

Building An Enduring Marketplace:
Setting the Pace

SGX SUMMARY
ANNUAL REPORT

06

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MISSION

Singapore Exchange Limited (SGX) provides 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 – offering convenient access, quality products and the best price discovery at a competitive cost to our customers while seeking to create value for our shareholders.

CORPORATE PROFILE

About Singapore Exchange

SGX was formed on 1 December 1999 following the merger of two established and well-respected financial institutions – the Stock Exchange of Singapore and the Singapore International Monetary Exchange. Listed on our own Exchange since 23 November 2000, the SGX stock is a component of benchmark indices such as the Straits Times Index and the MSCI Singapore Free Index.

We own and operate Asia's first demutualised and integrated securities and derivatives exchange, as well as related clearing houses and a central depository. Our securities exchange was also the first fully electronic and floorless exchange in Asia.

Home to Singapore's leading listed companies, SGX is at the forefront of the world's exchanges in attracting international issuers and is rapidly emerging as Asia's offshore risk management centre for international derivatives.

Since our inception, we have achieved several major milestones.

Milestones

1999

Formation of SGX

2000

First exchange in Asia-Pacific to be listed via a public offer and a private placement

2001

Pioneer of the world's first co-trading link with the Australian Stock Exchange, thus enabling investors to trade securities in both markets

2002

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

2003

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

2004

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

2005

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

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

2006

Launch of SGX AsiaClear™, a facility for the clearing of over-the-counter (OTC) oil derivatives and forward freight agreements

PRODUCTS AND SERVICES

SGX offers a diverse and exciting suite of securities and derivatives products via a global network of broking members who, in turn, provide access to these products through an array of channels.

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

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

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

- Short-Term Interest Rate Futures and Options on Futures
- Long-Term Interest Rate Futures and Options on Futures
- Equity Index Futures and Options on Futures
- Single Stock Futures and
- Structured Warrants.

We also offer a range of data and information services that provide both historical and 'live' data and prices to our customers, including:

- SGX SecuritiesBook
- SGX DerivativesQuote
- Orders and Trades Data
- Mobile Data Services
- Listed Companies Data
- Historical Market Data
- Publications and
- SGXNews.

GROUP FINANCIAL HIGHLIGHTS

	2006	Financial Year (FY)	
		2005 ⁽¹⁾	2004 ⁽¹⁾
For the year (\$ million)			
Operating revenue	408	275	316
Operating expenses	184	143	151
EBITDA ⁽²⁾	251	150	183
Operating profit	224	132	165
Other gains/(losses)	13	3	–
Net profit attributable to equity holders	188	104	131
Operating cash flow	227	101	189
At year-end (\$ million)			
Net current assets	358	247	418
Total assets	957	1,029	1,004
Total liabilities	370	554	363
Shareholders' funds ⁽³⁾			
- Share capital	378	10	10
- Share premium	–	353	341
- Reserves	209	111	289
Shares issued (million)	1,050	1,042	1,029
For the year (%)			
Revenue growth	48.4	(13.1)	44.8
Operating profit margin	54.9	47.9	52.1
Net profit margin	44.6	37.6	41.6
Cost-to-income ratio	45.1	52.1	47.9
Return on equity	32.0	22.0	20.5
Per share data			
Operating cash flow (cents)	21.64	9.67	18.40
Basic earnings (cents)	17.96	10.09	12.87
Net tangible assets (cents)	55.89	45.54	62.22
Net dividend (cents):			
(a) Base	6.00	6.00	5.60
(b) Variable	10.20	2.50	5.20
(c) Special	–	15.00	–
Average share price (\$)	3.12	1.85	1.67
Share price at financial year-end (\$)	3.52	2.11	1.68

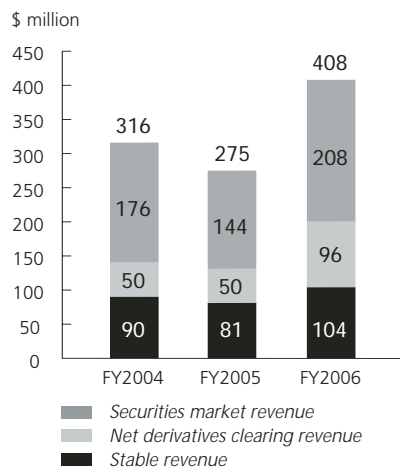
Notes:

(1) FY2004 and FY2005 figures have been re-stated to reflect the Employee Share Option Plan expenses following the adoption of FRS 102.

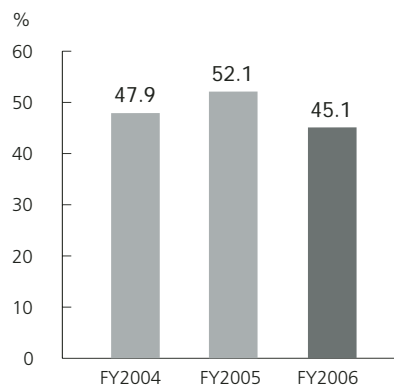
(2) Refers to earnings before interest, tax, depreciation and amortisation.

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

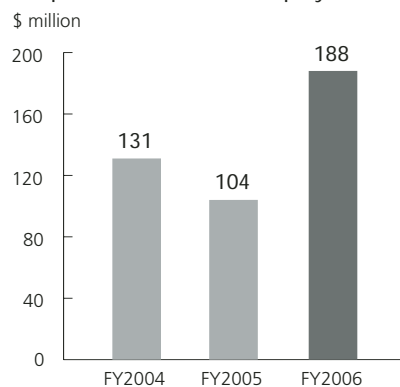
Revenue streams



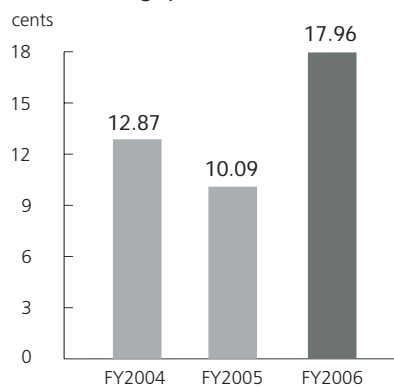
Cost-to-income ratio



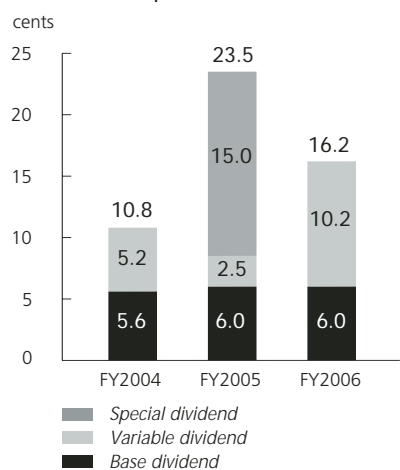
Net profit attributable to equity holders



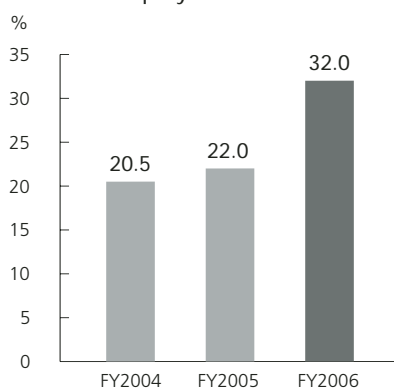
Basic earnings per share



Net dividend per share



Return on equity



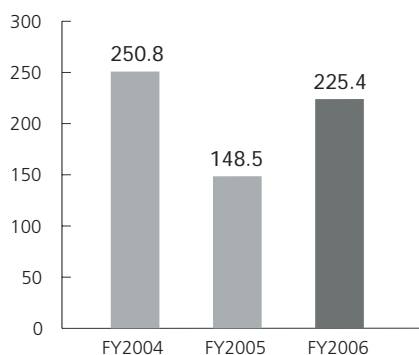
PERFORMANCE HIGHLIGHTS

Securities market

Performance in FY2006 compared to FY2004 and FY2005

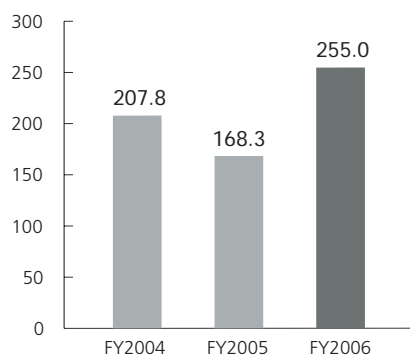
Trading volume

billion of shares



Turnover value

\$ billion



Accounts held with The Central Depository (Pte) Limited (CDP) (as at 30 June 2006)

Number of accounts	: 1.29 million
Number of shares in accounts	: 382.1 billion
Value of shares in accounts	: \$421.4 billion

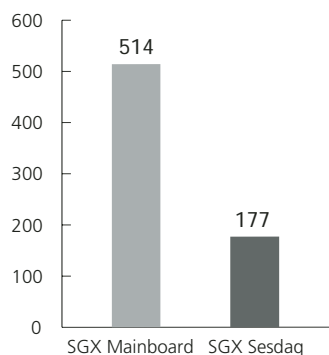
New listings in FY2006

Number	: 69
Amount raised	: \$7.3 billion

Listed companies and their market capitalisation⁽¹⁾ (as at 30 June 2006)

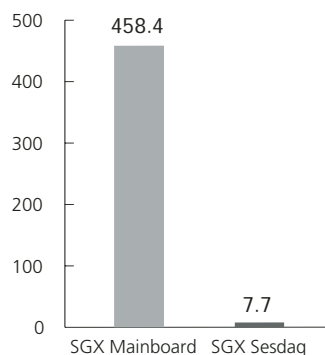
Number of companies: 691

number of companies



Market capitalisation: \$466.1 billion

\$ billion

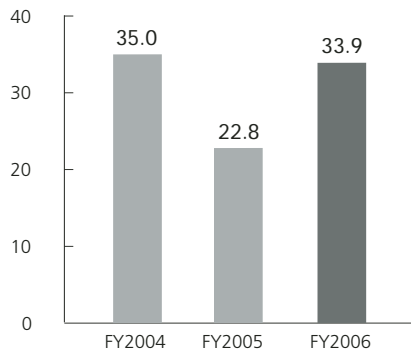


⁽¹⁾ SGX has a substantial number of foreign listings, defined as companies whose principal places of business are outside of Singapore. We have excluded 21 inactive secondary foreign listings to give an accurate reflection of our market size.

Derivatives market

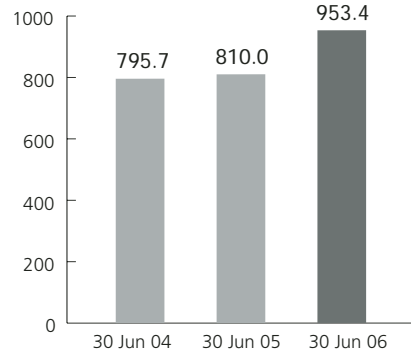
Futures trading volume

million of contracts



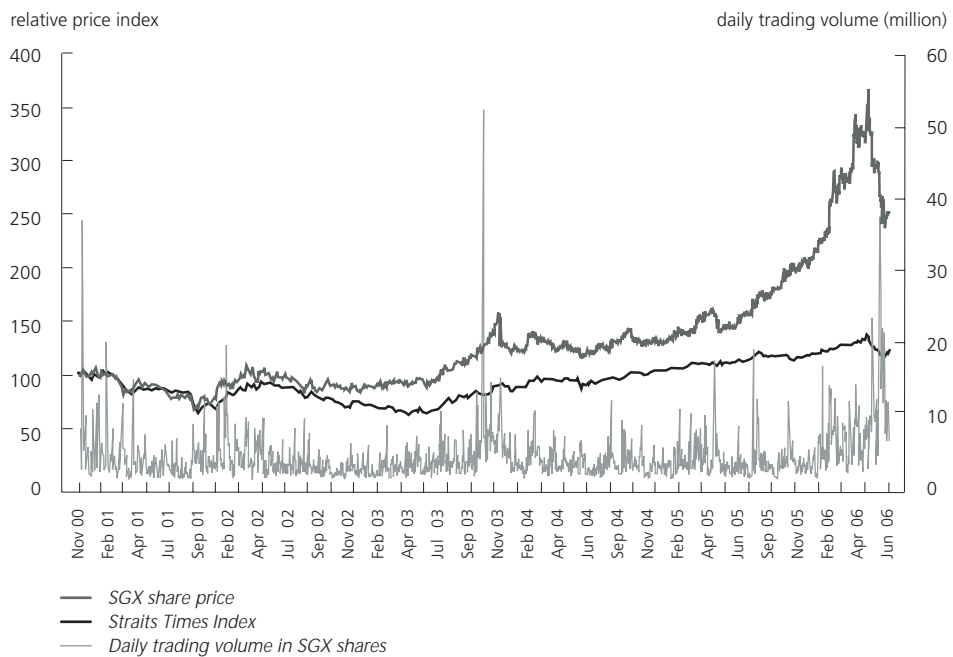
Futures open interest

thousand of contracts



SGX share performance

(Review period: 23 November 2000 to 30 June 2006)



HIGHLIGHTS OF THE YEAR

30 July 2005

Held the inaugural SGX Investor Relations Open Day

2 August 2005

Issued consultation paper on proposed changes to the CDP Rules and Procedures

21 September 2005

Launched the FTSE/ASEAN Index and the FTSE/ASEAN 40 Index

10 October 2005

Re-launched the SGX CNX Nifty (India) Index futures

21 October 2005

Raised \$2.3 million at The Bull Run® 2005, the second charity fun run in the Central Business District

10 November 2005

Announced revision of listing fees to be in line with international exchanges

15 November 2005

Signed Memorandum of Understanding (MOU) with the Zhejiang Provincial Government in China to promote listings of Zhejiang enterprises on SGX

29 November 2005

Announced steps to strengthen corporate governance structure in line with new regulations issued by the Monetary Authority of Singapore

2 December 2005

Released consultation paper on proposed listing rules on Global Depository Receipts

7 December 2005

Signed contract to outsource data centre and information technology infrastructure services to Hewlett-Packard Singapore

19 December 2005

Announced the establishment of a joint venture with the Chicago Board of Trade to launch JADE, an electronic commodity derivatives exchange

1 January 2006

Appointed Robert W van Zwieten as Chief Financial Officer and Executive Vice President, Corporate Services Group

13 January 2006

Signed listing MOU with the Shandong Provincial Government, China

20 February 2006

Released consultation paper on proposed amendment to the minimum bids schedule for the SGX securities market

21 February 2006

Launched the first Asian Shariah-compliant index, the FTSE SGX Asia Shariah 100 Index, with the FTSE Group and Yasaar Research

Signed listing MOU with the Wuxi Municipal People's Government, further strengthening SGX's listing collaboration in China

8 March 2006

Issued consultation paper on proposed framework for the listing of hedge funds on SGX

20 March 2006

Released consultation paper on proposed amendments to the Singapore Exchange Derivatives Trading (SGX-DT) Rules to allow inter-exchange cross margining

30 March 2006

Released consultation paper on proposed amendments to the CDP and Singapore Exchange Derivatives Clearing (SGX-DC) Rules to provide for the admission of bank clearing members

12 April 2006

Strengthened partnership with OMX by working together to develop an order management system

21 April 2006

Issued consultation paper on proposed changes to derivatives trading Rulebook

5 May 2006

Listed 100th mainland Chinese company

16 May 2006

Launched SGX AsiaClear™, a facility for the clearing of OTC oil swaps and forward freight agreements

19 May 2006

Released consultation paper on proposed amendments to the SGX-DC Rules

22 May 2006

Announced plans to roll-out SGX Prime, an innovative open-access hub offering market participants a range of connectivity options to SGX's post-trade system

30 May 2006

Strengthened corporate governance structure to comply with changes to the Singapore Code of Corporate Governance 2005, as well as to improve our corporate governance as a self-regulatory authority

31 May 2006

Released consultation paper on Phase Two of proposed changes to derivatives trading Rulebook

7 June 2006

Announced changes to listing rules to enhance standards of corporate governance and promote good regulatory practices

15 June 2006

Commenced listing of the iShares MSCI India ETF, the world's first India-focused ETF outside of India, on SGX

21 June 2006

Introduced Global Depository Receipt listing facility as an alternative avenue for international companies to access the Singapore capital market for global funds

23 June 2006

Signed listing MOU with the Financial Affairs Office of the People's Government of Liaoning Province, China

29 June 2006

Introduced listing of hedge funds on SGX

CHAIRMAN'S STATEMENT

Seven years after merger and demutualisation, and three intensive years since our incumbent Chief Executive Officer (CEO) came on board, SGX may be said to have matured as an organisation. It has good prospects of entering a period of sustained growth. It is shaping up as a credible machine for innovation, development, growth and sound implementation. Certainly, hurdles and surprises will loom. The organisation should be able to address them competently and confidently.

Hub connectivity

We retain our principal strategy of positioning Singapore as a hub – or Asian hub, if you like – for the listing, trading, clearing and settlement of securities and derivatives. We remain committed to partnering like-minded exchanges, as well as other institutions, in pursuit of our business interests. In that spirit, we have forged, or are in the process of forging, relations with the Australian Stock Exchange (ASX), Korea Exchange and Bursa Malaysia for the co-trading of securities. Besides, we launched during the year a joint venture with the Chicago Board of Trade, for the trading and clearing of commodity derivatives through a new market called JADE.

The year also saw the construction of a new clearing mechanism, SGX AsiaClear™, for OTC trades in energy and freight derivatives. That is entirely an in-house development and forms part of our derivatives-clearing activities.

The co-trading arrangement with ASX did not quite work out in terms of delivering the volume of business expected, and will be closed. That is one existential reality in this fluid world of exchange

integration and partnering. We certainly do not envisage every initiative succeeding according to plan. Many irons are placed in the fire. Some fizzle out. Some simmer for a while before losing heat, and are quenched. The remaining irons may reveal signs of sustainability and will be stoked resolutely.

Many other initiatives have been taken, both large and small, to improve the conditions under which our products are marketed and traded or cleared. Those improvements have combined to generate rapid growth, particularly in derivatives.

Information technology

We continue to devote substantial resources to information technology (IT). IT forms the crucial infrastructure for our trading, clearing, settlement and depository services besides, of course, supporting the organisation itself. Here, we have to accept risks, because not all systems have been proven in other markets. In the fast-moving pace of IT evolution, we have to continuously innovate and adapt. Inevitably, as in our business initiatives, we experience setbacks to some of our efforts.

Regulation and management of conflict

The regulatory side had to cope with the fast pace of new listings amidst buoyant market conditions, without in the least jeopardising our highly regarded standards. We continue to reinforce our procedures for managing conflict within SGX between our regulatory obligations and our commercial interests. We consistently strive to impress on our staff that our goal of pursuing our commercial interests must be combined with the reality and perception of the highest regulatory standards.

A lively year

We have enjoyed a good year both in securities and derivatives. Our so-called stable revenue has expanded, with its share of revenue rising to 25%.

On the securities front, buoyant conditions during the year raised our volume of trading well above our planning assumption. In derivatives, timely improvements in the conditions governing the trading of some of our foreign-based products reinforced SGX's position as an offshore risk management centre for Asian markets.

Financial performance

Thus, our total operating revenue bounced from \$274.7 million to \$407.6 million, up 48.4%. The rise in operating expenses was relatively muted, increasing 28.3% to \$183.7 million. Net profit after tax rose 79.8%, from \$104.4 million to \$187.6 million.

Our dividend policy remains to pay out 80% of net profit after tax, subject to a minimum net dividend per share of 6 cents a year. Thanks to the good results this year, and subject to shareholders' approval, the total net distribution will be 16.2 cents

per share, against 8.5 cents for the regular dividend last year. The net final dividend is 11.7 cents per share. This consists of a base dividend of 1.5 cents per share and a variable dividend of 10.2 cents per share.

From financial year 2007, a new dividend policy will be put in place. Directors will aim to declare a base dividend of at least 2 cents net per share every quarter. For each financial year, the directors aim to pay, as net dividend, an amount which is no less than 80% of the annual net profit after tax or 8 cents per share, whichever is higher. The difference between the targeted net dividend and the interim base dividends will be paid with the final dividend of each financial year.

Acknowledgements

There will be one departure from the board. Mr Geoffrey Wong, who has served SGX ably, is completing his term. I would like to thank him for his valuable contributions to SGX.

As is customary, I would like to thank my fellow directors on the board for their unstinting, generous and wise service; and the CEO, management team and all the staff for the truly dedicated and productive work that they are able to do and sustain year-in and year-out.



J Y Pillay

Chairman

27 July 2006

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

The last 12 months have been the most profitable since SGX's listing in 2000.

The question now is: where do we go from here? Given the changing global landscape and the consolidation of exchanges in the USA and Europe, where do we fit in?

As a small country, Singapore has carved a role in global value-chains. Likewise, SGX has developed its niche as an Asian Gateway in the world of exchanges. It has set the pace for long-term growth as a portal for Asian products and markets. We provide a centre for the management of risk through our suite of Asian derivatives, a platform for foreign companies to raise capital and financial institutions to list structured products. To enhance our position, we form partnerships and alliances with first-class, like-minded exchanges. Leveraging on their experience and infrastructure allows us to quickly scale up and globalise our liquidity.

Our vertically integrated business model means that as an Asian Gateway, we provide complete end-to-end services, including back-office processing. The development of our post-trade processing hub is proving increasingly important in providing new streams of revenue.

Risk management centre

Globally, derivatives markets are experiencing exponential growth. With our suite of products reaching into fast-growing North Asian markets like Japan and Taiwan, we are able to fully participate in this development. In FY2006, our net derivatives clearing revenue almost doubled to \$96 million and this is set to increase. Accessibility of these products has been augmented by the successful migration of contracts from floor to screen, a process which will be complete by the end of this year.

While our Nikkei and Taiwan contracts account for the bulk of futures turnover, our Euroyen futures contract has been an increasing contributor. It is now our third largest derivatives contract. Recent changes in the interest rate environment have given rise to strong demand in this product. In FY2006, average daily volume of the Euroyen contract surged 46% compared to the previous year. With the closing of the floor, and migration of trading in our Euroyen contract to the electronic platform, we expect improvement in the revenue contribution of this contract.

We have announced plans to launch the SGX FTSE/Xinhua China A50 Index futures contract later this year. The lifting of restrictions in the 'A' shares market and the continued liberalisation of financial markets in China should enhance the prospects of this contract.

Listings platform for foreign companies

During FY2006, not only did the number of foreign listed companies grow to 33% of total listings, a higher proportion of them were large companies. Six* foreign companies with market capitalisation of over \$1 billion were listed, compared to none in FY2005. The average size of foreign Initial Public Offerings (IPOs) in the year was in excess of \$400 million, compared to over \$100 million for domestic IPOs.

* Includes secondary foreign listing, SP AusNet.

As we gain a critical mass of Chinese companies – we celebrated our 100th Chinese listing during the year – our focus is now more on size. In this regard, we listed our largest Chinese company of about \$1.7 billion market capitalisation in June 2006. Apart from China, there is growing interest from other countries in the region. Among our Asian IPOs were companies from Indonesia, Korea and Malaysia. One of the largest companies on our Exchange now is Thai Beverage. We are pleased that our goal of attracting larger listings from geographically diverse areas is bearing fruit.

Sectoral focus has yielded results in the growing REITs and shipping sectors. Our REITs market is second only to Japan in Asia, in terms of the number of listings and market capitalisation. A total of five REITs and four shipping companies (including one business trust) were listed in FY2006.

As our securities market matures and investors become more sophisticated, we are ready to introduce a new platform for raising capital. Minimally regulated, the new board moves away from investor protection to investor choice. This opens up investment opportunities in a wider range of companies, including companies at an early stage of growth.

Structured products

A relatively new area of growth is in the field of structured products, where financial institutions use our platform to distribute their house-designed products to the retail market. Clearing revenue from structured warrants in FY2006 increased 132% to \$11 million, sustaining the upward trend from previous years. Furthermore, the introduction

of 85 structured warrants based on foreign underlying products (e.g., shares of Bank of China and China Construction Bank, and indices such as the Hang Seng Index and Nikkei 225 Index), allowed us to draw on interest in other markets.

ETFs represent the next important wave of structured products. Globally, they are fast gaining popularity and already comprise more than 5% of the mutual fund industry in the USA. ETFs give retail investors low-cost exposure to a diversified portfolio of securities through a single transaction.

Our iShares MSCI India ETF, launched on 15 June 2006, was a ground-breaking product – the first outside India. Domestic investors now have a unique opportunity to gain access into India's fast-growing equities market. The FTSE SGX Asia Shariah 100 Index, launched in February this year, will also provide the basis for an ETF, tapping into the increasing demand for more Shariah-compliant products.

Partnerships and alliances

Through partnerships, we can extend our business quickly and more effectively. The right linkages can accelerate execution of our strategy. We are pleased to have formed a joint venture with the Chicago Board of Trade (CBOT), where commodity futures contracts will be traded on CBOT's electronic platform and cleared through SGX. This co-operation makes use of existing infrastructure to reduce cost and time-to-market. The new market, JADE, will be launched in September 2006, with a natural rubber futures contract as its first product and crude palm oil to follow shortly.

MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

Post-trade processing hub

The vertically integrated structure of SGX provides for a unique opportunity to develop our back-office business. Having made significant advances in the renewal of our front-end systems, emphasis is now being shifted to upgrade our clearing and settlement back-office capabilities. The back-end is being transformed from a cost-efficient utility into a revenue-driving post-trade processing hub.

Leveraging on the new infrastructure will allow us to create new revenue streams. An example of this is SGX Prime, which will bring us on par with other leading financial markets. Participants, using SGX Prime's open access, will be able to obtain a broader range of services, the first of which will be pre-settlement matching.

During the year, our clearing house extended its facilities to cover a wider spectrum of products. In addition to financial futures, we now clear OTC energy and forward freight contracts through the newly-established SGX AsiaClear™. Services will be further expanded when clearing for JADE commodities contracts begins later this year.

Technology

We are making structural changes to our technology infrastructure and systems to enable us to deliver faster and better. In this regard, we have formed key partnerships with several vendors. In Hewlett-Packard (HP), we have a specialist partner for IT infrastructure services, drawing on their world-class facilities, processes and operational efficiencies. In February 2006, our data centre was successfully outsourced to HP, allowing us to focus more on value-added delivery of our services.

In the area of systems, we have begun to source globally and continue to expand our relationship with OMX, the provider of our trading engines for the securities and derivatives markets. In partnership with OMX, we will develop new systems, including a new front-end order management system (SGXTrade) for both markets.

Regulation

Our market is primarily disclosure-based. To ensure the quality of our marketplace, it is important that we maintain the standards of intermediaries and set appropriate requirements for listed companies. Last year, we conducted reviews of issue managers' work, highlighted their shortcomings, and censured them where appropriate. Listing Rules amendments strengthened corporate governance requirements and enlarged the role of issue managers.

Effective enforcement and practical regulation remain critical for an enduring marketplace. Contrary to earlier scepticism about our ability to regulate foreign companies, the China Aviation Oil case – which I mentioned last year – was dealt with swiftly, allowing the company to turn itself around and re-list on the Exchange within 17 months. Offending parties were charged, brought to court and sentenced within the same time frame.

Financial performance

While our record operating revenue of \$408 million in FY2006 was bolstered by favourable conditions in the securities market, it is important to note that derivatives and stable revenues contributed close to half of total operating revenue. Specifically, derivatives revenue almost doubled from the previous year, and strong growth in listing and price information income helped drive stable

revenue growth by 27%. We believe that derivatives and stable revenues will continue to increase, and may even outstrip the more cyclical securities market revenue in the coming years.

Furthermore, our prospects are increasingly underpinned by our Asian Gateway initiatives (i.e., Asian derivatives and foreign listings) which, by our analysis, generated approximately \$162 million of revenue in FY2006, amounting to 40% of total operating revenue. This indicates the extent to which our relevance as a market operator has transcended our finite home market.

Along with the significant increase in revenue, operating costs have also gone up, albeit at a lower rate. This must be seen in context. Over the last three years, we have actively managed costs down. These historically low levels are not sustainable. To support continual growth of our revenues, there is a need to upgrade staff capabilities and technology infrastructure. We believe that the exchange business is driven by intellectual capital and robust technology and we will invest more to build for the future, while enforcing our usual cost discipline.

Our overall performance is reflected in our return on equity which improved to 32.0%, surpassing last year's record of 22.0%. Consistent with our desire to pay out as much of our profits as dividends, we decided to declare a final dividend per share of 11.7 cents, bringing the full year total dividend to 16.2 cents. This represents a payout of 90% of the year's total profit. We have committed to pay shareholders an absolute base dividend and this will be increased from 6 cents to 8 cents from FY2007 onwards, to correspond with our increasing level of profitability.

Conclusion

We are coming of age as a company and offer to our customers a strong set of businesses which we are overlaying with options to grow. SGX's position within a responsive and well-regulated financial centre, together with Singapore's open marketplace, boosts our ability to be a choice proxy for Asia's growth.

Our expansion strategy has been aided by first-class partners in specific ventures. If beneficial for SGX's long-term growth and shareholder value, we are also prepared to participate in the on-going global consolidation. We will be nimble and open to all possibilities, so as to remain relevant and unique as the portal for Asia's markets.

I thank my colleagues for their contribution and dedication to build for our future. I also thank our stakeholders for their active support, our board of directors for their stewardship and our Chairman for setting a clear mission.



Hsieh Fu Hua

Chief Executive Officer

27 July 2006

BOARD OF DIRECTORS

J Y Pillay

Chairman, Singapore Exchange Limited

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

Mr Pillay now serves as Chairman of the Council on Corporate Disclosure and Governance, Chairman of the Council of Presidential Advisers, member of the Presidential Council for Minority Rights of the Republic of Singapore, Chairman of Assisi Home & Hospice, director of Mount Alvernia Hospital, Life Trustee of the Singapore Indian Development Association, member of the Investment Committee of the United Nations Pension Fund and Chairman of Commonwealth Africa Investments Limited.

Mr Pillay held a variety of positions in the Government of Singapore (1961-1995), rising to permanent secretary in 1972. He served in the ministries of finance, defence and national development. Between 1985 and 1989, Mr Pillay was Managing Director of the Monetary Authority of Singapore (MAS) and of the Government of Singapore Investment Corporation. He served, in a non-executive capacity, as chairman of the boards of several government-linked companies, including Singapore Airlines Limited (1972-1996), Temasek Holdings (Private) Limited (1974-1986), Development Bank of Singapore Ltd (1979-1984), and Singapore Technologies Holdings Private Limited (1991-1994).

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

Mr Pillay was last re-elected as a director at SGX's Annual General Meeting on 22 September 2005.

Hsieh Fu Hua

Chief Executive Officer, Singapore Exchange Limited

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

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

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

Low Check Kian

Chairman, Newsmith Capital Partners (Asia) Pte Ltd

Mr Low has served as an independent director on the SGX board since 20 July 2000. He was previously a Senior Vice-President and member of the Executive Management Committee of Merrill Lynch & Co., as well as Chairman of Merrill Lynch Asia Pacific. Prior to this, he was its Head of Equities for Asia Pacific, Japan and Australia.

Mr Low also sits on the board of the Singapore Workforce Development Agency and is serving as Chairman of its Investment Committee. Mr Low had also held several advisory roles on various Singapore Government Committees, including the Financial Centre Advisory Group.

He graduated from the London School of Economics (LSE) with a Bachelor of Science (Economics) (First Class Honours) in June 1983 and a Master of Science (Economics) in June 1984. During his stay at LSE, he was awarded the Allan Young Prize, the Baxter-Edey Award and the Henry Luce Foundation Award.

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

Chew Choon Seng

Chief Executive Officer, Singapore Airlines Limited

Mr Chew has served as an independent director on the SGX board since 1 December 2004. He is CEO of Singapore Airlines Limited and Deputy Chairman of its listed subsidiaries, SIA Engineering Company Limited and Singapore Airport Terminal Services Limited. Mr Chew is Chairman of Singapore Aircraft Leasing Enterprise Pte Ltd. He graduated from the University of Singapore with First Class Honours in Mechanical Engineering, and has a Master in Operations Research and Management Studies from the Imperial College of Science and Technology, University of London.

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

Ho Tian Yee

Executive Director, Pacific Asset Management (S) Pte Ltd

Mr Ho has served as an independent director on the SGX board since 15 November 1999. He is currently Executive Director of Pacific Asset Management (S) Pte Ltd. Mr Ho was previously General Manager and Managing Director of Bankers Trust Company Singapore. Mr Ho also serves on the boards of Fraser and Neave, Ltd, Great Eastern Holdings Ltd and Singapore Power Limited. He holds a Bachelor of Economics (Honours) from Portsmouth University, UK.

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

BOARD OF DIRECTORS

Lee Hsien Yang

Group Chief Executive Officer, Singapore Telecommunications Limited

Mr Lee has served as an independent director on the SGX board since 17 September 2004. He joined Singapore Telecommunications Limited (SingTel) in April 1994 and was President and CEO of SingTel from May 1995 to January 2006. He is currently Group CEO of SingTel. He chairs the Republic Polytechnic's Board of Governors and is a member of the board of directors of INSEAD, France, and of the Governing Board of the Lee Kuan Yew School of Public Policy. A President's Scholar and Singapore Armed Forces Scholar, Mr Lee obtained First Class Honours in Engineering from the University of Cambridge, UK and a Master of Science (Management) from Stanford University, USA.

Mr Lee was elected as a director at SGX's Annual General Meeting on 17 September 2004.

Loh Boon Chye

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

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

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

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

Olivia Lum Ooi Lin

Group Chief Executive Officer and President, Hyflux Ltd

Ms Lum has served as an independent director on the SGX board since 17 September 2004. She began her career as a Chemist with Glaxo (S) Pte Ltd in 1986. In 1989, she started Hyflux Ltd, a company specialising in water and waste water treatment. Currently, Ms Lum holds directorship in Hyflux Ltd. She is also a member of the National University of Singapore Board of Trustees. Ms Lum graduated from the National University of Singapore in 1986 with a Bachelor of Science (Honours).

Ms Lum was elected as a director at SGX's Annual General Meeting on 17 September 2004.

Ng Kee Choe

Chairman, Singapore Power Limited

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

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

Mr Ng was elected as a director at SGX's Annual General Meeting on 22 October 2003.

Robert Owen

Chairman, Crosby Capital Partners Inc.

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

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

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

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

BOARD OF DIRECTORS

Tang Wee Loke

Deputy Managing Director, UOB Kay Hian Private Limited

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

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

Geoffrey Wong Ee Kay

Managing Director, UBS Global Asset Management (Singapore) Ltd

Mr Wong has served as an independent director on the SGX board since 22 October 2003. He is currently a Managing Director at UBS Global Asset Management (Singapore) Ltd (UBS), where he heads the global emerging markets and Asia ex-Japan equity teams. He is also an executive director of UBS. Mr Wong serves on the Investment Committee of the Singapore Workforce Development Agency and is a trustee of the Ministry of Defence SAVER-Premium Fund. Prior to joining UBS in 1997, Mr Wong worked at Koeneman Capital Management. He has been in the fund management industry since 1989.

Mr Wong graduated from the Massachusetts Institute of Technology (MIT), USA with a Master of Science and Bachelor of Science in Electrical Engineering and Computer Science. He also holds a Master of Science in Management from the MIT's Sloan School of Management.

Mr Wong was elected as a director at SGX's Annual General Meeting on 22 October 2003.

PROPOSED DIRECTOR

Euleen Goh Yiu Kiang

Chairman, International Enterprise (IE) Singapore

Ms Goh is the non-executive Chairman of IE Singapore. Ms Goh spent 21 years with Standard Chartered Bank, holding various senior management positions before retiring as CEO in March 2006. During that time, she was responsible for driving the bank's corporate governance and strategic agenda in Singapore.

Ms Goh is a non-executive board member of MediaCorp Pte Ltd, Chairman of the Financial Industry Competency Standards Committee, council member of the Singapore Institute of Banking & Finance and Adviser to the Singapore Institute of International Affairs. She also serves as a non-executive director of Standard Chartered Bank Malaysia Berhad, Standard Chartered Bank (Thai) Public Company Limited and Singapore Chinese Girls' School.

Ms Goh is a Chartered Accountant with professional qualifications in banking and taxation from the Association of Chartered Accountants in England and Wales (UK), Institute of Taxation (UK), Institute of Certified Public Accountants and Institute of Bankers (UK).

Present and past directorships

Present directorships

(as at 30 June 2006)

Standard Chartered Bank Malaysia Berhad
Standard Chartered Bank (Thai) Public Company Limited
International Enterprise Singapore
MediaCorp Pte Ltd
The Institute of Banking & Finance
Singapore Chinese Girls' School

Past directorships over the preceding three years

(from 30 June 2003 to 29 June 2006)

Raffles Nominees (Pte.) Limited
Chartered Corporate Services Singapore Limited
Standard Chartered (1996) Limited
Standard Chartered (2000) Limited
Standard Chartered International Trade Products Limited
Standard Chartered Investments (Singapore) Private Limited
Standard Chartered Private Equity Limited
Scope International (M) Sdn Bhd
Scope International Private Limited
(registered in Chennai)
S C Learning Pte Ltd
Asfinco Singapore Limited
Singapore International Chamber of Commerce
National Heritage Board

CORPORATE INFORMATION

Board of Directors

J Y Pillay (*Chairman*)
Hsieh Fu Hua (*Chief Executive Officer*)
Low Check Kian (*Lead Independent Director*)
Chew Choon Seng (*Independent Director*)
Ho Tian Yee (*Independent Director*)
Lee Hsien Yang (*Independent Director*)
Loh Boon Chye (*Independent Director*)
Olivia Lum Ooi Lin (*Independent Director*)
Ng Kee Choe (*Independent Director*)
Robert Owen (*Independent Director*)
Tang Wee Loke (*Independent Director*)
Geoffrey Wong Ee Kay (*Independent Director*)

Company Secretary

Joyce Fong Foong Chao

Audit Committee

Ho Tian Yee (*Chairman*)
Lee Hsien Yang
Loh Boon Chye
Olivia Lum Ooi Lin
Tang Wee Loke
Geoffrey Wong Ee Kay

Secretary: David Liew Kim Seng

Nominating Committee

Low Check Kian (*Chairman*)
J Y Pillay
Ho Tian Yee
Loh Boon Chye
Ng Kee Choe

Secretary: Joyce Fong Foong Chao

Remuneration Committee

Ng Kee Choe (*Chairman*)
Low Check Kian
Chew Choon Seng
Olivia Lum Ooi Lin
Geoffrey Wong Ee Kay

Secretary: Joyce Fong Foong Chao

Risk Management Committee

Loh Boon Chye (*Chairman*)
J Y Pillay
Hsieh Fu Hua
Ho Tian Yee
Ng Kee Choe
Robert Owen

Secretary: Joyce Fong Foong Chao

Conflicts Committee

Robert Owen (*Chairman*)
Low Check Kian
Olivia Lum Ooi Lin

Secretary: Joyce Fong Foong Chao

Executive Committee

Hsieh Fu Hua (*Chairman*)
Gan Seow Ann
Seck Wai Kwong
Chew Hong Gian
Linus Koh Kia Meng
Daniel Tan Bak Hiang
Robert W van Zwieten
Yeo Lian Sim

Secretary: Gillian Chia Hsu Lien

Investor Relations

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Singapore 068804
Tel: (65) 6236 8888
Fax: (65) 6535 6994
Website: www.sgx.com

Share Registrar

Lim Associates (Pte) Ltd
10 Collyer Quay
#19-08 Ocean Building
Singapore 049315

Person-in-Charge: Chia Hui Dih

Auditors

PricewaterhouseCoopers
8 Cross Street
#17-00 PWC Building
Singapore 048424

Partner-in-Charge: Chua Kim Chiu
(Appointed from 1 July 2004)

SUMMARY DIRECTORS' REPORT

for the financial year ended 30 June 2006

IMPORTANT

The Summary Directors' Report and the Summary Financial Statements as set out on pages 23 to 50 contain only a summary of the information derived from the directors' report and financial statements in the Company's Annual Report. It does not contain sufficient information to allow a full understanding of the results and the state of affairs of the Company and the Group. For further information, the full financial statements, the auditors' report thereon and the directors' report in the Annual Report should be consulted. Shareholders may request a copy of the Annual Report at no cost. Please use the Request Form at the end of this Summary Annual Report.

Summary Directors' Report

The directors present their report to the shareholders together with the audited financial statements of the Company ("SGX") and of the Group for the financial year ended 30 June 2006.

Directors

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

J Y Pillay	(Chairman)
Hsieh Fu Hua	(Chief Executive Officer)
Low Check Kian	(Lead Independent Director)
Chew Choon Seng	
Ho Tian Yee	
Lee Hsien Yang	
Loh Boon Chye	
Olivia Lum Ooi Lin	
Ng Kee Choe	
Robert Owen	
Tang Wee Loke	
Geoffrey Wong Ee Kay	

SUMMARY DIRECTORS' REPORT

for the financial year ended 30 June 2006

Principal activities

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

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

- Operating securities and derivatives exchanges
- Providing clearing, counterparty guarantee, depository and related services for securities transactions
- Providing clearing, counterparty guarantee and related services for derivatives transactions
- Providing computer services and maintenance, and software maintenance
- Providing corporate share registration and custody-related services
- Providing facilities for the registration of options and the maintenance of margin for the options relating to securities
- Facilitating cross-border linkage trade of selected securities listed on Singapore Exchange Securities Trading Limited and Australian Stock Exchange Limited
- Investment holding

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

Arrangements to enable directors to acquire shares and debentures

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

Directors' interests in shares or debentures

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

	Number of ordinary shares registered in name of director or nominee		Number of ordinary shares in which a director is deemed to have an interest	
	30.06.2006	01.07.2005	30.06.2006	01.07.2005
<u>The Company</u>				
J Y Pillay	-	-	262,000	262,000
Hsieh Fu Hua	-	-	800,000	800,000

SUMMARY DIRECTORS' REPORT

for the financial year ended 30 June 2006

Directors' interests in shares or debentures (continued)

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

	Number of unissued ordinary shares under options held by a director	
	30.06.2006	01.07.2005
Hsieh Fu Hua	4,000,000	4,000,000

- (c) 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 2006.

Directors' contractual benefits

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

Share plans

The Company offers the following share plans to its employees:

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

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

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

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

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

SUMMARY DIRECTORS' REPORT

for the financial year ended 30 June 2006

Share plans (continued)

(a) *SGX Share Option Plan ("the Scheme")* (continued)

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

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

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

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

Restrictions

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

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

Options granted under the Scheme

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

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

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

SUMMARY DIRECTORS' REPORT

for the financial year ended 30 June 2006

Share plans (continued)

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

Unissued shares under options

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

Date of grant	Balance as at 01.07.2005 or date of grant, if later	Lapsed	Variation of exercise period*	Options exercised	Balance as at 30.06.2006	Number of option holders as at 30.06.2006	Exercise price **	Exercise period
20.11.2000	108,000	(2,000)	(4,000)	(26,000)	76,000	10	\$0.85	20.11.2002 to 20.11.2007
20.11.2000	-	-	2,000	(2,000)	-	-	\$0.85	05.10.2005 to 04.10.2006
20.11.2000	-	-	2,000	-	2,000	1	\$0.85	13.02.2006 to 20.11.2007
03.12.2001	542,000	(8,000)	(70,000)	(312,000)	152,000	24	\$0.94	03.12.2003 to 02.12.2008
03.12.2001	10,000	(8,000)	-	(2,000)	-	-	\$0.94	01.04.2005 to 30.03.2006
03.12.2001	-	-	16,000	(10,000)	6,000	2	\$0.94	01.10.2005 to 30.09.2006
03.12.2001	-	-	2,000	(2,000)	-	-	\$0.94	05.10.2005 to 04.12.2006
03.12.2001	-	-	52,000	-	52,000	2	\$0.94	13.02.2006 to 02.12.2008
15.01.2002	175,000	-	-	-	175,000	1	\$1.00	16.01.2004 to 15.01.2009
01.10.2002	2,448,000	(2,000)	(28,000)	(1,140,000)	1,278,000	37	\$0.90	01.10.2004 to 30.09.2009
01.10.2002	2,000	-	-	(2,000)	-	-	\$0.90	01.04.2005 to 30.03.2006
01.10.2002	6,000	(6,000)	-	-	-	-	\$0.90	02.10.2004 to 01.10.2005
01.10.2002	-	-	22,000	(16,000)	6,000	1	\$0.90	01.10.2005 to 30.09.2006
01.10.2002	-	-	4,000	(4,000)	-	-	\$0.90	05.10.2005 to 04.10.2006
01.10.2002	-	-	2,000	-	2,000	1	\$0.90	13.02.2006 to 30.09.2009
27.01.2004	16,257,400	(198,600)	(1,126,500)	(4,695,900)	10,236,400	169	\$1.70	27.01.2006 to 26.01.2011
27.01.2004	305,000	-	-	(305,000)	-	-	\$1.70	28.01.2004 to 27.01.2006
27.01.2004	175,000	-	-	-	175,000	1	\$1.70	28.01.2004 to 27.01.2009
27.01.2004	27,000	(5,000)	(4,000)	(18,000)	-	-	\$1.70	01.04.2005 to 30.03.2006
27.01.2004	2,000	-	-	(2,000)	-	-	\$1.70	22.06.2005 to 21.06.2006
27.01.2004	230,700	(2,700)	2,000	(230,000)	-	-	\$1.70	01.07.2005 to 30.06.2006
27.01.2004	-	-	166,800	(140,900)	25,900	3	\$1.70	01.10.2005 to 30.09.2006
27.01.2004	-	-	17,900	(15,900)	2,000	1	\$1.70	05.10.2005 to 04.10.2006
27.01.2004	-	-	63,000	(63,000)	-	-	\$1.70	26.10.2005 to 25.10.2006
27.01.2004	-	-	186,000	(186,000)	-	-	\$1.70	01.11.2005 to 31.10.2006

SUMMARY DIRECTORS' REPORT

for the financial year ended 30 June 2006

Share plans (continued)

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

Unissued shares under options (continued)

Date of grant	Balance as at 01.07.2005 or date of grant, if later	Lapsed	Variation of exercise period*	Options exercised	Balance as at 30.06.2006	Number of option holders as at 30.06.2006	Exercise price **	Exercise period
27.01.2004	-	-	121,000	(121,000)	-	-	\$1.70	01.01.2006 to 31.12.2006
27.01.2004	-	-	573,800	(476,300)	97,500	9	\$1.70	13.02.2006 to 01.11.2009
01.11.2004	10,121,900	(611,400)	(498,900)	-	9,011,600	253	\$1.60	02.11.2006 to 01.11.2011
01.11.2004	7,500	(7,500)	-	-	-	-	\$1.60	01.04.2005 to 30.03.2006
01.11.2004	103,700	(700)	-	(103,000)	-	-	\$1.60	01.07.2005 to 30.06.2006
01.11.2004	-	-	31,200	(7,800)	23,400	3	\$1.60	01.10.2005 to 30.09.2006
01.11.2004	-	-	3,900	(3,900)	-	-	\$1.60	05.10.2005 to 04.10.2006
01.11.2004	-	-	153,000	(88,000)	65,000	1	\$1.60	01.11.2005 to 30.10.2006
01.11.2004	-	-	310,800	-	310,800	19	\$1.60	02.11.2006 to 01.11.2009
	30,521,200	(851,900)	-	(7,972,700)	21,696,600			

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

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

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

As at 30 June 2006, executives and employees, including executive directors, who have been granted 5% or more of the total options available under the Scheme are as follows:

Options granted on 27.01.2004 (exercisable from 27.01.2006 to 26.01.2011) to Chief Executive Officer, Hsieh Fu Hua	Number of shares under options
Options granted for financial year ended 30.06.2006	-
Aggregate options granted since commencement of the Scheme to 30.06.2006	4,000,000
Aggregate options exercised since commencement of the Scheme to 30.06.2006	-
Aggregate options outstanding as at 30.06.2006	<u>4,000,000</u>

SUMMARY DIRECTORS' REPORT

for the financial year ended 30 June 2006

Share plans (continued)

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

The Plan was approved at the EGM 2005 and is an extension of our "pay-for-performance" philosophy. It recognises and rewards past contributions and services, and motivates key senior management to ensure the long-term success of the Company and to enhance returns for our shareholders. In addition, it seeks to give them an ownership stake in the long-term growth and success of the Company.

Share award grant and vesting

The Remuneration Committee has approved the inaugural awards of performance shares for a two-year period. For this grant, attainment of an average return on equity ("ROE") of 25% for the two-year period is the performance condition for vesting.

The vesting schedule for the Financial Year 2006 inaugural grant is as follows:

ROE	Percentage of performance shares to be vested
Below 25%	Nil
At 25%	100%
Above 25% and up to 35%	Additional 5% payout for each incremental ROE of 1%
At 35% or more	150%

The number of SGX shares to be allocated to each Participant (as defined under the Plan) is conditional upon the level of attainment of certain performance conditions over the stipulated period up to the vesting date. 50% of performance shares granted will vest on 30 June 2007 and the final 50% will vest on 30 June 2008.

Restrictions

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

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

Eligibility

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

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

A Participant's entitlement to the awards granted under the Plan will lapse upon cessation of the Participant's service.

SUMMARY DIRECTORS' REPORT

for the financial year ended 30 June 2006

Share plans (continued)

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

Financial Year 2006 grant

During the financial year, a tranche of the Plan for Financial Year 2006 was granted on 30 June 2006 to eligible Group Employees. Subject to the terms and conditions of the Plan, the number of performance shares awarded, vested and cancelled during the financial year are as follows:

Participants (as defined under the Plan)	Shares granted during financial year ⁽¹⁾ (at 100%) ⁽²⁾	Shares cancelled during financial year	Shares released during financial year	Balance as at 30.06.2006	Vesting date 30.06.2007	Vesting date 30.06.2008
Directors' interests						
Hsieh Fu Hua ⁽³⁾	440,000	-	-	440,000	220,000	220,000
EXCO members						
Gan Seow Ann ⁽³⁾	160,000	-	-	160,000	80,000	80,000
Seck Wai Kwong ⁽³⁾	160,000	-	-	160,000	80,000	80,000
Linus Koh Kia Meng ⁽³⁾	120,000	-	-	120,000	60,000	60,000
Yeo Lian Sim ⁽³⁾	120,000	-	-	120,000	60,000	60,000
Daniel Tan Bak Hiang ⁽³⁾	100,000	-	-	100,000	50,000	50,000
Chew Hong Gian	85,000	-	-	85,000	42,500	42,500
Robert W van Zwieten	35,000	-	-	35,000	17,500	17,500
Other selected staff	530,000	-	-	530,000	265,000	265,000
	1,750,000	-	-	1,750,000	875,000	875,000

⁽¹⁾ Although the grant date of the performance shares was 30 June 2006, the Participants were awarded and notified of their entitlements under the performance share grant on 24 July 2006.

⁽²⁾ The number of shares represents the shares required if Participants are awarded at 100% of the grant. However, the shares awarded at the vesting date could range from 100% to 150%, depending on the level of achievement against the performance condition. There shall be no award if the achievement falls below the performance condition.

⁽³⁾ Received more than 5% of the total grants available.

Based on current estimates, the Financial Year 2006 grant will reduce the Group and Company net profit after tax by approximately \$5,644,000 and \$1,887,000 in the financial year ending 30 June 2007 and 30 June 2008 respectively. Concurrently, the share-based payment reserve will increase by the same amount. However, the disclosed financial impact may not be representative of future disclosures of the financial impact of performance shares granted, as the final number of shares to be vested may differ from current estimates.

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

SUMMARY DIRECTORS' REPORT

for the financial year ended 30 June 2006

Audit Committee

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

Ho Tian Yee (Chairman)
Lee Hsien Yang
Loh Boon Chye
Olivia Lum Ooi Lin
Tang Wee Loke
Geoffrey Wong Ee Kay

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

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

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act, including a review of the financial statements of the Company and of the Group for the financial year and the auditors' report thereon.

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

The Audit Committee has conducted a Request for Proposal for the provision of statutory audit services resulting in proposals received from several audit firms. The Audit Committee decided to nominate PricewaterhouseCoopers for re-appointment as the Company's auditors for financial year 2007. This re-appointment will be put to shareholders' approval at the forthcoming Annual General Meeting.

Unusual items during and after the financial year

In the opinion of the Directors, no item, transaction or event of a material and unusual nature has arisen during the financial year or in the interval between the end of the financial year and the date of this report which would substantially affect the results of the operations of the Group and of the Company for the financial year in which this report is made, or render any items in the financial statements of the Group and the Company for the current financial year misleading, and/or affect the ability of the Group and the Company in meeting the obligations as and when they fall due, except as disclosed in the notes to the full financial statements.

The Summary Directors' Report and the Summary Financial Statements set out on pages 23 to 50 were approved by the Board of Directors and signed on its behalf by:



J Y Pillay
Director



Hsieh Fu Hua
Director

27 July 2006

AUDITORS' STATEMENT TO THE SHAREHOLDERS OF SINGAPORE EXCHANGE LIMITED

We have examined the Summary Financial Statements set out on pages 33 to 50.

In our opinion, the Summary Financial Statements are consistent with the full financial statements of Singapore Exchange Limited for the financial year ended 30 June 2006 from which they were derived, and comply with the requirements of Section 203A of the Singapore Companies Act, and regulations made thereunder, applicable to Summary Financial Statements.

For a better understanding of the Company's financial position and the results of its operations for the financial year and of the scope of our audit, the Summary Financial Statements should be read in conjunction with the financial statements from which the Summary Financial Statements were derived.

We have issued our audit report dated 27 July 2006 on the full financial statements of Singapore Exchange Limited for the financial year ended 30 June 2006. The audit report is as follows:

"AUDITORS' REPORT TO THE SHAREHOLDERS OF SINGAPORE EXCHANGE LIMITED

We have audited the accompanying financial statements of Singapore Exchange Limited set out on pages xx to xx*, for the financial year ended 30 June 2006, comprising the income statement, balance sheet and statement of changes in equity of the Company, and the consolidated financial statements of the Group. 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 Companies Act, Cap 50 ("the Act") and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Company and of the Group as at 30 June 2006, the results and changes in equity of the Company and of the Group for the financial year ended on that date, and of the cash flows of the Group for the financial year ended on that date, and
- (b) the accounting and other records required by the Act to be kept by the Company and by those subsidiaries incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act."



PricewaterhouseCoopers
Certified Public Accountants

Singapore, 27 July 2006

* The page numbers are as stated in the Auditors' Report dated 27 July 2006 included in Singapore Exchange Limited's Annual Report for the financial year ended 30 June 2006.

BALANCE SHEETS

as at 30 June 2006

	The Group		The Company	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Assets				
Current assets				
Cash and cash equivalents	245,978	117,882	99,222	6,353
Trade and other receivables	289,961	490,763	6,488	3,349
Financial assets at fair value through profit or loss	151,862	152,236	-	-
Securities clearing funds	36,666	36,201	-	-
9	724,467	797,082	105,710	9,702
Non-current assets				
Property, plant and equipment	202,173	209,229	23,614	29,365
Software	26,002	19,485	1,683	1,556
Club memberships	407	582	407	582
Investments in subsidiaries	-	-	581,381	581,381
Investments in joint ventures	4,228	177	-	-
Deferred tax assets	-	2,287	-	-
3	232,810	231,760	607,085	612,884
Total assets	957,277	1,028,842	712,795	622,586
Liabilities				
Current liabilities				
Trade and other payables	296,006	490,627	166,769	172,720
Derivative financial instruments	117	1,170	117	1,170
Finance lease liabilities	2,525	2,004	-	-
Taxation	51,821	37,050	7,190	6,688
Provisions	4,649	8,144	1,090	3,762
Securities clearing funds - members' contributions	11,666	11,201	-	-
9	366,784	550,196	175,166	184,340
Non-current liabilities				
Finance lease liabilities	1,184	2,778	-	-
Deferred tax liabilities	2,450	1,299	428	355
	3,634	4,077	428	355
Total liabilities	370,418	554,273	175,594	184,695
Net assets	586,859	474,569	537,201	437,891
Equity				
Capital and reserves attributable to the Company's equity holders				
Share capital	4	378,452	10,421	378,452
Share premium		-	353,012	-
Securities clearing funds reserve		25,000	25,000	353,012
Share-based payment reserve		8,243	6,694	-
Retained profits		52,308	34,633	8,243
Proposed dividends	7	122,856	44,809	27,650
		586,859	474,569	537,201
				437,891

INCOME STATEMENTS

for the financial year ended 30 June 2006

	The Group		The Company	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Operating revenue				
Securities clearing fees	138,804	95,870	-	-
Securities related processing fees	32,963	24,285	7,776	5,827
Access fees	36,706	23,514	-	-
Net derivatives clearing revenue	95,576	49,615	-	-
Account maintenance and corporate action fees	22,346	18,951	1,060	723
Terminal and connection fees	13,677	10,837	-	-
Listing and membership fees	33,088	22,426	-	-
Price information fees	19,143	15,821	-	-
Sale of software and other computer services	7,466	7,014	2,069	1,819
Management fees from subsidiaries	-	-	87,314	67,563
Dividends from subsidiaries	-	-	180,565	328,200
Others	7,791	6,381	2,367	2,203
Total operating revenue	407,560	274,714	281,151	406,335
Operating expenses				
Staff costs	82,693	63,861	60,096	43,125
Occupancy costs	12,239	16,007	8,844	10,608
System maintenance and rental	28,666	17,963	6,124	3,818
Depreciation and amortisation	14,259	15,213	6,955	7,730
Provision for surplus leased premises	(2,685)	(2,915)	(2,151)	(2,242)
Finance charges	148	107	1	-
Net write-off/impairment of property, plant and equipment and software	4,865	-	-	-
Others	43,467	32,876	17,473	15,506
Total operating expenses	183,652	143,112	97,342	78,545
Profit/(loss) from operating activities	223,908	131,602	183,809	327,790
Other gains/(losses)	13,171	3,026	8,175	3,750
Profit/(loss) before tax and share of results of joint ventures	237,079	134,628	191,984	331,540
Share of results of joint ventures	(949)	(27)	-	-
Profit/(loss) before tax	236,130	134,601	191,984	331,540
Tax	(48,516)	(30,242)	(17,350)	(65,588)
Net profit after tax	187,614	104,359	174,634	265,952
Attributable to:				
Equity holders of the Company	187,614	104,366	174,634	265,952
Minority interests	-	(7)	-	-
	187,614	104,359	174,634	265,952
Earnings per share based on net profit attributable to the equity holders of the Company (in cents per share)				
- Basic	17.96	10.09		
- Diluted	17.78	10.05		

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the financial year ended 30 June 2006

The Group

		Attributable to equity holders of the Company								
Note	Share capital	Share premium*	Securities clearing funds reserve*	Cash flow hedge reserve*	Share-based payment reserve*	Retained profits	Proposed dividends	Minority interests	Total	
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	
Balance at 1 July 2005										
	As previously reported	10,421	353,012	25,000	-	-	41,327	44,809	-	474,569
2.2	- Effect of adoption of FRS 102	-	-	-	-	6,694	(6,694)	-	-	-
	- As restated	10,421	353,012	25,000	-	6,694	34,633	44,809	-	474,569
	Net profit for the financial year	-	-	-	-	-	187,614	-	-	187,614
	Total recognised gains for the financial year	-	-	-	-	-	187,614	-	-	187,614
	Dividends paid									
	- Final dividends - Financial year 2005	-	-	-	-	-	(44,839)	-	-	(44,839)
	- Underprovision of final dividends - Financial year 2005	-	-	-	-	-	(30)	30	-	-
	- Interim dividends - Financial year 2006	-	-	-	-	-	(47,025)	-	-	(47,025)
	- Underprovision of interim dividends - Financial year 2006	-	-	-	-	-	(28)	-	-	(28)
	Proposed dividends									
7	- Final dividends - Financial year 2006	-	-	-	-	(122,856)	122,856	-	-	-
4	Effect of Companies (Amendment) Act 2005	354,643	(354,643)	-	-	-	-	-	-	-
4	Issue of ordinary shares	13,388	1,631	-	-	(2,687)	-	-	-	12,332
	Employee share plan - value of employee services	-	-	-	-	4,236	-	-	-	4,236
	Balance at 30 June 2006	378,452	-	25,000	-	8,243	52,308	122,856	-	586,859

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the financial year ended 30 June 2006

The Group (continued)

Note	Attributable to equity holders of the Company								Total \$'000
	Share capital \$'000	Share premium* \$'000	Securities clearing funds reserve* \$'000	Cash flow hedge reserve* \$'000	Share- based payment reserve* \$'000	Retained profits \$'000	Proposed dividends \$'000	Minority interests \$'000	
Balance at 1 July 2004									
As previously reported	10,294	340,844	25,000	612	-	176,609	87,089	-	640,448
- Effect of adoption of FRS 102	-	-	-	-	1,598	(1,598)	-	570	570
- As restated	10,294	340,844	25,000	612	1,598	175,011	87,089	570	641,018
Net profit									
- As previously reported	-	-	-	-	-	109,462	-	(570)	108,892
- Effect of adoption of FRS 102	-	-	-	-	-	(5,096)	-	-	(5,096)
- As restated	-	-	-	-	-	104,366	-	(570)	103,796
Currency exchange loss	-	-	-	196	-	-	-	-	196
Transfer to income statement	-	-	-	(808)	-	-	-	-	(808)
Total recognised gains for the financial year	-	-	-	(612)	-	104,366	-	(570)	103,184
Dividends paid									
- Final dividends - Financial year 2004	-	-	-	-	-	-	(87,221)	-	(87,221)
- Underprovision of final dividends - Financial year 2004	-	-	-	-	-	(132)	132	-	-
- Interim dividends - Financial year 2005	7	-	-	-	-	(43,583)	-	-	(43,583)
- Interim special dividends - Financial year 2005	7	-	-	-	-	(156,220)	-	-	(156,220)
Proposed dividends									
- Final dividends - Financial year 2005	7	-	-	-	-	(44,809)	44,809	-	-
Issue of ordinary shares	4	127	12,168	-	-	-	-	-	12,295
Employee share option scheme - value of employee services	-	-	-	-	5,096	-	-	-	5,096
Balance at 30 June 2005	10,421	353,012	25,000	-	6,694	34,633	44,809	-	474,569

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

STATEMENT OF CHANGES IN EQUITY

for the financial year ended 30 June 2006

The Company

Note	Share capital \$'000	Share premium* \$'000	Share-based payment reserve* \$'000	Retained profits \$'000	Proposed dividends \$'000	Total \$'000
Balance at 1 July 2005						
- As previously reported	10,421	353,012	-	29,649	44,809	437,891
- Effect of adoption of FRS 102	2.2	-	-	6,694	(6,694)	-
- As restated	10,421	353,012	6,694	22,955	44,809	437,891
Total recognised gains for the financial year - net profit						
	-	-	-	174,634	-	174,634
Dividends paid						
- Final dividends - Financial year 2005	-	-	-	-	(44,839)	(44,839)
- Underprovision of final dividends - Financial year 2005	-	-	-	(30)	30	-
- Interim dividends - Financial year 2006	-	-	-	(47,025)	-	(47,025)
- Underprovision of interim dividends - Financial year 2006	-	-	-	(28)	-	(28)
Proposed dividends						
- Final dividends - Financial year 2006	7	-	-	(122,856)	122,856	-
Effect of Companies (Amendment) Act 2005	4	354,643	(354,643)	-	-	-
Issue of ordinary shares	4	13,388	1,631	(2,687)	-	12,332
Employee share plan - value of employee services		-	-	4,236	-	4,236
Balance at 30 June 2006	378,452	-	8,243	27,650	122,856	537,201
Balance at 1 July 2004						
- As previously reported	10,294	340,844	-	3,345	87,089	441,572
- Effect of adoption of FRS 102	-	-	1,598	(1,598)	-	-
- As restated	10,294	340,844	1,598	1,747	87,089	441,572
Net profit						
- As previously reported	-	-	-	271,048	-	271,048
- Effect of adoption of FRS 102	-	-	-	(5,096)	-	(5,096)
- As restated	-	-	-	265,952	-	265,952
Total recognised gains for the financial year - net profit						
	-	-	-	265,952	-	265,952
Dividends paid						
- Final dividends - Financial year 2004	-	-	-	-	(87,221)	(87,221)
- Interim dividends - Financial year 2005	7	-	-	(43,583)	-	(43,583)
- Interim special dividends - Financial year 2005	7	-	-	(156,220)	-	(156,220)
- Underprovision of final dividends - Financial year 2004	-	-	-	(132)	132	-
Proposed dividends						
- Final dividends - Financial year 2005	7	-	-	(44,809)	44,809	-
Issue of ordinary shares	4	127	12,168	-	-	12,295
Employee share plan - value of employee services		-	-	5,096	-	5,096
Balance at 30 June 2005	10,421	353,012	6,694	22,955	44,809	437,891

* These 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 2006

	2006 \$'000	2005 \$'000
Cash flows from operating activities		
Profit before tax and share of results of joint ventures	237,079	134,628
Adjustments for:		
- Depreciation and amortisation	14,259	15,213
- Net write-off/impairment of property, plant and equipment and software	4,865	-
- Disposal of club membership	175	-
- Net (gain)/loss on financial assets at fair value through profit or loss	(8,923)	(642)
- Net (gain)/loss on disposal of property, plant and equipment and software	49	59
- Net (gain)/loss on disposal of financial assets at fair value through profit or loss	(1,546)	170
- Provision for surplus leased premises	(2,685)	(2,915)
- Share-based payment expense	4,236	5,096
- Finance charges	148	107
- Interest income	(5,208)	(3,901)
Operating cash flow before working capital change	242,449	147,815
Change in operating assets and liabilities		
- Trade and other receivables	211,547	(206,916)
- Trade and other payables	(196,484)	195,509
Cash generated from operations	257,512	136,408
Income tax paid	(30,307)	(35,621)
Net cash provided by operating activities	227,205	100,787
Cash flows from investing activities		
Purchases of property, plant and equipment and software	(18,473)	(16,013)
Proceeds from disposal of property, plant and equipment and software	145	1,018
Purchases of financial assets at fair value through profit or loss	(77,015)	(154,661)
Interest received	4,817	3,865
Investment in joint venture	(5,000)	-
Acquisition of shares from minority shareholders	-	(565)
Proceeds from sale/redemption of financial assets at fair value through profit or loss	77,505	7,328
Net cash used in investing activities	(18,021)	(159,028)
Cash flows from financing activities		
Net proceeds from issue of ordinary shares	12,332	12,295
Dividends paid	(91,892)	(287,024)
Repayment of lease liabilities	(1,380)	(1,292)
Finance charges	(148)	(107)
Net cash used in financing activities	(81,088)	(276,128)
Net increase/(decrease) in cash and cash equivalents held	128,096	(334,369)
Cash and cash equivalents at the beginning of the financial year	117,882	452,251
Cash and cash equivalents at the end of the financial year	245,978	117,882

Note

7

NOTES TO THE SUMMARY FINANCIAL STATEMENTS

for the financial year ended 30 June 2006

1. Accounting policies

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

From 1 July 2005, the Group has adopted the new or revised FRS and Interpretations to FRS ("INT FRS") that are applicable in the financial year ended 30 June 2006. These financial statements have been prepared and amended as required, in accordance with the relevant transitional provisions in the respective FRS and INT FRS. The following are the FRS and INT FRS that are relevant to the Group:

FRS 1 (revised 2004)	Presentation of Financial Statements
FRS 8 (revised 2004)	Accounting Policies, Changes in Accounting Estimates and Errors
FRS 10 (revised 2004)	Events after the Balance Sheet Date
FRS 16 (revised 2004)	Property, Plant and Equipment
FRS 17 (revised 2004)	Leases
FRS 21 (revised 2004)	The Effects of Changes in Foreign Exchange Rates
FRS 24 (revised 2004)	Related Party Disclosures
FRS 27 (revised 2004)	Consolidated and Separate Financial Statements
FRS 31 (revised 2004)	Interests in Joint Ventures
FRS 32 (revised 2004)	Financial Instruments: Disclosure and Presentation
FRS 33 (revised 2004)	Earnings per Share
FRS 36 (revised 2004)	Impairment of Assets
FRS 38 (revised 2004)	Intangible Assets
FRS 39 (revised 2004)	Financial Instruments: Recognition and Measurement
FRS 102	Share-based Payment
FRS 103	Business Combinations
INT FRS 101	Changes in Existing Decommissioning, Restoration and Similar Liabilities
Amendments to INT FRS 12	Consolidation - Special Purpose Entities

The adoption of the above FRS and INT FRS did not result in substantial changes to the Group's accounting policies except as disclosed in Note 2.

2. Effects on financial statements on adoption of new or revised FRS

2.1 FRS 16 (revised 2004) *Property, Plant and Equipment*

Depreciable amount

Previously, in accordance with the requirements of FRS 16 (now superseded by FRS 16 (revised 2004)), residual values were estimated only at the date of acquisition and not subsequently adjusted for changes in price.

NOTES TO THE SUMMARY FINANCIAL STATEMENTS

for the financial year ended 30 June 2006

2. Effects on financial statements on adoption of new or revised FRS (continued)

2.1 FRS 16 (revised 2004) *Property, Plant and Equipment* (continued)

In accordance with the requirements of FRS 16 (revised 2004) which requires the re-measurement of the residual value of an item of property, plant and equipment at least at each financial year end, the Group has re-measured the residual value of its property, plant and equipment on 1 July 2005 and 30 June 2006.

This change did not materially affect the financial statements for the years ended 30 June 2005 and 30 June 2006.

2.2 FRS 102 *Share-based Payment*

Previously, the granting of share options to employees did not result in any charge in the income statement. The Group and Company recognised an increase in share capital and share premium when the options were exercised. On adoption of FRS 102, an expense for employee services is recognised in the income statement for share options issued with a corresponding increase in the share-based payment reserve.

This change was effected retrospectively for share options issued after 22 November 2002 and not yet vested by 1 July 2005. Consequently, the following previously reported balances as at/for the year ended 30 June 2005 were adjusted.

	The Group and The Company
	\$'000
Increase/(decrease) in:	
Retained profits	(6,694)
Share-based payment reserve	<u>6,694</u>
Staff costs	5,096
Net profit after tax	<u>(5,096)</u>
Basic earnings per share (\$ per share)	(0.49)
Diluted earnings per share (\$ per share)	<u>(0.48)</u>

The effects on the balance sheet as at 30 June 2006 and income statement for the year ended 30 June 2006 are as follows:

	The Group and The Company
	\$'000
Increase/(decrease) in:	
Retained profits	(10,930)
Share-based payment reserve	<u>10,930</u>
Staff costs	4,236
Net profit after tax	<u>(4,236)</u>
Basic earnings per share (\$ per share)	(0.41)
Diluted earnings per share (\$ per share)	<u>(0.40)</u>

NOTES TO THE SUMMARY FINANCIAL STATEMENTS

for the financial year ended 30 June 2006

3. Investments in joint ventures

	The Group	
	2006 \$'000	2005 \$'000
Investments at cost	5,940	940
Share of results	(1,712)	(763)
	4,228	177

Name of joint ventures	Principal activities	Country of business and incorporation	Equity holding	
			2006 %	2005 %
American Stock Exchange - SGX Pte Ltd	Promote the listing and trading of exchange traded funds	Singapore	50	50
Joint Asian Derivatives Pte. Ltd.	Business management and consultancy services	Singapore	50	-

The following amounts represent the Group's 50% share of the assets and liabilities and results of the joint ventures which have been equity accounted for in the consolidated balance sheet and income statement:

	The Group	
	2006 \$'000	2005 \$'000
Assets:		
Current assets	4,617	195
Non-current assets	-	-
	4,617	195
Liabilities:		
Current liabilities	-	-
Non-current liabilities	389	18
	389	18
Net assets	4,228	177
Revenue	-	-
Expenses	949	27
Profit before tax	(949)	(27)
Tax	-	-
Profit after tax	(949)	(27)
Operating cash inflows/(outflows)	(582)	(38)
Financing cash inflows/(outflows)	5,000	-
Total cash inflows/(outflows)	4,418	(38)
Capital commitments in relation to interest in joint ventures	-	-
Proportionate interest in joint ventures' commitments	-	-

NOTES TO THE SUMMARY FINANCIAL STATEMENTS

for the financial year ended 30 June 2006

4. Share capital of Singapore Exchange Limited

	The Company		The Company	
	2006 Number of shares '000	2005 Number of shares '000	2006 Paid-up share capital \$'000	2005 Paid-up share capital \$'000
Balance at the beginning of the financial year	1,042,078	1,029,422	10,421	10,294
Issue of shares under employee share option plans	7,973	12,656	13,388	127
Effect of Companies (Amendment) Act 2005*	-	-	354,643	-
Balance at the end of the financial year	1,050,051	1,042,078	378,452	10,421

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

(a) Share options

(i) Outstanding options

Share options are granted to executive directors and employees.

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

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

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

	The Group and The Company	
	2006	2005
Balance at the beginning of the financial year	30,521,200	34,989,500
Granted	-	10,552,900
Exercised	(7,972,700)	(12,656,000)
Lapsed	(851,900)	(2,365,200)
Balance at the end of the financial year	21,696,600	30,521,200

NOTES TO THE SUMMARY FINANCIAL STATEMENTS

for the financial year ended 30 June 2006

4. Share capital of Singapore Exchange Limited (continued)

(a) Share options (continued)

(i) Outstanding options (continued)

As at 30 June 2006, the outstanding options granted to executive directors and employees to subscribe for ordinary shares were as follows:

Number of ordinary shares under options	Exercise price	Exercise period
76,000	\$0.85	20.11.2002 to 20.11.2007
2,000	\$0.85	13.02.2006 to 20.11.2007
152,000	\$0.94	03.12.2003 to 02.12.2008
6,000	\$0.94	01.10.2005 to 30.09.2006
52,000	\$0.94	13.02.2006 to 02.12.2008
175,000	\$1.00	16.01.2004 to 15.01.2009
1,278,000	\$0.90	01.10.2004 to 30.09.2009
6,000	\$0.90	01.10.2005 to 30.09.2006
2,000	\$0.90	13.02.2006 to 30.09.2009
10,236,400	\$1.70	27.01.2006 to 26.01.2011
175,000	\$1.70	28.01.2004 to 27.01.2009
25,900	\$1.70	01.10.2005 to 30.09.2006
2,000	\$1.70	05.10.2005 to 04.10.2006
97,500	\$1.70	13.02.2006 to 01.11.2009
9,011,600	\$1.60	02.11.2006 to 01.11.2011
23,400	\$1.60	01.10.2005 to 30.09.2006
65,000	\$1.60	01.11.2005 to 30.10.2006
310,800	\$1.60	02.11.2006 to 01.11.2009
21,696,600		

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

NOTES TO THE SUMMARY FINANCIAL STATEMENTS

for the financial year ended 30 June 2006

4. Share capital of Singapore Exchange Limited (continued)

(a) Share options (continued)

(ii) Options exercised during the year

During the financial year ended 30 June 2006, options for 7,972,700 (2005: 12,656,000) shares were exercised as follows:

Number of ordinary shares under options	Exercise price \$	Proceeds \$	Exercise month
2,000	0.85	1,700	July 2005
3,000	0.94	2,820	July 2005
13,000	0.90	11,700	July 2005
6,000	1.70	10,200	July 2005
176,000	0.94	165,440	August 2005
10,000	0.90	9,000	August 2005
14,000	0.94	13,160	September 2005
148,000	0.90	133,200	September 2005
307,000	1.70	521,900	September 2005
12,000	0.85	10,200	October 2005
26,000	0.94	24,440	October 2005
265,000	0.90	238,500	October 2005
119,000	1.70	202,300	October 2005
7,900	1.60	12,640	October 2005
4,000	0.90	3,600	November 2005
8,000	1.70	13,600	November 2005
3,000	1.60	4,800	November 2005
215,000	0.90	193,500	December 2005
34,800	1.70	59,160	December 2005
7,800	1.60	12,480	December 2005
6,000	0.85	5,100	January 2006
18,000	0.94	16,920	January 2006
102,000	0.90	91,800	January 2006
514,000	1.70	873,800	January 2006
75,000	1.60	120,000	January 2006
4,000	0.85	3,400	February 2006
34,000	0.94	31,960	February 2006
127,000	0.90	114,300	February 2006
3,106,900	1.70	5,281,730	February 2006
96,000	1.60	153,600	February 2006
50,000	0.94	47,000	March 2006
109,000	0.90	98,100	March 2006
1,044,300	1.70	1,775,310	March 2006
1,000	0.94	940	April 2006
75,000	0.90	67,500	April 2006
634,100	1.70	1,077,970	April 2006
13,000	1.60	20,800	April 2006
4,000	0.85	3,400	May 2006
4,000	0.94	3,760	May 2006
200,500	1.70	340,850	May 2006
94,000	0.90	84,600	June 2006
279,400	1.70	474,980	June 2006
7,972,700		12,332,160	

NOTES TO THE SUMMARY FINANCIAL STATEMENTS

for the financial year ended 30 June 2006

4. Share capital of Singapore Exchange Limited (continued)

(a) Share options (continued)

(iii) Fair value of share options

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

Date of grant	Exercise period	Number of unissued shares under options	Fair value of options at grant date	Exercise price**	Expected dividend yield	Risk-free interest rate	Expected volatility rate	Time to maturity at grant date
			\$	\$	%	%	%	Years
27.01.2004	27.01.2006 to 26.01.2011	10,236,400	0.48	1.70	3.03	2.84	29.86	7.00
27.01.2004	01.10.2005 to 30.09.2006	25,900	0.48	1.70	3.03	2.84	29.86	7.00
27.01.2004	05.10.2005 to 04.10.2006	2,000	0.48	1.70	3.03	2.84	29.86	7.00
27.01.2004	26.10.2005 to 25.10.2006	-	0.48	1.70	3.03	2.84	29.86	7.00
27.01.2004	01.11.2005 to 31.10.2006	-	0.48	1.70	3.03	2.84	29.86	7.00
27.01.2004	01.01.2006 to 31.12.2006	-	0.48	1.70	3.03	2.84	29.86	7.00
27.01.2004	13.02.2006 to 01.11.2009	97,500	0.48	1.70	3.03	2.84	29.86	7.00
01.11.2004	02.11.2006 to 01.11.2011	9,011,600	0.43	1.60	3.15	2.64	27.94	7.00
01.11.2004	01.10.2005 to 30.09.2006	23,400	0.43	1.60	3.15	2.64	27.94	7.00
01.11.2004	05.10.2005 to 04.10.2006	-	0.43	1.60	3.15	2.64	27.94	7.00
01.11.2004	01.11.2005 to 30.10.2006	65,000	0.43	1.60	3.15	2.64	27.94	7.00
01.11.2004	02.11.2006 to 01.11.2009	310,800	0.43	1.60	3.15	2.64	27.94	7.00

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

NOTES TO THE SUMMARY FINANCIAL STATEMENTS

for the financial year ended 30 June 2006

4. Share capital of Singapore Exchange Limited (continued)

(a) Share options (continued)

(iv) Options committed to Chief Executive Officer

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

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

(b) Performance share plans

(i) Outstanding performance shares

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

	The Group and The Company	
	2006	2005
Balance at the beginning of the financial year	-	-
Granted	1,750,000	-
Exercised	-	-
Lapsed	-	-
Balance at the end of the financial year	1,750,000	-

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

Based on current estimates, the Financial Year 2006 grant will reduce the Group and Company net profit after tax by approximately \$5,644,000 and \$1,887,000 in the financial year ending 30 June 2007 and 30 June 2008 respectively. Concurrently, the share-based payment reserve will increase by the same amount. However, the disclosed financial impact may not be representative of future disclosures of the financial impact of performance shares granted, as the final number of shares to be vested may differ from current estimates.

NOTES TO THE SUMMARY FINANCIAL STATEMENTS

for the financial year ended 30 June 2006

4. Share capital of Singapore Exchange Limited (continued)

(b) Performance share plans (continued)

(ii) Fair value of performance shares

Fair value of performance shares was estimated by adopting the Monte Carlo simulation methodology at the grant date, based on the following information and assumptions on expected dividend yield, risk-free interest rate and expected volatility rate:

Date of grant	Vesting date	Number of performance shares	Expected dividend yield	Risk-free interest rate	Expected volatility rate	Share price on day preceding date of grant	Fair value per performance share on date of grant
			%	%	%	\$	\$
30.06.2006	30.06.2007	875,000	3.90	2.76	21.92	3.38	3.26
30.06.2006	30.06.2008	875,000	3.90	3.10	21.92	3.38	3.13

5. Other operating expenses

	The Group		The Company	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Professional charges	13,003	7,633	5,539	3,868
Marketing and travelling	5,682	3,720	2,263	1,113
Communication charges	2,557	2,844	1,574	1,415
Fees to MAS for transfer of participant supervision function	2,300	2,300	2,300	2,300
Allowance/(reversal) for impairment of trade receivables (net)	168	(86)	76	73
Net foreign exchange loss/(gain)	606	49	2	(1)
Net (gain)/loss on disposal of property, plant and equipment and software	49	59	2	542
Cost for processing and royalties	14,201	11,160	1,408	1,500
Others	4,901	5,197	4,309	4,696
	43,467	32,876	17,473	15,506

NOTES TO THE SUMMARY FINANCIAL STATEMENTS

for the financial year ended 30 June 2006

6. Earnings per share

	The Group	
	2006 \$'000	2005 \$'000
Net profit attributable to the equity holders of the Company	187,614	104,359
Weighted average number of ordinary shares in issue for basic earnings per share ('000)	1,044,851	1,034,242
Adjustment for assumed exercise of share options ('000)	10,618	3,963
Weighted average number of ordinary shares for diluted earnings per share ('000)	1,055,469	1,038,205

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

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

7. Dividends

	The Group and The Company	
	2006 \$'000	2005 \$'000
Interim gross dividends of nil cents per share net of tax at 20% paid (2005: Gross 5.25 cents net of tax at 20%)	-	43,583
Interim tax exempt one-tier dividends of 4.50 cents per share	47,053	-
Interim special tax exempt one-tier dividends of nil cents per share (2005: 15.00 cents)	-	156,220
Proposed final tax exempt one-tier dividends of 11.70 cents per share (2005: 4.30 cents)	122,856	44,809
	169,909	244,612

The directors have proposed a final tax exempt one-tier dividend for 2006 of 11.70 cents (2005: 4.30 cents) per share amounting to a total of \$122,856,000 (2005: \$44,809,000). The proposed dividend has been transferred from retained profits to a proposed dividend reserve.

NOTES TO THE SUMMARY FINANCIAL STATEMENTS

for the financial year ended 30 June 2006

8. Related party transactions

Directors' fees and key management's remuneration

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

	The Group	
	2006 \$'000	2005 \$'000
Salaries and other short-term employee benefits	11,335	9,541
Employer's contribution to Central Provident Fund	64	65
Share-based payment expense	1,091	1,502
	12,490	11,108

Included in the above is total remuneration to directors of the Company amounting to \$6,734,000 (2005: \$4,111,000).

The aggregate number of shares under options granted to key management of the Group during the financial year was nil (2005: 2,270,000). The share options were granted under the same terms and conditions as those offered to other employees of the Company.

The aggregate number of shares under performance share plan granted to key management of the Group during the financial year was 1,220,000 (2005: nil). The performance shares were granted under the same terms and conditions as those offered to other employees of the Company.

9. Net current assets/(liabilities)

	The Group		The Company	
	2006 \$'000	2005 \$'000	2006 \$'000	2005 \$'000
Total current assets	724,467	797,082	105,710	9,702
Total current liabilities	(366,784)	(550,196)	(175,166)	(184,340)
Net current assets/(liabilities)	357,683	246,886	(69,456)	(174,638)

NOTES TO THE SUMMARY FINANCIAL STATEMENTS

for the financial year ended 30 June 2006

10. Comparatives

(i) *Where necessary, comparative figures have been reclassified to conform with current year's presentation.*

- (a) Certain operating expense in the financial year ended 30 June 2005 of the Group and the Company amounting to \$1,364,000 and \$1,160,000 respectively have been reclassified from professional charges under other operating expenses to system maintenance and rental.

The revised presentation is to better reflect the nature of the expenses as they are information technology related expense, and does not result in a change in total operating expenses of the Group and the Company.

- (b) Derivative financial instruments are separately shown from trade and other payables on the balance sheet. The revised presentation does not result in a change in the net assets of the Group and the Company.

(ii) *Cash flow statement*

In the financial statements for the year ended 30 June 2004, dividend paid was classified as "Cash flows from operating activities". In the financial statements for the year ended 30 June 2005, dividend paid was classified as "Cash flows from financing activities" with prior year figure reclassified accordingly. The new classification better reflects the nature of the dividends paid not solely from cash generated from operating activities for the financial year but from cash built up from previous years as well. The classification of dividend paid as "Cash flows from financing activities" will be adopted consistently.

The revised presentation does not result in the change in the net cash movement of the Group and the Company.

STATISTICS OF SHAREHOLDINGS

as at 2 August 2006

Share capital	: \$1,050,691,000
Number of issued shares	: 1,050,691,000
Class of shares	: Ordinary shares
Voting rights	: One vote per share

Distribution of shareholdings

Size of shareholdings	Number of shareholders	%	Number of shares	%
1 - 999	77	0.49	21,907	0.00
1,000 - 10,000	13,066	82.26	47,633,530	4.53
10,001 - 1,000,000	2,710	17.06	149,789,072	14.26
1,000,001 and above	30	0.19	853,246,491	81.21
Total	15,883	100.00	1,050,691,000	100.00

Based on information available to the Company as at 2 August 2006, approximately 99.90% of the issued ordinary shares of the Company are held by the public and, therefore, Rule 723 of the Listing Manual issued by the Singapore Exchange Securities Trading Limited is complied with.

Twenty largest shareholders

No.	Name	Number of shares	%
1	SEL Holdings Pte Ltd ⁽¹⁾	249,991,184	23.79
2	DBS Nominees Pte Ltd	148,028,525	14.09
3	DBSN Services Pte Ltd	101,556,121	9.67
4	Citibank Nominees Singapore Pte Ltd	90,077,404	8.57
5	HSBC (Singapore) Nominees Pte Ltd	89,484,497	8.52
6	Raffles Nominees Pte Ltd	72,914,433	6.94
7	Morgan Stanley Asia (Singapore) Securities Pte Ltd	21,081,649	2.01
8	Phillip Securities Pte Ltd	12,683,135	1.21
9	United Overseas Bank Nominees Pte Ltd	11,223,774	1.07
10	UOB Kay Hian Pte Ltd	7,808,906	0.74
11	Macquarie Securities (Singapore) Pte Ltd	5,547,790	0.53
12	DB Nominees (S) Pte Ltd	5,319,850	0.51
13	Merrill Lynch (Singapore) Pte Ltd	4,600,118	0.44
14	Leong Khuen Nyeon	4,515,000	0.43
15	AMEX Nominees (S) Pte Ltd	3,312,878	0.32
16	Wong Kong Choo	2,930,000	0.28
17	OCBC Securities Private Ltd	2,331,000	0.22
18	Societe Generale Singapore branch	2,086,498	0.20
19	NTUC FairPrice Co-Operative Ltd	2,000,000	0.19
20	Nomura Securities Singapore Pte Ltd	1,850,000	0.18
	Total	839,342,762	79.91

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

Substantial shareholder

According to the Register of Substantial Shareholders maintained by the Company, the Company had no substantial shareholders as at 2 August 2006.

NOTICE OF ANNUAL GENERAL MEETING AND BOOKS CLOSURE DATE

NOTICE IS HEREBY GIVEN that the Seventh Annual General Meeting of Singapore Exchange Limited (the "Company") will be held at SGX Auditorium, 2 Shenton Way, 2nd Level, SGX Centre 1, Singapore 068804 on 29 September 2006 at 10.00 am to transact the following business:

(A) Ordinary Business**Resolution 1**

To receive and adopt the Directors' Report and the Audited Accounts for the financial year ended 30 June 2006 with the Auditors' Report thereon.

Resolution 2

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

Resolution 3

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

Resolution 4

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

Resolution 5

To re-elect Ms Olivia Lum Ooi Lin retiring by rotation under Article 99 of the Articles and who, being eligible, offers herself for re-election.

Resolution 6

To appoint Ms Euleen Goh Yiu Kiang under Article 101 of the Articles to hold office as director of the Company.

To note the retirement of Mr Geoffrey Wong Ee Kay as director, who will be retiring by rotation pursuant to Article 99 of the Articles and has decided not to seek re-election.

The biodata of Ms Euleen Goh Yiu Kiang is found in the "Proposed Director" section of the Summary Annual Report.

Resolution 7

To approve the sum of \$765,200 as directors' fees for the financial year ended 30 June 2006 (FY2005: \$491,859).

Resolution 8

To declare a net final (tax exempt one-tier) dividend of \$0.117 per share for the financial year ended 30 June 2006 (FY2005: \$0.043 per share).

Resolution 9

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

NOTICE OF ANNUAL GENERAL MEETING AND BOOKS CLOSURE DATE

(B) Special Business

Resolution 10

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

- (a) (i) issue shares in the capital of the Company ("shares") whether by way of rights, bonus or otherwise; and/or
- (ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares,

at any time and upon such terms and conditions and for such purposes and to such persons as the directors may in their absolute discretion deem fit; and

- (b) (notwithstanding the authority conferred by this Resolution may have ceased to be in force) issue shares in pursuance of any Instrument made or granted by the directors while this Resolution was in force,

provided that:

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

NOTICE OF ANNUAL GENERAL MEETING AND BOOKS CLOSURE DATE

- (4) (unless revoked or varied by the Company in general meeting) the authority conferred by this Resolution shall continue in force until the conclusion of the next Annual General Meeting of the Company or the date by which the next Annual General Meeting of the Company is required by law to be held, whichever is the earlier.

Resolution 11

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

(C) To Transact Any Other Business

By Order Of The Board



Joyce Fong Foong Chao
Company Secretary
Singapore Exchange Limited
30 August 2006

NOTICE OF ANNUAL GENERAL MEETING AND BOOKS CLOSURE DATE

Statement pursuant to Article 59 of the Company's Articles of Association

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

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

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

Notes:

- (1) An ordinary shareholder entitled to attend and vote at the Annual General Meeting is entitled to appoint one or two proxies to attend and vote on his behalf.
- (2) A proxy need not be a member of the Company.
- (3) The instrument appointing a proxy or proxies (together with the power of attorney, if any, under which it is signed or a certified copy thereof) must be deposited at the registered office of the Company at 2 Shenton Way, #19-00 SGX Centre 1, Singapore 068804 not less than 48 hours before the time appointed for holding the Annual General Meeting.

NOTICE OF ANNUAL GENERAL MEETING AND BOOKS CLOSURE DATE

Notice of books closure date and payment date for final dividend

The Company gives notice that, subject to the approval of the shareholders to the final dividend at the Annual General Meeting, the Register of Members and the Transfer Books of the Company will be closed from 4 October 2006 after 5.00 pm to 6 October 2006, both dates inclusive, for the preparation of dividend warrants. The Register of Members and the Transfer Books will re-open on 6 October 2006. Duly completed registered transfers of ordinary shares in the capital of the Company received by the Company's Share Registrar, Lim Associates (Pte) Ltd, at 10 Collyer Quay, #19-08 Ocean Building, Singapore 049315 before 5.00 pm on 4 October 2006, will be registered in the Register of Members and the Transfer Books of the Company to determine shareholders' entitlements to the final dividend. In respect of ordinary shares in securities accounts with The Central Depository (Pte) Limited ("CDP"), the final dividend will be paid by the Company to CDP which will, in turn, distribute the entitlements to the final dividend to CDP account-holders in accordance with its normal practice.

The final dividend, if approved by shareholders, will be paid on 16 October 2006.

Copies of Annual Report

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

The Annual Report will be available on the SGX website at www.sgx.com.

SINGAPORE EXCHANGE LIMITED

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

1. For investors who have used their CPF monies to buy shares in the capital of Singapore Exchange Limited, this report is forwarded to them at the request of their CPF Approved Nominees and is sent FOR INFORMATION ONLY.
2. This Proxy Form is not valid for use by CPF investors and shall be ineffective for all intents and purposes if used or purported to be used by them.

PROXY FORM

I/We, _____ (Name)

of _____ (Address)

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

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

or failing him/her*, the Chairman of the Annual General Meeting ("AGM") of the Company, as my/our* proxy/proxies* to attend and to vote for me/us*, on my/our* behalf, at the AGM of the Company to be held at SGX Auditorium, 2 Shenton Way, 2nd Level, SGX Centre 1, Singapore 068804 on 29 September 2006 at 10.00 am and at any adjournment thereof.

I/We* direct my/our* proxy/proxies* to vote for or against the Resolutions to be proposed at the AGM as indicated hereunder. If no specific direction as to voting is given, the proxy/proxies* will vote or abstain from voting at his/her/their* discretion, as he/she/they* will on any other matter arising at the AGM and at any adjournment thereof. If no person is named in the above boxes, the Chairman of the AGM shall be my/our* proxy/proxies* to vote, for or against the Resolutions to be proposed at the AGM as indicated hereunder, for me/us* and on my/our* behalf at the AGM and at any adjournment thereof.

* Please delete as appropriate.

No.	Ordinary Resolutions	For	Against
1	To adopt the Directors' Report and the Audited Accounts		
2	To re-appoint Mr Joseph Yuvaraj Pillay as a director, pursuant to Section 153(6) of the Companies Act, Chapter 50 of Singapore		
3	To re-elect Mr Ng Kee Choe who retires by rotation under Article 99 as a director		
4	To re-elect Mr Lee Hsien Yang who retires by rotation under Article 99 as a director		
5	To re-elect Ms Olivia Lum Ooi Lin who retires by rotation under Article 99 as a director		
6	To appoint Ms Euleen Goh Yiu Kiang under Article 101 to hold office as a director of the Company		
7	To approve directors' fees of \$765,200		
8	To declare a net final (tax exempt one-tier) dividend of \$0.117 per share		
9	To re-appoint Messrs PricewaterhouseCoopers as Auditors of the Company and to authorise the directors to fix their remuneration		
Special Business			
10	Authority to issue and allot ordinary shares		
11	Authority to offer and grant options and issue shares under the SGX Share Option Plan		

Dated this _____ day of _____ 2006

Total number of Shares held

Signature(s) of Member(s) or Common Seal

IMPORTANT: PLEASE READ NOTES ON THE REVERSE.

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Affix
Postage
Stamp

THE COMPANY SECRETARY
Singapore Exchange Limited
2 Shenton Way
#19-00 SGX Centre 1
Singapore 068804

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Notes:

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

SINGAPORE EXCHANGE LIMITED

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

REQUEST FORM

30 August 2006

Dear Shareholder

This notice accompanies a copy of the Summary Annual Report ("SAR") of Singapore Exchange Limited ("SGX") for the financial year ended 30 June 2006 ("FY2006"). The SAR contains a review of SGX and its group of companies ("Group") for FY2006. It also contains a summary of the audited financial statements of SGX and the Group for FY2006.

The Directors' Report and the full financial statements of SGX and of the Group for FY2006 are set out in a separate report called Annual Report ("AR") 2006. This report is available to all registered SGX shareholders at no cost upon request.

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

For shareholders who wish to receive a copy of the AR for FY2006, please complete the request form below accordingly, and return it to us, not later than **7 September 2006**.

For shareholders who are receiving this SAR for the first time or who did not respond previously, and who wish to receive copies of the AR for FY2006 and for future financial years for as long as you are a shareholder, please complete the request form below by ticking the appropriate box and returning it to us by **7 September 2006**. If we do not receive your request form, it would indicate that you do not wish to receive copies of the AR for FY2006 and for future financial years.

For shareholders who have indicated to us previously that you wish to receive the AR for as long as you are a shareholder, you may change your wishes by ticking the relevant box in the request form below and returning it to us by **7 September 2006**. If we do not receive your request form, it would indicate that there is no change to your wishes.

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

Please note that the AR for FY2006 will also be available on the SGX website at www.sgx.com.

Yours faithfully
for Singapore Exchange Limited



Joyce Fong Foong Chao
Company Secretary

REQUEST FORM

To: Singapore Exchange Limited

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

- I/We wish to receive the Annual Report for FY2006.
- ⁽¹⁾ I/We do not wish to receive the Annual Report for FY2006, and the Summary Annual Report and Annual Report for future financial years for as long as I am/we are a shareholder(s) of Singapore Exchange Limited.
- ⁽¹⁾ I/We wish to receive the Annual Report for FY2006, and the Summary Annual Report and Annual Report for future financial years for as long as I am/we are a shareholder(s) of Singapore Exchange Limited.

Name(s) of Shareholder(s): _____ NRIC/Passport Number(s): _____

The shares are held by me under or through:

- CDP Securities Account Number

1	6	8	1	-															
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- CPFIS Account
- Physical Scrips

Address: _____ Postal Code: _____

Signature(s): _____ Date: _____

⁽¹⁾ Please note that this option is not available if your shares are deposited in a CPFIS Account.

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**BUSINESS REPLY SERVICE
PERMIT NO. 07289**



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

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Singapore only.

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Singapore Exchange Limited
Company Registration No. 199904940D

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#19-00 SGX Centre 1
Singapore 068804
Website: www.sgx.com