



**Financial Results
For the Second Quarter ended
31 December 2019**

Singapore Exchange Limited
Incorporated in the Republic of Singapore
Company Registration Number: 199904940D

SINGAPORE EXCHANGE LIMITED

Financial Results for the Second Quarter Ended 31 December 2019

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The financial results set out in Sections 2 to 7, 9 to 13, 15 to 16 and 18 to 20 and auditor's report of this announcement have been extracted from the interim financial report that has been prepared in accordance with Singapore Financial Reporting Standard (International) 1-34 Interim Financial Reporting.

1. Performance Summary

Financial Overview

- Revenue: \$231 million, up 3% from a year earlier
- EBITDA: \$141 million, up 10%
- Net profit: \$99 million, up 3%
- Earnings per share: 9.2 cents, up 3%
- Interim dividend per share: 7.5 cents

All figures are for the year except for figures in brackets, which are for the year earlier unless otherwise stated. Figures may be subject to rounding.

SGX recorded EBITDA of \$141.5 million (\$128.8 million) and a net profit of \$99.0 million (\$96.5 million) in 2Q FY2020. Earnings per share was 9.2 cents (9.0 cents). The Board of Directors has declared a dividend of 7.5 cents (7.5 cents) per share, payable on 10 February 2020.

Revenue increased \$6.8 million or 3% to \$230.9 million (\$224.2 million). Total expenses increased \$1.0 million or 1% to \$111.5 million (\$110.5 million).

Please refer to the Business Performance and Expense Overview below for more details.

Cash from operating activities was \$120.3 million (\$78.2 million).

Total equity was \$1,075.8 million (\$956.5 million) as of 31 December 2019.

Business and Expenses Overview

Fixed Income, Currencies and Commodities Business (FICC)

FICC revenue increased \$6.5 million or 20% to \$39.0 million (\$32.5 million), and accounted for 17% (15%) of total revenue.

FICC: Fixed Income

Fixed Income revenue increased \$0.4 million or 13% to \$3.3 million (\$2.9 million).

- Listing revenue: \$2.6 million, up 28% from \$2.0 million
- Corporate actions and other revenue: \$0.7 million, down 19% from \$0.9 million

There were 315 bond listings raising \$132.9 billion, compared to 306 listings raising \$124.6 billion a year earlier.

FICC: Currencies and Commodities - Derivatives

Currencies and Commodities - Derivatives revenue increased \$6.1 million or 21% to \$35.7 million (\$29.6 million), accounting for 15% (13%) of total revenue.

- Trading and clearing revenue: \$24.3 million, up 23% from \$19.8 million
- Treasury and other revenue: \$11.4 million, up 16% from \$9.8 million

Trading and clearing revenue grew as commodities futures volumes increased 3% to 4.8 million contracts (4.6 million contracts). This was driven primarily by increased volumes in our iron ore derivatives contracts. Currency futures volume also increased 13% to 5.8 million contracts (5.1 million contracts).

Treasury and other revenue increased mainly from higher treasury income. Treasury income increased due to an increase in margin balances.

Table 1: Currencies and Commodities Volumes ('000)			
	2Q FY2020	2Q FY2019	Change
Currency futures	5,801	5,139	13%
Iron Ore derivatives	4,075	3,898	5%
Rubber futures	400	436	-8%
Freight derivatives	211	236	-10%
Others	205	197	4%
Total	10,693	9,906	8%

Equities Business

Equities revenue was comparable at \$165.3 million (\$165.9 million), and accounted for 72% (74%) of total revenue.

Equities - Cash

Equities - Cash revenue increased \$3.7 million or 5% to \$86.4 million (\$82.6 million), accounting for 37% (37%) of total revenue.

- Listing revenue: \$8.8 million, down 5% from \$9.2 million
- Corporate actions and other revenue: \$7.1 million, up 2% from \$6.9 million

We recorded 1 new equity listing, which raised \$0.7 billion, compared to 3 new equity listings raising \$19.0 million a year earlier. Secondary equity funds raised were \$3.7 billion (\$1.9 billion).

- Trading and clearing revenue: \$45.7 million, up 7% from \$42.9 million

Daily average traded value (DAV) increased 9% to \$1.06 billion (\$0.98 billion). Total traded value increased by 9% to \$68.2 billion (\$62.7 billion). This was made up of Cash Equities¹, where total traded value increased by 15% to \$66.0 billion (\$57.2 billion), and Other Products², where traded value decreased 60% to \$2.2 billion (\$5.5 billion). There were 64 (64) trading days in the quarter.

Average clearing fees for Cash Equities declined to 2.72 basis points (2.87 basis points) due to higher participation from market makers. Average clearing fee for Other Products increased to 0.75 basis points (0.55 basis points). Overall turnover velocity was 34% (35%).

- Securities settlement and depository management revenue: \$22.6 million, up 6% from \$21.4 million
- Treasury and other revenue: \$2.2 million, comparable

Securities settlement and depository management revenue increased mainly due to higher off-exchange securities settlement activities.

¹ Cash Equities include ordinary shares, real-estate investment trusts and business trusts

² Other Products include structured warrants, exchange-traded funds, daily leverage certificates, debt securities and American depository receipts

Table 2: Key Metrics for Cash Equities Market			
	2Q FY2020	2Q FY2019	Change
Total traded value (\$ billion)	68.2	62.7	9%
Period-end total market capitalisation (\$ billion)	938	937	-
· <i>Primary-listed</i>	662	597	11%
· <i>Secondary-listed</i>	276	340	-19%
Turnover velocity (primary-listed)	34%	35%	-4%
Total traded volume (in billion)	78.3	96.7	-19%

Equities – Derivatives

Equities - Derivatives revenue decreased \$4.4 million or 5% to \$78.9 million (\$83.3 million), accounting for 34% (37%) of total revenue.

- Trading and clearing revenue: \$48.0 million, down 6% from \$51.1 million
- Treasury, licence and other revenue: \$30.9 million, down 4% from \$32.1 million

Clearing revenue decreased as equity derivatives volume decreased 18% to 41.3 million contracts (50.1 million contracts). This was mainly due to lower volumes in our SGX FTSE China A50, Nikkei 225 and Nifty 50 index futures contracts.

Treasury, licence and other revenue decreased mainly due to lower volumes.

Table 3: Equity Derivatives Volumes ('000)			
	2Q FY2020	2Q FY2019	Change
SGX FTSE China A50 Index futures	17,954	25,137	-29%
Japan Nikkei 225 Index futures	5,294	6,802	-22%
Nifty derivatives	4,817	5,382	-10%
MSCI Taiwan Index futures	5,664	5,651	-
MSCI Singapore Index futures	2,674	2,543	5%
MSCI Indonesia Index futures	35	77	-54%
Japan Nikkei 225 Index options	2,412	2,454	-2%
MSCI Net Total Return derivatives	1,617	1,584	2%
Single Stock Futures	760	269	183%
Others	27	186	-85%
Total	41,255	50,083	-18%

Average Fees

Average fee per contract for Equity, Currency and Commodity derivatives was higher at \$1.23 (\$1.06) mainly due to more higher-fee paying customers.

Data, Connectivity and Indices Business

Data, Connectivity and Indices revenue increased \$0.9 million or 4% to \$26.7 million (\$25.7 million), accounting for 12% (11%) of total revenue.

- Market data and indices revenue: \$11.0 million, up 3% from \$10.7 million
- Connectivity revenue: \$15.6 million, up 4% from \$15.0 million

Connectivity revenue increased 4% from higher derivatives connectivity and continued growth of our colocation services business.

Expenses Overview

Total expenses increased \$1.0 million or 1% to \$111.5 million (\$110.5 million). It comprises operating expenses, and depreciation and amortisation.

Operating expenses decreased \$5.9 million or 6% to \$89.4 million (\$95.3 million) mainly due to lower professional fees and technology expenses while staff costs increased. The decline in technology expenses was primarily due to the adoption of new accounting standards SFRS(I) 16 Leases.

- Total staff costs increased \$4.0 million or 9% to \$50.5 million (\$46.5 million). Fixed staff costs increased \$2.1 million or 7% to \$33.7 million (\$31.6 million) mainly due to annual staff salary increments and an increase in headcount. Average headcount for the quarter was 831 (817). Variable staff costs increased \$1.9 million or 13% to \$16.8 million (\$14.9 million) mainly due to higher share plans expenses in the current quarter.
- Technology expenses decreased \$2.8 million or 14% to \$16.5 million (\$19.3 million) primarily from lower costs recorded under system maintenance and rental. This was due to the adoption of new accounting standard SFRS(I) 16 Leases³, excluding which, Technology expenses would have decreased \$0.4 million or 2% to \$18.9 million.
- Premises expenses decreased \$2.5 million or 51% to \$2.4 million (\$4.9 million) mainly due to the adoption of new accounting standard SFRS(I) 16 Leases³, excluding which, Premises expenses would have increased \$0.4 million or 8% to \$5.3 million.
- Professional fees decreased \$3.3 million or 63% to \$1.9 million (\$5.2 million) mainly due to lower consultancy and legal fees.

Depreciation and amortisation increased \$6.9 million or 46% to \$22.1 million (\$15.2 million) primarily from the adoption of new accounting standard SFRS(I) 16 Leases³. Excluding the impact of SFRS (I) 16, Depreciation would have increased \$1.7 million or 11% to \$16.8 million due to the implementation of new systems.

Tax expense for the quarter was \$21.6 million (\$20.1 million). The effective tax rate was 18% (17%).

Technology-related capital expenditure was \$6.2 million (\$13.8 million). These investments were mainly for the enhancement of our Titan OTC commodities trade reporting system, development of our fixed income trading platform, and the digitalisation of retail investor services.

³ Under SFRS(I) 16 Leases, rental expenses relating to operating leases for data centers and office premises that were recorded as technology and premises expenses respectively, are now recorded as depreciation expense and finance charges. SFRS(I) 16 Leases took effect on 1 July 2019.

Regulatory Overview

During the quarter, we continued to fine-tune our regulatory tools used to address the risk of market manipulation. We issued, for the first time, a Trading Restriction on certain accounts together with a Trade with Caution alert on a stock where misconduct was suspected. Other activities in the quarter included:

- The launch of the market consultation, which closed on 27 December 2019, on our proposal to remove the Minimum Trading Price framework.
- The signing of an MOU with the Singapore Institute of Surveyors and Valuers to enhance standards of valuations of real estate and land. The MOU completes our initiatives to improve the valuation of assets held by listed companies.
- The launch of the 2019 list of SGX Fast Track companies, bringing the total number of companies in the programme to 95.
- The publication with NUS Business School's Centre for Governance, Institutions and Organisations (CGIO) of a review which showed that almost all listed companies produced their sustainability reports on a timely basis.

Commitment to Clearing Funds

SGX's commitment to the CDP and SGX-DC clearing funds was \$60 million and \$150 million respectively. The total CDP clearing fund was \$100 million and the total SGX-DC clearing fund was \$525 million as of 31 December 2019.

Outlook

Our second quarter performance demonstrates the strength and diversity of our multi-asset business.

We continue to see growth in our Currencies business, led by higher trading in our overnight (T+1) session from US and European customers. During the quarter, our INR/USD and USD/CNH contracts saw record single-day volume and T+1 volumes respectively, while 2019 year-end aggregate open interest grew 90% against a year ago.

Our Equity Derivatives business reported lower activity during the quarter. This was mainly due to lower volatility in the Chinese underlying markets. Investors' concerns from the US-China trade war and rising interest rates also eased from a year ago. This was offset by higher activity in our Cash Equities business as investors' confidence returned from signs of a trade war truce between US and China.

Looking ahead, volatility could increase from geopolitical tensions, and market speculation of policy changes leading to the US elections. This will result in higher demand for risk management solutions. SGX's broad range of access and risk management solutions in major asset classes enables global asset managers to manage their Asian portfolio risks across time zones.

Aligned with the fast growing development of passive investing globally, we will conclude the acquisition of Scientific Beta Pte. Ltd. to scale up and accelerate the growth of our index business. The investment will add capabilities in the smart beta and factor index space, and bring along a strong suite of clients from US and Europe. This will also create opportunities in building new derivatives products.

As guided previously, our FY2020 total expenses is projected to be between \$465 million and \$475 million, and technology-related capital expenditure to be between \$45 million and \$50 million.

2. Income Statement - Group

2Q			1H			
FY2020 S\$'000	FY2019 S\$'000	Change %		FY2020 S\$'000	FY2019 S\$'000	Change %
			Operating revenue			
38,997	32,519	19.9	Fixed Income, Currencies and Commodities	84,762	61,630	37.5
165,251	165,897	(0.4)	Equities	341,386	320,929	6.4
26,659	25,741	3.6	Data, Connectivity and Indices	52,350	50,455	3.8
230,907	224,157	3.0	Operating revenue	478,498	433,014	10.5
			Operating expenses			
50,521	46,505	8.6	Staff	99,848	89,577	11.5
16,547	19,313	(14.3)	Technology	32,630	38,272	(14.7)
11,455	11,656	(1.7)	Processing and royalties	24,928	22,229	12.1
2,418	4,894	(50.6)	Premises	4,835	9,930	(51.3)
1,899	5,158	(63.2)	Professional fees	4,930	8,250	(40.2)
6,596	7,823	(15.7)	Others	13,409	14,313	(6.3)
89,436	95,349	(6.2)	Operating expenses	180,580	182,571	(1.1)
141,471	128,808	9.8	Earnings before interest, tax, depreciation and amortisation	297,918	250,443	19.0
22,064	15,156	45.6	Depreciation and amortisation	43,802	30,432	43.9
119,407	113,652	5.1	Operating profit	254,116	220,011	15.5
			Other gains			
2,993	3,443	(13.1)	- Other revenue including interest income	7,786	7,026	10.8
(672)	-	NM	- Finance charges	(1,316)	-	NM
(408)	145	NM	- Net foreign exchange gains/(losses)	24	84	(71.4)
1,913	3,588	(46.7)	Other gains	6,494	7,110	(8.7)
121,320	117,240	3.5	Profit before tax and share of results of associated companies and joint venture	260,610	227,121	14.7
(762)	(644)	18.3	Share of results of associated companies and joint venture	(1,226)	(603)	NM
120,558	116,596	3.4	Profit before tax	259,384	226,518	14.5
(21,519)	(20,076)	7.2	Tax	(46,129)	(38,927)	18.5
99,039	96,520	2.6	Net profit after tax	213,255	187,591	13.7
			Attributable to:			
99,039	96,520	2.6	Equity holders of the Company	213,255	187,591	13.7

3. Statement of Comprehensive Income - Group

2Q			1H			
FY2020 S\$'000	FY2019 S\$'000	Change %		FY2020 S\$'000	FY2019 S\$'000	Change %
99,039	96,520	2.6	Net profit after tax	213,255	187,591	13.7
			Other comprehensive income/(expense):			
			a) Items that may be reclassified subsequently to profit or loss:			
			<i>Foreign exchange translation</i>			
4,720	(4,155)	NM	Exchange differences arising during the period	4,029	(4,767)	NM
			<i>Cash flow hedges</i>			
1,306	80	NM	- Fair value gains/(losses) arising during the period	(11)	(85)	(87.1)
767	538	42.6	- Transferred to profit or loss	679	1,114	(39.0)
			<i>Financial assets, at FVOCI</i>			
6	169	(96.4)	- Fair value gains/(losses) arising during the period	54	(28)	NM
9	-	NM	- Transferred to profit or loss	9	(5)	NM
			b) Items that will not be reclassified subsequently to profit or loss:			
			<i>Financial assets, at FVOCI</i>			
(1,168)	(582)	NM	Fair value losses arising during the period	(151)	(530)	(71.5)
5,640	(3,950)	NM	Other comprehensive income/(expense) for the period, net of tax	4,609	(4,301)	NM
104,679	92,570	13.1	Total comprehensive income for the period	217,864	183,290	18.9
			Total comprehensive income attributable to:			
104,679	92,570	13.1	Equity holders of the Company	217,864	183,290	18.9

NM: Not meaningful

5. Detailed Notes on Expenses - Group

2Q			1H			
FY2020 S\$'000	FY2019 S\$'000	Change %	FY2020 S\$'000	FY2019 S\$'000	Change %	
Operating expenses						
Staff						
33,725	31,586	6.8	- Fixed staff costs	67,102	63,441	5.8
13,466	13,131	2.6	- Variable bonus	24,975	21,820	14.5
3,330	1,788	86.2	- Variable share-based payment	7,771	4,316	80.1
50,521	46,505	8.6		99,848	89,577	11.5
Technology						
15,554	18,439	(15.6)	- System maintenance and rental	30,745	36,719	(16.3)
993	874	13.6	- Communication charges	1,885	1,553	21.4
16,547	19,313	(14.3)		32,630	38,272	(14.7)
11,455	11,656	(1.7)	Processing and royalties	24,928	22,229	12.1
2,418	4,894	(50.6)	Premises	4,835	9,930	(51.3)
1,899	5,158	(63.2)	Professional fees	4,930	8,250	(40.2)
Others						
1,589	1,664	(4.5)	- Marketing	3,122	2,970	5.1
763	1,147	(33.5)	- Travelling	1,319	1,788	(26.2)
(10)	30	NM	- (Reversal)/allowance for impairment of trade receivables (net)	579	430	34.7
-	-	NM	- Net write-off of property, plant and equipment and software	-	10	(100.0)
1	-	NM	- Net loss on disposal of property, plant and equipment and software	1	-	NM
389	832	(53.2)	- Directors' fee	1,274	1,723	(26.1)
1,556	1,490	4.4	- Regulatory fee	3,112	2,979	4.5
2,308	2,660	(13.2)	- Miscellaneous	4,002	4,413	(9.3)
6,596	7,823	(15.7)		13,409	14,313	(6.3)
89,436	95,349	(6.2)	Operating expenses	180,580	182,571	(1.1)

6. Earnings Per Share - Group

2Q			1H	
FY2020	FY2019		FY2020	FY2019
Earnings per ordinary share for the period (cents)				
9.2	9.0	(a) Based on weighted average number of ordinary shares in issue	19.9	17.5
9.2	9.0	(b) On a fully diluted basis	19.8	17.5
1,070,966	1,070,353	Weighted average number of ordinary shares in issue for basic earnings per share ('000)	1,070,563	1,070,336
4,868	3,770	Adjustment for assumed vesting of shares granted under share plans ('000)	4,334	3,253
1,075,834	1,074,123	Weighted average number of ordinary shares for diluted earnings per share ('000)	1,074,897	1,073,589

7. Statement of Financial Position - Group

	As at	
	31 Dec 2019 S\$'000	30 Jun 2019 S\$'000
Assets		
Current assets		
Cash and cash equivalents	725,015	666,670
Trade and other receivables	466,240	885,451
Derivative financial instruments	911	256
Financial assets, at FVOCI	25,986	24,780
	1,218,152	1,577,157
Non-current assets		
Financial assets, at FVOCI	58,465	58,783
Investment property	25,110	24,596
Property, plant and equipment	52,338	60,951
Software	171,484	182,090
Right-of-use assets	97,408	-
Intangible assets	57,528	57,566
Goodwill	87,485	85,299
Investments in associated companies	76,442	78,967
Investment in joint venture	100	100
Derivative financial instruments	4,436	5,851
Other assets	928	928
	631,724	555,131
Total assets	1,849,876	2,132,288
Liabilities		
Current liabilities		
Trade and other payables	456,100	911,506
Dividend payable	80,324	-
Derivative financial instruments	387	1,293
Lease liabilities	18,798	-
Taxation	88,058	77,167
Provisions	11,653	11,507
	655,320	1,001,473
Non-current liabilities		
Lease liabilities	79,406	-
Deferred tax liabilities	39,357	39,966
	118,763	39,966
Total liabilities	774,083	1,041,439
Net assets	1,075,793	1,090,849
Equity		
Capital and reserves attributable to the Company's equity holders		
Share capital	429,738	429,113
Treasury shares	(4,681)	(13,233)
Cash flow hedge reserve	540	(128)
Currency translation reserve	732	(3,297)
Fair value reserve	8,835	8,931
Securities clearing fund reserve	25,000	25,000
Derivatives clearing fund reserve	34,021	34,021
Share-based payment reserve	17,736	18,865
Retained profits	563,872	511,342
Proposed dividends	-	80,235
Total equity	1,075,793	1,090,849

8. Net Asset Value - Group

	As at	
	31 Dec 2019	30 Jun 2019
	S\$	S\$
Net asset value per ordinary share based on total number of issued shares excluding treasury shares as at the end of the reporting period	1.00	1.02

9. Borrowings and Debt Securities - Group**(a) Aggregate amount of the Group's borrowings and debt securities**

	As at 31 Dec 2019		As at 30 Jun 2019	
	Secured S\$'000	Unsecured S\$'000	Secured S\$'000	Unsecured S\$'000
Amount repayable in one year or less, or on demand	Nil	Nil	Nil	Nil
Amount repayable after one year	Nil	Nil	Nil	Nil

(b) Details of any collaterals

None.

10. Statement of Cash Flows - Group

2Q			1H	
FY2020	FY2019		FY2020	FY2019
S\$'000	S\$'000		S\$'000	S\$'000
Cash flows from operating activities				
121,320	117,240	Profit before tax and share of results of associated companies and joint venture	260,610	227,121
Adjustments for:				
22,064	15,156	Depreciation and amortisation	43,802	30,432
3,330	1,788	Share-based payment expense	8,116	4,642
(102)	(90)	Gains on dilution of interests in associated companies	(1,239)	(90)
-	-	Net write-off of property, plant and equipment and software	-	10
1	-	Net loss on disposal of property, plant and equipment and software	1	-
(3,394)	(2,942)	Interest income	(7,047)	(6,466)
(19)	(15)	Dividend income from other investments	(68)	(49)
672	-	Finance charges	1,316	-
143,872	131,137	Operating cash flow before working capital change	305,491	255,600
Change in working capital:				
14,560	(16,628)	Cash committed for National Electricity Market of Singapore	696	(13,508)
104,528	248,756	Trade and other receivables	419,228	422,756
(106,523)	(245,739)	Trade and other payables	(451,984)	(448,904)
156,437	117,526	Cash generated from operations	273,431	215,944
(36,177)	(39,375)	Income tax paid	(36,378)	(39,610)
120,260	78,151	Net cash provided by operating activities	237,053	176,334
Cash flows from investing activities				
(8,606)	(13,745)	Purchases of property, plant and equipment and software	(15,545)	(23,522)
(205)	(529)	Purchase of financial assets, at FVOCI	(998)	(33,371)
4,813	4,005	Interest received	6,970	5,703
2,416	-	Dividend received from associated company	2,416	-
20	11	Dividend received from other investments	64	49
2	-	Proceeds from disposal of property, plant and equipment and software	2	-
-	-	Acquisition of associated companies	-	(42,260)
(1,560)	(10,258)	Net cash used in investing activities	(7,091)	(93,401)
Cash flows from financing activities				
(160,644)	(240,900)	Dividends paid	(160,644)	(240,900)
-	(3,688)	Purchase of treasury shares	-	(6,731)
(5,290)	-	Repayment of lease liabilities	(10,558)	-
(165,934)	(244,588)	Net cash used in financing activities	(171,202)	(247,631)
(47,234)	(176,695)	Net (decrease)/increase in cash and cash equivalents held	58,760	(164,698)
551,468	561,570	Cash and cash equivalents at the beginning of the period	445,512	549,597
319	(167)	Effects of currency translation on cash and cash equivalents	281	(191)
504,553	384,708	Cash and cash equivalents at the end of the period	504,553	384,708
For the purpose of the Statement of Cash Flows, the cash and cash equivalents comprised the following:				
504,553	384,708	Cash and cash equivalents per Statement of Cash Flows	504,553	384,708
Add: Cash committed for				
150,021	200,021	- Singapore Exchange Derivatives Clearing Limited - Derivatives Clearing Fund	150,021	200,021
60,000	60,000	- The Central Depository (Pte) Limited - Securities Clearing Fund	60,000	60,000
10,441	35,477	- National Electricity Market of Singapore	10,441	35,477
725,015	680,206	Cash and cash equivalents per Statement of Financial Position - Group	725,015	680,206

11. Statement of Changes in Equity - Group

	Attributable to equity holders of the Company										
	Share capital	Treasury shares	Cash flow hedge reserve *	Currency translation reserve *	Fair value reserve *	Securities clearing fund reserve *	Derivatives clearing fund reserve *	Share-based payment reserve *	Retained profits	Proposed dividends	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	\$'000	S\$'000
(i) Group - 2Q FY2020											
Balance at 1 October 2019	429,680	(4,967)	(1,533)	(3,988)	9,996	25,000	34,021	14,751	545,238	80,235	1,128,433
Changes in equity for the period											
Dividend paid											
- FY2019 - Final dividend	-	-	-	-	-	-	-	-	-	(80,235)	(80,235)
- Under provision of FY2019 final dividend and 1Q FY2020 interim dividend	-	-	-	-	-	-	-	-	(89)	-	(89)
Dividend payable											
- 2Q FY2020 - Interim dividend	-	-	-	-	-	-	-	-	(80,324)	-	(80,324)
Employees' share plans - Value of employees' services	-	-	-	-	-	-	-	3,330	-	-	3,330
Vesting of shares under restricted share plan	58	287	-	-	-	-	-	(345)	-	-	-
Tax effect on treasury shares ^^	-	(1)	-	-	-	-	-	-	-	-	(1)
Transfer upon disposal of equity investments	-	-	-	-	(8)	-	-	-	8	-	-
	58	286	-	-	(8)	-	-	2,985	(80,405)	(80,235)	(157,319)
Total comprehensive income for the period	-	-	2,073	4,720	(1,153)	-	-	-	99,039	-	104,679
Balance at 31 December 2019	429,738	(4,681)	540	732	8,835	25,000	34,021	17,736	563,872	-	1,075,793
(ii) Group - 2Q FY2019											
Balance at 1 October 2018	429,127	(6,948)	(994)	2,252	(39)	25,000	34,021	11,560	452,148	-	946,127
Changes in equity for the period											
Dividend paid											
- FY2018 - Under provision of final base and variable dividends	-	-	-	-	-	-	-	-	(84)	-	(84)
Dividend payable											
- 2Q FY2019 - Interim dividend	-	-	-	-	-	-	-	-	(80,264)	-	(80,264)
Employees' share plans - Value of employees' services	-	-	-	-	-	-	-	1,788	-	-	1,788
Vesting of shares under restricted share plan	(14)	340	-	-	-	-	-	(326)	-	-	-
Purchase of treasury shares	-	(3,688)	-	-	-	-	-	-	-	-	(3,688)
Tax effect on treasury shares ^^	-	6	-	-	-	-	-	-	-	-	6
Transfer upon disposal of equity investments	-	-	-	-	42	-	-	-	(42)	-	-
	(14)	(3,342)	-	-	42	-	-	1,462	(80,390)	-	(82,242)
Total comprehensive income for the period	-	-	618	(4,155)	(413)	-	-	-	96,520	-	92,570
Balance at 31 December 2018	429,113	(10,290)	(376)	(1,903)	(410)	25,000	34,021	13,022	468,278	-	956,455

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

^^ The tax effect relates to the deferred tax benefit/(liability) on the difference between consideration paid for treasury shares and share-based payment expense relating to directors' services.

11. Statement of Changes in Equity - Group

	Attributable to equity holders of the Company										Total S\$'000
	Share capital	Treasury shares	Cash flow hedge reserve *	Currency translation reserve *	Fair value reserve *	Securities clearing fund reserve *	Derivatives clearing fund reserve *	Share-based payment reserve *	Retained profits	Proposed dividends	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
(iii) Group - 1H FY2020											
Balance at 1 July 2019	429,113	(13,233)	(128)	(3,297)	8,931	25,000	34,021	18,865	511,342	80,235	1,090,849
Changes in equity for the year											
Dividends paid											
- FY2019 - Final dividend	-	-	-	-	-	-	-	-	-	(80,235)	(80,235)
- 1Q FY2020 - Interim dividend	-	-	-	-	-	-	-	-	(80,320)	-	(80,320)
- Under provision of FY2019 final dividend and 1Q FY2020 interim dividend	-	-	-	-	-	-	-	-	(89)	-	(89)
Dividend payable											
- 2Q FY2020 - Interim dividend	-	-	-	-	-	-	-	-	(80,324)	-	(80,324)
Employees' share plans - Value of employees' services	-	-	-	-	-	-	-	7,771	-	-	7,771
Restricted share plan - Value of directors' services	-	-	-	-	-	-	-	345	-	-	345
Vesting of shares under share-based remuneration plans	567	8,333	-	-	-	-	-	(8,900)	-	-	-
Vesting of shares under restricted share plan	58	287	-	-	-	-	-	(345)	-	-	-
Tax effect on treasury shares ^^	-	(68)	-	-	-	-	-	-	-	-	(68)
Transfer upon disposal of equity investments	-	-	-	-	(8)	-	-	-	8	-	-
	625	8,552	-	-	(8)	-	-	(1,129)	(160,725)	(80,235)	(232,920)
Total comprehensive income for the year	-	-	668	4,029	(88)	-	-	-	213,255	-	217,864
Balance at 31 December 2019	429,738	(4,681)	540	732	8,835	25,000	34,021	17,736	563,872	-	1,075,793
(iv) Group - 1H FY2019											
Balance at 1 July 2018	429,236	(11,363)	(1,405)	2,864	111	25,000	34,021	15,875	441,377	160,516	1,096,232
Changes in equity for the year											
Dividends paid											
- FY2018 - Final base and variable dividends	-	-	-	-	-	-	-	-	-	(160,516)	(160,516)
- FY2018 - Under provision of final base and variable dividends	-	-	-	-	-	-	-	-	(84)	-	(84)
- 1Q FY2019 - Interim dividend	-	-	-	-	-	-	-	-	(80,300)	-	(80,300)
Dividend payable											
- 2Q FY2019 - Interim dividend	-	-	-	-	-	-	-	-	(80,264)	-	(80,264)
Employees' share plans - Value of employees' services	-	-	-	-	-	-	-	4,316	-	-	4,316
Restricted share plan - Value of directors' services	-	-	-	-	-	-	-	326	-	-	326
Vesting of shares under share-based remuneration plans	(109)	7,278	-	-	-	-	-	(7,169)	-	-	-
Vesting of shares under restricted share plan	(14)	340	-	-	-	-	-	(326)	-	-	-
Purchase of treasury shares	-	(6,731)	-	-	-	-	-	-	-	-	(6,731)
Tax effect on treasury shares ^^	-	186	-	-	-	-	-	-	-	-	186
Transfer upon disposal of equity investments	-	-	-	-	42	-	-	-	(42)	-	-
	(123)	1,073	-	-	42	-	-	(2,853)	(160,690)	(160,516)	(323,067)
Total comprehensive income for the year	-	-	1,029	(4,767)	(563)	-	-	-	187,591	-	183,290
Balance at 31 December 2018	429,113	(10,290)	(376)	(1,903)	(410)	25,000	34,021	13,022	468,278	-	956,455

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

^^ The tax effect relates to the deferred tax benefit/(liability) on the difference between consideration paid for treasury shares and variable share-based payment expense relating to employees' and directors' services.

12. Segment Information - Group

(i) Group - 2Q FY2020 and 2Q FY2019

2Q FY2020					2Q FY2019					
Fixed Income, Currencies and Commodities S\$'000	Equities S\$'000	Data, Connectivity and Indices S\$'000	Corporate * S\$'000	Group S\$'000		Fixed Income, Currencies and Commodities S\$'000	Equities S\$'000	Data, Connectivity and Indices S\$'000	Corporate * S\$'000	Group S\$'000
38,997	165,251	26,659	-	230,907	Operating revenue	32,519	165,897	25,741	-	224,157
15,383	108,710	17,378	-	141,471	Earnings before interest, tax, depreciation and amortisation	10,769	103,619	14,420	-	128,808
5,907	13,490	2,667	-	22,064	Depreciation and amortisation	4,786	9,103	1,267	-	15,156
9,476	95,220	14,711	-	119,407	Operating profit	5,983	94,516	13,153	-	113,652
-	-	-	1,913	1,913	Other gains	-	-	-	3,588	3,588
-	-	-	(762)	(762)	Share of results of associated companies and joint venture	-	-	-	(644)	(644)
-	-	-	(21,519)	(21,519)	Tax	-	-	-	(20,076)	(20,076)
				99,039	Net profit after tax					96,520

(ii) Group - 1H FY2020 and 1H FY2019

1H FY2020					1H FY2019					
Fixed Income, Currencies and Commodities S\$'000	Equities S\$'000	Data, Connectivity and Indices S\$'000	Corporate * S\$'000	Group S\$'000		Fixed Income, Currencies and Commodities S\$'000	Equities S\$'000	Data, Connectivity and Indices S\$'000	Corporate * S\$'000	Group S\$'000
84,762	341,386	52,350	-	478,498	Operating revenue	61,630	320,929	50,455	-	433,014
35,964	227,846	34,108	-	297,918	Earnings before interest, tax, depreciation and amortisation	18,769	202,414	29,260	-	250,443
11,626	26,816	5,360	-	43,802	Depreciation and amortisation	9,676	18,247	2,509	-	30,432
24,338	201,030	28,748	-	254,116	Operating profit	9,093	184,167	26,751	-	220,011
-	-	-	6,494	6,494	Other gains	-	-	-	7,110	7,110
-	-	-	(1,226)	(1,226)	Share of results of associated companies and joint venture	-	-	-	(603)	(603)
-	-	-	(46,129)	(46,129)	Tax	-	-	-	(38,927)	(38,927)
				213,255	Net profit after tax					187,591

* The corporate segment is a non-operating segment

13. Statement of Financial Position - Company

	As at	
	31 Dec 2019 S\$'000	30 Jun 2019 S\$'000
Assets		
Current assets		
Cash and cash equivalents	322,186	257,422
Trade and other receivables	22,767	19,579
Derivative financial instruments	160	198
Financial assets, at FVOCI	25,986	24,780
	371,099	301,979
Non-current assets		
Property, plant and equipment	28,174	35,318
Software	37,050	36,539
Right-of-use assets	97,028	-
Investments in subsidiaries	867,730	867,730
Investment in associated company	4,389	4,389
Other receivables	4,685	4,545
Other assets	333	333
	1,039,389	948,854
Total assets	1,410,488	1,250,833
Liabilities		
Current liabilities		
Trade and other payables	249,097	280,019
Dividend payable	80,324	-
Derivative financial instruments	9	-
Lease liabilities	18,492	-
Taxation	4,702	4,148
Provisions	7,487	7,355
	360,111	291,522
Non-current liabilities		
Lease liabilities	79,330	-
Deferred tax liabilities	7,390	6,753
	86,720	6,753
Total liabilities	446,831	298,275
Net assets	963,657	952,558
Equity		
Capital and reserves attributable to the Company's equity holders		
Share capital	429,738	429,113
Treasury shares	(4,681)	(13,233)
Cash flow hedge reserve	120	154
Fair value reserve	484	261
Share-based payment reserve	17,736	18,865
Retained profits	520,260	437,163
Proposed dividends	-	80,235
Total equity	963,657	952,558

14. Net Asset Value - Company

	As at	
	31 Dec 2019 S\$	30 Jun 2019 S\$
Net asset value per ordinary share based on total number of issued shares excluding treasury shares as at the end of the reporting period	0.90	0.89

15. Statement of Changes in Equity - Company

	Attributable to equity holders of the Company							Total S\$'000
	Share capital	Treasury shares	Cash flow hedge reserve *	Fair value reserve *	Share-based payment reserve *	Retained profits	Proposed dividends	
	S\$'000	S\$'000	S\$'000	\$'000	S\$'000	S\$'000	\$'000	
(i) Company - 2Q FY2020								
Balance at 1 October 2019	429,680	(4,967)	2	270	14,751	496,089	80,235	1,016,060
Changes in equity for the period								
Dividend paid								
- FY2019 - Final dividend	-	-	-	-	-	-	(80,235)	(80,235)
- Under provision of FY2019 final dividend and 1Q FY2020 interim dividend	-	-	-	-	-	(89)	-	(89)
Dividend payable								
- 2Q FY2020 - Interim dividend	-	-	-	-	-	(80,324)	-	(80,324)
Employees' share plans - Value of employees' services	-	-	-	-	3,330	-	-	3,330
Vesting of shares under restricted share plan	58	287	-	-	(345)	-	-	-
Tax effect on treasury shares ^^	-	(1)	-	-	-	-	-	(1)
Transfer upon disposal of equity investments	-	-	-	(8)	-	8	-	-
	58	286	-	(8)	2,985	(80,405)	(80,235)	(157,319)
Total comprehensive income for the period	-	-	118	222	-	104,576	-	104,916
Balance at 31 December 2019	429,738	(4,681)	120	484	17,736	520,260	-	963,657
(ii) Company - 2Q FY2019								
Balance at 1 October 2018	429,127	(6,948)	(3)	(39)	11,560	399,906	-	833,603
Changes in equity for the period								
Dividend paid								
- FY2018 - Under provision of final base and variable dividends	-	-	-	-	-	(84)	-	(84)
Dividend payable								
- 2Q FY2019 - Interim dividend	-	-	-	-	-	(80,264)	-	(80,264)
Employees' share plans - Value of employees' services	-	-	-	-	1,788	-	-	1,788
Vesting of shares under restricted share plan	(14)	340	-	-	(326)	-	-	-
Purchase of treasury shares	-	(3,688)	-	-	-	-	-	(3,688)
Tax effect on treasury shares ^^	-	6	-	-	-	-	-	6
Transfer upon disposal of equity investments	-	-	-	42	-	(42)	-	-
	(14)	(3,342)	-	42	1,462	(80,390)	-	(82,242)
Total comprehensive income for the period	-	-	3	(413)	-	100,659	-	100,249
Balance at 31 December 2018	429,113	(10,290)	-	(410)	13,022	420,175	-	851,610

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

^^ The tax effect relates to the deferred tax benefit/(liability) on the difference between consideration paid for treasury shares and share-based payment expense relating to directors' services.

15. Statement of Changes in Equity - Company

	Attributable to equity holders of the Company							Total S\$'000
	Share capital	Treasury shares	Cash flow hedge reserve *	Fair value reserve *	Share-based payment reserve *	Retained profits	Proposed dividends	
	S\$'000	S\$'000	S\$'000	\$'000	S\$'000	S\$'000	S\$'000	
(iii) Company - 1H FY2020								
Balance at 1 July 2019	429,113	(13,233)	154	261	18,865	437,163	80,235	952,558
Changes in equity for the year								
Dividends paid								
- FY2019 - Final dividend	-	-	-	-	-	-	(80,235)	(80,235)
- 1Q FY2020 - Interim dividend	-	-	-	-	-	(80,320)	-	(80,320)
- Under provision of FY2019 final dividend and 1Q FY2020 interim dividend	-	-	-	-	-	(89)	-	(89)
Dividend payable								
- 2Q FY2020 - Interim dividend	-	-	-	-	-	(80,324)	-	(80,324)
Employees' share plans - Value of employees' services	-	-	-	-	7,771	-	-	7,771
Restricted share plan - Value of directors' services	-	-	-	-	345	-	-	345
Vesting of shares under share-based remuneration plans	567	8,333	-	-	(8,900)	-	-	-
Vesting of shares under restricted share plan	58	287	-	-	(345)	-	-	-
Tax effect on treasury shares ^^	-	(68)	-	-	-	-	-	(68)
Transfer upon disposal of equity investments	-	-	-	(8)	-	8	-	-
	625	8,552	-	(8)	(1,129)	(160,725)	(80,235)	(232,920)
Total comprehensive income for the year	-	-	(34)	231	-	243,822	-	244,019
Balance at 31 December 2019	429,738	(4,681)	120	484	17,736	520,260	-	963,657
(iv) Company - 1H FY2019								
Balance at 1 July 2018	429,236	(11,363)	(32)	111	15,875	376,534	160,516	970,877
Changes in equity for the year								
Dividends paid								
- FY2018 - Final base and variable dividends	-	-	-	-	-	-	(160,516)	(160,516)
- FY2018 - Under provision of final base and variable dividends	-	-	-	-	-	(84)	-	(84)
- 1Q FY2019- Interim dividend	-	-	-	-	-	(80,300)	-	(80,300)
Dividend payable								
- 2Q FY2019 - Interim dividend	-	-	-	-	-	(80,264)	-	(80,264)
Employees' share plans - Value of employees' services	-	-	-	-	4,316	-	-	4,316
Restricted share plan - Value of directors' services	-	-	-	-	326	-	-	326
Vesting of shares under share-based remuneration plans	(109)	7,278	-	-	(7,169)	-	-	-
Vesting of shares under restricted share plan	(14)	340	-	-	(326)	-	-	-
Purchase of treasury shares	-	(6,731)	-	-	-	-	-	(6,731)
Tax effect on treasury shares ^^	-	186	-	-	-	-	-	186
Transfer upon disposal of equity investments	-	-	-	42	-	(42)	-	-
	(123)	1,073	-	42	(2,853)	(160,690)	(160,516)	(323,067)
Total comprehensive income for the year	-	-	32	(563)	-	204,331	-	203,800
Balance at 31 December 2018	429,113	(10,290)	-	(410)	13,022	420,175	-	851,610

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

^^ The tax effect relates to the deferred tax benefit/(liability) on the difference between consideration paid for treasury shares and variable share-based payment expense relating to employees' and directors' services.

16. Bank Facilities, Contingent Liabilities and Commitments - Group

Bank Facilities

- As at 31 December 2019, the Group had \$350 million (30 June 2019: \$554 million) of bank credit facilities comprising committed unsecured credit lines for prudent risk management and to maintain adequate liquid resources.

Contingent Liabilities and Other Commitments

- As at 31 December 2019, the Group had contingent liabilities to banks for US\$251 million (30 June 2019: US\$240 million) of unsecured standby letters of credit issued to Chicago Mercantile Exchange as margin and performance bond for futures trading.
- The Group has committed cash of \$220 million (30 June 2019: \$221 million) for the following:
 - Singapore Exchange Derivatives Clearing Limited - Derivatives Clearing Fund \$150 million (30 June 2019: \$150 million);
 - The Central Depository (Pte) Limited - Securities Clearing Fund \$60 million (30 June 2019: \$60 million); and
 - National Electricity Market of Singapore \$10 million (30 June 2019: \$11 million)

The manner in which the cash can be used is defined under Singapore Exchange Derivatives Clearing Limited clearing rules, The Central Depository (Pte) Limited clearing rules and Singapore electricity market rules respectively.

17. Dividend - Company

Interim Dividend

	2Q FY2020	2Q FY2019
Name of Dividend	Interim - tax-exempt	Interim - tax-exempt
Dividend Type	Cash	Cash
Dividend Rate	7.5 cents per ordinary share	7.5 cents per ordinary share
Books Closure Date	3 February 2020, 5pm	1 February 2019, 5pm
Date Payable/Paid	10 February 2020	12 February 2019

18. Share Capital - Company

The total number of issued ordinary shares as at 31 December 2019 was 1,071,642,400 (31 December 2018: 1,071,642,400), of which 661,540 (31 December 2018: 1,460,638) were held by the Company as treasury shares.

During the three months ended 31 December 2019, the Company did not purchase any of its ordinary shares (2Q FY2019: Purchased 532,100 shares by way of on-market purchases at share prices ranging from \$6.74 to \$7.04). The total amount paid to purchase the shares in 2Q FY2019 was \$3.7 million. During the three months ended 31 December 2019, 41,512 shares under the Company's restricted share plan have vested (2Q FY2019: 44,848).

For 1H FY2020, the Company did not purchase any of its ordinary shares (1H FY2019: 949,100 shares by way of on-market purchases at share prices ranging from \$6.74 to \$7.31). The total amount paid to purchase the shares in 1H FY2019 was \$6.7 million. During 1H FY2020, 1,177,746 shares under the Company's share-based remuneration plans and restricted share plan have vested (1H FY2019: 1,024,231).

The movement of treasury shares for the period is as follows:

2Q			1H	
FY2020	FY2019		FY2020	FY2019
703,052	973,386	Balance at beginning of period	1,839,286	1,535,769
-	532,100	Purchase of treasury shares	-	949,100
(41,512)	(44,848)	Shares transferred to employees pursuant to share-based remuneration plans and to directors pursuant to restricted share plan	(1,177,746)	(1,024,231)
661,540	1,460,638	Balance at end of period	661,540	1,460,638

The Company holds the shares bought back as treasury shares and plans to use the shares to fulfill its obligations under the Company's share-based remuneration plans and restricted share plan.

19. Accounting Policies - Group

(a) New accounting policies applicable to SGX

The same accounting policies and methods of computation used in the FY2019 audited annual financial statements have been applied for the current reporting period, except for the adoption of the new SFRS(I) applicable for the financial year beginning on 1 July 2019 as follows:

- SFRS(I) 16 Leases ("SFRS(I) 16")

SFRS(I) 16 results in leases being recognised on the balance sheet as the distinction between operating and finance leases is removed. Under the new accounting standard, an asset recognising the right-of-use of the leased item and a lease liability to pay rentals are recognised. The only exceptions are short-term and low-value leases. Lessor accounting remains largely similar to the previous accounting standard.

The Group has applied SFRS(I) 16 from 1 July 2019 and the simplified transition approach is used with no restatement of comparative amounts for the year prior to first adoption.

On 1 July 2019, the Group recognised right-of-use assets of \$85,801,000 and lease liabilities of \$85,801,000.

(b) Restatement to presentation of income statement and segment information

Effective from 1 July 2019, SGX Group implemented changes to the organisation structure to capitalise on its strength as an international multi-asset exchange to pursue growth opportunities and build scale in multiple asset classes.

The new organisation structure comprises of three business units - Fixed Income, Currencies and Commodities; Equities (Cash and Derivatives); and Data, Connectivity and Indices. As a result of the new organisation structure, presentation of income statement has been updated with effect from FY2020. Segment reporting has also been updated to reflect the Executive Management Committee's review of segment performance and resources allocation. Assets and liabilities of SGX Group are managed as a whole.

The tables below illustrate the restatements for 2Q FY2019 and 1H FY2019.

Operating revenue - Group

New classification	As restated		Previous classification	As previously disclosed	
	2Q FY2019	1H FY2019		2Q FY2019	1H FY2019
	S\$'000	S\$'000		S\$'000	S\$'000
Fixed Income, Currencies and Commodities			Equities and Fixed Income		
- Fixed Income			- Issuer Services		
- Listing	2,003	4,091	- Listing	11,212	22,336
- Corporate actions and other	923	1,585	- Corporate actions and other	7,792	16,132
	2,926	5,676		19,004	38,468
- Currencies and Commodities - Derivatives			- Securities Trading and Clearing		
- Trading and clearing	19,835	37,742	- Securities clearing	34,747	70,803
- Treasury and other	9,758	18,212	- Access	8,163	16,767
	29,593	55,954	- Collateral management, membership and other	2,249	4,505
	32,519	61,630		45,159	92,075
Equities			- Post Trade Services		
- Equities - Cash			- Securities settlement	19,248	37,069
- Listing	9,209	18,245	- Depository management	2,139	4,338
- Corporate actions and other	6,908	14,624		21,387	41,407
- Trading and clearing	42,874	87,504		85,550	171,950
- Securities settlement and depository management	21,384	41,396			
- Treasury and other	2,249	4,505			
	82,624	166,274			
- Equities - Derivatives			Derivatives		
- Trading and clearing	51,134	98,131	- Equity and Commodities	70,969	135,873
- Treasury, licence and other	32,139	56,524	- Collateral management, licence, membership and other	41,897	74,736
	83,273	154,655		112,866	210,609
	165,897	320,929			
Data, Connectivity and Indices			Market Data and Connectivity		
- Market data and Indices	10,720	20,996	- Market data	10,720	20,996
- Connectivity	15,021	29,459	- Connectivity	15,021	29,459
	25,741	50,455		25,741	50,455
Operating revenue	224,157	433,014	Operating revenue	224,157	433,014

19. Accounting Policies - Group (continued)

Operating expenses - Group

New classification	As restated		Previous classification	As previously disclosed	
	2Q FY2019	1H FY2019		2Q FY2019	1H FY2019
	S\$'000	S\$'000		S\$'000	S\$'000
Staff			Staff		
- Fixed staff costs	31,586	63,441	- Fixed staff costs	31,606	63,481
- Variable bonus	13,131	21,820	- Variable bonus	13,131	21,820
- Variable share-based payment	1,788	4,316	- Variable share-based payment	1,788	4,316
	<u>46,505</u>	<u>89,577</u>		<u>46,525</u>	<u>89,617</u>
Technology			Technology		
- System maintenance and rental	18,439	36,719	- System maintenance and rental	18,439	36,719
- Communication charges	874	1,553	- Depreciation and amortisation	12,331	24,774
	<u>19,313</u>	<u>38,272</u>	- Communication charges	874	1,553
				<u>31,644</u>	<u>63,046</u>
Processing and royalties	11,656	22,229	Processing and royalties	11,656	22,229
Premises	4,894	9,930	Premises		
Professional fees	5,158	8,250	- Rental and maintenance of premises	4,894	9,930
			- Depreciation of furniture and fittings, building and leasehold improvements	2,255	4,511
Others				<u>7,149</u>	<u>14,441</u>
- Marketing	1,664	2,970	Professional fees	5,158	8,250
- Travelling	1,147	1,788			
- Allowance for impairment of trade receivables (net)	30	430	Others		
- Net write-off of property, plant and equipment and software	-	10	- Marketing	1,664	2,970
- Directors' fee	832	1,723	- Travelling	1,147	1,788
- Regulatory fee	1,490	2,979	- Allowance for impairment of trade receivables (net)	30	430
- Miscellaneous	2,660	4,413	- Net write-off of property, plant and equipment and software	-	10
	<u>7,823</u>	<u>14,313</u>	- Directors' fee	832	1,723
Operating expenses	95,349	182,571	- Regulatory fee	1,490	2,979
Depreciation and amortisation	15,156	30,432	- Amortisation of intangible assets	550	1,107
			- Miscellaneous	2,660	4,413
				<u>8,373</u>	<u>15,420</u>
Total operating expenses including depreciation and amortisation	110,505	213,003	Operating expenses	110,505	213,003

The revised presentation does not result in a change in the Group's total operating revenue, total operating expenses including depreciation and amortisation, net profit before and after tax.

Restated quarterly and annual income statement for FY2019 can be found in the following link:

<http://investorrelations.sgx.com/financial-information/quarterly-results>

19. Accounting Policies - Group (continued)

Segment Information - Group

2Q FY2019 As restated					2Q FY2019 As previously disclosed					
Fixed Income, Currencies and Commodities S\$'000	Equities S\$'000	Data, Connectivity and Indices S\$'000	Corporate * S\$'000	Group S\$'000		Equities and Fixed Income S\$'000	Derivatives S\$'000	Market Data and Connectivity S\$'000	Corporate * S\$'000	Group S\$'000
32,519	165,897	25,741	-	224,157	Operating revenue	85,550	112,866	25,741	-	224,157
10,769	103,619	14,420	-	128,808	Earnings before interest, tax, depreciation and amortisation	-	-	-	-	-
4,786	9,103	1,267	-	15,156	Depreciation and amortisation	-	-	-	-	-
5,983	94,516	13,153	-	113,652	Operating profit	39,005	61,521	13,126	-	113,652
-	-	-	3,588	3,588	Other gains	-	-	-	3,588	3,588
-	-	-	(644)	(644)	Share of results of associated companies and joint venture	-	-	-	(644)	(644)
-	-	-	(20,076)	(20,076)	Tax	-	-	-	(20,076)	(20,076)
				96,520	Net profit after tax					96,520
-	-	-	-	-	Segment assets #	320,296	457,709	39,010	789,567	1,606,582
					Segment assets include:					
-	-	-	-	-	Investments in associated companies	-	-	-	50,434	50,434
					Additions to:					
-	-	-	-	-	- Property, plant and equipment and software	10,686	3,068	4,324	-	18,078
-	-	-	-	-	- Investments in associated companies	-	-	-	90	90
-	-	-	-	-	Segment liabilities #	205,479	236,700	5,514	202,434	650,127
					Other information					
-	-	-	-	-	Depreciation and amortisation	6,946	6,942	1,268	-	15,156

* The corporate segment is a non-operating segment

With effect from 1 July 2019, SGX Group's assets and liabilities are managed as a whole. Comparatives are not presented for the restated amounts for 2Q FY2019.

19. Accounting Policies - Group (continued)

1H FY2019 As restated					1H FY2019 As previously disclosed					
Fixed Income, Currencies and Commodities S\$'000	Equities S\$'000	Data, Connectivity and Indices S\$'000	Corporate * S\$'000	Group S\$'000		Equities and Fixed Income S\$'000	Derivatives S\$'000	Market Data and Connectivity S\$'000	Corporate * S\$'000	Group S\$'000
61,630	320,929	50,455	-	433,014	Operating revenue	171,950	210,609	50,455	-	433,014
18,769	202,414	29,260	-	250,443	Earnings before interest, tax, depreciation and amortisation	-	-	-	-	-
9,676	18,247	2,509	-	30,432	Depreciation and amortisation	-	-	-	-	-
9,093	184,167	26,751	-	220,011	Operating profit	81,421	111,855	26,735	-	220,011
-	-	-	7,110	7,110	Other gains	-	-	-	7,110	7,110
-	-	-	(603)	(603)	Share of results of associated companies and joint venture	-	-	-	(603)	(603)
-	-	-	(38,927)	(38,927)	Tax	-	-	-	(38,927)	(38,927)
				187,591	Net profit after tax					187,591
-	-	-	-	-	Segment assets #	320,296	457,709	39,010	789,567	1,606,582
					Segment assets include:					
-	-	-	-	-	Investments in associated companies	-	-	-	50,434	50,434
					Additions to:					
-	-	-	-	-	- Property, plant and equipment and software	18,974	5,140	5,605	-	29,719
-	-	-	-	-	- Investments in associated companies	-	-	-	42,350	42,350
-	-	-	-	-	Segment liabilities #	205,479	236,700	5,514	202,434	650,127
					Other information					
-	-	-	-	-	Depreciation and amortisation	13,683	14,235	2,514	-	30,432

* The corporate segment is a non-operating segment

With effect from 1 July 2019, SGX Group's assets and liabilities are managed as a whole. Comparatives are not presented for the restated amounts for 1H FY2019.

20. Subsequent Event

On 23 January 2020, SGX announced the acquisition of a 93% stake in Scientific Beta Pte. Ltd. through its wholly-owned subsidiary, Asian Gateway Investments Pte. Ltd., for EUR 186 million in cash, subject to closing adjustments. The acquisition will scale up and accelerate the growth of SGX's Data, Connectivity and Indices business. This acquisition will be funded through external borrowings and is not expected to have a material impact on the financial results in FY2020.

21. Other Appendix 7.2 Listing Manual Requirements

Interested Person Transactions - Group

The Group has not obtained a general mandate from shareholders for Interested Person Transactions.

Confirmation of Directors and Executive Officers' undertakings pursuant to Listing Rule 720(1)

The Company has procured undertakings from all its directors and executive officers in compliance with Listing Rule 720(1).

Seah Kim Ming Glenn
Ding Hui Yun
Company Secretaries
23 January 2020

22. Listing Manual Compliance Checklist

The following table sets out the requirements in Appendix 7.2 of the Listing Manual and the sections in the SGX quarter announcement in compliance with the Listing Manual requirements.

Listing Manual Paragraph	Summary of Listing Manual Requirements	Compliance in SGXNet Section
1	Income Statement - Group	2
	Statement of Comprehensive Income - Group	3
	Statement of Financial Position - Group and Company	7 and 13
	Borrowings and Debt Securities - Group	9
	Statement of Cash Flows - Group	10
	Statement of Changes in Equity - Group and Company	11 and 15
	Changes in Share Capital - Company	18
	Number of shares that may be issued on conversion of all outstanding convertibles, against total number of issued shares excluding treasury shares and subsidiary holdings at the end of current financial period and at the end of the corresponding period of immediately preceding year	18
	Total number of issued shares excluding treasury shares as at the end of the current financial period and immediately preceding year	18
	Statement of sales, transfers, disposals, cancellation and/or use of treasury shares and/or use of subsidiary holdings as at the end of the current financial period reported on	18
2	Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice	Page 1 and attached auditor's report.
3	Where the figures have been audited/reviewed, the auditors' report	Attached auditor's report.
4 and 5	Whether the same accounting policies and methods of computation as in the issuer's most recently audited financial statements have been applied. To state reasons and effect of change, if any	19
6	Earnings per ordinary share - Group: (a) Weighted average number of ordinary shares on issue; and (b) On a fully diluted basis	6
7	Net asset value per ordinary share based on the total number of issued shares excluding treasury shares - Group and Company	8 and 14
8	A review of the performance of the Group	1 - Performance Summary
9	Variance between a previously disclosed forecast or prospect statement and actual results	No noted variances
10	A commentary of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months	1 - Performance Summary, paragraph on "Outlook".
11 and 12	Information on dividend	17
13	Interested person transactions	21
14	Negative confirmation pursuant to Rule 705(5) of the Listing Manual	Attached negative confirmation by SGX's Board of Directors
15	Confirmation pursuant to Rule 720(1) of the Listing Manual	21
16	Segment information	12
17	In the review of performance, factors leading to any material changes in contributions to turnover and earnings.	1 - Performance Summary
18	Breakdown of first and second half year results for sales and operating profit	Required only for full year announcement
19	Breakdown in total annual dividend in dollar value by ordinary and preference shares	Required only for full year announcement
20	Confirmation pursuant to Rule 704(13) of the Listing Manual	Required only for full year announcement
NA	Not required (Additional information provided by SGX)	16 - Bank Facilities, Contingent Liabilities and Commitments - Group

CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(5) OF THE LISTING MANUAL

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the second quarter ended 31 December 2019 to be false or misleading.

On behalf of the Board of Directors

A handwritten signature in black ink, appearing to be "Kwa Chong Seng".

Kwa Chong Seng
Director

A handwritten signature in black ink, appearing to be "Loh Boon Chye".

Loh Boon Chye
Director

23 January 2020



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Report on review of Interim Financial Information

The Board of Directors
Singapore Exchange Limited

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Singapore Exchange Limited (the Company) and its subsidiaries (the Group) and the condensed statement of financial position of the Company as at 31 December 2019 and the related condensed consolidated income statement, statements of comprehensive income, changes in equity and cash flows of the Group and the condensed statement of changes in equity of the Company for the three-month and six-month periods ended 31 December 2019, and certain explanatory notes (the Interim Financial Information). Management is responsible for the preparation and presentation of this Interim Financial Information in accordance with Singapore Financial Reporting Standard (International) (“SFRS(I)”) 1-34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this Interim Financial Information based on our review.

Scope of review

We conducted our review in accordance with Singapore Standard on Review Engagements 2410 *Review of Interim Financial Information Performed by the Independent Auditor of the Entity*. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Singapore Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying Interim Financial Information is not prepared, in all material respects, in accordance with SFRS(I) 1-34 *Interim Financial Reporting*.



Other matter

The financial statements for the year ended 30 June 2019 were audited by another auditor whose report dated 31 July 2019 expressed an unmodified opinion on those statements. The interim financial information for the three-month and six-month periods ended 31 December 2018 was reviewed by another auditor who expressed an unmodified opinion on that interim financial information on 24 January 2019.

Restriction on use

Our report is provided in accordance with the terms of our engagement. Our work was undertaken so that we might report to you on the Interim Financial Information for the purpose of assisting the Company to meet the requirements of paragraph 3 of Appendix 7.2 of the Singapore Exchange Limited Listing Manual and for no other purpose. Our report is included in the Company's announcement of its Interim Financial Information for the information of its members. We do not assume responsibility to anyone other than the Company for our work, for our report, or for the conclusions we have reached in our report.

A handwritten signature in blue ink, appearing to read 'K. Lee' followed by a flourish.

KPMG LLP
Public Accountants and
Chartered Accountants

Singapore
23 January 2020