



ANNUAL REPORT 2000

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MISSION STATEMENT

CDP is in the business of providing leading edge clearing, settlement and depository services, in support of SGX's mission. It continually innovates to provide efficient, quality services which meet the market's needs, and which minimise risk to participants.

CORPORATE INFORMATION

BOARD OF DIRECTORS

J Y Pillay

Thomas Kloet

George Teo

Peter Chia

Ang Swee Tian (appointed on 5 October 2000)

ADDRESS

20 Cecil Street

#06-03/08

Singapore Exchange

Singapore 049705

AUDITORS

PricewaterhouseCoopers

Certified Public Accountants, Singapore

8 Cross Street

#17-00 PWC Building

Singapore 048424



MANAGEMENT REPORT

OPERATING REVIEW

For the financial year ending 30 June 2000, The Central Depository (Pte) Ltd (CDP) cleared and settled a total of 93.58 billion Singapore dollar denominated shares, a decline of 13% from the previous financial year. The value of trades, however, rose 18% to S\$160.43 billion.

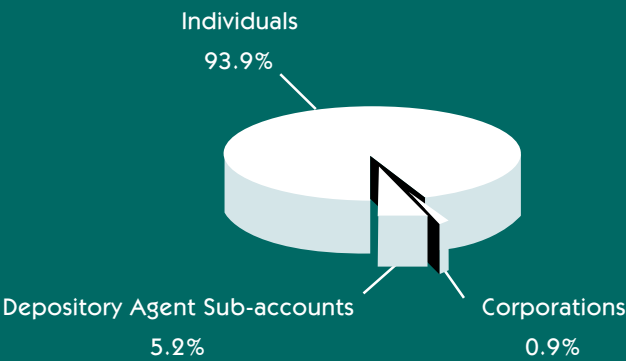
The volume of US dollar denominated shares settled through CDP grew 18% over the previous period to 19.52 billion. The value of these trades rose 26% to US\$13.65 billion.

During the same year, CDP also custodised and settled 91 Singapore dollar and four US dollar bond issues worth a total issue size of S\$8,266.7million and US\$19.5million respectively.

CDP processed a total of 76 IPOs, 19 bonus issues, 21 takeover offers, 32 rights issues and 24 covered warrants. The 76 IPOs, 48 more than the previous year, comprised 52 Mainboard and 24 SESDAQ counters. A total of S\$4,201.53 million was raised from the IPOs, almost a seven-fold increase from the last financial year. Rights issues raised a total of S\$2,646.61 million, compared to S\$305.2 million in the previous period. This was a jump of more than 750%.

In addition, CDP processed 660 dividend and interest payments totalling S\$5.19 billion, of which S\$336.03 million were for Singapore Dollar Debt Securities.

CDP Securities Accounts (as at 30 June 2000)



As at 30 June 2000, 1,080,358 direct accounts were opened with CDP. Of these, 99% were opened by individuals. Eighty-seven depository agents maintained 59,599 sub-accounts on behalf of investors.

More than half of the direct account holders participated in the Direct Crediting Service (DCS) at the end of the period under review. The service allows for investors to request for their dividends and other cash distributions to be credited directly into their designated bank accounts. A total of S\$1.7 billion was paid in dividends and cash distributions via DCS.

As at 30 June 2000, CDP held 137.03 billion securities on behalf of investors.

RECENT DEVELOPMENTS

SHORTENING OF THE SETTLEMENT CYCLE

On 15 March 2000, Singapore Exchange (SGX) shortened the settlement period for securities trading to T+3 market days, reducing settlement risk by two market days. Settlement proceeded without disruption.

CUSTOMER RELATIONSHIP MANAGEMENT SYSTEM - CDP E-MAIL SERVICE

Today, CDP account holders can choose to access their shareholding information via the newly launched CDP E-mail Service. This service allows account holders to obtain their shareholdings within minutes via the CDP website, from anywhere and at any time. Account holders need only register their e-mail addresses with CDP.

CDP E-mail Service is the first of three phases of a Customer Relationship Management System (CRMS). CRMS will provide investors with immediate and convenient access to CDP's range of services, via the Internet and the phone.

For the second and third phases, CDP will introduce an automated phone enquiry system and Internet access to shareholding information. The second phase, targeted for early 2001, will allow investors to access the latest information on CDP services and corporate actions, in English and Chinese, through an automated phone enquiry system. Investors can also check on their current shareholding status. In the third phase, CDP will issue account holders with a User Identification and a password, enabling them to check their account balances and portfolio values on a real-time basis via the Internet.

SGX-AUSTRALIA STOCK EXCHANGE (ASX) ALLIANCE

The alliance between the two Asia-Pacific exchanges, targetted for July 2001, will boost liquidity and add depth to both markets. The partners have agreed to create an electronic link between their trading and settlement systems, facilitating accessibility into the two markets.

CDP will provide depository facilities, clear and settle trades initiated by Australian investors through ASX.

MALAYSIAN SHARES ON CLOB INTERNATIONAL

Trading in Malaysian shares on Clob International (Clob) was terminated in September 1998 after the imposition of Malaysian capital controls. Following an agreement between Kuala Lumpur Stock Exchange and SGX in February 2000, 93% of Clob investors elected to have their shares, held in CDP's authorised nominee account with the Malaysian Central Depository, migrated to their individual Malaysian securities accounts. Investors who did not take up the proposal can accept an alternative release schedule at the end of 2002.

MODIFICATIONS TO ACCOUNT OPENING PROCEDURES

For the convenience of overseas investors opening securities accounts, CDP has expanded the list of authorised officers who can verify their applications. The list includes those in the legal profession, members of affiliated exchanges and branches of banks. Investors can also choose to open securities accounts with any SGX-ST member company with a presence in the country of residence.

NEW MEMBERSHIP FEES

From 1 July 2000, SGX introduced lower admission fees for membership. New members with trading and clearing rights are admitted at a fee of \$200,000. There will also be an annual fee of \$50,000 for every new or existing member, starting from 1 January 2001.

CDP'S STRATEGIC INITIATIVES

In support of SGX's effort to promote international participation and market liquidity, CDP will re-engineer its clearing and settlement system to facilitate open market access for participants, and develop an infrastructure which will enable Straight-Through-Processing. CDP will also develop a stock borrowing and lending facility.

- **RE-ENGINEERING THE CLEARING & SETTLEMENT SYSTEM**

Presently, member companies use SGX's proprietary client accounting system and trading system to integrate their front office, risk management and back-office systems with CDP for clearing and settlement. This practice is being reviewed to allow new and existing brokers with wider business needs to use their own back-office systems.

CDP will develop an open settlement infrastructure to enable market participants to connect their own back-office processing and risk management systems to the CDP system. The open architecture will facilitate cross-border settlement and lay the groundwork for Straight-Through-Processing.

- **DEVELOPING STRAIGHT-THROUGH-PROCESSING (STP)**

STP will require connectivity between CDP's and Member Companies' back-office systems. To facilitate STP, CDP will develop an open access infrastructure, which supports fully automated back-office processing. There will be little manual intervention as back-office processes from post-trade to trade settlement could be automated.

This development involves the building of a Central Pre-Matching (CPM) facility, which electronically pre-matches settlement instructions prior to settlement. CDP will also define a Participant Access Module (PAM), which allows market participants to communicate with other participants, irrespective of the communications system the other party is using. This eliminates the current manual pre-matching process, which is tedious, time consuming and prone to error. When completed, the system will achieve STP with participants who have automated their own processes.

STP is a pre-requisite for a T+1 settlement cycle. No decision has been taken on a move to T+1.

- **DEVELOPING A STOCK BORROWING & LENDING (SBL) FACILITY**

CDP will develop a SBL facility when regulations for securities borrowing and lending are in place. Through this programme, long-term investors who have significant holdings will be able to lend their securities and earn a fee on their assets.

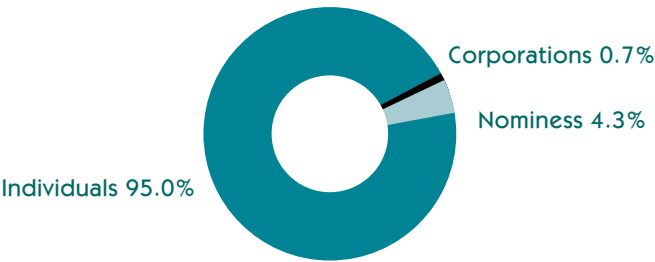
The Management would like to thank all Member Companies, Depository Agents and account holders for their support and co-operation, and the staff for their contribution, during the year.

October 2000

AT A GLANCE

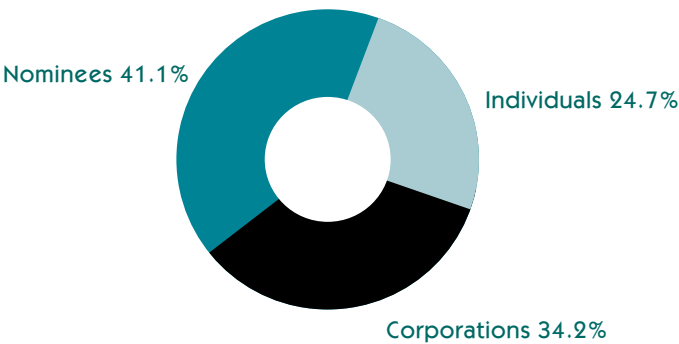
SHAREHOLDER TYPE	NUMBER	% OF TOTAL
Local Individuals	654,812	90.35
Local Corporations	4,081	0.56
Local Nominees	22,944	3.17
Foreign Individuals	33,824	4.67
Foreign Corporations	1,001	0.14
Foreign Nominees	8,104	1.12

Number of Shareholders (as at 30 June 2000)



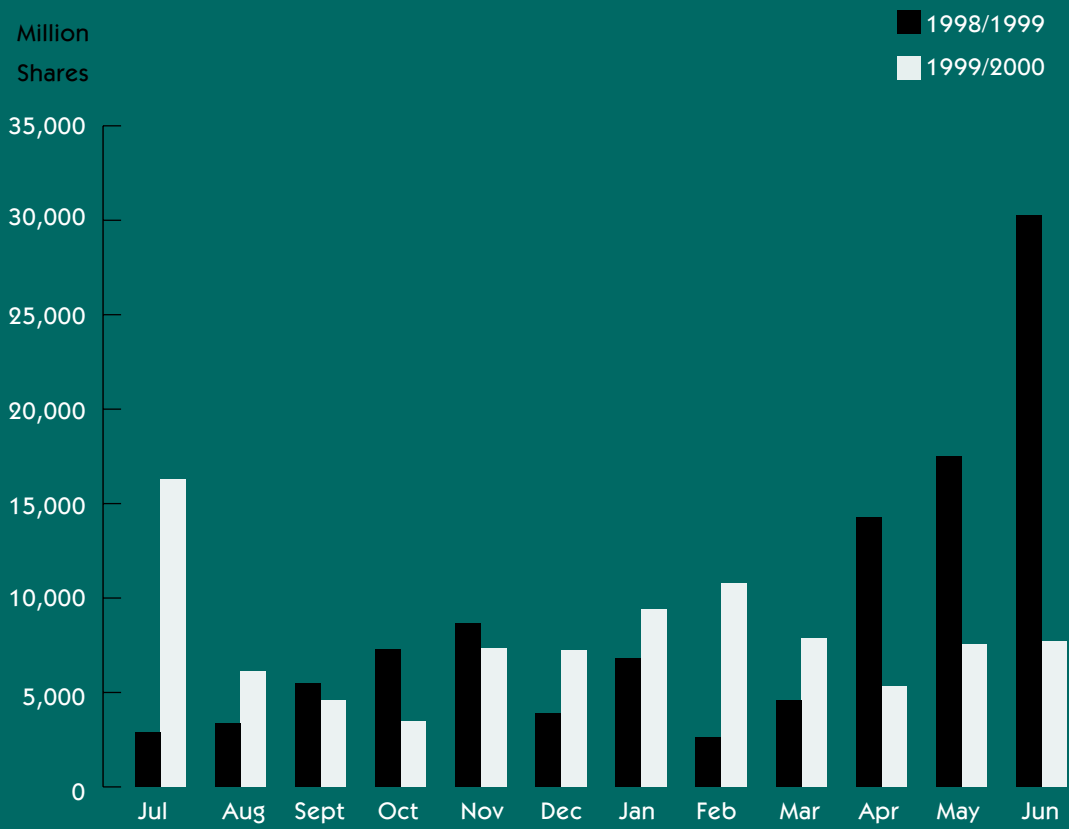
SHAREHOLDER TYPE	SHAREHOLDINGS	% OF TOTAL
Local Individuals	32,066,137,802	23.40
Local Corporations	40,357,106,397	29.45
Local Nominees	31,152,414,789	22.73
Foreign Individuals	1,797,966,483	1.31
Foreign Corporations	6,553,478,018	4.78
Foreign Nominees	25,101,012,672	18.32

Number of Shareholdings (as at 30 June 2000)



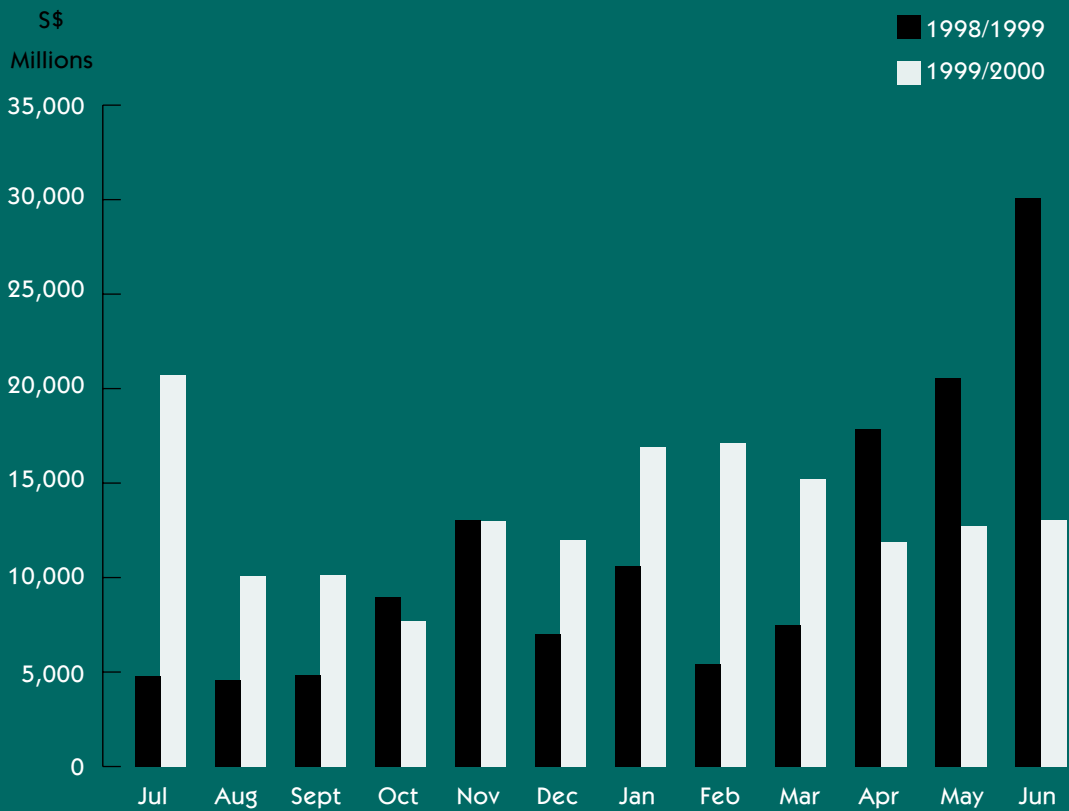
VOLUME OF TRANSACTIONS SETTLED

(excludes counters traded in foreign currencies)



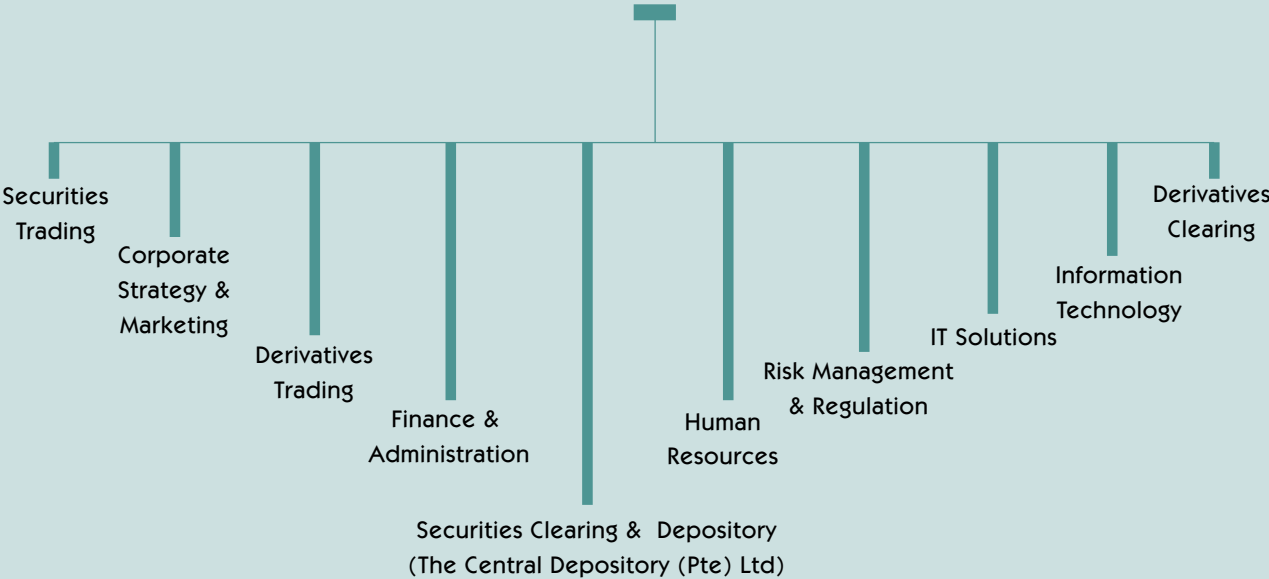
VALUE OF TRANSACTIONS SETTLED

(excludes counters traded in foreign currencies)

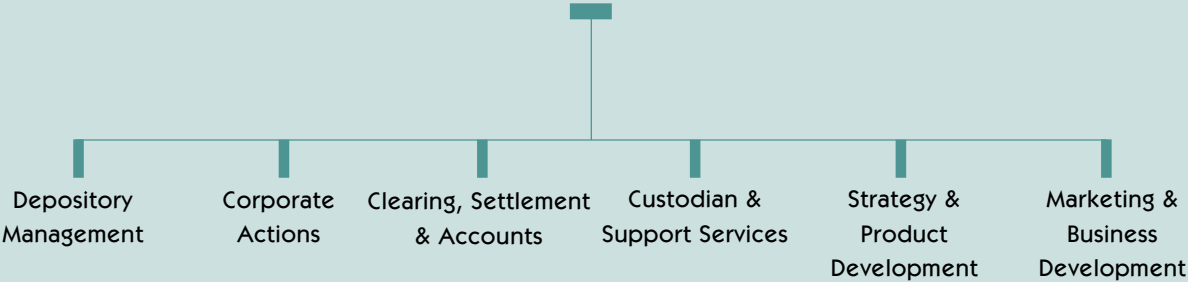


ORGANISATION STRUCTURE

SINGAPORE EXCHANGE (SGX) OFFICE OF CHIEF EXECUTIVE



THE CENTRAL DEPOSITORY (PTE) LTD



ORGANISATION

The Central Depository (Pte) Ltd (CDP) is a wholly-owned subsidiary of Singapore Exchange (SGX). SGX was formed on 1 December 1999 with the merger of the Stock Exchange of Singapore and the Singapore International Monetary Exchange. CDP provides integrated clearing, settlement and depository facilities for the securities market.

Incorporated in 1987, CDP is governed by the Companies (Amendment) Act and Regulations. It currently has five directors on its Board.

As a central nominee, CDP holds shares on behalf of its depositors. The immobilised scrips are registered in CDP's name and safekept by a custodian bank.

Under the Companies (Amendment) Act, all direct account holders and Depository Agents (DAs) are recognised members of the companies, and are therefore imbued with rights, enabling them to attend, speak and vote at General Meetings.

PARTICIPANTS

CDP has two categories of participants, direct account and sub-account holders. Investors can maintain either a direct securities account with CDP, or a sub-account with DAs (SGX-ST members and approved financial institutions), for example, trust companies or bank nominees. The relationship between the participants and CDP are governed by the Terms and Conditions for the operation of Securities Accounts with CDP.

DAs are given access to CDP's sub-accounting system, which enables them to maintain securities accounts on behalf of their private or institutional clients. The identities of these sub-account holders are known only to the DAs, ensuring the confidentiality and anonymity of their clients.

SERVICES

Clearing

Securities Clearing & Settlement
Institutional Delivery & Affirmation Service (IDAS)
Delivery Versus Payment (DVP)
Foreign Broker Trade Settlement (FBTS)
Finance Company Scheme
Custody & Settlement System for Sing-Dollar Bonds

Depository

Administration & Servicing of Securities Accounts
Deposit of Securities
Withdrawal of Securities
Transfer of Securities

New Issue Distribution

Initial Public Offerings

Corporate Actions

Entitlement Distribution Service:

- Dividends
- Direct Crediting Service
- Rights Issues
- Bonus Issues
- Takeovers & Mergers

Automated Enquiry

CDP E-mail Service

CLEARING SERVICES

SECURITIES CLEARING AND SETTLEMENT

Under T+3 settlement, securities traded are settled on the third market day after the date of transaction.

On the night of the contract's due date, the CDP system debits the shares from the seller's 'Free' balance and credits the 'Available' balance of the buyer. Once the buying client has paid his broker, the shares will then be moved from the 'Available' to the 'Free' balance of the investor's securities account. The 'Available' balance reflects the securities where payment is due; and the securities cannot be used to settle a market transaction.

To keep direct account holders informed of their shareholding positions, CDP mails them the contract statements, on behalf of SGX-ST member companies, the day after transaction date. The sending of contract notes by CDP also serves as a security measure as it alerts account holders to any unauthorised transaction. Direct account holders also receive confirmation statements the day after settlement date reflecting the debit or credit of securities from their accounts. Monthly and half-yearly statements are also sent to all depositors showing their shareholding positions.

Money settlement between CDP and its Clearing Members is effected on a net basis via the Monetary Authority of Singapore Electronic Payment System (MEPS), a real-time interbank payment system.

INSTITUTIONAL DELIVERY AND AFFIRMATION SERVICE (IDAS)

The IDAS is an electronic on-line communication system for the reporting and affirming of institutional trades by brokers and settlement agents.

To participate in the service, institutional investors such as fund managers, pension funds, unit trusts or foreign brokers may apply to CDP to be approved fund management institutions. SGX-ST and settlement agents, which are CDP's DAs, have direct access to the service. Under the IDAS, trades can be settled either on delivery versus payment (DVP) terms or free of payment (FOP) basis.

DELIVERY VERSUS PAYMENT (DVP)

The system allows for trade affirmation on a DVP same day funds basis for settlement, either in Singapore dollars or US dollars. CDP stands as counterparty to every affirmation made on a DVP basis by the custodian bank. Custodian banks settling trades for institutional investors take on counterparty risks against CDP, and not the brokers. CDP, as counterparty, makes payments to the custodian bank against the delivery of securities.

FOREIGN BROKER TRADE SETTLEMENT (FBTS)

The FBTS is an extension of the IDAS for the settlement of foreign broker trades, which allows DAs to effect electronic transfers between sub-accounts on behalf of foreign brokers. All securities transfers made via this service must be pursuant to trades done on SGX-ST. Foreign brokers can apply for this service through their DAs.

FINANCE COMPANY SCHEME

Under the Central Depository System Regulations 1993, shares purchased with financing from the finance companies may be pledged as collaterals. Members of the Finance Houses Association of Singapore can apply to CDP to participate as DAs, and operate sub-accounts to carry out their share financing business.

Under this scheme, shares purchased by a finance company's borrowing client will be affirmed through the IDAS into a sub-account maintained in favour of the borrower. Finance companies can also transfer the shares via an auto-linkage facility into its designated collateral sub-account.

CUSTODY & SETTLEMENT SYSTEM FOR SING-DOLLAR BONDS

CDP introduced an electronic book-entry system in October 1998 for the custody and settlement of Sing-Dollar bonds. In December 1998, the system was enhanced when it was linked to MEPS, allowing for the settlement of bond transactions on a DVP basis.

Like the scripless system for securities, investors who subscribe for bonds will be credited with the quantity in their securities account. For trades executed, CDP credits and debits the securities account of buyers and sellers respectively.

DEPOSITORY SERVICES

ADMINISTRATION AND SERVICING OF SECURITIES ACCOUNTS

Direct account-holders receive monthly statements reflecting securities movement for the month they have transacted. Besides this, all CDP direct account holders receive a half-yearly statement if they have securities balances in their accounts.

In addition to the contract notes, account holders receive confirmation statements following any debit or credit of securities arising from any transaction, such as market trades, transfer/deposit/withdrawal of securities or new share allotment. CDP also maintains and updates account holders' particulars via update requests submitted by the account holders.

Listed companies receive a monthly shareholdings list from CDP and upon request, reports pertaining to shareholdings of their companies.

DEPOSIT OF SECURITIES

Certificates of immobilised securities cannot be used to settle market trades. Investors who wish to trade must first deposit their certificates with CDP. Deposited scrips are registered in the name of CDP, which acts as a central nominee holding the securities on behalf of the depositors. Depositors' securities accounts are credited within 17 market days of deposit. Investors can only trade in the deposited securities when they receive confirmation from CDP that their securities have been credited to their accounts.

WITHDRAWAL OF SECURITIES

Physical share certificates can be withdrawn from the investors' accounts. To effect a withdrawal, investors are required to submit a request to CDP. A withdrawal fee is payable. The scrips will be registered in the name of the account holder or any person nominated by him. However, physical share certificates cannot be used to settle a market trade until they are re-deposited with CDP.

TRANSFER OF SECURITIES

Besides the daily book-entry transfers made pursuant to market transactions, CDP also effects transfers of securities between securities accounts based on requests made by account holders or DAs.

NEW ISSUE DISTRIBUTION SERVICE

INITIAL PUBLIC OFFERINGS

Direct account holders, who have successfully applied for initial public offers (IPOs), will have the allotted shares credited to their accounts and receive an allotment advice. Those who apply through nominee companies will receive notifications from the nominees.

With the introduction of the Electronic Share Application (ESA) facility in October 1993, applications for new shares can be made directly via Automated Teller Machines (ATMs) of local banks without having to purchase a cashier's order or submitting share application forms.

Investors who wish to enquire on the quantity of shares allotted can call INFOLINE, an Audio-tex service operated by the Singapore Press Holdings (SPH). Upon the credit of shares to the accounts of successful applicants, CDP will provide the data to SPH, which will then make available the information on INFOLINE.

CORPORATE ACTIONS

ENTITLEMENT DISTRIBUTION SERVICE

CDP receives entitlements from listed companies for distribution to account holders and DAs.

DIVIDENDS

Dividends, together with subsidiary tax certificates, from listed companies are forwarded to direct account holders and DAs. CDP offers a Direct Crediting Service (DCS) to securities account holders who wish to take advantage of the convenience of having their cash dividends directly credited into their designated bank accounts.

All account holders receive an annual dividend statement containing details of the dividends received during the year.

DIRECT CREDITING SERVICE (DCS)

CDP introduced DCS on 24 May 1995, where account holders can opt to have their dividends and other cash distributions credited directly into their designated bank accounts. There are five NETS member banks participating in this scheme.

DCS provides shareholders with the convenience of not having to deposit cheques and waiting for their clearance. The service eliminates the possibility of lost, misplaced or expired cheques. Shareholders can also earn interest on their funds from the payment date.

Currently, this service is available for Singapore dollar dividend payments only.

RIGHTS ISSUES

CDP credits the provisional rights allotment to the securities accounts of depositors and sends the rights prospectuses and application forms to all entitled shareholders. CDP also informs the DAs of the number of allotted rights. DAs in turn send the subsidiary rights application forms and prospectuses to their sub-account holders.

Direct account holders submit their applications for rights issue via CDP. Sub-account holders go through their DAs. CDP credits the new shares from the exercise of the rights issue to the respective accounts. Account holders are informed of the credit of new shares via confirmation letters.

Other than manual application, investors can choose to apply for rights issue at Authorised Trading Centres (ATCs) or via ATMs of participating local banks. Application by electronic means is cheaper and more convenient than the traditional method, which requires the submission of application forms and the purchase of cashier's orders. Payments for rights and excess rights applications are debited through the investors' ATM cards. CDP notifies all applicants after the rights have been allocated. All refunds due to rejections, or partial allocation in the case of excess rights applications, are credited directly to the investors' bank accounts.

BONUS ISSUES

Bonus shares are credited to the respective direct accounts of depositors and sub-accounts. Likewise, CDP sends out confirmation letters to direct account holders, while DAs inform the sub-account holders.

TAKEOVERS AND MERGERS

CDP sends, on behalf of the Offeror, the offer documents and forms of acceptances and authorisation to direct account holders and DAs. Acceptances of offers can be made by the submission of the completed forms to CDP or the respective DAs.

If a takeover is successful, the merchant bank acting on behalf of the Offeror pays the acceptance monies to CDP, which in turn issues cheque payments to account holders and DAs who have accepted the offer. Confirmation letters are also sent to those who accept the offer, reflecting the debit of the offer shares.

AUTOMATED ENQUIRY SERVICE - CDP E-MAIL SERVICE

CDP introduced the CDP E-mail Service in July 2000 for investors to have quick access to their account information. The e-mail service is the first phase of CDP's Customer Relationship Management System (CRMS), a programme aimed at enhancing customer service standards.

Account holders can register their e-mail addresses with CDP and go on-line to request for information on their shareholdings and transaction records for the previous and current months.

INTERNATIONAL LINKAGES

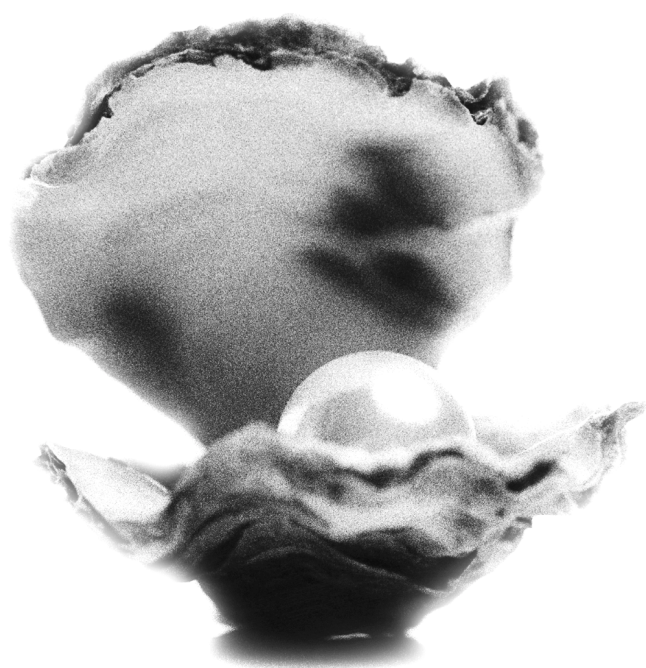
CDP has forged several linkages with foreign depositories to facilitate clearing and settlement of trades.

One of the earliest links was with the former International Securities Clearing Corporation (now known as the National Securities Clearing Corporation (NSCC)) of New York in March 1988, for the clearance and custody of American securities. NSCC operates an omnibus securities account with the Depository Trust & Clearing Company (DTCC) on behalf of CDP.

CDP has maintained a securities account with the Japan Securities Clearing Corporation (JSCC) to facilitate the trading of Japanese securities on SGX-ST since October 1990. With this custodial arrangement, trades can be settled via book-entries between CDP DAs and JSCC participants.

In July 1995, CDP became the first foreign depository to have a linkage with China when it forged a link with the Shenzhen Securities Registrars Company (SSRC). This facilitates the settlement of cross-border trades for 'B' shares of Shenzhen companies listed on SGX-ST.

CDP became a participant of Clearstream to facilitate the settlement of international securities and cross-border trades between local brokers and foreign financial institutions. Settlement instructions between CDP and Clearstream are communicated via SWIFT, CEDCOM 2000 or telex.



FINANCIALS

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DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2000

The directors present their report to the members together with the audited financial statements of the Company for the financial year ended 30 June 2000.

DIRECTORS

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

Joseph Yuvaraj Pillay (appointed 1 December 1999)

Thomas Kloet (appointed 22 May 2000)

Teng Cheong Kwee

George Teo Eng Kim

Peter Chia Chon Hian (appointed 1 December 1999)

PRINCIPAL ACTIVITIES

The principal activities of the Company are to provide clearing, depository and related services for securities transactions. The principal activities of the individual subsidiaries are set out in Note 9 to the financial statements.

There have been no significant changes in the nature of these activities during the financial year.

RESULTS FOR THE FINANCIAL YEAR

	\$
Profit after tax	80,510,337
Retained profits at the beginning of the financial year	144,638,749
Profits available for appropriation	225,149,086
Dividends (net)	(157,976,362)
Retained profits at the end of the financial year	67,172,724

MATERIAL TRANSFERS TO OR FROM RESERVES AND PROVISIONS

Except for movements in the retained profits which are disclosed above, there were no movements in reserves during the financial year.

Material movements in provisions are set out in the notes to the financial statements.

ACQUISITION AND DISPOSAL OF SUBSIDIARIES

During the financial year, the Company acquired the entire issued share capital of Macronet Information Pte. Ltd. and The Options Clearing Company (Pte) Limited for \$200,000 each. The fair value of the identifiable assets at the date of acquisition was \$1 and \$122,517 respectively. There were no disposals of interests in subsidiaries during the financial year.

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2000

ISSUE OF SHARES AND DEBENTURES

There were no issues of shares or debentures during the financial year.

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.

DIRECTORS' INTERESTS IN SHARES OR DEBENTURES

- (a) According to the register of directors' shareholding, none of the directors holding office at the end of the financial year had any interests in the share capital of the Company at any time during the year.
- (b) The interests in the shares in, or debentures of, related companies of directors holding office at 30 June 2000, who are also directors of the holding company are recorded in the register of directors' shareholdings of that company. Directors, who are not directors of the holding company, did not have any interests in shares in, or debentures of, any related corporations.

DIVIDENDS

Dividends paid, declared and proposed since the end of the Company's preceding financial year are as follows:

	\$
An interim dividend net of tax at 25.5% was paid on	
1 June 2000 in respect of the financial year ended	
30 June 2000	<u>157,976,362</u>

BAD AND DOUBTFUL DEBTS

Before the financial statements were made out, the directors took reasonable steps to ascertain the action taken in relation to the writing off of bad debts and providing for doubtful debts. The directors have satisfied themselves that all known bad debts have been written off and that adequate provision has been made for doubtful debts.

At the date of this report, the directors are not aware of any circumstances which would render any amounts written off for bad debts or provided for doubtful debts inadequate to any substantial extent.

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2000

CURRENT ASSETS

Before the financial statements were made out, the directors took reasonable steps to ascertain that current assets which were unlikely to realise their book value in the ordinary course of business have been written down to their estimated realisable value or that adequate provision has been made for the diminution in value of such current assets.

At the date of this report, the directors are not aware of any circumstances, not otherwise dealt with in this report, which would render the value attributed to current assets in the financial statements misleading.

CHARGES ON ASSETS AND CONTINGENT LIABILITIES

At the date of this report, no charges have arisen since the end of the financial year on the assets of the Company which secure the liability of any other person, nor have any contingent liability arisen since the end of the financial year.

ABILITY TO MEET OBLIGATIONS

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

OTHER CIRCUMSTANCES AFFECTING THE FINANCIAL STATEMENTS

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

UNUSUAL ITEMS

In the opinion of the directors, the results of the operations of the Company during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature.

UNUSUAL ITEMS AFTER THE FINANCIAL YEAR

In the opinion of the directors, no item, transaction or event of a material and unusual nature has arisen in the interval between the end of the financial year and the date of this report which would affect substantially the results of the operations of the Company for the financial year in which this report is made.

DIRECTORS' REPORT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2000

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 financial statements and 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, except that the directors are directors and/or executives of the holding company and received remuneration in those capacities.

SHARE OPTIONS

There were no options granted during the financial year to subscribe for unissued shares of the Company.

No shares have been issued during the year by virtue of the exercise of options to take up unissued shares of the Company.

There were no unissued shares under option at the end of the financial year.

AUDITORS

The auditors, PricewaterhouseCoopers have expressed their willingness to accept re-appointment.

On behalf of the directors



Joseph Yuvaraj Pillay
Director



Thomas Kloet
Director

21 September 2000

STATEMENT BY DIRECTORS

In the opinion of the directors, the financial statements set out on pages 28 to 38 are drawn up so as to give a true and fair view of the state of affairs of the Company at 30 June 2000 and of the results of the business of the Company for the financial year then ended, and 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



Joseph Yuvaraj Pillay
Director



Thomas Kloet
Director

21 September 2000

AUDITORS' REPORT

AUDITORS' REPORT TO THE SHAREHOLDER OF THE CENTRAL DEPOSITORY (PTE) LIMITED

We have audited the financial statements of The Central Depository (Pte) Limited for the financial year ended 30 June 2000 set out on pages 28 to 38. These financial statements are the responsibility of the Company's directors. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Singapore Standards on Auditing. Those Standards require that we plan and perform our audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the directors, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion,

- (a) the accompanying financial statements are properly drawn up in accordance with the provisions of the Singapore Companies Act ("Act") and Singapore Statements of Accounting Standard and so as to give a true and fair view of:
 - (i) the state of affairs of the Company at 30 June 2000, its profit and changes in equity for the financial year ended on that date; and
 - (ii) the other matters required by section 201 of the Act to be dealt with in the financial statements; and
- (b) the accounting and other records, and the registers required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

PricewaterhouseCoopers
Certified Public Accountants

Singapore, 21 September 2000

BALANCE SHEET

AS AT 30 JUNE 2000

	Notes	2000 \$	1999 \$
Current assets			
Trade debtors	3	335,105,816	1,036,806,562
Clearing fund assets	4	32,603,618	32,232,648
Other debtors	5	2,773,899	4,792,588
Amount due from subsidiaries - non-trade		300,000	12,023
Amount due from related companies - non-trade		138,630	392,795
Cash and cash equivalents	6	144,707,034	187,896,137
		515,628,997	1,262,132,753
Non-current assets			
Fixed assets	7	799,932	461,806
Property under development, at cost	8	40,170,716	33,174,331
Investments	9	400,008	18,460,447
		41,370,656	52,096,584
Total assets		556,999,653	1,314,229,337
Current liabilities			
Trade creditors		321,102,101	1,003,088,220
Amount due to holding company	10	6,578,831	3,816,490
Amount due to a related company - non-trade		41,719	105,820
Amount due to a subsidiary - non-trade		2,774	-
Other creditors	11	1,501,227	2,509,410
Tax provision	15	27,916,659	26,700,000
Clearing members' contributions to clearing fund	4	7,603,618	7,232,648
		364,746,929	1,043,452,588
Non-current liability			
Deferred tax	12	80,000	1,138,000
Total liabilities		364,826,929	1,044,590,588
Net Assets		192,172,724	269,638,749
Equity			
Share capital	13	100,000,000	100,000,000
Reserves		92,172,724	169,638,749
Total equity		192,172,724	269,638,749

The accompanying notes form an integral part of these financial statements.

Auditors' Report - Page 27

PROFIT AND LOSS ACCOUNT

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2000

	Notes	2000 \$	1999 \$
Operating revenue			
Clearing fees		104,020,084	95,478,643
Account maintenance and processing fees		31,922,706	26,069,548
Others		1,876,900	-
Operating revenue		137,819,690	121,548,191
Operating Expenses			
Staff costs		5,648,068	3,910,160
Equipment costs		608,873	505,228
Occupancy costs		1,156,283	822,355
Management fees		25,839,602	19,617,363
Depreciation		430,148	396,728
Other operating expenses		3,906,693	2,983,880
Total operating expenses		37,589,667	28,235,714
Profit from operating activities before tax		100,230,023	93,312,477
Non-operating income			
Interest income		6,193,951	9,029,488
Other non-operating income		223,363	217,548
		6,417,314	9,247,036
Profit before tax	14	106,647,337	102,559,513
Tax	15	(26,137,000)	(24,356,066)
Profit after tax		80,510,337	78,203,447

The accompanying notes form an integral part of these financial statements.

Auditors' Report - Page 27

STATEMENT OF CHANGES IN EQUITY

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2000

	Share Capital 2000 \$	Clearing Fund Reserve 2000 \$	Retained Profit 2000 \$	Total 2000 \$
Balance as at 30 June 1998	100,000,000	-	91,435,302	191,435,302
Net profit for the year	-	-	78,203,447	78,203,447
Transfer to Clearing Fund reserve	-	25,000,000	(25,000,000)	-
Balance as at 30 June 1999	100,000,000	25,000,000	144,638,749	269,638,749
Net profit for the year	-	-	80,510,337	80,510,337
Dividends (net)	-	-	(157,976,362)	(157,976,362)
Balance as at 30 June 2000	100,000,000	25,000,000	67,172,724	192,172,724

The accompanying notes form an integral part of these financial statements.

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NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2000

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

1. GENERAL

The Company is incorporated in Singapore and the financial statements are expressed in Singapore dollars.

The principal activities of the Company are to provide clearing, depository and related services for securities transactions. The principal activities of the individual subsidiaries are set out in Note 9 to the financial statements.

2. SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of accounting

The financial statements are prepared in accordance with the historical cost convention.

(b) Foreign currencies

Transactions in foreign currencies during the financial year are converted to Singapore dollars at the rates of exchange prevailing on the transaction dates. Foreign currency monetary assets and liabilities are translated into Singapore dollars at the rates of exchange prevailing at the balance sheet date or at contracted rates where they are covered by forward exchange contracts. Exchange differences arising are taken to the profit and loss accounts.

(c) Bad and doubtful debts

Bad debts are written off and specific provisions are made for those debts considered to be doubtful.

(d) Investments in subsidiaries

Investment in subsidiaries are stated in the financial statements at cost less provision for any diminution in value which is other than temporary, determined on an individual investment basis.

(e) Property under development

Property under development represent an interest in land and building in respect of which construction work and development has been completed and which is intended to be held on a long term basis for its investment potential. Such property is stated at cost and provision is made for any diminution in value considered to be other than temporary. No depreciation is made on land whose lease is more than 50 years to expiry.

(f) Fixed assets

Fixed assets are stated at cost less accumulated depreciation.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2000

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(g) Depreciation of fixed assets

No depreciation is provided on leasehold land whose lease is more than 50 years to expiry.

Depreciation is calculated on a straight line basis to write off the cost of fixed assets over their expected useful lives. The estimated useful lives are as follows:

Improvement to leasehold premises	5 years
Furniture, fittings and office equipment	3 - 5 years
Computers	3 years
Motor vehicles	4 years

(h) Revenue recognition

Revenue is recognised on the following bases:

- (i) trading, clearing and settlement income, net of rebates, on a trade date basis;
- (ii) account maintenance and processing fees, when services are rendered;
- (iii) interest income, on a time proportion basis.

(i) Taxation

Tax expense is determined on the basis of tax effect accounting using the liability method. Deferred taxation is provided on significant timing differences arising from the different treatments in accounting and taxation of relevant items.

In accounting for timing differences, deferred tax assets are not recognised unless there is reasonable expectation of their realisation.

3. CURRENT ASSETS - TRADE DEBTORS

	2000	1999
	\$	\$
Trade debtors	335,422,148	1,036,806,562
Less: Provision for doubtful debts	(316,332)	-
	<u>335,105,816</u>	<u>1,036,806,562</u>

4. CURRENT ASSETS - CLEARING FUND CONTRIBUTIONS

The Clearing Fund was established under the Clearing Rules of the Company. The Clearing Fund is to provide resources to enable the Company to discharge the obligations and liabilities of defaulting Clearing Members arising from their transactions in approved securities.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2000

The Company has prescribed that the initial contributed fund will be \$160 million. The Company has contributed \$25 million (1999: \$25 million) in cash to the Clearing Fund. Clearing Members of the securities exchange are required to contribute a total of at least \$15 million in cash, acceptable assets or an equivalent amount in the form of bank guarantees, each member's contribution being in proportion to their market share. The Company has also purchased \$45 million insurance cover and has provided a standby credit facility of \$75 million to the Clearing Fund (1999: \$45 million and \$75 million respectively).

These monies can only be withdrawn upon to meet obligations arising from inter broker settlement default by Clearing Members in accordance with Rule 5.9 of the Clearing Rule. The Fund's monies would be refunded to the contributors upon the dissolution of the Clearing Fund or the Company.

Clearing Fund contributions comprise:

	2000	1999
	\$	\$
Cash contributions by the Company	25,000,000	25,000,000
Cash contributions by Clearing Members	7,603,618	7,232,648
	32,603,618	32,232,648
Contribution by Clearing Members in the form of bank guarantees	11,526,126	10,089,244
	44,129,744	42,321,892

5. CURRENT ASSETS - OTHER DEBTORS

	2000	1999
	\$	\$
Interest receivable	2,204,160	3,962,360
Deposits	85,175	85,175
Prepayments	258,546	313,177
Brokerage receivable	14,514	276,266
Others	211,504	155,610
	2,773,899	4,792,588

6. CURRENT ASSETS - CASH AND CASH EQUIVALENTS

	2000	1999
	\$	\$
Cash at bank and on hand	4,407,034	2,046,137
Deposits at call	140,300,000	185,850,000
	144,707,034	187,896,137

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2000

7. NON-CURRENT ASSETS - FIXED ASSETS

	Improvement to leasehold premises \$	Furniture, fittings and office equipment \$	Motor vehicles \$	Computers \$	Total \$
Cost					
At 1 July 1999					
Cost	914,370	1,648,123	46,809	2,001,021	4,610,323
Additions	29,039	24,157	-	234,963	288,159
Intercompany transfer	-	1,595,908	-	46,967	1,642,875
Disposals	-	(1,558)	-	(862,988)	(864,546)
At 30 June 2000	<u>943,409</u>	<u>3,266,630</u>	<u>46,809</u>	<u>1,419,963</u>	<u>5,676,811</u>
Accumulated depreciation					
At 1 July 1999	760,118	1,625,386	3,901	1,759,112	4,148,517
Depreciation charge	59,825	174,688	11,702	183,932	430,147
Intercompany transfer	-	1,134,689	-	18,396	1,153,085
Disposals	-	(1,558)	-	(853,312)	(854,870)
At 30 June 2000	<u>819,943</u>	<u>2,933,205</u>	<u>15,603</u>	<u>1,108,128</u>	<u>4,876,879</u>
Net book value					
At 30 June 2000	<u>123,466</u>	<u>333,425</u>	<u>31,206</u>	<u>311,835</u>	<u>799,932</u>
Net book value					
At 30 June 1999	<u>154,252</u>	<u>22,737</u>	<u>42,908</u>	<u>241,909</u>	<u>461,806</u>

8. NON-CURRENT ASSETS - PROPERTY UNDER DEVELOPMENT

This relates to the purchase of a number of floors of a leasehold property at 2 Shenton Way, Singapore, which is still under construction. The lease tenure of the property is 99 years, commencing from 13 November 1995.

9. NON-CURRENT ASSETS - INVESTMENTS

	2000 \$	1999 \$
Composition:		
Quoted investments	-	13,036,789
Unquoted investments	-	5,423,650
Investments in subsidiaries [See Note 9(a)]	<u>400,008</u>	<u>8</u>
	<u>400,008</u>	<u>18,460,447</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2000

(a) Investment in subsidiaries

Name of subsidiary/Country of Incorporation	Principal activities	Country of business	Equity holding held		Cost of investment	
			2000	1999	2000	1999
			%	%	\$	\$
Macronet Information Pte. Ltd.	Provide corporate share registration and custody related services	Singapore	100	-	200,000	-
The Options Clearing Company (Pte) Limited	Provide facilities for the registration of options relating to marketable securities	Singapore	100	-	200,000	-
CDP Nominees Pte Ltd	Dormant	Singapore	100	100	2	2
CDP Nominees (II) Pte Ltd	Dormant	Singapore	100	100	2	2
Asiaclear Pte Ltd	Dormant	Singapore	100	100	2	2
Globalclear Pte Ltd	Dormant	Singapore	100	100	2	2
					<u>400,008</u>	<u>8</u>

(b) Acquisition of subsidiaries

During the financial year, the Company acquired 100% of the issued share capital of Macronet Information Pte. Ltd. and The Options Clearing Company (Pte) Limited for \$200,000 each. The fair value of identifiable assets at the date of acquisition was \$1 and \$122,517 respectively.

(c) The Company is not required to prepare consolidated financial statements pursuant to Section 201(3B) of the Companies Act, as it is a fully owned subsidiary of Singapore Exchange Limited, a company incorporated in Singapore.

10. HOLDING COMPANY

Pursuant to the Exchanges (Merger and Demutualisation) Act, on 1 December 1999, the former holding company, Stock Exchange of Singapore Ltd, became a wholly-owned subsidiary of Singapore Exchange Limited, a company incorporated in Singapore.

Arising from the restructuring of the Singapore Exchange Group, the Company became a wholly-owned subsidiary of Singapore Exchange Limited.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2000

11. CURRENT LIABILITIES - OTHER CREDITORS

	2000	1999
	\$	\$
Provision for bonus and CPF	471,267	-
Brokerage payable	62,716	438,905
Advance receipts	19,511	24,063
GST payable (net)	687,881	1,733,999
Accrued expenses	259,852	312,443
	<u>1,501,227</u>	<u>2,509,410</u>

12. NON-CURRENT LIABILITY - DEFERRED TAX

	2000	1999
	\$	\$
Deferred income tax (note 15)	<u>80,000</u>	<u>1,138,000</u>

13. SHARE CAPITAL OF THE CENTRAL DEPOSITORY (PTE) LIMITED

	Authorised 2000 and 1999	Issued and fully paid 2000 and 1999
	\$	\$
Ordinary share of \$1 each	<u>200,000,000</u>	<u>100,000,000</u>

14. PROFIT BEFORE TAX

(a) Profit before tax is arrived at after:

	2000	1999
	\$	\$
Charging:		
Auditors' remuneration	35,000	22,000
Depreciation of fixed assets		
- Improvements to leasehold premises	59,825	122,573
- Furniture, fittings and office equipment	174,688	50,076
- Motor vehicles	11,702	3,901
- Computer	183,932	220,178
Amortisation of premium on loan stocks and bonds	31,775	49,282
Provision for doubtful trade debts	316,332	-
Bad trade debts written off	14,772	-
Loss on disposal of fixed assets	<u>9,676</u>	<u>-</u>

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2000

14. PROFIT BEFORE TAX (CONTINUED)

	2000	1999
	\$	\$
And crediting:		
Interest income		
- Fixed deposits	5,218,509	8,207,948
- Loan stocks and bonds	477,150	500,485
- Bank	498,292	321,055
Gain on disposal of fixed assets	-	12,808
Net foreign exchange gain	46,112	42,973

15. TAX

(a) Tax expense

	2000	1999
	\$	\$
Tax expense attributable to profit is made up of:		
Current income tax provision		
Singapore	27,195,000	26,700,000
Deferred income tax provision	(1,058,000)	(844,000)
Over provision in preceding financial year	-	(1,499,934)
	26,137,000	24,356,066

(b) Movements in provision for current tax

	2000	1999
	\$	\$
Balance at the beginning of the financial year	26,700,000	14,109,463
Income tax paid	(25,978,341)	(12,609,529)
Current financial year's tax expense on profit	27,195,000	26,700,000
Over provision in preceding financial year	-	(1,499,934)
Balance at the end of the financial year	27,916,659	26,700,000

(c) Composition of deferred tax

Provision for deferred tax (note 12) comprises the estimated expense at current income tax rates on the following items:

	2000	1999
	\$	\$
Difference in depreciation of fixed assets for accounting and income tax purposes	80,000	1,138,000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 30 JUNE 2000

15. TAX (CONTINUED)

(d) Movements in provision for deferred tax

	2000	1999
	\$	\$
Balance at the beginning of the financial year	1,138,000	1,982,000
Transfer to profit and loss account	(1,058,000)	(844,000)
Balance at the end of the financial year	80,000	1,138,000

16. DIVIDENDS

Ordinary dividends paid or proposed

	2000
	\$
Interim dividend paid net of tax at 25.5%	157,976,362

17. COMMITMENTS FOR EXPENDITURE

(a) Capital commitments

Capital commitments not provided for in the financial statements:

	2000	1999
	\$'000	\$'000
Expenditure contracted for	25,653	31,081

(b) Lease commitments

Commitments in relation to non-cancellable operating leases contracted for at the reporting date but not recognised as liabilities, are payable as follows:

	2000	1999
	\$'000	\$'000
Not later than one financial year	1,029	618
Later than one financial year but not later than five financial years	10	162
	1,039	780

18. NUMBER OF EMPLOYEES

There were no employees as at 30 June 2000 as all employees of the Singapore Exchange Group are employed by the holding company, Singapore Exchange Limited (1999: 55 employees).

19. COMPARATIVES

Certain comparative figures have been reclassified to conform with the current financial year's presentation.

DEPOSITORY AGENTS

AS AT 30 JUNE 2000

Bank Nominees

ABN Amro Nominees Singapore Pte Ltd
Amex Nominees (S) Pte Ltd
Bank of China Nominees Pte Ltd
Bank of Singapore Nominees Pte Ltd
BankAmerica Nominees (1993) Pte Ltd
BBL (Nominees) Pte Ltd
BHLB Nominees (Singapore) Sdn Bhd
BNP Nominees Singapore Pte Ltd
Chung Khiaw Nominees (Private) Limited
Citibank Consumer Nominees Pte Ltd
Citibank Nominees Singapore Pte Ltd
DB Nominees (Singapore) Pte Ltd
DBS Nominees Pte Ltd
Dexia Nominees Singapore Pte Ltd
Dresea Nominees (Pte) Ltd
Far Eastern Bank Nominees
Private Limited
Four Seas Nominees Private Limited
HL Bank Nominees (Singapore) Pte Ltd
HSBC (Singapore) Nominees Pte Ltd
IBS Nominees (Private) Limited
ICB Nominees (Private) Limited
ICBC (Singapore) Nominees Pte Ltd
Indosuez Singapore Nominees Pte Ltd
Keppel Bank Nominees Pte Ltd
Mayban Nominees (Singapore)
Private Limited
Oversea-Chinese Bank Nominees
Private Limited
Overseas Union Bank Nominees (Pte) Ltd
Paribas Nominees Singapore (Pte) Ltd
Raffles Nominees (Pte) Limited
RHB Bank Nominees Pte Ltd
Tat Lee Bank Nominees Pte Ltd
The Bank of East Asia (Nominees) Pte Ltd

The Kwangtung Provincial Bank Nominees
Pte Ltd
The Royal Bank of Canada Nominees Pte Ltd
Tye Hua Nominees (Pte) Ltd
United Overseas Bank Nominees
(Private) Limited

Banks/Merchant Banks

Daiwa Securities SB Capital Markets
Singapore Limited
HSBC Investment Bank PLC Limited
Nomura Singapore Limited
The Nikko Merchant Bank (S) Ltd
Tokyo-Mitsubishi International
(Singapore) Ltd

Merchant Bank Nominees

BNP Merchant Bank Nominees Pte Ltd
ING Nominees (Singapore) Pte Ltd
Rabobank Nominees (Singapore) Pte Ltd
SIMBL Nominees Pte Ltd

Finance Companies

DBS Finance Nominees Pte Ltd
Far East Finance Nominees Pte Ltd
Focal Finance Nominees Private Limited
Hong Leong Finance Nominees Pte Ltd
Keppel Finance Nominees Pte Ltd
OCBC Finance Nominees Private Limited
Overseas Union Trust (Nominees)
Private Limited
SBS Nominees Private Limited
Sing Investments & Finance Nominees
(Pte) Ltd
Singapore Nominees Private Limited
UOF Nominees (Private) Limited

SGX-ST Members

BNP Prime Peregrine Securities Pte Ltd
BT Brokerage & Associates Pte Ltd
Credit Suisse First Boston (Singapore) Securities Pte Ltd
DBS Securities Singapore Pte Ltd
DMG & Partners Securities Pte Ltd
Fraser Securities Pte Ltd
G. K. Goh Stockbrokers Pte Ltd
Grand Orient Securities Pte Ltd
J. M. Sassoon & Co (Pte) Ltd
Kay Hian Pte Ltd
Keppel Securities Pte Ltd
Kim Eng Securities Pte Ltd
Lim & Tan Securities Pte Limited
Lum Chang Securities Pte Ltd
Millennium Securities Pte Ltd
OCBC Securities Private Limited
Ong & Company Private Limited
OUB Securities Pte Ltd
Phillip Securities Pte Ltd
RHB-Cathay Securities Pte Ltd
Summit Securities (S) Pte Ltd
UBS Warburg & Associates (Singapore) Pte Ltd
UOB Securities Pte Ltd
Vickers Ballas & Co Pte Ltd

SGX-ST International Members

ABN Amro Asia Securities (Singapore) Pte Ltd
Credit Lyonnais Securities (Singapore) Pte Ltd
Daiwa Securities SB Capital Markets Investment
Services Pte Ltd
ING Baring Securities (Singapore) Pte Ltd
Jardine Fleming Singapore Securities Pte Ltd
Merrill Lynch (Singapore) Pte Ltd
Nomura Securities Singapore Pte Ltd