



SGX The Asian Gateway

SINGAPORE EXCHANGE ANNUAL REPORT 2011

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the asian gateway

Connecting global investors and companies to Asian growth

Trading Asia in One Place

Singapore Exchange (SGX) is the Asian Gateway, connecting investors in search of Asian growth to corporate issuers in search of global capital. SGX offers its clients Asia's broadest span of equity index derivatives, uniquely centred on Asia's three largest economies—China, India and Japan. SGX represents the premier access point for managing Asian capital and investment exposure, and is Asia's most internationalised exchange with more than 40% of companies listed on SGX originating outside of Singapore.

In addition to offering a fully integrated value chain from trading and clearing, to settlement and depository services, SGX is also Asia's pioneering central clearing house. Headquartered in Asia's most globalised city, and centred within the AAA strength and stability of Singapore's island nation, SGX is a peerless Asian counterparty for the clearing of financial and commodity products.

Connecting Asian companies and investors to global capital

Our Business Model

We are a leading, integrated exchange providing global investors the full value chain from trading and clearing, to settlement and depository services for access to Asian products and services across different asset classes. In 2011, 56% of our revenues were derived from international products (Figure 1), a reflection of the growing success of our Asian Gateway strategy.

SGX businesses comprise six segments: Securities; Derivatives; Market Data; Member Services & Connectivity; Depository Services and Issuer Services. Figure 2 provides an overview of the revenue contribution from each of the business lines in 2011.

Figure 1: International revenue

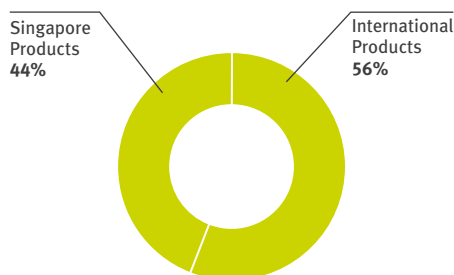
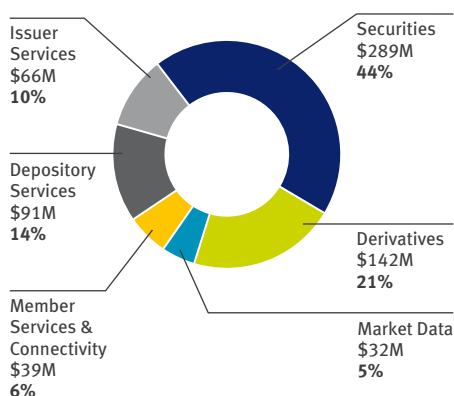
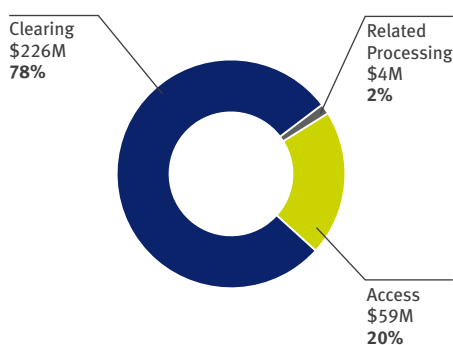


Figure 2: Revenue contribution by business line



Revenue Contribution by Business Line

Securities: 44% of Revenue



We offer:

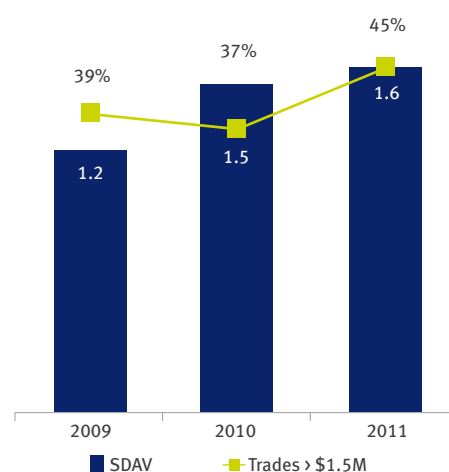
Trading and clearing of listed securities including equity securities and investment trusts, debt securities, exchange traded funds/notes and company warrants.

Highlights of the year:

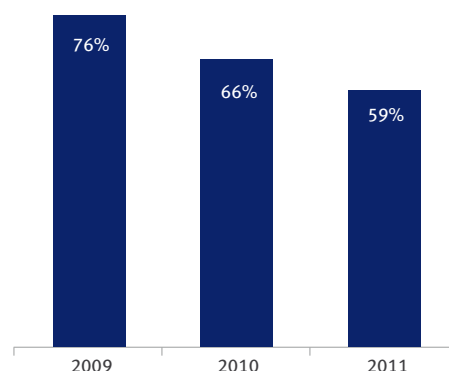
- Securities daily average value (SDAV) traded increased 6% to \$1.6 billion, driven by new products and new members
- Proportion of trades above \$1.5 million, a proxy for institutional participation, increased from 37% to 45%

Key Drivers

SDAV (\$ billion) & Trades above \$1.5 million (%)



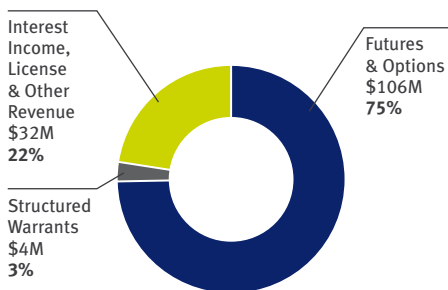
Turnover Velocity (%)



Notes: All figures in this Annual Report are in Singapore dollars, unless otherwise stated.

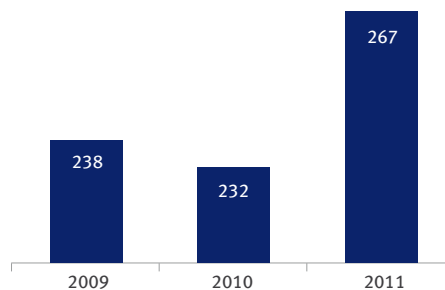
SGX's financial year is from 1 July to 30 June and any reference to years refers to the financial year, unless otherwise stated.

Derivatives: 21% of Revenue

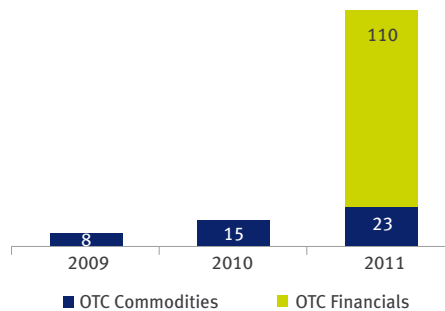


Key Drivers

Daily Average Volume (DAV) ('000 contracts)



OTC Derivatives Cleared
(Notional Value in \$ billion)



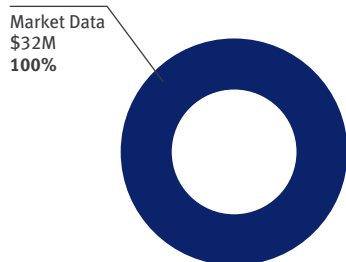
We offer:

Trading and clearing of Asian derivatives including those from key Asian economies: China, India, Japan, Taiwan and Singapore; trading and clearing of commodity derivatives; and clearing of over-the-counter (OTC) traded Commodities and Financial Derivatives.

Highlights of the year:

- All-time high volume: 66 million contracts or 266,782 contracts per day
- Launched the first clearing platform in November 2010, for financial derivatives in interest rate swaps and cleared a total of \$110 billion in notional value by 30 June 2011

Market Data: 5% of Revenue



We offer:

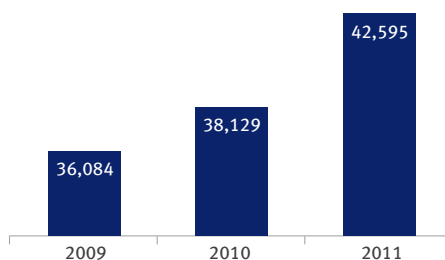
Sale and distribution of market price data and other information to market users.

Highlights of the year:

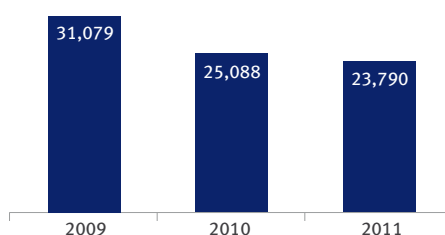
- Introduced low latency derivatives data and Commodities Quote
- Introduced non-price feed offerings

Key Drivers

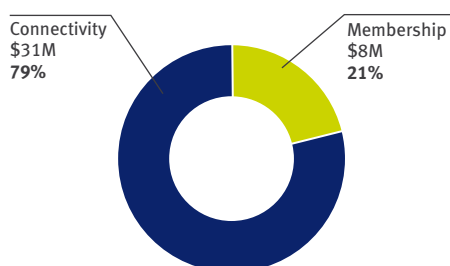
Securities (Average No. of Terminals)



Derivatives (Average No. of Terminals)



Member Services and Connectivity: 6% of Revenue



We offer:

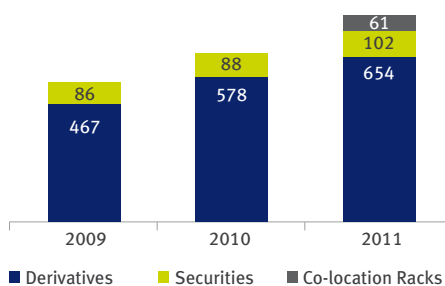
Access and connectivity to our trading and clearing platforms in securities and derivatives markets.

Highlights of the year:

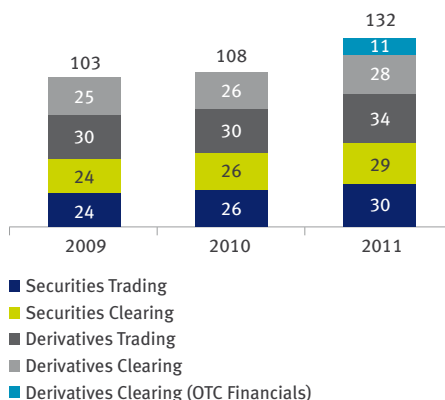
- Record new memberships of 24 bringing the total to 132
- Successful launch of SGX Co-location services

Key Drivers

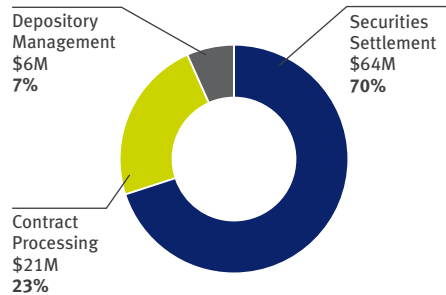
Connectivity (No.)



Memberships (No.)



Depository Services: 14% of Revenue



We offer:

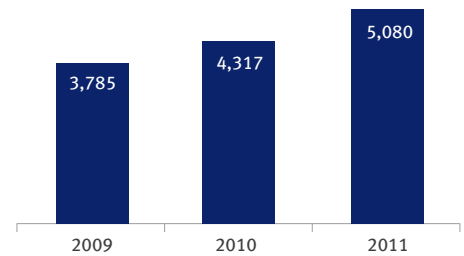
Settlement and custody services relating to securities listed on our market, as well as unlisted securities.

Highlights of the year:

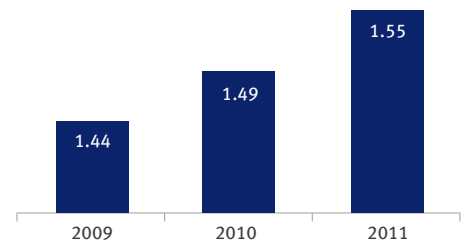
- Processed record institutional settlements
- Pre-settlement matching infrastructure usage fully established

Key Drivers

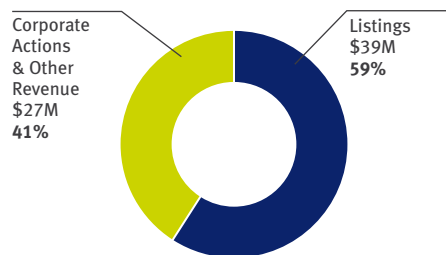
Securities Settlement Instructions ('000s)



Depository Accounts (million)



Issuer Services: 10% of Revenue



We offer:

Equity and debt capital raising platforms for companies in search of global investors.

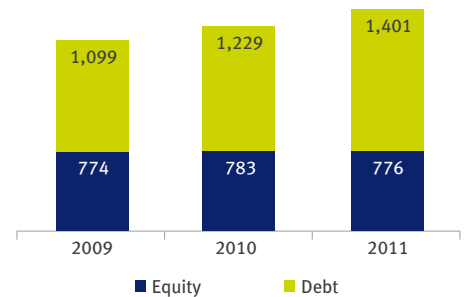
Corporate action services and corporate solutions to listed issuers.

Highlights of the year:

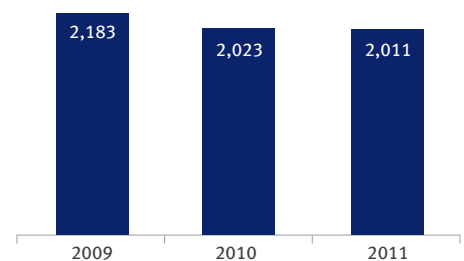
- Record funds raised: equity capital (\$14 billion) and debt capital raising programme (\$170 billion)
- SGX ranked 6th globally in IPO funds raised in first six months of 2011, up from 16th position in 2010 (source: Dealogic)

Key Drivers

Equity and Debt (No. of listings)



Corporate Actions (No.)



Creating Shareholder Value

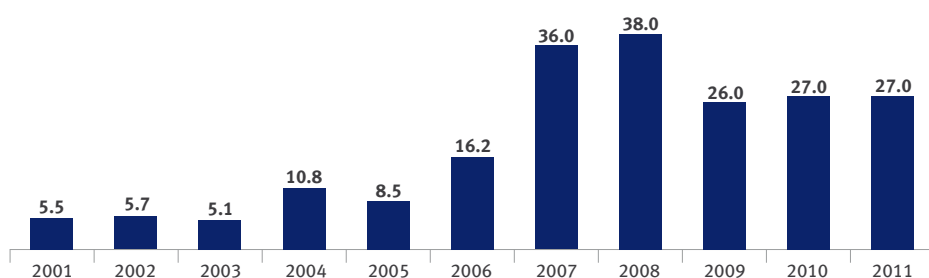
Total Shareholder Return

Since SGX went public in November 2000, shareholders have enjoyed a total return of 23%¹ per annum. For 2011, the return was 6%¹.

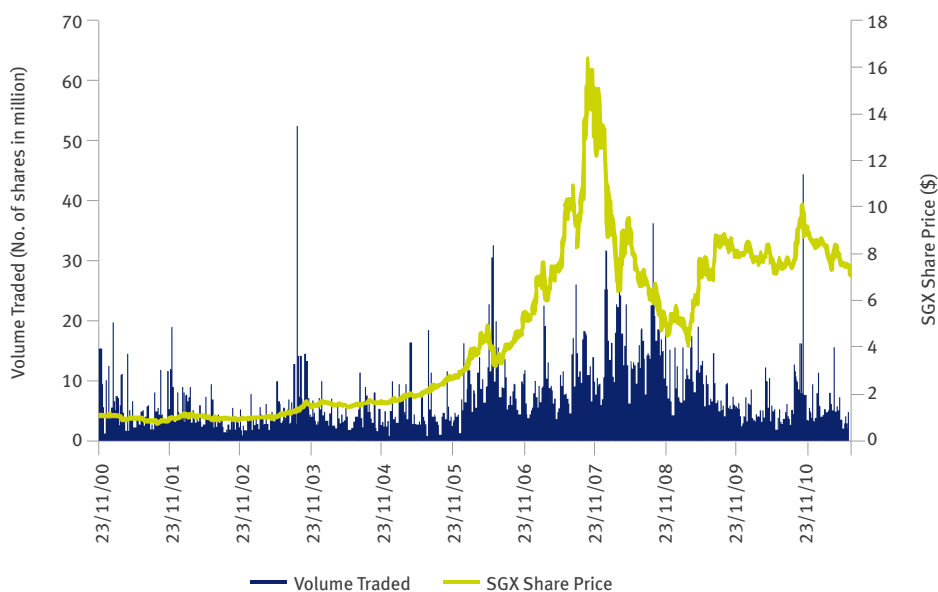
Dividend Policy

This remains an important feature of SGX. We are committed to our base dividend—in 2011, we paid 4 cents per share per quarter—and an overall payout of at least 80% of our profit.

Dividend per Share² (cents)



Share Price and Volume Traded Since IPO



¹ Source: Bloomberg

² Dividend per share excludes special dividends paid in 2003 and 2005.

Our Shareholders

Our shareholder register continues to reflect a good balance across various types of investor. (Figures 3 and 4) Our retail investor base stands at over 47,000 on 30 June 2011, having grown continuously since we first listed.

Shareholder Survey

This year, we have included a Shareholder Survey as part of our Annual Report CD kit. We regard our shareholders as a potentially larger and more active investment community that can make SGX a more vibrant and attractive marketplace.

Please complete the survey and return it to SGX by the end of September 2011.

Figure 3: SGX Shareholders on 30 June 2011

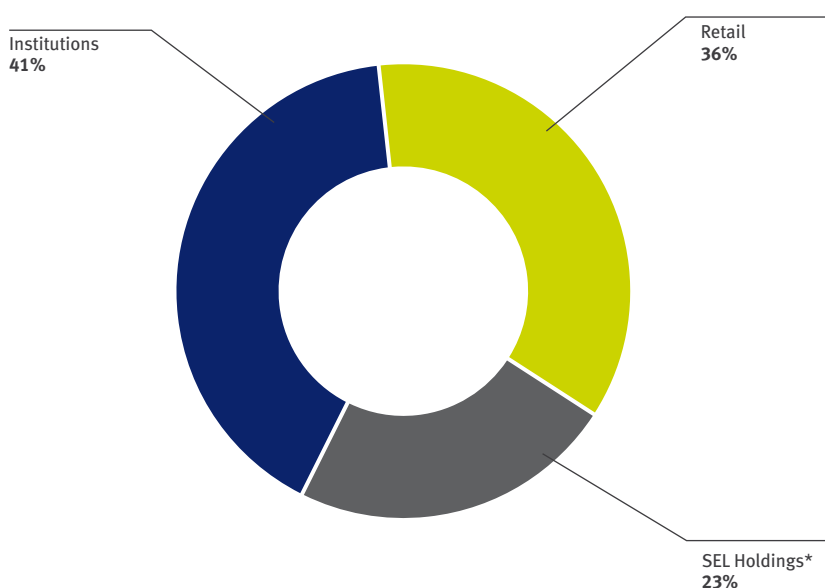
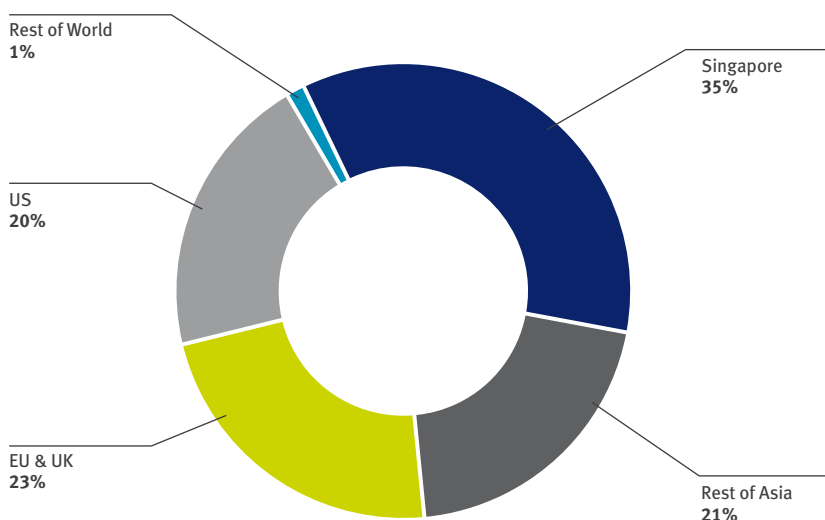


Figure 4: SGX Institutional Shareholders by Geography



* SEL Holdings is a special purpose company set up under the Exchanges (Demutualisation & Merger) Act 1999 (the Merger Act) to hold the SGX shares for the benefit of the Financial Sector Development Fund (FSDF). Under the Merger Act, SEL Holdings 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 Holdings is not regarded as a substantial shareholder of SGX.

The FSDF was set up to help develop and enhance the talents pool and infrastructure of Singapore's financial centre. The FSDF offers scholarship to candidates pursuing qualifying post-graduate programmes, and runs programmes such as the Financial Training Scheme to help defray costs for the training of employees of financial institutions and other companies in the financial industry in Singapore.

asia with global reach

our customer promise

Growing Asian Securities Market

- Structural market changes leading to more institutional participation
- Continued micro-market structural improvements to create a more vibrant trading environment
- Growth in SDAV
- Asian Gateway enhanced by more products: ETFs; GlobalQuote ADRs; REITs; SGS Bonds

Single Access Market to Asian Derivatives

- Record derivatives volumes
- Diversified suite of Asian products: equity; interest rates; commodities and OTC Commodities & Financials
- Asia's longest trading hours

Asia's most International Listing Venue

- Growing our market with record primary equity & debt fund raising
- Key business sectors: Business and Investment Trusts; Commodities and Resources; Marine & Offshore services

Reach initiative

- New state-of-the-art SGX Data Centre
- New Co-location services
- Fastest connection to world's fastest trading engine
- New liquidity hubs in major financial centres

Central Counterparty Services for Asian Markets

- Robust central clearing house for various asset classes
- Asia's first clearing facility for OTC-traded commodities and financial derivatives
- Post-trade processing hub

Record new memberships include:



Companies that raised new capital include:



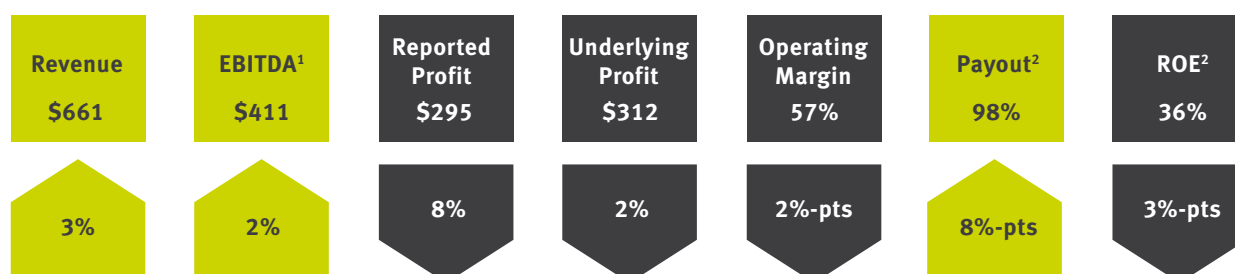
Our global partners include:



2011

Business and Corporate Highlights

Financial Year 2011 Highlights (\$ million)



Securities	<ul style="list-style-type: none"> SDAV up 6% to \$1.6B Continued increase in capped trades from 37% to 45%, turnover velocity down 7%-pts to 59%
Derivatives	<ul style="list-style-type: none"> DAV up 15% to 266,782 contracts, and full year record volume of 66 million contracts Strong growth in CNX Nifty futures, FTSE China A50 futures, Nikkei225 options
Listings	<ul style="list-style-type: none"> Record funds raised in IPO (\$14 billion) and Debt capital raising programme (\$170 billion) 6th largest IPO market in 1H2011, up from 16th in 2010
OTC Financial Derivatives	<ul style="list-style-type: none"> Asia's first clearing platform for OTC Interest Rate Swaps (notional value \$110 billion cleared)
Membership	<ul style="list-style-type: none"> Record new memberships of 24, bringing the total to 132
Reach Technology	<ul style="list-style-type: none"> New state-of-the-art data centre with co-location facilities

¹ EBITDA: Earnings before interest, tax, depreciation and amortisation.

² The above Payout and Return on Equity (ROE) ratios are based on Reported Profit.

Jul 2010	SGX and CME mutual offset arrangement to cover CNX Nifty futures
Aug 2010	SGX launches bond market initiatives
Sep 2010	SGX and NASDAQ OMX launch ADRs, bringing US-listed Asian companies to Asia
Nov 2010	SGX to be first in Asia to clear OTC traded financial derivatives
Nov 2010	SGX, world's first exchange to clear OTC Indonesian Coal Swap
Dec 2010	SGX, STOXX and Eurex bring EURO STOXX 50 Futures to Asia
Feb 2011	SGX and LME launch metal futures in Asia
Mar 2011	Southeast Asia's Largest IPO HPH Trust lists on SGX
Apr 2011	SGX part of ASEAN Brand Identity launch
Apr 2011	SGX offers fastest connection to its markets
May 2011	SGX derivatives market adds rubber futures
Jun 2011	SGX, world's first exchange to clear Asian FX forwards
Jun 2011	SGX offers Trading of Singapore Government Bonds

Joint Letter from Chairman and CEO



Chew Choon Seng
Chairman

Magnus Böcker
Chief Executive Officer

“We recognise the need to adopt a pragmatic balance between enhancing market efficiency and competitiveness while ensuring that fairness of access, transparency and market orderliness are available to all.”

Dear SGX Shareholders,

Another eventful year has passed quickly. We hope that you share our sense of pride and accomplishment as SGX commences its second decade as a listed company. In this letter, we will address our business and financial performance, and share with you what we think lies ahead.

As 'The Asian Gateway', SGX connects global investors and companies to Asian growth, and, conversely, connects Asian companies and investors to global capital. By doing that, SGX enables investors to trade Asian equities and bonds, as well as derivatives and commodities, in a single venue, and the exchange can claim to be a proxy for Asian markets.

Asia: Robust Economic Growth

We are fortunate to sit in the middle of the fastest growing economic region in the world. In 2010, Gross Domestic Product in Asia grew nearly 10% while 2011 forecasts show an increase of 8% (International Monetary Fund, 2011). With this underpinning engine of growth, SGX is well positioned to benefit from more opportunities to grow our main lines of business.

Singapore: SGX's Core Strength

Singapore is home to a third of the Fortune 500 companies. It is a wealth hub with one of the largest institutional investor bases in Asia, and is a leading international trading centre for commodities and foreign exchange. Singapore is also home to a logistics centre that has the world's largest bunker and container ports. Our greatest strength is the fact that SGX is an integral part of, and contributor to, the global financial centre that Singapore is today.

Business: Mixed Market Activity in a Difficult Environment

We are all aware that global financial markets have had a troubled year punctuated by one crisis after another. The tumult in North Africa and the Middle East, the disasters experienced by Japan in March 2011, the ongoing Euro-zone problems and the fiscal woes of the US have combined to depress investor confidence. Aversion to risk is likely to persist, given the inflationary pressure on China's growth and the intractable economies in Europe and the US. The first half of calendar 2011 witnessed a drop in market activities across the world. SGX was unavoidably affected. Turnover in securities traded on SGX was down by 23% in the second half of our financial year compared to the first half. This resulted in a securities daily trading value of \$1.6 billion, and a turnover velocity of 59%, which is far from satisfactory for a developed market.

Derivatives, on the other hand, while not completely offsetting the decline in trading of the underlying equity markets, have delivered a stronger performance with volumes up 15% compared to a year ago. We offer a diversified suite of Asian futures contracts. Of particular note is the growing market share in our Japanese and Indian futures along with the healthy growth in open interest of some of the newer products, such as the China A50 futures contract. The clearing of Over-The-Counter (OTC) financial derivatives that we started with 11 banks in November 2010 has made a promising start with some \$110 billion in notional value of interest rate swaps cleared. We are excited by the prospects of this venture and we plan to clear foreign exchange-related forwards in 2011, representing the first such offering in Asia by a Clearing House.

The backdrop for this development can be found in the aftermath of the global financial crisis. Banks have found themselves under increasing regulatory scrutiny of their capital requirements

and balance sheets. Essentially, SGX will act as the central counterparty to guarantee delivery between buyers and sellers. This time-tested role is one example where SGX can capitalise on our core competence in risk management. We appreciate that our shareholders may like to know more about how this works and so we have included a separate section. Please refer to 'Risk Management Report' on page 84.

On the capital raising side, SGX is arguably the most international among exchanges, with 41% of our listed companies coming from more than 20 countries. This includes some 150 China companies, the most for any exchange outside China. We were delighted to see some large international companies come to Singapore, with the US\$5.5 billion IPO of Hutchison Port Holdings being the largest to date in Southeast Asia. In 2011, a total of \$20.8 billion was raised on SGX, reinforcing our position as a leading global maritime centre as well as a beacon for business and investment trusts. Today, SGX is also a leading exchange for bond listings, with approximately 1,400 bonds listed from over 30 countries and, in more than 10 different currencies. Last year, \$685 billion worth of bonds were quoted on our market.

It is of grave concern to us that some of our listed companies have failed to live up to our standards and continuing obligations. At SGX, we recognise the importance of instilling in our listed companies a sense of responsibility to various stakeholders, including new shareholders. It is worth reiterating that the underlying principle of our disclosure-based marketplace is that full, accurate and timely dissemination of information to investors is the norm. Any deviation from this is an anomaly that we would energetically seek to correct. While we cannot guarantee the appropriate behaviour of our market participants, we endeavour to promote the spirit and letter of our rules. Please refer to 'Corporate Governance Report' on page 36.

Over the past year, we have started offering market intelligence, communication and governance services to our listed companies, in partnership with NASDAQ OMX. This will help to establish our position as a leading global exchange. Furthermore, we have continued to promote the importance of Sustainability Reporting by not only providing a guide for our listed companies but also including our new 'Corporate Social Responsibility Report' on page 70. We recognise that to be a global exchange, we need to attract leading companies that champion leading standards. We are committed to upholding a sustainable and high quality marketplace for our listed companies and market participants. In this way, we seek to address the needs of investors who are increasingly demanding such standards.

Outlook: Strengthening The Asian Gateway

From the ASX combination that we proposed in 2010, we learned that we are capable of extending our market reach beyond our immediate region. While the attempt to create a bigger exchange in Asia Pacific did not succeed, we have since achieved a record number of new members and raised our profile among our customers and partners, something that we can capitalise on in the years to come. Moreover, in the world of exchanges, we have clearly established our intent to participate in an increasingly competitive global landscape. At the same time, we are confident that our strategic growth opportunities will keep us very busy in this rapidly growing region.

With the April 2011 opening of our new state-of-the-art SGX Data Centre, we have successfully started the implementation of our Reach technology. This will serve as the bedrock of our co-location services, by delivering greater functionality and more order types as well as the fastest connection

to SGX trading systems. The launch of the world's fastest securities trading engine caps a stellar year for our technology investments. This important technology roll-out establishes a new SGX platform for growth. We can now offer all our customers convenient and cost-effective access to our exchange with enhanced product capabilities and improved liquidity. This, ultimately, will lower the cost of capital for our listed companies and other market participants.

When we consider where we are today, SGX is pushing our growth frontier. While this is a challenge in itself, we also have to accept that our securities market, for instance, needs certain micro-market structural changes to facilitate a more conducive and vibrant trading environment. Top of the priority list is increasing turnover in our securities market and we are considering implementing a variety of initiatives, from further reducing the bid-ask spread to all-day trading. Please refer to 'Operating and Financial Review' on page 88.

A key element of this approach to growing our market is to make it attractive to more members and new types of market participants, including high-frequency traders. We believe this will significantly improve the quality of our market and add liquidity that can benefit all investors. We are increasingly opening up our membership to include more international players, so as to give our market greater distribution to more investors and traders. We recognise the need to adopt a pragmatic balance between enhancing market efficiency and competitiveness, while ensuring that fairness of access, transparency and market orderliness are available to all.

If we are to fulfil our promise as The Asian Gateway, we also need to add more products and services. Ideally, we need to do this more quickly and effectively—especially in nascent businesses such as depository services, fixed income and market data. These are all essential areas of development

for SGX if we are to truly address all the needs of our customers. We should accept, too, that not all our products and services will hit the mark immediately. Nevertheless, we will persevere, particularly when breaking new ground in our markets. On this note, we plan to build on the initial efforts of our GlobalQuote platform to offer, for the first time in the Asian time zone, more fully fungible American Depositary Receipts. Chi-East, our pan-Asian securities crossing network for institutional clients, has also begun to build new business in the key markets of Hong Kong and Tokyo, in addition to being available in Singapore.

Importantly, we are beginning to see the early signs of our newer initiatives adding to total revenues, which clearly augur well for our business model. Another key plank in our market positioning is exemplified in this year's approach to our Annual Report, which reflects SGX's newly refreshed brand identity. The brand that we promote every day is critical to strengthening SGX's role as The Asian Gateway.

Financials: 2011 Profit and Dividend

We can be pleased with a creditable performance in 2011 that has resulted in a profit of \$295 million. The Board raised the quarterly base dividend to 4 cents and we are recommending a final dividend of 15 cents, adding up to a total dividend of 27 cents for 2011. This is the same as last year's total payout and is in line with our policy of distributing no less than 80% of our profit—reiterating our confidence in the fundamentals of the businesses that we run at SGX.

Acknowledgements

At the end of December 2010, Mr J. Y. Pillay retired from the Board, after more than 11 years of distinguished service as the Chairman. Mr Pillay had overseen the demutualisation and merger of SGX's precursor exchanges and transformed them into a publicly listed company in 2000. From that very beginning, he led SGX through its crucial formative years, and within a decade, established SGX as a successful and internationally well-regarded exchange. We are, indeed, indebted to Mr Pillay for his seminal leadership and conscientious stewardship.

Two other pioneering members of the Board will be retiring at the coming AGM. Mr Ho Tian Yee and Mr Low Check Kian became Directors in November 1999 and July 2000, respectively. Both of them have rendered sterling service to SGX for more than 11 years, during which they chaired various Board Committees.

On behalf of all stakeholders, we thank Mr Pillay, Mr Ho and Mr Low for their valuable contributions, wise counsel and unstinting dedication to SGX, and wish them the best in their future endeavours.

Mr Thaddeus Beczak joined the Board in October 2010, following his election by shareholders at last year's AGM. We were pleased to welcome Ms Jane Diplock as a new Director in July, 2011. With outstanding credentials in the field of securities, Ms Diplock was, until April 2011, Chairman of the New Zealand Securities Commission. She will be introduced to shareholders for election at the coming AGM.

On the same occasion, we will also be presenting Mr Davinder Singh and Mr Quah Wee Ghee for election to become new members of the Board. Mr Singh is the CEO of Drew and Napier, one of Singapore's longest established law firms. Mr Quah headed the Government of Singapore Investment Corporation's (GIC) Asset Management unit until his retirement recently. Both gentlemen will bring a wealth of experience and relevant knowledge to the Board.

In closing, we thank all customers, shareholders, business associates and members of staff for their support, cooperation and good efforts in the past year. We look forward to an even better year ahead, together.



Chew Choon Seng
Chairman



Magnus Böcker
Chief Executive Officer

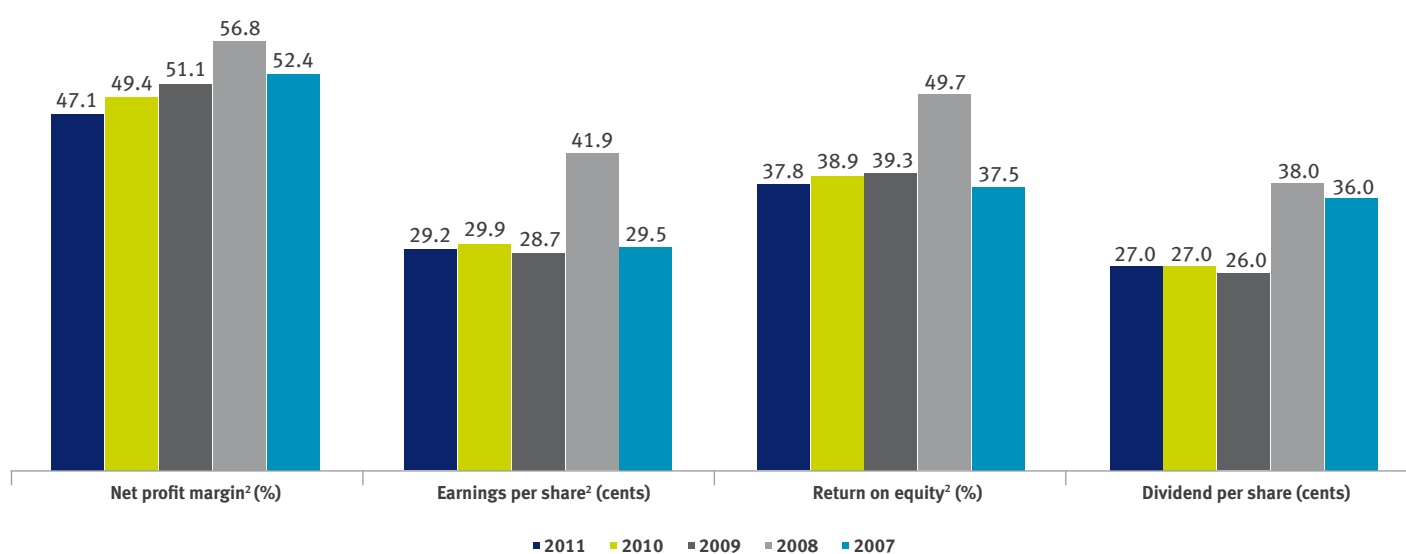
2 August 2011

Group Financial Highlights and Performance

	2011	2010	2009	2008	2007
Consolidated Statement of Income (\$M)					
Revenue	661	640	595	769	576
Expenses	287	261	229	241	211
Operating profit	374	379	366	528	365
Earnings before interest, tax, depreciation and amortisation	411	405	384	540	381
Net profit					
-Reported	295	320	306	478	422
-Underlying ¹	312	318	306	444	311
Consolidated Statement of Cash Flows (\$M)					
Cash flow from operating activities	349	375	279	497	364
Consolidated Statement of Financial Position (\$M)					
Total assets	1,518	1,402	1,417	1,917	1,851
-Cash & cash equivalent (excluding restricted cash reserves)	545	537	471	648	524
Total liabilities	694	586	639	1,023	1,021
Total equity	824	816	778	894	830
-Includes proposed final dividend of:	160	168	165	309	318
Capital expenditure	57	55	37	46	14
No. of shares issued (million)	1,072	1,071	1,069	1,067	1,061
No. of shares held as treasury shares (million)	4	5	5	3	3
Financial Indicators					
Revenue growth (%)	3.3	7.5	(22.6)	33.4	41.4
Cost-to-income ratio (%)	43.5	40.8	38.6	31.3	36.7
Operating cash flow per share (cents)	32.7	35.2	26.2	46.7	34.4
(a) Based on reported net profit attributable to equity holders					
Net profit growth (%)	(7.9)	4.7	(36.1)	13.4	124.8
Net profit margin (%)	44.5	49.7	51.1	61.1	71.1
Return on equity (%)	35.8	39.2	39.3	53.5	50.8
Basic earnings per share (cents)	27.6	30.1	28.7	45.1	40.0
(b) Based on underlying ¹ net profit					
Net profit growth (%)	(1.9)	4.0	(31.2)	42.7	65.9
Net profit margin (%)	47.1	49.4	51.1	56.8	52.4
Return on equity (%)	37.8	38.9	39.3	49.7	37.5
Basic earnings per share (cents)	29.2	29.9	28.7	41.9	29.5
Dividend per share (cents)	27.0	27.0	26.0	38.0	36.0
-Base	16.0	15.0	14.0	12.0	8.0
-Variable	11.0	12.0	12.0	26.0	28.0
Dividend payout ratio (%)					
-Based on reported net profit	97.7	89.9	90.5	84.5	90.4
-Based on underlying ¹ net profit	92.4	90.5	90.5	91.0	122.5
SGX Share Performance					
Start for the financial year	7.37	7.13	6.94	9.75	3.54
High	10.12	8.85	7.85	16.40	10.30
Low	7.09	6.86	4.02	6.40	3.26
End for the financial year	7.53	7.39	7.10	6.91	9.80
Average daily volume traded (million)	4.0	3.9	8.7	9.2	5.4
Total shareholder return (%)	5.65	7.9	8.5	(25.4)	184.3

Revenue Contribution (\$M)

	2011	2010	2009	2008	2007
Securities	289	296	239	391	285
Derivatives	142	131	156	156	117
Market Data	32	31	33	31	27
Member Services and Connectivity	39	32	29	31	22
Depository Services	91	82	73	74	54
Issuer Services	66	64	61	83	68



¹ Underlying net profit excludes the following:

- \$18.6 million ASX-SGX transaction related costs and \$1.7 million net gain on disposal of freehold property in 2011;
- \$5.0 million write-back of allowance for impairment on property and \$2.7 million impairment of goodwill in 2010;
- \$34.0 million distribution from SGX-DT Compensation Fund in 2008; and
- \$45.0 million write-back of allowance for impairment on SGX Centre and \$65.6 million gain on disposal of SGX Centre in 2007.

² Based on underlying net profit.

Board of Directors

“We recognise that to be a global exchange, we need to attract leading companies that champion leading standards.”

**CHEW CHOON SENG, 64****Chairman¹****Non-Executive and Independent Director**

Date of first appointment as a director: : 1 December 2004
 Date of last re-election as a director: : 7 October 2010
 Length of service as a director : 6 years 7 months
 (on 30 June 2011)

Board committee(s) served on:

Nominating Committee (Member)
 Remuneration Committee (Member)

Academic & Professional Qualification(s):

Bachelor of Engineering (Mechanical) (First Class Honours),
 University of Singapore
 Master of Science in Operations Research and Management Studies,
 Imperial College of Science and Technology, University of London

Present Directorships (on 30 June 2011)*Listed companies*

Nil

Others

Government of Singapore Investment Corporation Pte Ltd
 Singapore Tourism Board

Major Appointments (other than Directorships)

Nil

Past Directorships held over the preceding three years

(from 30 June 2008 to 29 June 2011)
 International Air Transport Association
 Singapore Airlines Limited
 Singapore Airport Terminal Services Limited
 SIA Engineering Company Limited

**MAGNUS BÖCKER, 49****Chief Executive Officer****Executive and Non-Independent Director**

Date of first appointment as a director : 1 December 2009
 Date of last re-election as a director : 7 October 2010
 Length of service as a director : 1 year 7 months
 (on 30 June 2011)

Board committee(s) served on:

Nil

Academic & Professional Qualification(s):

Mr Böcker studied business at the University of Stockholm

Present Directorships (on 30 June 2011)*Listed companies*

Nil

Others

Singapore Commodity Exchange Limited (Chairman)

Major Appointments (other than Directorships)

The Institute of Banking and Finance (Council Member)

Past Directorships held over the preceding three years

(from 30 June 2008 to 29 June 2011)
 Dustin AB (Chairman)
 NASDAQ OMX Holding AB
 NASDAQ OMX Nordic Ltd
 NIR, International Council of Swedish Industry
 OMX AB
 World Federation of Exchanges

¹ Appointed on 1 January 2011.

**THADDEUS BECZAK, 60**

Non-Executive and Independent Director

Date of first appointment as a director : 7 October 2010
 Date of last re-election as a director : N.A.¹
 Length of service as a director : 8 months
 (on 30 June 2011)

Board committee(s) served on:Regulatory Conflicts Committee (Member)²**Academic & Professional Qualification(s):**

Bachelor of Science degree in Foreign Service International Affairs,
 Georgetown University
 Master of Business Administration degree, Columbia University

Present Directorships (on 30 June 2011)*Listed companies*

Advanced Semiconductor Manufacturing Corp Limited
 Pacific Online Limited
 Phoenix Satellite Television Holdings Limited

Others

ACR Capital Holdings Pte Limited (Non-executive Chairman)
 Artisan Du Luxe Holding Limited (Non-executive Chairman)
 Cowen and Company, LLC (Vice-Chairman)
 Cowen and Company (Asia) Limited (Chairman)

Major Appointments (other than Directorships)

Georgetown University School of Foreign Service (Board of Advisors)
 Hong Kong University of Science and Technology (Adjunct Professor,
 MBA degree programme)
 International Advisory Committee of the China Securities Regulatory
 Commission (Member)

Past Directorships held over the preceding three years

(from 30 June 2008 to 29 June 2011)

Arnhold Holdings Limited
 LIM Asia Alternate Real Estate Fund
 Namtai Electronic and Electrical Products Limited
 Nomura Asia Holdings N.V.
 Nomura International (HK) Limited

¹ Appointed at the 11th Annual General Meeting.² Appointed on 7 October 2010.**JANE DIPLOCK, 62**

Non-Executive and Independent Director

New Director

Date of first appointment as a director : 25 July 2011
 Date of next re-election as a director : 6 October 2011
 Length of service as a director : N.A.
 (on 30 June 2011)

Academic & Professional Qualification(s):

BA (Hons), LLB, Dip Ed., Sydney University
 Dip. Int. Law, Australia National University

Present Directorships (on 30 June 2011)*Listed companies*

Nil

Others

Australian Financial Services Group Pte Ltd

Major Appointments (other than Directorships)

International Advisory Committee of the China Securities Regulatory
 Commission (Member)
 International Advisory Council of the International Center for Financial
 Regulation (Member)

Past Directorships held over the preceding three years

(from 30 June 2008 to 29 June 2011)

Nil

**EULEEN GOH, 56**

Non-Executive and Non-Independent Director

Date of first appointment as a director : 29 September 2006
 Date of last re-election as a director : 13 October 2009
 Length of service as a director : 4 years 9 months
 (on 30 June 2011)

Board committee(s) served on:

Audit Committee (Member)¹
 Regulatory Conflicts Committee (Member)
 Risk Management Committee (Member)

Academic & Professional Qualification(s):

Institute of Chartered Accountants in England and Wales
 Institute of Taxation, UK
 Institute of Certified Public Accountants of Singapore
 Institute of Bankers, UK

Present Directorships (on 30 June 2011)*Listed companies*

Aviva plc
 DBS Group Holdings Ltd
 Singapore Airlines Limited

Others

DBS Bank Ltd

Major Appointments (other than Directorships)

Accounting Standards Council (Chairman)
 Northlight School (Chairman/Board of Governors)
 NUS Business School (Management Advisory Board Member)
 Singapore Chinese Girls' School (Board Member)
 Singapore International Foundation (Chairman)

Past Directorships held over the preceding three years

(from 30 June 2008 to 29 June 2011)
 CapitaLand Financial Limited (Deputy Chairman)
 Financial Industry Competency Standards Committee (Chairman)
 MediaCorp Pte Ltd
 Standard Chartered Bank Malaysia Berhad
 Standard Chartered Bank (Thai) Pcl
 The Institute of Banking and Finance

¹ Stepped down on 25 July 2011.**HO TIAN YEE, 59**

Non-Executive and Non-Independent Director

Date of first appointment as a director : 15 November 1999
 Date of last re-election as a director : 13 October 2009
 Date of next re-election as a director : N.A.¹
 Length of service as a director : 11 years 7 months
 (on 30 June 2011)

Board committee(s) served on:

Audit Committee (Member)²
 Nominating Committee (Member)
 Risk Management Committee (Member)

Academic & Professional Qualification(s):

Bachelor of Arts (Honours) Economics (CNAA), Portsmouth University

Present Directorships (on 30 June 2011)*Listed companies*

DBS Group Holdings Ltd
 Fraser and Neave Limited
 SP AusNet³

Others

DBS Bank Ltd
 Hexa-Team Planners Pte Ltd
 Pacific Asset Management (S) Pte Ltd
 Singapore Power Limited
 Times Publishing Ltd
 Fullerton Fund Management Co. Ltd

Major Appointments (other than Directorships)

Nil

Past Directorships held over the preceding three years

(from 30 June 2008 to 29 June 2011)
 Great Eastern Holdings Ltd
 The Great Eastern Life Assurance Company Ltd
 The Overseas Assurance Corporation Limited
 Government of Singapore Investment Corporation Pte Ltd (Investment Committee Member)
 Mount Alvernia Hospital (Investment Committee Member)

¹ Due to retire by rotation at the 12th Annual General Meeting on 6 October 2011 and will not be seeking re-election.² Stepped down on 25 July 2011.³ SP AusNet, a stapled security, comprises SP Australia Networks (Distribution) Ltd, SP Australia Networks (RE) Ltd and SP Australia Networks (Transmission) Ltd.

**LEE HSIEN YANG, 53**

Non-Executive and Independent Director

Date of first appointment as a director	: 17 September 2004
Date of last re-election as a director	: 3 October 2008
Date of next re-election as a director	: 6 October 2011
Length of service as a director (on 30 June 2011)	: 6 years 9 months

Board committee(s) served on:

Audit Committee (Chairman)
Remuneration Committee (Member)

Academic & Professional Qualification(s):

Bachelor of Arts (Double First), Cambridge University
Master of Science Management, Stanford University

Present Directorships (on 30 June 2011)*Listed companies*

Australia and New Zealand Banking Group Ltd.
Fraser and Neave Limited (Chairman)

Others

Asia Pacific Investment Pte Ltd.
Civil Aviation Authority of Singapore (Chairman)
Governing Board of Lee Kuan Yew School of Public Policy
Kwa Geok Choo Pte Ltd
The Islamic Bank of Asia Limited

Major Appointments (other than Directorships)

Nil

Past Directorships held over the preceding three years

(from 30 June 2008 to 29 June 2011)

FCL Bridgepoint Pte Ltd.
FCL Management Services Pte Ltd.
L & L Services (Pte) Ltd
Lion (Singapore) Pte Ltd.
Republic Polytechnic

**LIEW MUN LEONG, 65**

Non-Executive and Independent Director

Date of first appointment as a director	: 1 July 2009
Date of last re-election as a director	: 13 October 2009
Length of service as a director (on 30 June 2011)	: 2 years

Board committee(s) served on:

Audit Committee (Member)¹
Regulatory Conflicts Committee (Member)
Remuneration Committee (Member)²

Academic & Professional Qualification(s):

Bachelor of Engineering (Civil), University of Singapore
Registered Civil Engineer

Present Directorships (on 30 June 2011)*Listed companies*

CapitaLand Limited
CapitaMalls Asia Limited (Chairman)

Others

Ascott Residence Trust Management Limited (Deputy Chairman)
CapitaCommercial Trust Management Limited (Deputy Chairman)
CapitaLand China Holdings Pte Ltd (Chairman)
CapitaLand Commercial Limited (Chairman)
CapitaLand Financial Limited (Chairman)
CapitaLand Financial Services Limited
CapitaLand Hope Foundation
CapitaLand ILEC Pte Ltd (Chairman)
CapitaLand Residential Singapore Pte Ltd (Chairman)
CapitaMall Trust Management Limited (Deputy Chairman)
CapitaRetail China Trust Management Limited (Deputy Chairman)
CapitaValue Homes Limited (Chairman)
Changi Airport Group (Singapore) Pte Ltd (Chairman)
China Club Investment Pte Ltd (Chairman)
LFIE Holding Limited
Singapore-China Foundation Ltd
Surbana Corporation Pte Ltd
The Ascott Limited (Deputy Chairman)

Major Appointments (other than Directorships)

CapitaLand Limited (President and CEO)
Centre for Liveable Cities (Board Member)
Chinese Development Assistance Council (Member, Board of Trustees)
Human Capital Leadership Institute (Member)
National Productivity and Continuing Education Council (Member)
NUS Business School (Management Advisory Board Member)

Past Directorships held over the preceding three years

(from 30 June 2008 to 29 June 2011)

CapitaLand Industrial & Logistics Holdings Limited
CapitaLand UK Holdings Limited
Clarke Quay Pte Ltd
TCC Capital Land Limited

¹ Appointed on 25 July 2011.

² Appointed on 7 October 2010.

**LOH BOON CHYE, 47**

Non-Executive and Non-Independent Director

Date of first appointment as a director : 22 October 2003
 Date of last re-election as a director : 7 October 2010
 Length of service as a director : 7 years 8 months
 (on 30 June 2011)

Board committee(s) served on:

Risk Management Committee (Chairman)
 Audit Committee (Member)
 Nominating Committee (Member)

Academic & Professional Qualification(s):

Bachelor of Engineering (Mechanical), National University of Singapore

Present Directorships (on 30 June 2011)*Listed companies*

Nil

Others

BC Capital Pte Ltd
 BC Investments Holdings Ltd
 Gym & Sports Pte Ltd
 Singapore Foreign Exchange Market Committee (Chairman)

Major Appointments (other than Directorships)

Financial Sector Development Fund Advisory Committee of MAS (Member)
 The Institute of Banking and Finance (Council Member)
 Wah Hin & Co Investment Committee (Member)

Past Directorships held over the preceding three years

(from 30 June 2008 to 29 June 2011)

Nil

**LOW CHECK KIAN, 52**

Non-Executive and Independent Director

Date of first appointment as a director : 20 July 2000
 Date of last re-election as a director : 13 October 2009
 Date of next re-election as a director : N.A.¹
 Length of service as a director : 10 years 11 months
 (on 30 June 2011)

Board committee(s) served on:

Nominating Committee (Chairman)
 Remuneration Committee (Member)

Academic & Professional Qualification(s):

Bachelor of Science in Economics (First Class Honours)
 Master of Science in Economics, London School of Economics

Present Directorships (on 30 June 2011)*Listed companies*

Fibrechem Technologies Limited²
 Neptune Orient Lines Limited
 Singapore Telecommunications Limited

Others

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

Major Appointments (other than Directorships)

Nil

Past Directorships held over the preceding three years

(from 30 June 2008 to 29 June 2011)

Nil

¹ Due to retire by rotation at the 12th Annual General Meeting on 6 October 2011 and will not be seeking re-election

² Status of company: Suspended.

**NG KEE CHOE, 67**

Non-Executive and Independent Director

Date of first appointment as a director : 22 October 2003
 Date of last re-election as a director : 7 October 2010
 Length of service as a director : 7 years 8 months
 (on 30 June 2011)

Board committee(s) served on:

Remuneration Committee (Chairman)
 Audit Committee (Member)¹
 Nominating Committee (Member)
 Risk Management Committee (Member)

Academic & Professional Qualification(s):

Bachelor of Science (Honours), University of Singapore

Present Directorships (on 30 June 2011)*Listed companies*

CapitaLand Limited
 PT Bank Danamon Indonesia, Tbk (President-Commissioner)
 Singapore Airport Terminal Services Limited
 SP AusNet² (Chairman)

Others

Fullerton Financial Holdings Pte Ltd
 NTUC Income Insurance Cooperative Limited (Chairman)
 S Daniels Plc
 Singapore Power Limited (Chairman)
 Tanah Merah Country Club (Chairman)

Major Appointments (other than Directorships)

International Advisory Council of China Development Bank (Member)
 Temasek Advisory Panel of Temasek Holdings (Pte) Limited (Member)

Past Directorships held over the preceding three years

(from 30 June 2008 to 29 June 2011)

Nil

¹ Appointed on 25 July 2011.² SP AusNet, a stapled security, comprises SP Australia Networks (Distribution) Ltd, SP Australia Networks (RE) Ltd and SP Australia Networks (Transmission) Ltd.**ROBERT OWEN, 71**

Non-Executive and Independent Director

Date of first appointment as a director : 17 September 2004
 Date of last re-election¹ as a director : 7 October 2010
 Date of next re-appointment as a director : 6 October 2011
 Length of service as a director : 6 years 9 months
 (on 30 June 2011)

Board committee(s) served on:

Regulatory Conflicts Committee (Chairman)
 Risk Management Committee (Member)

Academic & Professional Qualification(s):

Master of Arts (First Class Honours), Oxford University

Present Directorships (on 30 June 2011)*Listed companies*

Crosby Asset Management Inc. (Chairman)

Others

Citibank (Hong Kong) Ltd
 Crosby China Chips Fund Ltd
 International Securities Consultancy Ltd. (Chairman)
 KASB Funds Ltd
 Repton School Dubai
 Repton School UK (Governor)
 Sir John Port's Charity
 The Dubai Financial Services Authority

Major Appointments (other than Directorships)

Nil

Past Directorships held over the preceding three years

(from 30 June 2008 to 29 June 2011)

IB Daiwa Corporation (Chairman)
 Nomura International (HK) Ltd

¹ Pursuant to section 153(6) of the Companies Act (Cap 50)

**QUAH WEE GHEE, 50**

Non-Executive and Independent Director
Proposed Director

Proposed date of appointment as a director : 6 October 2011¹

Academic & Professional Qualification(s):

Bachelor of Engineering (Civil) (First Class Honours),
National University of Singapore
Chartered Financial Analyst, Association For Investment Management
& Research (United States)
Stanford Executive Program, Stanford University

Present Directorships (on 30 June 2011)*Listed companies*

Nil

Others

Government of Singapore Investment Corporation Pte Ltd
GLC Asset Management Pte Ltd
Cypress Holdings
Equivest Pte Ltd (relinquished duty w.e.f. 1 July 2011)
Euthalia Real Strategies Pte Ltd (relinquished duty w.e.f. 1 July 2011)

Major Appointments (other than Directorships)

SingHealth Foundation (Member of Board of Trustees & Audit
Committee)
MOH Holdings Pte Ltd (Member of Investment Committee & Evaluation
Committee)

Past Directorships held over the preceding three years

Central Provident Fund Board

¹ Please refer to the Notice of the AGM on page 198

**DAVINDER SINGH, 54**

Non-Executive and Independent Director
Proposed Director

Proposed date of appointment as a director : 6 October 2011¹

Academic & Professional Qualification(s):

LL.B. (Hons), National University of Singapore

Present Directorships (on 30 June 2011)*Listed companies*

Petra Foods Limited
Singapore Technologies Engineering Ltd

Others

Drew & Napier LLC
DrewCorp Services Pte Ltd
PSA International Pte Ltd

Major Appointments (other than Directorships)

Singapore Mediation Centre (Mediator & Evaluator)
Supreme Court of Singapore (Member of the Disciplinary Committee)
Kuala Lumpur Regional Centre for Arbitration (Member of Panel
of Arbitrators)
Singapore Management University (Member of the Advisory Board
of the School of Law)
Best Lawyers (Member of Advisory Board)

Past Directorships held over the preceding three years

(from 30 June 2008 to 29 June 2011)
Freshfields Drew & Napier Pte Ltd

¹ Please refer to the Notice of the AGM on page 198

Executive Committee

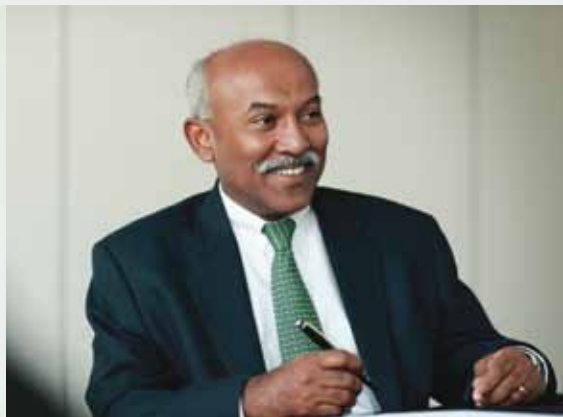
Magnus Böcker
Chief Executive Officer



Gan Seow Ann
Co-President



Muthukrishnan Ramaswami
Co-President



Seck Wai Kwong
Chief Financial Officer



Yeo Lian Sim
Chief Regulatory Officer



Magnus Böcker Chief Executive Officer

Mr Magnus Böcker joined SGX as Chief Executive Officer on 1 December 2009. He also serves as an Executive and Non-independent director on the SGX Board and the Chairman of Singapore Commodity Exchange (SICOM).

Mr Böcker has over two decades of leadership experience in the exchange industry, including being president of NASDAQ OMX during 2008 and 2009, spearheading the creation of OMX (the Nordic Exchanges Company), and subsequently playing a key role in the merger of OMX and NASDAQ in 2008.

During his tenure with OMX, Mr Böcker served in various capacities, including CFO, COO and President of the OMX Technology division, before he became CEO of OMX AB in 2003. Under his leadership, OMX became the world's

largest provider of technology solutions for exchanges, clearing organisations and securities depositories.

Mr Böcker is currently a member of "The Mount Sinai Hospital Surgery Advisory Board" in New York and a council member of the Institute of Banking and Finance in Singapore.

Gan Seow Ann Co-President

Mr Gan is, jointly with the CEO, responsible for steering and growing the businesses of SGX.

Mr Gan drives the growth and development of SGX's Securities, Derivatives, Commodities and Fixed Income businesses, as well as oversees Sales & Clients and Market Data & Access. His responsibilities include the development of products, services and market participation to augment SGX's Asian Gateway position. He also supervises the Listings business which is tasked with attracting companies seeking international capital via equity and bond listings.

Prior to joining SGX on 20 March 2001, Mr Gan held various senior positions in regional capital markets. From 1996 to 2001, he was Managing Director

Bob Caisley
Executive Vice President
and Chief Information Officer



Chang Kuan Aun
Executive Vice President
and Chief Human Resource Officer



Chew Sutat
Executive Vice President



Benjamin Foo
Executive Vice President



Lawrence Wong Liang Ying
Executive Vice President

at Merrill Lynch, Singapore, where he oversaw the company's business activities in its South East Asian offices and managed its exchange seats in Indonesia, Malaysia, Philippines, Thailand and Singapore. From 1990 to 1996, he was Managing Director of Crosby Securities, responsible for the equities business in Indonesia, Malaysia and Singapore.

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

Muthukrishnan Ramaswami* Co-President

Mr Ramaswami is, jointly with the CEO, responsible for steering and growing the businesses of SGX. He is also Acting Chief Financial Officer.

In this role, Mr Ramaswami manages the key functions of Operations, Technology, Legal & Finance, and drives the growth and business development of Clearing, Depository and Broker Services. Mr Ramaswami is responsible for the transformation of SGX into a post-trade processing hub and the development of ancillary services arising out of its core trading and clearing activities.

Mr Ramaswami joined SGX on 1 July 2007. Prior to this, he worked with Citigroup from 1986 to 2007. Most recently he was the Chief Information Officer with the International Consumer Business

of Citigroup's Global Consumer Bank. He also held senior executive positions in Citigroup's international and regional offices, working in Operations, Technology and Transaction Banking roles with Citigroup in Mumbai, Singapore, Hong Kong, London and New York. Mr Ramaswami serves on the board of the Infocomm Development Authority of Singapore.

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

* Mr Ramaswami was appointed acting CFO on 28 April 2011.



Seck Wai Kwong*
Chief Financial Officer

Mr Seck joined SGX on 2 June 2003. He is the Chief Financial Officer overseeing Finance, Investor Relations, Legal and Compliance.

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

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

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

Yeo Lian Sim
Chief Regulatory Officer

As Chief Regulatory Officer, Ms Yeo oversees Risk Management & Regulation (RMR) that is responsible for maintaining a robust regulatory framework for SGX's operation of a fair, orderly and transparent market. RMR encompasses member supervision, issuer and sponsor regulation, market surveillance, enforcement, risk management and clearing risk, and regulatory development and policy. They work closely with the Monetary Authority of Singapore (MAS) in developing and enforcing rules and regulations for market participants.

Ms Yeo has been with SGX since July 2004. Before SGX, Ms Yeo was at Temasek Holdings where she was responsible for capital resource management. For most of her career, she was at MAS where she held responsibilities in various areas, namely, managing the Singapore dollar exchange rate, money market operations and the investment of foreign reserves, as well as overseeing the regulation of the securities and futures markets.

Ms Yeo serves on the board of Shared Services for Charities Limited, Audit

Committee of National Council of Social Service and the Singapore Institute of Directors Council. Ms Yeo graduated with Honours in Economics and Political Science from the University of Singapore and holds a Master's degree from the London Business School, UK.

Ms Yeo was awarded the Public Administration Medal (Gold) at the Singapore National Day Honours in 1994.

Bob Caisley
Executive Vice President and
Chief Information Officer

Mr Caisley is responsible for managing the technology business which comprises the functions of IT planning and governance, enterprise architecture, business analysis, programme management, testing, solutions delivery and service management. The primary purpose of the team is to provide a robust and reliable technology infrastructure that reinforces SGX's strategic business and growth plans.

He provides strategic IT leadership and oversees the development and delivery of IT services and new technologies. He is also responsible for the roll-out of the SGX Reach initiative to create the world's fastest trading engine, establish a world class data centre and connect trading communities in global financial hubs to Singapore.

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

Mr Caisley joined SGX on 14 January 2008. Prior to SGX, he was responsible for the management of the Australian Securities Exchange's (ASX) business solutions projects. In his career, he has been responsible for the successful implementations of key IT projects with the Kuwait Investment Office and Commercial Union PLC. He was also the project leader for the development and

* Mr Seck resigned from his post as CFO and his last day of service with SGX was 10 June 2011.

implementation of the UK's electronic funds transfer system under BACS (Banker Automated Clearing Service) Ltd.

Chang Kuan Aun*

Executive Vice President and Chief Human Resource Officer

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

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

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

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

Chew Sutat

Executive Vice President

Mr Chew Sutat is Head of Sales & Clients and is responsible for the Exchange's distribution network including growing market participation and the Membership base.

Mr Chew joined SGX in June 2007 and was appointed to the Executive Committee in May 2008. He was previously Group Head, Investment & Treasury Products at Standard Chartered Bank. He was responsible

for the Global Wealth Management investment and treasury products business, strategy and development in the bank's existing geographic franchises as well as new ventures.

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

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

Benjamin Foo

Executive Vice President

Mr Benjamin Foo is Executive Vice President and Head of Operations. He is responsible for the trading, clearing and settlement operations of the securities and derivatives markets, as well as market control and securities depository functions.

Mr Foo previously headed other functions at SGX including the Clearing and Commodities Business, where he led in the development of SGX AsiaClear® for over-the-counter (OTC) oil and freight clearing business. He also oversaw the Intermediaries and Affiliates function where he managed product marketing and the business relationship with securities and derivatives members and their overseas affiliates. Before this, he was responsible for strategy, product development and marketing for the SGX derivatives market.

Prior to joining SGX in March 2001, Mr Foo was Executive Director of Phillip GNI Futures Pte Ltd, a Clearing Member of Singapore Exchange Derivatives Trading Ltd, and also

Phillip Trading Pte Ltd, a Clearing Member of the Singapore Commodity Exchange (SICOM), from 1994 to 2001. He was the Vice President for Business Development at the Singapore International Monetary Exchange (SIMEX), where he was responsible for research, product and business development from 1988 to 1994.

Mr Foo holds a Master in Business Administration in finance and marketing from Loyola University, Chicago.

Lawrence Wong Liang Ying

Executive Vice President

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

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

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

Mr Wong holds a Bachelor's degree in Business Administration from the University of Singapore.

* Mr Chang resigned from his post as Chief Human Resource Officer and his last day of service with SGX will be 21 October 2011.

Self-Regulatory Organisation (SRO) Governance Report 2011

Regulatory and Market Developments

As a Self-Regulatory Organisation (SRO), SGX is both a market regulator and a listed company. Our role as a market regulator is performed by the Risk Management and Regulation (RMR) group.

We are committed to maintaining high regulatory and risk management standards in the markets and clearing houses that we operate. A strong SRO governance framework, coupled with market engagement activities and a high level of responsiveness to regulatory issues, are critical to maintaining the quality and integrity of our markets.

Two years on from the onset of the global financial crisis, regulators across the globe, led by the Financial Stability Board (FSB), have identified and agreed on key areas of improvement to the global regulatory framework. However, while there has been a general consensus on the areas needing improvement, the measures to be taken are, in many cases, still the subject of international debate.

SGX continues to be engaged into the global regulatory debate, with a view to being able to anticipate changes and respond quickly to developments.

The past year has seen the introduction of a range of products and initiatives that, taken together, represent a significant upgrading of our securities market infrastructure.

Whilst these initiatives contribute to the development and vibrancy of the marketplace, they also present fresh and unfamiliar regulatory challenges. Before such initiatives are implemented, rigorous reviews are undertaken to identify risks, and safeguards are introduced where required. SGX's comprehensive regulatory approach preserves the integrity and quality of our marketplace and protects investors' interests.

Accordingly, resources were devoted towards the monitoring and assessment of global regulatory changes, and the development of appropriate regulatory frameworks to support the new products and services in our marketplace. At the same time, our regulatory staff continued to maintain rigorous monitoring of compliance with listing rules, of trading activities in our marketplace, of quality standards among our members and of the integrity of SGX's clearing and risk management framework.

Our engagement with key stakeholders on the progress of our regulatory activities has been intensified. We continue to work closely with our statutory regulator, the Monetary Authority of Singapore (MAS), to support our mission to uphold high regulatory standards in the marketplace.

A Strong SRO Governance Framework

The Regulatory Conflicts Committee (RCC), a specialised Board committee, assists the SGX Board in supervising the management of SGX's SRO conflicts and in reviewing the adequacy of resources allocated to SGX's regulatory functions. The RCC also makes decisions on specific cases of SRO conflicts referred to it.

In 2011, the RCC has overseen enhancements to SGX's SRO governance framework and reviewed SGX's handling of potential SRO conflict situations.

SGX initiated a review of the SRO conflicts guidelines following changes to SGX's organisation structure at the start of 2011. This review of SRO conflicts guidelines will ensure that they remain relevant and effective in maintaining the integrity of SGX's regulatory decisions. The current SRO conflict governance framework was also supplemented with an escalation policy, up to the RCC if necessary, for potential SRO conflicts that may significantly impact SGX's reputation.

The RCC is satisfied that appropriate systems and processes are in place to manage SRO conflicts.

In 2012, SGX will be reviewing its SRO conflicts guidelines following changes to its regulatory organisation structure.

The changes, effective from 1 July 2011, will create synergies across regulatory functions and reduce risk by permitting a more holistic view in regulatory policy making and risk assessment. The changes are expected to increase the responsiveness of SGX's regulatory functions and maintain robust regulation in the evolving marketplace.

The Compliance unit reviews SGX's compliance with the SRO Conflicts Handbook. RMR is also subject to internal audits. In 2011, the Issuer Regulation and Risk Management functions were audited.

There must also be adequate resources to enable SGX to discharge its role as a market regulator effectively. In this regard, the RCC is satisfied that SGX's present resources are sufficient to perform its regulatory functions effectively.

In 2011, RMR maintained its manpower strength at close to 100 percent, by hiring experienced new staff and reducing staff turnover. Staff turnover was lower in 2011 compared to previous years. This has helped SGX to maintain the experience level of its regulatory staff. RMR also regularly organises in-house teach-ins to enhance cross-functional interaction and build a holistic approach to policy-making for its regulatory staff.

A new remuneration policy, whereby a proportion of the variable component of remuneration was converted into a fixed allowance, was also introduced for RMR staff. This policy aims to dilute the relationship between total compensation of regulatory staff and commercial incentives. The remuneration of RMR staff was also benchmarked more closely against the compensation for peers in the market, to better attract and retain staff.

On technology resources, RMR has commenced work to implement a new Risk Management System which will increase SGX's effectiveness in monitoring clearing exposures and further enhance our capacity to measure and monitor risks from clearing businesses. The new Risk Management System is expected to be operational in two years. Work has also begun on a new electronic submission system for listed companies which will be put in place in 2012.

Improving the Quality of the Marketplace

During 2011, SGX launched several initiatives to develop the marketplace. As part of its regulatory mandate, RMR reviewed the risks associated with these initiatives, and where necessary, developed appropriate safeguards. The rigorous due diligence processes resulted in initiatives that improved the quality of the marketplace.

Initiatives, operating within the appropriate regulatory frameworks, have been introduced on the capital raising front to enable companies to raise capital more efficiently. For instance, a new listing framework provides an avenue for early-stage mineral, oil and gas companies to raise capital on Catalist. Other initiatives, led by RMR, improve the quality of the issuers' disclosures. The introduction of the Policy Statement and Guide to Sustainability Reporting for Listed Companies encourages listed companies to adopt sustainability practices and reporting. Environmental, social and governance issues (ESG) encapsulated in sustainability practices are central to a listed company's operations and investors have the right to be informed.

A stream of products such as American Depositary Receipts (ADRs) and futures in various commodities and an equity index were introduced on our trading platforms this year in response to market demand. OTC traded financial derivatives and coal swaps were also listed for clearing. All products are put through SGX's rigorous due diligence processes prior to listing or clearing.

On the membership front, under a new membership framework, SGX welcomed its pioneer group of clearing members, who are participating in the clearing of OTC financial derivatives. SICOM's participants successfully transited to trading on SGX, some as SGX members. The supervisory framework for a new membership class, the remote trading membership, was also proposed for public consultation in 2011. Operating under robust admission and supervisory frameworks, the new members contribute to the diversity and resilience of the marketplace.

SGX also embarked on changes to enhance the securities market structure in 2011. These improvements, to be effective in 2012, include the reduction in the minimum bid size for securities and the introduction of all day trading. The Reach initiative will provide market participants with more trading functionalities. Regulatory staff scrutinised these initiatives before their introduction. Safeguards (for example, circuit breakers) were put in place where required.

Increasing Interaction between SGX and Stakeholders

Visible regulation is a key pillar of SGX's regulatory philosophy. A high level of transparency regarding SGX's regulatory activities ensures that market participants are well-informed and appraised of regulatory developments. This fosters market confidence in our regulatory approach, as market participants will be able to appreciate the basis of our regulatory policies and enforcement actions.

SGX continues to communicate with market participants through the Regulator's Column and our public consultation process. These channels allow market participants to understand the rationale behind regulatory policies which we eventually choose to adopt. There was an increase in public consultations conducted this year to seek market feedback as new initiatives proceeded apace to improve the quality of the marketplace. The implementation of key measures was followed with regulatory announcements to reinforce SGX's regulatory stance.

SGX communicates directly with relevant market participants on matters surrounding regulatory enforcement. For example, SGX advised the audit committees of S-Chip companies to implement controls and procedures to safeguard assets and empower the boards of these companies to change the legal representatives of operating subsidiaries established in the People's Republic of China.

Commitment to Investor Education

On an ongoing basis, SGX conducts on-site visits to SGX members and listed companies to understand their business activities and operational processes. SGX also organises industry-wide meetings to communicate to its market participants its regulatory positions, and to seek feedback on proposed regulatory actions. These regular meetings and dialogues have increased interaction and enhanced working relationships with market participants.

On the regulatory front, SGX continues to interact with MAS and other regulators. For instance, SGX supported MAS' review of the corporate governance code. SGX also held discussions with MAS on the feedback received for the proposed amendments to the Listing Rules aimed at strengthening corporate governance practices and fostering greater disclosure in the marketplace. We intend to implement these enhancements before the close of 2011.

SGX continues to collaborate with other regulatory agencies to examine the appropriateness of various regulatory initiatives in our marketplace. These include rule changes on general meetings to increase shareholder engagement and the formulation of a Policy Statement and Guide to Sustainability Reporting for Listed Companies. We will continue to develop working relationships with both local and foreign regulators.

As a frontline regulator, SGX continuously monitors international developments and regulatory best practices. As global regulatory standards continue to evolve, it is critical to monitor these changes and assess the impact on SGX's marketplace in a timely manner. To be closer to the regulatory debate, regulatory staff participated in various international regulatory conferences and forums, including the World Federation of Exchanges' Regulatory Task Force meetings, Risk Management Symposium, CCP12* meetings and the Inter-Market Surveillance Group meetings. SGX also provides its views, where relevant, on consultations of international regulatory agencies. In addition, Mr Robert Nottle, an independent consultant, attended the International Organisation of Securities Commissions (IOSCO) annual meeting and subsequently briefed the RCC and senior management on key international regulatory issues relevant to SGX.

SGX is also committed to improving investors' understanding and ability to make better-informed investment decisions. The Investor Education Fund (IEF) supports initiatives towards this endeavour. Derived from fines collected by SGX, the IEF is administered by the Investor Education Committee (IEC). The IEC comprises industry practitioners and senior management of SGX.

Continuing from 2010, the IEF expanded its series of web-clips to guide investors on the reading of prospectuses. Analysts from brokerage firms and research houses took investors through information contained in the prospectuses of Mainboard and Catalist IPOs current to the market. The web-clips, featuring 21 companies and trusts, were well-received by investors.

The IEF also worked with and co-funded various partners on investor education initiatives. For instance, SGX supported the Securities Investors Association (Singapore) (SIAS) in the production of an Investor Handbook.

* CCP12 is a global organisation comprising operators of CCPs for exchange-traded and OTC markets. Members collaborate to promote development and adoption of best of breed standards and practices in CCP risk management and operational activities.

Corporate Governance Report

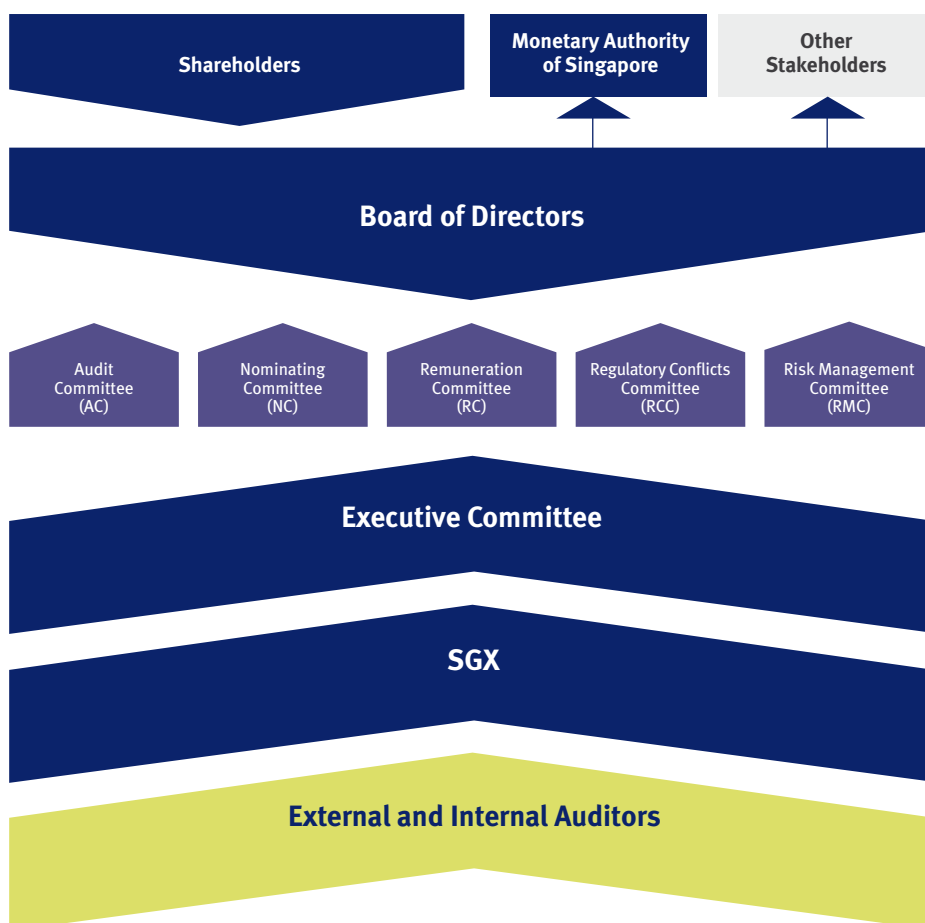
Compliance with Code of Corporate Governance 2005 (Code)

SGX is committed to high standards of corporate governance, business integrity and professionalism in all its activities. SGX's corporate governance practices conform to the Securities and Futures (Corporate Governance of Approved Exchanges, Designated Clearing Houses and Approved Holding Companies) Regulations 2005 (SFR 2005). We have complied with all provisions of the Code in 2011.

Self-Regulatory Organisation Governance

This report is to be read in conjunction with the SRO Governance Report, which sets out SGX's corporate governance as a self-regulatory organisation. Unless specified otherwise, references to independence of directors are as defined under SFR 2005, which are more stringent than the requirements of independence as set out in the Code.

Corporate Governance Framework



Corporate Governance Highlights

Awards and Accolades

Securities Investors Association Singapore (SIAS) Investors' Choice Awards 2010:

- Singapore Corporate Governance Award—Merit
- Most Transparent Company Award (Finance)—Winner

Governance and Transparency Index 2011—Ranked 2nd

Singapore Corporate Awards 2011 Best Managed Board—Bronze

Transparency

Quarterly reporting.

Quarterly briefings to analysts and media webcasted.

Monthly announcements on volumes and values traded on all SGX products provide guidance to our final financial results.

Sustainability Reporting

Used Global Reporting Initiative (GRI) G3 Guidelines to prepare Corporate Social Responsibility Report. Please refer to 'CSR Report' on page 70.

Introduced a Sustainability Reporting Guide for SGX listed companies in June 2011.

Strong Risk Management

Please refer to 'Risk Management Report' on page 84.

Board endorsed a set of risk tolerance levels for SGX's key risks.

Shareholder's Rights

Voluntarily limits the percentage of share capital to be offered other than on a pro-rata basis to not exceed 10%.

Board Performance

Board evaluation showed improvement in all areas.

Board Succession Planning

Smooth and well-organised transition to the new Chairman in January 2011.

Board renewal and refresh:

- Appointment of new independent non-executive directors
- Retirement of long-serving directors Ho Tian Yee and Low Check Kian

Directors' Time Commitments

Each director confirms his ability to devote sufficient time and attention to SGX's affairs.

Board Matters

Board's Conduct of its Affairs

Principle 1

Principal Duties of the Board

The Board oversees SGX's affairs and is accountable to shareholders for the management of SGX's business and its performance. The principal duties of the Board include:

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

Delegation by the Board

To assist the Board in the discharge of its oversight function, various Board committees, namely the AC, NC, RC, RCC and RMC, have been constituted with clear written terms of reference (TORs). The TORs set out the duties, authority and accountabilities of each committee as well as qualifications for committee membership, in line with the SFR 2005 and the Code. The TORs are reviewed on a regular basis to ensure their continued relevance, as are the committee structures and membership. The TORs of Board committees are available on SGX's website at www.sgx.com

The RCC has been appointed by the Board to supervise the management of SGX's SRO conflicts. Please refer to the 'SRO Governance Report' on page 32.

Please refer to Principles 4, 5, 7 to 9, 11 and 12 in this report, for further information on the activities of the AC, NC, RC and RMC.

Key Features of Board Processes

The schedule of all Board and Board committees meetings and Annual General Meeting (AGM) for the next calendar year is planned well in advance, in consultation with the directors. The Board meets at least four times a year at regular intervals. Telephonic attendance at Board meetings is allowed under SGX's Articles of Association (Articles). The Board and Board committees may also make decisions by way of circulating resolutions.

Besides the scheduled Board meetings, the Board meets on an ad hoc basis as warranted by particular circumstances. In 2011, ad hoc meetings for the Board and ad hoc steering committee were called on the proposed transaction with the Australian Securities Exchange (ASX). Please refer to 'Board Guidance' on page 40.

Please refer to the 'Directors' Meeting Attendance Report' on page 54 for information on the attendance record of each individual director and the number of Board and Board committee meetings held in 2011.

Independent Judgement

All directors exercise due diligence and independent judgement and make decisions objectively in the best interests of SGX. The criteria for the Chairman's assessment of directors include intensity of participation at meetings, quality of interventions and special contributions. In determining the independence of directors, our definition of independence of directors includes independence from shareholders.

Board Approval

SGX has adopted internal guidelines setting forth matters that require Board approval. Specific Board-reserved matters are:

- a) those involving a conflict of interest for a substantial shareholder or a director;
- b) material acquisitions and disposal of assets;
- c) corporate or financial restructuring;
- d) share issuances, interim dividends and other returns to shareholders;
- e) those which require Board approval as specified under SGX's interested person transaction policy; and
- f) any investments or expenditures exceeding \$10 million in total.

For expenditures of \$10 million and below, SGX has internal guidelines which set out, among others, the authorisation limits granted to management for approval of capital and operating expenditures, specified financial transactions and supplementary budgets.

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

Board Orientation and Training

A formal letter of appointment is provided to every new director. This letter indicates the amount of time commitment required and the scope of duties. The new director will also receive a manual containing Board and SGX policies relating to the disclosure of interests in securities, disclosure of conflicts of interest in transactions involving SGX, prohibition on dealings in SGX securities, and restrictions on the disclosure of price-sensitive information.

SGX conducts a comprehensive orientation programme, which is presented by senior management, to familiarise new directors with its business and governance practices. The orientation programme gives directors an understanding of SGX's businesses to enable them to assimilate into their new roles. The programme also allows the new director to get acquainted with senior management, thereby facilitating board interaction with, and independent access to, senior management.

The directors are provided with continuing education in areas such as directors' duties and responsibilities, corporate governance and changes in financial reporting standards, so as to enable them to properly discharge their duties as Board or Board committee members.

Continuing Education for Directors in 2011

- At every AC meeting, the external auditors, PricewaterhouseCoopers, brief the AC members on in developments accounting and governance standards.
- The NC was briefed on the Guidelines on Corporate Governance for Banks, Financial Holding Companies and Direct Insurers which were issued by MAS on 9 December 2010.
- An external consultant, Mr Robert Nottle, was invited to present to the RCC and senior management, the IOSCOs' initiatives and exchange-wide global regulatory trends and implications.
- The CEO briefs the Board at each meeting on business and strategic developments in the global exchange and clearing house industry.
- The Chairman, Mr Chew Choon Seng, was given a detailed and in-depth briefing and induction into SGX by the CEO and senior management upon his appointment as Chairman.

The directors may also attend at SGX's expense, other appropriate courses, conferences and seminars. These include programmes run by the Singapore Institute of Directors. Directors can request further explanations, briefings or information on any aspect of SGX's operations or business issues from management.

Board Composition and Guidance

Principle 2

Board Independence

The SFR 2005 provides that an independent director is one who is independent from any management and business relationship with SGX, and also independent from any substantial shareholder of SGX. Under this stricter definition, a majority of the Board is considered independent.

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

Under the SFR 2005, it is mandatory for the NC to determine annually whether a director is independent. Please refer to 'Principle 4' on page 42 in this report for further information on the NC's determination of a director's independence.

Board Composition and Size

Please refer to pages 21 to 27 for the details of Board composition and the independence status for each director.

Each year, the NC reviews the size and composition of the Board and Board committees and the skills and core competencies of its members. These competencies include banking, finance, accounting, business acumen, management experience, industry knowledge, familiarity with regulatory

requirements and knowledge of risk management. The Board considers that its directors possess the necessary competencies to lead and govern SGX effectively. Taking into account the nature and scope of SGX's businesses and the number of Board committees, the Board considers that a board size of between 10 to 12 members as appropriate. The Board believes that the current composition and size provides sufficient diversity without interfering with efficient decision-making.

Board Guidance

An effective and robust Board whose members engage in open and constructive debate, and challenge management on its assumptions and proposals, is fundamental to good corporate governance. For this to happen, the Board, Non-Executive Directors (NEDs) in particular, must be kept well informed of SGX's businesses and affairs and be knowledgeable about the industry in which the businesses operate. To ensure that NEDs are well supported by accurate, complete and timely information, and have sufficient resources to discharge their oversight function effectively, NEDs have unrestricted access to management. NEDs also receive periodic information papers and board briefings on the latest market developments and trends, and key business initiatives. Regular informal meetings are held for management

to brief directors on prospective deals and potential developments at an early stage, before formal Board approval is sought.

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

Ad hoc Steering Committee

In 2011, an ad hoc Steering Committee (SC), comprising NEDs, was formed to provide guidance to management on the proposed transaction with ASX. Other directors were also invited to attend the ad hoc SC meetings. The SC met formally on five separate occasions to review management's plans before they were presented to the Board. Additional materials were also circulated to the SC as and when required.

Chairman and Chief Executive Officer Principle 3

Separation of the Roles of Chairman and the Chief Executive Officer

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

The Chairman manages the business of the Board and the Board committees, and monitors the translation of the Board's decisions and wishes into executive action. He approves the agendas for the Board meetings. Together with the Chairmen of the Board committees and with input from management, he also reviews the agendas for Board committee meetings. He also exercises control over the quality, quantity and timeliness of information flow between the Board and management. In addition, he provides close oversight, guidance, advice and leadership to the CEO and management.

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

The CEO manages and develops the businesses of SGX and implements the Board's decisions. He chairs the Executive Committee (EXCO), which comprises senior management

executives, meets weekly to discuss, review and approve the day-to-day operations and administration of SGX.

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

Lead Independent Director

Mr Low Check Kian, chairman of the NC, was appointed as Lead Independent Director (LID) in May 2006 to lead and co-ordinate the activities of the NEDs of SGX. The terms of reference of the LID are available on SGX's website. With the appointment of Mr Chew Choon Seng as independent non-executive Chairman on 1 January 2011, the role of the LID has ceased.

Meeting of Directors without Management

Twice a year, formal sessions are arranged for the NEDs to meet without the presence of management or executive directors.

Board Membership Principle 4

Continuous Board Renewal

The Board reviews the composition of the Board and Board committees annually, having regard to the performance and contribution of each individual director and to ensure an appropriate balance of skills and experience is maintained in the Board committees.

The Board committees are reconstituted every year after the AGM based on the NC's assessment of independence of each individual director.

NC Composition

The NC is chaired by Mr Low Check Kian. Please refer to the 'Corporate Information' on page 201, for the composition of the NC. In compliance with the SFR 2005 requirements, the NC has five members, three of whom are independent directors.

Re-nomination of Directors

The NC is responsible for reviewing all re-nominations of directors and Board committee members, taking into account the MAS' fit and proper criteria for such appointments, the director's independence status, his participation and contributions during and outside board meetings, and other relevant factors as may be determined by the NC. All directors of SGX are approved by MAS, based on its fit and proper criteria, before they are appointed by the Board or at the AGM (as the case may be).

SGX's Articles provide that at each AGM, one-third of the directors, including the CEO who also serves on the Board (or, if their number is not a multiple of three, the number nearest to but not less than

one-third) shall retire from office by rotation. Effectively, this results in all directors having to retire at least once in three years or even earlier. All new directors appointed by the Board shall only hold office until the next AGM, and be eligible for re-election at the AGM.

Retirement of Long-serving Directors

Mr Ho Tian Yee and Mr Low Check Kian who will have served as non-executive directors for 12 years and 11 years respectively as at the AGM to be held on 6 October 2011, are due to retire by rotation and will not be seeking re-election at the AGM. Mr Ho and Mr Low are retiring from the Board, in accordance with the succession planning process.

Annual Review of Directors' Independence in 2011

Under the SFR 2005, it is mandatory for the NC to conduct an annual review of each director's independence, based on the SFR 2005 requirements. The NC has ascertained that a majority of the Board members are independent according to these criteria. Under the SFR 2005, MAS may object to the NC's determination of a director's independence.

Mr Loh Boon Chye is deemed non-independent under the SFR 2005, as he is employed by Deutsche Bank Group, which wholly owns Deutsche Futures Singapore Pte Ltd, an SGX member company. He is also involved in the activities of this SGX member company.

As part of the Board's annual review at the beginning of 2012, the Board announced the cessation of independence of Ms Eileen Goh and Mr Ho Tian Yee because they

are directors of DBS Bank Ltd, which is an SGX Clearing Member for Over-The-Counter clearing of Financial Derivatives.

Mr Thaddeus Beczak is the Vice-Chairman of Cowen & Company, LLC (CC) and Chairman of Cowen Latitude Advisors Limited (CLA) which are related companies of La Branche Structured Products Europe Ltd, an SGX proprietary trading member. The NC considers that Mr Beczak's ability and willingness to exercise independent business judgment and act in the best interests of SGX is not impeded, as his role is limited to acting as Vice Chairman and Chairman in CC and CLA respectively. He does not have any direct reports or profit and loss responsibility in CC and CLA. The nature of his responsibilities is assisting in corporate finance.

A table setting out the independence requirements for the Board under the SFR 2005 and the Code, and SGX's compliance, is set out in this report.

Directors' Time Commitments

The NC also considers whether directors, who have multiple board representations, are able to and have been devoting sufficient time to discharge their responsibilities adequately. With effect from 2011 and on an annual basis thereafter, each director is required to confirm to the NC his ability to devote sufficient time and attention to SGX's affairs, having regard to all his other commitments. The NC is satisfied that all directors have discharged their duties adequately for 2011, and will continue to do so in 2012.

Succession Planning for the Board and Senior Management

Succession planning is an important part of the governance process. The NC has adopted a succession plan to ensure the progressive and orderly renewal of Board membership. As part of this plan, Mr J Y Pillay retired as Chairman on 31 December 2010 after 11 years of leading SGX and a new Chairman, Mr Chew Choon Seng, was appointed in his place. Mr Thaddeus Beczak was appointed as a non-executive director at the 2010 AGM. Mr Beczak is an independent director and was appointed as a member of the RCC, which benefits from his many years of regulatory experience. Mr Beczak was Chairman of the Listing Committee of the Hong Kong Stock Exchange and a member of the Hong Kong Stock Exchange Board of Directors from 1998 until 2001. Mr Beczak was a member of the Advisory Committee of the Securities and Futures Commission in Hong Kong from June 2006 until May 2007.

Criteria and Process for Nomination and Selection of New Directors

SGX adopts a comprehensive and detailed process in the selection of new directors. An international executive search firm was engaged to propose a list of suitable candidates for the NC's consideration, after an identification of the needs and requirements of SGX. After the NC chairman, the SGX chairman and the other NC members have interviewed the candidates, the candidates are further shortlisted for the NC's formal consideration for appointment to the Board.

The NC complies with the SFR 2005 criteria when reviewing a nomination for a proposed Board appointment.

These are: (a) determination of the candidate's independence; (b) the appointment will not result in non-compliance with any of the SFR 2005 composition requirements for the Board and Board Committees; and (c) whether the candidate is a fit and proper person in accordance with MAS' fit and proper guidelines, taking into account his track record, age, experience and capabilities and such other relevant experience as may be determined by the NC. The MAS' fit and proper guidelines broadly take into account the candidate's honesty, integrity and reputation; his competence and capability; and financial soundness.

Adopting this rigorous selection process, the Board recommends that the shareholders approve the re-election of a newly appointed director, Ms Jane Diplock as a director of SGX at the 2011 AGM. The Nominating Committee had identified Ms Diplock based on her skills, judgment and diversity of experience. Ms Diplock possesses a strong regulatory background, having served as Chairman of New Zealand Securities Commission from September 2001 to April 2011. She was also the Chairman of the Executive Committee, IOSCO from 2004 to 2011.

In addition, the Board recommends that the shareholders approve the appointment of two proposed new directors, namely Mr Davinder Singh and Mr Quah Wee Ghee, at the 2011 AGM.

Mr Davinder Singh is the Chief Executive Officer of Drew & Napier LLC. He graduated in 1982 and joined the litigation department of Drew & Napier LLC thereafter. Mr Singh was one of the first Senior Counsels to be appointed in Singapore when that position was

created in 1997. A practising lawyer for over 25 years, Mr Singh has also been appointed as an arbitrator and mediator.

Mr Quah Wee Ghee chairs the India and Natural Resources Business Groups for GIC Pte Ltd (GIC). He also acts as an advisor to the GIC Executive Committee and is a member of the Board of GIC Asset Management Company. He was on the Board of GIC and serves as President of GIC Asset Management Pte Ltd (GAM) from 2007 to 2011. As the President of GAM, he is responsible for Global Equity, Global Fixed Income, Hedge Funds, Commodities and Treasury functions in GIC.

Please refer to the Notice of AGM for the resolutions put forth for the proposed appointments of the new directors.

Key Information on Directors

Please refer to the 'Board of Directors' on page 20 for key information on the directors, and the Notice of AGM, for directors proposed for re-election, appointment or re-appointment at the AGM. Key information on directors is also available on www.sgx.com

Succession Planning for Senior Management

The NC reviews the succession and leadership development plans for senior management. As part of this annual review, the successors to key positions are identified, and development plans put in place for them.

Board Performance

Principle 5

Board Evaluation Policy

The Board has implemented a process carried out by the NC, for assessing the effectiveness of the Board as a whole and for assessing the contribution by each individual director to the effectiveness of the Board. Please refer to the Board Evaluation Policy, which is available on www.sgx.com

Board Evaluation Process

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

The Board believes that the use of an external independent consultant greatly enhances the quality and objectivity of the evaluation.

In 2010, the Board engaged an external independent consultant to conduct SGX's Board Evaluation for 2010. Separate questionnaires

were administered to EXCO and to the Board. For example, the questionnaire (for the Board) included the evaluation of factors such as board composition, managing the company's performance, board processes, committee effectiveness, risk management and succession planning. The EXCO questionnaire focused on evaluation of factors such as the Board's development and monitoring of strategy, working with management, and management of risk. The Board evaluation results were presented to the NC and to the Board. The results showed an overall improvement in all areas of evaluation since the Board evaluation exercise held in 2008.

Board Performance Criteria

The Board reviews its performance against qualitative and quantitative targets on an annual basis.

The Board is required to ensure that a proper balance is maintained between its commercial objectives and its regulatory responsibilities. Therefore, the Board performance criteria include a measure to capture the performance of its regulatory responsibilities as a SRO.

In line with the Code's recommendation of using quantitative financial indicators, the Board has adopted performance measures which align its interests with shareholders' interests, such

as (a) absolute minimum SGX Total Shareholder Return (TSR), and (b) SGX's TSR performance against the TSR of the FTSE/MV Exchanges Index, which is an index of 18 listed exchanges, in order to benchmark its relative performance against other exchanges.

Individual Director Evaluation

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

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

The assessment of the CEO's performance is undertaken by the RC, together with the NC chairman, and the results are reviewed by the Board. The NEDs, led by the NC Chairman, assess the Chairman's performance, and the NC Chairman provides the feedback to the Chairman.

Access to information

Principle 6

Complete, Adequate and Timely Information

Management recognises the importance of ensuring the flow of complete, adequate and timely information, on an ongoing basis to the Board, as essential to the Board's effective and efficient discharge of its duties. To allow directors sufficient time to prepare for the meetings, all Board and Board committee papers are distributed a week in advance of the meeting to directors. This enables the discussion during the meeting to focus on questions that directors may have. Management's proposals to the Board for decision provide background and explanatory information such as facts, resources needed, risk analysis and mitigation strategies, financial impact, regulatory implications, expected outcomes, conclusions and recommendations. Staff who can provide additional insight into matters to be discussed will be present at the relevant time during the Board and Board committee meetings. To facilitate direct access to the senior management, directors are also provided with the names and contact details of the management team. Draft agendas for Board and Board committee meetings are circulated to EXCO and Board committee chairmen, respectively, in advance, in order for them to suggest items for the agenda and/or review the usefulness of the items in the proposed agenda.

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

Company Secretary

Directors have separate and independent access to the Company Secretary. The Company Secretary is responsible for, among other things, ensuring that Board procedures are observed and that SGX's memorandum and articles of association, relevant rules and regulations, including requirements of the SFA, Companies Act and Listing Manual, are complied with. She also assists the Chairman and the Board in implementing and strengthening corporate governance practices and processes, with a view to enhancing long-term shareholder value.

The Company Secretary assists the Chairman in ensuring good information flows between the Board and its committees and between senior management and NEDs, in addition to facilitating orientation and assisting with professional development as required. As primary compliance officer for SGX's compliance with its listing rules, the Company Secretary is responsible for training, designing and implementing a framework for management's compliance with the Listing Rules, including advising management to ensure that material information is disclosed on a prompt basis. The Company Secretary attends and prepares minutes for all Board meetings. As secretary for all the Board committees, she helps ensure coordination and liaison between the Board, the Board committees and management. The Company Secretary assists the Chairman, the Chairmen of Board committees and management in the development of the agendas for the various Board and Board committee meetings.

The appointment and the removal of the Company Secretary are subject to the Board's approval.

Independent Professional Advice

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

Remuneration Matters

Procedures for Developing Remuneration Policies Principle 7

Remuneration Committee

The RC is chaired by Mr Ng Kee Choe, an independent non-executive director, and comprises five members (including the RC Chairman), all of whom are independent non-executive directors based on the Code's criteria. Please refer to the Corporate Information section in the AR for the composition of the RC. The Board considers that Mr Ng Kee Choe, who has many years of experience in senior management positions and on various boards dealing with remuneration issues, is well qualified to chair the RC and that the members of the RC collectively have strong management experience and expertise on remuneration issues.

Appointment of New Remuneration Committee Member

Mr Liew Mun Leong, an independent NED since July 2009, was appointed as a RC member on 7 October 2010. Mr Liew has a wealth of experience on remuneration practices and policies from his involvement in senior management and as director of major public listed companies in Singapore. Mr Liew is the President and CEO of CapitaLand Group and Deputy Chairman of The Ascott Limited.

No member of the RC is involved in deliberations in respect of any remuneration, compensation, options or any form of benefits to be granted to him or her.

The RC reviews matters concerning remuneration of the Board, CEO and senior management. The RC approves the framework of remuneration for the entire organisation including the structuring of the long-term incentive plans. The RC also approves the annual salary increment pool and total incentive pool for distribution to staff of all grades. The RC's recommendations are submitted for the Board's discussion or, (as the case may be), approval.

The RC chairman, together with the NC, reviews and recommends to the Board the specific remuneration packages for executive directors and the CEO upon recruitment. Subsequently, annual increments, variable bonuses, performance share grants and other incentive awards, will be reviewed by the RC for recommendation to the Board. Please refer to 'Remuneration Report' on page 58 for further information on SGX's compensation philosophy and actual performance targets for the award of long-term incentives.

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

Level and Mix of Remuneration Principle 8

The RC administers the Performance Share Plan (PSP). The performance-related elements of remuneration are designed to align interests of executive directors, EXCO and staff with those of shareholders and link rewards to corporate and individual performance. Details of SGX's compensation philosophy and the compensation framework, including the PSP awards made thereunder, and the performance conditions for the vesting of the awards, are found in 'Remuneration Report' on page 58.

Non-executive Directors' Remuneration

In 2011, the RC reviewed the remuneration of NEDs, considering factors such as the increasing scope and extent of a director's responsibilities and obligations in the aftermath of the global financial crisis, the level of contribution and time spent. Having regard to the increased focus on risk management and regulatory requirements, and the referencing of directors' fees against comparable benchmarks, the Board agreed with the RC's recommendation to propose an increase in the fees for the Committee chairmen and members with effect from 1 October 2010. Prior to 2011, the directors' fee structure was last changed in 2008.

The SGX Chairman receives fees for being Chairman of the Board, together with the provision of transport (including car and driver) benefits, as approved by a separate resolution at each AGM. He also receives director fees and additional fees for serving on Board committees.

Disclosure of Remuneration Principle 9

Fees are paid to the NEDs in accordance with the following framework:

Fee Structure	2010	2011
Type of Fees		
NED—Basic Fee	\$55,000	\$55,000
Audit Committee—Chairman	\$30,000	\$40,000
Audit Committee—Member	\$18,000	\$30,000
Other Committee—Chairman	\$22,000	\$30,000
Other Committee—Member	\$12,000	\$20,000
Attendance Fee (per meeting)	\$1,500	\$1,500

Since 2008, SGX has been seeking shareholders' approval to pay the directors' fees on a current-year basis, at the AGM. SGX thus pays the NED fees on a quarterly basis in arrears. The NED fees which are paid on a current year basis, will be payable to a director if he or she is in service at the end of the current year quarter, or if the term of appointment ends within the quarter. Overseas directors are reimbursed for out-of-pocket travelling and accommodation expenses in Singapore.

For disclosure of the remuneration of the executive director and the five top-earning executives and a breakdown of the fees payable to each director, please refer to the 'Remuneration Report' on page 58. SGX has also disclosed in the Remuneration Report the remuneration of the five top-earning executives in actual figures, with a breakdown in terms of fixed pay, variable bonus, long-term incentive and benefits-in-kind.

None of the current staff and directors are related to each other.

Executive Directors' Remuneration

Executive directors do not receive directors' fees.

The CEO's contract stipulates a three-year fixed term. The contract does not contain onerous removal clauses. The terms of the contract were disclosed publicly via an SGXNet announcement at the time of appointment.

Long-term Incentive Scheme

Please refer to the 'Remuneration Report' and 'Directors' Report' on page 58 and page 100 respectively.

Accountability & Audit

Accountability

Principle 10

The Board provides shareholders with quarterly and annual financial reports. Results for the first three quarters are released to shareholders within 18 days from the end of the quarter. Annual results are released within 40 days from the financial year-end. In presenting the annual and quarterly financial statements to shareholders, the Board aims to provide shareholders with a balanced and clear assessment of SGX's position and prospects. For the financial year under review, the CEO and the Chief Financial Officer (CFO) have provided assurance to the Board on the integrity of the financial statements for SGX and its subsidiaries. For interim financial statements, the Board provides a negative assurance confirmation to shareholders, in line with the Listing Rules. This, in turn, is supported by a negative assurance statement from the CEO and CFO. Management provides directors with a monthly financial performance report either within 10 business days from month-end or on the day when the annual or quarterly financial results are released.

SGX also provides to its regulator, MAS, an annual report on the RCC's activities in relation to SGX's SRO conflicts management, and an annual self-assessment report of its discharge of its responsibilities as an exchange and a clearing house. MAS conducted an annual on-site inspection of SGX from February to April 2011.

Audit Committee

Principle 11

Composition of the AC

The AC is chaired by Mr Lee Hsien Yang and comprises four members, all of whom are independent NEDs based on the Code's criteria. Please refer to the 'Corporate Information' on page 201 for the composition of the AC.

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

The Board considers that Mr Lee Hsien Yang, who has extensive and practical financial management knowledge and experience, is well qualified to chair the AC.

Changes to the Composition of the AC in 2012

The Board approved changes to the composition of the AC in 2012 following the cessation of independence of Ms Euleen Goh and Mr Ho Tian Yee. Mr Liew Mun Leong and Mr Ng Kee Choe, who are independent NEDs, were appointed in their place. The members of the AC collectively have strong financial management expertise and experience.

Authority and Duties of the AC

The AC's primary role is to investigate any matter within its TOR. It has full access to, and the co-operation of, management and full discretion to invite any director or officer to attend its meetings. The AC has adequate resources, including access to external consultants and auditors, to enable it to discharge its responsibilities properly.

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

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

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

The AC met four times during the financial year under review. The Chairman, CEO, CFO, Co-Presidents, Chief Information Officer, Heads of Operations, Internal Audit and Legal and Compliance, and the external auditors were invited to attend these meetings. The AC considered and reviewed with management, the Head of Internal Audit and the Head of Legal & Compliance (where applicable) the following:

- a) significant internal audit observations and management's responses thereto;
- b) any regulatory breaches;
- c) planned scope of the annual internal and external audit plans to ensure that the plans covered sufficiently a review of the internal controls of SGX;
- d) planned scope of the annual compliance plans; and
- e) budget and staffing for Internal Audit and Compliance functions.

External Auditors

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

During 2011, the external auditors held a meeting with the AC, and separately with the AC chairman, without the presence of management. The AC reviewed the independence and objectivity of the external auditors through discussions with them as well as a review of the volume and nature of non-audit services provided by the external auditors during the financial year under review. Based on this information, the AC is satisfied that the financial, professional and business relationships between SGX and the external auditors will not prejudice their independence and objectivity. Accordingly, the AC has recommended the re-appointment of the external auditors at the coming AGM.

In the review of the financial statements for the year ended 30 June 2011, the AC discussed with management and the external auditors the accounting principles that were applied and their judgement of items that might affect the integrity of the financial statements. Following the review and discussions, the AC recommended to the Board the release of the full-year financial statements.

Whistleblowing Policy

SGX has a whistleblowing policy in place which encourages employees and vendors to report malpractices and misconduct in the workplace. SGX will protect employees, who have acted in good faith, from victimisation and harassment by their colleagues. SGX will treat all information received confidentially and protect the identity and the interest of all whistleblowers. Anonymous disclosures will be accepted and anonymity honoured. Reports can be lodged by calling the hotline at 62368585 or via email at whistleblowing@sgx.com

Interested Person Transactions Policy

SGX has procedures in place to comply with the Listing Manual requirements relating to interested person transactions. All new directors are briefed on the relevant provisions that they need to comply with. The AC also reviews any interested person transactions.

Internal Controls

Principle 12

Internal Audit

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

Risk Management Committee

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

In 2011, the RMC recommended, and the Board endorsed, a set of risk tolerance levels for SGX's key risks to ensure that there is clarity on the thresholds within which SGX should operate.

SGX has in place an enterprise-wide risk management framework to enhance its risk management capabilities. This is administered by the Enterprise Risk Management (ERM) team, which reports to the Chief Regulatory Officer. The key risks facing SGX have been identified and action plans are in place to mitigate these risks. In addition, the key risks at the process level have been identified via risk self-assessment exercises. Risk awareness and ownership of risk treatments are also continuously fostered across the organisation. Please refer to the 'Risk Management Report' on page 84 for further information on the identification and management of these risks.

Based on the work performed by Internal Audit, ERM and Compliance during the financial year, as well as the statutory audit conducted by the external auditors, the Board, through the AC and RMC, is satisfied that the operational, financial and compliance controls, and the risk management systems, are adequate to meet the needs of SGX in its current business environment.

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

Internal Audit

Principle 13

Line of Reporting and Activities

Internal Audit is an independent function within SGX. The Head of Internal Audit reports directly to the AC and administratively to the CEO. The AC approves matters relating to the Internal Audit Charter, risk assessment and related audit plans and results and follow up of internal audit activities. The AC approves the hiring, removal, evaluation and compensation of the Head of Internal Audit. The AC Chairman meets the Head of Internal Audit at least four times a year, without the presence of management. Internal Audit has unfettered access to all of SGX's documents, records, properties and personnel including the Chairman and AC.

Internal Audit operates within the framework stated in its Internal Audit Charter which is approved by the AC. The primary role is to assist the Board and senior management to meet the strategic and operational objectives of SGX, by providing an independent and objective evaluation of the adequacy and effectiveness of risk management, controls and governance processes.

All audit reports are copied to the AC, the CEO, the external auditors and relevant senior management representatives. The progress of corrective actions on outstanding audit issues is monitored through a company-wide issue management system. Information on outstanding issues is categorised according to severity and quarterly reports are sent to senior management and AC. High-risk outstanding issues are escalated to senior management to ensure timely resolution.

Adequacy of the Internal Audit Function

Internal Audit's annual plan is established in consultation with, but independently of, management and is aligned with the risk management framework of SGX. The plan is submitted to and approved by the AC. The AC is satisfied that Internal Audit has adequate resources to perform its functions, and has appropriate standing within SGX.

Professional Standards and Competency

Internal Audit is a member of the Singapore Chapter of The Institute of Internal Auditors (IIA) and has adopted the Standards for the Professional Practice of Internal Auditing (IIA Standards) laid down in the International Professional Practices Framework issued by the IIA. SGX Internal Audit continues to meet or exceed the requirements of the IIA Standards in all key aspects. Quality assessment reviews are carried out at least once in five years by external qualified professionals.

The professional competence of the internal auditors is maintained or upgraded through training programmes, conferences and seminars that provide updates on auditing techniques, regulations, financial products and services. Internal Audit is staffed with suitably qualified experienced professionals with diverse operational and financial experience, who are at the level of assistant vice president and above.

Communication with Shareholders

Principle 14

Disclosure of Information on a Timely Basis

SGX is committed to disclosing as much relevant information as is possible, in a timely, fair and transparent manner, to its shareholders. Material information is disclosed on a comprehensive, accurate and timely basis via SGXNET. The release of such timely and relevant information is central to good corporate governance and enables shareholders to make informed decisions in respect of their investments in SGX.

SGX adopts the practice of regularly communicating major developments in its businesses and operations through the appropriate media, such as news releases, annual reports, shareholders' circulars, shareholders' meetings, and also directly to other investors, analysts, the media, the public and its staff.

SGX notifies investors in advance of the date of release of its financial results, through an SGXNET announcement, and a media release. Results for the first three quarters are released to shareholders within 18 days from the end of the quarter. Annual results are released within 40 days from the financial year-end.

Briefings to present quarterly and full-year results are held for the media and analysts and through video webcasts. Annual Investor Relations Open Days are held where shareholders are briefed on the performance and prospects of SGX, and are given the opportunity to meet with senior management.

Corporate Website

SGX adopts transparent, accountable and effective communication practices as key means to enhance standards of corporate governance. We aim to provide clear and continuous disclosure of our CG practices through efficient use of technology. SGX's website has much to offer its shareholders and other stakeholders. The following information can be accessed from our corporate website:

1. Board of Directors and Executive Committee profiles
2. Minutes and Summary of Proceedings of AGM and Extraordinary General Meeting (EGMs)
3. Audiocast of AGM & EGM
4. Annual Reports
5. Circulars to Shareholders
6. Company Announcements
7. News Releases
8. Note to Substantial Shareholders
9. Financial Results
10. Calendar of Events

The latest AR, financial results (including webcasts of the quarterly and full-year results briefings for media and analysts and press releases) and company announcements are posted on the website following their release to the market, to ensure fair and equal dissemination to shareholders. SGX also makes available speeches and presentations given by the Chairman, CEO, and senior management, and a range of other information considered to be of interest to investors.

SGX's website has a clearly dedicated Investor Relations (IR) link, which features prominently the latest and past financial results and related information. The contact details of the IR team are available on the dedicated IR link, as well as in the AR, to enable shareholders to contact SGX easily. IR has procedures in place for addressing investors' queries or complaints as soon as possible.

Please refer to 'CSR Report' on page 70.

Greater Shareholder Participation

Principle 15

Shareholders are informed of shareholders' meetings through published notices and reports or circulars sent to all shareholders. Prior to each AGM, a shareholders' forum is made available at www.sgx.com to facilitate communication with shareholders on matters that concern them. The AGM procedures provide shareholders the opportunity to ask questions relating to each resolution tabled for approval. Opportunities are given to shareholders to participate, engage, and openly communicate their views on matters relating to SGX to the directors. The chairman of each of the AC, NC, RC and RMC, external auditors, management and legal advisors (where necessary), are also present to address shareholders' queries.

SGX's articles allow a shareholder to appoint up to two proxies to attend and vote in his place at general meetings. SGX also allows investors, who hold shares through nominees such as CPF and custodian banks, to attend AGM as observers without being constrained by the two-proxy rule, subject to availability of seats.

As the authentication of shareholder identity information and other related security issues still remain a concern, SGX has decided, for the time being, not to implement voting in absentia by mail, email or fax.

SGX provides for separate resolutions at general meetings on each distinct issue. All the resolutions at the general meetings are single item resolutions.

Detailed information on each item in the AGM agenda is in the explanatory notes to the AGM Notice in the AR.

The Company Secretary prepares minutes of shareholder meetings, a summary of the substantial comments and queries from shareholders and responses to them from the Board and management. These documents are publicly available on www.sgx.com

To have near total transparency in the voting process, SGX conducts electronic poll voting for all the resolutions passed at the AGM and EGM. Votes cast, for or against, each resolution will be tallied and displayed 'live-on-screen' to shareholders immediately at the meeting. The total number of votes cast for or against the resolutions are also announced after the meeting via SGXNET.

Securities Dealing

To guard against insider trading, SGX's Code of Dealing in Securities (Code of Dealings) adopts a "black-out" policy similar to that prescribed in the Singapore Exchange Securities Trading Limited (SGX-ST) Listing Manual. The Code of Dealings prohibits dealings in SGX's securities by its directors and staff and their "related persons" for a period of 2 weeks before the announcement of its quarterly or half-yearly financial results, and one month before the announcement of year-end results.

SGX issues a quarterly circular to its directors and officers informing them that SGX and its officers must not deal in SGX's securities before the release

of results and at any time they are in possession of unpublished material price-sensitive information.

In addition to the black-out policy on SGX shares, staff and their "related persons" who want to trade securities of any company listed on SGX-ST must seek prior approval from management. In addition, directors and staff are prohibited at all times from trading if they are in possession of material non-public information.

All SGX employees are required to complete an annual online refresher module and submit a certification of their understanding and compliance with the Code of Dealings. This is to

maintain continued awareness and compliance with the Code of Dealing.

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

Directors' Meeting Attendance Report 2011

	AGM	EGM	SGX Board		Audit Committee				Nominating Committee			
	Annual General Meeting	Extra-ordinary General Meeting	Number of meetings held	Number of meetings attended	Chairman	Members	Number of meetings held	Number of meetings attended	Chairman	Members	Number of meetings held	Number of meetings attended
Chew Choon Seng <i>SGX Chairman¹</i>	1	1	5	5			4 [#]	4 [#]		✓	1	1
J Y Pillay ²	1	1	3	3			2 [#]	2 [#]			0 [#]	0 [#]
Magnus Böcker <i>CEO</i>	1	1	5	5			4 [#]	4 [#]			1 [#]	1 [#]
Euleen Goh	1	1	5	5		✓	4	4			-	-
Ho Tian Yee	1	1	5	5		✓	4	4		✓	1	1
Lee Hsien Yang	1	1	5	5	✓		4	4			-	-
Loh Boon Chye	1	1	5	5		✓	4	4		✓	1	1
Low Check Kian	1	1	5	5			-	-	✓		-	-
Ng Kee Choe	1	1	5	5			-	-		✓	1	1
Robert Owen	1	1	5	5			-	-			-	-
Liew Mun Leong	1	1	5	4			-	-			-	-
Thaddeus Beczak ³	1	1	4	4			-	-			-	-

[#] By invitation

¹ Appointed on 1 January 2011

² Resigned on 31 December 2010

³ Appointed on 7 October 2010

⁴ Please refer to 'Ad hoc Steering Committee' on page 40.

Code of Confidentiality

The SGX group of companies deals with confidential information on a daily basis. Hence, protecting the confidentiality of information is of paramount importance to creating and maintaining our trusted marketplace. SGX is also obligated by law under the SFA to maintain confidentiality of user information, which refers to transaction information of a member or its customer. SGX has a Code of Confidentiality which aims to provide clear guidance to its staff on the proper management, use and disclosure of the different types of confidential information.

Code of Conduct & Ethics for Employees

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

Remuneration Committee				Risk Management Committee				Regulatory Conflicts Committee				Ad hoc Steering Committee ⁴			
Chairman	Members	Number of meetings held	Number of meetings attended	Chairman	Members	Number of meetings held	Number of meetings attended	Chairman	Members	Number of meetings held	Number of meetings attended	Chairman	Members	Number of meetings held	Number of meetings attended
✓		1	1			3 [#]	3 [#]			2 [#]	2 [#]	✓		5	5
		1 [#]	1 [#]			1 [#]	1 [#]			1 [#]	1 [#]			3 [#]	3 [#]
		1 [#]	1 [#]			3 [#]	2 [#]			2 [#]	1 [#]			5 [#]	4 [#]
		-	-		✓	3	3		✓	2	2			5 [#]	3 [#]
		-	-		✓	3	3			-	-		✓	5	5
✓		1	1			-	-			-	-		✓	5	5
		-	-	✓		3	3			-	-			5 [#]	2 [#]
✓		1	1			-	-			-	-		✓	5	5
✓		1	1		✓	3	3			-	-		✓	5	5
		-	-		✓	3	3	✓		2	2			5 [#]	4 [#]
✓		1	1			-	-		✓	2	1			5 [#]	0 [#]
		-	-			-	-		✓	2	2			5 [#]	4 [#]

Composition Requirements for the Board and Board Committees

The composition of the Board and Board committees are in line with the SFR 2005 requirements, which can be obtained from www.agc.gov.sg

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

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

Assessment of Independence of Individual Directors

All references to regulations (Reg) are a reference to the SFR 2005, which can be obtained from www.agc.gov.sg

No.	Name of Director	Independence Status under the Code	Independence Status under the SFR 2005	Reg 3(1)(a) Independent from Management Relationship	Reg 3(1)(b) Independent from Business Relationship	Reg 4 Independent from Substantial Shareholder
1.	Chew Choon Seng	Yes	Yes	Yes	Yes	Yes
2.	Magnus Böcker	No ¹	No	No	No	Yes
3.	Thaddeus Beczak	Yes	Yes	Yes	Yes	Yes
4.	Jane Diplock ⁴	Yes	Yes	Yes	Yes	Yes
5.	Euleen Goh	Yes	No ²	Yes	No	Yes
6.	Ho Tian Yee	Yes	No ²	Yes	No	Yes
7.	Lee Hsien Yang	Yes	Yes	Yes	Yes	Yes
8.	Liew Mun Leong	Yes	Yes	Yes	Yes	Yes
9.	Loh Boon Chye	Yes	No ³	Yes	No	Yes
10.	Low Check Kian	Yes	Yes	Yes	Yes	Yes
11.	Ng Kee Choe	Yes	Yes	Yes	Yes	Yes
12.	Robert Owen	Yes	Yes	Yes	Yes	Yes

¹ As CEO of SGX, Magnus Böcker is non-independent from management relationship. Hsieh Fu Hua, the former CEO who retired on 30 November 2009, was also deemed non-independent.

² Euleen Goh and Ho Tian Yee are non-independent by virtue of Reg 3(3)(c)(ii), due to directorship held with DBS Bank Ltd, an SGX member firm.

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

⁴ Jane Diplock was appointed as a non-executive and independent director on 25 July 2011.

Remuneration Report

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

Ng Kee Choe
Chairman
 Chew Choon Seng
 Low Check Kian
 Lee Hsien Yang
 Liew Mun Leong

Compensation Philosophy

We adopt a pay-for-performance compensation philosophy that links total compensation to organisational and individual performances. For this purpose, both external and internal equity are important in developing, administering and maintaining our reward programmes.

Our total compensation is made up of fixed and variable compensation. The fixed compensation comprises annual basic salary, fixed allowances and annual wage supplement (for the non-executives). The variable or “at risk” compensation is subject to performance and includes cash-based short-term incentives and share-based long-term incentives. The higher the job level, the greater is the proportion of variable compensation to total compensation.

Remuneration Mix

Our remuneration framework is made up of three key components:

- **Fixed pay;**
- **Total incentives;** and
- **Benefits**

Fixed Pay

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

Corporate Title	Base Salary Position
Associate to Assistant Vice President	55 th percentile of the reference market
Vice President to Senior Vice President	50 th percentile of the reference market

The annual salary review is in July of each year. We benchmark our salary structure with the financial industry and recommend to the RC the appropriate salary increments taking into account the profitability of SGX as a whole. We practice a salary cap for Senior Vice President and above.

Total Incentives

The total incentives pool funds all our short-term and long-term incentive plans and is computed using the following formula:

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

Short-term Incentives

Short-term incentives take the form of an annual variable bonus and sales incentive payment for employees performing sales roles.

The RC reviews and approves the variable bonus pool for distribution. The Management moderates and allocates the variable bonus based on the individual performance of employees and their contributions towards the achievement of SGX's performance. Employees performing sales roles are rewarded with sales incentive payments based on achievement of sales targets.

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

Long-term Incentives

Following the adoption of the SGX Performance Share Plan (the Plan) at the Extraordinary General Meeting on 22 September 2005, the RC terminated the SGX Share Option Plan (the Scheme) with respect to the grant of further options. However, options granted and outstanding prior to the termination will continue to be valid and subject to the terms and conditions of the Scheme. The Plan rewards the senior management team and selected heads of functions in SGX.

High-performing and high-potential executives who are not eligible for the Plan will be eligible for the SGX Deferred Long-Term Incentives scheme (the LTI Scheme) based on organisational and individual performances. These incentives serve to enhance SGX's total compensation package and strengthen the company's ability to reward and retain key employees.

A minimum of 25% of the TI pool is allocated for distribution of long-term incentives (comprising the Plan and the LTI Scheme).

The SGX Performance Share Plan

The Plan is a share-based incentive scheme administered by the RC.

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

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

Restrictions

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

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

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

Eligibility

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

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

Performance Share Plans for 2009, 2010, 2011

The RC has approved the Plan for 2009, 2010 and 2011 and has absolute discretion in the granting of performance shares. Details are as follows:

2009 Grant

The 2009 grant will vest upon achievement of the following measures over a three-year performance period from 1 July 2008 to 30 June 2011:

(i) ROE; (ii) Absolute TSR; (iii) SGX TSR against STI TSR; and (iv) SGX TSR against FTSE/MV TSR

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

The shares awarded on the vesting date could range from 0% to 150%, depending on the level of achievement against the performance targets. For an achievement between the Threshold and Above Target performance levels, the payout percentage will be pro-rated on a straight-line basis.

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

Participants (as defined under the Plan)	Balance as at 01.07.2010	Shares Lapsed during Financial Year	Balance as at 30.06.2011
EXCO Members			
Gan Seow Ann ¹	150,800	-	150,800
Muthukrishnan Ramaswami ¹	135,700	-	135,700
Yeo Lian Sim ¹	120,600	-	120,600
Lawrence Wong Liang Ying ¹	98,000	-	98,000
Chew Sutat	90,500	-	90,500
Chang Kuan Aun	82,900	-	82,900
Robert Ian Caisley	60,300	-	60,300
Benjamin Foo	45,000	-	45,000
Other Staff	394,200	-	394,200
Hsieh Fu Hua ^{1,2}	458,500	-	458,500
Seck Wai Kwong ^{1,3}	135,700	(135,700)	-
Total	1,772,200	(135,700)	1,636,500

* Absolute TSR is benchmarked against the Cost of Equity of 10%.

¹ Received more than 5% of the 1,834,000 shares granted under the 2009 grant.

² Hsieh Fu Hua was SGX's former CEO. His contract ended on 30 November 2009. Under his contract, he will continue to be eligible to receive the award at the vesting date, depending on the level of achievement against the performance conditions.

³ Seck Wai Kwong resigned as SGX's CFO and his last day of service was 10 June 2011. All his unvested shares have lapsed on the same date.

2010 Grant

The 2010 grant will vest upon achievement of the following measures over a three-year performance period from 1 July 2009 to 30 June 2012:

(i) ROE; (ii) Absolute TSR; (iii) SGX TSR against STI TSR; and (iv) SGX TSR against FTSE/MV TSR

	ROE (Weight=50%)		+	Absolute TSR* (Weight=25%)		+	SGX TSR against STI TSR (Weight=12.5%)		+	SGX TSR against FTSE/MV TSR (Weight=12.5%)	
Performance level	Average over 3FYs	Payout (% of base allocation)		Average over 3FYs	Payout (% of base allocation)		Average spread over 3FYs	Payout (% of base allocation)		Average spread over 3FYs	Payout (% of base allocation)
Above Target	≥ 47.5%	150%		≥ 19.0%	150%		≥ 10.0% pts	150%		≥ 7.0% pts	150%
At Target	42.5%	100%		16.0%	100%		6.5% pts	100%		4.5% pts	100%
Threshold	37.5%	50%		13.0%	50%		3.0% pts	50%		2.0% pts	50%
Below Threshold	< 37.5%	Nil		< 13.0%	Nil		< 3.0% pts	Nil		< 2.0% pts	Nil

The shares awarded on the vesting date could range from 0% to 150%, depending on the level of achievement against the performance targets. For an achievement between the Threshold and Above Target performance levels, the payout percentage will be pro-rated on a straight-line basis.

The performance shares will vest on 1 September 2012. Details of the shares granted to the Participants are as follows:

Participants (as defined under the Plan)	Balance as at 01.07.2010	Shares Lapsed during Financial Year	Balance as at 30.06.2011
EXCO Members			
Gan Seow Ann ¹	96,800	-	96,800
Muthukrishnan Ramaswami ¹	96,800	-	96,800
Yeo Lian Sim ¹	82,300	-	82,300
Lawrence Wong Liang Ying ¹	62,900	-	62,900
Chew Sutat ¹	62,900	-	62,900
Robert Ian Caisley	48,400	-	48,400
Chang Kuan Aun	43,600	-	43,600
Benjamin Foo	25,300	-	25,300
Other Staff	328,500	(14,000)	314,500
Hsieh Fu Hua ^{1,2}	310,000	-	310,000
Seck Wai Kwong ^{1,3}	82,300	(82,300)	-
Total	1,239,800	(96,300)	1,143,500

* Absolute TSR is benchmarked against the Cost of Equity of 10%.

¹ Received more than 5% of the 1,239,800 shares granted under the 2010 grant.

² Hsieh Fu Hua was SGX's former CEO. His contract ended on 30 November 2009. Under his contract, he will continue to be eligible to receive the award at the vesting date, depending on the level of achievement against the performance conditions.

³ Seck Wai Kwong resigned as SGX's CFO and his last day of service was 10 June 2011. All his unvested shares have lapsed on the same date.

Special Award to the Former CEO, Hsieh Fu Hua

A conditional award of 436,485 SGX shares was granted to Hsieh Fu Hua on 30 November 2009. The shares will vest at the end of a three-year period, on 30 November 2012, on condition that he does not, directly or indirectly, carry on or be engaged in, or concerned with any activity or business which SGX may deem to be in competition with the business of the Company and its subsidiaries, for a period of one year from the grant date.

2011 Grant

The 2011 grant will vest upon achievement of the following measures over a three-year performance period from 1 July 2010 to 30 June 2013:

(i) ROE; (ii) Absolute TSR; (iii) SGX TSR against FTSE/MV TSR

	ROE (Weight=50%)		+	Absolute TSR* (Weight=25%)		+	SGX TSR against FTSE/MV (Weight=25%)	
Performance level	Average over 3FYs	Payout (% of base allocation)		Average over 3FYs	Payout (% of base allocation)		Average spread over 3FYs	Payout (% of base allocation)
Above Target	≥ 47.5%	150%		≥ 16%	150%		≥ 7% pts	150%
At Target	42.5%	100%		13%	100%		4.5% pts	100%
Threshold	37.5%	50%		10%	50%		2.0% pts	50%
Below Threshold	< 37.5%	Nil		< 10%	Nil		< 2.0% pts	Nil

The shares awarded on the vesting date could range from 0% to 150%, depending on the level of achievement against the performance targets. For an achievement between the Threshold and Above Target performance levels, the payout percentage will be pro-rated on a straight-line basis.

The performance shares will vest on 1 September 2013. Details of the shares granted to the Participants are as follows:

Participants (as defined under the Plan)	Shares Granted during Financial Year ¹	Shares Lapsed during Financial Year	Balance as at 30.06.2011
EXCO Members			
Magnus Böcker ²	192,200	-	192,200
Gan Seow Ann ²	96,000	-	96,000
Muthukrishnan Ramaswami ²	96,000	-	96,000
Yeo Lian Sim ²	82,000	-	82,000
Lawrence Wong Liang Ying ²	62,000	-	62,000
Chew Sutat ²	62,000	-	62,000
Robert Ian Caisley	48,000	-	48,000
Chang Kuan Aun	43,000	-	43,000
Benjamin Foo	43,000	-	43,000
Other Staff	346,800	(37,600)	309,200
Seck Wai Kwong ^{2,3}	82,000	(82,000)	-
Total	1,153,000	(119,600)	1,033,400

* Absolute TSR is benchmarked against the Cost of Equity of 10%.

¹ Represents the number of shares required if participants are to be awarded at 100% of the grant. However, the shares to be awarded at the vesting date may range from 0% to 150% of the grant, depending on the level of achievement against the performance conditions. There shall be no award if the achievement falls below the threshold performance condition.

² Received more than 5% of the 1,153,000 shares granted under the 2011 grant.

³ Seck Wai Kwong resigned as SGX's CFO and his last day of service was 10 June 2011. All his unvested shares have lapsed on the same date.

The SGX Deferred Long-Term Incentives Scheme

The LTI Scheme was approved by the RC in July 2006. It recognises past contributions and services, and strengthens the company's ability to reward and retain high-performing executives who have the potential for higher level jobs. The RC may determine to grant an award, wholly or partly, in SGX shares or in cash, subject to a vesting schedule. Since the commencement of the LTI Scheme, no Recipient[#] has been awarded 5% or more of the total shares available for each financial year.

Restrictions

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

Eligibility

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

2009 Award

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

Below are the details of shares awarded:

Recipients (as defined under the LTI Scheme)	Balance as at 01.07.2010	Shares Lapsed during Financial Year	Shares Vested during Financial Year	Balance as at 30.06.2011
Award with three-year vesting period	422,000	(34,500)	(201,900)	185,600
Total	422,000	(34,500)	(201,900)	185,600

2010 Award

There were two awards in 2010. Both awards were given in the form of SGX shares. One award has a one-year vesting period which vested on 3 November 2010. Another will vest in three equal instalments over a period of three years with the first instalment vested on 3 November 2010.

Below are the details of shares awarded:

Recipients (as defined under the LTI Scheme)	Balance as at 01.07.2010	Shares Lapsed during Financial Year	Shares Vested during Financial Year	Balance as at 30.06.2011
Award with three-year vesting period	397,100	(31,900)	(129,100)	236,100
Award with one-year vesting period	17,000	-	(17,000)	-
Total	414,100	(31,900)	(146,100)	236,100

2011 Award

There were two awards in 2011. Both awards were given in the form of SGX shares. One award has a one-year vesting period which will vest on 1 November 2011. Another will vest in three equal instalments over a period of three years with the first instalment vesting on 1 November 2011.

Below are the details of shares awarded:

Recipients (as defined under the LTI Scheme)	Shares Granted during Financial Year	Shares Lapsed during Financial Year	Balance as at 30.06.2011
Award with three-year vesting period	423,600	(37,650)	385,950
Award with one-year vesting period	12,000	(1,000)	11,000
Total	435,600	(38,650)	396,950

[#] Defined under the LTI Scheme as "A Group Employee or an Associate Company Employee who has been granted an award".

Disclosure on Directors' Remuneration

The tables below show the gross remuneration of the executive and non-executive directors of SGX for 2011.

Executive Director	Fixed Pay	Bonus ¹	Ex-gratia Payment	Long-term Incentives	Benefits-in-kind	Total Gross Remuneration
Magnus Böcker	750,000	2,250,000	714,000	-	311,744	4,025,744

¹ The bonus was determined by the RC after taking into account the achievement of specific quantitative and qualitative KPIs and objectives set for 2011.

Non-Executive Directors	Directors' Fees
Chew Choon Seng ¹	427,500*
J Y Pillay ²	375,000*
Ho Tian Yee	153,074
Low Cheek Kian	127,074
Euleen Goh	142,000
Ng Kee Choe	149,574
Loh Boon Chye	150,500
Lee Hsien Yang	141,074
Robert Owen	119,000
Liew Mun Leong	98,174
Thaddeus Beczak ³	67,027
Total	1,949,997

* Excluding the provision of a car and a driver.

¹ Fees paid to Mr Chew in 2011 included board and board committees fees of \$52,500 for the period beginning 1 July 2010 to 31 December 2010. Mr Chew was appointed as SGX Chairman on 1 January 2011.

² Mr Pillay served as SGX Chairman until 31 December 2010.

³ Mr Beczak was appointed on 7 October 2010.

(Directors' fees for 2012 are subject to shareholders' approval at the AGM. Please refer to the Notice of AGM on page 198. Please refer to the Corporate Governance Report on page 36.)

Disclosure on Five Top-Earning Executives' Remuneration

The table below shows the gross remuneration of the other five top-earning executives for the financial year ended 30 June 2011.

Name of Executives	Fixed Pay	Bonus for 2011 ¹	Ex-gratia Payment	Long-term Incentives ²	Benefits-in-kind	Total Gross Remuneration
Gan Seow Ann	405,996	1,102,588	-	752,046	8,943	2,269,573
Muthukrishnan Ramaswami	405,996	1,102,588	-	563,176	3,066	2,074,826
Yeo Lian Sim	403,032	776,350	-	563,176	4,644	1,747,202
Chew Sutat	368,148	753,488	-	338,249	11,745	1,471,630
Lawrence Wong Liang Ying	354,378	626,913	-	451,571	8,900	1,441,762

¹ The bonuses for SGX senior management were determined after taking into account the achievement of specific individual and organisational KPIs set for 2011.

² Vesting of the Plan for 2008 based on the fair value on grant date. The shares vested on 1 November 2010.

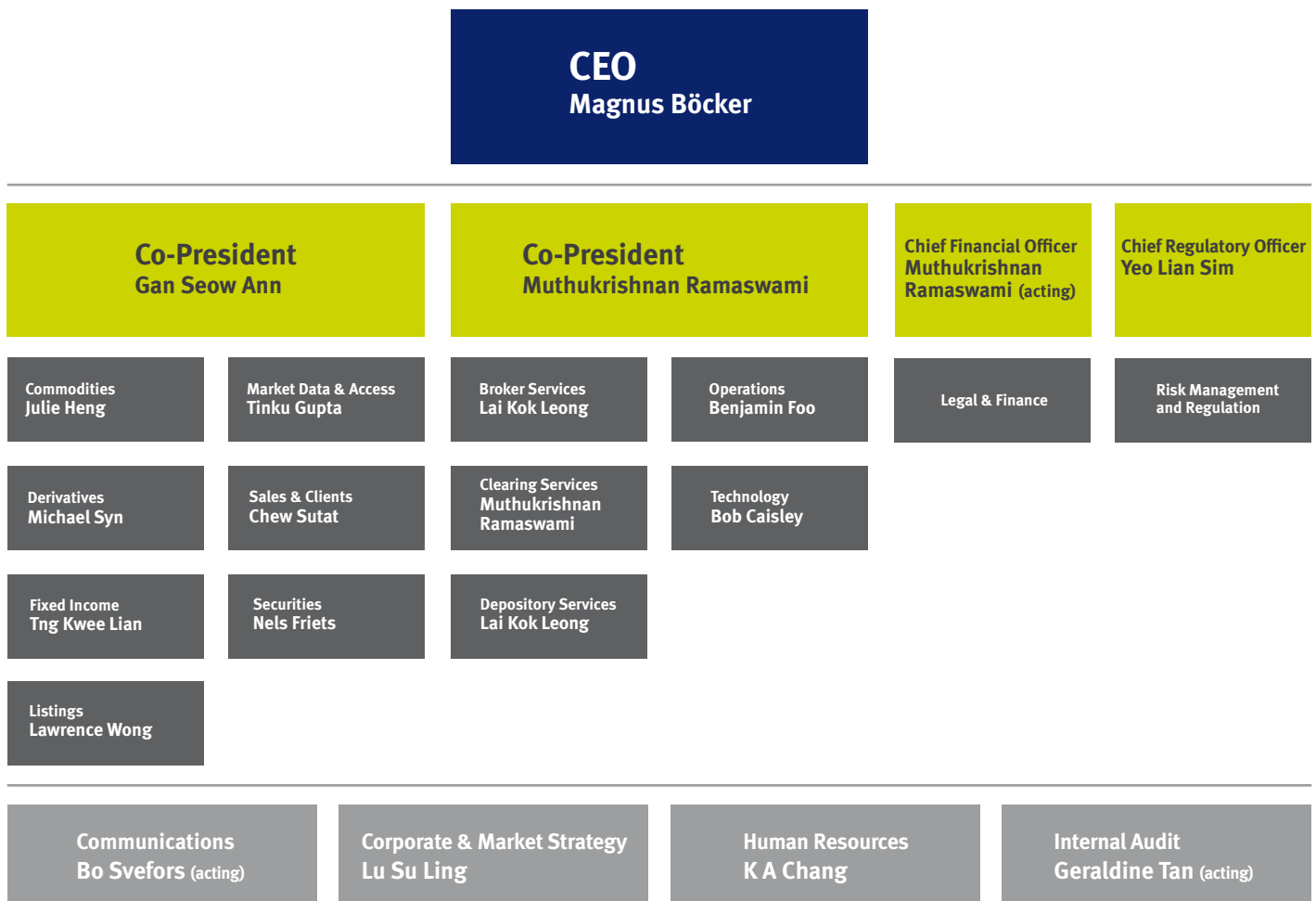
Benefits

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

Organisation Chart

SGX announced a new organisational structure on 30 June 2010 to drive innovation in developing products and services as well as improve its member acquisition and distribution effectiveness.

Under the new organisational structure, there will be ten Business Units and seven Support Units, all aligned to provide a sharper focus on key products, market segments and the overall responsiveness to customer needs. Risk Management and Regulation continues to provide the regulatory balance and risk governance for SGX. The new organisational structure reaffirms SGX's Asian Gateway strategy, helps it to capitalise on Asia's emerging opportunities and paves the way for its continued growth.



Disciplinary and Appeals Committees

Singapore Exchange (SGX) has a total of nine Disciplinary Tribunals, comprising of six Disciplinary Committees and three Appeals Committees, as set out below:

- | | |
|---|--|
| 1. SGX Derivatives Trading (SGX-DT)
Disciplinary Committee | 6. Catalist
Disciplinary Committee |
| 2. SGX Derivatives Clearing (SGX-DC)
Disciplinary Committee | 7. Catalist
Appeals Committee |
| 3. SGX Securities Trading (SGX-ST)
Disciplinary Committee | 8. Singapore Commodities Exchange (SICOM)
Disciplinary Committee |
| 4. The Central Depository (CDP)
Disciplinary Committee | 9. Singapore Commodities Exchange (SICOM)
Appeals Committee |
| 5. SGX
Appeals Committee | |

The Disciplinary Committees hear charges brought by SGX against Regulated Persons¹ who are alleged to have violated any of SGX's Rules and Regulations (Rules). If the Disciplinary Committees decide that the charges have been established by SGX, they will decide on the appropriate penalty. Penalties that may apply are reprimands, fines, restrictions or conditions on activities, suspension, expulsion, revocation of authorisation, deregistration, undertaking an educational or compliance programme, ordering directors to step down from their day-to-day business, and confirming, changing or discharging the appointment of a manager by the member.

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

¹ Regulated Persons include in the case of the SGX-DT, SGX-DC, SGX-ST, CDP and SICOM Disciplinary Committees, a trading member or a clearing member registered with SGX or SICOM under the Rules, or any of the members' directors, trading representatives, officers, employees or agents; and in the case of the Catalist Disciplinary Committee, a Sponsor or Regulated Persons registered with Catalist.

SGX-DT, SGX-DC, SGX-ST and CDP Disciplinary Committees

A notice of charge was issued against a Regulated Person in 2011, but as at 30 June 2011, the hearing before the SGX-DC Disciplinary Committee remained pending.

For purposes of transparency, the Grounds of Decision for each Disciplinary Tribunal hearing is published on the SGX website.

No charges were preferred against any Regulated Person in the SGX-DT, SGX-ST and CDP Disciplinary Committees during 2011.

The composition of the respective Disciplinary Committees are as follows:

SGX-DT and SGX-DC Disciplinary Committee Members

Eddie Tan (Chairman)
Regional Treasurer
Asia Pacific, Citibank N.A.

Francis Mok Lip Wee
Lawyer
Allen & Gledhill LLP

Tan Kah Gee
Former Managing Director
Mizuho Securities (Singapore) Pte Ltd

Paul Davies
Managing Director
Goldman Sachs Futures Singapore

Steve Ng Kuan Kuen
Former Chief Executive Officer
Deutsche Futures Singapore

SGX-ST and CDP Disciplinary Committee Members

Nels Radley Friets (Chairman)²
Consultant

Leong Mun Wai
Chief Executive Officer
Timbre Capital Pte Ltd

Petrus Huang Yen San
Lawyer
Drew & Napier LLC

Hamidul Haq
Lawyer
Rajah & Tann LLP

Lam Chee Kin
Global Head
Wholesale Banking Compliance
Standard Chartered Bank Ltd

SGX Appeals Committee

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

The composition of the SGX Appeals Committee is as follows:

SGX Appeals Committee

Michael Sydney Hwang (Chairman)
Lawyer, Senior Counsel
Michael Hwang SC

Lawrence Ang
Former Principal Senior State Counsel
Attorney-General's Chambers

Colin Ng Teck Sim
Lawyer
Colin Ng & Partners LLP

Michael Wong Ping Seng
Futures Broker
Phillip Futures Pte Ltd

Hugh Young
Fund Manager
Aberdeen Asset Management
Asia Limited

² Arising from Nels Friets' appointment as Head of Securities with SGX, he has resigned as Chairman and member of the SGX-ST, CDP and Catalist Disciplinary Committees with effect from 1 June 2011.

Catalist Disciplinary Committee and Catalyst Appeals Committee

The Catalist Disciplinary Committee and the Catalyst Appeals Committee function to discipline Sponsors³ and Regulated Persons³ where there is a violation of the Rules of Catalist in Section B of the Listing Manual (Rules of Catalist).

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

No cases have been brought before the Catalist Disciplinary Committee to date.

The Sponsor or Regulated Persons may appeal to the Catalyst Appeals Committee against the decision of the Catalist Disciplinary Committee.

The composition of the Catalist Disciplinary Committee is as follows:

Catalist Disciplinary Committee Members

Nels Radley Friets (Chairman)²
Consultant

Hamidul Haq
Lawyer
Rajah & Tann LLP

Petrus Huang Yen San
Lawyer
Drew & Napier LLC

Leong Mun Wai
Chief Executive Officer
Timbre Capital Pte Ltd

Kan Shik Lum
Corporate Finance Practitioner
DBS Bank Ltd

Mah Kah Loon
Corporate Finance Practitioner
CIMB Bank Berhad, Singapore Branch

Lam Chee Kin
Global Head,
Wholesale Banking Compliance
Standard Chartered Bank Ltd

The composition of the Catalyst Appeals Committee is as follows:

Catalist Appeals Committee Members

Michael Sydney Hwang (Chairman)
Lawyer, Senior Counsel
Michael Hwang SC

Lawrence Ang
Former Principal Senior State Counsel
Attorney-General's Chambers

Michael Wong Ping Seng
Futures Broker
Phillip Futures Pte Ltd

Colin Ng Teck Sim
Lawyer
Colin Ng & Partners LLP

George Lee
Corporate Finance Practitioner
OCBC Bank Ltd

Tracey Woon
Corporate Finance Practitioner
Citigroup Global Markets
Singapore Pte Ltd

Hugh Young
Fund Manager
Aberdeen Asset Management Asia Limited

² Arising from Nels Friets' appointment as Head of Securities with SGX, he has resigned as Chairman and member of the SGX-ST, CDP and Catalist Disciplinary Committees with effect from 1 June 2011.

³ As defined in the Rules of Catalist

SICOM Disciplinary Committee and SICOM Appeals Committee

Two new committees, namely the Singapore Commodity Exchange Limited (SICOM) Disciplinary Committee and the SICOM Appeals Committee were formed in February 2011 to discipline Members⁴ where there is a violation of the Rules of SICOM.

No cases have been brought before the SICOM Disciplinary Committee to date.

The composition of the SICOM Disciplinary Committee is as follows:

SICOM Disciplinary Committee Members	
Eddie Tan (Chairman) Regional Treasurer, Asia Pacific Citibank N.A.	Francis Mok Lip Wee Lawyer Allen & Gledhill LLP
Tan Kah Gee Former Managing Director Mizuho Securities (Singapore) Pte Ltd	Paul Davies Managing Director Goldman Sachs Futures Singapore
Steve Ng Kuan Kuen Former Chief Executive Officer Deutsche Futures Singapore	Hemant Bhatt Chief Executive Officer Louis Dreyfus Commodities Asia Pte Ltd

The Member may appeal to the SICOM Appeals Committee against the decision of the SICOM Disciplinary Committee.

The composition of the SICOM Appeals Committee is as follows:

SICOM Appeals Committee Members	
Michael Sydney Hwang (Chairman) Lawyer, Senior Counsel Michael Hwang SC	Hugh Young Fund Manager Aberdeen Asset Management Asia Limited
Michael Wong Ping Seng Futures Broker Phillip Futures Pte Ltd	Lim How Teck Chairman Redwood International Pte Ltd
Colin Ng Teck Sim Lawyer Colin Ng & Partners LLP	

Independence of the Disciplinary and Appeals Committees

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

- The members of the Disciplinary Tribunals are industry experts and professionals;
- No director, officer or employee of SGX may be appointed as a member of the Disciplinary Tribunals; and
- The process of managing the hearings or meetings by the Disciplinary Tribunals is undertaken by the Legal unit, which is a unit separate from the Enforcement unit reporting to the Head of Risk Management and Regulation. The Enforcement unit prefers the charges against Regulated Persons.

⁴As defined in the Rules of the Singapore Commodity Exchange Limited

Corporate Social Responsibility (CSR) Report

The SGX Approach to CSR

Sustainable development has been defined as ‘meeting the needs of the present without compromising the ability of future generations to meet their own needs’¹. It has gained much more attention today as the global supply of natural resources and supporting eco-system services have come under increasing scrutiny in the face of insatiable demand for these resources. At SGX, we have used the term, ‘Corporate Social Responsibility’, to present our approach to the issue of sustainable development.

SGX as The Asian Gateway, is at the epicentre of dynamic growth and diverse capital activities. Being a leading exchange, we aim to attract leading companies with leading standards into our markets. We are committed to upholding a sustainable, quality marketplace for our listed companies and market participants. SGX has long focused our efforts on governance practices and is also committed to fostering and improving our environmental and social initiatives. In June 2011 we launched our Sustainability Reporting Guide in an effort to promote the increased disclosure of Environmental, Social and Governance (ESG) issues by SGX listed companies.

SGX views Corporate Social Responsibility (CSR) as a key pillar of our corporate culture. We recognise that our accountability for risk mitigation extends to our various stakeholders. As a listed company, we are responsible for meeting the needs of our employees and shareholders. SGX is also committed to actively engaging our staff in CSR initiatives. As a corporate, we believe we can further the common good and make a positive impact in our community. We are delighted to report our inclusion in the FTSE4Good Index Series for the first time in 2011. As a market operator, we serve the marketplace by upholding high regulatory standards and maintaining an efficient and robust infrastructure. In this role, SGX is committed to building a highly trusted marketplace for the long-term benefit of all investors and issuers.

Moreover, we plan to better institutionalise our CSR reporting by the recent establishment of a CSR Committee that will comprise senior SGX staff from across our main functions. These EXCO members are charged with promoting CSR throughout SGX and supporting more staff initiatives. Our CSR Committee reports directly to the CEO, a member of the SGX Board, and we will use our 2011 indicators as a base line for comparison with future years.

About this Report

This report outlines the various CSR initiatives undertaken by SGX and how these initiatives benefit respective stakeholders over the financial year, 1 July 2010 to 30 June 2011. The initiatives include policies and practices SGX adopts in each of the three key areas: Environmental, Social and Governance (ESG). This year we have selected over 20 ESG indicators by which our progress can be measured. There has been no re-statement of information provided in the CSR Report from the last financial year, 1 July 2009 to 30 June 2010.

Global Reporting Initiative

We currently use the Global Reporting Initiative (GRI) G3.1 Guidelines in combination with the Financial Services Sector Supplement to prepare our CSR Report. The Global Reporting Initiative is a network-based organisation that pioneered the world’s most widely used sustainability reporting framework. GRI’s core goals include the mainstreaming of disclosure on environmental, social and governance performance. The ‘GRI Content Index’ found on page 80 of this report outlines the specific GRI reporting elements and indicators that we address and for which we satisfied the requirements for GRI Application Level ‘C’.

The complete GRI Content Index can be found on our website, www.sgx.com, under the SGX Annual Report 2011.

¹ The Brundtland Report, United Nations General Assembly A/RES/42/187 Report of the World Commission on Environment and Development, 11 December 1987

Environmental Sustainability at SGX

SGX is aware of the various issues relating to climate change we are facing today and is trying to minimise the impact our business has on the environment through various initiatives.

Given the nature of our business and the financial products and services we offer, SGX is a relatively small emitter of greenhouse gases. Following the launch of our new SGX Data Centre in 2011, we will adopt a 'Green Data Centre' policy later this year. This will reinforce our commitment to energy efficiency. In addition, we still strive to keep the environmental impact of our business to a minimum. For example, we have a policy of maintaining indoor ambient temperature at 23.5 degrees Celsius, and we use energy-saving lighting systems in our facilities. In addition, our employees are always encouraged to print double-sided copies to reduce our paper consumption and to re-use recycled paper.

In 2011, we consumed 1,754,997 kWh of electricity, which is equivalent to 1,334 tons of greenhouse gases emitted into the environment. Our office paper consumption was 24.4 tons, which corresponds to 46.5 tons of greenhouse gases.

Currently SGX prints and mails broker contract statements, CDP confirmation notes and CDP account statements to CDP account holders. In 2010, SGX printed and mailed 19.3 million such notifications (or an equivalent of 144 tons of paper or 266 trees²) to investors. This number has been reduced to 18.0 million in 2011

(or an equivalent of 142 tons of paper or 262 trees). From the next financial year onwards, we aim to further reduce the amount of paper consumption, storage and wastage with the introduction of electronic statements.

We employ the services of Shred-it, which not only protects the privacy and confidentiality of our operations but also allows the documents to be recycled into a variety of useful paper products after being destroyed. In 2011, this initiative has allowed us to save an equivalent of 44 trees. While this is small compared to the total amount of paper used by SGX, it signals our commitment to the recycling of paper and promotes responsible use of resources among our staff.

In 2010 we also engaged CISCO Recall and CROWN to assist in the confidential destruction of sensitive documents, waste and other business items for recycling. Over 90 tons of cartons were destroyed, another small but important step in our responsible waste management practices.

As SGX operates in leased office premises, our water supply and discharge are controlled by the building management which considers the provision of such data for individual occupants not feasible.

Over the last few financial years, SGX has offered our shareholders the option to receive the Annual Report, AGM and EGM documents in digital format instead of traditional printed copies. This is one of several efforts to reduce our carbon footprint by saving paper and therefore reducing our impact on the environment. Mindful of our position as a leading exchange, we hope that we can be a good example for our listed companies. In the coming financial years, we aim to fully eliminate the need to deliver hard copies of our Annual Report to our shareholders.

In the coming years, our CSR Committee and staff will develop new ways to promote environmental sustainability across SGX. We will also be setting specific targets to reduce our impacts.

The table below summarises our current metrics:

2011 Metrics	Unit	Performance
Resource Consumption		
Electricity	kWh	1,754,997
Office paper	ton	24.4
GHG Emissions (CO₂ equivalent)		
Electricity usage	ton	1,334
Paper consumption	ton	46.5
Waste collected for recycling	ton	111

² Based on trees of 100 to 500 years old in virgin forest in excess of 75 feet

Social Sustainability at SGX

Building a Sustainable Workforce

SGX has mapped out four roles for ourselves to translate our human resources philosophy into actions and activities. These roles are:

- Equal Opportunity Employer
- Proponent of Learning and Development
- Guardian of Staff Welfare
- Advocate of Work-Life Balance

Equal Opportunity Employer

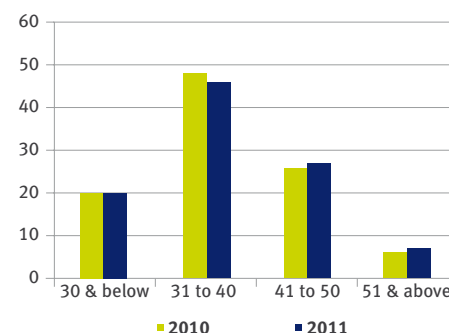
Managing talent is the key to our success. SGX continues to fine-tune performance management processes to enable us to remain competitive, to drive performance improvement and to reinforce our “pay for performance” philosophy. Performance distributions are aligned with rewards and will promote transparency by encouraging effective communication and performance feedback between managers and employees.

At SGX, all 590 employees are assured of equal opportunities and benefit from merit-based promotions, rewards and retention. SGX celebrates diversity in the workplace in terms of age, ethnicity and gender. We believe that diversity creates a dynamic environment where new ideas and perspectives, experience and knowledge can be constantly shared and discussed. Employees can also benefit from the continuity, mentoring and leadership which exist as a result of the presence of longer-serving colleagues.

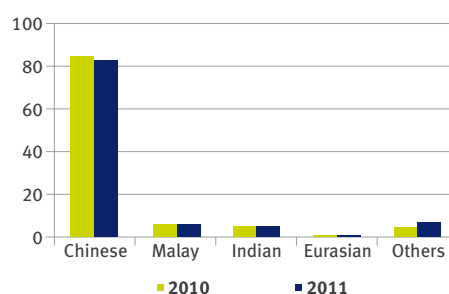
SGX’s social sustainability metrics include employee turnover and demographics on diversity, training and health and safety. We have a healthy balance of gender diversity with males forming 44% of our staff while women make up the remaining 56%. SGX employee bench strength is well supported by a large pool of experienced employees between the age group of 30–50 years, which make up about 73% of the total population.

Our sick leave absentee rate is well maintained at approximately 1% on average annually. Employee turnover at 14% of the total staff population is generally below the financial industry norm of between 16–18%.

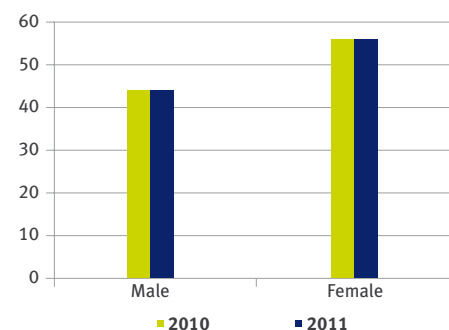
Diversity of Employee by Age (%)



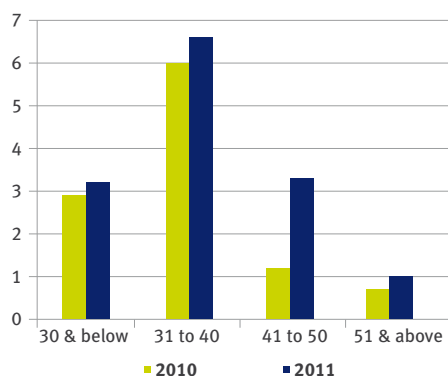
Diversity of Employee by Race (%)



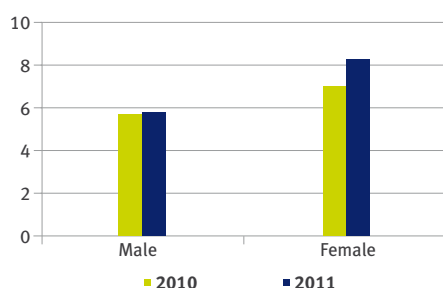
Diversity of Employee by Gender (%)



Employee Turnover Rate by Age (%)



Employee Turnover Rate by Gender (%)



Proponent of Learning and Development

The SGX scholarship programme is currently in its 11th year. The scholarships are awarded to talented students pursuing their tertiary studies at National University of Singapore, Nanyang Technological University and Singapore Management University to nurture and develop these gifted individuals to be the future of SGX. In 2011, SGX awarded three students the scholarship which brings the total number of scholarships offered to date to 41.

The Management Associate (MA) Programme was launched in 2006 to engage and develop bright and promising talent through active learning and a mentorship framework. To date, we have offered this fast track programme to 15 management associates with four of them still in the process of completing their programme. Since 2008, we have also introduced the Technology Associate (TA) Programme to build our technology strength for the future. We have hired seven technology associates to date on this programme.

At SGX, we also believe in constant training and development so that our staff can remain competitive by equipping themselves with the relevant knowledge and skills needed in this environment. One example is our staff job rotation that allows more lateral movement and exposure in SGX to other functional areas. About 11% of our staff were rotated to new assignments during 2011. Further, our Brown Bag sessions, which have been conducted over lunch time, facilitate greater understanding of the functional areas within the Exchange and provide the context within which every job contributes to SGX's strategic direction. On balance, 90% of SGX's employees undergo at least one training course per year, with an achievement of 25–26 hours of training per employee per year on average.

In addition to the regular training programmes, we have the Continuous Learning Programme, which consists of courses leading to academic qualifications such as certificate, diploma, degree and even up to post-degree qualifications. The Financial Scholarship Programme saw us sponsoring an employee to the UK to pursue her Master degree in Finance at the University of Cambridge. She has since returned to take up a role in our Risk Management team.

Guardian of Staff Welfare

To ensure that the work environment is accommodative and vibrant and that the overall productivity of the organisation is well maintained, SGX provides in-house counselling support services to our staff. We maintain a panel of three professional counsellors, who are accessible to all employees during working hours on weekdays.

SGX is also active in promoting workplace health. Our Workplace Health Programme focuses on engaging employees to take active responsibility towards their personal health and to achieving a balance between work and personal wellbeing. The activities incorporated in the programme promote bonding and provide opportunities for staff to socialise broadly across the company and personal enrichment. These activities include exercise classes, education and enrichment talks and interactive workshops, including mental wellbeing programmes. For our efforts in this area, SGX was awarded the Silver HEALTH Award and the Mental Wellbeing Award by the Health Promotion Board.

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

SGX places high importance on security and the safety of our staff. Although security at SGX is outsourced, we take a keen interest in ensuring that security staff are well-trained. Security staff at the SGX premises are required to either be certified with Workforce Skills Qualifications for the Security Industry, or be otherwise exempt due to past employment with the police or other relevant services.

Advocate of Work-Life Balance

SGX runs a Parents Support Network. This support group, moderated by one of our professional counsellors, aims to encourage peer support in parenting, empower parents with effective parenting tools and provide an open platform to discuss parenting issues. For working parents who find it challenging to maintain a healthy balance between their job and domestic parenting demands, SGX is a keen supporter of part-time work arrangements that allow employees to vary their schedules and hours worked according to individual needs. Our staff are also able to take extended leave to accomplish personal goals.

Our Kids-At-Work programme, where we hold an annual open day for employees to bring their children to work for a day, is well received. The orientation agenda includes a visit to their parent's work place to gain an appreciation of the work environment. Various activities are also organised to engage the children in active programmes of learning and fun.

The SGX Movie Nights held bi-annually are also well received by staff. These events allow employees to enjoy an evening out to socialise with each other.

Our Social Recreation Club (SRC), organised and managed by a cross section of our employees, aims to engage employees in healthy interaction, teaming and building camaraderie among staff. Recreational programmes such as sports and games, outings, and competitions are held regularly throughout the year.

A summary of the key staff metrics can be found below:

Metrics	Unit	2010 Performance	2011 Performance
Total Workforce	Person	604	590
Diversity			
By age			
30 & below	%	20	20
31 to 40	%	48	46
41 to 50	%	26	27
51 & above	%	6	7
By race			
Chinese	%	84	82
Malay	%	6	6
Indian	%	5	5
Eurasian	%	1	1
Others	%	4	6
By gender			
Male	%	44	44
Female	%	56	56
Employee Turnover Rate (Voluntary)			
By age			
30 & below	%	3	3
31 to 40	%	6	7
41 to 50	%	1	3
51 & above	%	1	1
Overall	%	11	14
By gender			
Male	%	6	6
Female	%	5	8
Overall	%	11	14
Training			
Staff training expenses	\$'000	617	666
Proportion of employees trained	%	92	90
Average hours of training per employee	Hour	26	26
Health & Safety			
Absentee rate	%	1	1

Supporting our Community

As a corporate citizen, we further the common good and make a positive impact in our community. We aim to contribute to community development by fostering community partnerships and providing appropriate support by means of donations and employee volunteering.

The Bull Charge 2010

The Bull Charge 2010 raised \$1.34 million. The charity fun run, in its seventh year, involved 118 of our staff who generously donated \$187,640 out of the total funds raised and made a big impact across a variety of charitable groups, with a specific focus on the elderly. The main beneficiary was the Bright Hill Evergreen Home. Funds raised for the Home will be used to enhance residential facilities, medical and nursing care for the elderly and those dependent on public assistance.

Held for the second year around The Float @ Marina Bay, this exciting route creates a sense of bonding and achievement for participants. Coupled with new features and initiatives in 2011, the event has become more impactful, memorable and exciting than ever before. We believe that these initiatives will continue to have a positive impact on our beneficiaries as well as creating a bridge between the financial and corporate community.

Japan Crisis Fund

SGX raised \$300,000 for the Japan Disaster Relief. The amount has been given in support of the relief efforts coordinated by the Singapore Red Cross. The collective amount raised by SGX comprised the total clearing fees received for trading the Nikkei products on Friday, 25 March 2011, staff contribution and cash donations from SGX member firms.

Shared Services Charities

SGX was one of the founding members of the Shared Services for Charities Limited (SSC) in December 2008. SSC was set up to bring subsidised professional shared services to all

charities for better governance and organisational excellence.

SGX supports SSC's aims of being a one-stop facilitator and manager of shared professional resources, thereby allowing charities to focus on service delivery to their beneficiaries. This unique and innovative concept seeks to bring charities together to share in the cost of professional resources, such as internal audit, financial and risk management, fund raising and public relations. Through such combined efforts, SSC is able to achieve economies of scale, which can lower costs and result in greater value to stakeholders.

Fulfilling our Shareholders' Interests

SGX has conscientiously increased and delivered on its dividend commitments to shareholders.

This year marks our 11th year as a listed company. Our shareholder register continues to reflect a good balance across various types of investors. Our retail investor base stands at over 47,000 as at 30 June 2011, having grown continuously since we first listed.

As with previous financial years, our Investor Relations (IR) team continues to engage the investment community across numerous platforms, addressing the concerns and questions they have regarding SGX's business and financial performance. These platforms include conference calls, face-to-face meetings, local and overseas investor conferences and road shows.

Maintaining our commitment towards increasing corporate transparency, stakeholders are now able to participate

in our quarterly results briefings to analysts and the media via a live video web-cast on our SGX website. Analysts and investors viewing the web-cast are able to send in their questions as well. Our annual IR Open Day was held in August 2010 when shareholders were able to mix with over 100 SGX staff and engage senior management. What made our IR Open Day different last year was a celebration of our 10th anniversary as a listed company that featured a public, interactive exhibition and a series of seminars to educate investors in our retail products and services.

Our IR performance and efforts are measured by an independent annual perception study in which our target audience of existing and prospective shareholders, as well as leading research analysts, assesses our performance. SGX has consistently been one of the top-ranked companies for its IR among Singapore blue chips and peer exchanges. In the most recent study by Carter Research Consulting, Global Market Barometer 2010, we scored 4.37 (2009: 4.25) on a scale from 1 to 5. This compared well with the mean score of 3.71 for other Singapore companies and peer exchanges.

As an exchange and a listed company, SGX takes a keen interest in promoting IR in the broader marketplace. We continue to be an active Charter Member and supporter of the Investor Relations Professionals Association (Singapore) (IRPAS), which was established in 2006 to develop the IR profession in Singapore and raise the profile of IR among SGX-listed companies. Moreover, we have also supported the annual IR Magazine South East Asia Conference by hosting this IR event at SGX in 2010.

Governance at SGX

SGX ensures a fair, orderly and transparent marketplace in three aspects of our governance framework: Self-Regulatory Organisation Governance, Corporate Governance and Advocacy.

Self-Regulatory Organisation Governance

As a Self-Regulatory Organisation (SRO), SGX ensures that our regulatory decision making is not compromised by our commercial objectives. SGX works closely with our statutory regulator Monetary Authority of Singapore (MAS) with regard to SRO governance and the maintenance of high regulatory standards.

Full details of our SRO governance practices are reported in the 'SRO Governance Report' found on page 32.

Corporate Governance

As both market operator and front-line regulator, SGX takes a leading role in upholding corporate governance in Singapore's capital market. Please refer to 'Corporate Governance Report' on page 36.

SGX ranked second, up one place from 2010 to our highest ever position, in the 2011 Governance and Transparency Index (GTI) which rated Singapore listed companies on their corporate governance, transparency and investor relations practices. The GTI is a collaboration between the Corporate Governance and Financial Reporting Centre, and The Business Times, sponsored by CPA Australia and supported by the Investment Management Association of Singapore. Most recently, SGX won the Singapore Corporate Awards 2011, Best Managed Board (Bronze).

At SGX, we also recognise that risk management is vital to our success as an organisation. In particular, two main areas we continue to focus on are Enterprise Risk Management and Clearing and Counterparty Risk Management. Please refer to 'Risk Management Report' on page 84.

Advocacy

As a regulator and leading financial institution, SGX promotes high standards of Corporate Governance for SGX-listed companies. Corporate Governance sets out the principles, standards, and processes by which companies, through their board of directors and senior management, conduct their business activities. Our principles balance safe and sound business operations while complying with relevant laws and regulations. This year we also launched the SGX Sustainability Reporting Guide for our listed companies, which represents our efforts to raise sustainability reporting standards in Singapore and to support companies embarking on this journey.

SGX participates in the activities of the Corporate Governance Council that is reviewing the Code of Corporate Governance. As a front-line regulator, we approve initial public offerings and enforce continuing obligations under our listing rules. Through our robust surveillance activities, we contribute to timely corporate disclosure. We also work together with the Singapore Institute of Directors and other institutions on activities that foster director awareness and training.

We maintain a “Regulators Column” to keep market participants informed of our regulatory philosophy and practices as well as our views on emerging issues and market developments. Before making rule changes, we typically publish consultation papers to explain the issues and elicit market perspectives for our understanding and effective regulation.

The following consultation papers were issued in 2011:

No.	Title	Date Issued	Date Closed
1	Consultation Paper on Proposed Rule Changes on General Meetings to Increase Shareholder Engagement and Enhance Corporate Governance Practice	2-Jun-11	17-Jun-11
2	Public Consultation on Proposed Changes to the SGX-ST Opening and Closing Routines	1-Jun-11	15-Jun-11
3	Consultation Paper on Proposed Introduction of SICOM TSR 20 Rubber Contract and SICOM RSS 3 Rubber Contract on SGX-DT Market	2-Mar-11	11-Mar-11
4	Consultation Paper on Proposed Introduction of lead, tin and steel billet futures on SGX-DT Market	31-Jan-11	9-Feb-11
5	Consultation Paper on Proposed Launch of SGX Options on S&P CNX Nifty Index Contract	30-Dec-10	14-Jan-11
6	Consultation on Proposed Regulatory Framework for Admission of Remote Trading Members	27-Dec-10	24-Jan-11
7	Consultation Paper on Proposed Introduction of SGX Robusta Coffee Contract on SGX-DT Market	22-Nov-10	8-Dec-10
8	Consultation Paper on Callable Bull / Bear Contracts	9-Nov-10	30-Nov-10
9	Proposed Introduction of Continuous All-Day Trading for SGX Securities Market	19-Oct-10	9-Nov-10
10	Consultation Paper on the Proposed Launch of LME-SGX Non-Ferrous Metals Futures	31-Aug-10	9-Sep-10
11	Proposed Policy Statement and Guide to Sustainability Reporting for Listed Companies	28-Aug-10	19-Nov-10
12	Consultation Paper on SGX EURO STOXX 50 Index Futures and Options specifications	12-Aug-10	23-Aug-10
13	Consultation Paper on Proposed Amendments to the SGX-DC Clearing Rules to Allow for Greater Participation in CCP Clearing Services for OTCF Contracts	6-Aug-10	23-Aug-10
14	Consultation Paper on Implementation of Marking of Sell Orders	23-Jul-10	12-Aug-10

Building a Sustainable Future

Investor Education

Investor education is a key priority for SGX. The SGX Academy conducts training in our listed products throughout the year. In 2011, SGX launched online initiatives, in consultation with market participants, the Securities Investors Association (Singapore) and the Consumer Association of Singapore, to support retail investors in their understanding and trading of 'Specified Investment Products'³ listed on SGX. In addition, SGX collaborates with academic institutions for research.

The Investor Education Fund (IEF) was set up to support initiatives that promote investors' understanding and ability to make better-informed investment decisions. The Investor Education Committee (IEC) comprises industry practitioners and senior management of SGX. It is tasked with administering the Fund which is derived from fines collected by SGX.

Please refer to 'SRO Governance Report' on page 32.

Our efforts to promote and support sustainable development will continue. Each year we have added what we consider to be relevant and timely for SGX and the broader marketplace we operate in. 2011 marks a watershed for SGX in that we launched our Sustainability Reporting Guide and have begun to compile some base line metrics to monitor the integral aspects of 'Environmental' and 'Social' sustainability that SGX plans to build on. 'Governance' is, at the same time, presented under our Corporate Governance Report. We look forward to actively promoting our own CSR within SGX and to supporting our listed companies in their ESG efforts too.

Marketing Communication

SGX strictly adheres to the Singapore Code of Advertising Practices and the Financial Advisers Act. Upholding a high standard of ethics in our communications and marketing materials, SGX ensures that materials are clear, fair and reasonable, presenting a balanced view of products and services provided.

³ 'Specified Investment Products' are products listed on SGX that include Exchange-Traded Funds, Exchange-Traded Notes, Structured Warrants, Futures and Options.

G3.1 Content Index

Standard Disclosures Part 1: Profile Disclosures

Profile Disclosure	Description	Cross-Reference	Page(s)
1.	Strategy and Analysis		
1.1	Statement from the most senior decision-maker of the organisation.	Joint Letter from Chairman and CEO	14–17
1.2	Description of key impacts, risks, and opportunities.	Risk Management Report/ Operating and Financial Review	84–87/ 88–89
2.	Organisational Profile		
2.1	Name of the organisation.	Corporate Information	201
2.2	Primary brands, products, and/or services.	SGX The Asian Gateway/ Our Business Model/ SGX, Asia with Global Reach Organisation Chart	2–3/ 4–7/ 10–11 65
2.3	Operational structure of the organisation, including main divisions, operating companies, subsidiaries, and joint ventures.	Corporate Information	201
2.4	Location of organisation's headquarters.	Notes to the Financial Statements	141–142
2.5	Number of countries where the organisation operates, and names of countries with either major operations or that are specifically relevant to the sustainability issues covered in the report.		
2.6	Nature of ownership and legal form.	Corporate Information	201
2.7	Markets served (including geographic breakdown, sectors served, and types of customers/beneficiaries).	Operating and Financial Review	88–99
2.8	Scale of the reporting organisation.	Organisation Chart	65
2.9	Significant changes during the reporting period regarding size, structure, or ownership.	Statistics of Shareholdings	196
2.10	Awards received in the reporting period.	Corporate Governance Report/ Corporate Social Responsibility Report	37/ 77
3.	Report Parameters		
3.1	Reporting period (e.g., fiscal/calendar year) for information provided.	Corporate Social Responsibility Report	70–83
3.2	Date of most recent previous report (if any).	Corporate Social Responsibility Report	70–83
3.3	Reporting cycle (annual, biennial, etc.)	Corporate Social Responsibility Report	70–83
3.4	Contact point for questions regarding the report or its contents.	Corporate Information	201
3.5	Process for defining report content.	Corporate Social Responsibility Report/ GRI G3.1 Content Index	70–83/ 80–83
3.6	Boundary of the report (e.g., countries, divisions, subsidiaries, leased facilities, joint ventures, suppliers). See GRI Boundary Protocol for further guidance.	Corporate Social Responsibility Report	70–83
3.7	State any specific limitations on the scope or boundary of the report (see completeness principle for explanation of scope).	Notes to the Financial Statements	141–142
3.8	Basis for reporting on joint ventures, subsidiaries, leased facilities, outsourced operations, and other entities that can significantly affect comparability from period to period and/or between organisations.		
3.9	Data measurement techniques and the bases of calculations, including assumptions and techniques underlying estimations applied to the compilation of the Indicators and other information in the report. Explain any decisions not to apply, or to substantially diverge from, the GRI Indicator Protocols.	Corporate Social Responsibility Report	70–83
3.10	Explanation of the effect of any re-statements of information provided in earlier reports, and the reasons for such re-statement (e.g., mergers/acquisitions, change of base years/periods, nature of business, measurement methods).	Corporate Social Responsibility Report	70–83
3.11	Significant changes from previous reporting periods in the scope, boundary, or measurement methods applied in the report.	Corporate Social Responsibility Report	70–83
3.12	Table identifying the location of the Standard Disclosures in the report.	Corporate Social Responsibility Report GRI G3.1 Content Index	70–83/ 80–83
3.13	Policy and current practice with regard to seeking external assurance for the report.	Corporate Social Responsibility Report	70–83

Profile Disclosure	Description	Cross-Reference	Page(s)
4.	Governance, Commitments, and Engagement		
4.1	Governance structure of the organisation, including committees under the highest governance body responsible for specific tasks, such as setting strategy or organisational oversight.	Corporate Governance Report	36–57
4.2	Indicate whether the Chair of the highest governance body is also an executive officer.	Board of Directors	20–27
4.3	For organisations that have a unitary board structure, state the number and gender of members of the highest governance body that are independent and/or non-executive members.	Board of Directors	20–27
4.4	Mechanisms for shareholders and employees to provide recommendations or direction to the highest governance body.	Corporate Governance Report	36–57
4.5	Linkage between compensation for members of the highest governance body, senior managers, and executives (including departure arrangements), and the organisation's performance (including social and environmental performance).	Remuneration Report	58–64
4.6	Processes in place for the highest governance body to ensure conflicts of interest are avoided.	Self-Regulatory Governance Report	32–35
4.7	Process for determining the composition, qualifications, and expertise of the members of the highest governance body and its committees, including any consideration of gender and other indicators of diversity.	Corporate Governance Report	36–57
4.8	Internally developed statements of mission or values, codes of conduct, and principles relevant to economic, environmental, and social performance and the status of their implementation.	Corporate Social Responsibility Report	70–83
4.9	Procedures of the highest governance body for overseeing the organisation's identification and management of economic, environmental, and social performance, including relevant risks and opportunities, and adherence or compliance with internationally agreed standards, codes of conduct, and principles.	Self-Regulatory Governance Report/ Corporate Social Responsibility Report	32–57/ 70–83
4.10	Processes for evaluating the highest governance body's own performance, particularly with respect to economic, environmental, and social performance.	Self-Regulatory Governance Report/ Corporate Social Responsibility Report	32–57/ 70–83
4.11	Explanation of whether and how the precautionary approach or principle is addressed by the organisation.	Corporate Governance Report	36–57
4.12	Externally developed economic, environmental, and social charters, principles, or other initiatives to which the organisation subscribes or endorses.	Corporate Social Responsibility Report	70–83
4.13	Memberships in associations (such as industry associations) and/or national/international advocacy organisations in which the organisation: * Has positions in governance bodies; * Participates in projects or committees; * Provides substantive funding beyond routine membership dues; or * Views membership as strategic.	Corporate Social Responsibility Report	70–83
4.14	List of stakeholder groups engaged by the organisation.	Corporate Social Responsibility Report	70–83
4.15	Basis for identification and selection of stakeholders with whom to engage.	Corporate Social Responsibility Report	70–83
4.16	Approaches to stakeholder engagement, including frequency of engagement by type and by stakeholder group.	Corporate Social Responsibility Report	70–83
4.17	Key topics and concerns that have been raised through stakeholder engagement, and how the organisation has responded to those key topics and concerns, including through its reporting.	Corporate Social Responsibility Report	70–83

Standard Disclosures Part 3: Performance Indicators

Performance Indicator	Description	Cross-Reference	Page(s)
FS13	Product and Service Impact Access points in low-populated or economically disadvantaged areas by type.	Corporate Social Responsibility Report	70–83
FS14	Initiatives to improve access to financial services for disadvantaged people.	Corporate Social Responsibility Report	70–83
FS16	Initiatives to enhance financial literacy by type of beneficiary.	Corporate Social Responsibility Report	70–83
EC1	Economic Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments.	Group Financial Highlights and Performance	18–19
EC2	Financial implications and other risks and opportunities for the organisation's activities due to climate change.	Corporate Social Responsibility Report	70–83
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EN17	Other relevant indirect greenhouse gas emissions by weight.	Corporate Social Responsibility Report	70–83
EN18	Initiatives to reduce greenhouse gas emissions and reductions achieved.	Corporate Social Responsibility Report	70–83
EN21	Total water discharge by quality and destination.	Corporate Social Responsibility Report	70–83
EN26	Initiatives to mitigate environmental impacts of products and services, and extent of impact mitigation.	Corporate Social Responsibility Report	70–83

Performance Indicator	Description	Cross-Reference	Page(s)
	Social: Labor Practices and Decent Work		
LA1	Total workforce by employment type, employment contract, and region	Corporate Social Responsibility Report	70–83
LA2	Total number and rate of employee turnover by age group, gender, and region.	Corporate Social Responsibility Report	70–83
LA3	Benefits provided to full-time employees that are not provided to temporary or part-time employees, by major operations.	Corporate Social Responsibility Report	70–83
LA4	Percentage of employees covered by collective bargaining agreements.	Corporate Social Responsibility Report	70–83
LA7	Rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities by region.	Corporate Social Responsibility Report	70–83
LA8	Education, training, counseling, prevention, and risk-control programs in place to assist workforce members, their families, or community members regarding serious diseases.	Corporate Social Responsibility Report	70–83
LA10	Average hours of training per year per employee by employee category.	Corporate Social Responsibility Report	70–83
LA11	Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings.	Corporate Social Responsibility Report	70–83
LA12	Percentage of employees receiving regular performance and career development reviews.	Corporate Social Responsibility Report	70–83
	Social: Human Rights		
HR8	Percentage of security personnel trained in the organisation's policies or procedures concerning aspects of human rights that are relevant to operations.	Corporate Social Responsibility Report	70–83
	Social: Society		
SO4	Actions taken in response to incidents of corruption.	Disciplinary & Appeals Committee	66–69
	Social: Product Responsibility		
PR8	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data.	Disciplinary & Appeals Committee	66–69

Risk Management Report

Enterprise Risk Management: A Proactive Approach

The series of catastrophic events across the globe in recent times have brought to the forefront the importance of enterprise risk management (ERM). At SGX, risks are proactively identified and addressed. These risks include not only financial risks, but also risks pertaining to strategy, reputation, staffing, technology and operations. Progressively, SGX has elevated the level of risk awareness within the organisation via its ERM efforts. Risks are identified and managed from a top-down view and verified using a bottom-up approach.

From a top-down perspective, key risks for SGX are identified annually by EXCO and presented to the Board. These risks then cascade down to the executive level and the functional level, with stewardship residing at EXCO. Action plans deemed necessary to manage the risks are put in place and closely monitored. In 2011, the RMC recommended, and the Board endorsed, a set of risk tolerance levels for SGX's key risks to ensure that there is clarity on the thresholds within which SGX should operate.

From a bottom-up perspective, SGX has in place an enterprise-wide Risk Self Assessment (RSA) programme which requires every unit to self-assess the risks within their respective functional areas. The adequacy of the controls in place is also assessed as part of the process. Where action plans are assessed to be relevant, these are also formulated and closely monitored. Last year, the RSAs focused mainly on the support units. In 2011, SGX extended the RSAs to the rest of the organisation, including the business units.

With a comprehensive ERM framework in place, SGX is well prepared to manage risk events that might reasonably be expected to come its way.

Adopting a Sound Governance Framework

SGX's Board oversees risks within the Organisation and a formal framework has been established to ensure this. The Risk Management Committee (RMC) of the Board reviews and recommends to the full Board the type and level of risks that SGX undertakes to achieve its objectives. Additionally, it approves the various risk frameworks within SGX and gives the go-ahead for major new projects. As part of its mandate, the RMC also assesses the adequacy of resources in the areas of risk management and technology.

At the management level, the Enterprise Risk Committee (ERC), a subset of EXCO, presides over risk management policy implementation. The ERC is chaired by the Chief Regulatory Officer, and the committee comprises the Co-President (Operations and Technology) and the Chief Financial Officer. Other officers may be included for their relevant expertise. SGX's sound governance framework for risk management is testimony to its dedication towards prudent risk management within the organisation.

Operating Robust and Efficient Clearing and Counterparty Risk Management

Beyond risk management within the organisation, SGX, as the Asian Gateway, plays a larger role in managing risks within the marketplace. This is achieved through providing a trusted marketplace with a variety of products to help our customers diversify their risks efficiently. These products include shares of listed companies, trust securities, Exchange Traded Funds, commodities and exchange-traded derivatives.

In the new regulatory landscape that has emerged after the 2008 global financial crisis, governments and regulators globally are stressing the benefits of central clearing to the stability of financial markets. SGX's clearing houses, SGX-Derivatives Clearing (SGX-DC) and the Central Depository (CDP), continue to perform their critical roles of clearing and settling contracts as a central counterparty. In 2011, SGX expanded its suite of products cleared to include Over-The-Counter (OTC) financial derivatives, starting with Interest Rate Swaps denominated in Singapore dollars and U.S. dollars. This will be followed by seven Asian Foreign Exchange Forwards (non-deliverable) from September 2011. This diversification provides market participants with a platform to effectively offload bilateral counterparty risks by pledging risk-based margin. With the establishment of OTC financial derivatives clearing, SGX's clearing membership has expanded to include renowned international banks. This forms an eco-system that reduces systemic risks caused by the failure of a single counterparty.

Building Upon SGX's Risk Management Framework

SGX continually seeks to improve its core risk management capabilities as its product offerings expand into different asset classes. For the clearing of OTC financial derivatives, we introduced the Value-at-Risk (VaR) margin model to measure market risks, through active interaction with market participants. This maintains the robustness and relevance of SGX's risk management framework. In addition, SGX has embarked on a new risk management system project in the new financial year. This system will enhance our capability and level of sophistication of risk management and also provide SGX with an integrated view of risk.

SGX accords utmost priority to its role as a significant financial market infrastructure (FMI). Consequently, we maintain sizable clearing funds, comprising contributions from the clearing houses and clearing members, to provide ongoing assurance that obligations will be met in the event of a clearing member default. In 2011, SGX made enhancements to its clearing funds. For CDP, the structure was revised to be scalable, linking clearing members' contributions more closely to the level of risk they bring to the clearing system. This follows similar enhancements made to the SGX-DC fund a year ago. For SGX-DC, enhancements were made to support robust clearing of OTC financial products. Both clearing houses contribute significant capital to their respective clearing funds, which will be utilized before the contributions of non-defaulting members. This reduces the risk that non-defaulting members' contributions will be utilized in the event of a default, thereby minimizing the systemic impact to the marketplace.

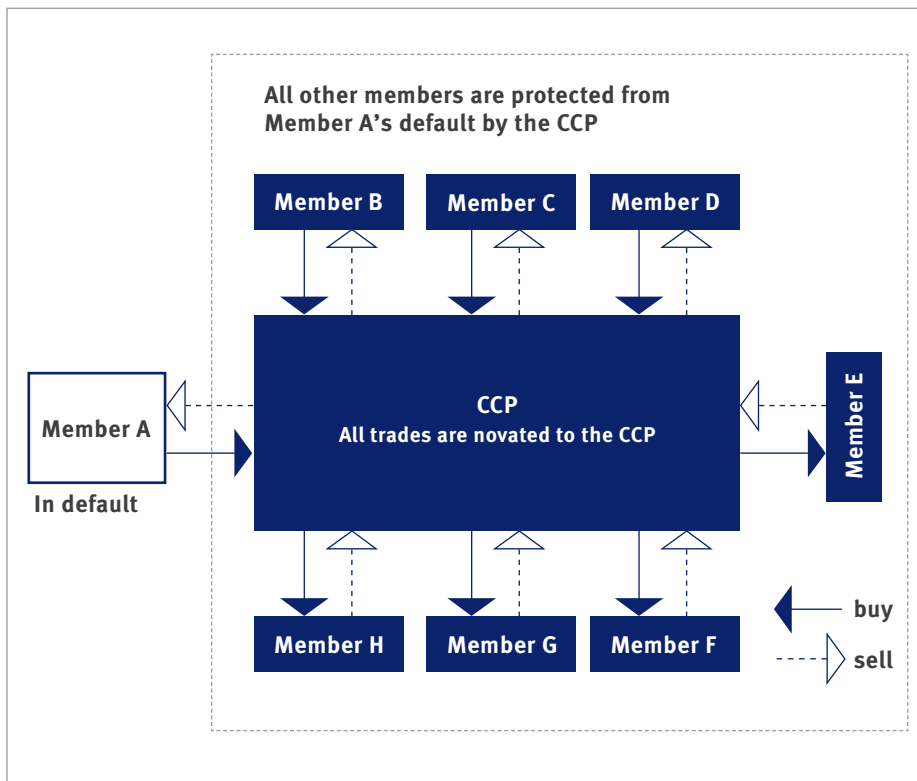
As a central counterparty, SGX has a role to play in managing a default situation promptly and appropriately. To do so, SGX-DC and CDP have in place default management procedures, which are continuously refined and tested for relevance. Default exercises simulating various risk scenarios which involve our clearing members are also conducted periodically. In 2011, with the launch of the clearing service for OTC financial derivatives, SGX, in consultation with market participants, developed capabilities to manage a default in these new products.

SGX's business places much reliance on the continuous functioning of its critical trading and clearing systems. As a significant FMI, it is critical that SGX manage its operational risks, such as those relating to the continuity of our key systems. To do so, we have in place a robust business continuity program, various frameworks and sound internal controls eg. regular monitoring for sufficient system capacity and robust incident management processes to facilitate prompt system recovery. SGX's ERM program further requires every unit to self-assess the risks within their respective functional areas, assess the adequacy of internal controls in place, and put in place relevant action plans.

Safety underpins SGX's clearing system and quality risk management remains its priority.

How Clearing Works

A central counterparty (CCP) acts as a buyer to every seller and a seller to every buyer. All transactions entered into by members are novated to the CCP. If a member eg. Member A in the diagram below, defaults, obligations to non-defaulting members are guaranteed by the CCP. This assurance is made possible by the maintenance of clearing funds which comprise contributions from the CCP and members. The sufficiency of these clearing funds is rigorously stress-tested. This robust clearing structure promotes a safe and efficient marketplace.



Adapting to an Ever-changing Regulatory Landscape

A world of new regulations, including the Dodd Frank Act and new Basel III requirements for banks, has emerged from the global financial crisis. The Committee on Payment and Settlement Systems (CPSS) and the International Organisation of Securities Commissions (IOSCO) have proposed a set of new and higher standards for all systemically important clearing houses, settlement systems, central securities depositories and trade repositories. This puts the onus on clearing houses to introduce more stringent risk management procedures and systems. The quality of SGX-DC and CDP's risk management practices places SGX in good stead. SGX continues to respond swiftly to the evolving regulatory landscape to stay ahead.

Operating and Financial Review (OFR)

Operating Environment

2011 was a tough year for global markets. This was most noticeable in the second half of our financial year, a period that was beset with a number of crises: the debt woes in Europe and the USA; the spectre of inflationary pressures in major Asian economies; and the tragic events of the earthquake and tsunami in Japan. Our securities market was most affected and we saw a steady decline in trading activities, in particular in the second half of the financial year, to a low of \$1.3 billion in June 2011 before recovering to \$1.4 billion in July 2011. In any case, we are fortunate to have a relatively well diversified business that includes other asset classes, like derivatives, that have featured more prominently in the past year with record volumes.

Turning to our regional markets, it is encouraging that the general growth trend remains intact. While this year's GDP in Asia is unlikely to match that of 2010, the forecast is a brisk 8% in 2011 (IMF, 2011) that favourably positions SGX as The Asian Gateway. Indeed, we remain focused on attracting some large, overseas listings, expanding our product and service offering, acquiring more new members and customers, building our infrastructure and making the necessary micro-market structural improvements to our market.

At the same time, SGX remains open to adding to its array of partners that range from exchanges to other businesses. We are particularly pleased to be working on the product side with Eurex, NASDAQ OMX and LME for the first time. Chi-X is also a new partner and our participation in the ASEAN exchange initiative to promote ASEAN markets as an asset class is a positive step forward. To date, Bursa Malaysia, Philippine Stock Exchange, Stock Exchange of Thailand and SGX have committed to link their markets, and provide a single point of access to facilitate cross-border trading.

SGX is committed to being a leading exchange and to extending our market reach in as many ways as possible. When we listed SGX over a decade ago, one of the rationale was to position ourselves more competitively in what we assumed, correctly, would be a harsher, global marketplace. The prevailing theme of consolidation has yet to make its mark in Asia Pacific. Given that the exchange landscape is evolving more quickly in the West than in our region, we need to be ready for more competition in the exchange space. Increasingly, international customers who wish to capitalize on global investment and capital flows into Asia expect to find more of what they are used to in developed markets wherever they trade. This is an opportunity for SGX but it also puts a big onus on us to deliver our promise of Asia with Global Reach. We will continue to roll out our plans and meet the needs of our growing customer base as expeditiously as possible.

Note: SGX's financial year is from 1 July to 30 June and any reference to years refers to the financial year, unless otherwise stated.

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

Figures in brackets refer to the preceding year's comparative figures.

Business Highlights

SGX recorded net profit of \$295 million (\$320 million) in 2011. Excluding the ASX-SGX transaction-related costs and gain from disposal of premises, the underlying profit was \$312 million (\$318 million) and resulted in a return on equity of 38% (39%). This result was achieved on an improved revenue base of \$661 million (\$640 million).

Despite a challenging operating environment, we remain focused on expanding SGX's Asian Gateway offering with the acquisition of new members and customers; attracting some large, overseas listings; introduction of new products and services; building a state-of-the-art infrastructure; and making micro-market structural improvements. New products and services¹ were already contributing revenue of \$8 million in 2011, \$3 million of which was in the last quarter.

Securities: We had a 6% increase in securities daily trading value (SDAV) to \$1.6 billion (\$1.5 billion) although the equity market volatility² remained relatively low. Securities turnover velocity and trading activities declined across markets although benchmark indices, particularly in Europe and the USA, recovered from the lows of Global Financial Crisis. The MSCI Singapore Index ended the year 7% higher.

Derivatives: We recorded an all time high derivatives³ volume of 66 million (57 million) contracts or an average daily volume of 266,782 contracts (231,938 contracts). There have been volume pick-ups in our newer contracts, namely, CNX Nifty futures, FTSE China

A50 futures and Nikkei225 options contracts. We also launched three new SGX-LME metal futures contracts and completed the migration of Rubber and Coffee futures contracts onto the SGX platform.

Equity and Debt Listings: We raised record IPO funds of \$14 billion from 34 companies, including Global Logistic Properties and Hutchison Port Holdings Trust. SGX also facilitated a record debt capital raising programme of \$170 billion from 287 listings. SGX ranked 6th based on global IPO funds raised in the first half of 2011 compared to 16th position in 2010.

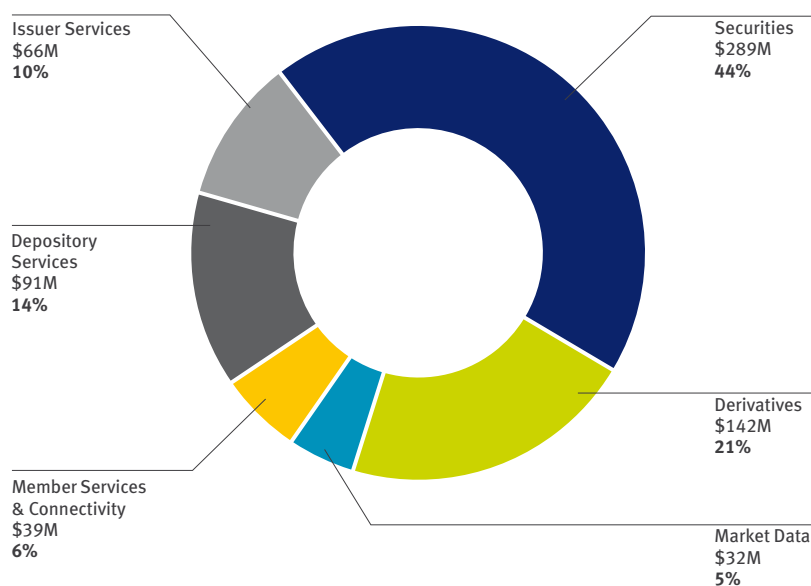
Membership: We gained a record number of 24 memberships. These new members include: IIFL Securities (the first Indian member); SEB (the first Nordic member); Dot Commodity

(a leading commodities broker in Japan); GETCO Asia (a global liquidity provider); and 11 local and international banks admitted for SGX OTC Financial Derivatives.

OTC Financial Derivatives: We launched Asia's first clearing platform for OTC Financial Derivatives in November 2010 and have since cleared a notional value of \$110 billion in interest rate swaps.

Reach initiative⁴: We launched the new SGX Data Centre and SGX Co-location service successfully in April 2011. This Data Centre allows us to offer ultra-low latency market data and access. We are pleased with the strong demand for SGX Co-location service from our members and customers since the announcement in June 2010.

Strong Revenue Base



¹ Revenues from: bond/debt listings; FTSE China A50 futures; GlobalQuote ADRs; Nikkei225 options; Nikkei Dividend futures; OTC Financial Derivatives; SGX-LME metal contracts and SGX Co-Location.

² Average volatility of MSCI Singapore Index was 13% compared to 18% a year ago.

³ Excludes structured warrants, extended settlement contracts and OTC derivatives cleared.

⁴ Reach initiative comprises (a) a new state-of-the-art data centre with co-location facilities; (b) new securities trading engine with enhanced functionalities and offering response times of less than 90 microseconds; and (c) setting up point of presence in four liquidity hubs: Chicago; London; New York; and Tokyo.

Market Development, Risk Management and Regulation

The launch of Reach, our new securities trading engine, in August 2011 equips SGX with new functionalities and the ability to process a broader range of order types that help investors to manage their risks.

Although the proposed ASX-SGX combination did not come to fruition, we are heartened that the transaction raised SGX's visibility and created new business opportunities.

We have made micro-market structural improvements in our securities market. We reduced the minimum bid size and introduced all-day trading on 4 July and on 1 August 2011, respectively. The reduction in minimum bid size is expected to tighten bid-ask spreads by as much as 80%. These initiatives will increase trading opportunities, which in turn, enhances the liquidity in our market.

From 1 August 2011, with the start of all-day trading, our securities market hours will overlap with other Asian exchanges including: Australian Securities Exchange; Korea Exchange; National Stock Exchange of India; Shanghai Stock Exchange and Tokyo Stock Exchange. This will allow investors who trade pan-Asian securities to respond to regional market movements and news flow in a timely manner. Investors will also face less risk as they will be able to manage their open positions in the securities market non-stop between 9.00 a.m. and 5.00 p.m. Singapore time. This initiative is expected to enhance Singapore's competitiveness as an international financial centre.

Implementation of enhanced risk management measures such as pre-trade risk execution and circuit breakers in the

securities market are also underway. The proposed circuit breakers would provide an additional safeguard against potential market disorderliness in times of high price volatility. Circuit breakers act in runaway price situations to allow a pause for investors to take stock of the market situation. This is expected to enhance the robustness of the market and increase confidence among market participants.

The Global Financial Crisis has heightened the awareness of managing counterparty risks through a central counterparty clearing house and spurred a regulatory push to clear more transactions through central counterparty clearing houses. Given SGX's strong balance sheet, we are confident that our securities and derivatives clearing houses are well positioned to seize the growing opportunities arising from these developments.

We introduced a new scalable CDP Clearing Fund structure to better align members' contributions with their clearing risk exposures in 2011. In addition, members will need to pledge additional collateral with CDP for exposures exceeding their typical volumes. Our Derivatives Clearing Fund has also been augmented to support the clearing of OTC Financial Derivatives, starting with Interest Rate Swaps, in November 2010.

SGX introduced a new Sustainability Reporting Guide for our listed companies on 27 June 2011. To further improve the corporate governance standards and disclosures of these companies, it sets out principles and guides companies in sustainability reporting.

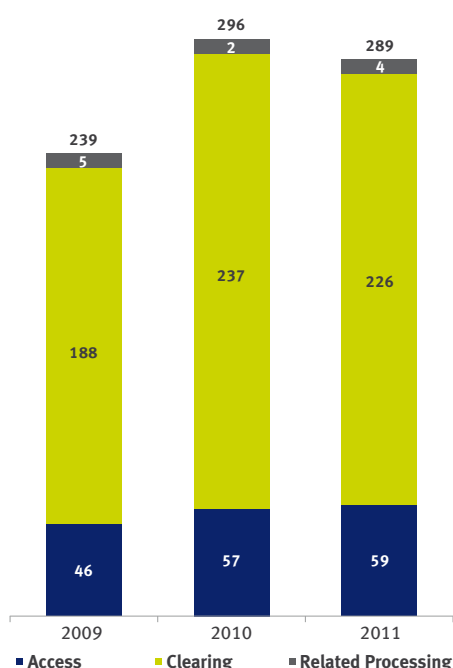
Continuing our increased engagement with our listed companies to improve governance, in March 2011, we emphasized to the boards of Chinese companies, their responsibility to protect shareholder interests in two respects. First, the need to establish controls to safeguard cash and other assets. Second, the need to incorporate in their Articles of Association the ability to appoint and remove legal representatives of key Chinese subsidiaries subject to Chinese laws and regulations.

Performance Review

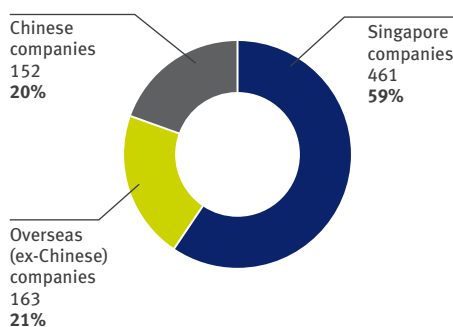
Securities

Securities revenue was 2% lower at \$289 million (\$296 million).

Securities Revenue (\$M)



Companies listed on SGX as at 30 June 2011



The MSCI Singapore Index climbed 7% to 361. Although the average market volatility decreased to 13% (18%), our securities market recorded a higher level of activity with \$1.6 billion (\$1.5 billion) in SDAV which lifted Access revenue to \$59 million (\$57 million). Off-market trades accounted for 6% (4%) of the overall securities market value traded in 2011. Clearing revenue was lower at \$226 million (\$237 million) due to reduced average clearing fees yield of 2.8 basis points (3.1 basis points) as the trades above \$1.5 million continued to rise from 37% to 45%. Nonetheless, the increased institutional participation contributed to higher settlement revenue in our depository business.

Our overseas listed companies made up 41% of the total listed companies. Trading value of the overseas companies accounted for 47% of the total securities market turnover, 12% of which comprised Chinese companies. Turnover velocity of the overseas (ex-Chinese) companies was 86% and for Chinese companies, it was 105%. These compared to an average velocity of 59% (66%) for the overall market.

Interest in Exchange Traded Funds (ETFs) continued to gain traction as we expanded the suite to 84 issues (72 issues), covering different asset classes such as equities, fixed income, money market and commodities, including gold, as at 30 June 2011. Average daily trading value of ETFs was up 87% to \$38 million (\$20 million). The five most actively traded ETFs were: MSCI India 100; SPDR Gold; MSCI Asia ex-Japan; MSCI Indonesia and the China CSI300.

We launched GlobalQuote—a quotation programme for American Depositary Receipts (ADRs) which are fully fungible with the US Depository Trust and Clearing Corporation—to facilitate the trading of a wider range of Asian-based products on our market. The cumulative trading value of the 27 ADRs of Chinese, Japanese and Korean companies quoted on our new GlobalQuote, since the launch in October 2010, was \$315 million.

Key Drivers of Securities

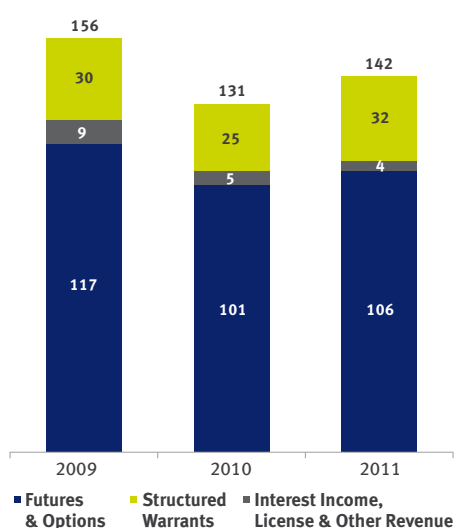
Key Drivers	2009	2010	2011	2011/2010 (% change)
MSCI Singapore Index	280	337	361	7
No. of trading days	252	252	252	-
Equity Turnover Velocity (%)	76	66	59	-7 pts
Singapore issuers	73	57	47	-10 pts
Overseas issuers, excluding Chinese issuers	72	79	86	7 pts
Chinese issuers	125	146	105	-41 pts
Daily Average Trading Volume (billion shares)	1.23	1.69	1.46	-13
Daily Average Trading Value (\$B)	1.23	1.54	1.62	6
Daily Average Trading Value (\$M)				
ETFs/ETN	14	20	38	87
Company warrants (\$M)	0.2	2	1	-22
Contracts value (%)				
More than \$1.5 million	39	37	45	8 pts
Less than \$1.5 million	61	63	55	-8 pts

Note: Turnover velocity was computed based on primary listed securities

Derivatives

Derivatives revenue was 8% higher at \$142 million (\$131 million).

Derivatives Revenue (\$M)



Derivatives volume was up 15% to a record 66 million (57 million) contracts⁵, or average daily volume (DAV) of 266,782 (231,938) contracts, in 2011. Average volatility of the underlying equity indices in 2011 was at recent lows, except for the March and April period during the Japanese earthquake and tsunami aftershocks in 2011. Futures and Options revenue increased by 5% to \$106 million (\$101 million) given that the majority of our contracts are denominated in the US-dollar which has weakened over the year. The average yield per contract was \$1.61 (\$1.77) largely due to the changing volume mix in our derivatives suite. During the year, we expanded the suite with the SGX-LME metal futures contracts and SICOM contracts, namely Rubber and Robusta Coffee futures, now on the SGX platform.

DAV of our key Asian Gateway index equity contracts registered higher volume in 2011: Nikkei225 futures 119,298 (113,075); MSCI Taiwan futures 63,959 (63,727); CNX Nifty futures 49,966 (35,565); MSCI Singapore futures 15,125 (15,016); FTSE China A50 futures 7,297 (0); and Nikkei225 options 4,981 (584) contracts. In particular, the relaunch of the FTSE China A50 futures and Nikkei225 options saw initial success with encouraging volume pick-up. Market share of our main contracts improved year-on-year: Nikkei225 futures was 28% (26%) and CNX Nifty futures was 15% (10%), while the MSCI Taiwan futures remained steady at 24% (24%). The total interest rate futures volume traded was 812,628 contracts (850,320 contracts) in 2011.

We are encouraged by the strong derivatives showing as it is a sign of returns from our investments over the last three years. Our dedicated efforts to expand our membership and distribution network saw the entry of new customers. This was a result of the upgrade of our derivatives trading and data engines, and the continued extension of trading hours, introduction of proximity hosting and more recently, the co-location service. Prior to 2009, high frequency trading (HFT) was minimal; HFT contributed to 29% (26%) of the overall derivatives volume in 2011.

Structured warrants revenue was \$4 million (\$5 million) on an average daily trading value of \$22 million (\$29 million).

Interest income, license and other revenue was 29% higher at \$32 million (\$25 million) mainly driven by: improved collateral management revenue on the back of higher average collateral deposits and an improved yield; higher revenue from clearing OTC Commodities Derivatives, and revenue from clearing OTC Financial Derivatives launched in November 2010.

In 2011, we cleared \$110 billion in notional value of OTC Financial Derivatives and 164,837 (124,829 lots) lots of OTC Commodities Derivatives, equivalent to a notional value of \$23 billion (\$15 billion).

⁵ The last peak of derivatives volume was 58 million contracts in 2009 during the Global Financial Crisis.

Key Drivers of Derivatives

Key Drivers	2009	2010	2011	2011/2010 (% change)
Daily Average Volume ('000 contracts)	238	232	267	15
Nikkei225 futures (days)	110 (244)	113 (244)	119 (245)	5
MSCI Taiwan futures (days)	66 (246)	64 (250)	64 (249)	-
Nifty futures (days)	40 (240)	36 (246)	50 (252)	39
MSCI SG futures (days)	17 (252)	15 (252)	15 (252)	1
FTSE China A50 futures (in contracts, days)	NM	0 (244)	7,297 (243)	NM
Nikkei options (in contracts, days)	NM	584 (244)	4,981 (245)	NM
Interest futures	4	3	3	-
Daily Average Value (\$M)				
Structured warrants	58	29	22	-24
Market Share (%)				
Nikkei225 futures	22	26	28	2 pts
MSCI Taiwan futures	28	24	24	-
Nifty futures	9	10	15	5 pts
Average Volatility (%)				
Nikkei225 Index	42	22	22	-0 pts
MSCI Taiwan Index	37	20	15	-5 pts
CNX Nifty Index	45	21	17	-4 pts
MSCI Singapore Index	38	18	13	-5 pts
HFT (%)	15	26	29	3 pts
Commodities (Daily average trading volume, contracts)				
Rubber futures	1,373	1,000	816	-18
Gold futures	NA	5,256	1,323	-75
Fuel Oil futures	NA	24	24	-
LME-SGX metal futures (from 15 Feb 11)	NA	NA	869	NM

Key Drivers of OTC Financial Derivatives and OTC Commodities Derivatives

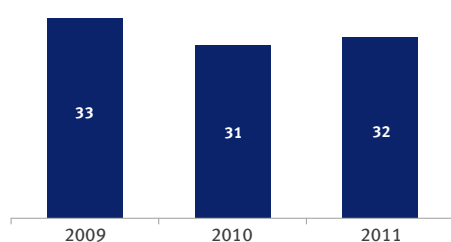
Key Drivers	2009	2010	2011	2011/2010 (% change)
AsiaClear®				
Volume cleared (lots)	66,934	124,829	164,837	32
Forward Freight Agreements	40,084	72,072	86,491	20
Energy Swaps	1,934	28,624	30,690	7
Iron Ore Swaps	24,907	24,133	44,781	86
Rubber futures	NA	NA	1,745	NM
Interest rate swaps (\$M)				
Notional value cleared	NA	NA	110,084	NM

Note: NM—Not meaningful.

Market Data

Market data revenue increased 6% to \$32 million (\$31 million).

Market Data Revenue (\$M)



The increase in market data revenue was primarily due to increased subscriptions for securities price information. The average number of securities and derivatives terminals was 42,595 (38,129) and 23,790 (25,088), respectively, in 2011.

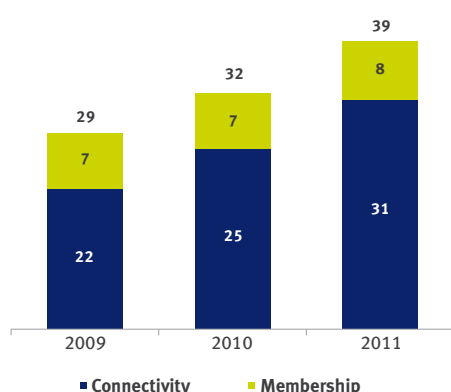
Key Drivers of Market Data

Key Drivers	2009	2010	2011	2011/2010 (% change)
Securities Data				
No. of vendors	117	122	134	10
No. of terminals (average)	36,084	38,129	42,595	12
Derivatives Data				
No. of vendors	51	57	66	16
No. of terminals (average)	31,079	25,088	23,790	-5

Member Services and Connectivity

Member Services and Connectivity revenue was 23% higher at \$39 million (\$32 million).

Member Services & Connectivity Revenue (\$M)



Connectivity revenue was 27% higher at \$31 million (\$25 million) mainly driven by an increase in connectivity subscription from existing and new members and the first contribution from our new SGX Co-location service. The securities and derivatives connectivity subscriptions were 102 (88) and 654 (578) respectively on 30 June 2011. Our new Co-location service, which received strong interest from our members and customers, was successfully rolled out on 18 April 2011 after the opening of the SGX Data Centre.

Key Drivers of Connectivity

Key Drivers	2009	2010	2011	2011/2010 (% change)
Connectivity				
Securities Market				
Connectivity (no.)	86	88	102	16
Order Management System (no.)	28	28	34	21
Independent software vendor (no.)	NA	11	12	9
Derivatives Market				
Connectivity (no.)	467	578	654	13
Order Management System (no.)	35	55	68	24
Independent software vendor (no.)	10	11	13	18
Co-location racks (no.)	NA	NA	61	NM

Membership revenue was up 9% to \$8 million (\$7.5 million) as new members joined our markets. We are pleased to see the entry of members from new markets, including IIFL Securities (the first Indian member), SEB (the first Nordic member), GETCO Asia (a global liquidity provider and DOT Commodity (a leading commodities broker in Japan). In addition, we also welcomed 11 local and global banks to our newly launched OTC Financial Derivatives business during the year.

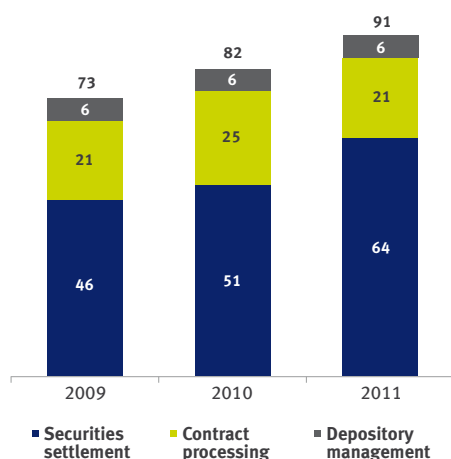
Key Drivers of Membership

Key Drivers	2009	2010	2011	2011/2010 (% change)
Membership				
Securities members				
Trading Representative	3,729	4,095	4,314	5
Trading Member	24	26	30	15
Clearing Member	24	26	29	12
Derivatives members				
Trading Member (Individual)	195	228	213	-7
Trading Member (Proprietary)	224	242	264	9
Trading Member	30	30	34	13
Clearing Member	25	26	28	8
Clearing Member-OTC Financials	NA	NA	11	NM
AsiaClear®				
No. of counterparties	336	512	735	44

Depository Services

Depository revenue was up 11% to \$91 million (\$82 million).

Depository Services Revenue (\$M)



Securities settlement revenue was 25% higher at \$64 million (\$51 million) on the back of increased institutional settlement instructions. Conversely, the lower retail participation in the securities market, measured by the percentage of trades below \$1.5 million, led to a reduction in contract processing revenue to \$21 million (\$25 million).

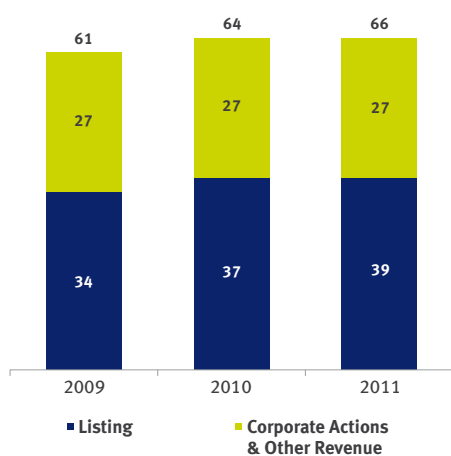
Key Drivers of Depository Services

Key Drivers	2009	2010	2011	2011/2010 (% change)
Securities Settlement				
No. of settlement instructions ('000)	3,785	4,317	5,080	18
Contract Processing				
Contracts processed ('000)	10,788	13,255	10,790	-19
Depository Management				
Depository accounts (million)	1.44	1.49	1.55	4

Issuer Services

Issuer Services revenue was up 3% to \$66 million (\$64 million).

Issuer Services Revenue (\$M)



Listings revenue was 5% higher at \$39 million (\$37 million) mainly driven by new bond listings. There were 34 (42) new companies, with record primary equity fund raising of \$14 billion (\$5 billion), listed on SGX Mainboard and Catalist in 2011. Total secondary funds raised was \$7 billion (\$11 billion). On the fixed income side, 287 new bond issues (164 issues)—including eight retail bonds and 16 RMB issues—were listed on SGX, for a total debt raising programme of \$170 billion (\$73 billion) in 2011.

Key Drivers of Issuer Services

Key Drivers	2009	2010	2011	2011/2010 (% change)
Listings: No. of listed issues				
Equity securities	774	783	776	-1
Debt securities	1,099	1,229	1,401	14
ETFs/ETN	35	73	85	16
Company warrants	75	80	72	-10
Structured warrants	312	233	318	36
Equity Market Capitalisation (\$B) (No. of issuers)				
Singapore issuers	613 (774)	781 (783)	893 (776)	14 (-1)
Overseas issuers, excluding Chinese issuers	340 (453)	428 (460)	464 (461)	8 -
Chinese issuers	242 (170)	316 (169)	381 (163)	21 (-4)
	31 (151)	37 (154)	48 (152)	30 (-1)
New Equity Listings	19	42	34	-19
Primary listings: IPOs & RTOs (IPO Market Cap, \$M)	19 (3,324)	40 (14,986)	32 (30,422)	-20 NM
Secondary listings (Market Cap, \$M)	0 (-)	2 (28,885)	2 (1,711)	- (-94)
New Funds Raised (\$M)	12,802	15,775	20,833	32
Primary funds raised: IPO	442	4,559	14,018	NM
Secondary funds raised	12,360	11,216	6,815	-39
New Debts/Fixed Income listings	96	164	287	75
Total funds raised (\$M)	41,806	72,883	169,869	NM
Corporate Actions				
No. of transactions	2,183	2,023	2,011	-1

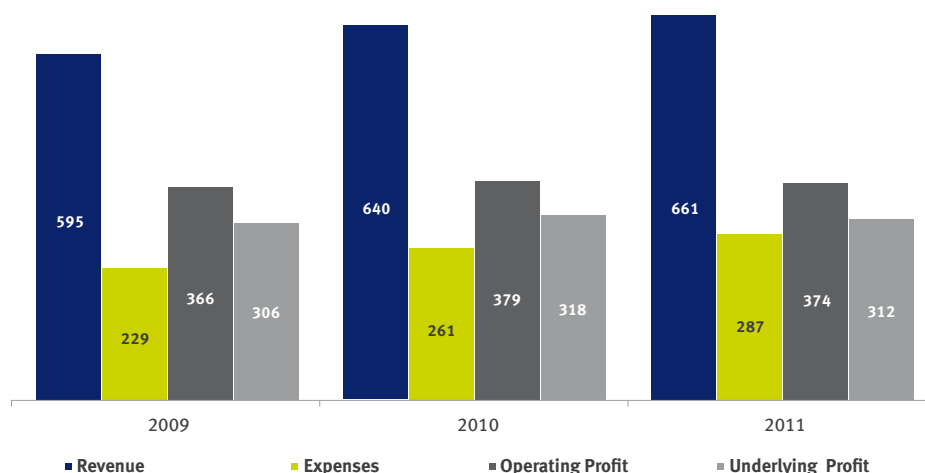
Financial Performance

- Revenue: \$661 million (\$640 million)
- EBITDA⁶: \$411 million (\$405 million)
- Net Profit: \$295 million (\$320 million)
- Earnings per share: 27.6 cents (30.1 cents)

For a meaningful review of SGX's performance, our discussions on the financial results will exclude: (a) 2011: ASX-SGX transaction-related costs of \$19 million and gain from disposal of premises of \$2 million; and (b) 2010: impairment adjustments.

SGX recorded an underlying profit of \$312 million (\$318 million) and an operating margin of 57% (59%) in 2011. This was achieved on the back of growing revenue and EBITDA of \$661 million (\$640 million) and \$411 million (\$405 million).

SGX Financial Results



Key Financial Indicators at a Glance

Key Financial Indicators	2009	2010	2011
Revenue (\$M)	595	640	661
EBITDA (\$M)	384	405	411
Operating Profit (\$M)	366	379	374
Net Profit (\$M)	306	318	312
Return on Equity	39%	39%	38%
Per Share (cents)			
Operating Cash Flow	26.2	35.2	32.7
Earnings	28.7	30.1	27.6
Dividend	26.0	27.0	27.0

Note 1: Except for "Per Share" data, the above excludes (a) impairment adjustments in 2010; (b) ASX-SGX transaction related costs and gain from disposal of premises in 2011.

Note 2: Dividend per share includes proposed final dividend. The 2011 proposed final dividend is subject to shareholders' approval at the Annual General Meeting.

⁶ Earnings before interest, tax, depreciation and amortisation.

Expenses

Expenses were 10% higher at \$287 million (\$261 million) mainly driven by technology expenses on increased depreciation for new platforms and the implementation of the Reach initiative. This initiative was rolled-out starting with the new SGX Data Centre and launch of the Co-location service in April 2011.

Staff expense was down 3% to \$107 million (\$111 million) as the increase in base staff costs was more than offset by the reduction in variable bonus and a writeback of share-based compensation expense. Headcount was 590 (602) as at 30 June 2011.

Expenses (\$M)

	2009	2010	2011	2011/2010 (% change)
Staff	100	111	107	-3
Technology	66	83	108	31
Processing and royalties	20	24	27	12
Premises	21	20	19	-7
Professional fees	12	10	10	-8
Others	10	13	16	27
Total	229	261	287	10

Financial Position and Cash Flow

As at 30 June 2011, SGX's total equity was \$824 million (\$816 million) and the unrestricted cash reserves were \$545 million (\$537 million), including the proposed final dividend of \$160 million (\$168 million).

Cashflow generated from operations during the year was \$349 million (\$375 million). Capital expenditure incurred in 2011 was \$57 million (\$55 million) and substantially related to the Reach initiative. The estimated capital expenditure for 2012 is \$40-45 million, mostly to enhance our Risk Management and Depository systems.

Shareholder Return

For 2011, SGX's return on equity (ROE) was 38% (39%). With reported earnings per share (EPS) of 27.6 cents (30.1 cents), our Board has proposed a final dividend of 15 cents per share. Subject to shareholders' approval at the annual general meeting on 6 October 2011, this will bring the full year dividend to 27 cents per share or approximately 98% of 2011's reported profit (27 cents and 90% payout).

In line with the current dividend policy, the Board has maintained the base dividend of 16 cents per share, or a quarterly payment of 4 cents per share.

Accounting Policies

The same accounting policies and methods of computation as in the 2010 audited annual financial statements have been applied for the current reporting period except for the following Financial Reporting Standards (FRS) and Interpretations to FRS (INT FRS) that are effective for the Group's financial year beginning 1 July 2010:

- (1) Amendment to FRS 7 Statement of Cash Flows (effective for annual periods beginning on or after 1 January 2010)

Under the amendment, only expenditures that result in a recognised asset in the balance sheet can be classified as investing activities in the statement of cash flows. This change has been applied retrospectively. It had no material effect on the amounts presented in the statement of cash flows for the current or prior year.

- (2) FRS 24 (revised) Related Party Disclosures (effective for annual periods beginning on or after 1 January 2011)

The revised standard clarifies the definition of a related party and consequently additional parties may be identified as related to the reporting entity. The Group elected to early adopt this revised standard in 2011. There is no material impact on the Group as the related party transactions currently disclosed are in line with the revised standard.

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

Directors' Report

For the financial year ended 30 June 2011

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 2011.

Directors

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

Chew Choon Seng (Chairman, appointed on 1 January 2011)
Magnus Böcker (Chief Executive Officer)
Euleen Goh
Ho Tian Yee
Jane Diplock (appointed on 25 July 2011)
Lee Hsien Yang
Liew Mun Leong
Loh Boon Chye
Low Check Kian
Ng Kee Choe
Robert Owen
Thaddeus Beczak (appointed on 7 October 2010)

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 was to enable the directors of the Company to acquire benefits by means of an acquisition of shares in, or debentures of, the Company or any other body corporate, other than as disclosed under "Share 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 shares or debentures of the Company and related corporations.
- (b) There are no interests in options to subscribe for ordinary shares of the Company granted pursuant to the SGX Share Option Plan for Group Employees.
- (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.

Subject to the terms and conditions of the SGX Performance Share Plan, 192,200 shares granted to Magnus Böcker will vest on 1 September 2013.

- (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 2011.

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.

Share Plans

The Company offers the following share plans to its employees:

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

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

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 RC 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 RC from time to time. The exercise price of an option shall be equal to or higher than the Market Price.

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

Share Plans (continued)

SGX Share Option Plan (“the Scheme”) (continued)

Options Granted Under the Scheme

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

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

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

Unissued Shares Under Options

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

Date of Grant	Balance as at 01.07.2010	Lapsed	Options Exercised	Balance as at 30.06.2011	Number of Option Holders as at 30.06.2011	Exercise Price*	Exercise Period
27.01.2004	302,000	(10,500)	(291,500)	-	-	\$1.70	27.01.2006 to 26.01.2011
01.11.2004	323,000	-	(246,500)	76,500	4	\$1.60	02.11.2006 to 01.11.2011
	625,000	(10,500)	(538,000)	76,500			

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

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

As at 30 June 2011, there were no executives and employees, including executive directors, who have been granted 5% or more of the total options available under the Scheme, except for SGX's former Chief Executive Officer (“CEO”), Hsieh Fu Hua. He was granted more than 5% of the total options available under the Scheme as follows:

Options Granted on 27.01.2004 (exercisable from 27.01.2006 to 26.01.2011)	Number of Shares under Options
Options granted for the financial year ended 30.06.2011	-
Aggregate options granted since commencement of the Scheme to 30.06.2011	4,000,000
Aggregate options exercised since commencement of the Scheme to 30.06.2011	(4,000,000)
Aggregate options outstanding as at 30.06.2011	-

Share Plans (continued)

SGX Performance Share Plan (“the Plan”)

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

Eligibility

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

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

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

Restrictions

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

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

Share Plans (continued)

SGX Performance Share Plan (“the Plan”) (continued)

Share Grant and Vesting

The RC approves every grant of the Plan, and has absolute discretion in the granting and award of performance shares. The performance shares grant for financial year (“FY”) 2006, 2007 and 2008 had vested by 30 June 2008, 30 June 2010 and 30 June 2011 respectively.

2008 Grant

The number of SGX shares awarded to each participant was based on the achievement of certain prescribed performance targets, over a three-year performance period from 1 July 2007 to 30 June 2010. The performance shares vested on 1 November 2010 and these performance shares were fulfilled by the delivery of shares purchased from the market.

The details of shares granted to the participants are as follows:

Participants (as defined under the Plan)	Shares Granted at Grant Date	Balance as at 01.07.2010	Shares Lapsed during Financial Year	Shares Vested during Financial Year ¹	Balance as at 30.06.2011
EXCO Members					
Gan Seow Ann ²	86,000	86,000	(42,200)	(43,800)	-
Muthukrishnan Ramaswami ²	64,500	64,500	(31,700)	(32,800)	-
Yeo Lian Sim ²	64,500	64,500	(31,700)	(32,800)	-
Lawrence Wong Liang Ying ²	51,600	51,600	(25,300)	(26,300)	-
Chang Kuan Aun	43,000	43,000	(21,100)	(21,900)	-
Chew Sutat	38,700	38,700	(19,000)	(19,700)	-
Benjamin Foo	22,000	22,000	(10,800)	(11,200)	-
Other Staff	223,800	174,200	(85,500)	(88,700)	-
Other Participants					
Hsieh Fu Hua ^{2,3}	225,000	225,000	(110,600)	(114,400)	-
Seck Wai Kwong ²	73,100	73,100	(35,900)	(37,200)	-
	892,200	842,600	(413,800)	(428,800)	-

¹ The number of shares vested during the financial year represents the level of achievement against the performance conditions.

² Received more than 5% of the 892,200 shares granted under the 2008 grant.

³ Hsieh Fu Hua was SGX's former CEO. His contract ended on 30 November 2009. Under his contract, he is eligible to receive the award at the vesting date, based on the level of achievement against the performance conditions.

2009 Grant

The number of SGX shares to be awarded to each participant is based on the achievement of certain prescribed performance targets, over a three-year performance period from 1 July 2008 to 30 June 2011. The performance shares will vest on 1 September 2011.

The details of shares granted to the participants are as follows:

Participants (as defined under the Plan)	Shares Granted at Grant Date	Balance as at 01.07.2010 ¹	Shares Lapsed during Financial Year	Balance as at 30.06.2011
EXCO Members				
Gan Seow Ann ²	150,800	150,800	-	150,800
Muthukrishnan Ramaswami ²	135,700	135,700	-	135,700
Yeo Lian Sim ²	120,600	120,600	-	120,600
Lawrence Wong Liang Ying ²	98,000	98,000	-	98,000
Chew Sutat	90,500	90,500	-	90,500
Chang Kuan Aun	82,900	82,900	-	82,900
Robert Ian Caisley	60,300	60,300	-	60,300
Benjamin Foo	45,000	45,000	-	45,000
Other Staff	456,000	394,200	-	394,200
Other Participants				
Hsieh Fu Hua ^{2,3}	458,500	458,500	-	458,500
Seck Wai Kwong ^{2,4}	135,700	135,700	(135,700)	-
	1,834,000	1,772,200	(135,700)	1,636,500

¹ Represents the number of shares required if participants are to be awarded at 100% of the grant. However, the shares to be awarded at the vesting date may range from 0% to 150% of the grant, depending on the level of achievement against the performance conditions.

² Received more than 5% of the 1,834,000 shares granted under the 2009 grant.

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

⁴ Seck Wai Kwong resigned as SGX's CFO and his last day of service was 10 June 2011. All his unvested shares have lapsed on the same date.

Share Plans (continued)

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

Share Grant and Vesting (continued)

2010 Grant

The number of SGX shares to be awarded to each participant will be based on the achievement of certain prescribed performance targets, over a three-year performance period from 1 July 2009 to 30 June 2012. The performance shares will vest on 1 September 2012.

The details of shares granted to the participants are as follows:

Participants (as defined under the Plan)	Shares Granted at Grant Date	Balance as at 01.07.2010 ¹	Shares Lapsed during Financial Year	Balance as at 30.06.2011
EXCO Members				
Gan Seow Ann ²	96,800	96,800	-	96,800
Muthukrishnan Ramaswami ²	96,800	96,800	-	96,800
Yeo Lian Sim ²	82,300	82,300	-	82,300
Lawrence Wong Liang Ying ²	62,900	62,900	-	62,900
Chew Sutat ²	62,900	62,900	-	62,900
Robert Ian Caisley	48,400	48,400	-	48,400
Chang Kuan Aun	43,600	43,600	-	43,600
Benjamin Foo	25,300	25,300	-	25,300
Other Staff	328,500	328,500	(14,000)	314,500
Other Participants				
Hsieh Fu Hua ^{2,3}	310,000	310,000	-	310,000
Seck Wai Kwong ^{2,4}	82,300	82,300	(82,300)	-
	1,239,800	1,239,800	(96,300)	1,143,500

¹ Represents the number of shares required if participants are to be awarded at 100% of the grant. However, the shares to be awarded at the vesting date may range from 0% to 150% of the grant, depending on the level of achievement against the performance conditions.

² Received more than 5% of the 1,239,800 shares granted under the 2010 grant.

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

⁴ Seck Wai Kwong resigned as SGX's CFO and his last day of service was 10 June 2011. All his unvested shares have lapsed on the same date.

Special award to the former CEO, Hsieh Fu Hua

A conditional award of 436,485 shares was granted to Hsieh Fu Hua on 30 November 2009. The shares will vest at the end of a three-year period on 30 November 2012 on condition that he does not, directly or indirectly, carry on or be engaged in, or concerned with any activity or business which SGX may deem to be in competition with the business of the Company and its subsidiaries, for a period of one year from the grant date.

2011 Grant

The number of SGX shares to be awarded to each participant will be based on the achievement of certain prescribed performance targets, over a three-year performance period from 1 July 2010 to 30 June 2013. The performance shares will vest on 1 September 2013.

The details of shares granted to the participants are as follows:

Participants (as defined under the Plan)	Shares Granted during Financial Year ¹	Shares Lapsed during Financial Year	Balance as at 30.06.2011
EXCO Members			
Magnus Böcker ²	192,200	-	192,200
Gan Seow Ann ²	96,000	-	96,000
Muthukrishnan Ramaswami ²	96,000	-	96,000
Yeo Lian Sim ²	82,000	-	82,000
Lawrence Wong Liang Ying ²	62,000	-	62,000
Chew Sutat ²	62,000	-	62,000
Robert Ian Caisley	48,000	-	48,000
Chang Kuan Aun	43,000	-	43,000
Benjamin Foo	43,000	-	43,000
Other Staff	346,800	(37,600)	309,200
Other Participants			
Seck Wai Kwong ^{2,3}	82,000	(82,000)	-
	1,153,000	(119,600)	1,033,400

¹ Represents the number of shares required if participants are to be awarded at 100% of the grant. However, the shares to be awarded at the vesting date may range from 0% to 150% of the grant, depending on the level of achievement against the performance conditions.

² Received more than 5% of the 1,153,000 shares granted under the 2011 grant.

³ Seck Wai Kwong resigned as SGX's CFO and his last day of service was 10 June 2011. All his unvested shares have lapsed on the same date.

Share Plans (continued)

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

Share Grant and Vesting (continued)

Summary of the Plan

The summary of the total number of shares granted, lapsed, vested and outstanding as at 30 June 2011 are as follows:

	Shares Granted during Financial Year	Aggregate Shares Granted since Commencement of the Plan to 30.06.2011	Aggregate Shares Lapsed since Commencement of the Plan to 30.06.2011	Aggregate Shares Vested since Commencement of the Plan to 30.06.2011	Aggregate Shares Outstanding as at 30.06.2011
Participants who received more than 5% of the total grants available					
Hsieh Fu Hua ¹	-	2,712,485	(110,600)	(1,396,900)	1,204,985
Gan Seow Ann	96,000	902,100	(42,200)	(516,300)	343,600
Seck Wai Kwong ²	82,000	845,600	(335,900)	(509,700)	-
Yeo Lian Sim	82,000	679,400	(31,700)	(362,800)	284,900
Participants who received less than 5% of the total grants available					
Other staff	893,000	5,331,350	(845,900)	(2,069,050)	2,416,400
	1,153,000	10,470,935	(1,366,300)	(4,854,750)	4,249,885

¹ Hsieh Fu Hua was SGX's former CEO. His contract ended on 30 November 2009. Under his contract, he will continue to be eligible to receive the award at the vesting date, depending on the level of achievement against the performance conditions.

² Seck Wai Kwong resigned as SGX's CFO and his last day of service was 10 June 2011. All his unvested shares have lapsed on the same date.

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

Share Plans (continued)

SGX Deferred Long-Term Incentives Scheme ("the LTI Scheme")

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

Eligibility

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

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

The RC may determine to grant an award, wholly or partly, in the form of SGX shares, which will be free of charge, or in the form of cash. If the award is in the form of SGX shares, the LTI Scheme only allows the delivery of SGX shares held in treasury by the Company to fulfill its obligations to recipients. If the award is in the form of cash, the amount released is based on the market value of such shares on vesting date.

Share Award and Vesting

2008 Award

There were two awards in 2008. Both awards were in the form of SGX shares. One award has a one-year vesting period which vested on 3 November 2008. Another will vest in three equal instalments over a period of three years with the first instalment vested on 3 November 2008. This award has vested by 30 June 2011.

The details of shares awarded are as follows:

	Shares Awarded at Grant Date	Balance as at 01.07.2010	Shares Lapsed during Financial Year	Shares Vested during Financial Year	Balance as at 30.06.2011
Recipients (as defined under the LTI Scheme)	507,100	127,300	(6,700)	(120,600)	-
Total	507,100	127,300	(6,700)	(120,600)	-

Share Plans (continued)

SGX Deferred Long-Term Incentives Scheme ("the LTI Scheme") (continued)

Share Award and Vesting (continued)

2009 Award

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

The details of shares awarded are as follows:

	Shares Awarded at Grant Date	Balance as at 01.07.2010	Shares Lapsed During Financial Year	Shares Vested During Financial Year	Balance as at 30.06.2011
Recipients (as defined under the LTI Scheme)	750,200	422,000	(34,500)	(201,900)	185,600
Total	750,200	422,000	(34,500)	(201,900)	185,600

2010 Award

There were two awards in 2010. Both awards were in the form of SGX shares. One award has a one-year vesting period which vested on 3 November 2010. Another will vest in three equal instalments over a period of three years with the first instalment vested on 3 November 2010.

The details of shares awarded are as follows:

	Shares Awarded at Grant Date	Balance as at 01.07.2010	Shares Lapsed During Financial Year	Shares Vested During Financial Year	Balance as at 30.06.2011
Recipients (as defined under the LTI Scheme)	433,500	414,100	(31,900)	(146,100)	236,100
Total	433,500	414,100	(31,900)	(146,100)	236,100

2011 Award

There were two awards in 2011. Both awards were in the form of SGX shares. One award has a one-year vesting period which will vest on 1 November 2011. Another will vest in three equal instalments over a period of three years with the first instalment vesting on 1 November 2011.

The details of shares awarded are as follows:

	Shares Awarded during Financial Year	Shares Lapsed during Financial Year	Balance as at 30.06.2011
Recipients (as defined under the LTI Scheme)	435,600	(38,650)	396,950
Total	435,600	(38,650)	396,950

Since the commencement of the LTI Scheme, no Recipient has been awarded 5% or more of the total shares available under the LTI Scheme.

Audit Committee

The Audit Committee comprises the following Non-Executive Directors at the date of this report:

Lee Hsien Yang (Chairman)
Liew Mun Leong
Loh Boon Chye
Ng Kee Choe

With effect from 25 July 2011, Euleen Goh and Ho Tian Yee stepped down as Audit Committee members and Liew Mun Leong and Ng Kee Choe were appointed in their place.

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

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

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act, Section 14 of the Securities & Futures (Corporate Governance of Approved Exchanges, Designated Clearing Houses and Approved Holding Companies) Regulations 2005, the Singapore Code of Corporate Governance, and the SGX-ST Listing Manual. These functions include a review of the financial statements of the Company and of the Group for the financial year and the independent auditor's report thereon.

Accordingly, the Audit Committee has also undertaken a review of the nature and extent of non-audit services provided by the firm acting as the auditor. In the opinion of the Audit Committee, these services would not affect the independence of the auditor.

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

Independent Auditor

The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept re-appointment.

On behalf of the directors



Chew Choon Seng
Director



Magnus Böcker
Director

2 August 2011

Statement by Directors

In the opinion of the directors,

- (a) the statement of comprehensive income, statement of financial position and statement of changes in equity of the Company and the consolidated financial statements of the Group as set out on pages 114 to 195 are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group at 30 June 2011, of the results of the business and changes in equity of the Company and of the Group for the financial year then ended, and of the cash flows of the Group for the financial year then ended; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

On behalf of the directors



Chew Choon Seng
Director



Magnus Böcker
Director

2 August 2011

Independent Auditor's Report To the Members of Singapore Exchange Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Singapore Exchange Limited (the "Company") and its subsidiaries (the "Group") set out on pages 114 to 195, which comprise the statements of financial position as at 30 June 2011, the statements of comprehensive income, the statements of changes in equity of the Group and the Company and the consolidated statement of cash flows of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition, that transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair profit and loss accounts and balance sheets and to maintain accountability of assets.

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 about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation of financial statements that give a true and fair view in order to design audit procedures that are appropriate in the

circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion, the consolidated financial statements of the Group and the financial statements of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 30 June 2011, and the results and the changes in equity of the Group and the Company and the cash flows of the Group for the financial year ended on that date.

Report on other Legal and Regulatory Requirements

In our opinion, 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 LLP
Public Accountants and
Certified Public Accountants

Singapore, 2 August 2011

Statements of Financial Position

As at 30 June 2011

		The Group		The Company	
	Note	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Assets					
Current Assets					
Cash and cash equivalents	3	693,063	672,591	513,149	485,611
Trade and other receivables	4	563,907	464,136	14,532	7,471
Derivative financial instruments	5	899	-	-	-
Securities clearing funds	6	30,000	30,000	-	-
		1,287,869	1,166,727	527,681	493,082
Non-current asset held-for-sale	7	-	21,700	-	21,700
		1,287,869	1,188,427	527,681	514,782
Non-Current Assets					
Financial assets, available-for-sale	8	73,256	73,256	73,256	73,256
Property, plant and equipment	9	29,805	9,590	29,338	8,001
Software	10	118,064	121,032	7,597	8,474
Club memberships		287	296	287	296
Goodwill	14	-	-	-	-
Investments in subsidiaries	11	-	-	393,501	405,591
Investments in joint venture	12	3,613	-	-	-
Investments in associated company	13	4,684	4,145	4,389	4,389
Deferred tax assets	16	15	4,846	15	4,679
		229,724	213,165	508,383	504,686
Total Assets		1,517,593	1,401,592	1,036,064	1,019,468
Liabilities					
Current Liabilities					
Trade and other payables	15	607,210	500,031	349,363	328,630
Derivative financial instruments	5	-	444	-	149
Taxation	16	66,413	70,588	265	3,456
Provisions	17	7,522	7,150	5,026	4,256
		681,145	578,213	354,654	336,491
Non-Current Liability					
Deferred tax liabilities	16	12,469	7,457	-	-
Total Liabilities		693,614	585,670	354,654	336,491
Net Assets		823,979	815,922	681,410	682,977
Equity					
Capital and Reserves Attributable to the Company's Equity Holders					
Share capital	18	419,553	409,777	419,553	409,777
Treasury shares	18	(31,156)	(41,775)	(31,156)	(41,775)
Cash flow hedge reserve		746	(245)	-	-
Currency translation reserve		(751)	(527)	-	-
Derivatives clearing fund reserve	19	34,021	34,021	-	-
Fair value reserve		(3,700)	(3,700)	(3,700)	(3,700)
Securities clearing fund reserve	6	25,000	25,000	-	-
Share-based payment reserve		18,855	30,878	18,855	30,878
Retained profits		201,321	194,624	117,768	119,928
Proposed dividends	28	160,090	167,869	160,090	167,869
Total Equity		823,979	815,922	681,410	682,977

Statements of Comprehensive Income

For the financial year ended 30 June 2011

		The Group		The Company	
	Note	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Operating Revenue					
Management fees from subsidiaries		-	-	150,515	131,753
Gross dividends from subsidiaries		-	-	305,196	290,556
Securities	20	288,978	295,964	-	-
Derivatives	20	141,963	131,211	-	-
Market data	20	32,273	30,501	39	32
Member services and connectivity	20	39,257	32,044	1,593	-
Depository services	20	90,633	81,892	14,001	16,848
Issuer services	20	66,017	64,105	-	-
Others		1,563	3,997	627	1,192
Operating Revenue		660,684	639,714	471,971	440,381
Operating Expenses					
Staff	21	107,019	110,770	82,389	82,938
Technology	22	108,264	82,584	43,487	28,528
Processing and royalties		26,675	23,779	627	1,074
Premises	23	18,835	20,278	15,354	15,897
Professional fees		9,945	10,777	7,331	5,598
Others	24	16,441	12,958	9,905	8,688
Operating Expenses		287,179	261,146	159,093	142,723
Profit from Operating Activities	25	373,505	378,568	312,878	297,658
Other Gains/(Losses)	26	(15,241)	6,446	(26,439)	(14,959)
Profit before Tax and Share of Results of Joint Venture and Associated Company		358,264	385,014	286,439	282,699
Share of results of joint venture and associated company		(2,692)	(1,741)	-	-
Profit before Tax		355,572	383,273	286,439	282,699
Tax	16	(60,719)	(63,199)	(443)	294
Net Profit after Tax		294,853	320,074	285,996	282,993
Attributable to:					
Equity holders of the Company		294,853	320,074	285,996	282,993
Earnings per Share based on Net Profit Attributable to the Equity Holders of the Company (in cents per share)					
- Basic	27	27.64	30.08		
- Diluted	27	27.55	29.92		

	The Group		The Company	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Net profit after tax	294,853	320,074	285,996	282,993
Other Comprehensive Income				
Net currency translation differences of financial statements of associated company	(224)	89	-	-
Fair value gains/(losses) arising from cash flow hedges	991	(840)	-	-
Other Comprehensive Income/(Expense) for the Financial Year, Net of Tax	767	(751)	-	-
Total Comprehensive Income for the Financial Year	295,620	319,323	285,996	282,993
Total Comprehensive Income Attributable to:				
Equity holders of the Company	295,620	319,323	285,996	282,993

Consolidated Statement of Changes in Equity

For the financial year ended 30 June 2011

The Group

	Note	Share Capital	Treasury Shares	Cash Flow Hedge Reserve*	Currency Translation Reserve*	Derivatives Clearing Fund Reserve*	Fair Value Reserve*	Securities Clearing Fund Reserve*	Share-based Payment Reserve*	Retained Profits	Proposed Dividends	Total
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2011												
Balance at 1 July 2010		409,777	(41,775)	(245)	(527)	34,021	(3,700)	25,000	30,878	194,624	167,869	815,922
Dividends paid												
- Financial year 2010												
- Final dividend		-	-	-	-	-	-	-	-	-	(167,869)	(167,869)
- Financial year 2010												
- Underprovision of final dividend		-	-	-	-	-	-	-	-	(19)	-	(19)
- Financial year 2011												
- Interim dividends		-	-	-	-	-	-	-	-	(128,001)	-	(128,001)
- Financial year 2011												
- Underprovision of interim dividends		-	-	-	-	-	-	-	-	(46)	-	(46)
Proposed dividend												
- Financial year 2011												
- Final dividend	28	-	-	-	-	-	-	-	-	(160,090)	160,090	-
Issue of ordinary shares		1,133	-	-	-	-	-	-	(244)	-	-	889
Employee share plan												
- Value of employee services		-	-	-	-	-	-	-	7,461	-	-	7,461
Vesting of shares under share plans		8,643	10,597	-	-	-	-	-	(19,240)	-	-	-
Tax effect on treasury shares**	18(a)	-	22	-	-	-	-	-	-	-	-	22
		9,776	10,619						(12,023)	(288,156)	(7,779)	(287,563)
Total Comprehensive Income for the Financial Year		-	-	991	(224)	-	-	-	-	294,853	-	295,620
Balance at 30 June 2011		419,553	(31,156)	746	(751)	34,021	(3,700)	25,000	18,855	201,321	160,090	823,979

* These reserves are not available for distribution as dividends to the equity holders of the Company.

** The tax effect relates to the deferred tax benefit/(liability) on the difference between consideration paid for treasury shares and share-based payment to employees.

The Group (continued)

	Note	Share Capital	Treasury Shares	Cash Flow Hedge Reserve*	Currency Translation Reserve*	Derivatives Clearing Fund Reserve*	Fair Value Reserve*	Securities Clearing Fund Reserve*	Share-based Payment Reserve*	Retained Profits	Proposed Dividends	Total
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2010												
Balance at 1 July 2009		414,851	(42,826)	595	(616)	34,021	(3,700)	25,000	23,927	161,974	164,879	778,105
Dividends paid												
- Financial year 2009												
- Final dividend		-	-	-	-	-	-	-	-	-	(164,879)	(164,879)
- Financial year 2009												
- Overprovision of final dividend		-	-	-	-	-	-	-	-	245	-	245
- Financial year 2010												
- Interim dividends		-	-	-	-	-	-	-	-	(119,658)	-	(119,658)
- Financial year 2010												
- Underprovision of interim dividends		-	-	-	-	-	-	-	-	(142)	-	(142)
Proposed dividend												
- Financial year 2010												
- Final dividend	28	-	-	-	-	-	-	-	-	(167,869)	167,869	-
Issue of ordinary shares		3,918	-	-	-	-	-	-	(848)	-	-	3,070
Employee share plan												
- Value of employee services		-	-	-	-	-	-	-	17,445	-	-	17,445
Purchase of treasury shares	18(a)	-	(17,711)	-	-	-	-	-	-	-	-	(17,711)
Vesting of shares under share plans		(8,992)	18,638	-	-	-	-	-	(9,646)	-	-	-
Tax effect on treasury shares**	18(a)	-	124	-	-	-	-	-	-	-	-	124
		(5,074)	1,051	-	-	-	-	-	6,951	(287,424)	2,990	(281,506)
Total Comprehensive Income for the Financial Year		-	-	(840)	89	-	-	-	-	320,074	-	319,323
Balance at 30 June 2010		409,777	(41,775)	(245)	(527)	34,021	(3,700)	25,000	30,878	194,624	167,869	815,922

* These reserves are not available for distribution as dividends to the equity holders of the Company.

** The tax effect relates to the deferred tax benefit/(liability) on the difference between consideration paid for treasury shares and share-based payment to employees.

Statements of Changes in Equity

For the financial year ended 30 June 2011

The Company

	Note	Share Capital	Treasury Shares	Fair Value Reserve*	Sharebased Payment Reserve*	Retained Profits	Proposed Dividends	Total
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2011								
Balance at 1 July 2010		409,777	(41,775)	(3,700)	30,878	119,928	167,869	682,977
Dividends paid								
- Financial year 2010 - Final dividend		-	-	-	-	-	(167,869)	(167,869)
- Financial year 2010 - Underprovision of final dividend		-	-	-	-	(19)	-	(19)
- Financial year 2011 - Interim dividends		-	-	-	-	(128,001)	-	(128,001)
- Financial year 2011 - Underprovision of interim dividends		-	-	-	-	(46)	-	(46)
Proposed dividend								
- Financial year 2011 - Final dividend	28	-	-	-	-	(160,090)	160,090	-
Issue of ordinary shares		1,133	-	-	(244)	-	-	889
Employee share plan - value of employee services		-	-	-	7,461	-	-	7,461
Vesting of shares under share plans		8,643	10,597	-	(19,240)	-	-	-
Tax effect on treasury shares**	18(a)	-	22	-	-	-	-	22
		9,776	10,619	-	(12,023)	(288,156)	(7,779)	(287,563)
Total Comprehensive Income for the Financial Year		-	-	-	-	285,996	-	285,996
Balance at 30 June 2011		419,553	(31,156)	(3,700)	18,855	117,768	160,090	681,410
2010								
Balance at 1 July 2009		414,851	(42,826)	(3,700)	23,927	124,359	164,879	681,490
Dividends paid								
- Financial year 2009 - Final dividend		-	-	-	-	-	(164,879)	(164,879)
- Financial year 2009 - Overprovision of final dividend		-	-	-	-	245	-	245
- Financial year 2010 - Interim dividends		-	-	-	-	(119,658)	-	(119,658)
- Financial year 2010 - Overprovision of interim dividends		-	-	-	-	(142)	-	(142)
Proposed dividend								
- Financial year 2010 - Final dividend	28	-	-	-	-	(167,869)	167,869	-
Issue of ordinary shares		3,918	-	-	(848)	-	-	3,070
Employee share plan - Value of employee services		-	-	-	17,445	-	-	17,445
Purchase of treasury shares	18(a)	-	(17,711)	-	-	-	-	(17,711)
Vesting of shares under share plans		(8,992)	18,638	-	(9,646)	-	-	-
Tax effect on treasury shares**	18(a)	-	124	-	-	-	-	124
		(5,074)	1,051	-	6,951	(287,424)	2,990	(281,506)
Total Comprehensive Income for the Financial Year		-	-	-	-	282,993	-	282,993
Balance at 30 June 2010		409,777	(41,775)	(3,700)	30,878	119,928	167,869	682,977

* These reserves are not available for distribution as dividends to the equity holders of the Company.

** The tax effect relates to the deferred tax benefit/(liability) on the difference between consideration paid for treasury shares and share-based payment to employees.

Consolidated Statement of Cash Flows

For the financial year ended 30 June 2011

	Note	2011 \$'000	2010 \$'000
Cash Flows from Operating Activities			
Profit before tax and share of results of joint venture and associated company		358,264	385,014
Adjustments for:			
- Depreciation and amortisation		37,590	26,108
- Net write-off/impairment of property, plant and equipment and software	24	1,616	181
- Net gain on disposal of property, plant and equipment and software	24	(170)	(15)
- Net gain on disposal of freehold property	26	(1,719)	-
- Write-back of allowance for impairment on property	26	-	(5,000)
- Grant income for property, plant and equipment and software	24	(444)	(55)
- Share-based payment to employees	21	7,461	17,445
- Impairment of goodwill	26	-	2,721
- Net loss on sale of club memberships		-	16
- Dividend income	26	-	(1,221)
- Interest income		(3,300)	(3,997)
Operating cash flow before working capital change		399,298	421,197
Change in working capital			
- Trade and other receivables		(100,614)	81,405
- Trade and other payables		107,551	(57,911)
- Accrual for property, plant and equipment and software		(2,117)	(8,892)
Cash generated from operations		404,118	435,799
Income tax paid		(55,232)	(60,708)
Net Cash Provided by Operating Activities		348,886	375,091
Cash Flows from Investing Activities			
Purchases of property, plant and equipment and software		(55,156)	(46,072)
Proceeds from disposal of property, plant and equipment and software		23,619	95
Grant received for property, plant and equipment and software		914	-
Loan to joint venture		-	(2,781)
Dividend received		-	1,221
Interest received		3,578	3,947
Sale of club memberships		-	3
Investment in joint venture	12	(9,052)	-
Repayment of loans by a joint venture		2,729	-
Net Cash used in Investing Activities		(33,368)	(43,587)
Cash Flows from Financing Activities			
Net proceeds from issue of ordinary shares		889	3,070
Contribution to securities clearing fund		-	(5,000)
Purchase of treasury shares		-	(17,711)
Dividends paid		(295,935)	(284,434)
Net Cash used in Financing Activities		(295,046)	(304,075)
Net Increase in Cash and Cash Equivalents		20,472	27,429
Cash and cash equivalents at beginning of financial year		536,570	470,641
(Increase)/decrease in cash set aside for Singapore Exchange		(12,260)	38,500
Derivatives Clearing Limited's Clearing Fund			
Cash and Cash Equivalents at end of Financial Year	3	544,782	536,570

Notes to the Financial Statements

For the financial year ended 30 June 2011

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General

The Company is incorporated and domiciled in Singapore. On 23 November 2000, the Company was admitted to the Official List of Singapore Exchange Securities Trading Limited ("SGX-ST"). The address of the registered office is:

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

The principal activities of the Group are to operate the only integrated securities exchange and derivatives exchange in Singapore and their related clearing houses.

The principal activities of the Company are those of investment holding, treasury management, provision of management and administrative services to related corporations and provision of contracts processing services. The principal activities of the subsidiaries are set out in Note 11 to the financial statements. There have been no significant changes in the principal activities of the Company and its subsidiaries during the financial year.

2. Significant Accounting Policies

(a) Basis of Preparation

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

Information about significant areas of estimation uncertainty and critical judgements in applying the accounting policies that have significant effect on the amount recognised in the financial statements are included in the following notes:

Note 8 - Financial assets,
available-for-sale
Note 14 - Goodwill
Note 16 - Income taxes

From 1 July 2010, 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 2011. 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 new or revised FRS that are relevant to the Group:

(1) Amendment to FRS 7 Statement of Cash Flows (effective for annual periods beginning on or after 1 January 2010)

Under the amendment, only expenditures that result in a recognised asset in the balance sheet can be classified as investing activities in the statement of cash flows.

This change has been applied retrospectively. It had no material effect on the amounts presented in the statement of cash flows for the current or prior year.

(2) FRS 24 (revised) Related Party Disclosures (effective for annual periods beginning on or after 1 January 2011)

The revised standard clarifies the definition of a related party and consequently additional parties may be identified as related to the reporting entity.

The Group elected to early adopt this revised standard in the current financial year. There is no material impact on the Group as the related party transactions currently disclosed are in line with the revised standard.

(b) Group Accounting

(1) Subsidiaries

(i) Consolidation

Subsidiaries are entities over which the Group has power to govern the financial and operating policies so as to obtain benefits from its activities, generally accompanied by a shareholding giving rise to a majority of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

In preparing the consolidated financial statements, intercompany transactions, balances and unrealised gains and losses on transactions between group companies are eliminated unless losses cannot be recovered. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

Non-controlling interest is that part of the net results of operations and of net assets of a subsidiary attributable to interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in the equity and statement of financial position. Total comprehensive income is attributed to the non-controlling interest based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

Please refer to Note 2(g) for the Company's accounting policy on investments in subsidiaries.

(ii) Acquisition of Businesses

The acquisition method of accounting is used to account for business combinations by the Group.

The consideration transferred for the acquisition of a subsidiary comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest's proportionate share of the acquiree's net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill. Please refer to Note 2(i)(1) for the subsequent accounting policy on goodwill.

(iii) Disposals of Subsidiaries or Businesses

When a change in the Company's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained earnings if required by a specific Standard.

Any retained interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained investment at the date when control is lost and its fair value is recognised in profit or loss.

Please refer to Note 2(g) for the accounting policy on investments in subsidiaries in the separate financial statements of the Company.

(2) Associated Companies

Associated companies are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to between and including 20% and 50% of the voting rights. Investments in associated companies are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

Investments in associated companies are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition.

2. Significant Accounting Policies (continued)

(b) Group Accounting (continued) (2) Associated Companies (continued)

Goodwill on associated companies represents the excess of the cost of acquisition of the associates over the Group's share of fair value of the identifiable net assets of the associate and is included in the carrying amount of the investments. Please refer to Note 2(i)(1) for the Group's accounting policy on goodwill, on acquisition of associated companies.

In applying the equity method of accounting, the Group's share of its associated companies' post-acquisition profits or losses is recognised in profit or loss and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. These post-acquisition movements and distribution received from associated companies are adjusted against the carrying amount of the investment. When the Group's share of losses in an associated company equals or exceeds its interest in the associated company, the Group does not recognise further losses, unless it has obligations or has made payments on behalf of the associated company.

Unrealised gains on transactions between the Group and its associated companies are eliminated to the extent of the Group's interest in the associated companies. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

Investments in associated companies are derecognised when the Group loses significant influence. Any retained interest in the entity is remeasured

at its fair value. The difference between the carrying amount of the retained investment at the date when significant influence is lost and its fair value is recognised in the statement of comprehensive income.

Please refer to Note 2(g) for the Company's accounting policy on investments in associated companies.

(3) Joint Ventures

Joint ventures are those equity investments in companies, in which the Group has a long-term interest and has, by way of contractual arrangements, joint control in the companies' operational and financial affairs.

Joint ventures are accounted for under the equity method whereby the Group's share of profit or losses of joint ventures is included in the consolidated statement of comprehensive income and the Group's share of net assets or liabilities is included in the consolidated statement of financial position. Where the accounting policies of joint ventures do not conform with those of the Group, adjustments to the Group's financial statements are made for the amounts which are considered significant to the Group.

Please refer to Note 2(g) for the Company's accounting policy on investments in joint ventures.

(c) Currency Translation

(1) Functional and Presentation Currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates ("functional currency"). The presentation currency of the consolidated financial statements is Singapore Dollars ("SGD"), which is also the Company's functional currency.

(2) Transactions and Balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in the statement of comprehensive income.

Foreign currency monetary assets and liabilities are translated into the functional currency at the rates of exchange at the balance sheet date. Currency translation differences are recognised in the statement of comprehensive income.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

(d) Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and deposits with banks.

(e) Trade and Other Receivables

Trade and other receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment. An allowance for impairment of trade and other receivables is recognised when there is objective evidence that the Group will not be able to collect amounts due according to the original terms of the receivables. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate and is recognised in the statement of comprehensive income.

The allowance for impairment loss is reduced through the statement of comprehensive income in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

(f) Financial Assets, Available-for-sale

Investments, which are designated in this category, are initially recognised at fair value plus transaction costs and are subsequently carried at fair value. Purchase and sales of investments are recognised on trade date, on which the Group commits to purchase or sell the asset. Investments are derecognised when the rights to receive cash flows from the investment have expired or all risks and rewards of ownership have been transferred. Changes in fair values of available-for-sale equity

securities are recognised in the fair value reserve, together with the related currency translation differences. The fair values of investments not traded in an active market are determined by using valuation techniques, such as discounted cash flow analysis.

Dividends on available-for-sale equity securities are recognised in the statement of comprehensive income when the Group's right to receive payment is established. When financial assets classified as available-for-sale are sold or impaired, the accumulated fair value adjustments recognised in the fair value reserve within equity are included in the statement of comprehensive income.

The Group assesses at each balance sheet date whether there is objective evidence that the financial assets are impaired. A significant or prolonged decline in the fair value of the asset below its cost is considered an indicator that the equity security is impaired. When there is objective evidence that an available-for-sale financial asset is impaired, the cumulative loss that has been recognised directly in the fair value reserve is removed from the fair value reserve within equity and recognised in the statement of comprehensive income. The cumulative loss is measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the statement of comprehensive income. Impairment losses recognised in the statement of comprehensive income on available-for-sale financial assets are not reversed through the statement of comprehensive income.

(g) Investments in Subsidiaries, Joint Ventures and Associated Companies

Investments in subsidiaries, joint ventures and associated companies are stated at cost less accumulated impairment losses. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down to its recoverable amount. Impairment losses are recognised in the statement of comprehensive income in the year in which it is determined.

On disposal of an investment, the difference between the net proceeds and its carrying amount is recognised in the statement of comprehensive income.

Please refer to Note 2(t)(2) for the Company's accounting policy on impairment of investments in subsidiaries, joint ventures and associated companies.

(h) Property, Plant and Equipment

(1) Land and Buildings

Land and buildings are initially recorded at cost. Freehold land is subsequently stated at cost less accumulated impairment losses. Buildings and leasehold land are subsequently stated at cost less accumulated depreciation and accumulated impairment losses.

(2) Other Property, Plant and Equipment

All other property, plant and equipment are initially recorded at cost and subsequently, stated at cost less accumulated depreciation and accumulated impairment losses.

2. Significant Accounting Policies (continued)

(h) Property, Plant and Equipment (continued)

(3) Component of Costs

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition of the items. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is required to be incurred for the purpose of acquiring and using the asset.

(4) Depreciation of Property, Plant and Equipment

No depreciation is provided on freehold land and work-in-progress.

Depreciation is calculated on a straight-line basis to write off the cost of property, plant and equipment over their expected useful lives as follows:

	Useful Lives
Freehold and leasehold buildings	Lower of 30 years or remaining lease period
Leasehold improvements	Remaining lease period ranging from 1 to 7 years*
Furniture, fittings and office equipment	3 to 10 years
Computer hardware	1 to 7 years
Motor vehicles	5 years*

* The expected useful lives of leasehold improvements and motor vehicles were revised in the current year. Please refer to Note 9 for further details.

Fully depreciated assets still in use are retained in the financial statements.

The residual values and useful lives of property, plant and equipment are reviewed, and adjusted as appropriate, at each financial year end. The effects of any revision are recognised in the statement of comprehensive income when the changes arise.

(5) Subsequent Expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Group and the cost can be reliably measured. All other subsequent expenditure is recognised as an expense during the financial year in which it is incurred.

(6) Disposal

On disposal of a property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is recognised in the statement of comprehensive income.

(i) Intangible Assets

(1) Goodwill on Acquisitions

Goodwill on acquisitions of subsidiaries on or after 1 January 2010 represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired.

Goodwill on acquisition of subsidiaries prior to 1 January 2010 and on acquisition of joint ventures and associated companies represents the excess of the cost of an acquisition over the fair value of the Group's share of the net identifiable net assets acquired.

Goodwill on subsidiaries is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Goodwill on associated companies is included in the carrying amount of the investments.

(2) Software

Costs that are directly associated with identifiable software controlled by the Group that will probably generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Costs incurred for maintaining computer software programmes are recognised as an expense when incurred.

Acquired computer software licences are capitalised on the basis of the cost incurred to acquire and to bring the software to use. Expenditure which enhances or extends the performance

of computer software programmes beyond their original specifications is recognised as a capital improvement and added to the original cost of the software.

Computer software costs and acquired computer software licences are stated at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised using the straight-line method over their estimated useful lives, a period not exceeding seven years. Where an indication of impairment exists, the carrying cost is assessed and written down immediately to its recoverable amount.

The period and method of amortisation of the software are reviewed at least at each balance sheet date. The effects of any revision of the amortisation period or method are included in the statement of comprehensive income for the period in which the changes arise.

(j) Trade and Other Payables

Trade and other payables are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest method.

(k) Provisions

Provisions are recognised when the Group has a legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made.

(l) Derivative Financial Instruments and Hedging Activities

A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Group documents at the inception of the transaction the relationship between the hedging instruments and hedged items, as well as its risk management objective and strategies for undertaking various hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, on whether the derivatives designated as hedging instruments are highly effective in offsetting changes in fair value or cash flows of the hedged items.

Derivatives that are designated as hedging instrument are designated by the Group as cash flow hedge. Fair value changes on derivatives that are not designated or do not qualify for hedge accounting are recognised in the statement of comprehensive income when the changes arise.

Currency forwards - cash flow hedge

The Group has entered into currency forwards that qualify as cash flow hedges against highly probable forecasted transactions in foreign currencies. The fair value changes on the effective portion of the currency forwards designated as cash flow hedges are recognised in the hedging reserve and transferred to either the cost of a hedged non-monetary asset

upon acquisition or the statement of comprehensive income when the hedged forecast transactions are recognised.

The fair value of currency forward contracts purchased or sold is based on the quoted bid price or offer price respectively at the balance sheet date. The notional principal amounts of the currency forward contracts are recorded as off-balance sheet items.

When a forecasted transaction is no longer expected to occur, the gains and losses that were previously recognised in the hedging reserve are transferred to the statement of comprehensive income immediately.

(m) Share Capital and Treasury Shares

Ordinary shares are classified as equity.

When any entity within the Group purchases the Company's ordinary shares ("treasury shares"), the consideration paid, including any directly attributable incremental costs, net of income taxes, is deducted from equity attributable to the Company's equity holders and presented as "treasury shares" within equity, until they are cancelled, sold or reissued.

When treasury shares are cancelled, the cost of the treasury shares is deducted against the share capital account, if the shares are purchased out of capital of the Company, or against the retained profits of the Company, if the shares are purchased out of profits of the Company.

When treasury shares are subsequently sold or reissued pursuant to the share-based compensation plan, the cost of the treasury shares is reversed

2. Significant Accounting Policies (continued)

(m) Share Capital and Treasury Shares (continued)

from the treasury share account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is taken to the share capital account of the Company.

(n) Dividends

Interim dividends are deducted from retained profits during the financial year in which they are declared payable.

Final dividends are transferred from retained profits to a proposed dividend reserve when they are proposed by the directors. The amount will be transferred from the proposed dividend reserve to dividend payable when the dividends are approved by the shareholders.

(o) Revenue Recognition

Revenue is recognised on the following basis:

- (i) securities clearing revenue, futures and options revenue and structured warrants revenue, net of rebates, on a due date basis;
- (ii) listing revenue, membership revenue, connectivity revenue and rental income on a time proportion basis;
- (iii) securities related processing revenue, access revenue, market data revenue, depository services revenue, corporate action and other revenue, when the services are rendered;

- (iv) interest income, on a time proportion basis using the effective interest method;
- (v) dividend income is recorded gross in the financial year in which a dividend is received; and
- (vi) management fees, when the services are rendered.

(p) Income Taxes

Current income tax liabilities (and assets) for current and prior periods are recognised at the amounts expected to be paid to (or recovered from) the tax authorities, using the tax rates and tax laws that have been enacted or substantially enacted by the balance sheet date.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred income tax assets and liabilities are measured at:

- (i) the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantially enacted by the balance sheet date; and
- (ii) the tax consequence that would follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same tax jurisdiction.

(q) Leases

(1) Where a Group Company is the Lessee:

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to the ownership of the leased assets, and operating leases under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised at the inception of the lease at the lower of fair value of the leased property or the estimated present value of the underlying lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate of return on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in finance lease liabilities. The interest element of the finance charge is charged to the statement of comprehensive income over the lease period. Plant and equipment acquired under finance leases is depreciated over the estimated useful life of the asset.

Operating lease payments are recognised in the statement of comprehensive income on a straight-line basis over the lease period.

When a finance or operating lease is terminated before the expiry of the lease period, any payment required to be made to the lessor by way of penalty is recognised as an expense in the financial year in which the lease is terminated.

(2) Where a Group Company is the Lessor:

Operating lease rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

(r) Government Grants

Grants from the government are recognised at their fair value when there is reasonable assurance that the grant will be received and the Group will comply with all the attached conditions. Government grants relating to expenses are offset against the related expenses. Government grants relating to assets are deducted against the carrying amount of the assets.

(s) Employee Benefits

Employee benefits are recognised as employee compensation expense when they are due, unless they can be capitalised as an asset.

(1) Defined Contribution Plans

The Group makes legally required contributions to the Central Provident Fund ("Fund"). The Group's obligation, in regard to the defined contribution plan, is limited to the amount it contributes to the Fund. The Group's contributions are recognised as employee compensation expense when they are due.

(2) Employee Leave Entitlement

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

(3) Long-term Incentive Scheme (cash-based)

The Group awards long-term incentive to employees. The entitlement to this benefit is conditional on the employee remaining in service up to the specified service period. The expected costs of this benefit are accrued over the specified service period.

(4) Share-based Compensation

(i) Share Options

The fair value of the employee services received in exchange for the grant of the share options is recognised as share-based payment to employees in the statement of comprehensive income with a corresponding increase in the share-based payment reserve over the vesting period. The amount is determined by reference to the fair value of the share options on grant date and the expected number of shares under options to be vested on vesting date.

The expected number of shares under options to be vested is fixed unless they have been forfeited or have lapsed prior to vesting date. Any changes to the expected number of shares under options to be vested will entail a corresponding adjustment to the share-based payment to employees and share-based payment reserve. The Group assesses this change at the end of each financial reporting period.

The proceeds received net of any directly attributable transaction costs and the related balance previously recognised in the share based payment reserve are credited to share capital when the options are exercised.

(ii) Performance Share Plan/ Deferred Long-term Incentives Scheme (Share-based)

The fair value of the employee services received in exchange for the grant of shares is recognised as share-based payment to employees in the statement of comprehensive income with a corresponding increase in the share-based payment reserve over the vesting period. The amount is determined by reference to the fair value of the shares on grant date and the expected number of shares to be vested on vesting date.

At the end of each financial reporting period, the Company revises its estimates of the expected number of shares that the participants are expected to receive. Any changes to the expected number of shares to be vested will entail a corresponding adjustment to the share-based payment to employees and share-based payment reserve.

2. Significant Accounting Policies (continued)

(t) Impairment of Non-Financial Assets

(1) Goodwill

Goodwill recognised separately as an intangible asset is tested for impairment annually and whenever there is indication that the goodwill may be impaired. Goodwill included in the carrying amount of an investment in associated company is tested for impairment as part of the investment, rather than separately.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of the Group's cash-generating-units ("CGU") expected to benefit from synergies arising from the business combination. A CGU is the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or group of assets.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. Recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised in the statement of comprehensive income and is not reversed in a subsequent period.

(2) Intangible Assets Property, Plant and Equipment Investment in Subsidiaries, Associated Companies and Joint Ventures

Intangible assets, property, plant and equipment and investments in subsidiaries, associated companies and joint ventures are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be fully recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount, which is the higher of an asset's net selling value and its value in use. The impairment loss is recognised in the statement of comprehensive income.

The recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in the statement of comprehensive income.

(u) Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the executive committee whose members are responsible for allocating resources and assessing performance of the operating segments.

(v) Non-Current Assets Held-for-sale

Non-current assets are classified as assets held-for-sale and carried at the lower of carrying amount and fair value less costs to sell if their carrying amount is recovered through a sale transaction rather than through continuing use. The assets are not depreciated or amortised while they are classified as held-for-sale. Any impairment loss on initial classification and subsequent measurement is recognised as an expense. Any subsequent increase in fair value less costs to sell (not exceeding the accumulated impairment loss that has been previously recognised) is recognised in the statement of comprehensive income.

3. Cash and Cash Equivalents

	The Group		The Company	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Cash at bank and on hand	26,454	38,547	12,115	5,836
Fixed deposits with banks	666,609	634,044	501,034	479,775
	693,063	672,591	513,149	485,611

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

	The Group	
	2011 \$'000	2010 \$'000
Cash and bank balances (as above)	693,063	672,591
Less: Cash set aside for Singapore Exchange Derivatives Clearing Limited ("SGX-DC") Clearing Fund (Note 31)	(148,281)	(136,021)
Cash and cash equivalents per consolidated statement of cash flows	544,782	536,570

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

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

	The Group		The Company	
	2011	2010	2011	2010
Average maturity (days)	152	98	153	95
Effective weighted average interest rate (% per annum)	0.58	0.52	0.55	0.48

The exposure of cash and cash equivalents to interest rate risks is disclosed in Note 39.

4. Trade and Other Receivables

	The Group		The Company	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Trade receivables (net) (Note (a))	548,361	439,941	5,825	2,587
Other receivables (Note (b))	15,546	23,111	8,707	4,597
Amount due from joint venture (non-trade)	-	287	-	287
Loan to a joint venture (Note (c))	-	797	-	-
	563,907	464,136	14,532	7,471
(a) Trade receivables comprise:				
Receivables from clearing members and settlement banks - Daily settlement of accounts for due contracts and rights	480,808	383,761	-	-
Trade receivables	68,858	57,211	5,825	2,587
	549,666	440,972	5,825	2,587
Less: Allowance for impairment of trade receivables (Note 39)	(1,305)	(1,031)	-	-
	548,361	439,941	5,825	2,587
(b) Other receivables comprise:				
Interest receivable	2,453	1,976	600	942
Prepayments	10,057	5,326	7,407	2,934
Deposits	260	12,710	136	151
Staff advances	100	123	78	91
Government grants receivable	2,127	2,354	-	-
Others (non-trade)	549	622	486	479
	15,546	23,111	8,707	4,597

(c) The loan to a joint venture is unsecured, non-interest bearing and repayable on demand.

The carrying amounts of trade and other receivables, amount due from joint venture and loan to a joint venture approximate their fair values.

5. Derivative Financial Instruments

The table below sets out the notional principal amounts of the outstanding currency forward contracts of the Group and the Company, and their corresponding fair values at the balance sheet date:

	Contract Notional Principal		Fair Value Asset		Fair Value Liability	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
The Group						
Currency forwards						
- Cash flow hedges	30,160	41,507	899	-	-	295
- Non-designated hedges	-	21,105	-	-	-	149
Total	30,160	62,612	899	-	-	444
The Company						
Currency forwards						
- Non-designated hedges	-	21,105	-	-	-	149

As at 30 June 2011, the settlement dates on currency forward contracts range between 1 and 9 months (2010: 1 and 9 months).

Currency forwards designated as cash flow hedges are entered to hedge transactions denominated in United States Dollar ("USD"). Expected future gains and losses recognised in the hedging reserve prior to the occurrence of these transactions are transferred to the statement of comprehensive income in the month the transaction takes place.

The fair value measurement of these derivative financial instruments is disclosed in Note 39.

6. Securities Clearing Funds

The securities clearing funds were established under the clearing rules of the securities clearing subsidiaries, The Central Depository (Pte) Limited ("CDP") and Options Clearing Company (Pte) Limited ("OCC"). The clearing funds are to provide resources to enable CDP and OCC to discharge their respective obligations and the liabilities of defaulting clearing members arising from transactions in approved securities, futures and options.

On 3 May 2011, CDP implemented a revised scalable structure for the CDP clearing fund to better align members' contributions to their clearing risk exposure with CDP. Contributions by clearing members will henceforth vary with value of the securities traded.

The CDP clearing fund comprised contributions from both CDP and its clearing members as follows:

(a) Contribution by CDP

	The Group	
	2011 \$'000	2010 \$'000
Cash at bank - contributed by CDP	30,000	30,000

Cash contributions by CDP are denominated in SGD and placed in interest bearing accounts with a bank. A corresponding reserve is recorded as securities clearing funds reserve for the initial \$25 million contribution by CDP into the CDP Clearing Fund.

(b) Contribution by Clearing Members

The cash contributions from CDP clearing members are not recorded in the consolidated statement of financial position of the Group as these contributions are held in trust by the Group. The bank guarantees are not recorded in the consolidated statement of financial position of the Group.

	The Group	
	2011 \$'000	2010 \$'000
Contributions by CDP clearing members		
- cash at bank, held in trust	44,512	32,065
- bank guarantees	6,800	7,000
	51,312	39,065

The CDP clearing fund is a trust asset held subject to the trust purposes set out in CDP Clearing Rule 7.1.2.

Payments out of the securities clearing funds shall be made in the following order:

(i) CDP Clearing Fund

- (1) Contributions by defaulting clearing members;
- (2) Contributions by CDP of \$30 million in cash;
- (3) Collateralised contributions by all other non-defaulting clearing members on a pro rata basis in the proportion of each clearing member's required Collateralised Contribution to the total required Collateralised Contributions of all other non-defaulting clearing members at the time of default;
- (4) Contingent contributions by all other non-defaulting clearing members on a pro-rata basis in the proportion of each clearing member's required Contingent Contributions to the total required Contingent Contributions of all others non-defaulting clearing members;
- (5) Insurance (if any); and
- (6) Any other contributions.

With the implementation of the revised CDP Clearing Fund with effect from 3 May 2011, the previous deed of undertaking from SGX in favour of CDP of up to \$25 million expired. The standby line of credit of \$75 million provided by CDP was excluded from the CDP Clearing Fund as its purpose is to manage liquidity in the event of a clearing member default. CDP continues to maintain sufficient credit lines to allow prompt disbursement of the Clearing Fund and for meeting its liquidity needs.

(ii) OCC Clearing Fund

- (1) Total deposits of defaulting clearing members;
- (2) Base deposits of all other non-defaulting clearing members on a pro rata basis; and
- (3) Insurance.

The clearing member's clearing fund total deposit shall consist of the aggregate amount of the base and variable deposit paid by the clearing member. Each clearing member is required to contribute a base deposit of an initial amount of \$30,000 in cash to the Clearing Fund. In addition to the base deposit, each clearing member shall be liable to contribute a variable deposit which shall be based upon the amount of business transacted or cleared by the clearing member.

All contributions from the clearing members were refunded in the prior financial year 2010.

On 6 July 2011, the Accounting and Corporate Regulatory approved striking off OCC from the Register pursuant to Section 344 of the Singapore Companies Act. The OCC Clearing Fund as stipulated in the OCC Rules, ceased with the closure of the OCC.

7. Non-Current Asset Held-for-Sale

	The Group and The Company	
	2011 \$'000	2010 \$'000
Freehold land	-	17,478
Freehold building	-	4,222
	-	21,700

In the prior financial year, the freehold land and building (“property”) at 18 New Industrial Road was reclassified from property, plant and equipment to a non-current asset held-for-sale following the approval of its sale by the Board of Directors on 27 May 2010.

On 28 February 2011, the sale of the property was completed at an aggregate value of \$23.6 million. After accounting for related costs, the gain from sale of the property was \$1.7 million.

8. Financial Assets, Available-for-Sale

	The Group and The Company	
	2011 \$'000	2010 \$'000
Unlisted equity securities —Bombay Stock Exchange Limited		
Balance at beginning and end of financial year	73,256	73,256

As of 30 June 2011, the fair value of the unlisted equity securities has been determined by discounting the future estimated cash flows at the discount rate of 13% (2010: 13%). The discount rate used reflected the specific risks relating to operating an exchange in India. Future cash flows are forecasted based on past financial performance and after considering factors such as macroeconomics, general market and industry-specific conditions and other relevant information.

While the estimated fair value is sensitive to any change in key assumptions and inputs to the valuation model, the change in the fair value estimate is not likely to be material to the overall financial position of the Group or the Company.

In May 2010, BSE’s shareholders approved a preferential allotment of new shares and the Board of BSE has decided to issue and allot one million new shares. In line with the Company’s entitlement to anti-dilution rights, BSE has offered SGX to subscribe for additional shares to maintain SGX’s stake at 5%. The subscription of the new shares is approximately \$1.5 million and SGX has expressed interest in accepting the share offer on 27 July 2010. The allotment and subscription of new shares are pending regulatory approvals in India.

9. Property, Plant and Equipment

	Freehold Land \$'000	Freehold Buildings \$'000	Leasehold Buildings \$'000	Leasehold Improvements ^(a) \$'000	Furniture, Fittings and Office Equipment \$'000	Computer Hardware \$'000	Motor Vehicles ^(b) \$'000	Work-in- Progress ^(c) \$'000	Total \$'000
The Group 2011									
Cost									
At 1 July 2010	-	-	-	38,695	2,679	16,100	522	3,264	61,260
Reclassification	-	-	-	3,366	-	21,365	-	(24,731)	-
Additions	-	-	-	933	166	187	750	21,990	24,026
Disposals	-	-	-	(643)	-	-	(522)	-	(1,165)
Write-off	-	-	-	(5,348)	(304)	(95)	-	-	(5,747)
At 30 June 2011	-	-	-	37,003	2,541	37,557	750	523	78,374
Accumulated Depreciation									
At 1 July 2010	-	-	-	34,315	1,949	14,884	522	-	51,670
Depreciation charge ^(d)	-	-	-	1,526	230	1,648	38	-	3,442
Disposals	-	-	-	(613)	-	-	(522)	-	(1,135)
Write-off	-	-	-	(5,257)	(99)	(52)	-	-	(5,408)
At 30 June 2011	-	-	-	29,971	2,080	16,480	38	-	48,569
Net Book Value									
At 30 June 2011	-	-	-	7,032	461	21,077	712	523	29,805

9. Property, Plant and Equipment (continued)

	Freehold Land \$'000	Freehold Buildings \$'000	Leasehold Buildings \$'000	Leasehold Improvements ^(a) \$'000	Furniture, Fittings and Office Equipment \$'000	Computer Hardware \$'000	Motor Vehicles ^(b) \$'000	Work-in- Progress ^(c) \$'000	Total \$'000
The Group									
2010									
Cost									
At 1 July 2009	17,478	8,261	433	38,602	4,825	16,362	532	359	86,852
Reclassification	-	-	-	-	-	66	-	(66)	-
Additions	-	-	-	201	166	28	-	2,971	3,366
Reclassified to non-current asset held-for-sale (Note 7)	(17,478)	(8,261)	-	-	-	-	-	-	(25,739)
Disposals	-	-	(433)	-	(52)	(10)	(10)	-	(505)
Write-off	-	-	-	(108)	(2,260)	(346)	-	-	(2,714)
At 30 June 2010	-	-	-	38,695	2,679	16,100	522	3,264	61,260
Accumulated Depreciation									
At 1 July 2009	-	3,773	174	33,103	4,034	13,604	532	-	55,220
Depreciation charge	-	266	-	1,320	210	1,590	-	-	3,386
Reclassified to non-current asset held-for-sale (Note 7)	-	(4,039)	-	-	-	-	-	-	(4,039)
Disposals	-	-	(174)	-	(52)	(10)	(10)	-	(246)
Write-off	-	-	-	(108)	(2,243)	(300)	-	-	(2,651)
At 30 June 2010	-	-	-	34,315	1,949	14,884	522	-	51,670
Accumulated Impairment Charge									
At 1 July 2009	5,000	-	234	-	-	-	-	-	5,234
Write-back	(5,000)	-	-	-	-	-	-	-	(5,000)
Disposals	-	-	(234)	-	-	-	-	-	(234)
At 30 June 2010	-	-	-	-	-	-	-	-	-
Net Book Value									
At 30 June 2010	-	-	-	4,380	730	1,216	-	3,264	9,590

	Freehold Land \$'000	Freehold Buildings \$'000	Leasehold Improvements ^(a) \$'000	Furniture, Fittings and Office Equipment \$'000	Computer Hardware \$'000	Motor Vehicles ^(b) \$'000	Work-in- Progress ^(c) \$'000	Total \$'000
The Company								
2011								
Cost								
At 1 July 2010	-	-	38,313	793	2,808	522	3,264	45,700
Reclassification	-	-	3,366	-	21,145	-	(24,511)	-
Additions	-	-	934	164	165	750	21,540	23,553
Disposals	-	-	(643)	-	-	(522)	-	(1,165)
Write-off	-	-	(5,145)	(1)	-	-	-	(5,146)
At 30 June 2011	-	-	36,825	956	24,118	750	293	62,942
Accumulated Depreciation								
At 1 July 2010	-	-	34,099	374	2,704	522	-	37,699
Depreciation charge ^(d)	-	-	1,467	157	524	38	-	2,186
Disposals	-	-	(613)	-	-	(522)	-	(1,135)
Write-off	-	-	(5,145)	(1)	-	-	-	(5,146)
At 30 June 2011	-	-	29,808	530	3,228	38	-	33,604
Net Book Value								
At 30 June 2011	-	-	7,017	426	20,890	712	293	29,338

9. Property, Plant and Equipment (continued)

	Freehold land \$'000	Freehold buildings \$'000	Leasehold improvements ^(a) \$'000	Furniture, fittings and office equipment \$'000	Computer hardware \$'000	Motor vehicles ^(b) \$'000	Work-in- progress ^(c) \$'000	Total \$'000
The Company								
2010								
Cost								
At 1 July 2009	17,478	8,261	38,220	1,314	2,858	532	359	69,022
Reclassification	-	-	-	-	66	-	(66)	-
Additions	-	-	201	163	1	-	2,971	3,336
Reclassified to non-current asset held-for-sale (Note 7)	(17,478)	(8,261)	-	-	-	-	-	(25,739)
Disposals	-	-	-	(52)	(10)	(10)	-	(72)
Write-off	-	-	(108)	(632)	(107)	-	-	(847)
At 30 June 2010	-	-	38,313	793	2,808	522	3,264	45,700
Accumulated Depreciation								
At 1 July 2009	-	3,773	32,949	912	2,632	532	-	40,798
Depreciation charge	-	266	1,258	128	144	-	-	1,796
Reclassified to non-current asset held-for-sale (Note 7)	-	(4,039)	-	-	-	-	-	(4,039)
Disposals	-	-	-	(52)	(10)	(10)	-	(72)
Write-off	-	-	(108)	(614)	(62)	-	-	(784)
At 30 June 2010	-	-	34,099	374	2,704	522	-	37,699
Accumulated Impairment Charge								
At 1 July 2009	5,000	-	-	-	-	-	-	5,000
Write-back	(5,000)	-	-	-	-	-	-	(5,000)
At 30 June 2010	-	-	-	-	-	-	-	-
Net Book Value								
At 30 June 2010	-	-	4,214	419	104	-	3,264	8,001

(a) During the financial year, the Group reviewed and changed the useful life of leasehold improvements. The useful life of leasehold improvements will now be based on the remaining lease period ranging from 1 to 7 years. This change is due to the longer lease term entered by SGX for the rental of its data centre premises.

The change in useful life resulted in lower depreciation of \$18,000 for financial year 2011, which is not material to the financial statements in the current financial year.

(b) During the financial year, the Group reviewed and changed the useful life of motor vehicles by increasing the estimated useful life from 4 to 5 years. This change is due to a new Company policy specifying that a Company car may be replaced after 5 years.

The change in useful life resulted in lower depreciation of \$9,000 for financial year 2011, which is not material to the financial statements in the current financial year.

(c) Work-in-progress comprises mainly systems infrastructure under development and leasehold improvements under construction.

(d) Depreciation of leasehold improvements in SGX's data centres amounting to \$71,000 (2010: nil) is classified as depreciation and amortisation expense under Technology cost.

10. Software

	Software \$'000	Work-in-progress Software ^(a) \$'000	Total \$'000
The Group			
2011			
Cost			
At 1 July 2010	139,435	32,105	171,540
Reclassification	20,318	(20,318)	-
Additions	2,561	30,686	33,247
Disposals	(1,234)	-	(1,234)
Write-off	(989)	(645)	(1,634)
At 30 June 2011	160,091	41,828	201,919
Accumulated Amortisation			
At 1 July 2010	50,508	-	50,508
Amortisation charge	34,148	-	34,148
Disposals	(444)	-	(444)
Write-off	(357)	-	(357)
At 30 June 2011	83,855	-	83,855
Net Book Value			
At 30 June 2011	76,236	41,828	118,064
2010			
Cost			
At 1 July 2009	87,404	37,197	124,601
Reclassification	50,431	(50,431)	-
Additions	6,259	45,339	51,598
Disposals	(55)	-	(55)
Write-off	(4,604)	-	(4,604)
At 30 June 2010	139,435	32,105	171,540
Accumulated Amortisation			
At 1 July 2009	32,327	-	32,327
Amortisation charge	22,722	-	22,722
Disposals	(55)	-	(55)
Write-off	(4,486)	-	(4,486)
At 30 June 2010	50,508	-	50,508
Net Book Value			
At 30 June 2010	88,927	32,105	121,032

(a) Work-in-progress comprises mainly software applications under development.

10. Software (continued)

	Software \$'000	Work-in-Progress Software ^(a) \$'000	Total \$'000
The Company			
2011			
Cost			
At 1 July 2010	19,236	2,468	21,704
Reclassification	936	(936)	-
Additions	814	2,407	3,221
Intercompany transfer	(145)	(167)	(312)
Write-off	(400)	-	(400)
At 30 June 2011	20,441	3,772	24,213
Accumulated Amortisation			
At 1 July 2010	13,230	-	13,230
Amortisation charge	3,530	-	3,530
Write-off	(144)	-	(144)
At 30 June 2011	16,616	-	16,616
Net Book Value			
At 30 June 2011	3,825	3,772	7,597
2010			
Cost			
At 1 July 2009	17,145	2,482	19,627
Reclassification	883	(883)	-
Additions	2,420	869	3,289
Write-off	(1,212)	-	(1,212)
At 30 June 2010	19,236	2,468	21,704
Accumulated Amortisation			
At 1 July 2009	10,664	-	10,664
Amortisation charge	3,686	-	3,686
Write-off	(1,120)	-	(1,120)
At 30 June 2010	13,230	-	13,230
Net Book Value			
At 30 June 2010	6,006	2,468	8,474

(a) Work-in-progress comprises mainly software applications under development.

11. Investments in Subsidiaries

	The Company	
	2011 \$'000	2010 \$'000
Equity Investments at Cost		
Balance at beginning of financial year	405,591	425,418
Capital injection	2,000	1,000
Capital reduction	(1,000)	-
Closure of subsidiary	(1,594)	-
Impairment loss	(11,496)	(20,827)
Balance at end of financial year	393,501	405,591

Details of the subsidiaries are as follows:

Names of Subsidiaries	Note	Principal Activities	Country of Business and Incorporation	Equity Held by			
				The Company		Subsidiaries	
				2011 %	2010 %	2011 %	2010 %
Singapore Exchange Securities Trading Limited	(a)	Operating a securities exchange	Singapore	100	100	-	-
Singapore Exchange Derivatives Trading Limited	(a)	Operating a derivatives exchange	Singapore	100	100	-	-
The Central Depository (Pte) Limited	(a)	Providing clearing, counterparty guarantee, depository and related services for securities transactions	Singapore	100	100	-	-
Singapore Exchange Derivatives Clearing Limited	(a)	Providing clearing, counterparty guarantee and related services for derivatives transactions	Singapore	100	100	-	-
Singapore Commodity Exchange Limited	(a)	Operating a commodity exchange	Singapore	100 ^(d)	100 ^(d)	-	-
Singapore Exchange IT Solutions Pte Limited	(a)	Providing computer services and maintenance, and software maintenance	Singapore	100	100	-	-
Asian Gateway Investments Pte Ltd	(a)	Investment holding	Singapore	100	100	-	-
SGX International Pte. Ltd.	(a)	Inactive	Singapore	100	100	-	-
SGX America Ltd	(b)	Inactive	United States of America	-	-	100	100
Securities Clearing and Computer Services (Pte) Limited	(a)	Dormant	Singapore	100	100	-	-
SGX Investment (Mauritius) Limited	(c)	Dormant	Mauritius	-	100	-	-
SGXLink Pte Ltd	(e)	Dormant	Singapore	100	100	-	-
Asia Converge Pte Ltd	(a)	Dormant	Singapore	-	-	100	100
Asiaclear Pte Ltd	(a)	Dormant	Singapore	-	-	100	100
CDP Nominees Pte Ltd	(a)	Dormant	Singapore	-	-	100	100
Globalclear Pte Ltd	(a)	Dormant	Singapore	-	-	100	100
Joint Asian Derivatives Pte. Ltd.	(a)	Dormant	Singapore	-	-	100	100
Macronet Information Pte Ltd	(f)	Dormant	Singapore	-	-	100	100
Options Clearing Company (Pte) Limited	(g)	Dormant	Singapore	-	-	100	100

(a) Audited by PricewaterhouseCoopers LLP, Singapore.

(b) Not required to be audited in the United States of America.

(c) On 24 August 2010, the application to remove the subsidiary from the register of the Mauritius Registrar of Companies pursuant to Section 308 of the Mauritius Companies Act 2001 was approved.

(d) International Enterprise Singapore holds one share.

(e) On 14 April 2011, the Company filed an application with the Accounting and Corporate Regulatory Authority to strike its name off the Register pursuant to Section 344 of the Singapore Companies Act.

(f) On 30 June 2010, the subsidiary's board of directors approved the cessation of business and to proceed with an application to the Accounting and Corporate Regulatory Authority to strike the name of the Company off the Register pursuant to Section 344 of the Singapore Companies Act.

(g) Pursuant to an application with the Accounting and Corporate Regulatory Authority on 25 February 2011 to strike its name off the Register pursuant to Section 344 of the Singapore Companies Act, the Company's name was struck off the Register on 6 July 2011.

12. Investments in Joint Venture

	The Group	
	2011 \$'000	2010 \$'000
Investments at Cost		
Balance at beginning of financial year	-	-
Capital injection	9,052	-
Loan to a joint venture	-	1,984
Repayment of loan by a joint venture	(1,984)	-
Share of results	(3,455)	(1,984)
Balance at end of financial year	3,613	-

Name of Joint Venture	Principal Activities	Country of Business and Incorporation	Equity Holding	
			2011 %	2010 %
Chi-East Pte. Ltd. ("Chi-East")	Operate an electronic securities trading platform	Singapore	50	50

On 29 December 2009, Asian Gateway Investments Pte. Ltd. ("AGI") acquired 1 share of Chi-East, a joint venture with Chi-X Global Inc., at a consideration of USD1. The Group also extended loans to Chi-East to fund its start-up costs and operating expenses. The loans are unsecured and non-interest bearing. All loans have been fully repaid in the current financial year.

The following amounts represent the Group's 50% share of the assets and liabilities and results of the joint venture which have been equity accounted for in the consolidated statement of financial position and statement of comprehensive income:

	The Group	
	2011 \$'000	2010 \$'000
Statement of Financial Position		
Assets:		
Current assets	3,305	1,525
Non-current assets	502	515
	3,807	2,040
Liabilities:		
Current liabilities	394	4,024
Net asset/(liability)	3,413	(1,984)

	The Group	
	2011 \$'000	2010 \$'000
Profit or Loss Statement		
Revenue	10	3
Expenses	(3,627)	(1,987)
Other gains	162	-
Loss before tax	(3,455)	(1,984)
Tax	-	-
Loss after tax	(3,455)	(1,984)
Cash Flow		
Operating cash outflows	(4,174)	(649)
Investing cash outflows	(197)	(673)
Financing cash inflows	6,130	2,803
Total cash inflows	1,759	1,481
Capital commitments in relation to interest in joint ventures	-	-
Proportionate interest in joint ventures' commitments	-	83

13. Investments in Associated Company

	The Group		The Company	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Equity Investment at Cost			4,389	4,389
Balance at beginning of financial year	4,145	3,813		
Currency translation differences	(224)	89		
Share of results	763	243		
Balance at end of financial year	4,684	4,145		
The summarised financial information of associated company is as follows (Group's proportionate share):				
- Assets	4,709	4,044		
- Liabilities	600	474		
- Revenue	3,596	2,447		
- Net profit	763	243		
Share of associated company contingent liabilities incurred jointly with other investors	-	-		
Contingent liabilities in which the Group is severally liable	-	-		

Goodwill amounting to \$575,000 (2010: \$575,000) is included in the carrying amount of investments in associated company.

Details of the associated company held by the Group are as follows:

Name of Company	Principal Activities	Country of Business and Incorporation	Equity Holding	
			2011 %	2010 %
Philippine Dealing System Holdings Corp.*	Investment holding	Philippines	20	20

* Audited by SyCip Gorres Velayo & Co, Philippines

14. Goodwill

Goodwill arising from Consolidation

	The Group	
	2011 \$'000	2010 \$'000
Cost		
Balance at beginning and end of financial year	2,721	2,721
Accumulated Impairment Loss		
Balance at beginning of financial year	2,721	-
Impairment charge	-	2,721
Balance at end of financial year	2,721	2,721
Net book value	-	-

The goodwill relates to the acquisition of Singapore Commodity Exchange Limited ("SICOM").

15. Trade and Other Payables

	The Group		The Company	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Trade payables (Note (a))	510,840	410,464	-	-
Other payables (Note (b))	96,370	89,567	54,323	48,210
Amount due to subsidiaries (non-trade) (Note (c))	-	-	295,040	280,420
	607,210	500,031	349,363	328,630
(a) Trade payables comprise:				
Payables to clearing members and settlement banks - Daily settlements of accounts for due contracts and rights	480,808	383,761	-	-
Other trade payables	30,032	26,703	-	-
	510,840	410,464	-	-
(b) Other payables comprise:				
Accrual for operating expenses	48,232	44,185	23,557	19,689
Accrual for bonus	35,683	36,618	25,941	25,338
Central Provident Fund payable	910	67	622	-
Advance receipts	5,917	4,549	84	78
Others (non-trade)	5,628	4,148	4,119	3,105
	96,370	89,567	54,323	48,210

(c) The amounts due to subsidiaries are unsecured, non-interest bearing and repayable on demand. The carrying amounts approximate their fair values.

The carrying amounts of trade and other payables approximate their fair values.

16. Income Taxes

(a) Income Tax Expense

	The Group		The Company	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Tax expense attributable to profit is made up of:				
- current income tax	57,057	66,690	57	982
- deferred income tax	9,662	(2,510)	4,686	(1,276)
	66,719	64,180	4,743	(294)
Overprovision in preceding financial years:				
- current income tax*	(6,000)	(981)	(4,300)	-
	60,719	63,199	443	(294)

* The reversal of overprovision of income taxes relates to finalised tax assessments.

(b) Tax Reconciliation

The tax expense on profit differs from the amount that would arise using the Singapore rate of income tax due to the following:

	The Group		The Company	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Profit before tax and share of results of joint venture and associated company	358,264	385,014	286,439	282,699
Tax calculated at a tax rate of 17% (2010: 17%)	60,905	65,452	48,695	48,059
Tax effect of:				
Singapore statutory income exemption	(125)	(150)	-	(26)
Income not subject to tax	(432)	(1,427)	(52,316)	(50,772)
Expenses not deductible for tax purposes	4,107	1,135	5,534	3,888
Others	2,264	(830)	2,830	(1,443)
	66,719	64,180	4,743	(294)

(c) Movements in Provision for Tax

	The Group		The Company	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Balance at beginning of financial year	70,588	65,587	3,456	8,032
Income tax recovered/(paid)	(55,232)	(60,708)	1,052	(5,558)
Tax expense on profit for the financial year	57,057	66,690	57	982
Overprovision in preceding financial years	(6,000)	(981)	(4,300)	-
Balance at end of financial year	66,413	70,588	265	3,456

In determining the income tax liabilities, management is required to estimate the amount of capital allowances and the deductibility of certain expenses.

The Group has open tax assessments at the year end. As management believes that the tax positions are sustainable, the Group has not recognised any additional tax liability on these uncertain positions.

(d) Deferred Income Tax

The following amounts, determined after appropriate offsetting, are shown in the statement of financial position:

	The Group		The Company	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Deferred tax assets:				
- to be recovered within 12 months	1,254	9,704	1,254	2,858
- to be recovered after 12 months	2,403	2,833	2,403	2,833
	3,657	12,537	3,657	5,691
- Effect of offsetting	(3,642)	(7,691)	(3,642)	(1,012)
	15	4,846	15	4,67
Deferred tax liabilities:				
- to be settled within 12 months	5,295	4,001	695	569
- to be settled after 12 months	10,816	11,147	2,947	443
	16,111	15,148	3,642	1,012
- Effect of offsetting	(3,642)	(7,691)	(3,642)	(1,012)
	12,469	7,457	-	-

16. Income Taxes (continued)

(d) Deferred Income Tax (continued)

The movements in the gross deferred tax assets and liabilities during the financial year are as follows:

The Group - deferred tax assets

	Cash Flow Hedge Reserve		Unutilised Capital Allowance		Employee Share Plan		Total	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Balance at beginning of financial year	50	-	6,796	-	5,691	4,290	12,537	4,290
(Charged)/credited to statement of comprehensive income	-	-	(6,796)	6,796	(2,056)	1,277	(8,852)	8,073
Credited/(charged) to equity	(50)	50	-	-	22	124	(28)	174
Balance at end of financial year	-	50	-	6,796	3,657	5,691	3,657	12,537

The Group - deferred tax liabilities

	Cash Flow Hedge Reserve		Unutilised Capital Allowance		Total	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Balance at beginning of financial year	-	122	15,148	9,585	15,148	9,707
Charged to statement of comprehensive income	-	-	810	5,563	810	5,563
(Credited)/charged to equity	153	(122)	-	-	153	(122)
Balance at end of financial year	153	-	15,958	15,148	16,111	15,148

The Company - deferred tax assets

	Employee Share Plan	
	2011 \$'000	2010 \$'000
Balance at beginning of financial year	5,691	4,290
(Charged)/credited to statement of comprehensive income	(2,056)	1,277
Credited to equity	22	124
Balance at end of financial year	3,657	5,691

The Company - deferred tax liabilities

	Accelerated Tax Depreciation	
	2011 \$'000	2010 \$'000
Balance at beginning of financial year	1,012	1,011
Charged to statement of comprehensive income	2,630	1
Balance at end of financial year	3,642	1,012

Deferred tax assets have not been recognised in respect of the following items:

	The Group	
	2011 \$'000	2010 \$'000
Tax losses	22,776	22,516
Unutilised capital allowances	615	615

These items principally relate to three entities within the Group which are dormant. Deferred tax assets have not been recognised in respect of these items as it is not probable that future taxable profits will be available against which the Group can utilise the benefits. The tax losses and unutilised capital allowances are subject to the relevant provisions of the Singapore Income Tax Act and confirmation by the tax authorities.

(e) Tax Effects on Other Comprehensive Income

	The Group			The Company		
	Before Tax \$'000	Tax benefit/ (liability) \$'000	Net of tax \$'000	Before Tax \$'000	Tax benefit/ (liability) \$'000	Net of tax \$'000
2011						
Other Comprehensive Income						
Net currency translation differences of financial statements of associated company	(224)	-	(224)	-	-	-
Fair value gains/(losses) arising from cash flow hedges	1,194	(203)	991	-	-	-
	970	(203)	767	-	-	-
2010						
Other Comprehensive Income						
Net currency translation differences of financial statements of associated company	89	-	89	-	-	-
Fair value (losses)/gains arising from cash flow hedges	(1,012)	172	(840)	-	-	-
	(923)	172	(751)	-	-	-

17. Provisions

	The Group		The Company	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Provision for SGX-MAS Market Development Scheme (Note (a))	1,864	2,234	-	-
Provision for unutilised leave (Note (b))	2,662	2,000	2,110	1,340
Provision for dismantlement, removal or restoration of property, plant and equipment (Note (c))	2,996	2,916	2,916	2,916
	7,522	7,150	5,026	4,256

(a) Provision for SGX-MAS Market Development Scheme

Provision for SGX-MAS Market Development Scheme is used to fund projects that will raise awareness of the securities and derivatives market among investors.

Movements in this provision are as follows:

	The Group		The Company	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Balance at beginning of financial year	2,234	2,284	-	-
Utilisation of provision	(370)	(50)	-	-
Balance at end of financial year	1,864	2,234	-	-

(b) Provision for Unutilised Leave

Provision for unutilised leave is the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

Movements in this provision are as follows:

	The Group		The Company	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Balance at beginning of financial year	2,000	2,000	1,340	1,362
Provision made/(utilisation) during the financial year (net)	662	-	770	(22)
Balance at end of financial year	2,662	2,000	2,110	1,340

(c) Provision for Dismantlement, Removal or Restoration of Property, Plant and Equipment

Provision for dismantlement, removal or restoration is the estimated costs of dismantlement, removal or restoration of leased premises. The provision is expected to be utilised upon return of the leased premises at SGX Centre and Peninsula Plaza.

Movements in this provision are as follows:

	The Group		The Company	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Balance at beginning of financial year	2,916	3,000	2,916	3,000
Provision made/(utilisation) during the financial year (net)	80	(84)	-	(84)
Balance at end of financial year	2,996	2,916	2,916	2,916

18. Share Capital of Singapore Exchange Limited

(a) Share Capital and Treasury Shares

The Company

	Number of Shares		Amount	
	Issued share capital '000	Treasury shares '000	Share capital \$'000	Treasury shares \$'000
2011				
Balance at beginning of financial year	1,071,028	5,195	409,777	(41,775)
Issue of shares under employee share option plans	538	-	1,133	-
Tax effect on treasury shares	-	-	-	22
Vesting of shares under share plans	-	(898)	8,643	10,597
Balance at end of financial year	1,071,566	4,297	419,553	(31,156)
2010				
Balance at beginning of financial year	1,069,197	5,463	414,851	(42,826)
Issue of shares under employee share option plans	1,831	-	3,918	-
Tax effect on treasury shares	-	-	-	124
Purchase of treasury shares	-	2,109	-	(17,711)
Vesting of shares under share plans	-	(2,377)	(8,992)	18,638
Balance at end of financial year	1,071,028	5,195	409,777	(41,775)

The Company did not purchase any of its ordinary shares during the financial year pursuant to the Share Purchase Mandate approved by shareholders. In the prior financial year, the Company purchased 2,109,500 of its ordinary shares by way of on-market purchases, ranging from \$7.96 to \$8.62 per share. The total amount paid to purchase the shares was \$17,711,000 and this is shown as a component within shareholders' equity as a reduction of total shareholders' equity. The Company holds the shares bought back as treasury shares and plans to use the shares to fulfil its obligations under the Company's share-based compensation plans.

(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	
	2011	2010
Balance at beginning of financial year	625,000	2,460,200
Lapsed	(10,500)	(4,000)
Exercised	(538,000)	(1,831,200)
Balance at end of financial year	76,500	625,000

All outstanding options have vested as at 30 June 2011 and the average share price of SGX's ordinary shares for the financial year is \$8.12 (2010: \$8.00).

As at 30 June 2011, the outstanding options granted to the former CEO, executive director and employees to subscribe for ordinary shares were as follows:

Number of Ordinary Shares under Options	Exercise Price	Exercise Period
-	\$1.70	From 27.01.2006 to 26.01.2011
76,500	\$1.60	From 02.11.2006 to 01.11.2011
76,500		

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

18. Share Capital of Singapore Exchange Limited (continued)

(b) Share Options (continued)

(ii) Options exercised during the year

During the financial year ended 30 June 2011, options for 538,000 (2010: 1,831,200) shares were exercised as follows:

Number of Ordinary Shares under Options	Exercise Price	Proceeds	Exercise Month
	\$	\$'000	
50,000	1.70	85	July 2010
40,000	1.70	68	August 2010
33,000	1.60	53	August 2010
8,000	1.70	13	November 2010
2,000	1.70	3	November 2010
7,500	1.60	12	November 2010
7,000	1.60	11	November 2010
15,000	1.60	24	December 2010
2,000	1.70	3	January 2011
35,000	1.70	60	January 2011
10,500	1.70	18	January 2011
15,000	1.60	24	January 2011
5,000	1.60	8	January 2011
2,000	1.70	3	January 2011
2,000	1.70	3	January 2011
3,000	1.70	5	January 2011
2,000	1.70	3	January 2011
135,000	1.70	230	January 2011
6,000	1.60	10	February 2011
8,000	1.60	13	February 2011
49,000	1.60	78	March 2011
6,000	1.60	10	April 2011
5,000	1.60	8	April 2011
8,000	1.60	13	May 2011
30,000	1.60	48	May 2011
42,000	1.60	67	June 2011
10,000	1.60	16	June 2011
538,000		889	

(iii) Fair value of share options

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

Date of Grant	Exercise Period	Number of Unissued Shares under Options	Fair Value of Option at Grant Date	Exercise Price*	Expected Dividend Yield	Risk-free Interest Rate	Expected Volatility Rate
			\$	\$	%	%	%
27.01.2004	27.01.2006 to 26.01.2011	-	0.48	1.70	3.03	2.84	29.86
01.11.2004	02.11.2006 to 01.11.2011	76,500	0.43	1.60	3.15	2.64	27.94

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

(c) Performance Share Plans (“the Plan”)

(i) Outstanding performance shares

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

	The Group and The Company						
Number of shares	2007 grant*	2008 grant*	2009 grant**	2010 grant**	2010 Special award to Hsieh Fu Hua	2011 grant**	Total
2011							
Balance at beginning of financial year	-	842,600	1,772,200	1,239,800	436,485	-	4,291,085
Granted	-	-	-	-	-	1,153,000	1,153,000
Vested	-	(428,800)	-	-	-	-	(428,800)
Lapsed	-	(413,800)	(135,700)	(96,300)	-	(119,600)	(765,400)
Balance at end of financial year	-	-	1,636,500	1,143,500	436,485	1,033,400	4,249,885

	The Group and The Company						
Number of shares	2007 grant*	2008 grant**	2009 grant**	2010 grant**	2010 Special award to Hsieh Fu Hua	2011 grant**	Total
2010							
Balance at beginning of financial year	1,336,500	858,600	1,795,200	-	-	-	3,990,300
Granted	661,700	-	-	1,239,800	436,485	-	2,337,985
Vested	(1,984,700)	-	-	-	-	-	(1,984,700)
Lapsed	(13,500)	(16,000)	(23,000)	-	-	-	(52,500)
Balance at end of financial year	-	842,600	1,772,200	1,239,800	436,485	-	4,291,085

* The number of shares vested represents the level of achievement against the performance conditions.

** Represents the number of shares required if participants are to be awarded at 100% of the grant. However, the shares to be awarded at the vesting date may range from 0% to 150% of the grant, depending on the level of achievement against the performance conditions.

18. Share Capital of Singapore Exchange Limited (continued)

(c) Performance Share Plans (“the Plan”) (continued)

(ii) Fair value of performance shares

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

	2011 Grant	2010 Grant	2009 Grant	2008 Grant	2007 Grant
Date of grant	01.07.2010	02.07.2009	07.07.2008	01.11.2007	01.11.2006
Vesting date	01.09.2013	01.09.2012	01.09.2011	01.11.2010	02.11.2009
Number of performance shares at grant date	1,153,000	1,239,800	1,834,000	892,200	1,660,000
Fair value per performance share at grant date	\$6.36	\$6.52	\$5.52	\$17.17	\$4.54
Assumption under Monte-Carlo Model					
Expected Volatility					
Shares of Singapore Exchange Limited	43.19%	46.75%	44.15%	31.59%	21.77%
Straits Times Index	NA	28.59%	16.56%	11.44%	9.91%
FTSE Mondo Visione	38.07%	34.64%	28.68%	NA	NA
Historical volatility period	36 months	36 months	36 months	36 months	36 months
Risk-free Interest Rate					
Date on which yield of Singapore government bond was based	0.53%	0.81%	1.49%	2.19%	3.05%
Term	30.06.2010 3	01.07.2009 3	04.07.2008 3	31.10.2007 3	31.10.2006 3
Cost of Funding					
Fixed deposit/risk-free interest rate	0.53%	0.81%	1.49%	2.5%	NA
Expected Dividend yield based on Management’s Forecast					
	4.03%	2.75%	5.41%	1.67%	4.00%
Share Price Reference	\$7.44	\$7.40	\$6.68	\$15.60	\$4.50

NA: Not applicable

2010 Special award to Hsieh Fu Hua

The fair value of the performance shares was estimated by the present value of the share price adjusted for future expected dividends and funding cost. The fair value of shares at grant date and the key assumptions of the fair value model for the grant was as follows:

Date of Grant	30.11.2009
Vesting date	03.11.2012
Number of performance shares at grant date	436,485
Fair value per performance share at grant date	\$6.95
Assumption used in Fair Value Model	
Risk-free Interest Rate	0.78%
Date on which yield of Singapore government bond was based	26.11.2009
Cost of Funding	
Risk-free interest rate	0.78%
Expected Dividend yield based on Management's Forecast	4.53%
Share Price Reference	\$7.90

(d) Deferred Long-Term Incentives Scheme ("the LTI Scheme")

(i) Outstanding deferred long-term incentives shares

Details of deferred long-term incentives shares awarded to recipients at the balance sheet date are as follows:

2011	The Group and The Company				
	2008 grant	2009 grant	2010 grant	2011 grant	Total
Number of Shares					
Balance at beginning of financial year	127,300	422,000	414,100	-	963,400
Granted	-	-	-	435,600	435,600
Lapsed	(6,700)	(34,500)	(31,900)	(38,650)	(111,750)
Vested	(120,600)	(201,900)	(146,100)	-	(468,600)
Balance at end of financial year	-	185,600	236,100	396,950	818,650

2010	The Group and The Company			
	2008 grant	2009 grant	2010 grant	Total
Number of Shares				
Balance at beginning of financial year	275,500	729,300	-	1,004,800
Granted	-	-	433,500	433,500
Lapsed	(15,600)	(47,400)	(19,400)	(82,400)
Vested	(132,600)	(259,900)	-	(392,500)
Balance at end of financial year	127,300	422,000	414,100	963,400

18. Share Capital of Singapore Exchange Limited (continued)

(d) Deferred Long-Term Incentives Scheme (“the LTI Scheme”) (continued)

(ii) Fair value of deferred long-term incentives shares

The fair value of deferred long-term incentives shares was estimated by the present value of the share price adjusted for future expected dividends and funding cost. The fair value of shares at grant date and the key assumptions of the fair value model for the grants were as follows:

2011 Grant			
Date of Grant	05.08.2010		
Vesting date	01.11.2011	01.11.2012	01.11.2013
Number of shares at grant date	148,000	143,100	144,500
Fair value per deferred long-term incentives share at grant date	7.52	7.47	7.40
Assumption used in Fair Value Model			
Risk-free Interest Rate	0.43%	0.49%	0.54%
Date on which yield of Singapore government bond was based	04.08.2010	04.08.2010	04.08.2010
Cost of Funding			
Fixed deposit/risk-free interest rate	0.43%	0.49%	0.54%
Expected Dividend yield based on Management’s Forecast	3.71%	4.40%	5.35%
Share Price on day preceding Date of Grant	\$7.79	\$7.79	\$7.79

2010 Grant			
Date of Grant	05.08.2009		
Vesting date	03.11.2010	03.11.2011	03.11.2012
Number of shares at grant date	157,000	138,000	138,500
Fair value per deferred long-term incentives share at grant date	\$8.39	\$8.10	\$7.71
Assumption used in Fair Value Model			
Risk-free Interest Rate	0.48%	0.55%	0.67%
Date on which yield of Singapore government bond was based	04.08.2009	04.08.2009	04.08.2009
Cost of Funding			
Fixed deposit/risk-free interest rate	0.48%	0.55%	0.67%
Expected Dividend yield based on Management’s Forecast	3.26%	4.17%	5.57%
Share Price on day preceding Date of Grant	\$8.62	\$8.62	\$8.62

2009 Grant			
Date of Grant	14.08.2008		
Vesting date	03.11.2009	03.11.2010	03.11.2011
Number of shares at grant date	272,900	235,400	241,900
Fair value per deferred long-term incentives share at grant date	\$6.62	\$6.31	\$5.95
Assumption used in Fair Value Model			
Risk-free Interest Rate	1.03%	1.19%	1.53%
Date on which yield of Singapore government bond was based	13.08.2008	13.08.2008	13.08.2008
Cost of Funding			
Fixed deposit/risk-free interest rate	1.03%	1.19%	1.53%
Expected Dividend yield based on Management's Forecast	4.44%	5.39%	6.38%
Share Price on day preceding Date of Grant	\$6.72	\$6.72	\$6.72

18. Share Capital of Singapore Exchange Limited (continued)

(d) Deferred Long-term Incentives Scheme (“the LTI Scheme”) (continued)

(ii) Fair value of deferred long-term incentives shares (continued)

2008 Grant			
Date of Grant	21.08.2007		
Vesting date	03.11.2008	02.11.2009	01.11.2010
Number of shares at grant date	175,500	155,500	158,400
Fair value per deferred long-term incentives share at grant date	\$8.48	\$8.14	\$7.78
Assumption used in Fair Value Model			
Risk-free Interest Rate	2.29%	2.22%	2.36%
Date on which yield of Singapore government bond was based	20.08.2007	20.08.2007	20.08.2007
Cost of Funding			
Fixed deposit/risk-free interest rate	2.25%	2.47%	2.50%
Expected Dividend yield based on Management’s Forecast	3.88%	3.96%	4.38%
Share Price on day preceding Date of Grant	\$8.90	\$8.90	\$8.90

2008 Grant			
Date of Grant	01.11.2007		
Vesting date	03.11.2008	02.11.2009	01.11.2010
Number of shares at grant date	5,700	6,000	6,000
Fair value per deferred long-term incentives share at grant date	\$15.64	\$15.30	\$14.94
Assumption used in Fair Value Model			
Risk-free Interest Rate	2.02%	2.02%	2.19%
Date on which yield of Singapore government bond was based	31.10.2007	31.10.2007	31.10.2007
Cost of Funding			
Fixed deposit/risk-free interest rate	2.25%	2.47%	2.50%
Expected Dividend yield based on Management’s Forecast	2.21%	2.26%	2.50%
Share Price on day preceding Date of Grant	\$15.60	\$15.60	\$15.60

19. Derivatives Clearing Fund Reserve

Upon the dissolution of the SGX-DT Compensation Fund on 24 November 2007, the cash proceeds of \$34,021,000 were set aside as the Group's derivatives clearing fund reserve to support the SGX-DC Clearing Fund (Note 31). This reserve is not available for distribution as dividend.

20. Operating Revenue

Operating revenue comprised the following:

	The Group		The Company	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Securities				
- Securities clearing revenue	225,962	236,882	-	-
- Securities related processing revenue	4,366	2,384	-	-
- Access revenue	58,650	56,698	-	-
	288,978	295,964	-	-
Derivatives				
- Futures and options revenue	105,867	101,229	-	-
- Structured warrants revenue	4,273	5,297	-	-
- Interest income, license and other revenue	31,823	24,685	-	-
	141,963	131,211	-	-
Market Data	32,273	30,501	39	32
Member Services and Connectivity				
- Connectivity revenue	31,032	24,502	1,593	-
- Membership revenue	8,225	7,542	-	-
	39,257	32,044	1,593	-
Depository Services				
- Securities settlement revenue	63,422	50,606	-	-
- Contracts processing revenue	20,967	25,322	14,001	16,848
- Depository management revenue	6,244	5,964	-	-
	90,633	81,892	14,001	16,848
Issuer Services				
- Listing revenue	38,878	36,967	-	-
- Corporate action and other revenue	27,139	27,138	-	-
	66,017	64,105	-	-

21. Staff Costs

	The Group		The Company	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Salaries	59,521	53,024	45,257	38,274
Employer's contribution to Central Provident Fund on salaries	4,547	4,143	3,137	2,634
Variable bonus	34,155	35,682	25,528	24,773
Employer's contribution to Central Provident Fund on variable bonus	1,335	1,880	1,006	1,216
	35,490	37,562	26,534	25,989
Jobs credit by the Singapore Government	-	(1,412)	-	(1,412)
Retrenchment benefits	-	8	-	8
Share-based payment to employees	7,461	17,445	7,461	17,445
	107,019	110,770	82,389	82,938

Included in staff costs is remuneration of key management and directors under the employment of the Group and the Company (Note 38).

22. Technology Expenses

	The Group		The Company	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
System maintenance and rental	68,313	54,761	36,121	22,087
Depreciation and amortisation	35,867	24,312	4,125	3,830
Communication charges	4,084	3,511	3,241	2,611
	108,264	82,584	43,487	28,528

23. Premises Expenses

	The Group		The Company	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Rental and maintenance of premises	17,150	18,482	13,801	14,245
Depreciation of furniture and fittings, buildings and leasehold improvements	1,685	1,796	1,553	1,652
	18,835	20,278	15,354	15,897

24. Other Operating Expenses

	The Group		The Company	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Marketing	5,802	3,677	3,552	2,251
Travelling	2,466	2,181	1,445	1,330
Allowance for impairment of trade receivables (net)	304	396	-	-
Net write-off/impairment of property, plant and equipment and software	1,616	181	256	155
Net gain on disposal of property, plant and equipment and software	(170)	(15)	(170)	(15)
Directors' fee	1,950	1,852	1,950	1,752
MAS regulatory fee	1,500	1,500	350	350
Grant income for property, plant and equipment and software	(444)	(55)	-	-
Miscellaneous	3,417	3,241	2,522	2,865
	16,441	12,958	9,905	8,688

25. Profit from Operating Activities

	The Group		The Company	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Profit from Operating Activities is arrived at after:				
Charging:				
Audit services by auditor of the Company				
- current year	279	288	120	120
Other services by auditor of the Company				
- current year	12	39	4	2
Technology equipment rental expenses	5,714	-	5,054	-
Rental of premises - operating lease	18,135	14,578	14,717	11,018
Provision for/(utilisation of) unutilised leave	662	-	770	(22)
Depreciation and amortisation	37,590	26,108	5,716	5,482
And crediting:				
Grants received from Financial Sector Development Fund	3,532	813	1,163	214
Interest income on margin deposits held in trust (net)	12,216	6,904	-	-

26. Other Gains/(Losses)

	The Group		The Company	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Impairment loss on investment in subsidiary (Note (a))	-	-	(11,496)	(20,827)
Interest income and other income/(loss) (Note (b))	2,838	4,385	2,007	1,128
Impairment of goodwill (Note (c))	-	(2,721)	-	-
Write-back of allowance for impairment on property (Note (d))	-	5,000	-	5,000
Net foreign exchange gain/(loss)	(1,150)	(218)	(21)	(260)
ASX-SGX transaction related costs (Note (e))	(11,970)	-	(11,970)	-
ASX-SGX financing related costs (Note (e))	(6,678)	-	(6,678)	-
Net gain on disposal of freehold property (Note 7)	1,719	-	1,719	-
	(15,241)	6,446	(26,439)	(14,959)

(a) The impairment loss on investment in subsidiary reflects the following:

- (i) in the current financial year, the carrying amount of the Company's investment in SICOM was written-down to the net asset value of the subsidiary, following the transfer of all SICOM commodities futures onto the SGX derivatives platform; and
- (ii) in the prior financial year, the carrying amount of the Company's investment in SGX (Mauritius) ("SGXM") was written-down to the net asset value of the subsidiary, following the repatriation of dividends from SGXM to the Company.

(b) Interest income and other income/(loss)

	The Group		The Company	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Interest income:				
- Fixed deposits	3,221	3,884	1,970	3,002
- Current accounts	24	31	1	10
- Others	55	82	4	4
Dividend income	-	1,221	-	1,221
(Loss)/gain from currency forwards	(455)	(1,141)	39	(3,093)
Others	(7)	308	(7)	(16)
	2,838	4,385	2,007	1,128

(c) Based on the goodwill's recoverable amount, a full impairment charge of \$2,721,000 on the goodwill was recognised within "Other gains/(losses)" in the statement of comprehensive income in the prior financial year. The recoverable amount of the goodwill was determined based on value-in-use calculation, using a discounted cash flow model. The goodwill was fully impaired upon a downward revision of forecast cash flows and growth assumptions.

(d) As a result of improved property market conditions, allowance for impairment on industrial building, 18 New Industrial Road, was written back in the prior financial year. The property was disposed on 28 February 2011 in the current financial year.

(e) On 25 October 2010, SGX and ASX Limited entered into a Merger Implementation Agreement ("MIA") to combine and create a premier international exchange in Asia Pacific. The MIA was terminated following the Australian Treasurer's decision to reject the proposed combination on 8 April 2011.

All transaction and financing expenses relating to the ASX-SGX proposed combination have been expensed off during the financial year.

27. Earnings Per Share

	The Group	
	2011 \$'000	2010 \$'000
Net profit attributable to the equity holders of the Company	294,853	320,074
Weighted average number of ordinary shares in issue for basic earnings per share ('000)	1,066,664	1,064,125
Adjustments for ('000)		
- Share options	61	496
- Shares granted under the Plan and the LTI Scheme	3,697	5,024
Weighted average number of ordinary shares for diluted earnings per share ('000)	1,070,422	1,069,645
Earnings per share (in cents per share)		
- Basic	27.64	30.08
- Diluted	27.55	29.92

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

For the purpose of calculating diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted for the effects of all dilutive potential ordinary shares. The Company has two categories of dilutive potential ordinary shares: share options granted under the Scheme and shares granted under the Plan and the LTI Scheme (note 18).

For share options granted under the Scheme, the adjustment made to weighted average number of shares on issue represents the number of shares that could have been issued upon the exercise of all dilutive share options less the number of shares that could have been issued at fair value (determined as the Company's average share price for the financial year) for the same total proceeds.

For the Plan and the LTI Scheme, the adjustment made represents the number of shares expected to vest.

28. Dividends

	The Group and The Company	
	2011 \$'000	2010 \$'000
Interim tax exempt dividends of 12.00 cents per share (2010: 11.25 cents)	128,047	119,800
Proposed final tax exempt dividends of 15.00 cents per share (2010: 15.75 cents)	160,090	167,869
	288,137	287,669

The directors have proposed a final tax exempt one-tier dividend for 2011 of 15.00 cents (2010: 15.75 cents) per share amounting to a total of \$160,090,000 (2010: \$167,869,000). The proposed dividend has been transferred from retained profits to a proposed dividend reserve.

29. Segment Information

Management determines the operating segments based on the reports reviewed and used by the Executive Committee ("Exco") for performance assessment and resources allocation. For management purposes, the Group is organised into business units based on their products and services provided.

The Group is organised into three main business segments as follows:

- (i) Securities market - providing listing, trading, clearing, depository, market data, member services and connectivity and issuer services for the securities market.
- (ii) Derivatives market - providing trading, clearing, market data, member services and connectivity for the derivatives market.
- (iii) Other operations - providing other services apart from those listed in (i) and (ii) above.

The Group operates only in Singapore.

The Group's interest income on the cash balances and income taxes are managed on a group basis and are not allocated to operating segments.

Inter-segment results include transfers between business segments. Such transfers are accounted for at competitive market prices charged to external parties for similar services. Those transfers are eliminated on consolidation.

Expenses which are common and cannot be meaningfully allocated to the business segments are presented under unallocated expenses.

2011	Securities Market	Derivatives Market	Other Operations	The Group
	\$'000	\$'000	\$'000	\$'000
Segment Revenue				
External revenue	482,001	176,410	2,273	660,684
Inter-segment revenue	233	8	-	241
	482,234	176,418	2,273	660,925
Less: Consolidation elimination	(233)	(8)	-	(241)
Segment revenue	482,001	176,410	2,273	660,684
Results				
Profit from operating activities	300,908	71,694	903	373,505
Other gains/ (losses)				
- Other revenue including interest income				2,838
- Net foreign exchange gain/(loss)				(1,150)
- ASX-SGX transaction related costs				(11,970)
- ASX-SGX financing related costs				(6,678)
- Net gain on disposal of freehold property				1,719
Share of results of joint venture and associated company				(2,692)
Tax				(60,719)
Net profit after tax				294,853
Segment Assets				
Segment assets	662,901	252,930	10,371	926,202
Unallocated assets				591,391
Consolidated total assets				1,517,593
Segment Liabilities				
Segment liabilities	536,439	64,374	8,893	609,706
Unallocated liabilities				83,908
Consolidated total liabilities				693,614
Other Information				
Additions to property, plant and equipment and software	31,367	25,906	-	57,273
Depreciation and amortisation	17,472	20,118	-	37,590

29. Segment Information (continued)

2010	Securities Market	Derivatives Market	Other Operations	The Group
	\$'000	\$'000	\$'000	\$'000
Segment Revenue				
External revenue	472,690	163,945	3,079	639,714
Inter-segment revenue	267	(14)	-	253
	472,957	163,931	3,079	639,967
Less: Consolidation elimination	(267)	14	-	(253)
Segment revenue	472,690	163,945	3,079	639,714
Results				
Profit from operating activities	325,907	50,308	2,353	378,568
Other gains/ (losses)				
- Other revenue including interest income				4,385
- Net foreign exchange gain/(loss)				(218)
- Impairment of goodwill				(2,721)
- Write-back of allowance for impairment on property				5,000
Share of results of joint ventures and associated company				(1,741)
Tax				(63,199)
Net profit after tax				320,074
Segment Assets				
Segment assets	577,617	245,666	8,596	831,879
Unallocated assets				569,713
Consolidated total assets				1,401,592
Segment Liabilities				
Segment liabilities	434,486	66,149	2,584	503,219
Unallocated liabilities				82,451
Consolidated total liabilities				585,670
Other Information				
Additions to property, plant and equipment and software	23,899	31,065	-	54,964
Depreciation and amortisation	13,237	12,871	-	26,108

Management monitors the operating results of its business units separately for the purpose of making decisions on performance assessment and resource allocation. Segment performance is evaluated based on operating profit or loss and excludes other gains/losses items.

Other Information on Segment Assets and Liabilities

Assets and liabilities which are common and cannot be meaningfully allocated to the business segments are presented as unallocated assets and liabilities. All assets and liabilities are allocated to the reportable segments except for the following:

	The Group	
	2011 \$'000	2010 \$'000
Segment assets for reportable segments	926,202	831,879
Unallocated:		
Cash and cash equivalents	513,149	487,170
Financial assets, available-for-sale	73,256	73,256
Investment in associated company	4,684	4,145
Deferred tax assets	15	4,846
Club memberships	287	296
Total assets	1,517,593	1,401,592
Segment liabilities for reportable segments	609,706	503,219
Unallocated:		
Taxation	66,413	70,588
Deferred tax liabilities	12,469	7,457
Derivatives financial instruments	-	149
Others	5,026	4,257
Total liabilities	693,614	585,670

30. Securities and Derivatives Fidelity Funds

The Fidelity Funds are administered by Singapore Exchange Securities Trading Limited ("SGX-ST") and Singapore Exchange Derivatives Trading Limited ("SGX-DT"), as required by Section 176 of the Securities and Futures Act. The assets of the Funds are kept separate from all other assets, and are held in trust for the purposes set out in the Securities and Futures Act. The balances of the Fidelity funds are as follows:

	2011 \$'000	2010 \$'000
Securities Exchange Fidelity Fund	34,595	34,421
Derivatives Exchange Fidelity Fund	23,530	23,418
	58,125	57,839

The purposes of the fidelity funds pursuant to Section 186 of the Securities and Futures Act are as follows:

(a) to compensate any person (other than an accredited investor) who has suffered a pecuniary loss from any defalcation committed

(i) in the course of, or in connection with, dealing in securities, or the trading of a futures contract;

(ii) by a member of a securities exchange or a futures exchange or by any agent of such member; and

(iii) in relation to any money or other property entrusted to or received:

- by that member or any of its agents; or

- by that member or any of its agents as trustee or on behalf of the trustees of that money or property.

(b) to pay the Official Assignee or a trustee in bankruptcy within the meaning of the Bankruptcy Act (Cap. 20) if the available assets of a bankrupt, who is a member of SGX-ST or SGX-DT, are insufficient to satisfy any debts arising from dealings in securities or trading in futures contracts which have been proved in the bankruptcy by creditors of the bankrupt member.

(c) to pay a liquidator of a member of SGX-ST or SGX-DT which is being wound up if the available assets of a member are insufficient to satisfy any debts arising from dealings in securities or trading in futures contracts which have been proved in the liquidation of the member.

Any reference to dealing in securities or trading of a futures contract refers to such dealing or trading through the exchange which establishes, keeps and administers the fidelity fund or through a trading linkage of the exchange with an overseas securities exchange or an overseas futures exchange.

No further provision has been made in the financial year ended 30 June 2011 for contribution to be paid to the securities and derivatives fidelity funds as the minimum sum of \$20 million for each fund as currently required under the Securities and Futures Act has been met.

The assets and liabilities of the Funds are as follows:

	2011 \$'000	2010 \$'000
Assets		
Fixed deposits with banks	57,769	51,172
Interest receivable	28	71
Bank balance	499	6,851
	58,296	58,094
Liabilities		
Other payables and accruals	9	9
Taxation	157	234
Deferred tax liabilities	5	12
	171	255
Net Assets	58,125	57,839

The assets and liabilities of the Funds are not included in the consolidated statement of financial position of the Group as they are held in trust.

31. Singapore Exchange Derivatives Clearing Limited (“SGX-DC”) Clearing Fund

The current SGX-DC Clearing Fund structure was implemented on 10 May 2010. With the launch of the Over-The-Counter (“OTC”) financial derivative clearing facility on 3 November 2010, further revisions were made to the structure of the SGX-DC Clearing Fund.

The rules of SGX-DC enable SGX-DC to mobilise resources should any derivatives clearing member be unable to meet its obligations to SGX-DC. Under the SGX-DC Clearing Fund structure, the resources available to SGX-DC would be utilised in the following priority:

- (a) the defaulting derivatives clearing member’s margin deposits, security deposits, letters of credit and/or all other assets and securities of that derivatives clearing member;
- (b) contributions of SGX-DC of an amount not less than 15% of the SGX-DC Clearing Fund size or \$136,000,000, whichever is higher;
- (c) security deposits of non-defaulting derivatives clearing members participating in the same Contract Class as the defaulted derivatives clearing member, and the amounts applied will be in direct proportion of each derivatives member’s security deposit requirement relative to other non-defaulting derivatives members’ security deposit requirement;
- (d) further assessments on non-defaulting derivatives clearing members participating in the same Contract Class as the defaulted derivatives clearing member, and the amounts applied will be in direct proportion of each derivatives member’s further assessments requirement relative

to other non-defaulting derivatives members’ further assessment requirement;

- (e) any contributions of SGX-DC or any of its related entities set aside for a specific Contract Class;
- (f) security deposits of other non-defaulting derivatives clearing members not participating in the same Contract Class as the defaulted derivatives clearing member, and the amounts applied will be in direct proportion of each derivatives member’s security deposit requirement relative to other non-defaulting derivatives members’ security deposit requirement;
- (g) further assessments on other non-defaulting derivatives clearing members not participating in the same Contract Class as the defaulted derivatives clearing member, and the amounts applied will be in direct proportion of each derivatives member’s further assessments requirement relative to other non-defaulting derivatives members’ further assessment requirement; and
- (h) any other contributions to the SGX-DC Clearing Fund.

The Group has set aside cash amounting to \$148,281,000 (2010: \$136,021,000) (Note 3) to support the SGX-DC Clearing Fund in relation to the following:

- (i) SGX-DC capital, \$68,000,000;
- (ii) Company’s financial guarantee to SGX-DC, \$34,000,000 (2010: \$34,000,000);

(iii) Derivatives clearing fund reserve, \$34,021,000 (Note 19); and

(iv) SGX-DC’s contributions for clearing of OTC financial derivatives contracts, US\$10,000,000 (or \$12,260,000 of SGD equivalent).

Except for the \$148,281,000 (2010: \$136,021,000) mentioned above, the other resources available for the SGX-DC Clearing Fund are not included in the consolidated statement of financial position of the Group. These are third party obligations towards the SGX-DC Clearing Fund and where they are held by SGX-DC, these resources are held in trust.

32. SICOM Clearing Fund

The rules of SICOM enable it to mobilise resources should any clearing member be unable to meet its obligations to SICOM. The resources available to SICOM would be utilised in the following priority:

- (a) the defaulting clearing member's margin deposits, security deposits and/or all other assets and securities of that clearing member which SICOM has ready access to and is able in its discretion, to realise and appropriate towards discharge of such clearing member's obligations to SICOM;
- (b) such surplus funds of SICOM as management may determine are in excess of funds necessary for normal operations;
- (c) security deposits in equal amounts from each non-defaulting clearing member; and
- (d) further assessments on clearing members based on a formula that takes into consideration their capital requirements and share of volume and open interest on SICOM (capped at their capital requirements).

Following the completion of migration of all active SICOM commodity contracts onto the SGX derivatives platform on 16 May 2011, SICOM has applied to the Monetary Authority of Singapore ("MAS") for cancellation of its recognition as a Recognised Market Operator ("RMO") and the International Enterprise Singapore ("IES") for the revocation of SICOM as a Commodity Market and a Clearing House.

On 11 July 2011, IES approved the revocation of SICOM as a Commodity Market and a Clearing House. Upon cancellation of its recognition as a RMO, SICOM will dissolve the SICOM Clearing Fund by returning the respective clearing members' resources.

33. Security, Margin and Other Deposits

The Group, in its normal course of business, through subsidiaries operating as clearing houses, holds assets in trust or contingent assets such as irrevocable letters of credit, government securities or on-demand guarantees. None of these assets or contingent assets, together with the corresponding liabilities, are included in the consolidated statement of financial position of the Group.

(a) Singapore Exchange Derivatives Clearing Limited ("SGX-DC")

(i) Margin Deposits

As the clearing house for futures and options traded on SGX-DT, OTC commodities contracts and Over-The-Counter Financial ("OTCF") derivatives contracts, SGX-DC becomes the novated counterparty for these derivative instruments.

The rules of SGX-DC require its derivatives clearing members to provide collateral in the form acceptable to SGX-DC as margin deposits to guarantee the performance of the obligations associated with these derivative instruments positions.

The total margins required by SGX-DC at 30 June 2011 were approximately \$2,694,999,000 (2010: \$2,079,107,000).

As at 30 June 2011, clearing members had lodged the following collateral with SGX-DC for margin deposits purposes:

	2011 \$'000	2010 \$'000
Margin Deposits		
Cash	3,189,651	2,673,911
Quoted government securities, at fair value	1,648,483	1,008,010
Irrevocable letters of credit	121,987	30,251

All cash deposits are placed in interest bearing accounts with banks. Interest earned on the cash deposits is credited to the derivatives clearing members, with a portion retained by SGX-DC.

(ii) Performance Deposits

For OTC commodities contracts which are physically-settled, the rules of SGX-DC require its clearing members to provide collateral in the form acceptable to SGX-DC as performance deposits to secure the performance of a delivery contract.

As at 30 June 2011, there was no collateral lodged with SGX-DC for performance deposits purposes.

(iii) Security and Other Deposits

The rules of SGX-DC require its clearing members to deposit security for their derivatives clearing obligations to SGX-DC:

- (1) Clearing Members who clear futures and options traded on SGX-DT and OTC commodities contracts are required to post the higher of US\$500,000 or 3.0% of the daily average risk margin during the preceding three-month period, in cash, government securities or irrevocable letter of credit;
- (2) Clearing Members who clear OTCF derivatives contracts are required to post the higher of US\$5,000,000 or 3.0% of the daily average risk margin during the preceding three-month period, in cash or government securities;
- (3) Clearing Members who clear all three classes of contracts (i.e. futures and options traded on SGX-DT, OTC commodities contracts and/or OTCF derivatives contracts will be required to post the aggregate of (1) and (2).

As at 30 June 2011, the following security and other deposits were lodged with SGX-DC for clearing fund purpose:

	2011 \$'000	2010 \$'000
Security and Other Deposits		
Cash	239,874	95,210
Irrevocable letters of credit	37,003	161,076
Government securities	9,880	-

(iv) Collateral for Mutual Offset Settlement Agreement

As at 30 June 2011, irrevocable letters of credit amounting to approximately \$143,442,000 (2010: \$116,781,000) were lodged by The Chicago Mercantile Exchange with SGX-DC. This is to fulfill collateral requirements under the Mutual Offset Settlement Agreement.

(b) The Central Depository Pte Ltd ("CDP")

(i) Margin and Other Deposits

As the clearing house for securities and marginable futures contracts traded on SGX-ST, CDP becomes the novated counterparty for these instruments.

The rules of CDP require its clearing members to provide collateral in the form acceptable to CDP as margin deposits to guarantee the performance of the obligations associated with marginable futures contracts. The total margins required by CDP at 30 June 2011 were approximately \$94,000 (2010: \$202,000).

In addition, the CDP Clearing Rules provides that CDP may request its clearing members to place collateral with CDP in respect of its securities clearing activities.

33. Security, Margin and Other Deposits (continued)

(b) The Central Depository Pte Ltd (“CDP”) (continued)

(i) Margin and Other Deposits (continued)

As at 30 June 2011, clearing members had lodged the following collateral with CDP:

	2011 \$'000	2010 \$'000
Margin Deposits		
Cash	3,484	3,468
Other Collateral		
Cash	15,012	15,012
Irrevocable letters of credit	20,000	20,000

(c) Singapore Commodity Exchange Limited (“SICOM”)

As the clearing house for commodity contracts traded on SICOM, SICOM becomes the novated counterparty for the instruments.

The rules of SICOM require clearing members to provide collateral in the form acceptable to SICOM for security, margin and performance deposit purposes:

(i) Security Deposits

The rules of SICOM require each clearing member to deposit with SICOM as security for its obligations to SICOM, the sum of \$1 million in the form of cash, an irrevocable letter of credit or an on-demand guarantee.

(ii) Margin Deposits

Margin requirements are prescribed under the rules of SICOM for outstanding futures contracts. Margins can be in the form of cash or letters of credit.

The total margins required by SICOM at 30 June 2011 was nil (2010: \$29,884,000).

(iii) Performance Deposits

These relate to cash deposited by clearing members as performance deposits against delivery obligations on matured futures contracts.

Following the transfer of all active SICOM commodity contracts onto the SGX derivatives platform by 16 May 2011, SICOM is in the process of returning the security, margin and performance deposits to its Clearing Members.

As at 30 June 2011, clearing members had lodged the following collateral with SICOM:

	2011 \$'000	2010 \$'000
Security Deposits		
Cash	-	3,000
Irrevocable letters of credit/on-demand guarantees	6,000	16,000
Margin Deposits		
Cash	-	44,805
Irrevocable letters of credit	3,839	5,150
Performance Deposits		
Cash	-	1,268

All cash deposits are placed in interest bearing accounts with banks. Interest earned on the cash deposits placed as margin and performance deposits with SICOM are credited to the clearing members, with a portion retained by SICOM.

34. Financial Requirements

(a) SGX-DC

The rules of SGX-DC impose financial requirements on its clearing members. As at 30 June 2011, clearing members had lodged the following with SGX-DC to support their financial requirements:

	2011 \$'000	2010 \$'000
Cash	220,933	44,301
Irrevocable letters of credit	32,950	70,125
Quoted government securities, at fair value	-	52,380

(b) CDP

The rules of CDP impose financial requirements on its clearing members. As at 30 June 2011, clearing members had lodged the following with CDP to support their financial requirements:

	2011 \$'000	2010 \$'000
Cash	10,000	5,000

None of these assets or contingent assets, together with the corresponding liabilities, are included in the consolidated statement of financial position of the Group.

35. Collaterals for Securities Borrowings and Lending

CDP offers Securities Borrowing and Lending ("SBL") services to its account holders and depository agents. SBL involves temporary transfer of securities from a lender to a borrower for a fee. The SBL Scheme requires the borrowers of securities to provide collateral in the form of cash, securities or irrevocable letter of credit.

As at 30 June 2011, borrowers had lodged the following collateral with CDP for SBL purpose:

	2011 \$'000	2010 \$'000
Cash	18,757	20,785
Securities, at fair value	16,685	22,515

None of these assets or contingent assets, together with the corresponding liabilities, is included in the consolidated statement of financial position of the Group.

36. Contingent Liabilities

At the balance sheet date, the Group and the Company have contingent liabilities as follows:

	The Group		The Company	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Unsecured guarantees by the derivatives clearing subsidiary to banks for standby letters of credit issued by the banks to Chicago Mercantile Exchange for members' open positions on these exchanges. These guarantees are supported by members' margin deposits (Note 33(a))	85,820	107,636	-	-
Standby line of credit obtained by CDP to the Clearing Fund to be utilised in accordance with CDP's Clearing Rules (Note (a))	-	75,000	-	-
Cash set aside to support SGX-DC Capital for the Clearing Fund to be utilised in accordance with SGX-DC's Clearing Rules (Note 31)	68,000	68,000	-	-
Cash-backed guarantee provided to SGX-DC for the Clearing Fund (Note 31)	34,000	34,000	34,000	34,000
Cash set aside for Derivatives clearing fund reserve to support SGX-DC Clearing Fund (Note 31)	34,021	34,021	-	-
Cash set aside to support SGX - DC Clearing Fund with the launch of Over-The-Counter financial derivatives contracts (Note 31)	12,260	-	-	-
Undertaking to replace the default insurance component of the CDP Clearing Fund (Note (a))	-	25,000	-	25,000
Guarantee provided to SGX-DC and SICOM in consideration of SGX-DC and SICOM's agreement to waive margin requirements in respect of positions held by each other (Note (b))	-	-	4,000	4,000
	234,101	343,657	38,000	63,000

(a) As disclosed in note 6, the standby line of credit and deed of undertaking are no longer required with the revision of the CDP clearing fund structure with effect from 3 May 2011.

(b) As SICOM has applied to the MAS for cancellation of its recognition as a RMO, the guarantee will terminate accordingly once MAS approves the application.

37. Commitments

(a) Operating Lease Commitments—where a group company is a lessee

The Company leases its office premises, data centre and equipment from non-related parties under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

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:

	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Not later than one financial year	31,361	15,987	30,061	15,981
Later than one financial year but not later than five financial years	66,415	58,361	62,109	58,349
Later than five financial years	6,904	9,484	6,904	9,484
	104,680	83,832	99,074	83,814

(b) Operating Lease Commitments—where a group company is a lessor

The Company leases out office premises to non-related parties under non-cancellable operating lease. The future aggregate minimum lease payments receivable under non-cancellable operating leases contracted for at the reporting date but not recognised as receivables, are as follows:

	The Group		The Company	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Not later than one financial year	370	28	370	28
Later than one financial year but not later than five financial years	494	-	494	-
	864	28	864	28

(c) Capital Commitments

Capital commitments contracted for at year end but not recognised in the financial statements are as follows:

	The Group		The Company	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Property, plant and equipment and software	8,503	31,509	277	18,371

38. Related Party Transactions

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

(a) Sales and Purchase of Goods and Services

	The Group and The Company	
	2011 \$'000	2010 \$'000
Provision of staff related services to joint venture	553	268

(b) Directors' Fees and Key Management's Remuneration

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

	The Group	
	2011 \$'000	2010 \$'000
Salaries and other short-term employee benefits	14,889	16,888
Employer's contribution to Central Provident Fund	53	61
Share-based payment to employees	2,651	9,786
	17,593	26,735

Included in the above is total remuneration to directors of the Company amounting to \$6,372,000 (2010:\$12,440,000).

There were no share options granted to key management of the Group during the financial year (2010: nil).

During the financial year, 806,200 shares (2010: 1,827,785 shares) under performance share plan were granted to key management of the Group. The performance shares granted to key management in the prior year included those granted to the former CEO. The performance shares, excluding the special award to the former CEO, were granted under the same terms and conditions as those offered to other employees of the Company.

39. Financial Risk Management

Financial Risk Management Objectives and Policies

The Group is exposed to market risk (including currency risk, price risk and interest rate risk), credit risk and liquidity risk arising from its business activities. The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance.

The Board of Directors has overall responsibility for the oversight of financial risk management for the Group. To assist the Board in discharging its oversight responsibility, a board committee, the Risk Management Committee ("RMC") was established. The RMC's primary function is to review, recommend to the Board for approval, and where appropriate approve:

- (a) the type and level of business risks (risk appetite) that the Group undertakes on an integrated basis to achieve its business strategy; and
- (b) the policies and frameworks for managing risks that are consistent with its risk appetite.

Management is responsible for identifying, monitoring and managing the Group's financial risk exposures.

The main financial risks that the Group is exposed to and how they are managed are set out below:

Market Risk—Currency Risk

The Group managed its main currency exposure as follows:

(a) Revenue Receivable from Clearing of Derivative Products

The Group's revenue from the clearing of derivative products are mainly in SGD and USD. For revenue denominated in USD, the Group manages the currency exposure through currency forward contracts. Upon settlement of the currency forward contracts and payment obligations denominated in foreign currency, any excess foreign currencies are converted back to SGD in a timely manner to minimise currency exposure. As at 30 June 2011 and 30 June 2010, there are no significant currency risk exposure arising from receivables. These receivables are also exposed to counterparty and credit risk.

(b) Investment in Financial Assets, Available-for-Sale

The Company has invested in unlisted equity securities in Bombay Stock Exchange Limited ("BSE"). This investment is denominated in Indian Rupee ("INR") and forms part of the Group's long-term strategic investments in line with its strategy to position SGX as an Asian Gateway. Management monitors the Group's currency exposure by tracking the INR currency movement on a regular basis. As this investment is long-term in nature, the Group does not hedge the currency exposure of this investment. This investment is also exposed to price risk.

(c) Cash and Cash equivalents

As at 30 June 2011, the cash balances of the Group and the Company are mainly denominated in SGD and USD. USD cash balances placed in bank and fixed deposits to meet the short-term USD payment obligations were not hedged. The currency risk of other USD cash balances that are placed on a longer term has been fully hedged through USD forward sale contracts. The cash balances are also exposed to counterparty and credit risk.

The Group and Company's currency exposure as at 30 June are as follows:

2011	The Group				
	SGD ^(b) \$'000	USD \$'000	INR \$'000	Others \$'000	Total \$'000
Financial Assets					
Cash and cash equivalents	670,169	22,281	-	613	693,063
Trade and other receivables					
- Daily settlement of accounts for due contracts and rights	299,472	181,087	-	249	480,808
- Others	72,367	650	-	25	73,042
Securities clearing funds	30,000	-	-	-	30,000
Financial assets, available-for-sale	-	-	73,256	-	73,256
Financial Liabilities					
Trade and other payables					
- Daily settlement of accounts for due contracts and rights	(299,472)	(181,087)	-	(249)	(480,808)
- Others	(107,130)	(18,509)	-	(763)	(126,402)
Currency exposure	665,406	4,422	73,256	(125)	742,959
Currency forward contracts ^(a)	-	30,160	-	-	30,160

(a) Currency forward contracts entered by the Group is to hedge future revenue receivable arising from clearing of various derivative products denominated in USD.

(b) The SGD balances have been included for completeness.

39. Financial Risk Management (continued)

Market Risk—Currency Risk (continued)

(c) Cash and Cash equivalents (continued)

2010	The Group				
	SGD ^(b) \$'000	USD \$'000	INR \$'000	Others \$'000	Total \$'000
Financial Assets					
Cash and cash equivalents	650,160	21,692	-	739	672,591
Trade and other receivables					
- Daily settlement of accounts for due contracts and rights	333,749	48,209	-	1,803	383,761
- Others	62,656	12,202	-	191	75,049
Securities clearing funds	30,000	-	-	-	30,000
Financial assets, available-for-sale	-	-	73,256	-	73,256
Financial Liabilities					
Trade and other payables					
- Daily settlement of accounts for due contracts and rights	(333,749)	(48,209)	-	(1,803)	(383,761)
- Others	(98,435)	(17,403)	-	(432)	(116,270)
Currency exposure	644,381	16,491	73,256	498	734,626
Currency forward contracts ^(c)	-	62,612	-	-	62,612

(b) The SGD balances have been included for completeness.

(c) Currency forward contracts entered by the Group was to hedge future revenue receivables arising from clearing of various derivative products denominated in USD and bank deposits denominated in USD.

2011	The Company				
	SGD ^(b) \$'000	USD \$'000	INR \$'000	Others \$'000	Total \$'000
Financial Assets					
Cash and cash equivalents	511,863	1,222	-	64	513,149
Trade and other receivables	7,068	37	-	20	7,125
Financial assets, available-for-sale	-	-	73,256	-	73,256
Financial Liabilities					
Trade and other payables	(348,346)	(811)	-	(206)	(349,363)
Currency exposure	170,585	448	73,256	(122)	244,167

(b) The SGD balances have been included for completeness.

2010	The Company				
	SGD ^(b) \$'000	USD \$'000	INR \$'000	Others \$'000	Total \$'000
Financial Assets					
Cash and cash equivalents	480,241	5,315	-	55	485,611
Trade and other receivables	4,472	37	-	28	4,537
Financial assets, available-for-sale	-	-	73,256	-	73,256
Financial Liabilities					
Trade and other payables	(328,196)	(317)	-	(117)	(328,630)
Currency exposure	156,517	5,035	73,256	(34)	234,774
Currency forward contract ^(d)	-	21,105	-	-	21,105

(b) The SGD balances have been included for completeness.

(d) Currency forward contracts entered by the Company was to hedge the currency risk of bank deposits denominated in USD.

No currency risk sensitivity analysis is provided as the Group and the Company is not expected to have significant currency exposure.

The currency risk sensitivity analysis for financial assets, available-for-sale is included within the price risk sensitivity analysis.

Market Risk—Price Risk

The Group manages the price risk of its investment in financial assets, available-for-sale as follows:

The investment in Bombay Stock Exchange Limited (“BSE”) is an unlisted long-term strategic investment. Management maintains regular dialogue with the management of BSE on the latest development of the business, regularly monitors the business performance relating to this investment and assesses the financial performance of BSE on an on-going basis.

The impact on profit after tax and equity would be as follows should the price of BSE change by 3% (2010: 3%) with all other variables including tax rate being held constant:

	Increase/(decrease)			
	2011		2010	
	Profit after tax \$'000	Equity \$'000	Profit after tax \$'000	Equity \$'000
The Group and The Company				
Price of BSE				
- increased	-	2,198	-	2,198
- decreased	-	(2,198)	-	(2,198)

39. Financial Risk Management (continued)

Market Risk—Interest Rate Risk

The Group is not subject to significant interest rate risk as the Group's fixed deposit placements are mainly short-term in nature. Fixed deposits are placed with banks that offer the most competitive interest rate.

The tables below set out the Group's and the Company's financial assets and liabilities at carrying amounts, categorised by the earlier of contractual repricing or maturity dates.

The Group

	Variable Rates		Fixed Rates			Non-interest Bearing \$'000	Total \$'000
	Less than 6 months \$'000	6 to 12 months \$'000	Less than 6 months \$'000	6 to 12 months \$'000	Over 1 year \$'000		
At 30 June 2011							
Financial Assets							
Cash and cash equivalents	15,779	-	270,095	361,980	34,534	10,675	693,063
Trade and other receivables	-	-	16	14	46	553,774	553,850
Securities clearing funds	-	-	-	30,000	-	-	30,000
Financial assets, available-for-sale	-	-	-	-	-	73,256	73,256
Financial Liabilities							
Trade and other payables	-	-	-	-	-	(607,210)	(607,210)
Net Financial Assets	15,779	-	270,111	391,994	34,580	30,495	742,959
At 30 June 2010							
Financial Assets							
Cash and cash equivalents	21,417	-	248,642	385,402	-	17,130	672,591
Trade and other receivables	-	-	32	17	74	458,687	458,810
Securities clearing funds	-	-	-	30,000	-	-	30,000
Financial assets, available-for-sale	-	-	-	-	-	73,256	73,256
Financial Liabilities							
Trade and other payables	-	-	-	-	-	(500,031)	(500,031)
Net Financial Assets	21,417	-	248,674	415,419	74	49,042	734,626

The Company

	Variable Rates		Fixed Rates				
	Less than 6 months \$'000	6 to 12 months \$'000	Less than 6 months \$'000	6 to 12 months \$'000	Over 1 year \$'000	Non-interest Bearing \$'000	Total \$'000
At 30 June 2011							
Financial Assets							
Cash and cash equivalents	3,226	-	257,500	209,000	34,534	8,889	513,149
Trade and other receivables	-	-	11	10	36	7,068	7,125
Financial assets, available-for-sale	-	-	-	-	-	73,256	73,256
Financial Liabilities							
Trade and other payables	-	-	-	-	-	(349,363)	(349,363)
Net Financial Assets	3,226	-	257,511	209,010	34,570	(260,150)	244,167
At 30 June 2010							
Financial Assets							
Cash and cash equivalents	4,649	-	246,925	232,850	-	1,187	485,611
Trade and other receivables	-	-	22	11	58	4,446	4,537
Financial assets, available-for-sale	-	-	-	-	-	73,256	73,256
Financial Liabilities							
Trade and other payables	-	-	-	-	-	(328,630)	(328,630)
Net Financial Assets	4,649	-	246,947	232,861	58	(249,741)	234,774

As the Group is not exposed to significant interest rate risks, no sensitivity analysis is provided for this risk.

39. Financial Risk Management (continued)

Counterparty and Credit Risk

The Group manages its main counterparty and credit exposure as follows:

(a) Trade Receivables (excluding balances arising from clearing and settlement of trade)

Trade receivables of the Group and the Company comprise receivables from trading and clearing members, listed companies and other entities. The trade receivable exposure is continuously monitored and followed up by Finance and relevant business units.

Management believes that the credit risk with respect to trade receivables is limited. Impairment allowances are made for debts that are outstanding above 360 days and debtors that are under judicial management, scheme of arrangement or other financial difficulties. Management believes that there is no other additional credit risk beyond the amount of allowance for impairment made in these financial statements.

The Group, excluding the balances arising from clearing and settlement of trade, has no significant concentration of credit risk on its trade receivables.

The Company, excluding the receivable from the Inland Revenue Authority of Singapore, has 9 (2010: 7) debtors that represented 51% (2010: 66%) of the remaining trade receivables.

(b) Cash Deposits

Cash balances of the Group and the Company are mainly placed in fixed

deposits with financial institutions with high credit quality. The Board has approved policies that limit the maximum credit exposure to each financial institution. Exposure and compliance with counterparty limits set by the RMC are monitored by the relevant business units and reported by the Risk Management unit to the RMC. The Group placed 80% (2010: 81%) of its cash and cash equivalents with 3 (2010: 4) banks. The Company placed 87% (2010: 86%) of its cash and cash equivalents with 4 (2010: 5) banks.

The maximum exposure to credit risk for trade receivables and cash deposits is the carrying amount of the financial assets presented on the statement of financial position as the Group and the Company do not hold any collateral against these financial assets.

(c) Clearing and Settlement

In the normal course of business as clearing houses, SGX-DC and CDP act as central counterparties ("CCP") for every transaction received by or matched through the Group's facilities. As CCP, each clearing house substitutes itself as the buyer to the selling clearing member, and seller to the buying clearing member, and assume all rights and obligations to the counterparty. As a result, each clearing house faces considerable credit risk exposure should any of its clearing member be unable to meet its settlement obligations, resulting in a default on the clearing house. The Group has in place a sound and transparent regulatory framework governing the operations of securities and derivatives markets. On an on-going basis, the Group mitigates its counterparty risk through active monitoring and management of its exposure to clearing members and has in place a system of financial safeguards.

Credit risk management practices

The Group mitigates its exposures to risk by admitting clearing members which meet prescribed capital and financial requirements and have risk management systems to monitor their exposures. On an on-going basis, a clearing member must continue to comply with the financial requirements, and also set aside capital that commensurate with its risk exposures. In addition, it must ensure that it has the necessary systems and procedures to preserve sound liquidity and financial position at all times.

Both SGX-DC and CDP have well-established risk management systems to monitor and measure the risk exposures of its members. In addition, SGX-DC and CDP require all derivative positions and marginable futures contracts to be collateralised by sufficient margins at all times and these collaterals protect SGX-DC and CDP against potential losses. The SGX-DC also revalues and settles the daily mark-to-market variations with clearing members to prevent losses from accumulating. The CDP requires all positions in Extended Settlement Contracts, being marginable futures contracts, to be collateralised by sufficient margins and these collaterals protect the CDP against cumulative mark-to-market and potential losses. The CDP also requires clearing members to monitor compliance with risk management measures such as monitoring for large exposures.

Financial safeguards

A clearing fund has been established for each of the securities and derivatives markets to be used in support of the clearing houses' roles as CCP. The Group and the relevant clearing members are required to contribute to the respective clearing funds.

Trade receivables arising from settlement of securities trade

Settlement for all securities transactions of securities clearing members are effected through the Group's subsidiary, CDP. Such settlements can be effected through designated settlement banks.

The "receivables from clearing members and settlement bank" included in trade receivables represent the aggregate of net settlement obligations of each of the clearing members and settlement banks to CDP for the last three trading days of the financial year. At 30 June 2011, there were 29 (2010: 26) securities clearing members and 6 (2010: 6) designated settlement banks. The Group may have concentration risk exposure to these securities clearing members and settlement banks with regards to their net settlement obligations to CDP. The settlement exposure of CDP to each securities clearing member or settlement bank fluctuates daily according to the net trading position (net buy or net sell) of each securities clearing member and the extent to which these settlement obligations are effected through the settlement banks.

(d) Financial Assets that are neither past due nor impaired

All of the Group's cash deposits are not impaired as the deposits are placed with banks of high credit quality.

Trade receivables that are neither past due nor impaired comprise companies with good payment track record with the Group. As at 30 June 2011, 99.4% (2010: 99.6%) and 94.1% (2010: 88.8%) of the Group's and the Company's trade receivables fall into this category.

(e) Financial Assets that are past due and/or impaired

There is no other class of financial assets that is past due and/or impaired except for trade receivables.

The age analysis of trade receivables past due but not impaired is as follows:

	The Group		The Company	
	2011 \$'000	2011 \$'000	2011 \$'000	2011 \$'000
Past due up to 90 days	980	688	228	235
Past due 91 days to 360 days	988	157	116	55
	1,968	845	344	290

The carrying amount of trade receivables individually determined to be impaired and the movement in the related allowance for impairment are as follows:

	The Group		The Company	
	2011 \$'000	2011 \$'000	2011 \$'000	2011 \$'000
Gross amount	1,305	1,031	-	-
Less: Allowance for impairment	(1,305)	(1,031)	-	-
	-	-	-	-
Balance at beginning of financial year	1,031	664	-	-
Allowance made	646	884	-	-
Allowance utilised	(6)	(19)	-	-
Allowance written back	(366)	(498)	-	-
Balance at end of financial year	1,305	1,031	-	-

39. Financial Risk Management (continued)

Liquidity Risk

(a) Liabilities Related Risk

The Group has minimal liquidity risk as it maintains sufficient cash for daily operations through prudent liquidity risk management. The Group has no external borrowings.

The financial liabilities of the Group and Company are analysed into the relevant maturity buckets based on their contractual maturity dates in the table below:

The Group

	Up to 3 months \$'000	>3 months to 1 year \$'000	Above 1 year \$'000	Total \$'000
At 30 June 2011 Financial Liabilities				
Trade and other payables ^(e)	607,210	-	-	607,210

^(e) Included \$480,808,000 payable to clearing members and settlement banks for daily settlement of accounts for due contracts and rights with a corresponding amount in trade receivables.

The Group

	Up to 3 months \$'000	>3 months to 1 year \$'000	Above 1 year \$'000	Total \$'000
At 30 June 2010 Financial Liabilities				
Trade and other payables ^(f)	500,031	-	-	500,031

^(f) Included \$383,761,000 payable to clearing members and settlement banks for daily settlement of accounts for due contracts and rights with a corresponding amount in trade receivables.

The Company

	Up to 3 months \$'000	>3 months to 1 year \$'000	Above 1 year \$'000	Total \$'000
At 30 June 2011 Financial Liabilities				
Trade and other payables	54,323	295,040	-	349,363
At 30 June 2010 Financial Liabilities				
Trade and other payables	48,210	280,420	-	328,630

As at 30 June 2011, the gross notional value of outstanding currency forward contracts held by the Group was \$30,160,000 (2010: \$62,612,000). The Group's outstanding currency forward contracts that would be settled on a gross basis are analysed into relevant maturity buckets based on the remaining contractual maturity dates as follows:

	At 30 June 2011			At 30 June 2010		
	Up to 3 months \$'000	>3 months to 1 year \$'000	Total \$'000	Up to 3 months \$'000	>3 months to 1 year \$'000	Total \$'000
The Group						
Currency Forward Contracts						
- gross outflows	12,591	17,569	30,160	38,031	24,581	62,612
- gross inflows	13,118	18,003	31,121	37,547	24,180	61,727

	At 30 June 2011			At 30 June 2010		
	Up to 3 months \$'000	>3 months to 1 year \$'000	Total \$'000	Up to 3 months \$'000	>3 months to 1 year \$'000	Total \$'000
The Company						
Currency Forward Contracts						
- gross outflows	-	-	-	21,105	-	21,105
- gross inflows	-	-	-	20,820	-	20,820

The amounts disclosed above are contractual undiscounted cash flows, which are different from the carrying amount disclosed in these financial statements.

39. Financial Risk Management (continued)

Liquidity Risk (continued)

(b) Contingent Liabilities Related Risk

At the balance sheet date, the following contingent liabilities may impact the Group and the Company's liquidity position:

	The Group		The Company	
	2011 \$'000	2010 \$'000	2011 \$'000	2010 \$'000
Unsecured guarantees by the derivatives clearing subsidiary to banks for standby letters of credit issued by the banks to Chicago Mercantile Exchange	85,820	107,636	-	-
Cash-backed guarantee provided to SGX-DC for the Clearing Fund	34,000	34,000	34,000	34,000
Undertaking to replace the default insurance component of the CDP Clearing Fund	-	25,000	-	25,000
Guarantee provided to SGX-DC and SICOM in consideration of SGX-DC and SICOM's agreement to waive margin requirements in respect of positions held by each other	-	-	4,000	4,000
	119,820	166,636	38,000	63,000

The settlement obligation of the above contingent liabilities is not determinable as the obligation arises from the occurrence of future events that are not within the control of the Group and the Company. The guarantee provided for the Clearing Fund is supported by cash set aside by the Group and the Company.

(c) Clearing and Settlement-related Risk

The clearing houses of the Group, CDP and SGX-DC, act as the novated counterparty for transactions of approved securities and derivatives. The Group is exposed to liquidity risk should any Clearing Member default. The Group has secured sufficient committed bank credit facilities of \$450,000,000 (2010: \$450,000,000), comprising \$200,000,000 (2010: \$200,000,000) committed share financing and \$250,000,000 (2010: \$250,000,000) committed unsecured credit lines, to meet the expected liquidity requirement arising from clearing members' default.

Fair Value Measurements

The following table presents assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (is as prices) or indirectly (ie derived from prices) (Level 2); and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
The Group				
At 30 June 2011				
Assets				
Derivative financial instruments	-	899	-	899
Financial assets, available-for-sale	-	-	73,256	73,256
At 30 June 2010				
Assets				
Financial assets, available-for-sale	-	-	73,256	73,256
Liabilities				
Derivative financial instruments	-	(444)	-	(444)
The Company				
At 30 June 2011				
Assets				
Financial assets, available-for-sale	-	-	73,256	73,256
At 30 June 2010				
Assets				
Financial assets, available-for-sale	-	-	73,256	73,256
Liabilities				
Derivative financial instruments	-	(149)	-	(149)

The fair values of currency forward contracts have been calculated using the rates quoted by the Group's and the Company's bankers to terminate the contracts at the balance sheet date. The derivative financial instruments fall into Level 2 category.

The fair value of financial asset, available-for-sale, that are not traded in an active market is determined by using valuation technique, discounted cash flow analysis. The Group makes assumptions that are based on market conditions existing at each balance sheet date. As the valuation technique for the asset is based on significant unobservable inputs, this asset is included in Level 3. There were no transfers, purchases or gains and losses recognised in the statement of comprehensive income in Level 3 instruments for the financial year ended 30 June 2011.

40. Capital Requirement and Management

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

Effective 1 July 2008, the Group is required, under the Regulatory Capital Framework ("the Framework") formalised by the MAS to maintain adequate financial resources to meet prudential requirements that commensurate with the operational risk, investment risk and the counterparty default risk arising from its central counterparty clearing and settlement activities. With respect to the counterparty default risk, each of the Group's clearing house subsidiaries is required to contribute capital to maintain a clearing fund that is sufficient to cover simultaneous default of three members including the member with the largest potential loss under simulated extreme but plausible market conditions. The Group has been in compliance with the Framework since 1 July 2008.

Given the dynamic nature of the Group's business and the new framework, the Group regularly reviews and monitors its capital position to ensure that the business activities and growth are prudently funded. In addition, the Group will seek opportunities to optimise shareholder returns by creating a more efficient capital structure to reduce the overall cost of capital. On dividend policy, SGX maintains a base dividend commitment which had risen over time, reflecting the Group's growing sustainable core earnings.

Separately, SICOM is required to meet the Base Capital Requirements ("BCR") imposed by the MAS and the IES for operating as a RMO under the Securities and Futures Act (Cap. 289) and operating as a Commodity Market under the Commodity Trading Act (Cap.48A) respectively. SICOM has been in compliance with the requirements since the effective date imposed by the authorities.

SICOM has applied to the MAS for cancellation of its recognition as a RMO and the IES for the revocation of SICOM as a Commodity Market and a Clearing House. On 11 July 2011, IES approved the revocation of SICOM as a Commodity Market and a Clearing House. Upon cancellation of its recognition as a RMO, SICOM will no longer be required to meet the BCR. SICOM will also not proceed to establish an investor compensation fund as all SICOM commodities futures have been transferred onto the SGX derivatives platform.

41. Comparatives

Statement of Comprehensive Income

Certain comparative figures for the Group have been reclassified between:

- (i) items of operating revenue to better reflect the nature of the revenue;
- (ii) other operating expenses and other gains/losses. Net foreign exchange gain/loss was reclassified from "Other operating expenses" to "Other gains/losses"; and
- (iii) operating segments to be in line with the current year's allocation basis.

The reclassification of operating revenue relates to certain network connection revenue from market data and certain access fee from contracts processing revenue to connectivity revenue.

	As Restated	As Previously Disclosed
	2010 \$'000	2010 \$'000
Operating Revenue		
Market Data	30,501	32,599
Member Services and Connectivity		
- Connectivity revenue	24,502	21,926
Depository Services		
- Contracts processing revenue	25,322	25,800
Segment Reclassification		
Operating Profit		
Securities Market	325,907	343,569
Derivatives Market	50,308	61,369
Other Operations	2,353	2,353
Unallocated expenses	-	(28,941)
	378,568	378,350

The revised presentation does not result in a change in the Group and the Company's total operating revenue and net profit before and after tax.

42. New Accounting Standards and FRS Interpretations

Certain new accounting standards, amendments and interpretations to existing standards have been published and are mandatory for companies with accounting periods beginning on or after 1 January 2011 or later periods and which the companies have not early adopted.

The Group has assessed the impact of adopting those new accounting standards, amendments and interpretations that are relevant to the Group and expects that the adoption will have no material impact on the financial statements in the period of initial application.

43. Authorisation of Financial Statements

These financial statements have been authorised for issue by the Board of Directors on 2 August 2011.

Statistics of Shareholdings

As at 16 August 2011

Share Capital	1,071,565,900
Number of Issued and Paid-up Shares	1,071,565,900
Class of Shares	Ordinary shares
Voting Rights	One vote per share. The Company cannot exercise any voting rights in respect of shares held by it as treasury shares.

Distribution of Shareholdings

Size of Shareholdings	No. of Shareholders	%	No. of Shares (excluding treasury shares)	% ¹
1-999	138	0.28	31,068	0.00
1,000-10,000	43,573	89.65	129,548,609	12.14
10,001-1,000,000	4,864	10.01	190,228,037	17.82
1,000,001 and above	29	0.06	747,460,736	70.04
Total	48,604	100.00	1,065,268,450	100.00

¹ Percentage is calculated based on the total number of issued shares, excluding treasury shares of the Company.

Based on information available to the Company as at **16 August 2011**, approximately 99.76% 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.

20 Largest Shareholders

No.	Name	No. of Shares	% ¹
1	SEL Holdings Pte Ltd ²	249,991,184	23.42
2	CITIBank Nominees Singapore Pte Ltd	132,300,728	12.40
3	DBS Nominees Pte Ltd	81,607,807	7.65
4	Nomura Singapore Limited	53,203,000	4.98
5	HSBC (Singapore) Nominees Pte Ltd	50,203,032	4.70
6	DBSN Services Pte Ltd	46,942,370	4.40
7	United Overseas Bank Nominees Pte Ltd	27,954,870	2.62
8	Raffles Nominees (Pte) Ltd	20,366,216	1.91
9	Philip Securities Pte Ltd	11,963,784	1.12
10	DBS Vickers Securities (S) Pte Ltd	11,135,062	1.04
11	UOB Kay Hian Pte Ltd	10,463,400	0.98
12	Bank OF Singapore Nominees Pte Ltd	7,155,208	0.67
13	BNP Paribas Nominees Singapore Pte Ltd	5,459,157	0.51
14	BNP Paribas Securities SERVICES Singapore	5,104,360	0.48
15	DB Nominees (S) Pte Ltd	4,764,168	0.45
16	OCBC Nominees Singapore Pte Ltd	3,756,300	0.35
17	Leong Khuen Nyeon	3,620,000	0.34
18	OCBC Securities Private Ltd	3,213,501	0.30
19	Kim Eng Securities Pte. Ltd.	2,925,410	0.27
20	Wong Kong Choo	2,540,000	0.24
	Total	734,669,557	68.83

Treasury Shares

Number of ordinary shares held in treasury: 4,297,450

Percentage of such holding against the total number of issued ordinary shares (excluding ordinary shares held in treasury): 0.40%¹

Substantial Shareholders

According to the Register of Substantial Shareholders maintained by the Company, the Company had no substantial shareholders as at **16 August 2011**.

¹ Percentage is calculated based on the total number of issued shares, excluding treasury shares of the Company.

² 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.

Notice of Annual General Meeting (AGM)

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

NOTICE IS HEREBY GIVEN that the Twelfth Annual General Meeting of Singapore Exchange Limited (the “Company”) will be held at **NTUC Auditorium, One Marina Boulevard, Level 7, Singapore 018989** on Thursday, 6 October 2011 at 10.00 a.m. to transact the following business:

A	Ordinary Business	Ordinary Resolution
1	To receive and adopt the Directors’ Report and Audited Financial Statements for the financial year ended 30 June 2011 and the Auditor’s Report thereon.	Resolution 1
2	To declare a final tax exempt dividend amounting to 15 cents per share for the financial year ended 30 June 2011. (2010: 15.75 cents per share)	Resolution 2
3	To re-appoint Mr Robert Owen as a director of the Company pursuant to Section 153(6) of the Companies Act, Chapter 50 of Singapore, to hold such office from the date of this Annual General Meeting until the next Annual General Meeting of the Company.	Resolution 3
4	To re-elect Mr Lee Hsien Yang, who will be retiring by rotation under Article 99A of the Company’s Articles of Association (the “Articles”) and who, being eligible, offers himself for re-election as a director of the Company. (Mr Lee will, upon re-election as a director, remain as a Chairman of the Audit Committee and will be considered independent for the purposes of Rule 704(8) of the Listing Manual of the Singapore Exchange Securities Trading Limited.) (Mr Ho Tian Yee and Mr Low Check Kian, who are retiring by rotation at the Twelfth Annual General Meeting, have given notice to the Company that they do not wish to stand for re-election to office thereat.)	Resolution 4
5	To re-elect Ms Jane Diplock, who will cease to hold office under Article 104 of the Articles and who, being eligible, offers herself for re-election as a director of the Company.	Resolution 5
6	To approve the sum of \$750,000 to be paid to the Chairman as director’s fees, and the provision to him of transport benefits, including a car and a driver, for the financial year ending 30 June 2012. (2011: \$750,000 and transport benefits, including a car and a driver. The sum of \$750,000 proposed is for serving in the office of Chairman of the Board and does not include director’s fees for serving as chairman or member of any Board committee(s) or attendance fees for any Board committee meetings.)	Resolution 6
7	To approve the sum of up to \$1,400,000 to be paid to all directors (other than the Chief Executive Officer) as directors’ fees for the financial year ending 30 June 2012. (2011: up to \$1,200,000) (Please see explanatory notes)	Resolution 7
8	To re-appoint Messrs PricewaterhouseCoopers as Auditor of the Company and to authorise the directors to fix their remuneration.	Resolution 8

B	Special Business	Ordinary Resolution
	To consider and, if thought fit, to pass with or without modifications, the following resolutions which will be proposed as Ordinary Resolutions:	
9	That Mr Quah Wee Ghee be and is hereby appointed as a director of the Company pursuant to Article 104 of the Articles.	Resolution 9
10	That Mr Davinder Singh be and is hereby appointed as a director of the Company pursuant to Article 104 of the Articles.	Resolution 10
11	<p>That authority be and is hereby given to the directors of the Company to:</p> <p>a) i) issue shares in the capital of the Company (“shares”) whether by way of rights, bonus or otherwise; and/or</p> <p>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,</p> <p>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</p> <p>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:</p> <p>1) the aggregate number of shares to be issued pursuant to this Resolution (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 50 per cent of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph 2) below), of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company (including shares to be issued in pursuance of Instruments made or granted pursuant to this Resolution) does not exceed 10 per cent of the total number of issued shares (excluding treasury shares) in the capital of the Company (as calculated in accordance with sub-paragraph 2) below);</p> <p>2) (subject to such manner of calculation as may be prescribed by the Singapore Exchange Securities Trading Limited (“SGX-ST”) for the purpose of determining the aggregate number of shares that may be issued under sub-paragraph 1) above, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time this Resolution is passed, after adjusting for:</p> <p>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</p> <p>ii) any subsequent bonus issue or consolidation or subdivision of shares;</p> <p>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</p> <p>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.</p>	Resolution 11

C To transact any other business as may properly be transacted at an Annual General Meeting

By Order of the Board

Joyce Fong Foong Chao

Company Secretary

Singapore Exchange Limited

15 September 2011

Explanatory Notes

Ordinary Resolution 7 is to seek approval for the payment of up to \$1,400,000 to all directors (other than the Chief Executive Officer) as directors' fees for the financial year ending 30 June 2012 (up to \$1,200,000 for the financial year ended 30 June 2011). The exact amount of directors' fees received by each director for the financial year ended 30 June 2011 is disclosed in full in the Annual Report.

The directors' fees are calculated based on, amongst other things, the number of expected Board and Board committee meetings for the financial year ending 30 June 2012 and the number of directors expected to hold office during the course of that year, at the fee rates shown on page 47 of the Annual Report, as well as any unforeseen circumstances. There is no change to the fee rates for the directors. The increase of \$200,000 over the sum approved for the previous financial year is in the amount to cater to unforeseen circumstances, for example, the appointment of an additional director or additional ad hoc unscheduled Board and/or Board committee meetings.

Ordinary Resolution 9 is to appoint Mr Quah Wee Ghee as an additional director pursuant to Article 104 of the Articles. Key information on Mr Quah is found on page 27 of the Annual Report.

Ordinary Resolution 10 is to appoint Mr Davinder Singh as an additional director pursuant to Article 104 of the Articles. Key information on Mr Singh is found on page 27 of the Annual Report.

Ordinary Resolution 11 is to empower the directors to issue shares in the capital of the Company and to make or grant instruments (such as warrants or debentures) convertible into shares, and to issue shares in pursuance of such instruments, up to a number not exceeding 50 per cent of the total number of issued shares (excluding treasury shares) in the capital of the Company (the "50% Limit"), with a sub-limit ("Sub-Limit") of 10 per cent for issues other than on a pro rata basis to shareholders. For the purpose of determining the aggregate number of shares that may be issued, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time that Ordinary Resolution 11 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 11 is passed, and (b) any subsequent bonus issue or consolidation or sub-division of shares.

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

Books Closure Date and Payment Date for Final Dividend

Subject to the approval of the shareholders to the final dividend at the Annual General Meeting, the Register of Members and the Transfer Books of the Company will be closed from 13 October 2011 (Thursday) after 5.00 p.m. to 14 October 2011 (Friday), both dates inclusive, for the preparation of dividend warrants. The Register of Members and the Transfer Books will re-open on 17 October 2011 (Monday). Duly completed registered transfers of ordinary shares in the capital of the Company received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd at 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623 before 5.00 p.m. on 13 October 2011 (Thursday), 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 24 October 2011 (Monday).

Notes:

- 1) The Chairman of the Annual General Meeting will be exercising his right under Article 66(a) of the Articles of Association of the Company to demand a poll in respect of each of the resolutions to be put to the vote of members at the Annual General Meeting and at any adjournment thereof. Accordingly, each resolution at the Annual General Meeting will be voted on by way of a poll.
- 2) An ordinary shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint one or two proxies to attend and vote on his behalf.
- 3) A proxy need not be a member of the Company.
- 4) The instrument appointing a proxy or proxies (together with the power of attorney, if any, under which it is signed or a certified copy thereof) must be deposited at the registered office of the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte Ltd at 50 Raffles Place, #32-01, Singapore Land Tower, Singapore 048623, not less than 48 hours before the time appointed for holding the Annual General Meeting.

Corporate Information

Board of Directors

Non-Executive Chairman

Chew Choon Seng¹
Independent Director

Chief Executive Officer

Magnus Böcker

Non-Executive Directors

Thaddeus Beczak³
Independent Director
Jane Diplock²
Independent Director
Euleen Goh
Non-independent Director
Ho Tian Yee
Non-independent Director
Lee Hsien Yang
Independent Director
Liew Mun Leong
Independent Director
Loh Boon Chye
Non-independent Director
Low Check Kian
Independent Director
Ng Kee Choe
Independent Director
Robert Owen
Independent Director

Company Secretary

Joyce Fong Foong Chao

Executive Committee

Magnus Böcker
Chairman
Benjamin Foo
Robert Ian Caisley
Chang Kuan Aun⁶
Chew Sutat
Gan Seow Ann
Lawrence Wong Liang Ying
Muthukrishnan Ramaswami
Seck Wai Kwong⁴
Yeo Lian Sim

Secretary

Joyce Fong Foong Chao⁵

Audit Committee

Lee Hsien Yang
Chairman
Liew Mun Leong²
Loh Boon Chye
Ng Kee Choe²

Remuneration Committee

Ng Kee Choe
Chairman
Chew Choon Seng
Lee Hsien Yang
Low Check Kian
Liew Mun Leong³

Nominating Committee

Low Check Kian
Chairman
Chew Choon Seng
Ho Tian Yee
Loh Boon Chye
Ng Kee Choe

Risk Management Committee

Loh Boon Chye
Chairman
Euleen Goh
Ho Tian Yee
Ng Kee Choe
Robert Owen

Regulatory Conflicts Committee

Robert Owen
Chairman
Euleen Goh
Liew Mun Leong
Thaddeus Beczak³

Registered Office

Singapore Exchange Limited
2 Shenton Way
#19-00 SGX Centre 1
Singapore 068804
Tel : (65) 6236 8888
Fax: (65) 6535 6994
www.sgx.com

Place of Incorporation

Singapore

Company Registration No

199904940D

Date of Incorporation

21 August 1999

Share Registrar

Boardroom Corporate &
Advisory Services Pte Ltd
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

Person-in-Charge

Chia Hui Dih

Auditor

PricewaterhouseCoopers LLP
8 Cross Street #17-00
PWC Building
Singapore 048424

Partner-in-Charge

Yeoh Oon Jin

Investor Relations

John Gollifer
Tel: (65) 6236 8540
Email: johnngollifer@sgx.com

Corporate Social Responsibility

Email: csr@sgx.com

¹ Appointed on 1 January 2011.

² Appointed on 25 July 2011.

³ Appointed on 7 October 2010.

⁴ Resigned on 10 June 2011.

⁵ Lester Ngoh took over from Joyce as EXCO Secretary on 1 July 2011.

⁶ Resigned effective 21 October 2011.



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