \$266,269,000. Under the sale and purchase agreement, the Group will lease back the area it currently occupies for an initial period of seven years, at an average gross rent of \$6.25 per square foot per month with a fixed annual escalation of 4% for each year of the initial term of seven years, and a further option to renew the lease for three years. A net gain of \$65,520,000, being the excess of the net sales proceeds over the carrying amount, was recognised in the income statement.

## NOTES TO THE SUMMARY FINANCIAL STATEMENTS

For the financial year ended 30 June 2007

**7. EARNINGS PER SHARE**

	The Group	
	2007 \$'000	2006 \$'000
Net profit attributable to the equity holders of the Company	<b>421,777</b>	187,614
Weighted average number of ordinary shares in issue for basic earnings per share ('000)	<b>1,055,655</b>	1,044,851
Adjustment for assumed exercise of share options ('000)	<b>7,410</b>	10,618
Weighted average number of ordinary shares for diluted earnings per share ('000)	<b>1,063,065</b>	1,055,469

Basic earnings per share is calculated by dividing the net profit attributable to the equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

For purposes of calculating diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted as if all share options that are dilutive were exercised. The adjustment shown above represents the number of shares that could have been issued upon the exercise of all dilutive share options less the number of shares that could have been issued at market price (determined as the Company's average share price for the financial year) for the same total proceeds.

**8. DIVIDENDS**

	The Group and The Company	
	2007 \$'000	2006 \$'000
Interim tax exempt one-tier dividends of 6.00 cents per share (2006: 4.50 cents)	<b>62,968</b>	47,053
Proposed final tax exempt one-tier dividends of 30.00 cents per share (2006: 11.70 cents)	<b>318,411</b>	122,856
	<b>381,379</b>	169,909

The directors have proposed a final tax exempt one-tier dividend for 2007 of 30.00 cents (2006: 11.70 cents) per share amounting to a total of \$318,411,000 (2006: \$122,856,000). The proposed dividend has been transferred from retained profits to a proposed dividend reserve.

**9. COMMITMENTS****Operating lease commitments – where a group company is a lessee**

The Company leases its office premises under non-cancellable operating lease agreements. The lease expenditure charged to the income statement during the financial year and the terms of the lease are disclosed in Note 6.

The future aggregate minimum lease payments payable under non-cancellable operating leases contracted for at the reporting date but not recognised as liabilities, are as follows:

	The Group		The Company	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Not later than one financial year	<b>12,739</b>	231	<b>12,739</b>	137
Later than one financial year but not later than five financial years	<b>56,261</b>	–	<b>56,261</b>	–
Later than five financial years	<b>30,736</b>	–	<b>30,736</b>	–
	<b>99,736</b>	231	<b>99,736</b>	137

## NOTES TO THE SUMMARY FINANCIAL STATEMENTS

For the financial year ended 30 June 2007

**10. RELATED PARTY TRANSACTIONS****Directors' fees and key management's remuneration**

Key management's remuneration included fees, salary, bonus, commission and other emoluments (including benefits-in-kind) computed based on the cost incurred by the Group and the Company, and where the Group or Company did not incur any costs, the value of the benefit is included. The amounts disclosed below include the bonuses payable to the Chairman and the Chief Executive Officer for the financial year which have been approved by the Remuneration Committee and the actual bonuses paid to other key management relating to the preceding financial year. The directors' fees and key management's remuneration are as follows:

	The Group	
	2007 \$'000	2006 \$'000
Salaries and other short-term employee benefits	15,009	11,335
Employer's contribution to Central Provident Fund	58	64
Share-based payment expense	5,637	1,091
	<b>20,704</b>	<b>12,490</b>

Included in the above is total remuneration to directors of the Company amounting to \$10,353,000 (2006: \$6,734,000).

There were no share options granted to key management of the Group during the financial year (2006: nil). During the financial year, 1,686,250 shares (2006: 1,220,000 shares) under performance share plan were granted to key management of the Group.

The performance shares were granted under the same terms and conditions as those offered to other employees of the Company.

**11. NET CURRENT ASSETS/(LIABILITIES)**

	The Group		The Company	
	2007 \$'000	2006 \$'000	2007 \$'000	2006 \$'000
Total current assets	1,702,319	724,467	225,693	105,710
Total current liabilities	(1,018,530)	(366,784)	(129,473)	(175,166)
Net current assets/(liabilities)	<b>683,789</b>	<b>357,683</b>	<b>96,220</b>	<b>(69,456)</b>

**12. COMPARATIVES***(i) Cash flow statement*

In the financial statements for the year ended 30 June 2006, the cash and cash equivalents at the beginning of the financial year disclosed in the consolidated cash flow statement amounted to \$117,882,000. In the financial statements for the year ended 30 June 2007, the beginning balance of cash and cash equivalents for the year ended 30 June 2006 has been restated to \$27,882,000, to reflect the Group's cash commitment of \$90,000,000 to support the SGX-DC Clearing Fund. As this amount is not available for use by the Group other than its intended purpose, it has been excluded from the cash and cash equivalents for the purpose of the consolidated cash flow statement. The new presentation better reflects the cash flows available for use by the Group.

The revised presentation does not result in a change in the net cash movements of the Group.

## NOTES TO THE SUMMARY FINANCIAL STATEMENTS

For the financial year ended 30 June 2007

**12. COMPARATIVES (continued)***(ii) Segment information*

External revenue reported under segment information for the financial year ended 30 June 2006 has been reclassified as follows to conform with the current segment presentation:

2006	Securities market \$'000	Derivatives market \$'000	Other operations \$'000	The Group \$'000
External revenue, as previously reported	281,866	122,444	3,250	407,560
Reclassification from securities to derivatives market and other operations	(1,918)	1,938	(20)	–
	279,948	124,382	3,230	407,560

The reclassification of external revenue between segments is principally due to the reclassification of access fees on structured warrants amounting to \$1,874,000, previously classified in Securities market, to Derivatives market.

The reclassification does not result in a change in the Group's total segment revenue and results.

## STATISTICS OF SHAREHOLDINGS

As at 1 August 2007

Number of issued and paid-up shares : 1,062,217,600  
 Class of Shares : Ordinary shares  
 Voting Rights : One vote per share

**DISTRIBUTION OF SHAREHOLDINGS**

Size of shareholdings	No. of shareholders	%	No. of shares	%
1 – 999	82	0.74	18,184	0.00
1,000 – 10,000	9,267	83.86	29,293,904	2.76
10,001 – 1,000,000	1,676	15.17	103,742,227	9.77
1,000,001 and above	26	0.23	929,163,285	87.47
<b>Total</b>	<b>11,051</b>	<b>100.00</b>	<b>1,062,217,600</b>	<b>100.00</b>

Based on information available to the Company as at 1 August 2007, approximately 99.62% of the issued ordinary shares of the Company are held by the public and, therefore, Rule 723 of the Listing Manual issued by the Singapore Exchange Securities Trading Limited is complied with.

**TWENTY LARGEST SHAREHOLDERS**

No.	Name	No. of shares	%
1	SEL Holdings Pte Ltd <sup>1</sup>	249,991,184	23.53
2	DBS Nominees Pte Ltd	183,822,440	17.31
3	Citibank Nominees Singapore Pte Ltd	119,807,116	11.28
4	HSBC (Singapore) Nominees Pte Ltd	81,067,391	7.63
5	Raffles Nominees Pte Ltd	76,811,325	7.23
6	DB Nominees (S) Pte Ltd	66,126,987	6.23
7	DBSN Services Pte Ltd	63,888,826	6.01
8	Morgan Stanley (S) Securities Pte Ltd	23,127,374	2.18
9	United Overseas Bank Nominees Pte Ltd	19,007,541	1.79
10	Phillip Securities Pte Ltd	10,408,709	0.98
11	Leong Khuen Nyeon	4,876,000	0.46
12	UOB Kay Hian Pte Ltd	3,925,906	0.37
13	Merrill Lynch (Singapore) Pte Ltd	3,446,214	0.32
14	Wong Kong Choo	3,334,000	0.31
15	DBS Vickers Securities (S) Pte Ltd	2,418,000	0.23
16	Nomura Securities Singapore Pte Ltd	1,858,000	0.17
17	Kim Eng Securities Pte. Ltd.	1,452,000	0.14
18	Leong Fee Foon	1,415,000	0.13
19	Phang Tai Tim @ Henry Phang	1,343,949	0.13
20	Toh Lam Tiong	1,310,000	0.12
	<b>Total</b>	<b>919,437,962</b>	<b>86.55</b>

<sup>1</sup> Pursuant to Section 11 (2)(b) of the Exchanges (Demutualisation & Merger) Act 1999 (the "Merger Act"), SEL Holdings Pte Ltd ("SEL"), being the special purpose company set up under the Merger Act to hold the SGX shares for the benefit of the Financial Sector Development Fund, shall not exercise or control the exercise of votes attached to the SGX shares. Owing to the restriction in the exercise of votes attached to the shares, SEL is not regarded as a substantial shareholder of SGX.

**SUBSTANTIAL SHAREHOLDERS**

According to the Register of Substantial Shareholders maintained by the Company, the Company had no substantial shareholders as at 1 August 2007.

## NOTICE OF ANNUAL GENERAL MEETING

**SINGAPORE EXCHANGE LIMITED**  
Company Registration Number: 199904940D  
(Incorporated in the Republic of Singapore)

NOTICE IS HEREBY GIVEN that the Eighth Annual General Meeting of Singapore Exchange Limited (the "Company") will be held at SGX Auditorium, 2 Shenton Way, SGX Centre 1, 2nd Level, Singapore 068804 on 28 September 2007 at 10.00 am to transact the following business:

**(A) ORDINARY BUSINESS****Resolution 1**

To receive and adopt the Directors' Report and the Audited Accounts for the financial year ended 30 June 2007 with the Auditor's Report thereon.

**Resolution 2**

To re-appoint Mr Joseph Yuvaraj Pillay pursuant to Section 153(6) of the Companies Act, Chapter 50 of Singapore, as a director of the Company to hold such office from the date of this Annual General Meeting until the next Annual General Meeting of the Company.

**Resolution 3**

To re-elect Mr Chew Choon Seng retiring by rotation under Article 99A of the Company's Articles of Association (the "Articles") and who, being eligible, offers himself for re-election.

**Resolution 4**

To re-elect Mr Ho Tian Yee retiring by rotation under Article 99A of the Articles and who, being eligible, offers himself for re-election.

**Resolution 5**

To re-elect Mr Low Check Kian retiring by rotation under Article 99A of the Articles and who, being eligible, offers himself for re-election.

**Resolution 6**

To re-elect Mr Robert Owen retiring by rotation under Article 99A of the Articles and who, being eligible, offers himself for re-election.

**Resolution 7**

To approve the sum of \$767,800 as directors' fees for the financial year ended 30 June 2007. (FY2006: \$765,200)

**Resolution 8**

To declare a net final (tax exempt one-tier) dividend of \$0.30 per share for the financial year ended 30 June 2007. (FY2006: \$0.117 per share)

**Resolution 9**

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

## NOTICE OF ANNUAL GENERAL MEETING

**(B) SPECIAL BUSINESS****Resolution 10**

That authority be and is hereby given to the directors of the Company to:

- (a) (i) issue shares in the capital of the Company ("shares") whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,
- at any time and upon such terms and conditions and for such purposes and to such persons as the directors may in their absolute discretion deem fit; and
- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the directors while this Resolution was in force,

provided that:

- (1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50 per cent of the issued shares in the capital of the Company (as calculated in accordance with sub-paragraph (2) below), of which the aggregate number of shares to be issued other than on a *pro rata* basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 10 per cent of the issued shares in the capital of the Company (as calculated in accordance with sub-paragraph (2) below);
- (2) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited ("SGX-ST")) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph (1) above, the percentage of issued shares shall be based on the number of issued shares in the capital of the Company at the time this Resolution is passed, after adjusting for:
- (i) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time this Resolution is passed; and
- (ii) any subsequent consolidation or subdivision of shares;
- (3) in exercising the authority conferred by this Resolution, the Company shall comply with the provisions of the Listing Manual of the SGX-ST for the time being in force (unless such compliance has been waived by the Monetary Authority of Singapore) and the Articles of Association for the time being of the Company; and
- (4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

**Resolution 11**

That approval be and is hereby given to the directors of the Company to grant awards in accordance with the provisions of the SGX Performance Share Plan and to allot and issue from time to time such number of ordinary shares in the capital of the Company as may be required to be issued pursuant to the exercise of options under the SGX Share Option Plan and/or such number of fully-paid shares as may be required to be issued pursuant to the vesting of awards under the SGX Performance Share Plan, provided that the aggregate number of new shares to be issued pursuant to the SGX Share Option Plan and the SGX Performance Share Plan shall not exceed 10 per cent of the total number of issued ordinary shares in the capital of the Company from time to time.

## NOTICE OF ANNUAL GENERAL MEETING

**(C) TO TRANSACT ANY OTHER BUSINESS AS MAY PROPERLY BE TRANSACTED AT AN ANNUAL GENERAL MEETING**

By Order Of The Board



**Ms Joyce Fong Foong Chao**  
Company Secretary  
Singapore Exchange Limited  
30 August 2007

**STATEMENT PURSUANT TO ARTICLE 59 OF THE COMPANY'S ARTICLES OF ASSOCIATION**

**Ordinary Resolution 10** is to empower the directors to issue shares in the capital of the Company and to make or grant instruments (such as warrants or debentures) convertible into shares, and to issue shares in pursuance of such instruments, up to a number not exceeding 50 per cent of the issued shares in the capital of the Company (the "50% Limit"), with a sub-limit ("Sub-Limit") of 10 per cent for issues other than on a *pro rata* basis to shareholders. For the purpose of determining the aggregate number of shares that may be issued, the percentage of issued shares shall be based on the number of issued shares in the capital of the Company at the time that Ordinary Resolution 10 is passed, after adjusting for (a) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time that Ordinary Resolution 10 is passed, and (b) any subsequent consolidation or sub-division of shares.

Although the Listing Manual of the Singapore Exchange Securities Trading Limited enables the Company to seek a mandate to permit its directors to issue shares up to the 50% Limit if made on a *pro rata* basis to shareholders, and up to a Sub-Limit of 20 per cent if made other than on a *pro rata* basis to shareholders, the Company is nonetheless only seeking a Sub-Limit of 10 per cent. The Company believes that the lower limit sought for the issue of shares made other than on a *pro rata* basis to shareholders is adequate for the time being and will review this limit annually.

**Ordinary Resolution 11** is to empower the directors to grant awards pursuant to the SGX Performance Share Plan (which was approved by the shareholders at the Extraordinary General Meeting held on 22 September 2005), as modified by the Remuneration Committee from time to time, and to issue new ordinary shares in the capital of the Company, pursuant to the SGX Share Option Plan (which was approved by shareholders at the Extraordinary General Meeting held on 1 November 2000), as modified by the Remuneration Committee from time to time, and the SGX Performance Share Plan provided that the aggregate number of new ordinary shares to be issued pursuant to the SGX Share Option Plan and the SGX Performance Share Plan shall not exceed 10 per cent of the total number of issued ordinary shares in the capital of the Company from time to time.

**Notes:**

- (1) An ordinary shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint one or two proxies to attend and vote on his behalf.
- (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 the registered office of the Company at 2 Shenton Way, #19-00 SGX Centre 1, Singapore 068804 not less than 48 hours before the time appointed for holding the Annual General Meeting.

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE OF BOOKS CLOSURE DATE AND PAYMENT DATE FOR FINAL DIVIDEND**

The Company gives notice that, subject to the approval of the shareholders to the final dividend at the Annual General Meeting, the Register of Members and the Transfer Books of the Company will be closed from 4 October 2007 after 5.00 pm to 5 October 2007, both dates inclusive, for the preparation of dividend warrants. The Register of Members and the Transfer Books will re-open on 8 October 2007. Duly completed registered transfers of ordinary shares in the capital of the Company received by the Company's Share Registrar, Lim Associates (Pte) Ltd, at 3 Church Street, #08-01 Samsung Hub, Singapore 049483 before 5.00 pm on 4 October 2007, will be registered in the Register of Members and the Transfer Books of the Company to determine shareholders' entitlements to the final dividend. In respect of ordinary shares in securities accounts with The Central Depository (Pte) Limited ("CDP"), the final dividend will be paid by the Company to CDP which will, in turn, distribute the entitlements to the final dividend to CDP account-holders in accordance with its normal practice.

The final dividend, if approved by shareholders, will be paid on 16 October 2007.

**COPIES OF ANNUAL REPORT**

Shareholders who wish for a copy of the full Annual Report may request for it by a pre-paid request form found in the Summary Annual Report.

The Annual Report will be available on SGX's website at [www.sgx.com](http://www.sgx.com).

**SINGAPORE EXCHANGE LIMITED**Company Registration No. 199904940D  
(Incorporated in the Republic of Singapore)

1. For investors who have used their CPF moneys to buy shares in the capital of Singapore Exchange Limited, this report is forwarded to them at the request of their CPF Approved Nominees and is sent FOR 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 used by them.

## PROXY FORM

I/We, \_\_\_\_\_ (Name)

of \_\_\_\_\_ (Address)

being a \*member/members of **SINGAPORE EXCHANGE LIMITED** (the "Company") hereby appoint:

Name	Address	NRIC/ Passport Number	Proportion of Shareholdings (%)
and/or*			

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 SGX Auditorium, 2 Shenton Way, SGX Centre 1, 2nd Level, Singapore 068804 on 28 September 2007 at 10.00 a.m. and at any adjournment thereof.

\*I/We direct \*my/our \*proxy/proxies to vote for or against the 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 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.

\* delete as appropriate

No.	Ordinary Resolutions	For	Against
1	To adopt the Directors' Report and the Audited Accounts.		
2	To re-appoint Mr Joseph Yuvaraj Pillay as a director, pursuant to Section 153(6) of the Companies Act, Chapter 50 of Singapore.		
3	To re-elect Mr Chew Choon Seng who retires by rotation under Article 99A as a director.		
4	To re-elect Mr Ho Tian Yee who retires by rotation under Article 99A as a director.		
5	To re-elect Mr Low Check Kian who retires by rotation under Article 99A as a director.		
6	To elect Mr Robert Owen who retires by rotation under Article 99A as a director.		
7	To approve the sum of \$767,800 as directors' fees for the financial year ended 30 June 2007.		
8	To declare a net final (tax exempt one-tier) dividend of \$0.30 per share for the financial year ended 30 June 2007.		
9	To re-appoint Auditors and authorise directors to fix their remuneration.		
	<b>Special Business</b>		
10	Authority to allot and issue shares and make or grant instruments convertible into shares.		
11	Authority to grant awards under the SGX Performance Share Plan, and to allot and issue shares under the SGX Share Option Plan and the SGX Performance Share Plan.		

Dated this \_\_\_\_\_ day of \_\_\_\_\_ 2007

\_\_\_\_\_  
Signature(s) of Member(s) or  
Common Seal if Member is a Corporation.

Total number of Shares held

--

IMPORTANT: PLEASE READ NOTES ON THE REVERSE

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Affix  
Postage  
Stamp

**THE COMPANY SECRETARY**  
**Singapore Exchange Limited**

2 Shenton Way #19-00  
SGX Centre 1  
Singapore 068804

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**Notes:**

1. Please insert the total number of Shares held by you. If you have Shares entered against your name in the Depository Register (as defined in Section 130A of the Companies Act, Chapter 50 of Singapore), you should insert that number of Shares. If you have Shares registered in your name in the Register of Members, you should insert that number of Shares. If you have Shares entered against your name in the Depository Register and Shares registered in your name in the Register of Members, you should insert the aggregate number of Shares entered against your name in the Depository Register and registered in your name in the Register of Members. If no number is inserted, the instrument appointing a proxy or proxies shall be deemed to relate to all the Shares held by you.
2. A member of the Company entitled to attend and vote at the Annual General Meeting of the Company is entitled to appoint one or two proxies to attend and vote instead of him. A proxy need not be a member of the Company.
3. Where a member appoints two proxies, the appointments shall be invalid unless he specifies the proportion of his shareholding (expressed as a percentage of the whole) to be represented by each proxy.
4. The instrument appointing a proxy or proxies (together with the power of attorney, if any, under which it is signed or a certified copy thereof) must be deposited at the registered office of the Company, at 2 Shenton Way #19-00 SGX Centre 1 Singapore 068804 not less than 48 hours before the time appointed for the Annual General Meeting.
5. The 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 an 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 Annual General Meeting, in accordance with Section 179 of the Companies Act, Chapter 50 of Singapore.
7. The Company shall be entitled to reject the instrument appointing a proxy or proxies if it is incomplete, improperly completed or illegible or where the true intentions of the appointor are not ascertainable from the instructions of the appointor specified in the instrument of a proxy or proxies. In addition, in the case of Shares entered in the Depository Register, the Company may reject any instrument appointing a proxy or proxies lodged if the member, being the appointor, is not shown to have Shares entered against his name in the Depository Register as at 48 hours before the time appointed for holding the Annual General Meeting, as certified by The Central Depository (Pte) Limited to the Company.

**SINGAPORE EXCHANGE LIMITED**

Company Registration No. 199904940D  
 (Incorporated in the Republic of Singapore)

**REQUEST FORM**

30 August 2007

Dear Shareholder

This notice accompanies a copy of the Summary Annual Report ("SAR") of Singapore Exchange Limited ("SGX") for the financial year ended 30 June 2007 ("FY2007"). The SAR contains a review of the SGX and its group of companies ("Group") for FY2007. It also contains a summary of the audited financial statements of SGX and the Group for FY2007.

The Directors' Report and the full financial statements of SGX and of the Group for FY2007 are set out in a separate report called Annual Report ("AR") 2007. This report is available to all registered SGX shareholders at no cost upon request.

We will continue to send you a copy of the SAR for as long as you are a SGX shareholder unless you indicate otherwise.

For shareholders who wish to receive a copy of the AR for FY2007, please complete the request form below accordingly, and return it to us, not later than **07 September 2007**.

For shareholders who are receiving this SAR for the first time, or who did not respond previously, if you wish to receive a copy of the AR for FY2007 and for future financial years for as long as you are a shareholder, please complete the request form below by ticking the appropriate box and returning it to us by **07 September 2007**. If we do not receive your request form, it would indicate that you do not wish to receive copies of the AR for FY2007 and for future financial years.

For shareholders who have indicated to us previously that you wish to receive the AR for as long as you are a shareholder, you may change your wishes by ticking the relevant box in the request form below and returning it to us by **07 September 2007**. If we do not receive your request form, it would indicate that there is no change to your wishes.

Your latest request will supersede the earlier requests received by us.

Please note that the AR for FY2007 will also be available on SGX's website at [www.sgx.com](http://www.sgx.com).

Yours faithfully  
 For Singapore Exchange Limited



**Joyce Fong Foong Chao (Ms)**  
 Company Secretary

**Request Form**

**To Singapore Exchange Limited**

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

- I/We wish to receive the Annual Report for FY2007.
- \* I/We do not wish to receive the Annual Report for FY2007, and the Summary Annual Report and Annual Report for future financial years for as long as I am/we are a shareholder(s) of Singapore Exchange Limited.
- \* I/We wish to receive the Annual Report for FY2007, and the Summary Annual Report and Annual Report for future financial years for as long as I am/we are a shareholder(s) of Singapore Exchange Limited.

Name of Shareholder(s): \_\_\_\_\_ NRIC/Passport Number: \_\_\_\_\_

The shares are held by me under or through:

- CDP Securities Account Number
- CPFIS Account
- Physical scrips

1	6	8	1	-				-			
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Address: \_\_\_\_\_ Postcode: \_\_\_\_\_

Signature(s): \_\_\_\_\_ Date: \_\_\_\_\_

\* Please note that this option is not available if your shares are deposited in a CPFIS Account.

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**BUSINESS REPLY SERVICE  
PERMIT NO. 07289**



THE COMPANY SECRETARY  
Singapore Exchange Limited  
c/o The Central Depository (Pte) Limited  
4 Shenton Way #02-01  
SGX Centre 2  
Singapore 068807

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Singapore only.

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**SINGAPORE EXCHANGE LIMITED**

Company Registration No. 199904940D

2 Shenton Way  
#19-00 SGX Centre 1  
Singapore 068804  
[www.sgx.com](http://www.sgx.com)

