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Mission Statement

SGX offers a comprehensive and efficient infrastructure for raising capital, and for investors to transact and clear financial products.

As a leading marketplace, we strive to continually innovate and provide our customers with convenient access, quality products and the best price discovery at a competitive cost while seeking to create value for our shareholders.

Chairman’s Statement

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

and an array of measures to liberalise the industry.

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



J Y Pillay
Chairman

In keeping with its new role as a listed company, bent on seizing profitable opportunities in a rapidly evolving and deregulating global industry, SGX proceeded at a vigorous, but measured, pace to adjust to the new environment. It recruited new talent, expanded its numbers, and embarked on several strategic initiatives. Foremost among those initiatives were: an open-access protocol for securities trading; a co-trading link with the Australian Stock Exchange; listing of exchange traded funds in conjunction with The American Stock Exchange and of

Singapore Exchange Limited

Chairman’s Statement

Singapore government bond futures; preparations for the launch of single stock futures, straight-through-processing, and securities lending; and a joint-venture with two leading broking houses to provide outsourced services to the securities industry.

A Stronger Organisation Through Enlightened HR Practices At the same time, the need to strengthen the organisation and to introduce modern human resource management practices proceeded vigorously. That was in recognition of the unyielding

fact that no organisation can fulfill its destiny without ensuring that its employees are carefully recruited, trained, led and paid. The Board has emphasised the importance of building a robust organisation that is able to satisfy its various constituencies, particularly the needs of market participants.

Rising Costs to be Moderated Those measures to strengthen the organisation, to improve the infrastructure of business activities, and to launch new commercial initiatives, have inevitably raised

the platform of costs within SGX. Operating costs rose 21%* during the year, following a 23%* rise the previous year, and are expected to increase further in financial year 2001/02. With revenue falling for cyclical reasons, profit is being squeezed. Net profit before tax fell to \$68 million, from \$145 million the previous year*. Should the present difficult market conditions persist, SGX’s profitability will continue to be under pressure. Nonetheless, the Board has decided to continue with SGX’s development programme, while urging management to practise

cost discipline.

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


* stated on a pro-forma basis

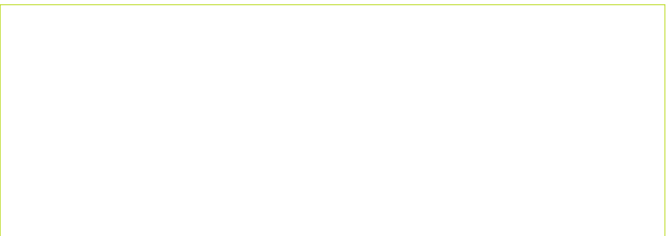
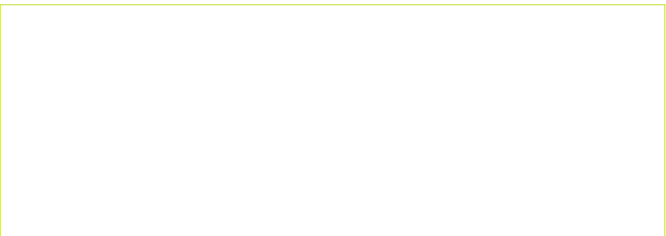
Chairman’s Statement

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

Acknowledgements My colleagues on the Board join me in thanking all ranks of management and staff for their discipline and dedication in the interests of SGX in a daunting year. The Board

also thanks market participants and all others with whom SGX has a commercial relationship. I, in turn, want to thank my fellow directors for their unfailing support, and for the generous contribution of their valuable time to the mission of leading SGX to a great future.


J Y Pillay
16 August 2001



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05IMSCI 203-67

Symb	Last	Bid	Ask	Qty	High	Low	Volume	Open	Sale
ENY1	99850	99850	99860	16	99850	99850	99	99	99
EN2	99850	99850	99860	16	99850	99850	99	99	99
ENY2	99850	99850	99860	16	99850	99850	99	99	99
ENY3	99850	99850	99860	16	99850	99850	99	99	99
J8Z1	99850	99850	99860	16	99850	99850	99	99	99

Keyboard visible below the screen:

ASK	A/SIZE	LAST	V
99900	7905	99895	
55	2093	99860	
		99850	

MTH	BISIZE	BID	ASK	ASIZE	LAST
JEYU1	6127	99895	99900	7905	99895
JEYZ1	100	99860	99865	2093	99860
JEYH2	728	99850	99855	1795	99850
JEYM2	1901	99860	99865	1368	99860
JEYU2	320	99820	99825	1404	99820
JEYZ2	0	0	99780	500	99780
JEYH3	120	99740	99750	200	99740
JEYM3	20	99710	99730	300	99710
JGBU1	0	0.00	0.00	0	0.00
JGBZ1	0	0.00	0.00	0	0.00

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CEO's Message

The first full year for SGX will best be remembered for the ambitious set of initiatives we embarked on. Our theme for this year's annual report, "Tomorrow's Market, Today" captures the innovative spirit and dynamism that now exists within the SGX Group and accompanies our efforts to deliver those initiatives. For SGX, the most far-reaching event this year was the placement and IPO of SGX shares leading to a listing on our exchange. Our conversion to a listed company not only completed the structural conversion of SGX via the demutualisation process but

accelerated a change in culture and management style to one which focuses on delivering shareholder value and responding to customer needs. This transformation occurred against a backdrop of significant change in the global economic environment impacting the world's equity and derivatives markets. Add to this a constantly changing landscape in the financial sector, particularly for exchanges and clearing organisations competing globally, and it is clear that this was truly an exciting year for SGX.

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

Extending Market Reach Driven by the separation of trading access from ownership created by our demutualisation, we have taken a number of steps to extend our market reach. In March 2001, we



Thomas A. Kloet
Chief Executive Officer

Singapore Exchange Limited

CEO's Message

launched SGXAccess, an open interface that enables our member firms to trade in our securities market from anywhere in the world. Available through alternative order routing or front end trading terminals and using the global messaging standard FIX 4.2 (Financial Information eXchange), SGXAccess enables the enhanced functionality for complex trading strategies and risk management. This will position our securities market for greater access to the global market maker community, ultimately increasing our market depth and liquidity.

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

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

Expanding Our Product Range The customer focus referred to earlier has resulted in significant efforts in expanding our product

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

CEO's Message

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

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

lending facility, which will not only give investors an additional income opportunity while holding stock, but also give SGX a mechanism for building an equity options market. This facility is a natural extension of our central depository function and will add to the sophistication and international appeal of our capital markets. Our commitment to enhancing investor education is central to the success of our new and existing products. Over the past year, we have significantly expanded and enhanced the array of

seminars, product promotions and educational forums. Virtually every area of the exchange regularly interfaces with customers and product end users. We believe this effort is critical for SGX's long-term success. **Enhancing Market Infrastructure** Our efforts this past year include major initiatives to develop our market infrastructure. In July 2000, we opened our securities market to new members, and five new member firms joined during the remainder of the year. We also



A firm handshake between Thomas A. Kloet, SGX CEO (left), and Salvatore F. Sodano, Chairman of The American Stock Exchange, at the launch of ETFs on SGX, 4 May 2001.

Tharman Shanmugaratnam, Managing Director of MAS (left) and Thomas A. Kloet, SGX CEO, launching the 5-Year Singapore Government Bond Futures contract, 29 June 2001.



CEO's Message

changed our rules to allow a single legal entity to be the member firm in each of our securities and derivatives markets, thereby furthering our members' opportunities to trade in both markets. In October 2000, we eliminated the fixed commission structure in our securities market, leaving the commission rate fully negotiable between the interested parties.

In March 2001, we formed a joint-venture with two member firms to provide outsourcing services for securities processing and settlement. We expect to be the first such company in Asia-

Pacific to offer complete technology and operations solutions for securities brokerage firms. This exciting initiative expands on the established processing capabilities of SGX IT Solutions and has the potential to provide an important new revenue stream for SGX.

This year we embarked on a project to bring our securities market and its institutional participants to a straight-through-processing environment, from trade execution to final settlement. This will reduce the operating and business costs, lower the

settlement risks, and provide more timely risk management information for our participants. A long-term project, we expect this facility to be in place in about two years' time.

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

transparency. We expect our revised listing manual to be effective in 2002, following a period of public consultation later this year.

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

CEO's Message

January and June 2001, including a record 275,000 contracts in June 2001.

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

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

Thomas A. Kloet

Thomas A. Kloet
16 August 2001



“The sound and efficient marketplace SGX operates made it the exchange of choice for our capital raising efforts. Our successful listing on SGX has led to our rapid expansion into China, bringing us a step closer towards becoming the rice dragon of the world.”

Tsai Eng Meng
Chairman
Want Want Holdings Ltd

Year in Review

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

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

cleared and settled a total of 87.65 billion Singapore-dollar denominated shares valued at S\$134.21 billion. It also cleared and settled 5.4 billion US-dollar denominated shares amounting to US\$6.75 billion. As at 30 June 2001, 1.1 million direct accounts were registered (of which 99% were opened by individuals); 85 depository agents maintained 60,937 sub-accounts on behalf of investors; and a total of 180.66 billion securities were deposited.
Derivatives Market SGX was named Asia's Best Derivatives

Exchange 2001 by The Asset magazine and the Derivatives Exchange of the Year 2000 by AsiaRisk, for our extensive range of international derivatives products and our innovative and market-led approach.
For the financial year ended 30 June 2001, a healthy volume of 27.5 million futures contracts and almost 579,000 options contracts were traded on our derivatives market. As at 30 June 2001, there was open interest of 711,630 futures contracts, and 54,638 options contracts.

Year in Review

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

EXTENDING OUR GLOBAL REACH AND DISTRIBUTION NETWORK
SGX-ASX Linkage In June 2000, SGX and the Australian Stock

Exchange (ASX) signed a historic agreement to jointly design, develop and establish an active electronic link between the two exchanges' trading and settlement systems. The link will facilitate the efficient trading, settlement and holding of SGX-quoted securities by Australian investors and of ASX-quoted securities by Singaporean investors. The trading link will also provide brokers access to market and trading information on the selected securities and allow them to transmit orders through their existing trading terminals directly into the electronic trading systems of

the other exchange. We expect this linkage to be operationally ready in the second half of 2001.

SGXAccess In March 2001, we launched SGXAccess, an open interface that enables our member firms to trade in our securities market from anywhere in the world, through alternative order routing and front end trading terminals. First in the region to use FIX 4.2 (Financial Information eXchange) — a global financial messaging interface standard — SGXAccess will allow us to tap

into the global market maker community, ultimately increasing our market depth and liquidity. 13 securities member firms have signed Memoranda of Intent to adopt SGXAccess. They are BNP Paribas Peregrine Securities, CLSA Singapore, DBS Securities Singapore, G. K. Goh Stockbrokers, HSBC Securities (Singapore), ING Barings Securities (Singapore), Merrill Lynch (Singapore), Morgan Stanley Asia (Singapore) Securities, Nomura Securities Singapore, Phillip Securities, OCBC Securities, SG Securities (Singapore) and UBS Warburg.

“The exchange has been very proactive and forward looking in addressing the needs of market practitioners in risk management, new products and developing liquidity. Its consultative style with the market players will be a key foundation for further growth and development of the market.”

Loh Boon Chye
Managing Director, Asian Local Markets/OTC Derivatives
Deutsche Bank AG, Singapore Branch

Year in Review

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

participants. We expect this project to be completed in about two years.

Bloomberg Linkage and Internet Trading In April 2001, we opened access to the SGX derivatives market via the internet and Bloomberg’s 157,000 terminals worldwide. With these links, market participants, including over 250,000 investment professionals using Bloomberg terminals, can enjoy fast and easy access to the region’s widest range of risk management and

investment tools. The links also give our members alternatives to dedicated trading terminals and leased lines, ultimately resulting in better allocation of resources, cost-savings and increased efficiency. SGX’s derivatives market is also accessible via the global distribution networks of its member firms and independent software vendors.

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

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

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

Year in Review

<p>remisiers on the sharing of brokerage commissions.</p> <p>Derivatives Contracts The exchange further broadened its range of derivatives products with the launch of two new instruments last year. In September 2000, we introduced the SGX S&P CNX Nifty Index Futures contract. In June 2001, we launched a 5-Year Singapore Government Bond Futures contract, which complements our existing SGX 3-Month Singapore Dollar Interest Rate Futures, providing the market with risk management tools</p>	<p>covering the short and medium end of the yield curve.</p> <p>Outsourcing Services for Securities Processing and Settlement In November 2000, SGX launched Vision Broker III (VBIII), an online central hosting service which allows brokers to effectively outsource their non-core IT functions. In March 2001, we took further steps to meet the broking industry's need to manage its technology solutions and costs. We formed a joint-venture with DBS Securities and OCBC Securities to create the first company</p>	<p>in Asia-Pacific to offer complete technology and operation solutions for brokerages. This enables them to outsource their entire securities processing and settlement functions.</p> <p>Negotiated Large Trades (NLT) In December 2000, we introduced an NLT facility for trades normally concluded in the over-the-counter (OTC) markets. Offering an enhanced alternative to the unregulated OTC markets, NLT enables our derivatives members and their customers to trade large-sized futures, options and</p>	<p>spreads with each other and amongst institutional participants, through direct and private negotiation. These NLT trades are then reported to the exchange for clearing. Subsequently, these positions can be traded on the SGX derivatives market as regular contracts.</p> <p>Single Stock Futures In April 2001, we announced plans to trade single stock futures based initially on a selected group of high capitalisation stocks from our securities market. These plans are</p>
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“We are very pleased with SGX’s flexibility and responsiveness in working with us to achieve FIX connectivity and in fostering international standards of execution practice with its SGXAccess system.”

Leon Christianakis
Managing Director
Morgan Stanley Singapore

Year in Review

a result of the synergy from integrating our securities and derivatives markets, and will provide our end users with greater flexibility in managing their investment portfolios. We expect to launch the first of such products in the second half of 2001, subject to regulatory approval. We also plan to introduce single stock futures on other regional and global stocks at a later stage.

Exchange Traded Funds (ETFs) In May 2001, SGX launched ETFs in a joint-venture with The American Stock Exchange. The resulting

network created the first fully fungible trading of ETFs across the North American and Asian continents. The ETFs launched were the S&P 500 SPDRs®, DJIA DIAMONDS, iSharesSM S&P 500 Index Fund, iSharesSM Dow Jones U.S. Technology Sector Index Fund, and iSharesSM MSCI Singapore Index Fund. The five ETFs enjoyed transactions totalling almost S\$4.4 million at the close of their first trading day. We intend to introduce more such products and have embarked on a joint effort with State Street Global Advisors (SSgA) to develop Singapore’s first indigenous ETF, based on the

Straits Times Index. We expect this to start trading in the second half of 2001.

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



Our Products

Securities Products

SGX offers a diverse and exciting array of securities and derivatives products via its global network of broking members, who provide access to these products through various means, including telephone, the internet, information service providers, and their own trading terminals which can be placed anywhere in the world.

Equities and Equity Options
Warrants and Covered Warrants
Bonds, Debentures and Loan Stock
Depository Receipts
Exchange Traded Funds

Using state-of-the-art technology, our securities products are traded on an electronic screen-based trading system.

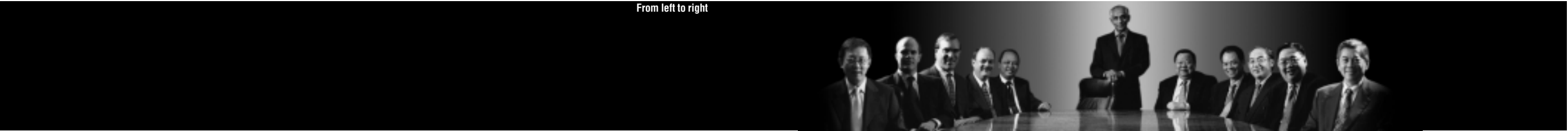
Derivatives Products

Short-Term Interest Rate Futures and Options On Futures
Long-Term Interest Rate Futures and Options On Futures
Equity Index Futures and Options On Futures
Single Stock Futures (upcoming)
Energy Futures

Our wide range of derivatives products provides access to major markets in America, Europe and Asia. They are traded electronically as well as on the open outcry system.



Board of Directors



Goh Yew Lin Executive Director	Robert Stein Chairman	Richard Gnodde President	Thomas A. Kloet Chief Executive Officer	Victor Liew Cheng San Chairman	J Y Pillay Chairman	George Teo Eng Kim Chairman	Ho Tian Yee Executive Director	Hidetoshi Mine Managing Director, Principal Investment	Low Check Kian Managing Director	Wong Ngit Liong Managing Director
G. K. Goh Stockbrokers Ltd	Deutsche Asia Pacific Holdings	Goldman Sachs (Asia) L.L.C.	Singapore Exchange Limited	OUB Bullion & Futures Ltd	Singapore Exchange Limited	J.M. Sassoon & Co., (Pte) Ltd. and Sassoon Financial Futures Pte Ltd	Pacific Asset Management (S) Pte Ltd	Investment Banking Headquarters Orix Corporation (Tokyo, Japan)	Merrill Lynch (Singapore) Pte Ltd	Venture Manufacturing (Singapore) Ltd

Directors' Information

J Y Pillay
Chairman
Singapore Exchange Limited

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

Mr Pillay has held a variety of positions in the government of Singapore (1961–1995), rising to permanent secretary in 1972. He served in the ministries of finance, defence and national

development. Between 1985 and 1989, Mr Pillay was the Managing Director of the Monetary Authority of Singapore (MAS) and of the Government of Singapore Investment Corporation. He was High Commissioner to the United Kingdom from 1996 to 1999. Mr Pillay has served, in a non-executive capacity, as chairman of the board of several government-linked companies: Temasek Holdings (Private) Limited (1974–1986), Development Bank of Singapore Ltd (1979–1984), Singapore Technologies Holdings (Private) Limited (1991–1994) and Singapore Airlines Ltd

(1972–1996). He served as Chairman of the International Advisory Panel of the MAS from 1999 to 2000. Mr Pillay now serves as a board director of Oversea-Chinese Banking Corporation Limited, as member of the Investment Committee of the United Nations Pension Fund, as Chairman of Commonwealth Africa Investments Limited, as member of the Board of Governors of Asia-Europe Foundation, as member of the Financial Sector Development Fund Advisory Committee of the MAS, as Life Trustee of the Singapore Indian Development Association, and as

member of the Council of Presidential Advisors of the Republic of Singapore. Mr Pillay graduated with a first-class B.Sc (Hons) degree from Imperial College London in 1956. He was conferred with an honorary PhD in Law from the National University of Singapore in 1996, and with a Fellowship of Imperial College in 1997.

Directors’ Information

Thomas A. Kloet
Chief Executive Officer
Singapore Exchange Limited

Mr Kloet has served as a non-independent director on the SGX Board since 24 April 2000. He holds 12,500,000 share options in SGX. Mr Kloet was last re-elected onto the SGX Board on 11 December 2000. Mr Kloet joined SGX as its Chief Executive Officer on 24 April 2000. Prior to this, Mr Kloet was a Senior Managing Director for ABN AMRO, Inc., the US investment banking and broker-dealer subsidiary of ABN AMRO Bank, NV, where he was responsible for the derivatives brokerage business throughout the Asia-Pacific region, including Singapore. Mr Kloet was also a Senior

Vice President of ABN AMRO Bank, NV. From 1990 through 1997, Mr Kloet was Chief Operating Officer of Credit Agricole Futures, Inc. and Chief Financial Officer of Segespar Capital Markets, Inc. Mr Kloet served as a member of the Board of Directors and Executive Committee of the Chicago Mercantile Exchange from 1996 until he assumed his position at SGX. Mr Kloet graduated with a bachelor’s degree in business administration from the University of Iowa in 1980. He is a certified public accountant and a member of the American Institute of Certified Public Accountants.

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

Mr Gnodde has served as an independent director on the SGX Board since 18 November 1999. He is proposed for re-election at SGX’s forthcoming Annual General Meeting on 26 September 2001. Mr Gnodde joined Goldman Sachs International in London in 1987. He was appointed President of Goldman Sachs (Asia) L.L.C. in July 1999. Immediately prior to his current responsibilities, Mr Gnodde served as President of Goldman Sachs (Singapore) Pte Ltd. Mr Gnodde holds a Bachelor of Commerce degree from the University of Cape

Town and a Master of Arts degree in Law from the University of Cambridge.

Directors’ Information

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

Mr Goh has served as an independent director on the SGX Board since 20 July 2000. He was last re-elected onto the SGX Board on 11 December 2000. Mr Goh has a deemed interest in 2,340,000 ordinary shares in SGX through G. K. Goh Strategic Holdings Pte Ltd. Mr Goh has worked at G. K. Goh, a regional securities group, since 1984. Since 1990, he has been an Executive Director of SGX-listed G. K. Goh Holdings Ltd. Mr Goh is also an independent director in Boyer Allan Investment Management Ltd. He also serves on the boards of the National

Arts Council and the Singapore Symphonia Company Ltd. Mr Goh graduated from the Wharton School, University of Pennsylvania, with a Bachelor of Science degree in Economics.

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

Mr Ho has served as an independent director on the SGX Board since 15 November 1999. He was last re-elected onto the SGX Board on 11 December 2000. In 1995, Mr Ho was appointed Executive Director in Pacific Asset Management (S) Pte Ltd, where he is the Chief Investment Officer overseeing all its investment strategies. Mr Ho’s experience includes 19 years with Bankers Trust Company where he was the Regional Head of Southeast Asian Operations and was responsible for the execution of the bank’s global trading business in Asia. Mr Ho serves as an independent

director on the boards of several SGX-listed companies, namely, Tuan Sing Holdings Ltd, SPP Limited, Fraser and Neave Ltd, SMRT Corporation Limited, The Overseas Assurance Corporation Limited, Times Publishing Ltd and Great Eastern Holdings Ltd. He is also a member of the Board of Directors of the SAVER-Premium Fund of the Ministry of Defence, and Singapore Power International Pte Ltd. Mr Ho holds a Bachelor of Economics (Honours) from Portsmouth University in the United Kingdom, and has graduated from the Executive Management Program at Carnegie Mellon University.

Directors’ Information

Victor Liew Cheng San
Chairman
OUB Bullion and Futures Ltd

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

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

Mr Liew has served as Chairman of OUB Bullion and Futures Ltd since 1993. Previously, he was the Head of Treasury at First National Bank of Chicago. Mr Liew has been actively involved in the development of Singapore International Monetary Exchange Ltd (SIMEX) since its inception in 1984. He has been a Director of SIMEX since 1991 and Chairman from 1996 to 1999.

He also served as a member of the Pro-Tem Committee overseeing the merger of SES and SIMEX. In addition, Mr Liew is currently alternate Chairman of the Singapore Foreign Exchange Market Committee (SFEMC). He has been an active member of the SFEMC representing "Treasury" Markets since its inception in 1986 and was its Chairman from 1996 to April 1999. Mr Liew is also the Chairman of the Singapore Commodity Exchange Ltd. He graduated from the University of Singapore in 1973 with a degree of Bachelor of Social Sciences with Honours.

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

Mr Low is currently the Merrill Lynch Head of Equities for Asia-Pacific, Japan and Australia. Prior to this, he was the Vice-Chairman of the Corporate & Institutional Client Group for their Asia-Pacific region. Mr Low also sits on the Board of the Infocomm Development Authority of Singapore and is serving as the Chairman of its investment arm, Infocomm Investments

Pte Ltd. He had also held several advisory roles on various Singapore Government Committees including the Financial Centre Advisory Group. He graduated from the London School of Economics (LSE) with a B.Sc. (Econ)(First Class Honours) in June 1983 and a M.Sc. (Econ) in June 1984. During his stay at the LSE, he was awarded the Allan Young Prize, the Baxter-Edey Award and the Henry Luce Foundation Award.

Directors’ Information

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

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

Mr Mine is presently based at the Investment Banking Headquarters of Orix Corporation in Japan. He has served as Managing Director overseeing the company’s Private Equity business since January 2001. Prior to that, Mr Mine was Managing Director of Tokyo-Mitsubishi International (Singapore) Ltd — an investment banking subsidiary of Bank of Tokyo-

Mitsubishi — since April 1996. Mr Mine began his banking career with the Bank of Tokyo right after his graduation from the Hitotsubashi University, Tokyo in 1973. He moved to the investment banking business after spending several years in foreign exchange and commercial banking. Over the last 20 years, he has held several management positions at Headquarters, London, Hong Kong and Singapore respectively.

Robert Stein
Chairman
Deutsche Asia Pacific Holdings

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

Mr Stein is the CEO, Asia Pacific, Deutsche Bank Group where he is responsible for the Group’s activities in Asset Management, Private Banking and Retail Banking. Before joining Deutsche Bank, he was Head of Debt and Equity Markets, Asia Pacific at Merrill Lynch. He is also a non-executive director

or advisor for several e-commerce companies and funds, such as Frontline Technologies Corporation Ltd, E-Millennium Ltd Fund, I-Options USA, ComMira USA, Focus Ventures II USA Fund. Mr Stein holds a Bachelor of Arts degree in Philosophy and Biochemistry (Honours) from Dartmouth College and a Master of Science degree in International and Development Economics from University College, Oxford University.

Directors’ Information

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

Mr Teo has served as an independent director on the SGX Board since 15 November 1999. He is proposed for re-election at SGX’s forthcoming Annual General Meeting on 26 September 2001. Mr Teo has a deemed interest in 7,323,000 ordinary shares in SGX through J.M. Sassoon & Co. (Pte) Ltd. and a deemed interest in 963,636 ordinary shares in SGX through Sassoon Financial Futures Pte Ltd.
He was elected Committee Member of the Stock Exchange of Singapore Ltd (SES) in October 1984 and since

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


Wong Ngit Liong
Managing Director
Venture Manufacturing (Singapore) Ltd

Mr Wong has served as an independent director on the SGX Board since 15 November 1999. He is proposed for re-election at SGX’s forthcoming Annual General Meeting on 26 September 2001.
Mr Wong was instrumental in developing the business of Venture Manufacturing from the start-up phase. Prior to Venture, Mr Wong spent more than 12 years with Hewlett-Packard Company in various management positions at headquarters Palo Alto, Santa Clara and Cupertino Divisions, HP Singapore

and HP Malaysia. Mr Wong is also an independent director on the boards of SGX-listed Keppel Capital Holdings Ltd, Keppel TatLee Bank Ltd, SIA Engineering Company Ltd and k1 Ventures Ltd. Mr Wong holds a first class (Honors) degree in Electrical Engineering, and a Master of Science (Electrical Engineering) degree from the University of California at Berkeley where he was a Fulbright Scholar. He also holds a Master of Business Administration degree (with distinction) from McGill University under the Canadian Commonwealth Fellowship.

Management Team

From left to right



Roy Simpson Senior Vice President and Division Head	John Duggan Senior Vice President and Division Head	Jimmy Ang Kong Heng Executive Vice President and Division Head	Peter Chia Chon Hian Executive Vice President and Division Head	Gan Seow Ann Executive Vice President and Division Head	Thomas A. Kloet CEO	Ang Swee Tian President	John Gollifer Senior Vice President and Division Head	Anderson Tang Siu Ki Senior Vice President CFO and Division Head	Lew Seng Huat Senior Vice President and Division Head	Daniel Tan Bak Hiang Executive Vice President and Division Head	Alan Shaw Executive Vice President and Division Head
IT Solutions	Derivatives Clearing	Derivatives Trading	Securities Clearing and Depository	Securities Trading			Corporate Strategy and Marketing	Finance and Administration	Human Resources	Information Technology	Risk Management and Regulation

Corporate Information

Board of Directors J Y Pillay, Chairman Thomas A. Kloet, Chief Executive Officer Richard Gnodde, Director Goh Yew Lin, Director Ho Tian Yee, Director Victor Liew Cheng San, Director Low Check Kian, Director Hidetoshi Mine, Director Robert Stein, Director George Teo Eng Kim, Director Wong Ngit Liong, Director	Company Secretary Joyce Fong Foong Chao Audit Committee Ho Tian Yee, Chairman Victor Liew Cheng San Hidetoshi Mine Robert Stein Wong Ngit Liong Nominating Committee J Y Pillay, Chairman	Goh Yew Lin Ho Tian Yee Victor Liew Cheng San Low Check Kian George Teo Eng Kim Appeals Committee J Y Pillay, Chairman Victor Liew Cheng San Low Check Kian Colin Ng, Non Director George Teo Eng Kim	Lucien Wong, Non Director Compensation and Management Development Committee J Y Pillay, Chairman Thomas A. Kloet Richard Gnodde Low Check Kian Hidetoshi Mine Robert Stein Wong Ngit Liong	Strategy Committee J Y Pillay, Chairman Thomas A. Kloet Goh Yew Lin Ho Tian Yee Low Check Kian Robert Stein Conflicts Committee Thomas A. Kloet, Chairman Joyce Fong Foong Chao Robert Stein	Daniel Tan Bak Hiang Wong Ngit Liong Management Committee Thomas A. Kloet, Chairman Ang Swee Tian Jimmy Ang Kong Heng Peter Chia Chon Hian John Duggan Gan Seow Ann John Gollifer Lew Seng Huat	Alan Shaw Roy Simpson Daniel Tan Bak Hiang Anderson Tang Siu Ki Registered Office Singapore Exchange Limited 1 Raffles Place #07-00 OUB Centre Singapore 048616 Telephone: (65) 236 8888 Facsimile: (65) 535 6994	Website: www.sgx.com Share Registrar Lim Associates (Pte) Ltd 10 Collyer Quay #19-08 Ocean Building Singapore 049315 Auditors PricewaterhouseCoopers 8 Cross Street #17-00 PWC Building	Singapore 048424 Partner-in-charge: Phillip Tan
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Corporate Governance Report

For the financial year 2000/01

Code Compliance Checklist

Code Compliance Checklist

Code Compliance Checklist

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

1 BOARD OF DIRECTORS

1.1 The Board meets at least once every two months and supervises the management of the business and affairs of the Company. The Board approves the Company's strategic directions, action plan and tactical implementation, appointment of board directors and key managerial personnel, annual budgets,

Principle 1, GN*:
1.1, 1.2

major funding and investment proposals, and reviews the financial performance of the Company. Board approval is specifically required for any funding or investment proposal above S\$5 million.

1.2 To facilitate effective management, certain functions have been delegated by the Board to various Board Committees, each of which has its own written terms of

Principle 4, GN:
4.1

Principle 11

reference.

1.3 Key information regarding the directors is given in “Directors’ Information” on page 42. The number of board meetings held in the year, as well as the attendance of every board member at those meetings and meetings of the various Board Committees is given on page 74.

1.4 The Board consists of a majority of non-

Principle 1, GN:

Principle 4, GN:
4.5Principle 11, GN:
1.7

Principle 2

* GN – Guidance Note

Corporate Governance Report

Code Compliance Checklist		Code Compliance Checklist		Code Compliance Checklist		Code Compliance Checklist		
1.5	executive and independent directors whose objective judgement and collective experience is a valuable asset and resource.	Principle 6	Principle 10, GN: 10.2	2	AUDIT COMMITTEE (“AC”)	Principle 11, GN: 11.1	Principle 12, GN: 12.1	
	2.1			The AC comprises five members, all of whom are independent non-executive directors.	2.3			The AC performs the following functions:
	In order to ensure that the Board is able to fulfill its responsibilities, management provides the Board with the monthly management accounts, and a quarterly report of the Company’s activities.			2.2	The AC has established a quarterly reporting practice to review the financial statements before the announcement, in view of SGX’s move to quarterly reporting of its financial results.			a

Corporate Governance Report

Code Compliance Checklist		Code Compliance Checklist		Code Compliance Checklist		Code Compliance Checklist				
2.4	financial statements, related exchange compliance policies, and programmes and reports received from regulators. The Committee has the power to conduct or authorise investigations into any matters within the Committee's scope of responsibility.	Principle 11, GN: 11.3	2.6	Best Practices Guide on Audit Committee. The AC, having reviewed the volume of non-audit services to the Company by the external Auditors, and being satisfied that the nature and extent of such services will not prejudice the independence and objectivity of the external Auditors, are pleased to confirm their re-nomination.	Principle 11, GN: 11.4, 11.6	2.7	The AC has met with the external and internal Auditors, without the presence of the Company's management.	Principle 11, GN: 11.5	3.2	The appointment of members of the NC is subject to the prior approval of the Monetary Authority of Singapore.
2.5	In the opinion of the AC, the Company complies with the SGX Securities Trading					3.0	NOMINATING COMMITTEE ("NC")	Principle 4, GN: 4.2	3.3	The NC also conducts ad-hoc meetings to interview and approve the appointment of senior management positions.
		3.1	The NC is charged with the responsibility to review and make recommendations to the Board on all board appointments and re-appointments.	3.4	In accordance with the requirements of the Code of Corporate Governance ("CGC"), the NC has also conducted:					

Corporate Governance Report

Code Compliance Checklist		Code Compliance Checklist		Code Compliance Checklist		Code Compliance Checklist	
a	an exercise to determine the independence of each director, and	Principle 4, GN: 4.3	criteria, and had also, in conjunction with the CMD Committee, conducted a review of the CEO's performance and approved the CEO's performance targets (including quantitative financial figures such as EBITDA, ROE and revenue growth) for the next financial year.	3.6	The NC, in assessing the contribution by each individual director to the	effectiveness of the Board, has, at this stage, decided to adopt a purely objective criterion, which is the attendance record of the director at Board and Committee Meetings.	Principle 5, GN: 5.3
	b a formal assessment of the effectiveness of the Board as a whole and the contribution by each director to the effectiveness of the Board.	Principle 5					
3.5	In the process of evaluating the Board's performance, the NC had considered a set of quantitative and qualitative performance	Principle 5, GN: 5.1, 5.2					
4.	COMPENSATION AND MANAGEMENT DEVELOPMENT COMMITTEE ("CMD COMMITTEE")						
4.1	The CMD Committee comprises seven directors, of whom a majority are non-executive and independent directors.	Principle 7, GN: 7.1					
4.2	The CMD Committee reviews all matters concerning the Company's senior management remuneration programme to	Principle 7, GN: 7.3					

Corporate Governance Report

Code Compliance Checklist	Code Compliance Checklist	Code Compliance Checklist	Code Compliance Checklist
<p>ensure that it is competitive and sufficient to attract, retain and motivate senior management of the required quality to run the Company successfully. The CMD Committee also reviews the Company's incentive and bonus schemes.</p> <p>4.3 The CMD Committee also administers the SGX Share Option Plan (the "Plan") established on 1 November 2000, in</p>	<p>accordance with the rules as approved by shareholders.</p> <p>4.4 The CMD Committee also reviews all matters concerning the non-executive director's remuneration programme to ascertain that the remuneration is commensurate with the contribution and responsibilities of the director.</p> <p>Principle 8, GN: 8.3</p>	<p>5 APPEALS COMMITTEE</p> <p>5.1 The Appeals Committee conducts hearings on appeals against the decisions of the exchange with regard to the cancellation of contracts transacted on the securities market, disciplinary actions taken against members of the securities and derivatives markets for breaches of exchange rules, matters relating to</p>	<p>admission or rejection of applications for memberships.</p> <p>5.2 The Appeals Committee also conducts hearings on appeals against the decisions of the Business Conduct Committee, the Clearing House Committee and the Disciplinary Committees of the Company's securities and derivatives markets.</p> <p>5.3 A total of three appeals have been filed</p>

Corporate Governance Report

Code Compliance Checklist		Code Compliance Checklist		Code Compliance Checklist		Code Compliance Checklist	
and heard by the Appeals Committee as at the date of this report.		periodically review the overall strategic direction of the exchange; to review and consider material new strategic developments of the exchange; and to review and consider material new businesses of the exchange. The SC will consider ideas mooted by the Board, as well as the management of SGX.		7 CONFLICTS COMMITTEE		approval of the Monetary Authority of Singapore.	
6 STRATEGY COMMITTEE (“SC”)				7.1	The Conflicts Committee was constituted as a consequence of SGX’s listing in November. The Head of the Risk Management and Regulation Division, Alan Shaw, is the secretary of this committee.	7.3	The Conflicts Committee’s responsibility is to consider possible conflicts of interest that may arise from the listing or quotation of SGX shares on SGX Securities Trading.
6.1	The SC serves as an advisory committee, making recommendations to the Board on corporate policies and strategies pertaining to any area of SGX’s activities. Its principal responsibilities are to			7.2	The appointment of members of the Conflicts Committee is subject to the prior	7.4	The Conflicts Committee has not, in the past eight months since SGX’s listing, encountered any occasion requiring the

Corporate Governance Report

Code Compliance
Checklist

Code Compliance
Checklist

Code Compliance
Checklist

Code Compliance
Checklist

necessity for a meeting.

8 MANAGEMENT COMMITTEE

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

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

9 DEALINGS IN SECURITIES

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

Dated: 30 June 2001

Corporate Governance Report

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

Statistics of Shareholdings

As at 13 August 2001

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

Distribution of Shareholdings				
Size of Shareholdings	Number of Shareholders	%	Number of Shares	%
1–1,000	3,209	26.72	3,193,276	0.32
1,001 –10,000	7,470	62.20	27,761,092	2.78
10,001–1,000,000	1,283	10.69	113,058,020	11.30
1,000,001 and above	47	0.39	855,987,612	85.60
Total	12,009	100.00	1,000,000,000	100.00
Substantial Shareholders				
	Number of Shares			%
	Direct Interest	Deemed Interest	Total Interest	
The Capital Group Companies, Inc	–	54,073,000	54,073,000	5.41

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

¹ Pursuant to Section 11 (2) (b) of the Exchanges (Demutualisation & Merger) Act 1999 ("Merger Act"), SEL Holdings Pte Ltd ("SEL"), being the special purpose company set up under the Merger Act to, inter alia, warehouse the SGX shares, shall not exercise or control the exercise of votes attached to the SGX shares. Owing to the restriction in the exercise of votes attached to the shares, SEL is not regarded as a substantial shareholder of SGX.



The Central Depository (Pte) Ltd

SINGAPORE
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100 200 300 400 500 600 700 800 900 1000

Directors’ Report

For the financial year ended 30 June 2001

The directors present their report to the members together with the audited financial statements of the Company (“SGX”) and of the Group for the financial year ended 30 June 2001.

Directors The directors of the Company at the date of this report are:			
J Y Pillay, Chairman Ho Tian Yee Robert Stein	Thomas A. Kloet, Chief Executive Officer Victor Liew Cheng San George Teo Eng Kim	Richard Gnodde Low Check Kian Wong Ngit Liong	Goh Yew Lin Hidetoshi Mine

Principal Activities
The principal activities of the Company are those of investment holding, treasury management and the provision of management and administrative services to related corporations. The principal activities of the individual subsidiaries are set out in Note 14 to the financial statements. There have been no significant changes in the principal activities of the Company and its subsidiaries during the financial year.

Results for the Financial Year	The Group	The Company
	\$'000	\$'000
Profit after tax attributable to the members of Singapore Exchange Limited	49,025	76,935

Material Movements in Reserves and Provisions Material movements in reserves during the financial year were as follows:	The Group	The Company
	\$'000	\$'000
a <u>Share Premium Account</u> Transfer from share premium account to issued share capital on issue of bonus shares	(2,741)	(2,741)
b <u>Foreign Currency Translation Reserve</u> Net exchange difference arising on translation of financial statements of foreign subsidiary	11	—
Material movements in provisions are set out in the notes to the financial statements.		

Acquisition and Disposal of Subsidiaries
On 6 July 2000, Singapore Exchange Derivatives Clearing Limited (“SGX-DC”) was incorporated as a wholly-owned subsidiary of the Company with an authorised share capital of \$100,000 comprising ordinary shares of \$1 each and an initial issued and paid up capital of \$2 comprising two ordinary shares of \$1 each.
On 6 February 2001, the Company’s subsidiary, Singapore Exchange IT Solutions Pte Limited (“SGX-ITS”) incorporated a shell company, Megatrex Trading Pte Ltd (“Megatrex”) by subscribing to two ordinary shares of \$1 each. Megatrex is a result of a joint-venture by SGX-ITS with two other securities clearing members, with SGX-ITS eventually having a 51% interest. Megatrex is established to offer technology and operational solutions to broker-dealers and other capital market intermediaries in the Asia-Pacific region to enable them to completely outsource their securities processing and settlement functions. As at 30 June 2001, Megatrex had not started operations.
There were no other acquisitions or disposals of interests in subsidiaries during the financial year.

Issue of Shares and Debentures
a In connection with SGX’s initial public share offering, SGX’s share capital was restructured on 16 November 2000 as follows:

i The then existing 61,670 issued ordinary shares of par value \$1.00 each were sub-divided into 6,167,000 ordinary shares of par value \$0.01 each;
ii A total of 274,150,906 bonus shares of par value \$0.01 each were issued to the then existing shareholders by the capitalisation of \$2,741,509 from the share premium account of the Company;

In accordance with the Exchanges (Demutualisation and Merger) Act 1999 (“Merger Act”), a total of 719,682,094 ordinary shares were issued on 16 November 2000 to SEL Holdings Pte Ltd (“SEL”) at par value \$0.01 each.
Out of the shares issued to SEL, the Company together with SEL, made an initial public offer of 319,700,000 ordinary shares of par value \$0.01 each (comprising an invitation of 278,000,000 shares and an over-allotment of 41,700,000 shares), and a private placement of 150,000,000 ordinary shares of par value \$0.01 each to strategic investors in November 2000 at the offer price of \$1.10 per share.
As of 30 June 2001, SEL held 249,991,184 ordinary shares of par value \$0.01 each in the Company. These shares rank pari passu in all respects with the existing issued ordinary shares of the Company. Under Section 11 of the Merger Act, SEL holds these shares for the benefit of the Financial Sector Development Fund (“FSDF”) and shall not exercise or control the exercise of the votes attached to the shares.
Consequently, the issued and fully paid share capital of the Company increased from \$61,670 as at 30 June 2000 to \$10 million as at 16 November 2000.
On 23 November 2000, the Company was admitted to the official list of Singapore Exchange Securities Trading Limited (“SGX-ST”).

Directors’ Report

b During the financial year, the following subsidiaries of the Company issued ordinary shares:			
<u>Singapore Exchange Derivatives Clearing Limited (“SGX-DC”)</u> On 6 July 2000, SGX-DC was incorporated as a wholly-owned subsidiary of the Company with an authorised share capital of \$100,000 comprising 100,000 ordinary shares of \$1 each and initial issued and paid up capital of \$2 comprising two ordinary shares of \$1 each. Subsequently on 29 June 2001, the issued and paid up share capital of SGX-DC was increased to \$100,000 by the issue of 99,998 ordinary shares of \$1 each at a total premium of \$67,900,000 to the Company, satisfied by offsetting an intercompany payable to the Company of \$67,999,998, which arose from the transfer of assets to SGX-DC for its derivatives clearing operations. <u>Megatrex Trading Pte Ltd (“Megatrex”)</u> On 6 February 2001, the Company’s subsidiary, Singapore Exchange IT Solutions Pte Limited (“SGX-ITS”) purchased a shell company, Megatrex whose issued and paid-up capital as at 30 June 2001 is \$2. It is intended that Megatrex should be a joint-venture vehicle with 2 joint-venture partners, DBS Securities Pte Ltd and OCBC Securities Pte Ltd, to provide backroom outsourcing services to securities brokers.			
c There were no other issues of shares or debentures by any corporation in the Group during the financial year.			
Arrangements to Enable Directors to Acquire Shares and Debentures The Company was not, at any time during the financial year, a party to any arrangement whose object was to enable the directors of the Company to acquire benefits by means of an acquisition of shares in, or debentures of, the Company or any other body corporate, other than as disclosed under “Share Options” in this report.			
Directors’ Interests in Shares or Debentures			
a The directors holding office at the end of the financial year had the following interests in the share capital of the Company:			
	Number of ordinary shares registered in name of director or nominee		Number of ordinary shares in which a director is deemed to have an interest
	\$0.01 each at 30.6.2001	\$1 each at 1.7.2000	\$0.01 each at 30.6.2001 \$1 each at 1.7.2000
J Y Pillay	212,000	—	—
Goh Yew Lin	—	—	2,340,000 1,257
Robert Stein	8,000	—	—
George Teo Eng Kim	—	—	8,286,636 1,359

According to the register of directors’ shareholdings, the director holding office at 30 June 2001 who had interests in the options to subscribe for ordinary shares of the Company is set out below:		
	Number of unissued ordinary shares of \$0.01 each under option held by director at 30.6.2001	Number of unissued ordinary shares of \$1 each under option held by director at 1.7.2000
Thomas A. Kloet	12,500,000	616
There was no change in any of the abovementioned interests in the Company or in related corporations between the end of the financial year and 21 July 2001.		
Dividends Dividends paid, declared or proposed during the Company’s financial year ended 30 June 2001 are as follows:		
		\$’000
An interim gross dividend of 3 cents per share, net of tax at 24.5% was paid on 8 March 2001 in respect of the financial year ended 30 June 2001		22,650
A proposed final gross dividend of 4.3 cents per share net of tax at 24.5% to be paid in respect of the financial year ended 30 June 2001		32,465
Bad and Doubtful Debts Before the financial statements of the Company 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 of the Company. The directors have satisfied themselves that all known bad debts of the Company 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 in the consolidated financial statements of the Group inadequate to any substantial extent.		
Current Assets Before the financial statements of the Company were made out, the directors took reasonable steps to ascertain that current assets of the Company which were unlikely to realise their book values in the ordinary course of business have been written down to their estimated realisable values 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 values attributed to current assets in the consolidated financial statements misleading.		

Directors’ Report

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 or any corporation in the Group which secure the liability of any other person, nor has any contingent liability arisen since the end of the financial year in the Company or any other corporation in the Group.

Ability to Meet Obligations

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

Other Circumstances Affecting the Financial Statements

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

Unusual Items

In the opinion of the directors, the results of the operations of the Company and of the Group during the financial year have not been substantially affected by any item, transaction or event of a material and unusual nature, except for the exceptional loss of \$20,545,421 arising from the liquidation of the Group’s equity portfolio.

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 and of the Group for the financial year in which this report is made.

Directors’ Contractual Benefits

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

Mr J Y Pillay and Mr Thomas A. Kloet are directors of SEL. Pursuant to Section 8 of the Merger Act, the Company made a single offer of 719,682,094 ordinary shares of par value \$0.01 each at par to SEL, who then, together with the Company, made an initial public offer of some of the shares as detailed in the section on “Issue of Shares and Debentures”.
Neither Mr J Y Pillay nor Mr Thomas A. Kloet has any financial interest in SEL.

Share Options

a SGX Share Option Plan (“Scheme”)

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

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

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

Scheme for Group Employees [as defined in the rules of SGX Share Option Plan (“Rules”)]

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

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

Options granted to Non-Executive Directors or Associated Company Employees with subscription prices which are equal to, or higher than, the Market Price of SGX shares may be exercised one year after the date of the grant; while options with subscription prices at a discount to the Market Price may be exercised 2 years after the date of the grant. Options granted will have a term no longer than five years from the date of grant.

Restrictions

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

Options Granted Under the Scheme

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

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

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

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

Directors’ Report

b Thomas A. Kloet's Employment Contract (“Contract”) The SGX share options under the Contract was granted to Mr Thomas A. Kloet at the EGM.				
<u>Options Granted Under the Contract</u> In respect of this financial year, Mr Thomas A. Kloet is entitled, pursuant to the Contract, to an option to subscribe for 0.25% of SGX’s issued share capital as of the date of the grant, i.e. 24 April 2001, at a subscription price per share equal to the fair market value of a share at the date of the grant. The option vests and becomes exercisable 12 months from the date of the grant of the option for the period of 10 years. Details of the option granted are as follows:				
Name of participant	Number of ordinary shares granted under options during the financial year under review	Aggregate number of ordinary shares granted under options since commencement of Contract to end of the financial year under review	Aggregate number of ordinary shares granted under options exercised since commencement of Contract to end of the financial year under review	Aggregate number of ordinary shares granted under options outstanding as at end of the financial year under review
Thomas A. Kloet	2,500,000	12,500,000 *	–	12,500,000
* The breakdown of the number of ordinary shares of SGX granted under the options to Mr Thomas A. Kloet since the commencement of the Contract to the end of the financial year is as follows:				
	Date of grant	Exercise period	Number of ordinary shares granted under options	Subscription price
	24.4.2000	24.4.2001 to 23.4.2010	5,000,000 **	\$1.10
	24.4.2000	24.4.2001 to 23.4.2010	5,000,000 **	\$1.65
	24.4.2001	24.4.2002 to 23.4.2011	2,500,000	\$1.17
** Adjusted from 308 shares to 5,000,000 shares due to the change in the capital structure of SGX.				
Apart from the options already granted as shown above, Mr Thomas A. Kloet will be entitled, pursuant to the Contract, to a share option effective on 24 April 2002, to subscribe for 0.25% of SGX’s issued share capital as of the date of the respective grant, at a subscription price per share equal to the Market Price at the date of the grant. Market Price is the average of the closing prices of SGX’s ordinary shares on SGX-ST over five consecutive market days immediately preceding the date of grant of that option. The terms of the options granted are in accordance with the Contract duly approved by the SGX shareholders at the EGM.				

c Issue of Shares Under Option (the Scheme and the Contract) During the financial year, no SGX shares were allotted and issued by virtue of the exercise of the options granted pursuant to the Scheme or the Contract.								
d Unissued Shares Under Option (the Scheme and the Contract) There were 20,290,000 unissued ordinary shares under the options granted pursuant to the Scheme and the Contract at the end of the financial year. Details of the options to subscribe for ordinary shares of \$0.01 each of SGX granted to Group Employees pursuant to the Scheme and Mr Thomas A. Kloet under the Contract are as follows:								
Date of grant	Balance as at 1.7.2000 or date of grant if later	Adjustments* **	Options lapsed	Options exercised	Balance as at 30.6.2001	Number of holders as at 30.6.2001	Subscription price	Exercise period
24.4.2000	308	4,999,692	–	–	5,000,000	1***	\$1.10	24.4.2001 to 23.4.2010
24.4.2000	308	4,999,692	–	–	5,000,000	1***	\$1.65	24.4.2001 to 23.4.2010
20.11.2000	8,547,000	–	(757,000)	–	7,790,000	594	\$1.10	20.11.2002 to 19.11.2007
24.4.2001	2,500,000	–	–	–	2,500,000	1***	\$1.17	24.4.2002 to 23.4.2011
Total	11,047,616	9,999,384	(757,000)	–	20,290,000			
** Adjusted from 308 shares to a total of 5,000,000 shares due to the change in the capital structure of SGX								
*** Relates to Thomas A. Kloet								
The options granted by SGX do not entitle the holders of the options, by virtue of such holdings, to any right to participate in any share issue of any other company. There are no SGX employees who have been granted or who hold options representing 5% or more of the total number of shares available under the Scheme. No share options were granted to the SGX directors apart from Mr Thomas A. Kloet pursuant to the Contract, during this financial year.								
Audit Committee The Audit Committee, which its Chairman and all its members are independent non-executive directors, are as follows:								
Ho Tian Yee, Chairman	Victor Liew Cheng San	Hidetoshi Mine	Robert Stein	Wong Ngit Liong				

Directors’ Report

Statement by Directors

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act, including a review of the financial statements of the Company and of the Group for the financial year and the Auditors’ report thereon.
The Audit Committee has nominated PricewaterhouseCoopers for re-appointment as Auditors of the Company at the forthcoming Annual General Meeting.

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

On behalf of the directors


J Y Pillay
Director


Thomas A. Kloet
Director

16 August 2001

In the opinion of the directors, the financial statements set out on pages 17 to 61 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 2001 and of the results of the business and changes in equity of the Company and of the Group and the cash flows of the Group 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


J Y Pillay
Director


Thomas A. Kloet
Director

16 August 2001



Auditors’ Report

For the financial year ended 30 June 2001

Balance Sheets

As at 30 June 2001

Auditors’ Report to the Members of Singapore Exchange Limited	
We have audited the financial statements of Singapore Exchange Limited and the consolidated financial statements of the Group for the financial year ended 30 June 2001 set out on pages 17 to 61. 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 of the Company and consolidated financial statements of the Group are properly drawn up in accordance with the provisions of the Singapore Companies Act ("Act") and Singapore Statements of Accounting Standard and so as to give a true and fair view of:
i	The state of affairs of the Company and of the Group at 30 June 2001, the profit and changes in equity of the Company and of the Group, and the cash flows of the Group for the financial year ended on that date; and
ii	The other matters required by Section 201 of the Act to be dealt with in the financial statements of the Company, and the consolidated financial statements of the Group;
b	The accounting and other records, and the registers required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.
We are satisfied that the financial statements of the subsidiaries that have been consolidated with the financial statements of the Company are in form and content appropriate and proper for the purposes of the preparation of the consolidated financial statements and we have received satisfactory information and explanations as required by us for those purposes.	
The Auditors’ reports on the financial statements of the subsidiaries were not subject to any qualification and in respect of subsidiaries incorporated in Singapore did not include any comment made under Section 207(3) of the Act.	
PricewaterhouseCoopers Certified Public Accountants	
Singapore, 16 August 2001	

	Note	The Group		The Company	
		2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Current Assets					
Cash and cash equivalents	3	230,719	601,375	65,964	363,365
Trade receivables	4	314,942	342,218	1,449	395
Margin funds and settlement variation relating to derivatives contracts	5	1,816,244	2,400,006	–	–
Other debtors	6	22,107	31,904	11,200	24,710
Due from fidelity funds	7	204	–	–	–
Amounts under fund management	9	301,632	–	301,632	–
Investments	10	28,196	37,035	–	32,505
Amounts due from subsidiaries – trade	11	–	–	27,753	8,728
Security deposits of derivatives clearing members	12	30,175	23,096	–	–
Securities clearing funds	13	34,194	33,473	–	–
		<u>2,778,413</u>	<u>3,469,107</u>	<u>407,998</u>	<u>429,703</u>
Non-Current Assets					
Club memberships, at cost		728	728	728	528
Investments in subsidiaries	14	–	–	391,340	323,340
Investment in joint-venture	15	–	–	–	–
Property, plant and equipment	16	278,550	62,065	40,381	35,160
Properties under development	17	–	90,883	–	–
		<u>279,278</u>	<u>153,676</u>	<u>432,449</u>	<u>359,028</u>
Net assets of securities and derivatives fidelity funds	7	51,095	50,037	–	–
Total Assets		<u>3,108,786</u>	<u>3,672,820</u>	<u>840,447</u>	<u>788,731</u>

Balance Sheets

		The Group		The Company	
	Note	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Current Liabilities					
Due to fidelity funds	7	–	5,395	–	–
Trade creditors	18	293,196	323,940	–	–
Margin funds and settlement variation relating to derivatives contracts	5	1,816,244	2,400,006	–	–
Other creditors	19	53,278	23,422	12,170	6,130
Amounts due to subsidiaries – non-trade	11	–	–	1,698	16,698
Security deposits received from derivatives clearing members	12	30,175	23,096	–	–
Securities clearing members' contributions to clearing funds	13	9,194	8,473	–	–
Taxation	23	22,301	37,541	1,228	2,034
Proposed dividends	25	32,465	–	32,465	–
		<u>2,256,853</u>	<u>2,821,873</u>	<u>47,561</u>	<u>24,862</u>
Non-Current Liability					
Deferred tax	23	2,362	3,552	–	–
Total Liabilities		<u>2,259,215</u>	<u>2,825,425</u>	<u>47,561</u>	<u>24,862</u>
Net Assets					
		<u>849,571</u>	<u>847,395</u>	<u>792,886</u>	<u>763,869</u>
Equity					
Share capital	20	10,000	62	10,000	62
Reserves		<u>788,476</u>	<u>797,296</u>	<u>782,886</u>	<u>763,807</u>
		<u>798,476</u>	<u>797,358</u>	<u>792,886</u>	<u>763,869</u>
Securities and Derivatives Fidelity Funds					
Accumulated funds	7	51,095	50,037	–	–
		<u>849,571</u>	<u>847,395</u>	<u>792,886</u>	<u>763,869</u>

Income Statements

For the financial year ended 30 June 2001

	Note	The Group		The Company	
		For the financial year ended 30 June 2001	For the financial period from 21 August 1999 (date of incorporation) to 30 June 2000	For the financial year ended 30 June 2001	For the financial period from 21 August 1999 (date of incorporation) to 30 June 2000
		\$'000	\$'000	\$'000	\$'000
Operating Revenue					
Management fees from subsidiaries		–	–	77,097	34,267
Gross dividend income from subsidiaries		–	–	106,490	610,500
Clearing fees (net of rebates)		107,176	78,474	–	–
Rental of computer terminals		27,720	15,648	–	–
Account maintenance and processing fees		31,609	23,828	–	–
Listing and membership fees		17,295	8,355	–	–
Price information fees		11,214	4,098	–	–
Sale of software and other computer services		5,217	1,380	–	–
Other operating revenue		8,132	4,362	289	246
Total Operating Revenue		208,363	136,145	183,876	645,013
Operating Expenses					
Staff costs		62,515	28,502	39,547	18,588
Occupancy costs		14,494	6,226	7,675	3,559
Depreciation		19,716	12,124	7,227	4,317
System maintenance and rental		20,964	7,865	10,557	4,153
Other operating expenses		18,300	9,414	5,598	2,672
Total Operating Expenses		135,989	64,131	70,604	33,289

The accompanying notes form an integral part of these financial statements. Auditors' Report is on page 16.

Income Statements

	Note	The Group		The Company	
		For the financial year ended 30 June 2001	For the financial period from 21 August 1999 (date of incorporation) to 30 June 2000	For the financial year ended 30 June 2001	For the financial period from 21 August 1999 (date of incorporation) to 30 June 2000
		\$'000	\$'000	\$'000	\$'000
Profit from Operating Activities	21	72,374	72,014	113,272	611,724
Net Non-Operating Income/(Expense)	22	(3,478)	10,309	(10,662)	1,516
Profit Before Tax		68,896	82,323	102,610	613,240
Share of results of joint-venture	15	(449)	—	—	—
		68,447	82,323	102,610	613,240
Tax	23	(19,422)	(20,098)	(25,675)	(157,711)
Profit After Tax		49,025	62,225	76,935	455,529
Contribution to fidelity funds		—	(4,150)	—	—
Profit after tax and contribution to fidelity funds		49,025	58,075	76,935	455,529
Basic Earnings per Share (cents)	24				
— Before deduction of contribution to fidelity funds		6.47	22.2		
— After deduction of contribution to fidelity funds		6.47	20.7		
Diluted Earnings per Share (cents)					
— Before deduction of contribution to fidelity funds		6.46	22.2		
— After deduction of contribution to fidelity funds		6.46	20.7		

The accompanying notes form an integral part of these financial statements. Auditors' Report is on page 16.

Consolidated Statement of Changes in Equity

For the financial year ended 30 June 2001

	Note	The Group					
		Share capital	Share premium*	Clearing fund reserve* (Note 13)	Translation reserve*	General reserve	Retained profits
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2000		62	308,278	25,000	17	404,322	59,679
Currency translation differences recognised directly in shareholders' equity		—	—	—	11	—	—
Net profit for the financial year		—	—	—	—	—	49,025
Total Recognised Gains for the Financial Year		—	—	—	11	—	49,025
Bonus issue of ordinary shares	20	2,741	(2,741)	—	—	—	—
Issue of ordinary share capital	20	7,197	—	—	—	—	—
Dividends	25	—	—	—	—	—	(55,115)
Balance at 30 June 2001		10,000	305,537	25,000	28	404,322	53,589
Balance at 21 August 1999 (date of incorporation)		—	—	—	—	—	—
Currency translation differences recognised directly in shareholders' equity		—	—	—	17	—	—
Net profit for the financial period		—	—	—	—	—	58,075
Total Recognised Gains for the Financial Period		—	—	—	17	—	58,075
Issue of ordinary share capital	20	62	308,278	—	—	—	—
Transfer from general reserve		—	—	—	—	(1,604)	1,604
General reserve on acquisition of subsidiaries pursuant to the Exchanges (Demutualisation and Merger) Act 1999		—	—	—	—	401,926	—
Clearing fund reserve on acquisition of subsidiary		—	—	25,000	—	—	—
General reserve on reduction of issued share capital of subsidiary		—	—	—	—	4,000	—
Balance at 30 June 2000		62	308,278	25,000	17	404,322	59,679

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

The accompanying notes form an integral part of these financial statements. Auditors' Report is on page 16.

Statement of Changes in Equity

For the financial year ended 30 June 2001

	Note	The Company			
		Share capital	Share premium*	Retained profits	Total
		\$'000	\$'000	\$'000	\$'000
Balance at 1 July 2000		62	308,278	455,529	763,869
Net profit – total recognised gains for the financial year		–	–	76,935	76,935
Bonus issue of ordinary shares	20	2,741	(2,741)	–	–
Issue of ordinary shares	20	7,197	–	–	7,197
Dividends	25	–	–	(55,115)	(55,115)
Balance at 30 June 2001		10,000	305,537	477,349	792,886
Balance at 21 August 1999 (date of incorporation)		–	–	–	–
Net profit – total recognised gains for the financial period		–	–	455,529	455,529
Issue of ordinary shares		62	308,278	–	308,340
Balance at 30 June 2000		62	308,278	455,529	763,869

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

Consolidated Cash Flow Statement

For the financial year ended 30 June 2001

	Note	2001 \$'000	2000 \$'000
Cash Flows from Operating Activities			
Profit before tax and share of results of joint-venture		68,896	82,323
Adjustments for:			
– Depreciation		19,716	12,124
– Net loss on revaluation of investments		13,960	343
– Interest income		(10,128)	(10,337)
– Net gain on disposal of property, plant and equipment		–	(41)
Operating cash flow before working capital change		92,444	84,412
Change in operating assets and liabilities			
– Trade and other receivables		32,023	199,557
– Trade and other payables		(27,332)	(207,068)
Cash generated from operations		97,135	76,901
Income tax paid		(36,056)	(18,205)
Dividends paid		(22,650)	–
Net Cash from Operating Activities		38,429	58,696
Cash Flows from Investing Activities			
Payments for properties under development		(100,864)	(25,130)
Payments for property, plant and equipment		(23,313)	(6,743)
Payments for club membership		–	(225)
Purchase of investments		(315,000)	–
Interest received		13,822	10,337
Proceeds from sale of investments		9,000	4,000
Receipt from property, plant and equipment (prior year additions) claimed under FSDF		112	–
Investment in joint-venture		(50)	–
Proceeds from disposal of property, plant and equipment		–	86
Net Cash used in Investing Activities		(416,293)	(17,675)

The accompanying notes form an integral part of these financial statements. Auditors' Report is on page 16.

Consolidated Cash Flow Statement

	Note	2001 \$'000	2000 \$'000
Cash Flows from Financing Activities			
Net proceeds from issue of ordinary shares		7,197	—
Net Cash from Financing Activities		7,197	—
Net (Decrease)/Increase in Cash and Cash Equivalents Held		(370,667)	41,021
Cash and Cash Equivalents at the Beginning of the Financial Year/Period		601,375	—
Cash acquired on acquisition of subsidiaries	31	—	560,337
Effects of exchange rate changes on cash and cash equivalents		11	17
Cash and Cash Equivalents at the End of the Financial Year/Period	3	230,719	601,375

Notes to the Financial Statements

For the financial year ended 30 June 2001

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.	
1 General	
a	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. The address of the registered office is: 1 Raffles Place #07-00 OUB Centre Singapore 048616 The principal activities of the Company are those of investment holding, treasury management and the provision of management and administrative services to related corporations. The principal activities of the individual subsidiaries are set out in Note 14 to the financial statements. There have been no significant changes in the principal activities of the Company and its subsidiaries during the financial year.
b	The financial statements for 2001 cover the 12 months ended 30 June 2001. The financial statements for 2000 cover the financial period from 21 August 1999 to 30 June 2000. The Company was incorporated on 21 August 1999 to effect the demutualisation and merger of the Stock Exchange of Singapore and Singapore International Monetary Exchange. The merger took place on 1 December 1999 and the Company had no operations prior to the merger. Accordingly, the comparative figures for the financial statements and its related notes are not directly comparable. Certain comparative figures have been re-classified to conform with current year's presentation.
2 Significant Accounting Policies	
a	<u>Basis of Accounting</u> The financial statements are prepared in accordance with the historical cost convention, modified to include investments at market value and are expressed in Singapore dollars. The financial statements are prepared in compliance with Singapore Statements of Accounting Standard.
b	<u>Basis of Consolidation</u> The consolidated financial statements include the financial statements of the Company and all its subsidiaries made up to the end of the financial year. The results of subsidiaries acquired or disposed of during the financial year are included in or excluded from the consolidated income statement from the date of their acquisition or disposal. Intercompany balances and transactions resulting unrealised profits are eliminated in full on consolidation.

The accompanying notes form an integral part of these financial statements. Auditors' Report is on page 16.

Notes to the Financial Statements

- c

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 income statement. Exchange differences arising from translating foreign currencies purchased to hedge against specific capital or operating expenditure commitments at balance sheet date are deferred. These are released to match against the related capital or operating expenditure transactions, when they are incurred.

For the purpose of consolidation of foreign subsidiaries whose operations are integral to those of the Company, all monetary assets and liabilities are translated into Singapore dollars at the exchange rates prevailing at the balance sheet date. All non-monetary assets and liabilities are recorded at the exchange rates when the relevant transactions occurred, and the results are translated using average monthly exchange rates. The exchange differences arising are taken to reserves.
- d

Bad and Doubtful Debts

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

Investments and Amounts Under Fund Management

Quoted investments and amounts under fund management are marked to market, and the differences in market values are included in the income statement.

Unquoted investments are stated at cost less provision for diminution in value that is other than temporary, determined on an individual investment basis.

Investments in subsidiaries that are intended to be held for the long term are stated in the financial statements at cost less provision. Provision is made in recognition of any diminution in the value of the investments which is other than temporary, determined on an individual investment basis.
- f

Joint-Ventures

Investments in joint-ventures are stated in the Company's financial statements at cost less amounts written off where there is a diminution in value which is considered not to be temporary.

Joint-ventures are those equity investments, 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 less losses of joint-ventures is included in the consolidated income statement and the Group's share of net assets is included in the consolidated balance sheet. Where the accounting policies of joint-ventures do not conform with those of the Group, adjustments are made where the amounts involved are considered significant to the Group.
- g

Property, Plant and Equipment

Property, plant and equipment are stated at cost less accumulated depreciation.

- h

Depreciation of Property, Plant and Equipment

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:

Freehold and leasehold buildings	30 to 50 years
Leasehold improvements	Lower of 5 years or remaining lease period
Furniture, fittings and office equipment	3 to 10 years
Computers	
– Hardware	3 to 5 years
– Software	1 to 3 years
Motor vehicles	4 years

Leasehold land is depreciated on a straight-line basis over the remaining term of the lease from date of occupation.

No depreciation is provided on properties under development, work-in-progress and freehold land.

Fully depreciated assets still in use are retained in the financial statements.
- i

Club Memberships

Transferable club memberships are stated at cost less provision for diminution in value that is other than temporary, determined on an individual basis.
- j

Cash and Cash Equivalents

For the purpose of the consolidated cash flow statement, cash and cash equivalents comprise cash in hand and deposits with banks, net of bank overdrafts.
- k

Revenue Recognition

Revenue is recognised on the following basis:

i

Trading, clearing and settlement income, net of rebates, on a due date basis;

ii

Listing and membership fees, maintenance fees and rental income on a time proportion basis;

iii

Price information fees, processing and other income, when the services are rendered;

iv

Interest income, on a time proportion basis;

v

Dividend income is recorded gross in the income statement in the accounting year in which a dividend is declared payable; and

vi

Management fees, when the services are rendered.
- l

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 treatment 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.

Notes to the Financial Statements

m Accounting for Leases

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 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 other long-term payables. The interest element of the finance charge is charged to the income statements over the lease period. Plant and equipment acquired under finance leases are depreciated over the useful life of the asset.

Operating lease payments are charged to the income statement on a straight-line basis over the period of the lease.

When a finance or operating lease is terminated before the lease period has expired, any payment required to be made to the lessor by way of penalty is recognised as an expense in the period in which termination takes place.

n Government Grants

Government grants relating to income are offset against related expenses.

Government grants relating to assets are deducted against the assets to arrive at the carrying amount of the assets.

3 Cash and Cash Equivalents

	The Group		The Company	
	2001	2000	2001	2000
	\$'000	\$'000	\$'000	\$'000
Cash at bank	26,119	42,814	464	4,565
Fixed deposits with banks	204,600	558,561	65,500	358,800
	230,719	601,375	65,964	363,365

4 Trade Receivables

	The Group		The Company	
	2001	2000	2001	2000
	\$'000	\$'000	\$'000	\$'000
Trade receivables comprise:				
Receivables from clearing members:				
– Daily settlements of accounts for due contracts and rights	289,791	319,933	–	–
– Clearing fees	13,536	11,569	–	–
Other trade receivables	11,986	11,085	1,449	395
	315,313	342,587	1,449	395
Less: Provision for doubtful debts	(371)	(369)	–	–
	314,942	342,218	1,449	395

Movements in provision for doubtful debts are as follows:

Balance at the beginning of the financial year/period	369	–	–	–
On acquisition of subsidiaries	–	752	–	–
Writeback during the financial year/period	–	(383)	–	–
Provision for doubtful debts	2	–	–	–
Balance at the end of the financial year/period	371	369	–	–

5 Margin Funds and Settlement Variation Relating to Derivatives Contracts

a The balance comprises:

	The Group	
	2001	2000
	\$'000	\$'000
Margin deposits [Note (b)]	1,801,187	2,396,517
Settlement variation	15,057	3,489
	1,816,244	2,400,006

Notes to the Financial Statements

b Margin deposits comprise cash deposited by clearing members of the derivatives clearing subsidiary as margins for their outstanding derivatives contracts. All cash margin deposits are placed in interest bearing accounts with banks. Interest earned on the margin deposits is credited to the clearing members, with a portion retained by the Group.

In addition, the following amounts of government securities, primarily US government securities, and irrevocable letters of credit as collateral from clearing members in order to meet the latter's obligations are held for margin requirements. These government securities and irrevocable letters of credit are not included as part of the balance sheet of the Group.

	2001 \$'000	2000 \$'000
Quoted government securities:		
– Par value	718,612	854,985
– Market value	750,580	906,160
Irrevocable letters of credit	246,064	323,117

6 Other Debtors

6 Other Debtors	The Group		The Company	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Interest receivable	2,973	6,667	167	4,348
Prepayments	5,673	2,416	2,291	1,148
Deposits	2,455	2,203	2,129	1,234
Staff advances	707	754	439	386
Recoverable merger-related expenses*	6,097	17,503	6,097	17,503
Others	4,202	2,361	77	91
	22,107	31,904	11,200	24,710

* The merger-related expenses paid by the Company will be reimbursed from the proceeds arising from the sale of shares of the Company in accordance with the Exchanges (Demutualisation and Merger) Act 1999.

7 Net Assets of Securities and Derivatives Fidelity Funds

Fidelity funds are maintained by the derivatives and securities exchange subsidiaries, as required by Section 49A of the Futures Trading Act, and Section 75 of the Securities Industry Act respectively, as follows:

	The Group	
	2001 \$'000	2000 \$'000
Securities exchange fidelity fund	30,655	30,027
Derivatives exchange fidelity fund	20,440	20,010
	51,095	50,037

The purpose of the securities exchange fidelity fund maintained by Singapore Exchange Securities Trading Limited ("SGX-ST") is to compensate any person who has suffered a pecuniary loss from any defalcation committed by a member company or its personnel, including its directors, dealer's representatives or employees in relation to any money or property which was entrusted to or received by the member company or its personnel.

The purpose of the derivatives exchange fidelity fund maintained by Singapore Exchange Derivatives Trading Limited ("SGX-DT") is to compensate any person, other than an accredited investor, who suffers pecuniary loss because of a defalcation committed in the course of or in connection with the trading of a derivatives contract which is cleared or to be cleared by Singapore Exchange Derivatives Clearing Limited ("SGX-DC"), by a derivatives member or by any representatives of any derivatives member in relation to any money or other property which was entrusted to or received by that derivatives member or by its representatives.

The assets of the funds belong to the respective exchange companies but are kept separate from all other assets, and are held in trust for the purposes set out in the Futures Trading Act and Securities Industry Act.

Notes to the Financial Statements

	The Group	
	2001	2000
	\$'000	\$'000
The assets of the securities and derivatives fidelity funds comprise:		
Fixed deposits with banks	45,779	39,135
Government securities	5,000	5,000
Interest receivable	614	579
Bank balance	27	53
Due from general fund	–	5,395
	51,420	50,162
The liabilities of the securities and derivatives fidelity funds comprise:		
Other creditors	2	1
Provision for taxation	91	88
Due to general fund	204	–
Deferred tax	28	36
	325	125
Net assets of securities and derivatives fidelity funds	51,095	50,037

8

SIMEX Compensation Fund

a

The SIMEX Compensation Fund (“Fund”) was established by SGX-DT for the primary purpose of providing compensation to customers of any derivatives member who suffer, sustain or incur a loss in consequence of the default of that derivatives member meeting its obligations. The Deed of Settlement dated 25 November 1986 states that upon the winding up of the Fund, the net assets of the Fund shall be distributed in such proportion as the Trustees think fit, to a fund having objects sufficiently similar to the Fund, to SGX-DT or to such charitable institutions or other charitable objects.

	The Group	
	2001	2000
	\$'000	\$'000
b The Fund's net assets at the balance sheet date are:		
Current Assets		
Fixed deposits with banks and bank balances and interest received	22,398	21,728
Quoted bonds, at market value	6,999	6,998
Government securities, at market value	1,523	1,528
	30,920	30,254
Current Liability		
Other creditors and accruals	2	2
Taxation	169	169
	171	171
Non-Current Liability		
Deferred taxation	57	78
Net Assets	30,692	30,005
c The Fund is not included in the Group's balance sheet as it is set up as a trust.		

9

Amounts Under Fund Management

The amounts under fund management can be analysed as follows:

The Group and The Company

2001

2000

\$'000

\$'000

Quoted bond investments at market value

– Government and public

– Corporate

Unit trusts at market value

Cash

– Cash at bank

– Fixed deposits with banks

51,964

5,958

64,770

1,773

177,167

301,632

–

–

–

–

–

–

–

Notes to the Financial Statements

10 Investments		The Group		The Company	
		2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
a Quoted investments, at market value [see (b) below]		26,946	32,785	–	28,255
Unquoted investments, at cost		1,250	4,250	–	4,250
		28,196	37,035	–	32,505
b Quoted investments, at market value					
The aggregate market values of quoted investments are:					
Bonds and debentures					
– government and public		8,251	14,136	–	14,136
– corporate		14,579	14,119	–	14,119
Others		4,116	4,530	–	–
		26,946	32,785	–	28,255
11 Amounts Due from/(to) Subsidiaries					
The amounts due from/(to) subsidiaries are unsecured, non-interest bearing and have no fixed terms of repayment.					
12 Security Deposits of Derivatives Clearing Members					
The rules of the derivatives clearing subsidiary, Singapore Exchange Derivatives Clearing Limited (“SGX-DC”) require its clearing members to deposit as security for their derivatives clearing obligations, the higher of US\$250,000 or 2.5% of monthly average risk margin in cash or irrevocable letter of credit.					
Cash security deposits are placed in interest bearing accounts with banks. Interest earned on the security deposits is returned to the clearing members, with a portion retained by the Group.					
		The Group			
		2001 \$'000	2000 \$'000		
Cash deposits with banks		30,175	23,096		

In addition, the Group also holds the following irrevocable letters of credit from clearing members, in lieu of cash, for their derivatives clearing obligations. These letters of credit are not included in the balance sheet of the Group.

The Group	
2001 \$'000	2000 \$'000
Irrevocable letters of credit	90,326
	67,557

13 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 obligations and liabilities of defaulting clearing members arising from transactions in approved securities and options.

- a CDP clearing fund**
CDP has prescribed that the fund size will be \$160 million. CDP has contributed \$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. CDP has also purchased \$45 million insurance cover and has provided a standby credit facility of \$75 million to the clearing fund.

Payments out of the CDP clearing fund shall be made in the following order:

- i Contributions by defaulting clearing members
- ii Contributions of CDP
- iii Contributions by all other clearing members on pro-rata basis in the proportion of each clearing member’s turnover to the total turnover of all clearing members at that point of default
- iv Insurance
- v Standby credit facility



Notes to the Financial Statements

b OCC Clearing Fund Each clearing member shall be liable 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 translated or cleared by the clearing member. 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.	
Payments out of the OCC clearing fund shall be made in the following order:	
i Total deposits of defaulting clearing members	
ii Base deposits of all other clearing members on a pro-rata basis	
iii Insurance	
c As at 30 June 2001, securities clearing fund contributors comprise:	The Group
Cash contributions by CDP clearing members	8,3547,603
Cash contributions by OCC clearing members	840870
Total cash contributions by securities clearing members	9,1948,473
Cash contributions by CDP	25,00025,000
	34,19433,473
Contributions by securities clearing members in the form of bank guarantees	12,11411,526
	46,30844,999
As at 30 June 2001, all cash contributions are placed in interest bearing accounts with banks and are included in cash and cash equivalents on the balance sheet. Interest earned on the cash contributions by clearing members is credited to the clearing members while interest earned on the cash contributions by CDP is credited to CDP.	
The bank guarantees are not included in the Group's balance sheet.	
The contributions of clearing members are recorded as current liabilities of the Group.	
The contributions by CDP are included in the reserves of the Group.	

14 Investments in Subsidiaries

Name of subsidiaries	Principal activities	Country of business	Equity holding held by				Cost of investment			
			The Company		Subsidiaries		The Company		Subsidiaries	
			2001 %	2000 %	2001 %	2000 %	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Singapore Exchange Securities Trading Limited	Conducting a securities exchange	Singapore	100	100	—	—	198,000	198,000	—	—
Singapore Exchange Derivatives Trading Limited	Conducting a financial derivatives exchange	Singapore	100	100	—	—	110,340	110,340	—	—
Singapore Exchange Derivatives Clearing Limited	Provide clearing,counterparty guarantee and related services for derivatives transactions	Singapore	100	—	—	—	68,000	—	—	—
The Central Depository (Pte) Limited	Provide clearing,counterparty guarantee, depository and related services for securities transactions	Singapore	100	100	—	—	15,000	15,000	—	—
Singapore Exchange IT Solutions Pte Limited	Provide computer services and maintenance, leasing and rental of software and hardware, developing applications and software maintenance	Singapore	100	100	—	—	#	#	—	—
Macronet Information Pte Ltd	Provide corporate share registration and custody-related services	Singapore	—	—	100	100	—	—	#	#
#	\$2									

Notes to the Financial Statements

Name of subsidiaries	Principal activities	Country of business	Equity holding held by				Cost of investment			
			The Company		Subsidiaries		The Company		Subsidiaries	
			2001 %	2000 %	2001 %	2000 %	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Options Clearing Company (Pte) Limited	Provide facilities for the registration of options and the maintenance of margin for the options relating to securities	Singapore	—	—	100	100	—	—	#	#
SGX America Ltd*	Marketing and disseminating information about Singapore Exchange Limited	United States of America	—	—	100	100	—	—	71	71
Megatrex Trading Pte Ltd	Not yet operational	Singapore	—	—	100	—	—	—	#	—
Securities Clearing and Computer Services (Pte) Limited	Dormant	Singapore	100	100	—	—	—	—	#	#
CDP Nominees Pte Ltd	Provide nominee services	Singapore	—	—	100	100	—	—	#	#
CDP Nominees (II) Pte Ltd	Provide nominee services	Singapore	—	—	100	100	—	—	#	#
Asiaclear Pte Ltd	Dormant	Singapore	—	—	100	100	—	—	#	#
Globalclear Pte Ltd	Dormant	Singapore	—	—	100	100	—	—	#	#
							391,340	323,340	71	71
# \$2										
* Company not required to be audited in the United States of America.										

15 Investment in joint-venture	The Group	
	2001 \$'000	2000 \$'000
Cost	50	—
Share of results	(50)	—
	—	—
The Group has a 50% interest in the joint-venture company, American Stock Exchange – SGX Pte Ltd, held by the Company's subsidiary, Singapore Exchange Securities Trading Limited.		
The Group is committed to fund the joint-venture beyond the current investment. \$399,000 of losses in excess of investment cost has been included in other creditors.		
The joint-venture company, whose principal activity is to promote the listing and trading of exchange traded funds was incorporated on 10 April 2001.		
The following amounts represent the Group's 50% share of the assets and liabilities; and results of the joint-venture which has been equity accounted in the consolidated balance sheet and income statement:		
	The Group	
	2001 \$'000	2000 \$'000
Current assets	53	—
Current liabilities	(452)	—
Net liabilities	(399)	—
Income	2	—
Loss for the financial period	(449)	—

Notes to the Financial Statements

16 Property, Plant and Equipment								
	Freehold land and buildings	Leasehold land and buildings	Leasehold improve- ments	Furniture, fittings and office equipment	Computers	Motor vehicles	Work-in- progress**	Total
The Group	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Cost</i>								
At 1 July 2000	25,739	433	18,146	13,974	90,867	1,091	–	150,250
Additions	–	–	24	187	12,482	–	10,620	23,313
Transfer in from properties under development	–	213,000	–	–	–	–	–	213,000
Disposals	–	–	–	–	(348)	–	–	(348)
At 30 June 2001	25,739	213,433	18,170	14,161	103,001	1,091	10,620	386,215
<i>Accumulated depreciation</i>								
At 1 July 2000	1,377	22	15,657	10,445	60,419	265	–	88,185
Disposals	–	–	–	–	(236)	–	–	(236)
Depreciation charge	275	5	1,581	1,222	16,374	259	–	19,716
At 30 June 2001	1,652	27	17,238	11,667	76,557	524	–	107,665
<i>Net Book Value</i>								
At 30 June 2001	24,087	213,406	932	2,494	26,444	567	10,620	278,550
<i>Net book value</i>								
At 30 June 2000	24,362	411	2,489	3,529	30,448	826	–	62,065

	Freehold land and buildings	Leasehold improve- ments	Furniture, fittings and office equipment	Computers	Motor vehicles	Work-in- progress**	Total
The Company	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
<i>Cost</i>							
At 1 July 2000	25,739	10,541	5,234	22,416	771	–	64,701
Additions	–	–	47	6,613	–	4,946	11,606
Intercompany transfer	–	1,414	2,326	594	273	–	4,607
Disposals	–	–	–	(339)	–	–	(339)
At 30 June 2001	25,739	11,955	7,607	29,284	1,044	4,946	80,575
<i>Accumulated depreciation</i>							
At 1 July 2000	1,377	8,658	4,659	14,794	53	–	29,541
Disposals	–	–	–	(226)	–	–	(226)
Intercompany transfer	–	1,354	1,564	525	209	–	3,652
Depreciation charge	275	1,266	438	5,014	234	–	7,227
At 30 June 2001	1,652	11,278	6,661	20,107	496	–	40,194
<i>Net Book Value</i>							
At 30 June 2001	24,087	677	946	9,177	548	4,946	40,381
<i>Net book value</i>							
At 30 June 2000	24,362	1,883	575	7,622	718	–	35,160
** Work-in-progress comprises system infrastructure under development and leasehold improvements.							

Notes to the Financial Statements

The properties owned by the Group which are used for its operations and staff recreation are as follows:				
<u>Brief description</u>	<u>Tenure</u>			
Office building complex, known as Unity Towers, located at 2 and 4 Shenton Way, Singapore	99 years lease commencing from 13.11.1995			
Industrial building, located at 18 New Industrial Road, Singapore	Freehold			
Villa at Bintan Lagoon Golf and Beach Resort, Indonesia	26 years lease commencing from 14.6.1996			
17 Properties Under Development	The Group			
	2001	2000		
	\$'000	\$'000		
Balance at the beginning of the financial year/period	90,883	—		
On acquisition of subsidiaries	—	65,753		
Payments during the financial year/period	100,864	25,130		
Retention sum accrued	21,253	—		
Transfer to property, plant and equipment	(213,000)	—		
Balance at the end of the financial year/period	—	90,883		
18 Trade Creditors	The Group		The Company	
	2001	2000	2001	2000
	\$'000	\$'000	\$'000	\$'000
Trade creditors comprise:				
Payables to clearing members — daily settlements of accounts for due contracts and rights	289,791	319,933	—	—
Deposits received	—	1,170	—	—
Other trade creditors	3,405	2,837	—	—
	293,196	323,940	—	—

19 Other Creditors	The Group		The Company	
	2001	2000	2001	2000
	\$'000	\$'000	\$'000	\$'000
Other creditors comprise:				
Accrued operating expenses	13,475	9,601	4,552	1,680
Retention sums	21,253	—	—	—
Provision for bonus and CPF	9,047	6,012	5,474	4,298
Interest payable to members	1,956	3,772	—	—
Advance receipts	4,671	3,652	99	50
Others	2,876	385	2,045	102
	53,278	23,422	12,170	6,130
20 Share Capital of Singapore Exchange Limited				
a <u>Authorised Ordinary Share Capital</u>	The Group and The Company			
	2001	2000		
	\$'000	\$'000		
100 billion (2000: 1 billion) ordinary shares of \$0.01 (2000: \$1) each	1,000,000	1,000,000		

Notes to the Financial Statements

b	Issued Ordinary Share Capital	The Group and The Company			
		2001	2000	2001	2000
		Number of shares	Number of shares	Paid up share capital	Paid-up share capital
		'000	'000	\$'000	\$'000
	Balance at the beginning of the financial year/period	62	–	62	–
	Issue shares of \$1 each	–	62	–	62
	Sub-division into shares of \$0.01 each	6,105	–	–	–
	Bonus issue of shares at \$0.01 each	274,151	–	2,741	–
	Issue shares of \$0.01 each	719,682	–	7,197	–
	Balance at the end of the financial year/period	1,000,000	62	10,000	62
All issued shares are fully paid.					
The issued ordinary share capital was increased from \$61,670 to \$10,000,000 on 16 November 2000 as follows:					
i the sub-division of the issued paid-up share capital of the Company from 61,670 ordinary shares of par value \$1 each into 6,167,000 ordinary shares of par value \$0.01 each;					
ii a bonus issue of 274,150,906 ordinary shares of par value \$0.01 each to the then existing shareholders of the Company by capitalising an amount of \$2,741,509 from the share premium account; and					
iii the issue of 719,682,094 ordinary shares of par value \$0.01 each at par to SEL Holdings Pte Ltd (“SEL”).					
Out of the shares issued to SEL, the Company together with SEL, made an initial public offer of 319,700,000 ordinary shares of par value \$0.01 each (comprising an invitation of 278,000,000 shares and an over-allotment of 41,700,000 shares), and a private placement of 150,000,000 ordinary shares of par value \$0.01 each to strategic investors in November 2000 at the offer price of \$1.10 per share.					
As of 30 June 2001, SEL held 249,991,184 ordinary shares of par value \$0.01 each in the Company. These shares rank pari passu in all respects with the existing issued ordinary shares of the Company. Under Section 11 of the Exchanges (Demutualisation and Merger) Act 1999 (“Merger Act”), SEL holds these shares for the benefit of the Financial Sector Development Fund (“FSDF”) and shall not exercise or control the exercise of the votes attached to the shares.					
Consequently, the issued and fully paid share capital of the Company increased from \$61,670 as at 30 June 2000 to \$10 million as at 16 November 2000. The movements in the share premium account are set out in the Statements of Changes in Equity.					

c Outstanding Options		
As at 30 June 2001, there were the following outstanding options to subscribe for ordinary share of \$0.01 each as indicated below:		
i	Option Granted to Thomas A. Kloet	
	Number of options for ordinary shares of \$0.01 each granted	Exercise price
	5,000,000	24.4.2001 to 23.4.2010
	5,000,000	24.4.2001 to 23.4.2010
	2,500,000	24.4.2002 to 23.4.2011
	12,500,000	
The terms of the exercise of options are set out in the Directors' Report under the caption “Share Options”.		
ii	Options Granted to Other Employees	
	Number of options for ordinary shares of \$0.01 each granted	Exercise price
	7,790,000	20.11.2002 to 19.11.2007

Notes to the Financial Statements

21 Profit from Operating Activities	The Group		The Company	
	For the financial year ended 30 June 2001	For the financial period from 21 August 1999 (date of incorporation) to 30 June 2000	For the financial year ended 30 June 2001	For the financial period from 21 August 1999 (date of incorporation) to 30 June 2000
	\$'000	\$'000	\$'000	\$'000
Profit from operating activities is arrived at after:				
Charging:				
Auditors' remuneration				
– Audit service				
– Current year	312	145	135	40
– Prior year	105	–	20	–
– Non-audit services				
– Current year	250	–	170	–
Depreciation of property, plant and equipment				
– Freehold land and buildings	275	161	275	161
– Leasehold land and building	5	3	–	–
– Leasehold improvements	1,581	998	1,266	698
– Furniture, fittings and office equipment	1,222	711	438	177
– Computers	16,374	10,175	5,014	3,244
– Motor vehicles	259	76	234	37
Write-down of property, plant and equipment	–	–	–	5,155
Directors' remuneration and fees				
– Of the Company	4,080	742	4,080	742
– Of the subsidiaries	1,024	596	–	–
Net foreign exchange loss	–	369	13	–
Loss on disposal of property, plant and equipment	–	27	–	–
Rental expenses – operating leases	18,608	8,655	8,847	5,786
Provision for doubtful debts	2	–	–	–
Bad debts written off (trade)	50	–	–	–

	The Group		The Company	
	For the financial year ended 30 June 2001	For the financial period from 21 August 1999 (date of incorporation) to 30 June 2000	For the financial year ended 30 June 2001	For the financial period from 21 August 1999 (date of incorporation) to 30 June 2000
	\$'000	\$'000	\$'000	\$'000
And crediting:				
Rental income from subsidiary	–	–	65	38
Write-back of provision for doubtful trade debts	–	383	–	–
Gross dividend income from subsidiaries	–	–	106,490	610,500
Gain on disposal of property, plant and equipment	–	68	–	68
Net foreign exchange gain	303	–	–	–

Notes to the Financial Statements

22 Net Non-Operating Income/(Expense)	The Group		The Company	
	For the financial year ended 30 June 2001	For the financial period from 21 August 1999 (date of incorporation) to 30 June 2000	For the financial year ended 30 June 2001	For the financial period from 21 August 1999 (date of incorporation) to 30 June 2000
	\$'000	\$'000	\$'000	\$'000
Investment gains/(losses) [note (a)]	(12,743)	989	(13,704)	989
Interest income, other income and other expenses [note (b)]	9,265	9,320	3,042	527
	(3,478)	10,309	(10,662)	1,516
a Investments Gains/(Losses)				
Gains from fund management				
– Interest income	3,650	–	3,650	–
– Unrealised gain on revaluation	4,176	–	4,176	–
– Others	(1,402)	–	(1,402)	–
	6,424	–	6,424	–
Loss on liquidation of equity portfolio [see (c) below]	(20,545)	–	(20,545)	–
Interest income from bonds and debentures	1,218	989	350	989
Profit on sales of investments	–	–	67	–
Unrealised gain on revaluation of investments	160	–	–	–
	(12,743)	989	(13,704)	989
b Interest Income, Other Income and Other Expenses				
Fixed deposit with banks	8,453	8,617	2,574	5,332
Other interest income	457	731	457	10
Sundry income	355	71	11	340
Sundry expenses	–	(99)	–	(5,155)
	9,265	9,320	3,042	527

c The Company has traditionally invested its cash reserves in bank deposits and Singapore government securities. In the year 2000, the Company 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 its decision to become a listed company, the Company decided to invest in fixed-income instruments such as bank deposits, securities of Singapore and G7 governments, statutory boards and government agencies, international investment-grade fixed-income securities and similar high-quality instruments. Consequently, the Company liquidated all its equity portfolio in October 2000 and had realised losses of \$20,545,421.				
23 Tax	The Group		The Company	
	For the financial year ended 30 June 2001	For the financial period from 21 August 1999 (date of incorporation) to 30 June 2000	For the financial year ended 30 June 2001	For the financial period from 21 August 1999 (date of incorporation) to 30 June 2000
a Tax Expense	\$'000	\$'000	\$'000	\$'000
Tax expense attributable to profit is made up of:				
Current income tax provision	19,463	19,007	25,675	157,711
Transfer (from)/to provision for deferred tax	(723)	1,091	–	–
Under provision of income tax in preceding financial period	682	–	–	–
	19,422	20,098	25,675	157,711
b Tax Reconciliation	The income tax expense on the results of the Group for the year is higher than the amount of income tax determined by applying the Singapore standard rate of income tax on companies to profit before taxation mainly due to:			
i	Losses in certain subsidiaries not offsettable against profits from other subsidiaries; and			
ii	Certain expenses not allowable for income tax purposes.			

Notes to the Financial Statements

c <u>Movements in Provision for Current Tax</u>	The Group		The Company	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Balance at the beginning of the financial year/period	37,541	–	2,034	–
On acquisition of subsidiaries	–	36,739	–	–
Income tax paid	(36,056)	(18,205)	(26,481)	(155,677)
Current financial year's/period's tax expense on profit	19,463	19,007	25,675	157,711
Under provision in preceding financial period	682	–	–	–
Transfer from deferred tax provision	467	–	–	–
Fidelity fund taxation	204	–	–	–
Balance at the end of the financial year/period	22,301	37,541	1,228	2,034
d <u>Composition of Deferred Tax</u> Provision for deferred tax comprises the estimated expense at current income tax rates on the following items:	The Group		The Company	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Difference in depreciation and amortisation of fixed assets for accounting and income tax purposes	2,362	2,294	–	–
Other differences	–	1,258	–	–
	2,362	3,552	–	–

e <u>Movements in Provision for Deferred Tax</u>	The Group		The Company	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Balance at the beginning of the financial year/period	3,552	—	—	—
On acquisition of subsidiaries	—	2,461	—	—
Transfer (to)/from income statement	(723)	1,091	—	—
Transfer to tax provision	(467)	—	—	—
Balance at the end of the financial year/period	2,362	3,552	—	—
24 Earnings per Share			The Group	
	For the financial year ended 30 June 2001		For the financial period from 21 August 1999 (date of incorporation) to 30 June 2000	
	\$'000		\$'000	
Profit after tax	49,025		62,225	
Profit after tax and contribution to fidelity funds	49,025		58,075	
Weighted average number of ordinary shares in issue for basic earnings per share ('000)	757,477		280,318	
Adjustment for assumed conversion of share options ('000)	1,206		—	
Weighted average number of ordinary shares for diluted earnings per share ('000)	758,683		280,318	
The number of ordinary shares in issue for 2000 has been adjusted to reflect the sub-division of shares and the bonus shares issued during the financial year ended 30 June 2001.				
Basic earnings per share is calculated as follows:				
i by dividing the profit after tax by the weighted average of ordinary shares in issue during the year; and				
ii by dividing the profit after tax and contribution to fidelity funds by the weighted average number of ordinary shares in issue during the year.				

Notes to the Financial Statements

For purposes of calculating diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted to assume conversion of all dilutive potential ordinary shares. A calculation is done to determine the number of shares that could have been acquired at market price (determined as the average annual share price of the Company's shares) based on the monetary value of the subscription rights attached to outstanding share options to determine the bonus element. The bonus shares are shares added to the number of ordinary shares outstanding but no adjustment is made to profit after tax attributable to members of Singapore Exchange Limited.

25 Dividends

		The Group and The Company
	For the financial year ended 30 June 2001	For the financial period from 21 August 1999 (date of incorporation) to 30 June 2000
	\$'000	\$'000
Ordinary Dividends Paid or Proposed		
Interim gross dividend of 3 cents per share (2000: Nil) net of tax at 24.5% paid	22,650	—
Proposed final gross dividend of 4.3 cents per share (2000: Nil) net of tax at 24.5%	32,465	—
	55,115	—

26 Segment Information

2001	Securities Trading and Clearing	Derivatives Trading and Clearing	Other Operations	The Group
	\$'000	\$'000	\$'000	\$'000
Segment Revenue				
External revenue	140,655	55,435	12,273	208,363
Inter-segment revenue	26	1,330	183,650	185,006
	140,681	56,765	195,923	393,369
Less: Consolidation elimination	(26)	(1,330)	(183,650)	(185,006)
	140,655	55,435	12,273	208,363

2001	Securities Trading and Clearing	Derivatives Trading and Clearing	Other Operations	The Group
	\$'000	\$'000	\$'000	\$'000
<u>Results</u>				
Segment results	83,023	9,535	4,238	96,796
Unallocated costs				(24,422)
Operating profit before tax				72,374
Interest income and other non-operating income				(3,478)
Share of results of joint-venture	(449)			(449)
Income taxes				(19,422)
Net profit				49,025
<u>Other Information</u>				
Segment assets	673,437	2,064,103	8,440	2,745,980
Unallocated assets				362,806
Consolidated total assets				3,108,786
Segment liabilities	324,059	1,863,358	2,494	2,189,911
Unallocated liabilities				69,304
Consolidated total liabilities				2,259,215
Capital expenditure				
– Properties under development	73,460	48,657	—	122,117
– Others	10,106	1,074	527	11,707
– Unallocated				11,606
				145,430
Depreciation				
– Allocated	7,226	5,100	163	12,489
– Unallocated				7,227
				19,716

Notes to the Financial Statements

2000	Securities Trading and Clearing	Derivatives Trading and Clearing	Other Operations	The Group
	\$'000	\$'000	\$'000	\$'000
<u>Segment Revenue</u>				
External revenue	99,883	28,997	7,265	136,145
Inter-segment revenue	—	—	644,805	644,805
	99,883	28,997	652,070	780,950
Less: Consolidation elimination	—	—	(644,805)	(644,805)
	99,883	28,997	7,265	136,145
<u>Results</u>				
Segment results	72,024	6,249	5,039	83,312
Unallocated costs				(11,298)
Operating profit before tax				72,014
Interest income and other non-operating income				10,309
Income taxes				(20,098)
Net profit				62,225
<u>Other Information</u>				
Segment assets	711,985	2,595,644	7,245	3,314,874
Unallocated assets				357,946
Consolidated total assets				3,672,820
Segment liabilities	344,604	2,437,204	2,467	2,784,275
Unallocated liabilities				41,150
Consolidated total liabilities				2,825,425

2000	Securities Trading and Clearing	Derivatives Trading and Clearing	Other Operations	The Group
	\$'000	\$'000	\$'000	\$'000
Capital expenditure				
– Properties under development	19,255	5,875	—	25,130
– Others	3,174	1,865	—	5,039
– Unallocated				1,704
				31,873
Depreciation				
– Allocated	3,794	3,990	23	7,807
– Unallocated				4,317
				12,124
The Group operates mainly in Singapore, with one marketing office in the United States of America.				
<u>Business Segments</u> The Group is organised into three main business segments: i Securities trading and clearing — providing trading, clearing and depository services for the securities market. ii Derivatives trading and clearing — providing trading and clearing services for the derivatives market. iii Other operations — providing ancillary securities processing and information technology services to financial sector participants, and investment activities.				
Financial information about business segments is presented in the schedule above.				
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.				
Segment assets comprise mainly property, plant and equipment, operating cash, debtors and investments.				
Segment liabilities comprise mainly creditors and amount due to third parties. Capital expenditure comprises additions to property, plant and equipment.				
Expenses, assets and liabilities which are common and cannot be meaningfully allocated to the business segments are presented under unallocated expenses, assets and liabilities respectively.				

Notes to the Financial Statements

27 Common Bond System The rules of the derivatives clearing subsidiary, SGX-DC, enable SGX-DC to mobilise substantial resources to meet any liabilities should a derivatives clearing member become insolvent and be unable to pay its full losses to SGX-DC. 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 a financial guarantee of \$68,000,000 from the Company and surplus funds of SGX-DC which are in excess of funds necessary for normal operations; c up to one half of the SIMEX Compensation Fund established by SGX-DT (Note 8); d security deposits in equal amounts from each non-defaulting derivatives clearing member; and e further assessments on derivatives clearing members based on a formula that takes into consideration their capital requirements and share of volume and open interest on SGX-DC (capped at \$8,000,000 if a letter of credit of that amount is posted with SGX-DC to comply with adjusted net capital requirements).				
28 Commitments for Expenditure a Capital Commitments Capital commitments not provided for in the financial statements are as follows:				
	The Group		The Company	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Expenditure contracted for:				
– computers	3,300	–	136	–
– properties under development	–	122,459	–	–
	3,300	122,459	136	–
b Lease Commitments Commitments in relation to non-cancellable operating leases for building premises and computer equipment contracted for at the reporting date but not recognised as liabilities, are payable as follows:				
	The Group		The Company	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Not later than one financial year	22,664	22,157	13,419	10,333
Later than one financial year but not later than five financial years	38,668	39,320	36,526	25,831
Later than five financial years	27	4,834	–	4,154
	61,359	66,311	49,945	40,318
The above leases do not contain renewal options or purchase options. They do not contain escalation clauses and do not provide for contingent rents. Lease terms do not contain restrictions on the Group activities concerning dividends, additional debt or further leasing.				
29 Contingent Liabilities a At the balance sheet date, the Group and the Company have unsecured contingent liabilities as follows:				
	The Group		The Company	
	2001 \$'000	2000 \$'000	2001 \$'000	2000 \$'000
Unsecured guarantees by the derivatives clearing subsidiary to banks for standby letters of credit issued by the banks to Chicago Mercantile Exchange and London Clearing House for members' open positions on these exchanges. These guarantees are supported by members' margin deposits as set out in Note 5.	82,082	75,255	–	–
Standby credit facility secured by the securities clearing subsidiary on behalf of the CDP clearing fund to be utilised to discharge liabilities of clearing members	75,000	75,000	–	–
	157,082	150,255	–	–

Notes to the Financial Statements

b The Group is planning to relocate most of its operations from the leased premises at Singapore Exchange building to its new premises at Unity Tower in the next financial year. Based on the existing market rental rates in the Raffles Place area and the contractual rate of these operating leases, the directors do not expect significant loss to arise from the early vacation of these leased premises.

30 Related Party Transactions

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

31 Cash Acquired on Acquisition of Subsidiaries

On 1 December 1999, in accordance with the Exchanges (Demutualisation and Merger) Act 1999, the Company acquired the entire share capital of Singapore Exchange Securities Trading Limited (“SGX-ST”) (formerly known as “Stock Exchange of Singapore Limited”), the Singapore Exchange Derivatives Trading Limited (“SGX-DT”) (formerly known as “Singapore International Monetary Exchange Limited”), and Securities Clearing and Computer Services (Pte) Limited.

The net cash acquired amounted to \$560,337,000.

32 Directors and Employees Information

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

b Remuneration of Directors of the Company

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

c Remuneration of Executives

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

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

d Gross Remuneration

The gross remuneration disclosed in Notes 32(b) and (c) above is computed based on gross salaries, bonus paid in respect of prior year performance and other benefits received during the financial year. However, share options not yet exercised are excluded.

Notice of Annual General Meeting

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

1 As Ordinary Business

- Resolution 1
- To receive and adopt the Directors’ Report and the Audited Accounts for the year ended 30 June 2001 with the Auditors’ Report thereon.
- Resolution 2
- To re-elect Directors retiring by rotation under Article 99 of the Company’s Articles of Association (the “Articles”):

a

Mr J Y Pillay

b

Mr Richard Gnodde

c

Mr George Teo Eng Kim

d

Mr Wong Ngit Liong

Resolution 3

To approve the amount of S\$907,400 proposed as Directors’ fees.

Resolution 4

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

Resolution 5


To re-appoint Messrs PricewaterhouseCoopers as Auditors of the Company and to authorise the Directors to fix their remuneration.
- 2 As Special Business**
- To consider, and if thought fit, to pass the following resolutions as ordinary resolutions:
- Resolution 6

That pursuant to the provisions of Section 161 of the Companies Act, Chapter 50 (the “Act”) but subject otherwise to the provisions of the Act and the Articles, authority be and is hereby given to the Directors of the Company to issue shares in the Company (whether by way of rights, bonus or otherwise) at any time and upon such terms and conditions and for such purposes and to such persons as the Directors may in their absolute discretion deem fit provided that the aggregate number of shares to be issued pursuant to this Resolution does not exceed 50% of the issued share capital of the Company for the time being, of which the aggregate number of shares to be issued other than on a pro rata basis to shareholders of the Company does not exceed 20% of the issued share capital of the Company for the time being, and, unless revoked or varied by the Company in general meeting, such authority shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

Resolution 7

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

Resolution 8

That the Directors be and are hereby authorised to grant to Mr Thomas A. Kloet (the “CEO”) any additional options to subscribe for ordinary shares in the capital of the Company pursuant to the terms of the employment agreement made between the Company and the CEO which took effect on 24 April 2000, and to allot and issue from time to time such number of ordinary shares in the capital of the Company as may be required to be issued pursuant to the exercise of such options.
- 3 To Transact Any Other Business**
- By Order Of The Board
- 
- Joyce Fong Foong Chao
Company Secretary
Singapore Exchange Limited
- 6 September 2001
- Statement Pursuant to Article 59 of the Company’s Articles of Association**
- Ordinary Resolution No. 6 is to authorise the Directors of the Company from the date of that meeting until the next Annual General Meeting to issue or agree to issue shares in the Company up to an amount not exceeding 50% of the issued share capital of the Company for the time being of which the total number of shares to be issued other than a pro rata basis to shareholders of the Company does not exceed 20% of the issued share capital of the Company for the time being.
- Ordinary Resolution No. 7 is to authorise the Directors of the Company to offer and grant options in accordance with the provisions of the SGX Share Option Plan which was approved by shareholders at the Extraordinary General Meeting on 1 November 2000.
- Ordinary Resolution No. 8 is to authorise the Directors of the Company to grant to Mr Thomas A. Kloet (the “CEO”) any additional options to subscribe for ordinary shares in the capital of the Company pursuant to the terms of the employment agreement made between the Company and the CEO which took effect on 24 April 2000, which options were approved by shareholders at the Extraordinary General Meeting on 1 November 2000.
- Notes:
- 1

An ordinary shareholder entitled to attend and vote at the meeting is entitled to appoint one or two proxies to attend and vote on his behalf.

2

A proxy need not be a member of the Company.

3

The instrument appointing a proxy or proxies (together with the power of attorney, if any, under which it is signed or a certified copy thereof) must be deposited at 10 Collyer Quay, #19–08 Ocean Building, Singapore 049315 not less than 48 hours before the time appointed for holding the Annual General Meeting.
- SGX Financial Statements 2001
- 0062 0063

Notice of Books Closure Date

Notice of Books Closure Date and Dividend Payment Date

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

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

Copies of Summary Annual Report and Annual Report

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

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

Note:

This Notice of AGM dated 6 September 2001 set out herein is for information purposes only. We have issued the Notice of AGM to the shareholders in accordance with Section 177(2) of the Companies Act (Chapter 50) on 11 September 2001, together with our Summary Annual Report.