

**SINGAPORE EXCHANGE LIMITED**

**Unaudited Half Year Financial Statement And Dividend Announcement**

Half-year financial statement on consolidated results for the six months ended 31 December 2000.

These figures have not been audited.

	Group			Company		
	S\$'000		%	S\$'000		%
	1 July 2000 to 31 Dec 2000	1 July 1999 to 31 Dec 1999 *	Change	1 July 2000 to 31 Dec 2000	1 July 1999 to 31 Dec 1999**	Change
1.(a) <b>Turnover</b>						
<b>Operating revenue</b>						
- Management fees from subsidiaries	-	-	-	36,551	-	-
- Gross dividend income from subsidiaries	-	-	-	106,819	-	-
- Clearing fees	54,594	71,309	(23.4)	-	-	-
- Rental of computer terminals	13,760	12,600	9.2	-	-	-
- Account maintenance & processing fees	16,701	20,784	(19.6)	-	-	-
- Listing & membership fees	8,283	5,815	42.4	-	-	-
- Price information fees	5,603	2,914	92.3	-	-	-
- Other operating revenue	5,330	5,647	(5.6)	289	-	-
	104,271	119,069	(12.4)	143,659		
1.(b) Investment income	5,013	625	702.1	3,793	-	-
1.(c) Other income including interest income	6,704	9,656	(30.6)	3,400	-	-
2.(a) Profit before income tax, minority interests, extraordinary items, interest on borrowings, depreciation and amortisation, foreign exchange gain/(loss) and exceptional items and after charging:-	58,938	81,660	(27.8)	118,039	-	-
- Staff costs	(32,670)	(24,622)	32.7	(20,585)	-	-
- Occupancy costs	(6,388)	(5,661)	12.8	(3,687)	-	-
- Equipment maintenance & rental	(8,336)	(8,588)	(2.9)	(4,769)	-	-
- Other operating expenses	(9,656)	(8,819)	9.5	(3,772)	-	-
2.(b)(i) Interest on borrowings	-	-	-	-	-	-
2.(b)(ii) Depreciation and amortisation	(9,765)	(8,713)	12.1	(3,351)	-	-
2.(b)(iii) Foreign exchange gain/(loss)	83	(74)	NM	657	-	-
2.(c) Exceptional items ***	(20,545)	0	NM	(20,545)	-	-
2.(d) Profit before income tax, minority interests and extraordinary items but after interest on borrowings, depreciation and amortisation, foreign exchange gain/(loss) and exceptional items	28,711	72,873	(60.6)	94,800	-	-
2.(e) Income derived from associated companies	-	-	-	-	-	-
2.(f) Less income tax	(9,951)	(20,254)	(50.9)	(25,154)	-	-
2.(g)(i) Profit after tax before deducting minority interests	18,760	52,619	(64.3)	69,646	-	-

\* The SGX group was constituted on 1 December 1999 upon the merger of the SES and SIMEX. The financial information for the previous half year is stated on a pro-forma basis to give effect to the merger as if it had occurred on 1 July 1999.

\*\* SGX was incorporated on 21 August 1999 in order to effect the demutualization and merger of the SES and SIMEX. Because the merger took place only on 1 December 1999 and SGX had no operations prior to the merger, there are no meaningful comparatives for the previous half year.

\*\*\* See 4 (d)

NM: Not meaningful

	Group			Company		
	S\$'000		%	S\$'000		%
	1 July 2000 to 31 Dec 2000	1 July 1999 to 31 Dec 1999 *	Change	1 July 2000 to 31 Dec 2000	1 July 1999 to 31 Dec 1999**	Change
2.(g)(ii)	-	-	-	-	-	-
2.(h)	18,760	52,619	(64.3)	69,646	-	-
2.(i)(i)	-	-	-	-	-	-
2.(i)(ii)	-	-	-	-	-	-
2.(i)(iii)	-	-	-	-	-	-
2.(i)(iv)	-	-	-	-	-	-
2.(i)(v)	-	-	-	-	-	-
2.(i)(vi)	-	-	-	-	-	-
2.(j)	18,760	52,619	(64.3)	69,646	-	-
	(No provision was made for contribution to the securities and derivatives fidelity funds, and the SIMEX Compensation Fund for the half year ended 31 December 2000).					

	Group Figures	
	1 July 2000 to 31 Dec 2000	1 July 1999 to 31 Dec 1999
	Cts	Cts
3.(a)	Earnings per share based on 2(h) above after deducting provision for preference dividends:-	
	(i) Based on existing issued share capital #	1.88      5.26
	(ii) On a fully diluted basis ##	1.84      5.17
3.(b)	Earnings per share based on 2(j) above:-	
	(i) Based on existing issued share capital #	1.88      5.26
	(ii) On fully diluted basis ##	1.84      5.17
3.(c)	Net tangible asset backing per ordinary share #	82.33      75.49

# Earnings per share and net tangible asset backing per ordinary share are computed based on the existing share capital of 1 billion shares as at 31 December 2000. For the purpose of computing net tangible asset per share as at 31 December 1999, we have included as net tangible assets, proceeds of the 719.7 million shares at 1 cent each issued to SEL Holdings Pte Ltd at par for cash.

## Earnings per share on a fully diluted basis is computed based on the existing share capital of 1 billion, adjusted for the number of outstanding options to subscribe for ordinary shares as of 31 December 2000 (see paragraph 8).

- 4.(a) Amount of Adjustment for Underprovision of Tax in respect of Previous Years  
The Group's tax charge for the half-year ended 31 December 2000 included an amount of \$88,000 in respect of prior years.
- 4.(b) Amount of Pre-Acquisition Profits  
Nil.
- 4.(c) Amount of Profit on Sale of Investment  
Loss arising from investment activities: \$21,805,000
- 4.(d) Other Comments Relating to Paragraph 4

We have traditionally invested our cash reserves in bank deposits and Singapore government securities. In the year 2000, we decided to place a portion of these reserves with independent fund managers for investment in equities, unit trusts and fixed-income instruments. However, in connection with our decision to become a listed company, we decided to invest in conservative fixed-income instruments such as bank deposits, securities of Singapore and G-7 governments, statutory boards and government agencies, international investment-grade fixed-income securities and similar high-quality instruments. We have liquidated all our equity portfolio as of 31 December 2000 and have realised losses of S\$20.5 million. In addition, realised losses from fixed income investments amounted to S\$1.3 million which have been included in "investment income".

5.(a) Review of the performance of the company and its principal subsidiaries

*Pls see Words file.*

5.(b) Unusual items after the financial period

*Pls see Words file.*

6. Commentary on current year prospects

*Pls see Words file.*

7. Dividend

(a) *Present Period*

Name of Dividend	Interim Dividend
Dividend Type	Cash
Dividend Rate	300% less tax per ordinary share
Par value of shares	S\$0.01
Tax Rate	25.5%

(b) *No dividend was declared for the previous corresponding period.*

(c) *Date payable*

The interim dividend will be paid on 8 March 2001.

(d) *Books Closing date*

Registrable transfers received by the company up to 5.00 pm on 23 February 2001 will be registered before entitlements to the dividend are determined.

(e) *Any other comments relating to Paragraph 7*

The Directors are pleased to announce that interim dividends totalling 300% before tax (i.e. S\$0.03 for each share of par value S\$0.01) will be paid for the half-year ended 31 December 2000.

The Directors expect to declare and pay a cash dividend for the fiscal year ended 30 June 2001 of S\$0.055 per share (This would be equivalent to a rate of approximately S\$0.074 per share before deduction of Singapore income tax of 25.5%). Thereafter, the Directors expect to declare and pay annual dividends of not less than 50% of annual net profit after tax and after contribution (if any) to the fidelity funds. However, the declaration and payment of any dividend, and the timing and amount of any dividend, is subject to the discretion of the Directors. Any future determination by the Directors to pay dividends will be based upon the Group's earnings, cash flow, financial condition and capital requirements and other conditions the Directors deems relevant.

8. Details of Changes in the Company's Issued Share Capital

In connection with SGX's share offering on 23 November 2000, SGX's share capital was restructured as follows:-

- (i) The existing 61,670 issued ordinary shares of par value of S\$1.00 each were sub-divided into 6,167,000 ordinary shares of par value S\$0.01 each;
- (ii) A total of 274.2 million bonus shares of par value S\$0.01 each were distributed to the existing shareholders;
- (iii) In accordance with the Exchanges (Demutualisation and Merger) Act 1999, a total of 719.7 million shares were subscribed for by SEL Holdings Pte Ltd at par value of S\$0.01 per share. Out of these 719.7 million shares, 319.7 million shares were offered to the public and 150 million shares were sold to other investors.

Following from the above, the issued share capital of the Company increased from S\$61,670 as at 30 June 2000 to S\$10 million with effect from 23 November 2000.

As at 31 December 2000, there were 17,992,000 outstanding options to subscribe for ordinary shares of S\$0.01 each.

As at 30 June 2000, there were 616 outstanding options to subscribe for ordinary shares of S\$1.00 each.

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

	As at 31/12/2000		As at 30/6/2000	
	Secured	Unsecured	Secured	Unsecured
(a) <i>Amount repayable in one year or less, or on demand</i>	Nil	Nil	Nil	Nil
(b) <i>Amount repayable after one year</i>	Nil	Nil	Nil	Nil

(c) *Any other comments relating to Paragraph 9*

Nil.

## Balance Sheet

	Group		Company	
	As at 31-Dec-00	As At 31-Dec-99	As at 31-Dec-00	As At 31-Dec-99
	S\$'000	S\$'000	S\$'000	S\$'000
<b>Current assets</b>				
Total members' funds	1,504,488	2,470,594	0	0
Securities clearing funds	33,561	32,814	0	0
Cash and cash equivalents	280,293	556,109	93,491	357,506
Trade and other debtors	292,815	300,585	17,376	17,598
Investment	346,602	41,671	315,268	36,615
	2,457,759	3,401,773	426,135	411,719
<b>Non-current assets</b>				
Fixed Assets	185,559	137,222	33,707	43,007
Subsidiaries	-	-	391,340	323,340
	185,559	137,222	425,047	366,347
Net assets of securities and derivatives fidelity funds	50,661	43,994	0	0
<b>Total assets</b>	<b>2,693,979</b>	<b>3,582,989</b>	<b>851,182</b>	<b>778,066</b>
<b>Current liabilities</b>				
Total members' funds	1,504,488	2,470,594	0	0
Securities clearing members' contributions to clearing funds	8,561	7,814	0	0
Trade and other creditors	280,314	276,727	9,540	467,941
Taxation	22,989	33,689	930	
Total current liabilities	1,816,352	2,788,824	10,470	467,941
<b>Non-current liabilities</b>	3,638	2,459	0	0
<b>Total liabilities</b>	<b>1,819,990</b>	<b>2,791,283</b>	<b>10,470</b>	<b>467,941</b>
<b>Net assets</b>	<b>873,989</b>	<b>791,706</b>	<b>840,712</b>	<b>310,125</b>
<b>Equity</b>				
Share capital	10,000	62	10,000	62
Share premium	305,537	308,278	305,537	308,278
Retained profit and general reserves	482,774	414,359	525,175	1,785
Clearing fund reserve	25,000	25,000	0	0
Translation reserve	17	13	0	0
	823,328	747,712	840,712	310,125
Accumulated funds of securities and derivatives fidelity funds	50,661	43,994	0	0
	<b>873,989</b>	<b>791,706</b>	<b>840,712</b>	<b>310,125</b>

## Consolidated Cash Flow Statements

	Six Months Ended	
	31 Dec 00 \$'000	31 Dec 99 \$'000
<b>Cash Flows from Operating Activities</b>		
Profit before tax	28,711	72,873
Adjustments for:		
Depreciation	9,765	8,713
Net (gain)/loss on investments	15,532	(625)
Write-back of provision on diminution of investments	(11)	(454)
Interest income	(5,351)	(8,464)
Disposal and write-off of fixed assets	-	50
Operating cash flow before working capital change	48,646	72,093
Change in operating assets and liabilities		
Trade and other receivables	80,674	773,760
Trade and other payables	(72,169)	(758,562)
Cash generated from operations	57,151	87,291
Income tax paid	(24,415)	(24,825)
<b>Net cash from operating activities</b>	<b>32,736</b>	<b>62,466</b>
<b>Cash flows from investing activities</b>		
Payments for fixed assets	(42,377)	(39,097)
Purchase of investments	(330,000)	(2,923)
Proceeds from sale of club memberships	-	174
Interest received	5,351	8,464
Redemption of matured bonds/SGS	6,000	3,000
Proceeds from sale of fixed assets	-	76
<b>Net cash from investing activities</b>	<b>(361,026)</b>	<b>(30,306)</b>
<b>Cash flows from Financing activities</b>		
Proceeds from issue of shares	7,197	-
<b>Net cash from financing activities</b>	<b>7,197</b>	<b>-</b>
<b>Net increase/(decrease) in cash held</b>	<b>(321,093)</b>	<b>32,160</b>
Cash as at 1 July	601,375	523,932
Effects of exchange rate changes on cash	11	17
<b>Cash &amp; cash equivalents as at 31 December</b>	<b>280,293</b>	<b>556,109</b>

## Segment Information for the Period Ended 31 December 2000

	Securities Market	Derivatives Market	Other Operations	The Group
	S\$'000	S\$'000		S\$'000
<b>SEGMENT REVENUE</b>	70,840	27,364	6,067	104,271
<b>RESULTS</b>				
Segment results	42,330	6,739	2,487	51,556
Unallocated costs				(14,017)
Operating profit before tax				37,539
Interest income and other non- operating income/(loss)				(8,828)
Income taxes				(9,951)
Net profit				18,760



<b>OTHER INFORMATION</b>				
Segment assets	590,790	1,720,511	7,508	2,318,809
Unallocated assets				375,170
Consolidated total assets				2,693,979
Segment liabilities	264,551	1,517,398	1,876	1,783,825
Unallocated liabilities				36,165
Consolidated total liabilities				1,819,990
Capital expenditure - allocated	3,384	801	1,054	5,239
- unallocated				37,138
Depreciation	3,486	2,884	3,395	9,765

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

**BY ORDER OF THE BOARD**

(DD/MM/YYYY)