

**Singapore Exchange Limited  
and its subsidiaries  
Registration Number: 199904940D**

**Financial Statements  
For the financial year ended 30 June 2021**

## **Directors' statement**

The directors present their statement to the shareholders together with the audited financial statements of Singapore Exchange Limited (“the Company” or “SGX”) and its subsidiaries (“the Group”) for the financial year ended 30 June 2021.

In the opinion of the directors,

- (a) the financial statements set out on pages FS1 to FS117 are drawn up so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2021 and the financial performance, changes in equity of the Group and of the Company, and the cash flows of the Group for the financial year ended on that date; and
- (b) at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

## **Directors**

The directors in office at the date of this statement are as follows:

Mr Kwa Chong Seng	(Chairman)
Mr Loh Boon Chye	(Chief Executive Officer)
Dr Beh Swan Gin	
Ms Chew Gek Khim	
Ms Jane Diplock AO	
Mr Kevin Kwok	
Mr Lim Chin Hu	
Ms Lim Sok Hui (Mrs Chng Sok Hui)	
Mr Mark Makepeace	(Appointed on 24 September 2020)
Mr Ng Wai King	
Mr Yeoh Oon Jin	(Appointed on 1 July 2021)
Professor Subra Suresh	

## **Arrangements to enable directors to acquire shares and debentures**

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

**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 shares or debentures of the Company or its related corporations, except as follows:

	Number of ordinary shares registered in name of <u>director or nominee</u>		Number of ordinary shares in which director is deemed <u>to have an interest</u>	
	At	At	At	At
	<u>30.06.2021</u>	<u>01.07.2020</u>	<u>30.06.2021</u>	<u>01.07.2020</u>
<b>Singapore Exchange Limited</b>				
Mr Kwa Chong Seng	105,369	79,939	—	—
Mr Loh Boon Chye	458,265	274,666	—	—
Ms Chew Gek Khim	6,883	4,833	—	—
Ms Jane Diplock AO	6,883	4,833	—	—
Mr Kevin Kwok	26,883	24,833	70,000	70,000
Mr Lim Chin Hu	41,883	39,833	—	—
Mr Ng Wai King	4,306	2,256	—	—
Professor Subra Suresh	4,306	2,256	—	—

- (b) According to the register of directors' shareholdings,
- seven non-executive directors holding office at the end of the financial year had interests in the shares of the Company granted pursuant to SGX Restricted Share Plan; and
  - one executive director holding office at the end of the financial year had interests in the shares of the Company granted pursuant to SGX Performance Share Plan; and SGX Deferred Long-Term Incentives Scheme as set out below:

Subject to the terms and conditions of the SGX Performance Share Plan and SGX Deferred Long-Term Incentives Scheme, 921,835 shares granted to Loh Boon Chye will vest between 1 September 2021 and 1 September 2024.

- (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 2021.

**Share plans**

The Company offers the following share plans administered by the Remuneration & Staff Development Committee ("RSDC"):

- SGX Performance Share Plan;
- SGX Deferred Long-Term Incentives Scheme; and
- SGX Restricted Share Plan.

## **Share plans (continued)**

### *(a) SGX Performance Share Plan*

The current SGX Performance Share Plan (“SGX PSP 2015”) was adopted at the annual general meeting of the Company held on 23 September 2015. Through the SGX PSP 2015, the Company recognises and rewards key senior management for achievements and contributions to the SGX Group and motivates them to continue to strive for the SGX Group’s long-term prosperity, and at the same time meet guidelines on the deferral of employees’ variable compensation in line with prevailing regulatory requirements. In addition, the SGX PSP 2015 aims to foster an ownership culture which aligns the interest of employees with the interest of shareholders.

#### Eligibility

Senior management having rank of Senior Vice President and above, and selected senior management having rank of Vice President, job grade 2, who have been in the full time employment of the SGX Group for a period of at least 12 months (or such shorter period as the RSDC may determine), are eligible to participate in the SGX PSP 2015.

Fully paid SGX shares, their equivalent cash value or combinations thereof will be awarded and vest, free of charge, provided that certain prescribed performance targets are met and upon expiry of the prescribed vesting period(s). The amount released, if in the form of cash, is based on the market value of such shares on vesting date.

Unless otherwise decided by the RSDC, the entitlement to this award is conditional on the participant remaining in service up to the specified vesting date.

#### Restrictions

The total number of new SGX shares which may be issued pursuant to awards granted under SGX PSP 2015 on any date, when added to the total number of new shares issued and issuable in respect of all awards granted, shall not exceed 10% of SGX’s issued share capital on the day preceding the relevant date of award.

For grants under SGX PSP 2015, the vesting period is four years and any shares that have been released to the participants are not subject to a retention period.

#### Share grant and vesting

The RSDC approves all grants and has absolute discretion in the granting and award of performance shares.

**Share plans (continued)***(a) SGX Performance Share Plan (continued)*Share grant and vesting (continued)**(i) FY2017 Grant under SGX PSP 2015**

The number of SGX shares to be awarded to each participant is based on the achievement of prescribed performance targets over a three-year performance period from 1 July 2016 to 30 June 2019. The performance shares vested on 1 September 2020 and were fulfilled by the delivery of shares previously purchased from the market.

The details of shares granted to the participants are as follows:

<b>Participants (as defined under SGX Performance Share Plan)</b>	<b>Shares granted at grant date</b>	<b>Balance as at 01.07.2020</b>	<b>Shares lapsed during the financial year</b>	<b>Shares vested during the financial year</b>	<b>Balance as at 30.06.2021</b>
<b>Executive Management Committee (“EMCO”) members</b>					
Mr Loh Boon Chye <sup>(1)</sup>	133,100	133,100	(97,700)	(35,400)	–
Mr Chew Sutat <sup>(1)</sup>	41,600	41,600	(30,500)	(11,100)	–
Mr Syn Hsien-Min Michael <sup>(1)</sup>	39,900	39,900	(29,300)	(10,600)	–
Mr Tan Boon Gin	25,800	25,800	(18,900)	(6,900)	–
Ms Agnes Koh	21,600	21,600	(15,900)	(5,700)	–
Ms Tinku Gupta	16,000	16,000	(11,700)	(4,300)	–
Mr Arulraj Maria Devadoss	15,000	15,000	(11,000)	(4,000)	–
<b>Other staff</b>	<b>280,100</b>	<b>225,900</b>	<b>(165,800)</b>	<b>(60,100)</b>	<b>–</b>
<b>Other participants</b>					
Mr Muthukrishnan Ramaswami <sup>(1)(2)</sup>	59,900	59,900	(44,000)	(15,900)	–
Mr Chng Lay Chew <sup>(3)</sup>	25,800	25,800	(18,900)	(6,900)	–
	<b>658,800</b>	<b>604,600</b>	<b>(443,700)</b>	<b>(160,900)</b>	<b>–</b>

<sup>(1)</sup> Received more than 5% of the shares granted.

<sup>(2)</sup> Mr Muthukrishnan Ramaswami retired as SGX's President and his last day of service was 30 September 2019. As approved by the RSDC, he received the grant at the vesting date, subjected to the level of achievement against the performance conditions.

<sup>(3)</sup> Mr Chng Lay Chew retired as SGX's Chief Financial Officer and his last day of service was 30 September 2020.

**Share plans (continued)***(a) SGX Performance Share Plan (continued)*Share grant and vesting (continued)**(ii) FY2018 Grant under SGX PSP 2015**

The number of SGX shares to be awarded to each participant will be based on the achievement of prescribed performance targets over a three-year performance period from 1 July 2017 to 30 June 2020. An estimated 655,000 performance shares will vest on 1 September 2021.

The details of shares granted to the participants are as follows:

Participants (as defined under SGX Performance Share Plan)	Shares granted at grant date	Balance as at 01.07.2020	Shares lapsed during the financial year	Balance as at 30.06.2021 <sup>(1)</sup>
<b>EMCO members</b>				
Mr Loh Boon Chye <sup>(2)</sup>	135,900	135,900	–	135,900
Mr Chew Sutat <sup>(2)</sup>	42,500	42,500	–	42,500
Mr Syn Hsien-Min Michael <sup>(2)</sup>	36,700	36,700	–	36,700
Mr Tan Boon Gin <sup>(2)</sup>	34,000	34,000	–	34,000
Ms Agnes Koh	22,100	22,100	–	22,100
Ms Tinku Gupta	22,100	22,100	–	22,100
Mr Arulraj Maria Devadoss	16,100	16,100	–	16,100
<b>Other staff</b>	264,700	228,100	(19,400)	208,700
<b>Other participants</b>				
Mr Muthukrishnan Ramaswami <sup>(2)(3)</sup>	57,800	57,800	–	57,800
Mr Chng Lay Chew <sup>(4)</sup>	26,300	26,300	–	26,300
	<u>658,200</u>	<u>621,600</u>	<u>(19,400)</u>	<u>602,200</u>

<sup>(1)</sup> Represents the number of shares required if participants are to be awarded at 100% of the grant. However, the shares to be awarded at the vesting date may range from 0% to 150% of the grant, depending on the level of achievement against the performance conditions.

<sup>(2)</sup> Received more than 5% of the shares granted.

<sup>(3)</sup> Mr Muthukrishnan Ramaswami retired as SGX's President and his last day of service was 30 September 2019. As approved by the RSDC, he will continue to be eligible to receive the grant at the vesting date, subject to the level of achievement against the performance conditions.

<sup>(4)</sup> Mr Chng Lay Chew retired as SGX's Chief Financial Officer and his last day of service was 30 September 2020. As approved by the RSDC, he will continue to be eligible to receive the grant at the vesting date, subject to the level of achievement against the performance conditions.

**Share plans (continued)***(a) SGX Performance Share Plan (continued)*Share grant and vesting (continued)

## (iii) FY2019 Grant under SGX PSP 2015

The number of SGX shares to be awarded to each participant will be based on the achievement of prescribed performance targets over a three-year performance period from 1 July 2018 to 30 June 2021. The performance shares will vest on 1 September 2022.

The details of shares granted to the participants are as follows:

Participants (as defined under SGX Performance Share Plan)	Shares granted at grant date	Balance as at 01.07.2020	Shares lapsed during the financial year	Balance as at 30.06.2021 <sup>(1)</sup>
<b>EMCO members</b>				
Mr Loh Boon Chye <sup>(2)</sup>	152,900	152,900	–	152,900
Mr Chew Sutat <sup>(2)</sup>	48,000	48,000	–	48,000
Mr Tan Boon Gin <sup>(2)</sup>	42,600	42,600	–	42,600
Mr Syn Hsien-Min Michael <sup>(2)</sup>	41,200	41,200	–	41,200
Ms Agnes Koh	24,800	24,800	–	24,800
Ms Tinku Gupta	24,800	24,800	–	24,800
Mr Arulraj Maria Devadoss	17,400	17,400	–	17,400
<b>Other staff</b>	252,900	252,900	(22,900)	230,000
<b>Other participants</b>				
Mr Muthukrishnan Ramaswami <sup>(2)(3)</sup>	62,500	62,500	–	62,500
Mr Chng Lay Chew <sup>(4)</sup>	29,400	29,400	–	29,400
	<u>696,500</u>	<u>696,500</u>	<u>(22,900)</u>	<u>673,600</u>

<sup>(1)</sup> Represents the number of shares required if participants are to be awarded at 100% of the grant. However, the shares to be awarded at the vesting date may range from 0% to 150% of the grant, depending on the level of achievement against the performance conditions.

<sup>(2)</sup> Received more than 5% of the shares granted.

<sup>(3)</sup> Mr Muthukrishnan Ramaswami retired as SGX's President and his last day of service was 30 September 2019. As approved by the RSDC, he will continue to be eligible to receive the grant at the vesting date, subject to the level of achievement against the performance conditions.

<sup>(4)</sup> Mr Chng Lay Chew retired as SGX's Chief Financial Officer and his last day of service was 30 September 2020. As approved by the RSDC, he will continue to be eligible to receive the grant at the vesting date, subject to the level of achievement against the performance conditions.

**Share plans (continued)***(a) SGX Performance Share Plan (continued)*Share grant and vesting (continued)*(iv) FY2020 Grant under SGX PSP 2015*

The number of SGX shares to be awarded to each participant will be based on the achievement of prescribed performance targets over a three-year performance period from 1 July 2019 to 30 June 2022. The performance shares will vest on 1 September 2023.

The details of shares granted to the participants are as follows:

Participants (as defined under SGX Performance Share Plan)	Shares granted at grant date	Balance as at 01.07.2020	Shares lapsed during the financial year	Balance as at 30.06.2021 <sup>(1)</sup>
<b>EMCO members</b>				
Mr Loh Boon Chye <sup>(2)</sup>	155,800	155,800	–	155,800
Mr Syn Hsien-Min Michael <sup>(2)</sup>	46,200	46,200	–	46,200
Mr Chew Sutat <sup>(2)</sup>	40,300	40,300	–	40,300
Mr Tan Boon Gin <sup>(2)</sup>	39,000	39,000	–	39,000
Ms Tinku Gupta	25,600	25,600	–	25,600
Ms Agnes Koh	25,000	25,000	–	25,000
Mr Arulraj Maria Devadoss	17,000	17,000	–	17,000
<b>Other staff</b>	274,500	274,500	(23,400)	251,100
<b>Other participants</b>				
Mr Muthukrishnan Ramaswami <sup>(2)(3)</sup>	58,400	58,400	–	58,400
Mr Chng Lay Chew <sup>(4)</sup>	29,200	29,200	–	29,200
	<u>711,000</u>	<u>711,000</u>	<u>(23,400)</u>	<u>687,600</u>

<sup>(1)</sup> Represents the number of shares required if participants are to be awarded at 100% of the grant. However, the shares to be awarded at the vesting date may range from 0% to 150% of the grant, depending on the level of achievement against the performance conditions.

<sup>(2)</sup> Received more than 5% of the shares granted.

<sup>(3)</sup> Mr Muthukrishnan Ramaswami retired as SGX's President and his last day of service was 30 September 2019. As approved by the RSDC, he will continue to be eligible to receive the grant at the vesting date, subject to the level of achievement against the performance conditions.

<sup>(4)</sup> Mr Chng Lay Chew retired as SGX's Chief Financial Officer and his last day of service was 30 September 2020. As approved by the RSDC, he will continue to be eligible to receive the grant at the vesting date, subject to the level of achievement against the performance conditions.



**Share plans (continued)***(a) SGX Performance Share Plan (continued)*Share grant and vesting (continued)**(v) FY2021 Grant under SGX PSP 2015**

The number of SGX shares to be awarded to each participant will be based on the achievement of prescribed performance targets over a three-year performance period from 1 July 2020 to 30 June 2023. The performance shares will vest on 1 September 2024.

The details of shares granted to the participants are as follows:

<b>Participants (as defined under SGX Performance Share Plan)</b>	<b>Shares granted during financial year</b>	<b>Shares lapsed during the financial year</b>	<b>Balance as at 30.06.2021<sup>(1)</sup></b>
<b>EMCO members</b>			
Mr Loh Boon Chye <sup>(2)</sup>	161,200	–	161,200
Mr Lee Beng Hong <sup>(2)</sup>	42,600	–	42,600
Mr Syn Hsien-Min Michael <sup>(2)</sup>	41,100	–	41,100
Mr Tan Boon Gin <sup>(2)</sup>	39,500	–	39,500
Mr Chew Sutat <sup>(2)</sup>	39,500	–	39,500
Ms Tinku Gupta	27,400	–	27,400
Ms Agnes Koh	26,200	–	26,200
Mr Arulraj Maria Devadoss	17,600	–	17,600
<b>Other staff</b>	<b>305,600</b>	<b>(24,800)</b>	<b>280,800</b>
<b>Other participant</b>			
Mr Chng Lay Chew <sup>(3)</sup>	31,500	–	31,500
	<u>732,200</u>	<u>(24,800)</u>	<u>707,400</u>

<sup>(1)</sup> Represents the number of shares required if participants are to be awarded at 100% of the grant. However, the shares to be awarded at the vesting date may range from 0% to 150% of the grant, depending on the level of achievement against the performance conditions.

<sup>(2)</sup> Received more than 5% of the shares granted.

<sup>(3)</sup> Mr Chng Lay Chew retired as SGX's Chief Financial Officer and his last day of service was 30 September 2020. As approved by the RSDC, he will continue to be eligible to receive the grant at the vesting date, subject to the level of achievement against the performance conditions.

**Share plans (continued)***(a) SGX Performance Share Plan (continued)*Share grant and vesting (continued)

## (vi) Summary of SGX Performance Share Plan under SGX PSP 2015

Summary of the total number of shares granted, lapsed, vested and outstanding as at 30 June 2021 is as follows:

	Shares granted during financial year	Aggregated shares granted since commencement of SGX Performance Share Plan to 30.06.2021	Aggregated shares lapsed since commencement of SGX Performance Share Plan to 30.06.2021	Aggregated shares vested since commencement of SGX Performance Share Plan to 30.06.2021	Aggregate shares outstanding as at 30.06.2021
<b>Participants who received more than 5% of the total grants available</b>					
Mr Loh Boon Chye	161,200	738,900	(97,700)	(35,400)	605,800
Mr Muthukrishnan Ramaswami	–	292,200	(97,600)	(15,900)	178,700
Mr Chew Sutat	39,500	249,700	(68,300)	(11,100)	170,300
Mr Syn Hsien-Min Michael	41,100	239,800	(64,000)	(10,600)	165,200
<b>Participants who received less than 5% of the total grants available</b>					
Other staff	490,400	2,423,600	(784,900)	(87,900)	1,550,800
	<u>732,200</u>	<u>3,944,200</u>	<u>(1,112,500)</u>	<u>(160,900)</u>	<u>2,670,800</u>

**Share plans (continued)**

*(b) SGX Deferred Long-Term Incentives Scheme*

The SGX Deferred Long-Term Incentives Scheme (“SGX DLTIS”) was approved by the RSDC in July 2006. The objectives of the SGX DLTIS is to retain key employees whose contributions are essential to the long-term growth and profitability of the SGX Group and attract potential employees with relevant skills to contribute to the SGX Group and to create value for its shareholders.

Eligibility

Employees having the rank of Assistant Vice President and above, and have been in the continuous employment of the SGX Group for at least one year as at the date of award, are eligible to participate in the SGX DLTIS.

Fully paid SGX shares, their equivalent cash value or combinations thereof will be awarded to eligible employees and vest upon expiry of the prescribed vesting period(s). The amount released, if in the form of cash, is based on the market value of such shares on vesting date.

Unless otherwise decided by the RSDC, the entitlement to the award is conditional on the recipient remaining in service up to the specified vesting date.

**Share plans (continued)***(b) SGX Deferred Long-Term Incentives Scheme (continued)*Share grant and vesting**(i) FY2018 Award**

The FY2018 Award is in the form of SGX shares and the award vested in three equal instalments over a period of three years with the first instalment vested on 3 September 2018 and the final instalment vested on 1 September 2020.

The details of shares awarded are as follows:

<b>Recipients (as defined under SGX Deferred Long-Term Incentives Scheme)</b>	<b>Shares awarded at grant date</b>	<b>Balance as at 01.07.2020</b>	<b>Shares vested during financial year</b>	<b>Balance as at 30.06.2021</b>
<b>EMCO members</b>				
Mr Loh Boon Chye <sup>(1)</sup>	135,900	45,300	(45,300)	–
Mr Chew Sutat	42,500	14,168	(14,168)	–
Mr Syn Hsien-Min Michael	36,700	12,234	(12,234)	–
Mr Tan Boon Gin	34,000	11,334	(11,334)	–
Ms Agnes Koh	22,100	7,368	(7,368)	–
Ms Tinku Gupta	22,100	7,368	(7,368)	–
Mr Arulraj Maria Devadoss	16,100	5,368	(5,368)	–
<b>Other staff</b>	<b>780,500</b>	<b>226,704</b>	<b>(226,704)</b>	<b>–</b>
<b>Other recipients</b>				
Mr Muthukrishnan Ramaswami <sup>(2)</sup>	57,800	19,268	(19,268)	–
Mr Chng Lay Chew <sup>(3)</sup>	26,300	8,768	(8,768)	–
	<u>1,174,000</u>	<u>357,880</u>	<u>(357,880)</u>	<u>–</u>

<sup>(1)</sup> Received more than 5% of the shares awarded.

<sup>(2)</sup> Mr Muthukrishnan Ramaswami retired as SGX's President and his last day of service was 30 September 2019. As approved by the RSDC, he received the award at the vesting date.

<sup>(3)</sup> Mr Chng Lay Chew retired as SGX's Chief Financial Officer and his last day of service was 30 September 2020.

**Share plans (continued)***(b) SGX Deferred Long-Term Incentives Scheme (continued)*Share grant and vesting (continued)

## (ii) FY2019 Award

The FY2019 Award is in the form of SGX shares. The award will vest in three equal instalments over a period of three years with the first instalment vested on 2 September 2019.

The details of shares awarded are as follows:

	Shares awarded at grant date	Balance as at 01.07.2020	Shares lapsed during financial year	Shares vested during financial year	Balance as at 30.06.2021
<b>Recipients (as defined under SGX Deferred Long-Term Incentives Scheme)</b>					
<b>EMCO members</b>					
Mr Loh Boon Chye <sup>(1)</sup>	152,900	101,934	–	(50,966)	50,968
Mr Chew Sutat	48,000	32,000	–	(16,000)	16,000
Mr Tan Boon Gin	42,600	28,400	–	(14,200)	14,200
Mr Syn Hsien-Min Michael	41,200	27,467	–	(13,733)	13,734
Ms Agnes Koh	24,800	16,534	–	(8,266)	8,268
Ms Tinku Gupta	24,800	16,534	–	(8,266)	8,268
Mr Arulraj Maria Devadoss	17,400	11,600	–	(5,800)	5,800
<b>Other staff</b>	936,200	572,165	(17,370)	(286,035)	268,760
<b>Other recipients</b>					
Mr Muthukrishnan Ramaswami <sup>(2)</sup>	62,500	41,667	–	(20,833)	20,834
Mr Chng Lay Chew <sup>(3)</sup>	29,400	19,600	–	(9,800)	9,800
	<u>1,379,800</u>	<u>867,901</u>	<u>(17,370)</u>	<u>(433,899)</u>	<u>416,632</u>

<sup>(1)</sup> Received more than 5% of the shares awarded.

<sup>(2)</sup> Mr Muthukrishnan Ramaswami retired as SGX's President and his last day of service was 30 September 2019. As approved by the RSDC, he will continue to be eligible to receive the award at the vesting date.

<sup>(3)</sup> Mr Chng Lay Chew retired as SGX's Chief Financial Officer and his last day of service was 30 September 2020. As approved by the RSDC, he will continue to be eligible to receive the award at the vesting date.

**Share plans (continued)***(b) SGX Deferred Long-Term Incentives Scheme (continued)*Share grant and vesting (continued)

## (iii) FY2020 Award

The FY2020 Award is in the form of SGX shares. The award will vest in three equal instalments over a period of three years with the first instalment vested on 1 September 2020.

The details of shares awarded are as follows:

Recipients (as defined under SGX Deferred Long-Term Incentives Scheme)	Shares awarded at grant date	Balance as at 01.07.2020	Shares lapsed during financial year	Shares vested during financial year	Balance as at 30.06.2021
<b>EMCO members</b>					
Mr Loh Boon Chye <sup>(1)</sup>	155,800	155,800	–	(51,933)	103,867
Mr Syn Hsien-Min Michael	46,200	46,200	–	(15,400)	30,800
Mr Chew Sutat	40,300	40,300	–	(13,433)	26,867
Mr Tan Boon Gin	39,000	39,000	–	(13,000)	26,000
Ms Tinku Gupta	25,600	25,600	–	(8,533)	17,067
Ms Agnes Koh	25,000	25,000	–	(8,333)	16,667
Mr Arulraj Maria Devadoss	17,000	17,000	–	(5,666)	11,334
<b>Other staff</b>	1,009,700	986,700	(56,771)	(321,947)	607,982
<b>Other recipients</b>					
Mr Muthukrishnan Ramaswami <sup>(2)</sup>	58,400	58,400	–	(19,466)	38,934
Mr Chng Lay Chew <sup>(3)</sup>	29,200	29,200	–	(9,733)	19,467
	<b>1,446,200</b>	<b>1,423,200</b>	<b>(56,771)</b>	<b>(467,444)</b>	<b>898,985</b>

<sup>(1)</sup> Received more than 5% of the shares awarded.

<sup>(2)</sup> Mr Muthukrishnan Ramaswami retired as SGX's President and his last day of service was 30 September 2019. As approved by the RSDC, he will continue to be eligible to receive the award at the vesting date.

<sup>(3)</sup> Mr Chng Lay Chew retired as SGX's Chief Financial Officer and his last day of service was 30 September 2020. As approved by the RSDC, he will continue to be eligible to receive the award at the vesting date.

**Share plans (continued)***(b) SGX Deferred Long-Term Incentives Scheme (continued)*Share grant and vesting (continued)**(iv) FY2021 Award**

The FY2021 Award is in the form of SGX shares. The award will vest in three equal instalments over a period of three years with the first instalment vesting on 1 September 2021.

The details of shares awarded are as follows:

<b>Recipients (as defined under SGX Deferred Long-Term Incentives Scheme)</b>	<b>Shares awarded at grant date</b>	<b>Shares lapsed during financial year</b>	<b>Balance as at 30.06.2021</b>
<b>EMCO members</b>			
Mr Loh Boon Chye <sup>(1)</sup>	161,200	–	161,200
Mr Lee Beng Hong	42,600	–	42,600
Mr Syn Hsien-Min Michael	41,100	–	41,100
Mr Chew Sutat	39,500	–	39,500
Mr Tan Boon Gin	39,500	–	39,500
Ms Tinku Gupta	27,400	–	27,400
Ms Agnes Koh	26,200	–	26,200
Mr Arulraj Maria Devadoss	17,600	–	17,600
<b>Other staff</b>	1,050,200	(57,400)	992,800
<b>Other recipient</b>			
Mr Chng Lay Chew <sup>(2)</sup>	31,500	–	31,500
	<u>1,476,800</u>	<u>(57,400)</u>	<u>1,419,400</u>

<sup>(1)</sup> Received more than 5% of the shares awarded.

<sup>(2)</sup> Mr Chng Lay Chew retired as SGX's Chief Financial Officer and his last day of service was 30 September 2020. As approved by the RSDC, he will continue to be eligible to receive the award at the vesting date.

**Share plans (continued)***(b) SGX Deferred Long-Term Incentives Scheme (continued)*Share grant and vesting (continued)**(v) Summary of SGX Deferred Long-Term Incentives Scheme**

Summary of the total number of shares awarded, lapsed, vested and outstanding as at 30 June 2021 is as follows:

	Shares awarded during financial year	Aggregate shares awarded since commencement of SGX Deferred Long- Term Incentives Scheme to 30.06.2021	Aggregate shares lapsed since commencement of SGX Deferred Long- Term Incentives Scheme to 30.06.2021	Aggregate shares vested since commencement of SGX Deferred Long- Term Incentives Scheme to 30.06.2021	Aggregate shares outstanding as at 30.06.2021
<b>Recipient who received more than 5% of the total grants available</b>					
Mr Loh Boon Chye	161,200	738,900	–	(422,865)	316,035
<b>Recipients who received less than 5% of the total awards available</b>					
Other staff	1,315,600	12,712,900	(1,141,847)	(9,152,071)	2,418,982
	<u>1,476,800</u>	<u>13,451,800</u>	<u>(1,141,847)</u>	<u>(9,574,936)</u>	<u>2,735,017</u>

*(c) SGX Restricted Share Plan*

The SGX Restricted Share Plan (“SGX RSP”) was adopted at the annual general meeting of the Company held on 20 September 2018 to:

- (i) Grant shares to the Group non-executive directors as part of their remuneration in respect of their office as such in lieu of cash, or where, the RSDC deems appropriate, to give recognition to the contributions made or to be made by such Group non-executive directors to the success of the Group, in order to improve the alignment of the interests of Group non-executive directors with the interests of shareholders; and
- (ii) Serve as an additional motivational tool to recruit and retain Group employees whose contributions are essential to the long-term growth and profitability of the Group and to give recognition to outstanding Group employees who have contributed to the growth of the Group. The SGX RSP will act as an enhancement to the Group's overall ability to attract and retain high performing talent.



**Share plans (continued)***(c) SGX Restricted Share Plan (continued)*Eligibility

Non-executive directors meeting the criteria set out below under "Share grant and vesting" and employees of the Group are eligible to participate in the SGX RSP.

Share grant and vesting

For SGX RSP granted to non-executive directors of the Group, the non-executive director is required to have served on the board of directors for at least 12 months on the date of grant of the share awards. The grant will consist of fully paid shares with no performance conditions attached and no vesting period imposed. A moratorium on sale of such shares for a period up to one year after the grant of the award is imposed. The moratorium will be lifted if the non-executive director steps off the board of directors before the end of the moratorium period.

SGX RSP granted to employees has no performance conditions but subject to vesting period(s) determined on a case-by-case basis.

*(i) FY2021 Award*

In FY2021, approximately one-quarter of the Group Chairman's fees and approximately one-quarter of eligible non-executive directors' basic fees were delivered in SGX shares, with approximately three-quarters being paid in cash.

The details of shares awarded are as follows:

<b>Recipients (as defined under SGX Restricted Share Plan)</b>	<b>Shares awarded at grant date</b>	<b>Shares vested during financial year</b>	<b>Balance as at 30.06.2021</b>
<b>Non-Executive Directors <sup>(1)</sup></b>			
Mr Kwa Chong Seng	25,430	(25,430)	–
Ms Chew Gek Khim	2,050	(2,050)	–
Ms Jane Diplock AO	2,050	(2,050)	–
Mr Kevin Kwok	2,050	(2,050)	–
Mr Lim Chin Hu	2,050	(2,050)	–
Mr Ng Wai King	2,050	(2,050)	–
Professor Subra Suresh	2,050	(2,050)	–
	<b>37,730</b>	<b>(37,730)</b>	<b>–</b>

<sup>(1)</sup> All recipients received more than 5% of the shares awarded

**Share plans (continued)***(c) SGX Restricted Share Plan (continued)***(ii) Summary of SGX Restricted Share Plan**

Summary of the total number of shares awarded and vested as at 30 June 2021 are as follows:

	Shares awarded during financial year	Aggregate shares awarded since commencement of SGX restricted share plan to 30.06.2021	Aggregate shares vested since commencement of SGX restricted share plan to 30.06.2021	Aggregate shares outstanding as at 30.06.2021
<b>Recipients who received more than 5% of the total grants available</b>				
Mr Kwa Chong Seng	25,430	85,369	(85,369)	–
Ms Chew Gek Khim	2,050	6,883	(6,883)	–
Ms Jane Diplock AO	2,050	6,883	(6,883)	–
Mr Kevin Kwok	2,050	6,883	(6,883)	–
Mr Lim Chin Hu	2,050	6,883	(6,883)	–
<b>Recipients who received less than 5% of the total grants available</b>				
Other non-executive directors	4,100	8,612	(8,612)	–
Other recipient	–	2,577	(2,577)	–
	<b>37,730</b>	<b>124,090</b>	<b>(124,090)</b>	<b>–</b>

**Audit Committee**

The Audit Committee ("AC") comprises the following non-executive directors at the date of this statement:

Mr Kevin Kwok (Chairman)  
Ms Jane Diplock AO  
Mr Lim Chin Hu  
Mr Mark Makepeace  
Mr Yeoh Oon Jin

Based on the criteria prescribed in the Securities and Futures (Corporate Governance of Approved Exchanges, Approved Clearing Houses and Approved Holding Companies) Regulations 2005 (SFR 2005), and the Code of Corporate Governance 2018 (CCG 2018), all of the AC members are independent save for Ms Jane Diplock. Ms Jane Diplock is deemed non-independent solely on account of having completed nine consecutive years of service on the Board.

The AC carried out its functions in accordance with Section 201B (5) of the Singapore Companies Act, Regulation 14(2) of the SFR 2005, the CCG 2018 and the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual. These functions include a review of the financial statements of the Group and of the Company for the financial year and the independent auditor's report thereon.

Accordingly, the AC has also undertaken a review of the nature and extent of non-audit services provided by the firm acting as the auditor. In the opinion of the AC, these services would not affect the independence of the auditor.

The AC has recommended to the Board that the independent auditor, KPMG LLP be nominated for re-appointment at the forthcoming Annual General Meeting.

In appointing the auditor of the Company and the subsidiaries, the Group has complied with Rule 712 and Rule 715 of the SGX-ST Listing Manual.

**Independent Auditor**

The independent auditor, KPMG LLP, has indicated its willingness to accept re-appointment.

On behalf of the Board of Directors



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**Mr Kwa Chong Seng**  
*Director*



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**Mr Loh Boon Chye**  
*Director*

4 August 2021



**KPMG LLP**  
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## Independent auditors' report

Members of the Company  
Singapore Exchange Limited

### Report on the audit of the financial statements

#### *Opinion*

We have audited the financial statements of Singapore Exchange Limited (“the Company”) and its subsidiaries (“the Group”), which comprise the consolidated statement of financial position of the Group and the statement of financial position of the Company as at 30 June 2021, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows of the Group and the statement of comprehensive income and statement of changes in equity of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, as set out on pages FS1 to FS117.

In our opinion, the accompanying consolidated financial statements of the Group and the statement of financial position, statement of comprehensive income and statement of changes in equity of the Company are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (“the Act”) and Singapore Financial Reporting Standards (International) (“SFRS(I)s”) so as to give a true and fair view of the consolidated financial position of the Group and the financial position of the Company as at 30 June 2021 and of the consolidated financial performance, consolidated changes in equity and consolidated cash flows of the Group and the financial performance and changes in equity of the Company for the year ended on that date.

#### *Basis for opinion*

We conducted our audit in accordance with Singapore Standards on Auditing (“SSAs”). Our responsibilities under those standards are further described in the ‘*Auditors’ responsibilities for the audit of the financial statements*’ section of our report. We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority *Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities* (“ACRA Code”) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Key audit matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.



Impairment of Goodwill (Refer to Note 23 to the financial statements)	
<i>The key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>Included in the Group's financial statements at 30 June 2021 is goodwill arising from acquisitions of \$541 million.</p> <p>The Group performs an impairment assessment of the carrying amount of goodwill annually or more frequently if there are indications of impairment. Goodwill is impaired if the carrying amount of the respective cash generating units ("CGUs"), including goodwill, is not supported by the recoverable amount.</p> <p>The recoverable amounts are determined based on the value-in-use method and involves significant management judgement and estimation in:</p> <ul style="list-style-type: none"> <li>• determining the applicable discount rates;</li> <li>• estimating the long-term growth rates; and</li> <li>• forecasting the future cash flows.</li> </ul>	<p>We involved our valuation specialists in assessing the recoverable amounts of the respective CGUs, in particular:</p> <ul style="list-style-type: none"> <li>• independently deriving the discount rates based on external observable market data sources for risk free rate, beta, market risk premium and any capitalisation premium; and</li> <li>• comparing management's expectation of long-term growth rates against market data and long-term inflation rates.</li> </ul> <p>We evaluated the reasonableness of management's cash flow forecasts, considering historical results, Board approved forecasts and future business plans and developments.</p> <p>We also performed sensitivity analysis over the key assumptions – discount rates, long-term growth rates and cash flow forecasts – to assess the impact of reasonably possible changes to the assumptions on the outcome of the impairment assessment.</p> <p>Based on the procedures performed, we found management's assessment that there is no impairment of the Group's goodwill to be reasonable and is supported by the recoverable amounts.</p>



Acquisition of BidFX Systems Ltd (Refer to Note 24 to the financial statements)	
<i>The key audit matter</i>	<i>How the matter was addressed in our audit</i>
<p>During the financial year, the Group acquired the remaining equity interest in BidFX Systems Ltd ("BidFX"). As of 30 June 2020, BidFX was an associate of the Group. Consequently, BidFX became a wholly-owned subsidiary. The transaction was accounted for as a business combination.</p> <p>The Group engaged an external valuation specialist to perform a purchase price allocation exercise (the "PPA") in accordance with financial reporting standards. The PPA allocates the purchase consideration to the fair values of identifiable assets acquired, including intangible assets, and liabilities assumed, with the residual recognised as goodwill.</p> <p>Significant judgement is involved in identifying and determining the fair values of the assets acquired, including intangible assets, and the completeness of liabilities assumed.</p>	<p>We reviewed the sale and purchase and related agreements and evaluated the Group's accounting of the acquisition.</p> <p>Together with our valuation specialists, we assessed the results of the PPA. In particular, we focused on:</p> <ul style="list-style-type: none"> <li>• assessing the appropriateness of the methodology applied in the valuation of the intangible and other assets acquired and, challenging the reasonableness of management's assumptions by corroborating against market data and historical results; and</li> <li>• evaluating the reasonableness of the fair values of the Group's previously held interest in BidFX and the contingent consideration payable recognised by the Group.</li> </ul> <p>The valuation methodologies applied by the Group are in line with generally accepted market practices, the assumptions adopted in the valuations are within a reasonable range and the fair values derived are within an acceptable range of estimates. The resultant goodwill amount is also appropriately accounted for.</p>

*Other information*

Management is responsible for the other information contained in the annual report. Other information is defined as all information in the annual report other than the financial statements and our auditors' report thereon.

We have obtained the Directors' Statement prior to the date of this auditors' report. The other sections of the annual report ("the Reports") are expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of assurance conclusion thereon.



In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditors' report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the Reports, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions in accordance with SSAs.

*Responsibilities of management and directors for the financial statements*

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and SFRS(I)s, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

In preparing the financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The directors' responsibilities include overseeing the Group's financial reporting process.

*Auditors' responsibilities for the audit of the financial statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



As part of an audit in accordance with SSAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal controls that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.





From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' report unless the law or regulations preclude public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### **Report on other legal and regulatory requirements**

In our opinion, 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.

The engagement partner on the audit resulting in this independent auditors' report is Leong Kok Keong.

A handwritten signature in blue ink, appearing to read 'Leong Kok Keong'.

**KPMG LLP**  
*Public Accountants and*  
*Chartered Accountants*

**Singapore**  
4 August 2021

**Statement of comprehensive income**  
**For the financial year ended 30 June 2021**

	Note	Group		Company	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Operating revenue</b>					
Fixed Income, Currencies and Commodities	4	211,754	171,414	–	–
Equities	4	701,089	759,680	–	–
Data, Connectivity and Indices	4	143,110	121,604	28,438	27,253
Management fees from subsidiaries		–	–	240,019	247,973
Dividends from subsidiaries		–	–	468,000	409,000
		<u>1,055,953</u>	<u>1,052,698</u>	<u>736,457</u>	<u>684,226</u>
<b>Operating expenses</b>					
Staff	5	236,194	215,172	139,084	132,609
Technology	6	74,397	68,937	46,218	46,610
Processing and royalties		62,937	53,739	903	903
Premises	7	9,656	9,879	5,510	5,860
Professional fees		16,971	13,394	9,715	8,574
Others	8	30,561	35,921	20,227	27,147
		<u>430,716</u>	<u>397,042</u>	<u>221,657</u>	<u>221,703</u>
<b>Earnings before interest, tax, depreciation and amortisation</b>					
		625,237	655,656	514,800	462,523
Depreciation and amortisation	9	94,523	89,862	35,427	41,802
<b>Operating profit</b>	10	530,714	565,794	479,373	420,721
<b>Non-operating gains</b>					
Other income including interest income	11	17,716	16,055	15,082	17,246
Finance charges	11	(4,782)	(2,888)	(4,090)	(2,871)
Net foreign exchange (losses)/gains	11	(830)	488	2,316	1,277
Impairment loss on investment in associated companies	11	(2,056)	(6,200)	–	–
		<u>10,048</u>	<u>7,455</u>	<u>13,308</u>	<u>15,652</u>
<b>Profit before tax and share of results of associated companies and joint ventures</b>					
		540,762	573,249	492,681	436,373
Share of results of associated companies and joint ventures, net of tax	26, 27	(4,286)	(2,301)	–	–
<b>Profit before tax</b>		536,476	570,948	492,681	436,373
Tax	31	(90,699)	(98,963)	(3,345)	(4,423)
<b>Net profit after tax</b>		<u>445,777</u>	<u>471,985</u>	<u>489,336</u>	<u>431,950</u>
<b>Attributable to:</b>					
Equity holders of the Company		445,406	471,815	489,336	431,950
Non-controlling interests		371	170	–	–
<b>Earnings per share based on net profit attributable to the equity holders of the Company (in cents per share)</b>					
- Basic	12	41.6	44.1		
- Diluted	12	41.1	43.9		

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

**Statement of comprehensive income (continued)**  
**For the financial year ended 30 June 2021**

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Net profit after tax	445,777	471,985	489,336	431,950
<b>Other comprehensive income</b>				
<b>Items that may be reclassified</b>				
<b>subsequently to profit or loss:</b>				
Foreign exchange translation				
- Exchange differences arising during the year	9,503	(530)	-	-
Cash flow hedges				
- Fair value gains/(losses) arising during the year	2,227	(1,843)	104	(52)
- Transferred to profit or loss	(3,173)	2,316	(52)	(154)
Financial assets, at FVOCI				
- Fair value (losses)/gains arising during the year	(140)	152	-	152
- Transferred to profit or loss	(411)	17	(411)	17
<b>Items that will not be</b>				
<b>reclassified subsequently to</b>				
<b>profit or loss:</b>				
Financial assets, at FVOCI				
- Fair value gains/(losses) arising during the year	23,073	45,220	1,993	(1,083)
Foreign exchange translation				
- Exchange differences arising during the year	53	87	-	-
Other comprehensive income for the financial year, net of tax	31,132	45,419	1,634	(1,120)
<b>Total comprehensive income for the financial year</b>	<b>476,909</b>	<b>517,404</b>	<b>490,970</b>	<b>430,830</b>
<b>Total comprehensive income attributable to:</b>				
Equity holders of the Company	476,485	517,147	490,970	430,830
Non-controlling interests	424	257	-	-

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

**Statement of financial position**  
**As at 30 June 2021**

	Note	Group		Company	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	13	1,060,029	907,378	229,012	132,291
Trade and other receivables	14	748,749	758,294	143,773	371,977
Derivative financial instruments	16	314	2,485	–	48
Financial assets, at FVOCI	17	40,936	48,136	–	48,136
		<u>1,850,028</u>	<u>1,716,293</u>	<u>372,785</u>	<u>552,452</u>
<b>Non-current assets</b>					
Derivative financial instruments	16	–	3,096	–	–
Financial assets, at FVOCI	17	146,467	119,269	–	–
Investment property	18	26,161	24,348	–	–
Property, plant and equipment	18	50,400	50,777	20,069	24,609
Software	19	165,843	168,198	41,124	40,985
Right-of-use assets	20	69,158	87,124	67,169	86,683
Intangible assets	22	122,393	108,312	–	–
Goodwill	23	541,233	329,176	–	–
Investments in subsidiaries	25	–	–	1,070,122	872,730
Investments in associated companies	26	40,964	71,877	4,389	4,389
Investments in joint ventures	27	9,570	90	–	–
Other receivables	14	–	–	–	4,539
Other assets		333	928	333	333
		<u>1,172,522</u>	<u>963,195</u>	<u>1,203,206</u>	<u>1,034,268</u>
<b>Total assets</b>		<u>3,022,550</u>	<u>2,679,488</u>	<u>1,575,991</u>	<u>1,586,720</u>

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

**Statement of financial position (continued)**  
**As at 30 June 2021**

	Note	Group		Company	
		2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Liabilities</b>					
<b>Current liabilities</b>					
Trade and other payables	28	867,770	808,664	113,664	115,760
Derivative financial instruments	16	1,150	2,084	–	70
Borrowings	29	–	304,071	–	302,036
Lease liabilities	30	20,366	19,483	19,624	19,132
Taxation	31	99,634	109,558	4,946	6,356
Provisions	32	17,199	13,935	10,606	9,245
		<u>1,006,119</u>	<u>1,257,795</u>	<u>148,840</u>	<u>452,599</u>
<b>Non-current liabilities</b>					
Other payables	28	–	–	69,972	–
Financial liability	33	41,390	40,548	–	–
Borrowings	29	467,761	–	93,467	–
Lease liabilities	30	51,056	69,547	49,908	69,475
Deferred tax liabilities	31	66,456	62,315	2,501	3,900
		<u>626,663</u>	<u>172,410</u>	<u>215,848</u>	<u>73,375</u>
<b>Total liabilities</b>		<u>1,632,782</u>	<u>1,430,205</u>	<u>364,688</u>	<u>525,974</u>
<b>Net assets</b>		<u>1,389,768</u>	<u>1,249,283</u>	<u>1,211,303</u>	<u>1,060,746</u>
<b>Equity</b>					
<b>Capital and reserves attributable to the Company's equity holders</b>					
Share capital	34	430,413	429,738	430,413	429,738
Capital reserve	35	3,989	–	–	–
Treasury shares	34	(25,189)	(20,996)	(25,189)	(20,996)
Cash flow hedge reserve		(601)	345	–	(52)
Currency translation reserve		5,676	(3,827)	–	–
Fair value reserve		75,913	54,909	–	(64)
Securities clearing fund reserve	39	25,000	25,000	–	–
Derivatives clearing fund reserve	40	34,021	34,021	–	–
Share-based payment reserve		30,152	24,554	30,152	24,554
Other reserve	36	(40,506)	(40,506)	–	–
Retained profits		760,530	656,092	690,416	542,048
Proposed dividends	37	85,511	85,518	85,511	85,518
		<u>1,384,909</u>	<u>1,244,848</u>	<u>1,211,303</u>	<u>1,060,746</u>
<b>Non-controlling interests</b>		<u>4,859</u>	<u>4,435</u>	<u>–</u>	<u>–</u>
<b>Total equity</b>		<u>1,389,768</u>	<u>1,249,283</u>	<u>1,211,303</u>	<u>1,060,746</u>

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

**Consolidated statement of changes in equity**  
**For the financial year ended 30 June 2021**

Group	Note	Attributable to equity holders of the Company												Non-controlling interests \$'000	Total equity \$'000	
		Share capital \$'000	Capital reserve \$'000	Treasury shares \$'000	Cash flow hedge reserve* \$'000	Currency translation reserve* \$'000	Fair value reserve* \$'000	Securities clearing fund reserve* \$'000	Derivatives clearing fund reserve* \$'000	Share-based payment reserve* \$'000	Other reserve* \$'000	Retained profits \$'000	Proposed dividends \$'000			Total \$'000
<b>Balance at 1 July 2020</b>		429,738	–	(20,996)	345	(3,827)	54,909	25,000	34,021	24,554	(40,506)	656,092	85,518	1,244,848	4,435	1,249,283
<b>Transactions with equity holders, recognised directly in equity</b>																
<b>Contributions by and distributions to equity holders</b>																
Convertible bonds - Equity component	29	–	3,989	–	–	–	–	–	–	–	–	–	–	3,989	–	3,989
Dividends paid																
- Financial year 2020 – Final dividends		–	–	–	–	–	–	–	–	–	–	–	(85,518)	(85,518)	–	(85,518)
- Financial year 2020 – Under provision of final dividends		–	–	–	–	–	–	–	–	–	–	(114)	–	(114)	–	(114)
- Financial year 2021 – Interim dividends	37	–	–	–	–	–	–	–	–	–	–	(256,861)	–	(256,861)	–	(256,861)
Proposed dividends																
- Financial year 2021 – Final dividends	37	–	–	–	–	–	–	–	–	–	–	(85,511)	85,511	–	–	–
Employees' share plans – Value of employees' services	5	–	–	–	–	–	–	–	–	17,538	–	–	–	17,538	–	17,538
Restricted share plan - Value of directors' services		–	–	–	–	–	–	–	–	345	–	–	–	345	–	345
Vesting of shares under share-based remuneration plans	34(a)	644	–	11,296	–	–	–	–	–	(11,940)	–	–	–	–	–	–
Vesting of shares under restricted share plan	34(a)	31	–	314	–	–	–	–	–	(345)	–	–	–	–	–	–
Purchase of treasury shares	34(a)	–	–	(15,930)	–	–	–	–	–	–	–	–	–	(15,930)	–	(15,930)
Tax effect on treasury shares**	34(a)	–	–	127	–	–	–	–	–	–	–	–	–	127	–	127
Transfer upon disposal of equity investments		–	–	–	–	–	(1,518)	–	–	–	–	1,518	–	–	–	–
<b>Total contributions by and distributions to equity holders</b>		<b>675</b>	<b>3,989</b>	<b>(4,193)</b>	<b>–</b>	<b>–</b>	<b>(1,518)</b>	<b>–</b>	<b>–</b>	<b>5,598</b>	<b>–</b>	<b>(340,968)</b>	<b>(7)</b>	<b>(336,424)</b>	<b>–</b>	<b>(336,424)</b>
<b>Total comprehensive income for the financial year</b>		<b>–</b>	<b>–</b>	<b>–</b>	<b>(946)</b>	<b>9,503</b>	<b>22,522</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>–</b>	<b>445,406</b>	<b>–</b>	<b>476,485</b>	<b>424</b>	<b>476,909</b>
<b>Balance at 30 June 2021</b>		<b>430,413</b>	<b>3,989</b>	<b>(25,189)</b>	<b>(601)</b>	<b>5,676</b>	<b>75,913</b>	<b>25,000</b>	<b>34,021</b>	<b>30,152</b>	<b>(40,506)</b>	<b>760,530</b>	<b>85,511</b>	<b>1,384,909</b>	<b>4,859</b>	<b>1,389,768</b>

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

**Consolidated statement of changes in equity (continued)**  
**For the financial year ended 30 June 2021**

Group	Note	Attributable to equity holders of the Company											Non-controlling interests \$'000	Total equity \$'000	
		Share capital \$'000	Treasury shares \$'000	Cash flow hedge reserve* \$'000	Currency translation reserve* \$'000	Fair value reserve* \$'000	Securities clearing fund reserve* \$'000	Derivatives clearing fund reserve* \$'000	Share-based payment reserve* \$'000	Other reserve* \$'000	Retained profits \$'000	Proposed dividends \$'000			Total \$'000
<b>Balance at 1 July 2019</b>		429,113	(13,233)	(128)	(3,297)	8,931	25,000	34,021	18,865	-	511,342	80,235	1,090,849	-	1,090,849
<b>Transactions with equity holders, recognised directly in equity</b>															
<b>Contributions by and distributions to equity holders</b>															
Dividends paid															
- Financial year 2019 – Final dividends		-	-	-	-	-	-	-	-	-	-	(80,235)	(80,235)	-	(80,235)
- Financial year 2019 – Under provision of final dividends		-	-	-	-	-	-	-	-	-	(86)	-	(86)	-	(86)
- Financial year 2020 – Interim dividends	37	-	-	-	-	-	-	-	-	-	(240,872)	-	(240,872)	-	(240,872)
Proposed dividends															
- Financial year 2020 – Final dividends	37	-	-	-	-	-	-	-	-	-	(85,518)	85,518	-	-	-
Employees' share plans – Value of employees' services	5	-	-	-	-	-	-	14,589	-	-	-	-	14,589	-	14,589
Restricted share plan - Value of directors' services		-	-	-	-	-	-	345	-	-	-	-	345	-	345
Vesting of shares under share-based remuneration plans	34(a)	567	8,333	-	-	-	-	(8,900)	-	-	-	-	-	-	-
Vesting of shares under restricted share plan	34(a)	58	287	-	-	-	-	(345)	-	-	-	-	-	-	-
Purchase of treasury shares	34(a)	-	(17,002)	-	-	-	-	-	-	-	-	-	(17,002)	-	(17,002)
Tax effect on treasury shares**	34(a)	-	619	-	-	-	-	-	-	-	-	619	-	-	619
Transfer upon disposal of equity investments		-	-	-	-	589	-	-	-	-	(589)	-	-	-	-
Forward liability to acquire non-controlling interests	36	-	-	-	-	-	-	-	-	(40,506)	-	-	(40,506)	-	(40,506)
<b>Total contributions by and distributions to equity holders</b>		<b>625</b>	<b>(7,763)</b>	<b>-</b>	<b>-</b>	<b>589</b>	<b>-</b>	<b>-</b>	<b>5,689</b>	<b>(40,506)</b>	<b>(327,065)</b>	<b>5,283</b>	<b>(363,148)</b>	<b>-</b>	<b>(363,148)</b>
<b>Change in equity holders' interests in subsidiary</b>															
Non-controlling interests upon acquisition of a subsidiary		-	-	-	-	-	-	-	-	-	-	-	-	4,178	4,178
<b>Total change in equity holders' interests in subsidiary</b>		<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,178</b>	<b>4,178</b>
<b>Total transactions with equity holders</b>		<b>625</b>	<b>(7,763)</b>	<b>-</b>	<b>-</b>	<b>589</b>	<b>-</b>	<b>-</b>	<b>5,689</b>	<b>(40,506)</b>	<b>(327,065)</b>	<b>5,283</b>	<b>(363,148)</b>	<b>4,178</b>	<b>(358,970)</b>
<b>Total comprehensive income for the financial year</b>		<b>-</b>	<b>-</b>	<b>473</b>	<b>(530)</b>	<b>45,389</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>471,815</b>	<b>-</b>	<b>517,147</b>	<b>257</b>	<b>517,404</b>
<b>Balance at 30 June 2020</b>		<b>429,738</b>	<b>(20,996)</b>	<b>345</b>	<b>(3,827)</b>	<b>54,909</b>	<b>25,000</b>	<b>34,021</b>	<b>24,554</b>	<b>(40,506)</b>	<b>656,092</b>	<b>85,518</b>	<b>1,244,848</b>	<b>4,435</b>	<b>1,249,283</b>

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

**Statement of changes in equity**  
**For the financial year ended 30 June 2021**

	Note	Attributable to equity holders of the Company							
		Share capital \$'000	Treasury shares \$'000	Cash flow hedge reserve* \$'000	Fair value reserve* \$'000	Share-based payment reserve* \$'000	Retained profits \$'000	Proposed dividends \$'000	Total equity \$'000
<b>Company</b>									
<b>Balance at 1 July 2020</b>		<b>429,738</b>	<b>(20,996)</b>	<b>(52)</b>	<b>(64)</b>	<b>24,554</b>	<b>542,048</b>	<b>85,518</b>	<b>1,060,746</b>
Dividends paid									
- Financial year 2020 – Final dividends		–	–	–	–	–	–	(85,518)	(85,518)
- Financial year 2020 – Under provision of final dividends		–	–	–	–	–	(114)	–	(114)
- Financial year 2021 – Interim dividends	37	–	–	–	–	–	(256,861)	–	(256,861)
Proposed dividends									
- Financial year 2021 – Final dividends	37	–	–	–	–	–	(85,511)	85,511	–
Employees' share plans – Value of employees' services	5	–	–	–	–	17,538	–	–	17,538
Restricted share plan – Value of directors' services		–	–	–	–	345	–	–	345
Vesting of shares under share-based remuneration plans	34(a)	644	11,296	–	–	(11,940)	–	–	–
Vesting of shares under restricted share plan	34(a)	31	314	–	–	(345)	–	–	–
Purchase of treasury shares	34(a)	–	(15,930)	–	–	–	–	–	(15,930)
Tax effect on treasury shares**	34(a)	–	127	–	–	–	–	–	127
Transfer upon disposal of equity investments		–	–	–	(1,518)	–	1,518	–	–
		675	(4,193)	–	(1,518)	5,598	(340,968)	(7)	(340,413)
<b>Total comprehensive income for the financial year</b>		<b>–</b>	<b>–</b>	<b>52</b>	<b>1,582</b>	<b>–</b>	<b>489,336</b>	<b>–</b>	<b>490,970</b>
<b>Balance at 30 June 2021</b>		<b>430,413</b>	<b>(25,189)</b>	<b>–</b>	<b>–</b>	<b>30,152</b>	<b>690,416</b>	<b>85,511</b>	<b>1,211,303</b>

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



**Statement of changes in equity (continued)**  
**For the financial year ended 30 June 2021**

	Note	Attributable to equity holders of the Company							
		Share capital \$'000	Treasury shares \$'000	Cash flow hedge reserve* \$'000	Fair value reserve* \$'000	Share-based payment reserve* \$'000	Retained profits \$'000	Proposed dividends \$'000	Total equity \$'000
<b>Company</b>									
<b>Balance at 1 July 2019</b>		<b>429,113</b>	<b>(13,233)</b>	<b>154</b>	<b>261</b>	<b>18,865</b>	<b>437,163</b>	<b>80,235</b>	<b>952,558</b>
Dividends paid									
- Financial year 2019 – Final dividends		–	–	–	–	–	–	(80,235)	(80,235)
- Financial year 2019 – Under provision of final dividends		–	–	–	–	–	(86)	–	(86)
- Financial year 2020 – Interim dividends	37	–	–	–	–	–	(240,872)	–	(240,872)
Proposed dividends									
- Financial year 2020 – Final dividends	37	–	–	–	–	–	(85,518)	85,518	–
Employees' share plans – Value of employees' services	5	–	–	–	–	14,589	–	–	14,589
Restricted share plan – Value of directors' services		–	–	–	–	345	–	–	345
Vesting of shares under share-based remuneration plans	34(a)	567	8,333	–	–	(8,900)	–	–	–
Vesting of shares under restricted share plan	34(a)	58	287	–	–	(345)	–	–	–
Purchase of treasury shares	34(a)	–	(17,002)	–	–	–	–	–	(17,002)
Tax effect on treasury shares**	34(a)	–	619	–	–	–	–	–	619
Transfer upon disposal of equity investments		–	–	–	589	–	(589)	–	–
		625	(7,763)	–	589	5,689	(327,065)	5,283	(322,642)
<b>Total comprehensive income for the financial year</b>		<b>–</b>	<b>–</b>	<b>(206)</b>	<b>(914)</b>	<b>–</b>	<b>431,950</b>	<b>–</b>	<b>430,830</b>
<b>Balance at 30 June 2020</b>		<b>429,738</b>	<b>(20,996)</b>	<b>(52)</b>	<b>(64)</b>	<b>24,554</b>	<b>542,048</b>	<b>85,518</b>	<b>1,060,746</b>

\* 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 employees' and directors' services.

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

**Consolidated statement of cash flows**  
**For the financial year ended 30 June 2021**

	Note	Group 2021 \$'000	2020 \$'000
<b>Cash flows from operating activities</b>			
Profit before tax and share of results of associated companies and joint ventures		540,762	573,249
Adjustments for:			
- Depreciation and amortisation	9	94,523	89,862
- Share-based payment expense		17,883	14,934
- Finance charges	11	4,782	2,888
- Impairment loss on investment in associated companies	11	2,056	6,200
- Write-off and net loss on disposal of property, plant and equipment and software	8	25	1,416
- Net gains on previously held interest in an associated company	11	(16,663)	–
- Interest income		(5,109)	(13,437)
- Gains on dilution of interests in associated companies		(2,164)	(3,803)
- Dividend income from financial assets, at FVOCI	11	(826)	(161)
Operating cash flow before working capital change		<u>635,269</u>	<u>671,148</u>
Changes in:			
- Cash committed for National Electricity Market of Singapore		(7,751)	2,245
- Trade and other receivables		12,635	141,118
- Trade and other payables		22,175	(117,955)
<b>Cash generated from operations</b>		<u>662,328</u>	<u>696,556</u>
Income tax paid	31	(109,390)	(72,385)
<b>Net cash generated from operating activities</b>		<u>552,938</u>	<u>624,171</u>
<b>Cash flows from investing activities</b>			
Acquisition of a subsidiary, net of cash acquired	24	(155,703)	(271,871)
Purchase of property, plant and equipment and software		(45,283)	(34,626)
Purchase of financial assets, at FVOCI		(42,997)	(23,452)
Sale of financial assets, at FVOCI		52,289	–
Investments in joint ventures		(7,022)	–
Investments in associated companies		(5,311)	–
Additional payment on completion adjustment for previously acquired subsidiary		(5,178)	–
Interest received		6,972	13,342
Dividend received from associated company		3,428	2,416
Dividend received from financial assets, at FVOCI		842	138
<b>Net cash used in investing activities</b>		<u>(197,963)</u>	<u>(314,053)</u>

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

**Consolidated statement of cash flows (continued)**  
**For the financial year ended 30 June 2021**

	Note	Group 2021 \$'000	Group 2020 \$'000
<b>Cash flows from financing activities</b>			
Dividends paid		(342,493)	(321,193)
Purchase of treasury shares	34	(15,930)	(17,002)
Repayment of lease liabilities	30	(22,509)	(20,860)
Repayment of borrowings	29	(708,492)	(295,694)
Proceeds from borrowings	29	495,197	585,124
Net proceeds from issue of convertible bonds	29	386,440	–
Interest paid	29	(2,134)	(113)
<b>Net cash used in financing activities</b>		<u>(209,921)</u>	<u>(69,738)</u>
<b>Net increase in cash and cash equivalents</b>		145,054	240,380
Cash and cash equivalents at beginning of financial year	13	686,430	445,512
Effects of currency translation on cash and cash equivalents		1,881	538
<b>Cash and cash equivalents at end of financial year</b>	13	<u>833,365</u>	<u>686,430</u>

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

## **Notes to the financial statements**

These notes form an integral part of the financial statements.

The financial statements were authorised for issue by the Board of Directors on 4 August 2021.

### **1 Domicile and activities**

The Company is incorporated and domiciled in Singapore. On 23 November 2000, the Company was admitted to the Official List of Singapore Exchange Securities Trading Limited (“SGX-ST”). The address of the registered office is:

2 Shenton Way  
#02-02 SGX Centre 1  
Singapore 068804

The principal activities of the Group are to operate an integrated securities exchange and derivatives exchange, related clearing houses, operation of an electricity market in Singapore, provision and distribution of bulk freight market indices and information, index administration and related services, and operation of an electronic foreign exchange trading platform.

The principal activities of the Company are those of investment holding, treasury management, provision of management and administrative services to related corporations, provision of market data and technology connectivity services. The principal activities of the subsidiaries are set out in Note 25 to the financial statements. There has been no significant change in the principal activities of the Company and its subsidiaries during the financial year. On 7 July 2020, the Group acquired the remaining 80% equity interest in BidFX Systems Ltd. (“BidFX”) and its subsidiaries (Note 24).

### **2 Significant accounting policies**

#### **2.1 Basis of preparation**

These financial statements have been prepared in accordance with Singapore Financial Reporting Standards (International) (“SFRS(I)”) under the historical cost convention except as disclosed in the accounting policies below. The preparation of financial statements in conformity with SFRS(I) 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.

#### **New standards and amendments**

The Group has applied the following SFRS(I)s and amendments for the financial year beginning on 1 July 2020:

- Amendments to References to Conceptual Framework in SFRS(I) Standards
- Amendments to SFRS(I) 3 *Business Combinations* - Definition of a Business
- Amendments to SFRS(I) 1-1 *Presentation of Financial Statements* and SFRS(I) 1-8 *Accounting Policies, Changes in Accounting Estimates and Errors* - Definition of Material
- Amendments to SFRS(I) 16 *Leases* - Covid-19-Related Rent Concessions

## 2 Significant accounting policies (continued)

### 2.1 Basis of preparation (continued)

#### **New standards and amendments (continued)**

Other than the amendments relating to definition of a business, the application of these amendments to standards and interpretations does not have a material effect on the financial statements.

The Group applied the amendments relating to definition of a business to business combinations whose acquisition dates are on or after 1 July 2020 in assessing whether it had acquired a business or a group of assets. The details of accounting policies are set out in Note 2.2. See also Note 24 for details of the Group's acquisition of a subsidiary during the year.

### 2.2 Group accounting

#### *(1) Subsidiaries*

##### *(i) Consolidation*

Subsidiaries are entities over which the Group has control. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. Subsidiaries are consolidated from the date when control is transferred to the Group and cease to be consolidated on the date when that control ceases.

In preparing the consolidated financial statements, intercompany transactions, balances and unrealised gains and losses on transactions between group companies are eliminated. Unrealised losses are considered an impairment indicator of the asset transferred. Where necessary, adjustments are made to the financial statements of subsidiaries to ensure consistency of accounting policies with those of the Group.

Non-controlling interests comprise the portion of a subsidiary's net results of operations and its net assets, which is attributable to the interests which are not owned directly or indirectly by the equity holders of the Company. They are shown separately in the consolidated statement of comprehensive income, statement of changes in equity and statement of financial position. Total comprehensive income is attributed to the non-controlling interests based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

## 2 Significant accounting policies (continued)

### 2.2 Group accounting (continued)

#### (1) Subsidiaries (continued)

##### (ii) Acquisitions

The Group accounts for business combinations using the acquisition method when the acquired set of activities and assets meets the definition of a business and control is transferred to the Group. In determining whether a particular set of activities and assets is a business, the Group assesses whether the set of assets and activities acquired includes, at a minimum, an input and substantive process and whether the acquired set has the ability to produce outputs.

The Group has an option to apply a ‘concentration test’ that permits a simplified assessment of whether an acquired set of activities and assets is not a business. The optional concentration test is met if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar identifiable assets.

The consideration transferred for the acquisition of a subsidiary or business comprises the fair value of the assets transferred, the liabilities incurred and the equity interests issued by the Group. The consideration transferred also includes the fair value of any contingent consideration arrangement and the fair value of any pre-existing equity interest in the subsidiary. If the contingent consideration that meets the definition of a financial instrument is classified as equity, it is not remeasured and settlement is account for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes to the fair value of the contingent consideration are recognised in profit or loss.

Acquisition-related costs are expensed as incurred.

Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are, with limited exceptions, measured initially at their fair values at the acquisition date.

On an acquisition-by-acquisition basis, the Group recognises any non-controlling interest in the acquiree at the date of acquisition either at fair value or at the non-controlling interest’s proportionate share of the acquiree’s net identifiable assets.

The excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over the fair value of the net identifiable assets acquired is recorded as goodwill.

## 2 Significant accounting policies (continued)

### 2.2 Group accounting (continued)

#### (1) Subsidiaries (continued)

##### (iii) Disposals

When a change in the Group's ownership interest in a subsidiary results in a loss of control over the subsidiary, the assets and liabilities of the subsidiary including any goodwill are derecognised. Amounts previously recognised in other comprehensive income in respect of that entity are also reclassified to profit or loss or transferred directly to retained profits if required by a specific SFRS(I).

Any retained interest in the entity is remeasured at fair value. The difference between the carrying amount of the retained interest at the date when control is lost and its fair value is recognised in profit or loss.

##### (iv) Transactions with non-controlling interests

Changes in the Group's ownership interest in a subsidiary that do not result in a loss of control over the subsidiary are accounted for as transactions with equity owners of the Company. Any difference between the change in the carrying amounts of the non-controlling interest and the fair value of the consideration paid or received is recognised within equity attributable to the equity holders of the Company.

#### (2) Associated companies and joint ventures

Associated companies are entities over which the Group has significant influence, but not control, generally accompanied by a shareholding giving rise to voting rights of 20% and above but not exceeding 50%. Where the voting rights are less than 20%, the presumption that the entity is not an associated company is overcome if the Group has significant influence including representation on the board of directors or participation in policy-making process of the investee.

Joint ventures are entities over which the Group has joint control as a result of contractual arrangements, and the rights to the net assets of the entities.

Investments in associated companies and joint ventures are accounted for in the consolidated financial statements using the equity method of accounting less impairment losses, if any.

##### (i) Acquisitions

Investments in associated companies and joint ventures are initially recognised at cost. The cost of an acquisition is measured at the fair value of the assets given, equity instruments issued or liabilities incurred or assumed at the date of exchange, plus costs directly attributable to the acquisition. Goodwill on associated companies and joint ventures represents the excess of the cost of acquisition of the associated company or joint venture over the Group's share of fair value of the identifiable net assets of the associated company or joint venture and is included in the carrying amount of the investments.

## 2 Significant accounting policies (continued)

### 2.2 Group accounting (continued)

#### (2) Associated companies and joint ventures (continued)

##### (ii) Equity method of accounting

In applying the equity method of accounting, the Group's share of its associated companies' or joint ventures' post-acquisition profits or losses are recognised in profit or loss and its share of post-acquisition other comprehensive income is recognised in other comprehensive income. These post-acquisition movements and distribution received from associated companies or joint ventures are adjusted against the carrying amounts of the investments. Dividends received or recoverable from the associated companies or joint ventures are recognised as a reduction of the carrying amount of the investments. When the Group's share of losses in an associated company or joint venture equals or exceeds its interest in the associated company or joint ventures, the Group does not recognise further losses, unless it has obligations or has made payments on behalf of the associated company or joint venture.

Unrealised gains on transactions between the Group and its associated companies or joint ventures are eliminated to the extent of the Group's interest in the associated companies or joint ventures. Unrealised losses are also eliminated unless the transactions provide evidence of an impairment of the assets transferred. Where necessary, adjustments are made to bring the accounting policies in line with those of the Group.

##### (iii) Disposals

Investments in associated companies or joint ventures are derecognised when the Group loses significant influence or joint control. Any retained interest in the entity, if classified as a financial asset, is remeasured at its fair value. The difference between the carrying amount of the retained interest at the date when significant influence or joint control is lost and its fair value and any proceeds on partial disposal, is recognised in profit or loss.

#### (3) Put and call options with non-controlling interests

When the Group enters into a put and call option agreement with the non-controlling shareholder in an existing subsidiary on their equity interests in that subsidiary and provides for settlement in cash or in another financial asset by the Group, the Group recognises a financial liability for the present value of the exercise price of the option and a corresponding entry under equity - other reserve. Subsequent to initial recognition of the financial liability, changes in the carrying amount of the financial liability is recognised in profit or loss. Amount initially recognised under equity is not subsequently re-measured.

When the non-controlling shareholder continues to have present access to the returns associated with the underlying ownership interest, the Group has elected the present-access method to account for the underlying non-controlling interests. Under this method, non-controlling interests continue to be recognised because the non-controlling shareholders still have present access to the returns associated with the underlying ownership interests.



## 2 Significant accounting policies (continued)

### 2.2 Group accounting (continued)

#### (3) Put and call options with non-controlling interests (continued)

On exercise of the put or call option, the financial liability will be derecognised on settlement in cash or in another financial asset by the Group. Changes in the Group's ownership interest in a subsidiary is accounted for according to transaction with non-controlling interests. Refer to Note 2.2(1)(iv).

If the put and call options expire unexercised, the financial liability is reversed against equity – other reserve.

### 2.3 Currency translation

#### (1) Functional and presentation currency

Items included in the financial statements of each entity in the Group are measured using the currency of the primary economic environment in which the entity operates (“functional currency”). The financial statements are presented in Singapore Dollars (“SGD”), which is the functional currency of the Company.

#### (2) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in profit or loss.

Foreign currency monetary assets and liabilities are translated into the functional currency at the rates of exchange at the balance sheet date. Currency translation differences are recognised in profit or loss. However, in the consolidated financial statements, currency translation differences arising from borrowings in foreign currencies designated and qualifying as net investment hedges and net investment in foreign operations, are recognised in other comprehensive income and accumulated in the currency translation reserve.

When the foreign operation is a non-wholly-owned subsidiary, then the relevant proportionate share of the translation difference is allocated to the non-controlling interests. When a foreign operation is disposed of such that control, significant influence or joint control is lost, the cumulative amount in the translation reserve related to that foreign operation is reclassified to profit or loss as part of the gain or loss on disposal. When the Group disposes of only part of its interest in a subsidiary that includes a foreign operation while retaining control, the relevant proportion of the cumulative amount is reattributed to non-controlling interests. When the Group disposes of only part of its investment in an associate or joint venture that includes a foreign operation while retaining significant influence or joint control, the relevant proportion of the cumulative amount is reclassified to profit or loss.

## 2 Significant accounting policies (continued)

### 2.3 Currency translation (continued)

#### (2) Transactions and balances (continued)

When the settlement of a monetary item receivable from or payable to a foreign operation is neither planned nor likely to occur in the foreseeable future, foreign exchange gains and losses arising from such a monetary item that are considered to form part of a net investment in a foreign operation are recognised in other comprehensive income, and are presented in the currency translation reserve in equity.

Non-monetary items measured at fair values in foreign currencies are translated using the exchange rates at the date when the fair values are determined.

#### (3) Translation of Group entities' financial statements

The results and financial position of all the Group entities that have a functional currency different from the presentation currency are translated into the presentation currency as follows:

- (i) Assets and liabilities are translated at the closing exchange rates at the reporting date;
- (ii) Revenue and expenses are translated at average exchange rates; and
- (iii) All resulting currency translation differences are recognised in other comprehensive income and accumulated in the currency translation reserve. These currency translation differences are reclassified to profit or loss on disposal or partial disposal with loss of control of the foreign operation.

Goodwill and fair value adjustments arising on the acquisition of foreign operations are treated as assets and liabilities of the foreign operations and translated at the closing rates at the reporting date.

### 2.4 Revenue recognition

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue as service is performed and as it satisfied its obligations to provide a product or service to a customer. Revenue is presented net of goods and services tax and after eliminating revenue within the Group on the following basis:

## 2 Significant accounting policies (continued)

### 2.4 Revenue recognition (continued)

#### (1) Fixed Income, Currencies and Commodities

##### *Fixed Income*

##### Listing, corporate actions and other revenue of fixed income

Revenue is recognised on a per transaction basis when service is provided.

##### *Currencies and Commodities*

##### Trading and clearing

Trading and clearing revenue, net of rebates, generated from contracts traded, cleared and settled is recognised when service is provided and on a per transaction basis.

##### Treasury and other revenue

Treasury revenue is recognised on a time proportion basis. Other revenue is recognised when service is rendered.

#### (2) Equities

##### *Equities - Cash*

##### Listing

Initial and additional listing fees represent one performance obligation. Revenue is recognised over a period of time that the Group provides listing services.

Annual listing fee is recognised on a straight-line basis over the period which the fee relates. It represents the extent of the Group's completion of the performance obligation under the contract.

##### Corporate actions and other revenue

Revenue is recognised on a per transaction basis when service is provided.

##### Trading and clearing

Trading revenue generated from contracts is recognised when service is rendered. Clearing revenue, net of rebates, generated from contracts cleared and settled is recognised when service is provided and on a per transaction basis.

##### Securities settlement and depository management

Revenue is recognised on a per transaction basis when service is provided.

##### Treasury and other revenue

Treasury revenue is recognised on a time proportion basis. Membership revenue is recognised on a straight-line basis over the period which the fee relates. It represents the extent of the Group's completion of the performance obligation under the contract. Other revenue is recognised when service is rendered.

## 2 Significant accounting policies (continued)

### 2.4 Revenue recognition (continued)

#### (2) *Equities (continued)*

##### *Equities - Derivatives*

##### Trading and clearing

Equities - Derivatives' trading and clearing revenue, net of rebates, generated from contracts traded, cleared and settled is recognised when service is provided and on a per transaction basis.

##### Treasury and other revenue

Treasury revenue is recognised on a time proportion basis. Other revenue is recognised when service is rendered.

#### (3) *Data, Connectivity and Indices*

Data subscription, connectivity and indices revenue is recognised to the extent of the Group's completion of the performance obligation under the contract. Other market data services are recognised when service is rendered.

#### (4) *Rental income*

Revenue from rental is recognised on a straight-line basis over the period which the rental income relates.

#### (5) *Interest income*

Revenue is recognised on a time proportion basis using the effective interest method.

#### (6) *Dividend income*

Revenue is recognised when the right to receive payment is established.

### 2.5 Income taxes

Current income tax liabilities (and assets) for current and prior periods are recognised at the amounts expected to be paid to (or recovered from) the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date.

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

## **2 Significant accounting policies (continued)**

### **2.5 Income taxes (continued)**

Deferred income tax assets and liabilities are measured at:

- (i) the tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled, based on tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date; and
- (ii) the tax consequence that would follow from the manner in which the Group expects, at the balance sheet date, to recover or settle the carrying amounts of its assets and liabilities.

Deferred tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when the deferred income taxes relate to the same tax jurisdiction.

### **2.6 Leases**

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

#### **(i) As a lessee**

At commencement or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of its relative stand-alone prices.

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term, unless the lease transfers ownership of the underlying asset to the Group by the end of the lease term or the cost of the right-of-use asset reflects that the Group will exercise a purchase option. In that case the right-of-use asset will be depreciated over the useful life of the underlying asset, which is determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain remeasurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

## **2 Significant accounting policies (continued)**

### **2.6 Leases (continued)**

#### **(i) As a lessee (continued)**

The Group determines its incremental borrowing rate by obtaining interest rates from various external financing sources and makes certain adjustments to reflect the terms of the lease and type of the asset leased.

Lease payments included in the measurement of the lease liability comprise of fixed payments, including in-substance fixed payments.

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, if the Group changes its assessment of whether it will exercise a purchase, extension or termination option or if there is a revised in-substance fixed lease payment.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

#### *Short-term leases and leases of low-value assets*

The Group has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets and short-term leases, including IT equipment. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

#### **(ii) As a lessor**

At inception or on modification of a contract that contains a lease component, the Group allocates the consideration in the contract to each lease component on the basis of their relative stand-alone prices.

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease.

To classify each lease, the Group makes an overall assessment of whether the lease transfers substantially all of the risks and rewards incidental to ownership of the underlying asset. If this is the case, then the lease is a finance lease; if not, then it is an operating lease. As part of this assessment, the Group considers certain indicators such as whether the lease is for the major part of the economic life of the asset.

The Group recognises lease payments received from investment property under operating leases as income on a straight-line basis over the lease term.

## 2 Significant accounting policies (continued)

### 2.7 Employee benefits

Employee benefits are recognised as staff costs when they are due, unless they can be capitalised as an asset.

#### (1) *Defined contribution plans*

The Group makes legally required contributions to defined contribution plans. The Group's obligation is limited to the amount it contributes to the defined contribution plan. The Group's contributions are recognised as staff costs when they are due.

#### (2) *Employee leave entitlement*

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

#### (3) *Share-based compensation*

The fair value of employee services received in exchange for equity-settled share-based remuneration plans granted to employees is recognised as variable share-based payment to employees in profit or loss with a corresponding increase in the share-based payment reserve over the vesting period. The amount is determined by reference to the fair value of the shares on grant date and the expected number of shares to be vested on vesting date.

At the end of each financial reporting period, the Company revises its estimates of the expected number of shares that the participants are expected to receive. Any changes to the expected number of shares to be vested will entail a corresponding adjustment to the share-based payment to employees and share-based payment reserve.

Upon vesting of a share-based compensation plan, the portion of share-based payment previously recognised in the share-based payment reserve is reversed against treasury shares. Differences between share-based payment and cost of treasury shares are taken to the share capital of the Company.

### 2.8 Cash and cash equivalents

Cash and cash equivalents include cash on hand and deposits with banks which are subject to an insignificant risk of change in value.

## 2 Significant accounting policies (continued)

### 2.9 Financial assets

#### (1) Classification and measurement

The Group classifies its financial assets in the following measurement categories:

- Amortised cost;
- Fair value through other comprehensive income (“FVOCI”); and
- Fair value through profit or loss (“FVPL”).

The classification depends on the Group’s business model for managing the financial assets as well as the contractual terms of the cash flows of the financial assets.

The Group reclassifies debt instruments when and only when its business model for managing those assets changes.

#### At initial recognition

At initial recognition, the Group measures a financial asset at its fair value plus, in the case of a financial asset not FVPL, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVPL are expensed in profit or loss.

#### At subsequent measurement

##### (i) Debt instruments

Debt instruments mainly comprise cash and cash equivalents, trade and other receivables, listed and unlisted debt securities.

There are two subsequent measurement categories, depending on the Group’s business model for managing the asset and the cash flow characteristics of the asset:

- Amortised cost: Debt instruments that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt instrument that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in interest income using the effective interest rate method.



## 2 Significant accounting policies (continued)

### 2.9 Financial assets (continued)

#### (1) Classification and measurement (continued)

##### At subsequent measurement (continued)

##### (i) Debt instruments (continued)

- FVOCI: Debt instruments that are held for collection of contractual cash flows and for sale, and where the assets' cash flows represent solely payments of principal and interest, are classified as FVOCI. Movements in fair values are recognised in other comprehensive income and accumulated in fair value reserve, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses, which are recognised in profit and loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to profit or loss and presented in "non-operating gains/(losses)". Interest income from these financial assets is included in interest income using the effective interest rate method.

##### (ii) Equity investments

The Group subsequently measures all its equity investments at their fair values. The Group has elected to recognise changes in fair value of equity securities not held for trading in other comprehensive income as these are strategic investments or for liquidity funds and the Group considers this to be more relevant. Movements in fair values of investments classified as FVOCI are presented as "fair value gains/(losses)" in other comprehensive income. Dividends from equity investments are recognised in profit or loss as "dividend income".

#### (2) Impairment

The Group assesses on a forward looking basis the expected credit losses associated with its debt financial assets carried at amortised cost and FVOCI. The impairment methodology applied depends on whether there has been a significant increase in credit risk.

For trade receivables, the Group applies the simplified approach permitted by the SFRS(I) 9, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

## 2 Significant accounting policies (continued)

### 2.9 Financial assets (continued)

#### (3) Recognition and derecognition

Regular way purchases and sales of financial assets are recognised on trade date – the date on which the Group commits to purchase or sell the asset.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Group has transferred substantially all risks and rewards of ownership.

On disposal of a debt instrument, the difference between the carrying amount and the sale proceeds is recognised in profit or loss. Any amount previously recognised in other comprehensive income relating to that asset is reclassified to profit or loss.

On disposal of an equity investment, the difference between the carrying amount and sales proceed is recognised in other comprehensive income and transferred to retained profits along with the amount previously recognised in other comprehensive income relating to that asset.

### 2.10 Property, plant and equipment

#### (1) Property, plant and equipment

Property, plant and equipment are initially recognised at cost and subsequently stated at cost less accumulated depreciation and accumulated impairment losses.

#### (2) Components of costs

The cost of property, plant and equipment includes expenditure that is directly attributable to the acquisition and bringing the asset to the condition necessary for it to be capable of operating in the manner intended by management. Cost also includes any fair value gains or losses on qualifying cash flow hedges of property, plant and equipment that are transferred from the hedging reserve. Dismantlement, removal or restoration costs are included as part of the cost of property, plant and equipment if the obligation for dismantlement, removal or restoration is required to be incurred for the purpose of acquiring and using the asset.

#### (3) Depreciation of property, plant and equipment

No depreciation is provided on freehold land and work-in-progress.

Depreciation is calculated on a straight-line basis to allocate the cost of property, plant and equipment over their expected useful lives as follows:

	<u>Useful lives</u>
Leasehold improvements	1 to 7 years or lease term, whichever is shorter
Building and plant	25 to 50 years
Furniture, fittings and office equipment	3 to 10 years
Computer hardware	1 to 7 years
Motor vehicles	5 years

## 2 Significant accounting policies (continued)

### 2.10 Property, plant and equipment (continued)

#### (3) Depreciation of property, plant and equipment (continued)

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

The residual values and useful lives of property, plant and equipment are reviewed, and adjusted as appropriate, at each financial year end. The effects of any revision are recognised in profit or loss when the changes arise.

#### (4) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognised is added to the carrying amount of the asset only when it is probable that future economic benefits, in excess of the originally assessed standard of performance of the existing asset, will flow to the Group and the cost can be reliably measured. All other repair and maintenance expenses are recognised in profit or loss when incurred.

#### (5) Disposal

On disposal or retirement of a property, plant and equipment, the difference between the net disposal proceeds and its carrying amount is recognised in profit or loss.

### 2.11 Software

Costs recognised are directly associated with identifiable software controlled by the Group that generate economic benefits exceeding costs beyond one year. Cost also includes any fair value gains or losses on qualifying cash flow hedges of software that are transferred from the hedging reserve. Costs associated with maintaining computer software are expensed off when incurred.

Acquired software licences are capitalised on the basis of the cost incurred to acquire and other directly attributable costs of preparing the software for its intended use. Direct expenditures, including employee costs, which enhance or extend the performance of software programmes beyond their original specifications, and which can be reliably measured, are recognised as a capital improvement and added to the original cost of the software.

Software costs and acquired software licences are stated at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised using the straight-line method over their estimated useful lives, a period not exceeding 7 years. Where an indication of impairment exists, the carrying amount is assessed and written down immediately to its recoverable amount.

The period and method of amortisation of the software are reviewed at least at each financial year end. The effects of any revision of the amortisation period or method are included in profit or loss for the period in which the changes arise.

## 2 Significant accounting policies (continued)

### 2.12 Intangible assets

Intangible assets arising from business combinations are initially recognised at cost and are subsequently carried at cost less accumulated amortisation and accumulated impairment losses. These costs are amortised to profit or loss using the straight-line method over the estimated useful life of the underlying asset as follows:

	<u>Useful lives</u>
Right to operate Singapore electricity spot market	30 years
Trade name	30 years
Technical know-how	7 to 10 years
Customer relationships	5 to 7 years

The period and method of amortisation of intangible assets are reviewed at least at each financial year end. The effects of any revision of the amortisation period or method are included in profit or loss for the period in which the changes arise.

### 2.13 Investment property

Investment property is held to earn rental and for capital appreciation.

Investment property is initially recognised at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses. Freehold land of the investment property is not depreciated. Building is depreciated on a straight-line basis to allocate the cost over the estimated useful life of 50 years. The residual value and useful life are reviewed, and adjusted as appropriate, at each financial year end. The effects of any revision are recognised in profit or loss when the changes arise.

Investment property is subject to renovations or improvements at regular intervals. The cost of major renovations and improvements is capitalised and the carrying amounts of the replaced components are recognised in profit or loss. All other repair and maintenance expenses are recognised in profit or loss when incurred.

On disposal of an investment property, the difference between the net disposal proceeds and the carrying amount is recognised in profit or loss.

### 2.14 Goodwill on acquisitions

Goodwill on acquisitions of subsidiaries and businesses, represents the excess of (i) the sum of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previous equity interest in the acquiree over (ii) the fair value of the identifiable net assets acquired. Goodwill on subsidiaries is recognised separately as intangible assets and carried at cost less accumulated impairment losses.

Goodwill on acquisitions of associated companies and joint ventures represents the excess of the cost of the acquisition over the Group's share of the fair value of the identifiable net assets acquired. Goodwill on associated companies and joint ventures is included in the carrying amount of the investments.

## 2 Significant accounting policies (continued)

### 2.15 Investments in subsidiaries, associated companies and joint ventures

Investments in subsidiaries, associated companies and joint ventures are stated at cost less accumulated impairment losses in the statement of financial position of the Company. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down to its recoverable amount. Impairment losses are recognised in the profit or loss in the year in which it is determined.

On disposal of an investment, the difference between the net proceeds and its carrying amount is recognised in profit or loss.

### 2.16 Impairment of non-financial assets

#### (1) Goodwill

Goodwill recognised separately as an intangible asset is tested for impairment annually and whenever there is indication that the goodwill may be impaired. Goodwill included in the carrying amount of an investment in associated company or joint venture is tested for impairment as part of the investment, rather than separately.

For the purpose of impairment testing of goodwill, goodwill is allocated to the Group's cash-generating-units ("CGU") expected to benefit from synergies arising from the business combination. A CGU is the smallest identifiable group of assets that generate cash inflows that are largely independent of the cash inflows from other assets or group of assets.

An impairment loss is recognised when the carrying amount of a CGU, including the goodwill, exceeds the recoverable amount of the CGU. Recoverable amount of a CGU is the higher of the CGU's fair value less cost to sell and value-in-use.

The total impairment loss of a CGU is allocated first to reduce the carrying amount of goodwill allocated to the CGU and then to the other assets of the CGU pro-rata on the basis of the carrying amount of each asset in the CGU.

An impairment loss on goodwill is recognised as an expense and is not reversed in a subsequent period.

#### (2) Property, plant and equipment

*Software*

*Intangible assets*

*Investment property*

*Investments in subsidiaries, associated companies and joint ventures*

Property, plant and equipment, software, intangible assets, investment property and investments in subsidiaries, associated companies and joint ventures are reviewed for impairment whenever there is any objective evidence or indication that the carrying amount may not be fully recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount, which is the higher of an asset's net selling value and its value-in-use. The impairment loss is recognised in profit or loss.

## 2 Significant accounting policies (continued)

### 2.16 Impairment of non-financial assets (continued)

#### (2) *Property, plant and equipment*

*Software*

*Intangible assets*

*Investment property*

*Investments in subsidiaries, associated companies and joint ventures (continued)*

The recoverable amount is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. If this is the case, the recoverable amount is determined for the CGU to which the asset belongs.

An impairment loss for an asset other than goodwill is reversed if, and only if, there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognised. The carrying amount of this asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss for an asset other than goodwill is recognised in profit or loss.

### 2.17 Trade and other payables

Trade and other payables represents liabilities for goods and services provided to the Group prior to the end of financial year which are unpaid. They are classified as current liabilities, if payment is due within one year or less. Otherwise, they are presented as non-current liabilities.

Trade and other payables are initially measured at fair value, and subsequently measured at amortised cost, using the effective interest method.

### 2.18 Borrowings

Borrowings are presented as current liabilities unless the Group has an unconditional right to defer settlement for at least 12 months after the balance sheet date, in which case they are presented as non-current liabilities.

Borrowings are initially recognised at fair value (net of transaction costs) and subsequently carried at amortised cost. Any difference between the proceeds (net of transaction costs) and the redemption value is recognised in profit or loss over the period of the borrowings using the effective interest method.

### 2.19 Offsetting financial instruments

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is a legally enforceable right to offset and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

## 2 Significant accounting policies (continued)

### 2.20 Provisions

Provisions are recognised when the Group has a legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. Changes in the estimated amount are recognised in profit or loss when the changes arise.

### 2.21 Derivative financial instruments and hedging activities

A derivative financial instrument is initially recognised at its fair value on the date the contract is entered into and is subsequently carried at its fair value. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

The Group documents at the inception of the transaction the relationship between the hedging instruments and hedged items, as well as its risk management objective and strategies for undertaking various hedging transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, on whether the hedging relationship meets the hedge effectiveness requirements under SFRS(I) 9.

Fair value changes on derivatives that are not designated or do not qualify for hedge accounting are recognised in profit or loss when the changes arise.

#### (1) *Currency forwards – cash flow hedge*

The Group has entered into currency forwards that qualify as cash flow hedges against highly probable forecasted transactions in foreign currencies. The fair value changes on the effective portion of the currency forwards designated as cash flow hedges are recognised in other comprehensive income and transferred to either the cost of a hedged non-monetary asset upon acquisition or profit or loss when the hedged forecast transactions are recognised.

The fair value changes on the ineffective portion of currency forwards are recognised immediately in profit or loss. When a forecasted transaction is no longer expected to occur, the gains and losses that were previously recognised in other comprehensive income are transferred to profit or loss immediately.

#### (2) *Net investment hedge*

The Group has foreign currency borrowings that qualify as net investment hedges of foreign operations. The currency translation differences on the borrowings relating to the effective portion of the hedge are recognised in other comprehensive income in the consolidated financial statements, accumulated in the currency translation reserve and reclassified to profit or loss as part of the gain or loss on disposal of the foreign operation. The currency translation differences relating to the ineffective portion of the hedge are recognised immediately in profit or loss.

## **2 Significant accounting policies (continued)**

### **2.22 Compound financial instruments**

Compound financial instruments issued by the Group comprise convertible bonds denominated in Euro dollars that can be converted to ordinary shares at the option of the holder, where the number of shares to be issued is fixed and does not vary with changes in fair value.

The liability component of a compound financial instrument is initially recognised at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured.

Interest related to the financial liability is recognised in profit or loss. On conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognised.

### **2.23 Intra-group financial guarantees in the separate financial statements**

Financial guarantees are financial instruments issued by the Company that require the issuer to make specified payments to reimburse the holder for the loss it incurs because a specified debtor fails to meet payment when due in accordance with the original or modified terms of a debt instrument.

Financial guarantees issued are initially measured at fair value. Subsequently, they are measured at the higher of the loss allowance determined in accordance with SFRS(I) 9 and the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of SFRS(I) 15.

Expected credit losses are a probability-weighted estimate of credit losses. Expected credit losses are measured for financial guarantees issued as the expected payments to reimburse the holder less any amounts that the Company expects to recover.

Liabilities arising from financial guarantees are included within “borrowings”.



## **2 Significant accounting policies (continued)**

### **2.24 Share capital and treasury shares**

Ordinary shares are classified as equity.

When any entity within the Group purchases the Company's ordinary shares ("treasury shares"), the consideration paid, including any directly attributable incremental costs, net of income taxes, is deducted from equity attributable to the Company's equity holders and presented as treasury shares within equity, until they are cancelled, sold or reissued.

When treasury shares are subsequently sold or reissued pursuant to the share-based remuneration plan, the cost of the treasury shares is reversed from the treasury share account and the realised gain or loss on sale or reissue, net of any directly attributable incremental transaction costs and related income tax, is taken to the share capital account of the Company.

### **2.25 Dividends**

Interim dividends are deducted from retained profits during the financial year in which they are declared payable.

Final dividends are transferred from retained profits to a proposed dividend reserve when they are proposed by the directors. The amount will be transferred from the proposed dividend reserve to dividend payable when the dividends are approved by the shareholders.

### **2.26 Segment reporting**

Operating segments are reported in a manner consistent with the internal reporting provided to the executive committee who are responsible for allocating resources and assessing performance of the operating segments.

### **2.27 Government grants**

Grants from the government are recognised as a receivable when there is reasonable assurance that the grant will be received and compliance with all the attached conditions.

Government grants relating to expenses are offset against the related expenses. Government grants relating to assets are deducted against the carrying amount of the assets.

### **3 Critical accounting estimates and judgments**

Estimates and judgments are regularly evaluated based on historical experience, current circumstances and expectations of future events. The following provides a description of the areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements:

(i) Intangible assets

Intangible assets are valued on acquisition using appropriate methodology and amortised over the estimated useful lives. The valuation methodology employed includes: (a) discounted cash flow model and management's best estimate of future cash flows, long term growth rate and discount rate; (b) relief-from-royalty method for technical know-how; and (c) multi-period excess earnings method for customer relationships . Useful lives are based on management's best estimates of periods over which value from the intangible assets will be realised (Note 2.12 and Note 22). Management reassesses the estimated useful lives at each financial year end, taking into account the period over which the intangible assets are expected to generate future economic benefit. Intangible assets are tested for impairment in accordance with Note 2.16(2).

(ii) Goodwill

Goodwill is tested for impairment in accordance with Note 2.16(1). The recoverable amount of goodwill is based on value-in-use calculation using discounted cash flow model and management's best estimate of future cash flows, long term growth rate and discount rate (Note 23).

## 4 Operating revenue

Operating revenue comprised the following:

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Fixed Income, Currencies and Commodities</b>				
<i>Fixed Income</i>				
Listing	11,510	9,406	–	–
Corporate actions and other	3,371	3,353	–	–
	<u>14,881</u>	<u>12,759</u>	–	–
<i>Currencies and Commodities - Derivatives</i>				
Trading and clearing	152,577	107,908	–	–
Treasury and other	44,296	50,747	–	–
	<u>196,873</u>	<u>158,655</u>	–	–
	<u>211,754</u>	<u>171,414</u>	–	–
<b>Equities</b>				
<i>Equities - Cash</i>				
Listing	34,463	35,266	–	–
Corporate actions and other	32,547	29,068	–	–
Trading and clearing	230,242	224,390	–	–
Securities settlement and depository management	106,645	100,763	–	–
Treasury and other	8,820	9,815	–	–
	<u>412,717</u>	<u>399,302</u>	–	–
<i>Equities - Derivatives</i>				
Trading and clearing (Note (a))	230,886	250,267	–	–
Treasury and other	57,486	110,111	–	–
	<u>288,372</u>	<u>360,378</u>	–	–
	<u>701,089</u>	<u>759,680</u>	–	–
<b>Data, Connectivity and Indices</b>				
Market data and indices	80,641	59,363	–	8
Connectivity	62,469	62,241	28,438	27,245
	<u>143,110</u>	<u>121,604</u>	<u>28,438</u>	<u>27,253</u>

- (a) Refer to Note 49 for restatement to the presentation of operating revenue following implementation of changes to the fee structure of equity derivatives contracts.

**5 Staff**

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Salaries	145,064	128,758	75,581	77,199
Employer's contribution to defined contribution plans on salaries	8,718	8,754	6,330	6,311
	153,782	137,512	81,911	83,510
Variable bonus	62,451	59,909	39,633	33,690
Employer's contribution to defined contribution plans on variable bonus	2,423	3,162	1,796	2,351
	64,874	63,071	41,429	36,041
Variable share-based payment	17,538	14,589	17,538	14,589
Variable share-based payment recharge to subsidiary	–	–	(1,794)	(1,531)
	236,194	215,172	139,084	132,609

During the financial year, the Group and the Company recognised credit of \$6,860,000 (2020: \$5,523,000) against salaries relating to the Jobs Support Scheme provided by the Government of Singapore.

**6 Technology**

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
System maintenance and rental	71,283	65,174	44,101	43,830
Communication charges	3,114	3,763	2,117	2,780
	74,397	68,937	46,218	46,610

**7 Premises**

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Premise maintenance and rental	9,656	9,879	5,510	5,860

**8 Other operating expenses**

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Marketing	7,602	7,284	2,477	2,908
Travelling	338	1,963	85	736
Allowance/(reversal) for impairment of trade receivables, net	1,226	1,029	(18)	52
Write-off and net loss on disposal of property, plant and equipment and software	25	1,416	44	1,321
Directors' fees	3,020	2,735	2,226	1,813
Regulatory fees	6,269	6,235	400	401
Miscellaneous	12,081	15,259	15,013	19,916
	<u>30,561</u>	<u>35,921</u>	<u>20,227</u>	<u>27,147</u>

**9 Depreciation and amortisation**

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Technology-related depreciation and amortisation	64,269	63,234	21,828	21,665
Premises-related depreciation	14,410	20,995	13,519	20,057
Amortisation of intangible assets	15,764	5,553	–	–
Depreciation of motor vehicle	80	80	80	80
	<u>94,523</u>	<u>89,862</u>	<u>35,427</u>	<u>41,802</u>

## 10 Operating profit

The following items have been included in arriving the operating profit:

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<i>Charging:</i>				
Audit services by auditor of the Company <sup>(a)</sup>	1,189	841	372	297
Other services by auditor of the Company	382	230	143	106
Provision for unutilised leave (Note 32(b))	3,060	2,428	1,157	1,890
<i>And crediting:</i>				
Treasury income on collateral balances held in trust (net)	72,110	134,758	–	–

(a) Does not include \$88,000 for audit services relating to issuance of EUR 240 million zero-coupon convertible bond that had been capitalised.

## 11 Non-operating gains

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Other income (net)</b>				
- Interest income from fixed deposits and current accounts with banks	3,511	12,527	648	5,928
- Interest income from financial assets, at FVOCI	1,621	990	1,567	990
- Dividend income from associated company	–	–	3,428	2,415
- Dividend income from financial assets, at FVOCI	826	161	170	161
- Net gains on remeasurement of previously held interest in an associated company	16,663	–	–	–
- Changes in fair value of contingent consideration	(9,564)	–	–	–
- Others	4,659	2,377	9,269	7,752
	17,716	16,055	15,082	17,246
<b>Finance charges</b>				
Interest expense				
- Bank borrowings	(1,943)	(302)	(1,943)	(302)
- Lease liabilities	(2,280)	(2,586)	(2,147)	(2,569)
- Convertible bonds	(559)	–	–	–
	(4,782)	(2,888)	(4,090)	(2,871)
<b>Net foreign exchange (losses)/gains</b>	(830)	488	2,316	1,277
<b>Impairment loss on investment in associated companies (Note (a))</b>				
	(2,056)	(6,200)	–	–
	10,048	7,455	13,308	15,652

## 11 Non-operating gains (continued)

- (a) During the financial year ended 30 June 2021, an impairment loss of \$2,056,000 was recognised on the Group's investment in associated companies due to poor financial health of these companies. The carrying value of the investments had been fully written down.

During the financial year ended 30 June 2020, an impairment loss of \$6,200,000 was recognised on the Group's investment in Freightos Limited and the loss reflects the impact of Covid-19 on the freight industry. The investment was written down to the recoverable amount based on value-in-use calculation using the discounted cash flow model. The discount rate used in the estimate of the recoverable amount was 21%.

## 12 Earnings per share

	Group	
	2021 \$'000	2020 \$'000
Net profit attributable to the equity holders of the Company for basic earnings per share	445,406	471,815
Interest expense on convertible bonds	559	–
Net profit attributable to the equity holders of the Company for diluted earnings per share	445,965	471,815
Weighted average number of ordinary shares in issue for basic earnings per share ('000)	1,069,926	1,070,387
Adjustments for:		
- Effect of conversion of convertible bonds ('000)	9,799	–
- Shares granted under SGX performance share plans and deferred long-term incentives schemes ('000)	5,410	4,625
Weighted average number of ordinary shares for diluted earnings per share ('000)	1,085,135	1,075,012
Earnings per share (in cents per share)		
- Basic	41.6	44.1
- Diluted	41.1	43.9

## 13 Cash and cash equivalents

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Cash at bank and on hand	341,409	211,301	70,912	20,891
Fixed deposits with banks	718,620	696,077	158,100	111,400
	<u>1,060,029</u>	<u>907,378</u>	<u>229,012</u>	<u>132,291</u>

For the purpose of presenting the consolidated statement of cash flows of the Group, the consolidated cash and cash equivalents comprise the following:

	Group	
	2021 \$'000	2020 \$'000
Cash and cash equivalents per consolidated statement of cash flows	833,365	686,430
Add:		
Cash committed for		
- Singapore Exchange Derivatives Clearing Limited (“SGX-DC”) Clearing Fund (Note 40)	150,021	150,021
- Securities Clearing Fund (Note 39)	60,000	60,000
- National Electricity Market of Singapore (“NEMS”) (Note (a))	16,643	8,892
Bank overdrafts repayable on demand and used for cash management purposes (Note 29)	–	2,035
Cash and cash equivalents (as above)	<u>1,060,029</u>	<u>907,378</u>

(a) Cash committed for NEMS

Cash committed for NEMS represents Energy Market Company Pte Ltd (“EMC”) commitment to the operation of the electricity market of Singapore. The manner in which the cash can be used are defined by the Singapore Electricity Market Rules issued by the Energy Market Authority of Singapore. The committed cash is not available to EMC for its operations.



## 14 Trade and other receivables

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Current</b>				
Trade receivables (net)				
(Note (a))	689,912	665,865	4,055	6,014
Other receivables (Note (b))	58,837	92,429	139,718	365,963
	<u>748,749</u>	<u>758,294</u>	<u>143,773</u>	<u>371,977</u>
<b>Non-current</b>				
Other receivables				
- Amount due from a subsidiary (non-trade)				
(Note (c))	-	-	-	4,539
	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,539</u>

(a) Trade receivables (net) comprise:

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Receivables from clearing members and settlement banks - Daily settlement of accounts for due contracts and rights (Note 28(a))	446,912	452,524	-	-
Receivables under NEMS (Note 15)	127,290	94,075	-	-
Other trade receivables	117,640	121,100	4,090	6,075
	<u>691,842</u>	<u>667,699</u>	<u>4,090</u>	<u>6,075</u>
Less: Allowance for impairment of trade receivables (Note 47)	(1,930)	(1,834)	(35)	(61)
	<u>689,912</u>	<u>665,865</u>	<u>4,055</u>	<u>6,014</u>

The receivables from clearing members and settlement banks represent the net settlement obligations to The Central Depository (Pte) Limited ("CDP"). The corresponding net settlement obligations from CDP to the clearing members and settlement banks are disclosed in Note 28(a).

**14 Trade and other receivables (continued)**

(b) Other receivables comprise:

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Prepayments	29,298	23,853	16,511	14,311
Interest receivable	24,405	61,537	81	856
Deposits	686	796	237	277
Staff advances	6	27	1	–
Grant receivables	–	3,247	–	3,247
Amounts due from subsidiaries (non-trade) (Note (d))	–	–	117,510	346,972
Others (non-trade)	4,442	2,969	5,378	300
	<u>58,837</u>	<u>92,429</u>	<u>139,718</u>	<u>365,963</u>

(c) Amount due from a subsidiary (non-trade) relates to an unsecured loan with interest fixed at 3.5% per annum. The amount was repaid during the financial year.

(d) Amounts due from subsidiaries are unsecured, non-interest bearing and repayable on demand.

**15 Cash, receivables and payables under NEMS**

EMC has cash, receivables and payables in respect of sale of electricity to market participants and purchase of electricity and ancillary services from market participants in the NEMS as follows:

	Group	
	2021 \$'000	2020 \$'000
Cash committed for NEMS (Note 13)	16,643	8,892
Receivables under NEMS (Note 14(a))	127,290	94,075
<b>Total settlement cash and receivables</b>	<u>143,933</u>	<u>102,967</u>
Payables under NEMS (Note 28(a))	143,933	102,967
<b>Total settlement payables</b>	<u>143,933</u>	<u>102,967</u>

## 16 Derivative financial instruments

	Currency forwards notional amount \$'000	Group Fair value		Currency forwards notional amount \$'000	Company Fair value	
		Asset \$'000	Liability \$'000		Asset \$'000	Liability \$'000
<b>30 June 2021</b>						
Cash-flow hedges						
- Currency forwards	103,016	314	(1,150)	-	-	-
		<u>314</u>	<u>(1,150)</u>		<u>-</u>	<u>-</u>
Current		314	(1,150)		-	-
		<u>314</u>	<u>(1,150)</u>		<u>-</u>	<u>-</u>
<b>30 June 2020</b>						
Cash-flow hedges						
- Currency forwards	186,907	2,485	(2,035)	14,753	48	(70)
Call option		3,096	-		-	-
Sale of call option		-	(49)		-	-
		<u>5,581</u>	<u>(2,084)</u>		<u>48</u>	<u>(70)</u>
Current		2,485	(2,084)		48	(70)
Non-current		3,096	-		-	-
		<u>5,581</u>	<u>(2,084)</u>		<u>48</u>	<u>(70)</u>

## 17 Financial assets, at FVOCI

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Current</b>				
Equity securities – Quoted	31,094	8,023	-	8,023
Bonds – Quoted	9,842	-	-	-
Bonds – Unquoted	-	40,113	-	40,113
	<u>40,936</u>	<u>48,136</u>	<u>-</u>	<u>48,136</u>
<b>Non-current</b>				
Equity securities – Unquoted	<u>146,467</u>	<u>119,269</u>	<u>-</u>	<u>-</u>

## 18 Investment property, and Property, plant and equipment

Group	<u>Owner occupied property</u>								Total \$'000
	Investment property \$'000	Freehold land \$'000	Building and plant \$'000	Leasehold improvements \$'000	Furniture, fittings and office equipment \$'000	Computer hardware \$'000	Motor vehicle \$'000	Work-in- progress \$'000	
<b>2021</b>									
<b>Cost</b>									
At 1 July 2020	25,175	5,626	5,613	44,484	9,462	69,174	401	5,666	140,426
Acquisition of subsidiary (Note 24)	–	–	–	–	64	408	–	–	472
Reclassification	–	–	–	218	420	5,555	–	(6,193)	–
Additions	–	–	–	222	109	5,550	–	6,032	11,913
Write-off/ Disposals	(38)	–	(17)	(630)	(50)	(6,113)	–	–	(6,810)
Currency translation	2,168	485	484	2	77	57	–	–	1,105
At 30 June 2021	<u>27,305</u>	<u>6,111</u>	<u>6,080</u>	<u>44,296</u>	<u>10,082</u>	<u>74,631</u>	<u>401</u>	<u>5,505</u>	<u>147,106</u>
<b>Accumulated depreciation</b>									
At 1 July 2020	827	–	1,537	38,742	8,016	41,181	173	–	89,649
Depreciation charge	241	–	138	1,551	530	11,344	80	–	13,643
Write-off/ Disposals	(4)	–	(2)	(630)	(50)	(6,106)	–	–	(6,788)
Currency translation	80	–	138	1	33	30	–	–	202
At 30 June 2021	<u>1,144</u>	<u>–</u>	<u>1,811</u>	<u>39,664</u>	<u>8,529</u>	<u>46,449</u>	<u>253</u>	<u>–</u>	<u>96,706</u>
<b>Net book value</b>									
At 30 June 2021	<u>26,161</u>	<u>6,111</u>	<u>4,269</u>	<u>4,632</u>	<u>1,553</u>	<u>28,182</u>	<u>148</u>	<u>5,505</u>	<u>50,400</u>
<b>Market value</b>									
At 30 June 2021	<u>26,903</u>								

## 18 Investment property, and Property, plant and equipment (continued)

Group	<u>Owner occupied property</u>								Total \$'000
	Investment property \$'000	Freehold land \$'000	Building and plant \$'000	Leasehold improvements \$'000	Furniture, fittings and office equipment \$'000	Computer hardware \$'000	Motor vehicle \$'000	Work-in- progress \$'000	
<b>2020</b>									
<b>Cost</b>									
At 1 July 2019	25,212	5,634	5,621	41,362	9,056	74,723	401	7,332	144,129
Acquisition of subsidiary	–	–	–	–	–	4	–	–	4
Reclassification	–	–	–	3,085	38	4,566	–	(7,689)	–
Additions	–	–	–	167	447	3,231	–	6,023	9,868
Write-off/Disposals	–	–	–	(130)	(78)	(13,350)	–	–	(13,558)
Currency translation	(37)	(8)	(8)	–	(1)	–	–	–	(17)
At 30 June 2020	<u>25,175</u>	<u>5,626</u>	<u>5,613</u>	<u>44,484</u>	<u>9,462</u>	<u>69,174</u>	<u>401</u>	<u>5,666</u>	<u>140,426</u>
<b>Accumulated depreciation</b>									
At 1 July 2019	616	–	1,221	31,469	6,612	43,783	93	–	83,178
Depreciation charge	233	–	364	7,403	1,415	10,294	80	–	19,556
Write-off/Disposals	–	–	–	(130)	(78)	(12,895)	–	–	(13,103)
Currency translation	(22)	–	(48)	–	67	(1)	–	–	18
At 30 June 2020	<u>827</u>	<u>–</u>	<u>1,537</u>	<u>38,742</u>	<u>8,016</u>	<u>41,181</u>	<u>173</u>	<u>–</u>	<u>89,649</u>
<b>Net book value</b>									
At 30 June 2020	<u>24,348</u>	<u>5,626</u>	<u>4,076</u>	<u>5,742</u>	<u>1,446</u>	<u>27,993</u>	<u>228</u>	<u>5,666</u>	<u>50,777</u>
<b>Market value</b>									
At 30 June 2020	<u>28,962</u>								

## 18 Investment property, and Property, plant and equipment (continued)

The following amounts are recognised in the statement of comprehensive income of the Group:

	Group	
	2021	2020
	\$'000	\$'000
Rental income	2,421	2,174
Direct operating expenses arising from the investment property	(1,129)	(987)
	1,292	1,187

Details of the Group's investment property are as follows:

<u>Location</u>	<u>Description</u>	<u>Tenure</u>
The Baltic Exchange, 38 St Mary Axe, London EC3, United Kingdom	Office building	Freehold

The fair value of the investment property was independently appraised by an external valuer and is determined using the income method. The property is classified under Level 3 of the fair value hierarchy and the significant unobservable input used for valuation is market yield. The estimated fair value would increase (decrease) if the market yield was higher (lower). As at 30 June 2021, there were no transfers in and out of Level 3 of the fair value hierarchy in relation to the investment property (2020: No transfers in and out of Level 3 fair value hierarchy).

Company	Leasehold improve- ments \$'000	Furniture, fittings and office equipment \$'000	Computer hardware \$'000	Motor vehicle \$'000	Work-in- progress \$'000	Total \$'000
<b>2021</b>						
<b>Cost</b>						
At 1 July 2020	43,994	8,471	35,984	401	3,382	92,232
Reclassification	218	417	2,872	–	(3,507)	–
Additions	204	88	19	–	2,018	2,329
Write-off/Disposals	(630)	(45)	(2,925)	–	–	(3,600)
At 30 June 2021	43,786	8,931	35,950	401	1,893	90,961
<b>Accumulated depreciation</b>						
At 1 July 2020	38,489	7,434	21,527	173	–	67,623
Depreciation charge	1,495	393	4,898	80	–	6,866
Write-off/Disposals	(630)	(45)	(2,922)	–	–	(3,597)
At 30 June 2021	39,354	7,782	23,503	253	–	70,892
<b>Net book value</b>						
At 30 June 2021	4,432	1,149	12,447	148	1,893	20,069

**18 Investment property, and Property, plant and equipment (continued)**

Company	Leasehold improve- ments \$'000	Furniture, fittings and office equipment \$'000	Computer hardware \$'000	Motor vehicle \$'000	Work-in- progress \$'000	Total \$'000
<b>2020</b>						
<b>Cost</b>						
At 1 July 2019	41,004	8,097	41,852	401	7,045	98,399
Reclassification	2,857	38	4,102	–	(6,997)	–
Additions	137	426	–	–	3,334	3,897
Write-off/Disposals	(4)	(90)	(9,970)	–	–	(10,064)
At 30 June 2020	43,994	8,471	35,984	401	3,382	92,232
<b>Accumulated depreciation</b>						
At 1 July 2019	31,114	6,242	25,632	93	–	63,081
Depreciation charge	7,379	1,282	5,423	80	–	14,164
Write-off/Disposals	(4)	(90)	(9,528)	–	–	(9,622)
At 30 June 2020	38,489	7,434	21,527	173	–	67,623
<b>Net book value</b>						
At 30 June 2020	5,505	1,037	14,457	228	3,382	24,609

**19 Software**

Group	Software \$'000	Work- in-progress \$'000	Total \$'000
<b>2021</b>			
<b>Cost</b>			
At 1 July 2020	364,271	21,995	386,266
Acquisition of subsidiary (Note 24)	6,230	–	6,230
Reclassification	15,936	(15,936)	–
Additions	6,830	32,386	39,216
Write-off/Disposals	(59,201)	–	(59,201)
Currency translation	(196)	–	(196)
At 30 June 2021	333,870	38,445	372,315
<b>Accumulated amortisation</b>			
At 1 July 2020	218,068	–	218,068
Amortisation charge	44,297	–	44,297
Write-off/Disposals	(55,922)	–	(55,922)
Currency translation	29	–	29
At 30 June 2021	206,472	–	206,472
<b>Net book value</b>			
At 30 June 2021	127,398	38,445	165,843

## 19 Software (continued)

Group	Software \$'000	Work- in-progress \$'000	Total \$'000
<b>2020</b>			
<b>Cost</b>			
At 1 July 2019	374,759	21,501	396,260
Reclassification	30,330	(30,330)	–
Additions	545	30,947	31,492
Write-off/Disposals	(41,362)	(123)	(41,485)
Currency translation	(1)	–	(1)
At 30 June 2020	<u>364,271</u>	<u>21,995</u>	<u>386,266</u>
<b>Accumulated amortisation</b>			
At 1 July 2019	214,170	–	214,170
Amortisation charge	44,340	–	44,340
Write-off/Disposals	(40,428)	–	(40,428)
Currency translation	(14)	–	(14)
At 30 June 2020	<u>218,068</u>	<u>–</u>	<u>218,068</u>
<b>Net book value</b>			
At 30 June 2020	<u>146,203</u>	<u>21,995</u>	<u>168,198</u>
<b>Company</b>			
<b>2021</b>			
<b>Cost</b>			
At 1 July 2020	63,875	10,087	73,962
Reclassification	9,334	(9,334)	–
Additions	–	9,360	9,360
Write-off/Disposals	(5,462)	–	(5,462)
At 30 June 2021	<u>67,747</u>	<u>10,113</u>	<u>77,860</u>
<b>Accumulated amortisation</b>			
At 1 July 2020	32,977	–	32,977
Amortisation charge	8,706	–	8,706
Write-off/Disposals	(4,947)	–	(4,947)
At 30 June 2021	<u>36,736</u>	<u>–</u>	<u>36,736</u>
<b>Net book value</b>			
At 30 June 2021	<u>31,011</u>	<u>10,113</u>	<u>41,124</u>



## 19 Software (continued)

Company	Software \$'000	Work- in-progress \$'000	Total \$'000
<b>2020</b>			
<b>Cost</b>			
At 1 July 2019	63,443	7,173	70,616
Reclassification	10,039	(10,039)	–
Additions	23	13,076	13,099
Write-off/Disposals	(9,630)	(123)	(9,753)
At 30 June 2020	<u>63,875</u>	<u>10,087</u>	<u>73,962</u>
<b>Accumulated amortisation</b>			
At 1 July 2019	34,077	–	34,077
Amortisation charge	7,700	–	7,700
Write-off/Disposals	(8,800)	–	(8,800)
At 30 June 2020	<u>32,977</u>	<u>–</u>	<u>32,977</u>
<b>Net book value</b>			
At 30 June 2020	<u>30,898</u>	<u>10,087</u>	<u>40,985</u>

## 20 Right-of-use assets

### Leases – The Group and the Company as a lessee

The Group and the Company leases office premises, data centres and equipment with varying terms and renewal rights.

The Group and the Company leases IT equipment with contract terms of one to three years. These leases are short-term and/or leases of low-value items. The Group and the Company has elected not to recognise right-of-use assets and lease liabilities for these leases.

Group	Premises \$'000	Other equipment \$'000	Total \$'000
<b>2021</b>			
At 1 July 2020	82,541	4,583	87,124
Depreciation charge	(19,319)	(1,259)	(20,578)
Additions to right-of-use assets	1,613	242	1,855
Derecognition	–	(15)	(15)
Reassessment and modifications <sup>(a)</sup>	753	–	753
Currency translation	19	–	19
At 30 June 2021	<u>65,607</u>	<u>3,551</u>	<u>69,158</u>

**20 Right-of-use assets (continued)****Leases – The Group and the Company as a lessee (continued)**

<b>Group</b>	<b>Premises \$'000</b>	<b>Other equipment \$'000</b>	<b>Total \$'000</b>
<b>2020</b>			
At 1 July 2019	79,995	5,806	85,801
Depreciation charge	(18,957)	(1,223)	(20,180)
Additions to right-of-use assets	786	–	786
Reassessment and modifications <sup>(a)</sup>	20,717	–	20,717
At 30 June 2020	<u>82,541</u>	<u>4,583</u>	<u>87,124</u>
<b>Company</b>			
<b>2021</b>			
At 1 July 2020	82,100	4,583	86,683
Depreciation charge	(18,597)	(1,258)	(19,855)
Additions to right-of-use assets	–	237	237
Derecognition	–	(15)	(15)
Reassessment and modifications <sup>(a)</sup>	119	–	119
At 30 June 2021	<u>63,622</u>	<u>3,547</u>	<u>67,169</u>
<b>2020</b>			
At 1 July 2019	79,451	5,806	85,257
Depreciation charge	(18,715)	(1,223)	(19,938)
Additions to right-of-use assets	647	–	647
Reassessment and modifications <sup>(a)</sup>	20,717	–	20,717
At 30 June 2020	<u>82,100</u>	<u>4,583</u>	<u>86,683</u>

<sup>(a)</sup> Reassessment and modifications for the Group and the Company relate to changes in lease term and lease payments of existing leases.

**(1) Other amounts recognised in profit or loss**

	<b>Group</b>		<b>Company</b>	
	<b>2021 \$'000</b>	<b>2020 \$'000</b>	<b>2021 \$'000</b>	<b>2020 \$'000</b>
<b>Leases under SFRS(I) 16</b>				
Interest on lease liabilities (Note 11)	2,280	2,586	2,147	2,569
Expenses relating to short-term leases and low-value assets	2,279	2,714	1,239	1,879
	<u>4,559</u>	<u>5,300</u>	<u>3,386</u>	<u>4,448</u>

## 20 Right-of-use assets (continued)

### Leases – The Group and the Company as a lessee (continued)

#### (2) Amounts recognised in statement of cash flows

	Group	
	2021	2020
	\$'000	\$'000
Total cash outflow for leases	22,509	20,860

#### (3) Extension options

Some property leases contain extension options exercisable by the Group and the Company before the end of the non-cancellable contract period. Where practicable, the Group and the Company seek to include extension options in new leases to provide operational flexibility. The Group and the Company assess at lease commencement date whether it is reasonably certain to exercise the extension options. The Group and the Company reassess whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

## 21 Leases – The Group as a lessor

The Group leases out its investment property consisting of an office building (Note 18) and has classified the leases as operating leases from a lessor perspective. This is because the Group does not transfer substantially all of the risks and rewards incidental to the ownership of the assets.

Rental income from the investment property is disclosed in Note 18.

The following table sets out a maturity analysis of lease payments, showing the undiscounted lease payments to be received after the reporting date.

	2021	2020
	\$'000	\$'000
<b>Operating leases under SFRS(I) 16</b>		
Less than one year	905	2,036
One to two years	396	487
Two to three years	352	487
Three to four years	286	447
Four to five years	26	432
More than five years	–	152
<b>Total</b>	<u>1,965</u>	<u>4,041</u>

## 22 Intangible assets

Group	Right to operate Singapore electricity spot market \$'000	Trade name \$'000	Technical know-how \$'000	Customer relationships \$'000	Total \$'000
<b>2021</b>					
<b>Cost</b>					
At 1 July 2020	27,140	38,057	31,502	24,850	121,549
Acquisition of subsidiary (Note 24)	–	–	13,746	13,053	26,799
Currency translation	–	3,277	180	66	3,523
At 30 June 2021	27,140	41,334	45,428	37,969	151,871
<b>Accumulated amortisation</b>					
At 1 July 2020	5,202	4,652	1,313	2,070	13,237
Amortisation charge (Note 9)	905	1,346	6,616	6,897	15,764
Currency translation	–	433	25	19	477
At 30 June 2021	6,107	6,431	7,954	8,986	29,478
<b>Net book value</b>					
At 30 June 2021	21,033	34,903	37,474	28,983	122,393
<b>2020</b>					
<b>Cost</b>					
At 1 July 2019	27,140	38,111	–	–	65,251
Acquisition of subsidiary (Note 24)	–	–	30,218	23,837	54,055
Currency translation	–	(54)	1,284	1,013	2,243
At 30 June 2020	27,140	38,057	31,502	24,850	121,549
<b>Accumulated amortisation</b>					
At 1 July 2019	4,296	3,389	–	–	7,685
Amortisation charge (Note 9)	906	1,290	1,302	2,055	5,553
Currency translation	–	(27)	11	15	(1)
At 30 June 2020	5,202	4,652	1,313	2,070	13,237
<b>Net book value</b>					
At 30 June 2020	21,938	33,405	30,189	22,780	108,312

The intangible assets are the right to operate the Singapore electricity spot market, arising from the acquisition of EMC, the Baltic Exchange Limited (“BEL”) trade name arising from the acquisition of BEL and technical know-how and customer relationships, arising from the acquisitions of Scientific Beta Pte. Ltd. (“SB”) and BidFX Systems Ltd (“BidFX”).

No impairment loss has been recognised as there is no objective evidence or indication that the carrying amounts may not be fully recoverable as at 30 June 2021 (2020: Nil).

## 23 Goodwill

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Beginning of financial year	329,176	85,299
Acquisition of subsidiary (Note 24)	202,363	234,036
Additional payment on completion adjustment for previously acquired subsidiary	5,178	–
Currency translation	4,516	9,841
Balance at end of financial year	541,233	329,176

The goodwill relates to the acquisition of:

- a) EMC, a subsidiary operating the Singapore electricity spot market;
- b) BEL, a subsidiary providing freight market indices and information as well as membership services;
- c) SB, an index-provider subsidiary specialising in smart beta strategies; and
- d) BidFX, a subsidiary providing electronic foreign exchange trading solutions and platform to the global financial marketplace.

For the purpose of impairment testing, goodwill allocated to each of the Group's CGU or group of CGUs is expected to benefit from synergies of the business combination. Goodwill arising from the acquisition of EMC is allocated to EMC CGU, goodwill arising from the acquisitions of BEL and BidFX are allocated to Currencies and commodities CGU, and goodwill arising from the acquisition of SB is allocated to Data and indices CGU.

The carrying amounts of goodwill allocated to the following CGUs as at 30 June were as follows:

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
EMC	9,614	9,614
Currencies and commodities	277,394	75,585
Data and indices	254,225	243,977
	541,233	329,176

## 23 Goodwill (continued)

The recoverable amount of the goodwill was determined based on value-in-use calculation using the discounted cash flow model. Key inputs of the computation are as follows:

<b>CGU – EMC</b>	<b>Key Inputs</b>	<b>Basis</b>
Free cash flows	Management's forecasts of earnings and capital expenditure over a ten-year period.	Past performance and market developments
Long term growth rate	2% - 3% (2020: 2% - 3%)	Long term inflation and growth rate of Singapore
Discount rate	10.5% (2020: 10%)	Cost of capital to operate the Singapore electricity spot market
<hr/>		
<b>CGU – Currencies and commodities</b>	<b>Key Inputs</b>	<b>Basis</b>
Free cash flows	Management's forecasts of earnings and capital expenditure over a ten-year period.	Past performance, expectations of growth in currencies and commodities contract volumes and market developments
Long term growth rate	3% (2020: 3%)	Long term growth rate of developed economies
Discount rate	10% (2020: 10%)	Cost of capital to operate the currencies and commodities market
<hr/>		
<b>CGU – Data and indices</b>	<b>Key Inputs</b>	<b>Basis</b>
Free cash flows	Management's forecasts of earnings and capital expenditure over a ten-year period.	Past performance, expectations of growth in data and indices volumes and market developments
Long term growth rate	3% (2020: 3%)	Long term growth rate of developed economies
Discount rate	10% (2020: 10%)	Cost of capital to operate the data and indices market

## 23 Goodwill (continued)

Based on the value-in-use calculations, there is no impairment on goodwill (2020: Nil). While the estimated recoverable amount of the goodwill is sensitive to any change in key inputs to the value-in-use calculations, the change in the estimated recoverable amount from any reasonably possible change on the key input does not materially cause the recoverable amount to be lower than its carrying amount.

## 24 Acquisition of subsidiary

### (a) BidFX Systems Ltd.

On 27 March 2019, SGX acquired 20% equity interest in BidFX Systems Ltd. ("BidFX") and recorded it as an investment in associated company. On 7 July 2020, SGX acquired the remaining 80% equity interest in BidFX. Consequently, BidFX became a wholly-owned subsidiary of SGX.

Included in the identifiable assets and liabilities acquired at the date of acquisition of BidFX are inputs (software technology, intellectual property, customer contracts and relationships), an organised workforce and processes. The Group has assessed and concluded that the acquired set is a business.

The principal activity of BidFX is to provide electronic foreign exchange trading solutions and platform to the global financial marketplace. This acquisition provides SGX opportunities to expand into the global over-the-counter ("OTC") foreign exchange market and offer end-to-end solutions covering OTC markets.

#### (1) Consideration transferred

	<b>\$'000</b>
Cash paid	191,493
Contingent consideration	10,144
Others	2,786
<b>Total consideration transferred</b>	<u><u>204,423</u></u>

#### (2) Effect on cash flows of the Group

	<b>\$'000</b>
Cash paid	191,493
Less: Cash and cash equivalents in subsidiary acquired	<u>(35,790)</u>
<b>Cash outflow on acquisition</b>	<u><u>155,703</u></u>

**24 Acquisition of subsidiary (continued)****(a) BidFX Systems Ltd. (continued)****(3) Identifiable assets acquired and liabilities assumed**

	<b>\$'000</b>
Cash and cash equivalents	35,790
Trade and other receivables	5,070
Property, plant and equipment	472
Software	6,230
Intangible assets	26,799
<b>Total assets</b>	<u>74,361</u>
Trade and other payables	20,540
Deferred tax liabilities	3,914
<b>Total liabilities</b>	<u>24,454</u>
<b>Total identifiable net assets</b>	<u><u>49,907</u></u>

**(4) Goodwill**

Goodwill arising from the acquisition has been recognised as follows:

	<b>\$'000</b>
Total consideration transferred	204,423
Fair value of pre-existing interest in the acquiree	47,847
Fair value of identifiable net assets	(49,907)
<b>Goodwill</b>	<u>202,363</u>

The goodwill of \$202,363,000 relates to synergies expected to arise from growth in the foreign exchange business as well as wider range of product offerings and clients for BidFX and SGX.

**(5) Acquisition-related costs**

Total acquisition-related costs amounted to \$2,666,000 of which \$1,320,000 are included in FY2021. These costs have been included in "Professional fees" and "Others".

**(6) Acquired receivables**

The fair value and gross contractual amount of Trade and other receivables is \$5,070,000.

**(7) Intangible assets**

The intangible assets comprised of capitalised software development costs and intellectual property as well as customer contracts and relationships estimated at \$26,799,000. The capitalised software development costs and intellectual property were based on revised net book value following review of the useful life. In measuring the fair value of the customer-related intangibles, the multi-period excess earnings method is used and considers the present value of net cash flows expected to be generated by the customer-related intangibles, by excluding any cash flows related to contributory assets.



**24 Acquisition of subsidiary (continued)****(a) BidFX Systems Ltd. (continued)****(8) Contingent consideration**

The Group has agreed to pay the selling shareholders additional consideration of up to US\$25,000,000 in 2022 if BidFX reaches certain revenue targets in 2021. The Group has included \$10,144,000 as contingent consideration related to the additional consideration based on projections available at acquisition date. Projections for 2021 revenue targets were subsequently revised, reflecting current business volumes, and an additional \$9,564,000 was accrued. As the change in business volumes did not exist at the acquisition date, the additional \$9,564,000 contingent consideration does not form part of the original purchase price. As at 30 June 2021, the carrying amount of the contingent consideration is revalued at \$19,358,000 (Note 28).

**(9) Revenue and profit contribution**

BidFX contributed revenue of \$39,700,000 and net profit after tax of \$4,579,000 to the Group for the period from 1 July 2020 to 30 June 2021. The results were consolidated from 1 July 2020 as the revenue and net profit after tax generated by BidFX for the first 7 days of July 2020 is immaterial. Consequently, if the acquisition had occurred on 1 July 2020, consolidated revenue and net profit after tax would be the same.

**(10) Step acquisition**

The fair value of the initial equity interest in BidFX held by the Group is \$47,847,000 as at the date of acquisition. As a result of this re-measurement to fair value, the Group recognised a net gain of \$16,663,000 in the consolidated income statement under 'Non-operating gains'.

**(b) Scientific Beta Pte. Ltd.**

On 31 January 2020, SGX acquired 93% of the equity interest in Scientific Beta Pte. Ltd. ("SB") for a consideration of EUR 192,786,000. Consequently, SB became a subsidiary of SGX.

The principal activity of SB is that of an independent index provider specialising in smart beta strategies, with expertise in factor-based and risk-managed solutions. This acquisition strengthens SGX's research-based index design capabilities as well as broadens the range of index products and clientele for SB and SGX.

**(1) Effect on cash flows of the Group**

	<b>\$'000</b>
Cash paid	294,725
Less: Cash and cash equivalents in subsidiary acquired	<u>(17,676)</u>
<b>Cash outflow on acquisition</b> (Note (a))	<u><u>277,049</u></u>

(a) Comprised of \$271,871,000 paid in FY2020 and \$5,178,000 paid in FY2021.

**24 Acquisition of subsidiary (continued)****(b) Scientific Beta Pte. Ltd. (continued)****(2) Identifiable assets acquired and liabilities assumed**

	<b>\$'000</b>
Cash and cash equivalents	17,676
Trade and other receivables	13,812
Property, plant and equipment	4
Intangible assets	54,055
<b>Total assets</b>	<u>85,547</u>
Trade and other payables	11,828
Taxation	3,435
Deferred tax liabilities	10,595
<b>Total liabilities</b>	<u>25,858</u>
<b>Total identifiable net assets</b>	<u>59,689</u>
Less: Non-controlling interests based on proportionate interest	(4,178)
Add: Goodwill	234,036
<b>Consideration transferred for the business</b>	<u><u>289,547</u></u>

**(3) Acquisition-related costs**

Total acquisition-related costs amounted to \$1,582,000. The costs are included in FY2020 consolidated income statement under Professional fees, Travelling and Others as well as the operating cash flows in the consolidated statement of cash flows.

**(4) Acquired receivables**

The fair value and gross contractual amount of Trade and other receivables is \$13,812,000.

**(5) Intangible assets**

The fair values of the intangible assets (technical know-how and customer relationships) were estimated to amount to \$54,055,000 based on relief-from-royalty method for technical know-how and multi-period excess earnings method for customer relationships. The relief-from-royalty method considers the discounted estimated royalty payments that are expected to be avoided as a result of the technical know-how being owned. The multi-period excess earnings method considers the present value of net cash flows expected to be generated by the customer relationships, by excluding any cash flows related to contributory assets.

The balances for identifiable assets and liabilities were provisionally determined at the date acquisition. In accordance to SFRS(I) 3 *Business Combinations*, if new information is obtained within one year from the date of acquisition about facts and circumstances that existed at the date of acquisition, adjustments will be identified to the above amounts and revised accordingly.

The resultant goodwill is attributable to the synergies expected to arise from growth in the index and data business as well as wider range of product offerings and clients for SB and SGX.

On 9 October 2020, following the finalisation of completion adjustments, SGX paid an additional consideration of \$5,178,000. Consequently, the carrying amount of goodwill of \$234,036,000 provisionally determined at acquisition date increased to \$239,214,000.

## 25 Investments in subsidiaries

	Company	
	2021 \$'000	2020 \$'000
<i>Equity investments at cost</i>		
Balance at beginning of financial year	831,741	826,741
Capital injection	19,980	5,000
	<u>851,721</u>	<u>831,741</u>
<i>Long-term receivables</i>		
Amount due from a subsidiary	218,401	40,989
Balance at end of financial year	<u>1,070,122</u>	<u>872,730</u>

The amount due from a subsidiary is interest-free and has no fixed terms of repayment.

Details of the subsidiaries are as follows:

Name of subsidiaries	Principal activities	Country of business and incorporation	Equity held by			
			Company		Subsidiaries	
			2021 %	2020 %	2021 %	2020 %
Singapore Exchange Securities Trading Limited	Operating a securities exchange	Singapore	100	100	–	–
Singapore Exchange Derivatives Trading Limited	Operating a derivatives exchange	Singapore	100	100	–	–
The Central Depository (Pte) Limited	Providing clearing, counterparty guarantee, depository and related services for securities transactions	Singapore	100	100	–	–
Singapore Exchange Derivatives Clearing Limited	Providing clearing, counterparty guarantee and related services for derivatives transactions	Singapore	100	100	–	–
SGX Bond Trading Pte. Ltd.	Providing bond trading services	Singapore	100	100	–	–
Singapore Exchange Regulation Pte. Ltd.	Providing front-line regulatory functions	Singapore	100	100	–	–
Singapore Exchange IT Solutions Pte Limited	Providing computer services and software maintenance	Singapore	100	100	–	–

## 25 Investments in subsidiaries (continued)

Name of subsidiaries	Principal activities	Country of business and incorporation	Equity held by			
			Company		Subsidiaries	
			2021 %	2020 %	2021 %	2020 %
Asian Gateway Investments Pte. Ltd.	Investment holding	Singapore	100	100	–	–
Singapore Commodity Exchange Limited	Dormant	Singapore	100	100	–	–
SGX International Pte. Ltd.	Investment holding	Singapore	100	100	–	–
Securities Clearing and Computer Services (Pte) Limited	Dormant	Singapore	100	100	–	–
Asian Gateway Investments (China) Pte. Ltd.	Investment holding	Singapore	–	–	100	100
SGX Baltic Investments Pte. Ltd.	Investment holding	Singapore	–	–	100	100
The Baltic Exchange Limited	Investment holding, membership services and provision of management services to related corporations	United Kingdom	–	–	100	100
Baltic Exchange Derivatives Trading Limited	Dormant	United Kingdom	–	–	100	100
Baltic Exchange Information Services Limited	Providing and distributing bulk freight market indices and information	United Kingdom	–	–	100	100
The Baltic Exchange (Asia) Pte. Limited	Distributing bulk freight market indices and information in Asia and membership services	Singapore	–	–	100	100
Energy Market Company Pte Ltd	Operating an electricity market	Singapore	–	–	100	100
Scientific Beta Pte. Ltd.	Providing management consultancy services of index activities	Singapore	–	–	93	93

## 25 Investments in subsidiaries (continued)

Name of subsidiaries	Principal activities	Country of business and incorporation	Equity held by			
			Company		Subsidiaries	
			2021	2020	2021	2020
			%	%	%	%
Scientific Beta North America, Inc. (Formerly known as EDHEC North America, Inc.)	Providing services and administration of index activities	United States of America	–	–	100	100
Scientific Beta (France) SAS	Providing services and administration for index calculation, risk analyses and financial research	France	–	–	100	100
Scientific Beta (Europe) Limited (Formerly known as EDHEC Risk Consulting Limited)	Providing services and administration for index calculation and risk analyses	United Kingdom	–	–	100	100
BidFX Systems Ltd.	Providing electronic foreign exchange trading solutions and platform	United Kingdom	–	–	100	–
BidFX Systems Pte. Ltd.	Provision of management services to related corporations, sales and client support services	Singapore	–	–	100	–
BidFX Systems US LLC	Providing sales and client support services	United States of America	–	–	100	–
BidFX Systems Australia Pty. Ltd.	Providing sales and client support services	Australia	–	–	100	–
Asia Converge Pte Ltd	Investment holding	Singapore	–	–	100	100
Asiaclear Pte Ltd	Dormant	Singapore	–	–	100	100
CDP Nominees Pte Ltd	Dormant	Singapore	–	–	100	100
Global Clear Pte Ltd	Dormant	Singapore	–	–	100	100
Joint Asian Derivatives Pte. Ltd.	Dormant	Singapore	–	–	100	100
SGX America Limited	Providing consultancy services	United States of America	–	–	100	100
Shanghai Yaxu Consultancy Company Limited	Providing consultancy services	People's Republic of China	–	–	100	100

**25 Investments in subsidiaries (continued)**

Name of subsidiaries	Principal activities	Country of business and incorporation	Equity held by			
			Company		Subsidiaries	
			2021	2020	2021	2020
%	%	%	%			
SGX General Counterparty Pte. Ltd.	Providing general counterparty services	Singapore	100	–	–	–
SGX FX Pte. Ltd.	Investment holding	Singapore	100	–	–	–
SGX FX Markets Pte. Ltd.	Operating an electronic communication network	Singapore	–	–	100	–
SGX Treasury I Pte. Ltd.	Investment holding	Singapore	–	–	100	–
SGX India Connect IFSC Private Limited	Providing financial services for dealing, trading and clearing of financial instruments	India	–	–	100	–

KPMG LLP is the auditor of all Singapore-incorporated subsidiaries. Other member firms of KPMG International are auditors of foreign-incorporated subsidiaries except for Scientific Beta (France) SAS which is audited by PFK Arsilon, France.

	Group	
	2021 \$'000	2020 \$'000
<i>Carrying value of non-controlling interests</i>		
Subsidiary with immaterial non-controlling interests		
- Scientific Beta Pte. Ltd.	4,859	4,435
	<u>4,859</u>	<u>4,435</u>

## 26 Investments in associated companies

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Investments in associated companies	40,964	71,877	4,389	4,389

Details of the associated companies held by the Group and the Company are as follows:

Name of company	Principal activities	Country of business and incorporation	Equity held	
			2021 %	2020 %
<b><i>Held by the Group through a subsidiary</i></b>				
Capbridge Pte. Ltd.	Shares, stocks and bonds broking	Singapore	8.2 <sup>(a)</sup>	8.7 <sup>(a)</sup>
1x Exchange Pte. Ltd (formerly known as Capbridge Platform Pte. Ltd.)	Operating private market platform	Singapore	11.8 <sup>(a)</sup>	12.1 <sup>(a)</sup>
Commodities Intelligence Centre Pte. Ltd.	Operating e-commerce platform	Singapore	10.0 <sup>(a)</sup>	10.0 <sup>(a)</sup>
ICHX Tech Pte. Ltd.	Operating capital markets platform	Singapore	9.8 <sup>(a)</sup>	10.1 <sup>(a)</sup>
Freightos Limited	Operating online freight marketplace	Hong Kong	14.1 <sup>(a)</sup>	16.3 <sup>(a)</sup>
BidFX Systems Ltd	Operating FX trading platform	United Kingdom	– <sup>(b)</sup>	20.0
Heveaconnect Pte. Ltd.	Commodities trading platform	Singapore	9.1 <sup>(a)</sup>	–
<b><i>Held by the Company</i></b>				
Philippines Dealing System Holdings Corp	Investment holding	Philippines	20.0	20.0

<sup>(a)</sup> Where the voting rights are less than 20%, the presumption that the entity is not an associated company is overcome if the Group has significant influence including representation on the board of directors or participation in policy-making process of the investee.

<sup>(b)</sup> On 7 July 2020, the Group acquired the remaining 80% equity interest in BidFX Systems Ltd. and consequently, BidFX Systems Ltd. became a subsidiary from that date (Note 24).

There was no associated company that was individually material to the Group (2020: Nil).

## 26 Investments in associated companies (continued)

The following table summarises, in aggregate, the Group's share of loss and other comprehensive income of the Group's individually immaterial associated companies accounted for using the equity method:

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Carrying amount of interests</b>		
Loss from continuing operations	(2,157)	(2,290)
Total comprehensive income	<u>(2,157)</u>	<u>(2,290)</u>

There are no contingent liabilities relating to the Group's interest in the associated companies (2020: Nil).

## 27 Investments in joint ventures

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Investments in joint ventures	<u>9,570</u>	<u>90</u>

Details of the joint ventures held by the Group through a subsidiary are as follows:

Name of company	Principal activities	Country of business and incorporation	Equity held	
			2021 %	2020 %
SGX MySteel Index Company Private Limited	Indexation and benchmarking of commodities	Singapore	50	50
MarketNode Pte. Ltd.	Operating a digital asset issuance platform and development of digital assets	Singapore	65 <sup>(a)</sup>	—
XinTru Pte. Ltd.	Operation of electronic bond trading platform	Singapore	33	—

(a) Unanimous consent is required for key relevant activities of the entity. Accordingly, the entity is accounted for as an investment in joint venture due to presence of joint control.

There was no joint venture that was individually material to the Group (2020: Nil).



## 27 Investments in joint ventures (continued)

The following table summarises, in aggregate, the Group's share of loss and other comprehensive income of the joint ventures accounted for using the equity method:

	Group	
	2021	2020
	\$'000	\$'000
<b>Carrying amount of interests</b>		
Loss from continuing operations	(2,129)	(11)
Total comprehensive income	<u>(2,129)</u>	<u>(11)</u>

There are no contingent liabilities relating to the Group's interest in the joint ventures (2020: Nil).

## 28 Trade and other payables

	Group		Company	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
<b>Current</b>				
Trade payables (Note (a))	655,389	642,991	3,822	1,654
Other payables (Note (b))	193,023	165,673	62,742	66,340
Amount due to subsidiaries (non-trade) (Note (c))	–	–	47,100	47,766
Contingent consideration (Note 24)	19,358	–	–	–
	<u>867,770</u>	<u>808,664</u>	<u>113,664</u>	<u>115,760</u>
<b>Non-current</b>				
Other payables				
- Amount due to a subsidiary (non-trade) (Note (d))	–	–	69,972	–
	<u>–</u>	<u>–</u>	<u>69,972</u>	<u>–</u>

(a) Trade payables comprise:

	Group		Company	
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Payables to clearing members and settlement banks - Daily settlement of accounts for due contracts and rights (Note 14(a))	446,912	452,524	–	–
Payables under NEMS (Note 15)	143,933	102,967	–	–
Other trade payables	64,544	87,500	3,822	1,654
	<u>655,389</u>	<u>642,991</u>	<u>3,822</u>	<u>1,654</u>

## 28 Trade and other payables (continued)

The payables to clearing members and settlement banks represent the net settlement obligations by CDP. The corresponding net settlement obligations by clearing members and settlement banks to CDP are disclosed in Note 14(a).

(b) Other payables comprise:

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Accrual for operating expenses	70,644	65,781	17,843	19,889
Accrual for bonus	69,870	65,694	40,854	36,781
Defined contribution plans payable	1,706	1,640	1,102	1,123
Advance receipts	18,891	10,654	–	–
Deferred grant income	–	3,943	–	3,943
Sundry creditors	6,099	3,107	289	1,302
Others (non-trade)	25,813	14,854	2,654	3,302
	<u>193,023</u>	<u>165,673</u>	<u>62,742</u>	<u>66,340</u>

(c) The amounts due to subsidiaries are unsecured, non-interest bearing and repayable on demand.

(d) The amount due to a subsidiary is unsecured, non-interest bearing with no fixed terms of repayment.

## 29 Borrowings

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
<b>Current</b>				
Unsecured bank borrowings	–	302,036	–	302,036
Bank overdrafts repayable on demand and used for cash management purposes (Note 13)	–	2,035	–	–
	<u>–</u>	<u>304,071</u>	<u>–</u>	<u>302,036</u>
<b>Non-current</b>				
Unsecured bank borrowings	88,758	–	88,758	–
Convertible bonds (Note(a))	379,003	–	–	–
Intra-group financial guarantee (Note (b))	–	–	4,709	–
	<u>467,761</u>	<u>–</u>	<u>93,467</u>	<u>–</u>

The exposure of the Group and the Company to interest rate, currency and liquidity risk is disclosed in Note 47.

## 29 Borrowings (continued)

### Terms and debt repayment schedule

The terms and conditions of outstanding borrowings are as follows:

Group	Currency	Weighted average interest rate	Year of maturity	2021		2020	
				Face value \$'000	Carrying amount \$'000	Face value \$'000	Carrying amount \$'000
Convertible bonds	EUR	0.44% (2020: Not applicable)	2024	387,406	379,003	—	—
Unsecured bank borrowings	USD	1.20% (2020: Not applicable)	2022	88,758	88,758	—	—
Unsecured bank borrowings	EUR	Not applicable (2020: 0.36%)	2020	—	—	302,036	302,036
				<u>476,164</u>	<u>467,761</u>	<u>302,036</u>	<u>302,036</u>
<b>Company</b>							
Unsecured bank borrowings	USD	1.20% (2020: Not applicable)	2022	88,758	88,758	—	—
Unsecured bank borrowings	EUR	Not applicable (2020: 0.36%)	2020	—	—	302,036	302,036
				<u>88,758</u>	<u>88,758</u>	<u>302,036</u>	<u>302,036</u>

**29 Borrowings (continued)****(a) Convertible bonds**

	<b>Group 2021 \$'000</b>
Proceeds from issue of convertible bonds (2,400 bonds at EUR 100,000 par value)	390,653
Transaction costs	(4,213)
Net proceeds	<u>386,440</u>
Amount classified as equity	(4,817)
Accreted interest	559
Effects of changes in foreign exchange rates	<u>(3,179)</u>
Carrying amount as at 30 June 2021	<u><u>379,003</u></u>

The amount of the convertible bonds classified as equity of \$4,817,000 is net of attributable transaction costs of \$53,000. In addition, tax recognised directly in equity in respect of the convertible bonds amounted to \$828,000.

EUR 240,000,000 of zero-coupon convertible bonds were issued on 1 March 2021 with maturity date on 1 March 2024. The bonds are convertible into ordinary shares at any time on or after 11 April 2021 up to 21 February 2024 at the option of the bond holder at the conversion price of \$13.0944 per share. The conversion price is subjected to adjustment upon occurrence of certain trigger events set out in the terms and conditions of the bonds offering. Any unconverted bonds will be redeemed by the issuer at its principal amount on 1 March 2024.

**(b) Intra-group financial guarantee**

Intra-group financial guarantee comprises a guarantee given by the Company in respect of due payment of all sums in relation to the convertible bonds amounting to EUR 240,000,000 issued by a wholly-owned subsidiary maturing on 1 March 2024. At the reporting date, the Company has not recognised a provision for expected credit losses as the amount of expected credit losses was lower than the amortised liability for the intra-group financial guarantee contract. The Company does not consider it probable that a claim will be made against the Company under the guarantee. The carrying amount represented the initial fair value less the cumulative amount of income recognised.

**29 Borrowings (continued)****(c) Reconciliation of liabilities arising from financing activities**

	Convertible bonds	Unsecured bank borrowings	Total
<b>As at 1 July 2020</b>	–	302,036	302,036
<b>Financing cash flows</b>			
Net proceeds from issuance of convertible bonds	386,440	–	386,440
Proceeds from borrowings	–	495,197	495,197
Repayment of borrowings	–	(708,492)	(708,492)
Interest paid	–	(2,134)	(2,134)
	<u>386,440</u>	<u>(215,429)</u>	<u>171,011</u>
<b>Non-cash changes</b>			
Effect of changes in foreign exchange rates	(3,179)	208	(2,971)
Interest expense	559	1,943	2,502
Amount classified as equity	(4,817)	–	(4,817)
	<u>(7,437)</u>	<u>2,151</u>	<u>(5,286)</u>
<b>As at 30 June 2021</b>	<u>379,003</u>	<u>88,758</u>	<u>467,761</u>
<b>As at 1 July 2019</b>	–	–	–
<b>Financing cash flows</b>			
Proceeds from borrowings	–	585,124	585,124
Repayment of borrowings	–	(295,694)	(295,694)
Interest paid	–	(113)	(113)
	<u>–</u>	<u>289,317</u>	<u>289,317</u>
<b>Non-cash changes</b>			
Effect of changes in foreign exchange rates	–	12,417	12,417
Interest expense	–	302	302
	<u>–</u>	<u>12,719</u>	<u>12,719</u>
<b>As at 30 June 2020</b>	<u>–</u>	<u>302,036</u>	<u>302,036</u>

**30 Lease liabilities**

	<b>Group</b>		<b>Company</b>	
	<b>2021</b> <b>\$'000</b>	<b>2020</b> <b>\$'000</b>	<b>2021</b> <b>\$'000</b>	<b>2020</b> <b>\$'000</b>
Current lease liabilities	20,366	19,483	19,624	19,132
Non-current lease liabilities	51,056	69,547	49,908	69,475
	<u>71,422</u>	<u>89,030</u>	<u>69,532</u>	<u>88,607</u>

The exposure of the Group and the Company to interest rate, currency and liquidity risk is disclosed in Note 47.

**(a) Repayment schedule of lease liabilities**

	<b>Payment</b> <b>\$'000</b>	<b>Interest</b> <b>\$'000</b>	<b>Principal</b> <b>\$'000</b>
<b>Group</b>			
<b>2021</b>			
Within 1 year	22,020	1,654	20,366
After 1 year but within 5 years	52,629	2,013	50,616
After 5 years	441	1	440
	<u>75,090</u>	<u>3,668</u>	<u>71,422</u>
<b>2020</b>			
Within 1 year	21,643	2,160	19,483
After 1 year but within 5 years	67,261	3,523	63,738
After 5 years	5,904	95	5,809
	<u>94,808</u>	<u>5,778</u>	<u>89,030</u>
<b>Company</b>			
<b>2021</b>			
Within 1 year	21,256	1,632	19,624
After 1 year but within 5 years	51,461	1,993	49,468
After 5 years	441	1	440
	<u>73,158</u>	<u>3,626</u>	<u>69,532</u>
<b>2020</b>			
Within 1 year	21,286	2,154	19,132
After 1 year but within 5 years	67,189	3,523	63,666
After 5 years	5,904	95	5,809
	<u>94,379</u>	<u>5,772</u>	<u>88,607</u>

**30 Lease liabilities (continued)****(b) Reconciliation of liabilities arising from financing activities**

	<b>Lease liabilities</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Balance at beginning of financial year</b>	89,030	85,801
<b>Financing cash flows</b>		
Repayment of lease liabilities	(22,509)	(20,860)
	<u>(22,509)</u>	<u>(20,860)</u>
<b>Non-cash changes</b>		
New leases	1,856	743
Derecognition	(15)	–
Reassessment and modifications	762	20,754
Interest expense (Note 11)	2,280	2,586
Effect of changes in foreign exchange rates	18	6
	<u>4,901</u>	<u>24,089</u>
<b>Balance at end of financial year</b>	<u>71,422</u>	<u>89,030</u>

**31 Income taxes****(a) Income tax expense**

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Tax expense attributable to profit is made up of:				
- current income tax	99,861	105,915	4,631	6,314
- deferred income tax	(8,675)	(6,455)	(1,295)	(1,384)
	<u>91,186</u>	<u>99,460</u>	<u>3,336</u>	<u>4,930</u>
Under/(over) provision in prior financial years:				
- current income tax	(391)	294	9	235
- deferred income tax	(96)	(791)	–	(742)
	<u>90,699</u>	<u>98,963</u>	<u>3,345</u>	<u>4,423</u>

**(b) Tax reconciliation**

The tax expense on profit differs from the amount that would arise using the Singapore rate of income tax due to the following:

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Profit before tax and share of results of associated companies and joint ventures	<u>540,762</u>	<u>573,249</u>	<u>492,681</u>	<u>436,373</u>
Tax calculated at a tax rate of 17% (2020: 17%)	91,930	97,452	83,756	74,183
Tax effect of:				
Singapore statutory income exemption	(180)	(162)	(17)	(17)
Income not subject to tax	(2,422)	(1,877)	(81,645)	(70,977)
Tax incentives and rebate	(1,393)	(690)	(680)	(680)
Expenses not deductible for tax purposes	1,934	3,492	1,183	1,672
Others	1,317	1,245	739	749
(Over)/under provision in prior financial years	(487)	(497)	9	(507)
	<u>90,699</u>	<u>98,963</u>	<u>3,345</u>	<u>4,423</u>



**31 Income taxes (continued)****(c) Movements in provision for tax**

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Balance at beginning of financial year	109,558	77,167	6,356	4,148
Acquisition of subsidiary	–	3,435	–	–
Income tax paid	(109,390)	(72,385)	(6,050)	(4,165)
Tax expense on profit for the financial year	99,861	105,915	4,631	6,314
(Over)/under provision in prior financial years	(391)	294	9	235
Overutilisation/ (Utilisation) of losses and capital allowances <sup>(a)</sup>	10	(5,006)	–	(176)
Currency translation	(14)	138	–	–
Balance at end of financial year	<u>99,634</u>	<u>109,558</u>	<u>4,946</u>	<u>6,356</u>

(a) This arises from transfer of prior year's tax losses and unutilised capital allowances between entities within the Group.

**(d) Deferred income tax**

The following amounts, determined after appropriate offsetting, are shown in the statement of financial position:

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Deferred tax assets:				
- to be recovered within 12 months	5,361	3,792	3,956	2,838
- to be recovered after 12 months	1,586	1,554	1,428	1,554
	<u>6,947</u>	<u>5,346</u>	<u>5,384</u>	<u>4,392</u>
- Effect of offsetting	<u>(6,947)</u>	<u>(5,346)</u>	<u>(5,384)</u>	<u>(4,392)</u>
	<u>–</u>	<u>–</u>	<u>–</u>	<u>–</u>
Deferred tax liabilities:				
- to be settled within 12 months	11,356	11,619	2,527	2,488
- to be settled after 12 months	62,047	56,042	5,358	5,804
	<u>73,403</u>	<u>67,661</u>	<u>7,885</u>	<u>8,292</u>
- Effect of offsetting	<u>(6,947)</u>	<u>(5,346)</u>	<u>(5,384)</u>	<u>(4,392)</u>
	<u>66,456</u>	<u>62,315</u>	<u>2,501</u>	<u>3,900</u>

## 31 Income taxes (continued)

### (d) Deferred income tax (continued)

The movements in the deferred tax assets and liabilities during the financial year are as follows:

#### The Group – deferred tax assets

	Unutilised tax losses		Employee share plans		Unutilised leave		Others		Total	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Balance at beginning of financial year	620	1,234	3,100	1,910	1,195	–	431	–	5,346	3,144
Credited to profit or loss	237	4,392	594	571	374	1,195	269	431	1,474	6,589
Utilisation of losses and capital allowances <sup>(a)</sup>	–	(5,006)	–	–	–	–	–	–	–	(5,006)
Credited to equity	–	–	127	619	–	–	–	–	127	619
Balance at end of financial year	857	620	3,821	3,100	1,569	1,195	700	431	6,947	5,346

<sup>(a)</sup> This arises from transfer of prior year's tax losses and unutilised capital allowances between entities within the Group.

#### The Group - deferred tax liabilities

	Cash flow hedge reserve		Accelerated tax depreciation		Intangible assets arising from business combinations		Financial assets, at FVOCI		Others		Total	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Balance at beginning of financial year	65	(26)	30,142	29,753	23,284	13,330	14,170	53	–	–	67,661	43,110
Acquisition from subsidiary	–	–	1,187	–	2,727	10,595	–	–	–	–	3,914	10,595
(Credited)/charged to profit or loss	–	–	(4,785)	389	(2,512)	(1,046)	–	–	–	–	(7,297)	(657)
(Credited)/charged to equity	(208)	91	–	–	–	–	7,221	14,117	821	–	7,834	14,208
Currency translation	–	–	(29)	–	1,320	405	–	–	–	–	1,291	405
Balance at end of financial year	(143)	65	26,515	30,142	24,819	23,284	21,391	14,170	821	–	73,403	67,661

**31 Income taxes (continued)**(d) Deferred income tax (continued)The Company - deferred tax assets

	Employee share plans		Unutilised leave		Others		Total	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Balance at beginning of financial year	3,100	1,910	963	–	329	–	4,392	1,910
Credited to profit or loss	594	571	196	963	75	329	865	1,863
Credited to equity	127	619	–	–	–	–	127	619
Balance at end of financial year	3,821	3,100	1,159	963	404	329	5,384	4,392

The Company - deferred tax liabilities

	Cash flow hedge reserve		Financial assets, at FVOCI		Accelerated tax depreciation		Total	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Balance at beginning of financial year	(10)	32	(13)	53	8,315	8,578	8,292	8,663
Credited to profit or loss	–	–	–	–	(430)	(263)	(430)	(263)
Charged/(credited) to equity	10	(42)	13	(66)	–	–	23	(108)
Balance at end of financial year	–	(10)	–	(13)	7,885	8,315	7,885	8,292

**31 Income taxes (continued)****(d) Deferred income tax (continued)**

Deferred tax assets have not been recognised in respect of the following items:

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Tax losses	22,563	22,594

These items principally relate to four (2020: four) entities within the Group which are dormant.

Deferred tax assets have not been recognised in respect of these items as it is not probable that future taxable profits will be available against which the Group can utilise the benefits. The tax losses are subject to the relevant provisions of the Singapore Income Tax Act and confirmation by the tax authorities.

**(e) Tax effects on other comprehensive income**

	<b>Group</b>		<b>Company</b>			
	<b>Before tax</b>	<b>Tax</b>	<b>Before tax</b>	<b>Tax</b>	<b>Net of tax</b>	<b>Net of tax</b>
	<b>\$'000</b>	<b>benefit/ (liability)</b>	<b>\$'000</b>	<b>benefit/ (liability)</b>	<b>\$'000</b>	<b>\$'000</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
<b>2021</b>						
<b>Other comprehensive income</b>						
Foreign exchange translation	9,556	–	9,556	–	–	–
Fair value gains/(losses) and transferred to profit or loss on cash flow hedges	(1,154)	208	(946)	62	(10)	52
Fair value gains on financial assets, at FVOCI	29,743	(7,221)	22,522	1,595	(13)	1,582
	<u>38,145</u>	<u>(7,013)</u>	<u>31,132</u>	<u>1,657</u>	<u>(23)</u>	<u>1,634</u>
<b>2020</b>						
<b>Other comprehensive income</b>						
Foreign exchange translation	(443)	–	(443)	–	–	–
Fair value gains/(losses) and transferred to profit or loss on cash flow hedges	564	(91)	473	(248)	42	(206)
Fair value gains on financial assets, at FVOCI	59,506	(14,117)	45,389	(980)	66	(914)
	<u>59,627</u>	<u>(14,208)</u>	<u>45,419</u>	<u>(1,228)</u>	<u>108</u>	<u>(1,120)</u>

## 32 Provisions

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Provision for SGX-MAS Market Development Scheme (Note (a))	1,802	1,802	–	–
Provision for unutilised leave (Note (b))	11,592	8,532	6,820	5,663
Provision for dismantlement, removal or restoration of property, plant and equipment (Note (c))	3,805	3,601	3,786	3,582
	<u>17,199</u>	<u>13,935</u>	<u>10,606</u>	<u>9,245</u>

(a) Provision for SGX-MAS Market Development Scheme

Provision for SGX-MAS Market Development Scheme is used to fund projects that raise awareness of the securities and derivatives market among investors.

(b) Provision for unutilised leave

Provision for unutilised leave is the estimated liability for annual leave as a result of services rendered by employees up to the balance sheet date.

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Balance at beginning of financial year	8,532	6,104	5,663	3,773
Provision made during the financial year, net	3,060	2,428	1,157	1,890
Balance at end of financial year	<u>11,592</u>	<u>8,532</u>	<u>6,820</u>	<u>5,663</u>

(c) Provision for dismantlement, removal or restoration of property, plant and equipment

Provision for dismantlement, removal or restoration of leased premises is expected to be utilised upon return of leased premises.

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Balance at beginning of financial year	3,601	3,601	3,582	3,582
Provision made during the financial year, net	204	–	204	–
Balance at end of financial year	<u>3,805</u>	<u>3,601</u>	<u>3,786</u>	<u>3,582</u>

**33 Financial liability**

	Group	
	2021 \$'000	2020 \$'000
<i>Forward liability to acquire non-controlling interests</i>		
Balance at beginning of financial year	40,548	–
Additions	–	40,506
Currency translation	842	42
Balance at end of financial year	41,390	40,548

Arising from the acquisition of Scientific Beta Pte. Ltd. (“SB”), the forward liability relates to a put and call option agreement with the non-controlling shareholder of SB to acquire its 7% equity interests in SB. Refer to Note 2.2(3) on the accounting policy relating to the forward liability.

**34 Share capital****(a) Share capital and treasury shares****Group and Company**

	Number of shares		Amount	
	Issued shares '000	Treasury shares '000	Share Capital \$'000	Treasury shares \$'000
<b>2021</b>				
Balance at beginning of financial year	1,071,642	2,663	429,738	(20,996)
Purchase of treasury shares	–	1,547	–	(15,930)
Vesting of shares under share-based remuneration plans	–	(1,420)	644	11,296
Vesting of shares under restricted share plan	–	(38)	31	314
Tax effect on treasury shares	–	–	–	127
Balance at end of financial year	1,071,642	2,752	430,413	(25,189)
<b>2020</b>				
Balance at beginning of financial year	1,071,642	1,839	429,113	(13,233)
Purchase of treasury shares	–	2,002	–	(17,002)
Vesting of shares under share-based remuneration plans	–	(1,136)	567	8,333
Vesting of shares under restricted share plan	–	(42)	58	287
Tax effect on treasury shares	–	–	–	619
Balance at end of financial year	1,071,642	2,663	429,738	(20,996)

All issued ordinary shares are fully paid. There is no par value for these ordinary shares.

## 34 Share capital (continued)

### (a) Share capital and treasury shares (continued)

Fully paid ordinary shares carry one vote per share and carry a right to dividends as and when declared by the Company, except for shares held as treasury shares.

The Company purchased 1,547,000 of its shares (2020: 2,002,000) in the open market during the financial year. The total amount paid to purchase the shares was \$15,930,000 (2020: \$17,002,000). The Company holds the shares bought back as treasury shares and plans to use these shares to fulfil its obligations under the Company's share-based remuneration plans and restricted share plans.

### (b) Performance share plans

#### (i) *Outstanding performance shares*

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

Number of shares	<u>Group and Company</u>						Total
	FY2016 grant*	FY2017 grant*	FY2018 grant**	FY2019 grant**	FY2020 grant**	FY2021 grant**	
<b>2021</b>							
Balance at beginning of financial year	–	604,600	621,600	696,500	711,000	–	2,633,700
Granted	–	–	–	–	–	732,200	732,200
Vested	–	(160,900)	–	–	–	–	(160,900)
Lapsed	–	(443,700)	(19,400)	(22,900)	(23,400)	(24,800)	(534,200)
Balance at end of financial year	–	–	602,200	673,600	687,600	707,400	2,670,800
<b>2020</b>							
Balance at beginning of financial year	391,600	604,600	621,600	696,500	–	–	2,314,300
Granted	–	–	–	–	711,000	–	711,000
Lapsed	(391,600)	–	–	–	–	–	(391,600)
Balance at end of financial year	–	604,600	621,600	696,500	711,000	–	2,633,700

\* The number of shares vested represents the level of achievement against the performance conditions. Performance targets were not met for FY2016 grant. Accordingly, no shares vested.

\*\* Represents the number of shares required if participants are to be awarded at 100% of the grant. However, the shares to be awarded at the vesting date may range from 0% to 150% of the grant, depending on the level of achievement against the performance conditions.

The terms of the performance share plans are set out in the Directors' Statement under the caption "SGX Performance Share Plan".

**34 Share capital (continued)****(b) Performance share plans (continued)****(ii) Fair value of performance shares**

The fair value of the performance shares at grant date and the key assumptions of the fair value model for the grants were as follows:

	<b>FY2021 grant</b>	<b>FY2020 grant</b>	<b>FY2019 grant</b>	<b>FY2018 grant</b>	<b>FY2017 grant</b>
Date of grant	17.08.2020	15.08.2019	15.08.2018	15.09.2017	15.08.2016
Vesting date	01.09.2024	01.09.2023	01.09.2022	01.09.2021	01.09.2020
Number of performance shares at grant date	732,200	711,000	696,500	658,200	658,800
Fair value per performance share at grant date	\$7.37	\$7.08	\$7.46	\$7.25	\$6.68
<b>Assumptions under Monte-Carlo Model</b>					
<b>Expected volatility</b>					
Shares of Singapore Exchange Limited	22.0%	14.20%	15.82%	17.30%	17.42%
Shares of selected peer exchanges	21.3% to 41.9%	14.80% to 31.40%	15.62% to 31.96%	15.64% to 42.66%	16.60% to 48.79%
Shares of Straits Times Index peer companies	19.40% to 40.70%	13.10% to 39.30%	15.75% to 34.91%	15.68% to 35.45%	–
Historical volatility period	36 months	36 months	36 months	36 months	36 months
<b>Risk-free interest rate</b>					
Date on which yield of Singapore government bond was based	0.39%	1.62%	2.04%	1.42%	1.14%
Term (years)	17.08.2020	15.08.2019	15.08.2018	15.09.2017	15.08.2016
	3	3	3	3	3
<b>Expected dividend yield based on management's forecast</b>					
	3.70%	3.64%	4.04%	3.77%	4.18%
<b>Share price reference</b>	<b>\$8.64</b>	<b>\$8.25</b>	<b>\$7.43</b>	<b>\$7.42</b>	<b>\$7.58</b>

**(c) Deferred long-term incentives scheme****(i) Outstanding deferred long-term incentives shares**

Details of deferred long-term incentives shares awarded to recipients at the balance sheet date are as follows:

<b>Number of shares 2021</b>	<b>Group and Company</b>				<b>Total</b>
	<b>FY2018 award</b>	<b>FY2019 award</b>	<b>FY2020 award</b>	<b>FY2021 award</b>	
Balance at beginning of financial year	357,880	867,901	1,423,200	–	2,648,981
Awarded	–	–	–	1,476,800	1,476,800
Vested	(357,880)	(433,899)	(467,444)	–	(1,259,223)
Lapsed	–	(17,370)	(56,771)	(57,400)	(131,541)
Balance at end of financial year	–	416,632	898,985	1,419,400	2,735,017



**34 Share capital (continued)****(c) Deferred long-term incentives scheme (continued)***(i) Outstanding deferred long-term incentives shares (continued)*

Number of shares 2020	<b>Group and Company</b>				<b>Total</b>
	<b>FY2017 award</b>	<b>FY2018 award</b>	<b>FY2019 award</b>	<b>FY2020 award</b>	
Balance at beginning of financial year	329,312	731,042	1,338,600	–	2,398,954
Awarded	–	–	–	1,446,200	1,446,200
Vested	(328,278)	(364,358)	(443,598)	–	(1,136,234)
Lapsed	(1,034)	(8,804)	(27,101)	(23,000)	(59,939)
Balance at end of financial year	–	357,880	867,901	1,423,200	2,648,981

The terms of the deferred long-term incentives scheme are set out in the Directors' Statement under the caption "SGX Deferred Long-Term Incentives Scheme".

*(ii) Fair value of deferred long-term incentives shares*

The fair value of deferred long-term incentives shares was estimated by the present value of the share price adjusted for future expected dividends. The fair value of shares at award date and the key assumptions of the fair value model for the awards were as follows:

**FY2021 Award**

Date of award	←	17.08.2020	→	
Vesting date		01.09.2021	01.09.2022	01.09.2023
Number of shares at award date		492,193	492,193	492,414
Fair value per deferred long-term incentives share at award date		\$8.16	\$7.84	\$7.52
<b>Assumptions used in fair value model</b>				
<b>Risk-free interest rate</b>		0.25%	0.29%	0.39%
Date on which yield of Singapore government bond was based		17.08.2020	17.08.2020	17.08.2020
<b>Expected dividend yield based on management's forecast</b>		3.70%	3.70%	3.70%
<b>Share price reference</b>		\$8.64	\$8.64	\$8.64

**34 Share capital (continued)****(c) Deferred long-term incentives scheme (continued)***(ii) Fair value of deferred long-term incentives shares (continued)***FY2020 Award**

Date of award	←	15.08.2019	→
Vesting date	01.09.2020	01.09.2021	01.09.2022
Number of shares at award date	482,009	482,009	482,182
Fair value per deferred long-term incentives share at award date	\$7.71	\$7.41	\$7.13

**Assumptions used in fair value model**

<b>Risk-free interest rate</b>	1.67%	1.63%	1.62%
Date on which yield of Singapore government bond was based	15.08.2019	15.08.2019	15.08.2019

<b>Expected dividend yield based on management's forecast</b>	3.64%	3.64%	3.64%
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<b>Share price reference</b>	\$8.25	\$8.25	\$8.25
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**FY2019 Award**

Date of award	←	15.08.2018	→
Vesting date	01.09.2019	01.09.2020	01.09.2021
Number of shares at award date	459,896	459,896	460,008
Fair value per deferred long-term incentives share at award date	\$7.14	\$6.84	\$6.56

**Assumptions used in fair value model**

<b>Risk-free interest rate</b>	1.74%	1.95%	2.07%
Date on which yield of Singapore government bond was based	15.08.2018	15.08.2018	15.08.2018

<b>Expected dividend yield based on management's forecast</b>	4.04%	4.04%	4.04%
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<b>Share price reference</b>	\$7.43	\$7.43	\$7.43
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**34 Share capital (continued)****(c) Deferred long-term incentives scheme (continued)***(ii) Fair value of deferred long-term incentives shares (continued)***FY2018 Award**

Date of award	←	15.08.2017	→
Vesting date	01.09.2018	01.09.2019	01.09.2020
Number of shares at award date	391,286	391,286	391,428
Fair value per deferred long-term incentives share at award date	\$7.25	\$6.98	\$6.71

**Assumptions used in fair value model**

<b>Risk-free interest rate</b>	1.18%	1.31%	1.46%
Date on which yield of Singapore government bond was based	15.08.2017	15.08.2017	15.08.2017
<b>Expected dividend yield based on management's forecast</b>	3.77%	3.77%	3.77%
<b>Share price reference</b>	<u>\$7.57</u>	<u>\$7.57</u>	<u>\$7.57</u>

**FY2017 Award**

Date of award	←	15.08.2016	→
Vesting date	01.09.2017	01.09.2018	01.09.2019
Number of shares at award date	371,853	371,853	371,994
Fair value per deferred long-term incentives share at award date	\$7.38	\$7.10	\$6.79

**Assumptions used in fair value model**

<b>Risk-free interest rate</b>	0.80%	0.89%	1.03%
Date on which yield of Singapore government bond was based	15.08.2016	15.08.2016	15.08.2016
<b>Expected dividend yield based on management's forecast</b>	3.69%	4.22%	4.62%
<b>Share price reference</b>	<u>\$7.66</u>	<u>\$7.66</u>	<u>\$7.66</u>

### 34 Share capital (continued)

(d) Restricted Share Plan

Details of restricted share plan (“RSP”) awarded to recipients at the balance sheet date are as follows:

	<b>Group and Company</b>	
	<b>2021</b>	<b>2020</b>
<b>Number of shares</b>		
Balance at beginning of financial year	–	–
Awarded	37,730	41,512
Vested	(37,730)	(41,512)
Balance at end of financial year	–	–

The terms of the RSP are set out in the Directors’ Statement under the caption “SGX Restricted Share Plan”.

The RSP award relates to approximately one-quarter of the Group’s Chairman fees and approximately one-quarter of selected non-executive directors basic fees (collectively known as “Fees”) which were paid in shares in lieu of cash.

The number of shares to be awarded was estimated by Fees divided by volume weighted average share price of SGX share listed on the Singapore Exchange Securities Trading Limited over 14 trading days immediately following the date of the Annual General Meeting on 24 September 2020 (FY2020 award: 3 October 2019).

### 35 Capital reserve

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$’000</b>	<b>\$’000</b>
Equity component of convertible bonds, net of tax	3,989	–

### 36 Other reserve

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$’000</b>	<b>\$’000</b>
Forward liability to acquire non-controlling interests	40,506	40,506

Refer to Note 2.2(3) on the accounting policy relating to the forward liability.

## 37 Dividends

	<b>Group and Company</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Interim tax-exempt dividends of 24.0 cents per share (2020: 22.5 cents)	256,861	240,872
Proposed final tax-exempt dividends of 8.0 cents per share (2020: 8.0 cents)	85,511	85,518
	342,372	326,390

The directors have proposed a final tax-exempt dividend for the financial year ended 30 June 2021 of 8.0 cents (2020: 8.0 cents) per share amounting to a total of \$85,511,000 (2020: \$85,518,000). The proposed dividend has been transferred from retained profits to proposed dividends reserve.

## 38 Segment information

Management determines the operating segments based on the reports reviewed and used by the Executive Management Committee for performance assessment and resources allocation.

The Group operates primarily in Singapore and is organised into four segments as follows:

- (i) Fixed Income, Currencies and Commodities – Provision of fixed income issuer services, trading and clearing services and collateral management.
- (ii) Equities – Provision of issuer services, securities trading and clearing, securities settlement and depository management, derivatives trading and clearing and collateral management.
- (iii) Data, Connectivity and Indices – Provision of market data, connectivity and indices services.
- (iv) Corporate – Non-operating segment comprising corporate activities which are not allocated to the three operating segments described above.

## 38 Segment information (continued)

Segment performance is evaluated based on operating profits of the segment. Management monitors the operating results of the segments for the purpose of making decisions on performance assessment and resource allocation.

	<b>Fixed Income, Currencies and Commodities \$'000</b>	<b>Equities \$'000</b>	<b>Data, Connectivity and Indices \$'000</b>	<b>Corporate \$'000</b>	<b>Group \$'000</b>
<b>2021</b>					
<b>Operating Revenue</b>	211,754	701,089	143,110	–	1,055,953
<b>Earnings before interest, tax, depreciation and amortisation</b>	72,990	461,723	90,524	–	625,237
Depreciation and amortisation	32,092	45,725	16,706	–	94,523
<b>Operating profit</b>	40,898	415,998	73,818	–	530,714
Non-operating gains	–	–	–	10,048	10,048
Share of results of associated companies and joint ventures, net of tax	–	–	–	(4,286)	(4,286)
Tax	–	–	–	(90,699)	(90,699)
<b>Net profit after tax</b>					<u>445,777</u>
<b>2020</b>					
<b>Operating Revenue</b>	171,414	759,680	121,604	–	1,052,698
<b>Earnings before interest, tax, depreciation and amortisation</b>	65,301	515,512	74,843	–	655,656
Depreciation and amortisation	23,471	52,641	13,750	–	89,862
<b>Operating profit</b>	41,830	462,871	61,093	–	565,794
Non-operating gains	–	–	–	7,455	7,455
Share of results of associated companies and joint venture, net of tax	–	–	–	(2,301)	(2,301)
Tax	–	–	–	(98,963)	(98,963)
<b>Net profit after tax</b>					<u>471,985</u>

## 39 Securities Clearing Fund

The Securities Clearing Fund was established under the clearing rules of the securities clearing subsidiary, CDP. The clearing fund is to provide resources to enable CDP to discharge its obligations and the liabilities of defaulting clearing members arising from transactions in approved securities and futures.

The Securities Clearing Fund uses a scalable structure that aligns members' contributions to their clearing risk exposure with CDP. Contributions by clearing members will vary with their value of securities cleared with CDP.

The Securities Clearing Fund comprised contributions from both CDP and its clearing members as follows:

(a) Contribution by CDP

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Cash at bank - contributed by CDP	60,000	60,000

Cash contributions by CDP are denominated in SGD and placed in interest bearing accounts with 4 banks (2020: 2 banks). The initial \$25,000,000 contribution by CDP into the Securities Clearing Fund is recorded in the securities clearing fund reserve.

(b) Contribution by Clearing Members

The cash contributions from CDP clearing members are not recorded in the statement of financial position of the Group as these contributions are held in trust by the Group.

	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Contributions by CDP clearing members</b>		
- cash at bank, held in trust	49,861	49,036

The Securities Clearing Fund is a trust asset held subject to the trust purposes set out in CDP Clearing Rule 7.1.2.

## 39 Securities Clearing Fund (continued)

### (b) Contribution by Clearing Members (continued)

Payments out of the Securities Clearing Fund shall be made in the following order:

- (1) Contributions by defaulting clearing members;
- (2) Contributions by CDP of an amount not less than 15% of the Securities Clearing Fund size or \$30,000,000, whichever is higher;
- (3) Collateralised contributions by all other non-defaulting clearing members on a pro-rata basis in the proportion of each clearing member's required collateralised contribution to the total required collateralised contributions of all other non-defaulting clearing members at the time of default;
- (4) Contingent contributions by all other non-defaulting clearing members on a pro-rata basis in the proportion of each clearing member's required contingent contributions to the total required contingent contributions of all other non-defaulting clearing members;
- (5) Insurance (if any); and
- (6) Any other contributions (the last layer of the Securities Clearing Fund contributed by CDP amounted to \$30,000,000 (2020: \$30,000,000)).

## 40 Singapore Exchange Derivatives Clearing Limited ("SGX-DC") Clearing Fund

The SGX-DC Clearing Fund structure specifies the apportionment and sequence of use of resources in the event of single and multiple defaults. It provides a scalable structure that aligns members' contributions to their clearing risk exposure with SGX-DC.

The Group has committed cash, amounting to \$150,021,000 (2020: \$150,021,000) (Note 13) to support the SGX-DC Clearing Fund. The SGX-DC Clearing Fund is made up of the following:

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
SGX-DC share capital earmarked for SGX-DC Clearing Fund	102,000	102,000
Derivatives clearing fund reserve (Note (a))	34,021	34,021
Other SGX-DC's contributions	14,000	14,000
	150,021	150,021

Except for the \$150,021,000 (2020: \$150,021,000) mentioned above, other resources available for the SGX-DC Clearing Fund are not included in the statement of financial position of the Group. These are third party obligations towards the SGX-DC Clearing Fund and where they are held by SGX-DC, these resources are held in trust (Note 41(b)).



## **40 Singapore Exchange Derivatives Clearing Limited (“SGX-DC”) Clearing Fund (continued)**

### **(a) Derivatives clearing fund reserve**

Upon the dissolution of the SGX-DT Compensation Fund on 24 November 2006, the cash proceeds of \$34,021,000 were set aside as the Group’s derivatives clearing fund reserve to support the SGX-DC Clearing Fund. This reserve is not available for distribution as dividend.

### **(b) Utilisation of SGX-DC Clearing Fund**

The SGX-DC clearing rules enable resources to be mobilised should any derivatives clearing member be unable to meet its obligations. Under the SGX-DC Clearing Fund structure, the resources available would be utilised in the following priority:

- (1) the defaulting derivatives clearing member’s collateral deposited with or provided to SGX-DC;
- (2) SGX-DC’s contributions of an amount equivalent to 15% of its Clearing Fund size;
- (3) Clearing Fund deposits of non-defaulting derivatives clearing members participating in the same Contract Class as the defaulted derivatives clearing member;
- (4) SGX-DC’s contributions of an amount equivalent to 10% of its Clearing Fund size;
- (5) Clearing Fund deposits of other non-defaulting derivatives clearing members not participating in the same Contract Class as the defaulted derivatives clearing member;
- (6) further assessments on other non-defaulting derivatives clearing members; and
- (7) any other contributions to the SGX-DC Clearing Fund.

The rules of SGX-DC provide for SGX-DC to continually draw down resources in the above sequence in the event of multiple defaults occurring within a period of 90 days. Upon utilisation of the SGX-DC Clearing Fund, SGX-DC will be obliged to contribute at least 25% of the SGX-DC Clearing Fund size in relation to the paragraph above.

## 41 Clearing fund, margin and other deposits

The Group, in its normal course of business, through subsidiaries operating as clearing houses, holds assets in trust or contingent assets such as irrevocable letters of credit, government securities or on-demand guarantees. None of these assets or contingent assets, together with the corresponding liabilities, are included in the statement of financial position of the Group.

(a) The Central Depository (Pte) Limited (“CDP”)

(i) Margin and other deposits

As the clearing house for securities traded on Singapore Exchange Securities Trading Limited (“SGX-ST”), CDP becomes the novated counterparty for these instruments.

The rules of CDP require its clearing members to provide collateral in the form acceptable to CDP as margin deposits to guarantee the performance of the obligations associated with securities traded on SGX-ST and cleared by CDP. The total collateral required by CDP as at 30 June 2021 were approximately \$48,612,000 (2020: \$119,316,000).

In addition, the CDP Clearing Rules provides that CDP may request its clearing members to place additional collateral with CDP in respect of its securities clearing activities from time to time.

Forms of collateral acceptable by CDP as margins include cash, government securities, selected common stocks and other instruments as approved by CDP from time to time.

As at the reporting date, clearing members had lodged the following collateral with CDP:

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Margin deposits</b>		
Cash	187,109	236,499
	<hr/>	<hr/>
<b>Other collateral</b>		
Irrevocable letters of credit	30,000	–
	<hr/>	<hr/>

All cash deposits in the financial year are placed with banks. Interest earned on the cash deposits is credited to the securities clearing members, with a portion retained by CDP.

**41 Clearing fund, margin and other deposits (continued)****(b) Singapore Exchange Derivatives Clearing Limited (“SGX-DC”)****(i) Margin deposits**

As the clearing house for futures and options traded on Singapore Exchange Derivatives Trading Limited (“SGX-DT”) and Over-The-Counter (“OTC”) commodities contracts, SGX-DC becomes the novated counterparty for these derivative instruments.

The rules of SGX-DC require its derivatives clearing members to provide collateral in the form acceptable to SGX-DC as margin deposits to guarantee the performance of the obligations associated with derivative instruments positions.

The total margins required by SGX-DC as at 30 June 2021 were approximately \$11,114,204,000 (2020: \$13,146,797,000).

As at the reporting date, clearing members had lodged the following collateral with SGX-DC:

	<b>2021</b>	<b>2020</b>
	<b>\$’000</b>	<b>\$’000</b>
<b>Margin deposits</b>		
Cash	12,894,563	13,704,369
Quoted government securities, at fair value	128,251	1,443,127

All cash deposits are placed with banks and/or in reverse repurchase agreements. Interest earned on the cash deposits is credited to the derivatives clearing members, with a portion retained by SGX-DC.

**(ii) Performance deposits and deposits received for contract value**

For commodities contracts which are physically-settled, the rules of SGX-DC and its contract specifications require its clearing members to provide collateral in the form acceptable to SGX-DC as performance deposits to secure the performance of a delivery contract. In its capacity as escrow agent to the physical delivery of the contract, SGX-DC also collects the contract value of the commodities to be delivered through the exchange.

As at the reporting date, the following were lodged with SGX-DC for performance deposits purposes:

	<b>2021</b>	<b>2020</b>
	<b>\$’000</b>	<b>\$’000</b>
<b>Performance deposits and deposits received for contract value</b>		
Cash	96	480

**41 Clearing fund, margin and other deposits (continued)****(b) Singapore Exchange Derivatives Clearing Limited (“SGX-DC”) (continued)****(iii) Clearing fund and other deposits**

The rules of SGX-DC require its clearing members to deposit clearing fund contributions for their derivatives clearing obligations to SGX-DC.

Clearing members are required to post Clearing Fund deposit amount that is higher of \$1,000,000 or the Clearing member’s proportionate share of the total Clearing Fund requirement, based on the exposure that the member brings to SGX-DC, taking into account of its 3-month average risk margin. Such deposits can be in cash, government securities or any forms of collateral acceptable to SGX-DC.

As at the reporting date, the following clearing fund and other deposits were lodged with SGX-DC for clearing fund purpose:

	<b>2021</b>	<b>2020</b>
	<b>\$’000</b>	<b>\$’000</b>
<b>Clearing fund and other deposits</b>		
Cash	460,595	464,104
Quoted government securities, at fair value	18,040	16,980

**(iv) Collateral for Mutual Offset Settlement Agreement**

As at 30 June 2021, irrevocable letters of credit amounting to approximately \$416,891,000 (2020: \$432,665,000) were lodged by The Chicago Mercantile Exchange with SGX-DC. This is to fulfill collateral requirements under the Mutual Offset Settlement Agreement.

**42 Collaterals for Securities Borrowing and Lending**

CDP operates a Securities Borrowing and Lending (“SBL”) programme for its Depositors and Depository Agents. SBL involves a temporary transfer of securities from a lender to a borrower, via CDP, for a fee. The SBL programme requires the borrowers of securities to provide collateral in the form of cash and/or certain designated securities.

As at the reporting date, borrowers had lodged the following collateral with CDP for SBL purpose:

	<b>2021</b>	<b>2020</b>
	<b>\$’000</b>	<b>\$’000</b>
Cash	29,042	31,378
Securities, at fair value	61,005	59,002

None of these assets or contingent assets nor the corresponding liabilities are included in the statement of financial position of the Group.

## 43 Securities and Derivatives Fidelity Funds

The Fidelity Funds are administered by Singapore Exchange Securities Trading Limited (“SGX-ST”) and Singapore Exchange Derivatives Trading Limited (“SGX-DT”), as required by Section 176 of the Securities and Futures Act. The assets of the Funds are kept separate from all other assets, and are held in trust for the purposes set out in the Securities and Futures Act. The balances of the Fidelity Funds are as follows:

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Securities Exchange Fidelity Fund	37,664	37,588
Derivatives Exchange Fidelity Fund	25,580	25,511
	<u>63,244</u>	<u>63,099</u>

The purposes of the fidelity funds pursuant to Section 186 of the Securities and Futures Act are as follows:

- (a) to compensate any person (other than an accredited investor) who has suffered a pecuniary loss from any defalcation committed:
  - (i) in the course of, or in connection with, dealing in securities, or the trading of a futures contract;
  - (ii) by a member of a securities exchange or a futures exchange or by any agent of such member; and
  - (iii) in relation to any money or other property entrusted to or received:
    - by that member or any of its agents; or
    - by that member or any of its agents as trustee or on behalf of the trustees of that money or property.
- (b) to pay the Official Assignee or a trustee in bankruptcy within the meaning of the Bankruptcy Act (Cap. 20) if the available assets of a bankrupt, who is a member of SGX-ST or SGX-DT, are insufficient to satisfy any debts arising from dealings in securities or trading in futures contracts which have been proved in the bankruptcy by creditors of the bankrupt member.
- (c) to pay a liquidator of a member of SGX-ST or SGX-DT which is being wound up if the available assets of a member are insufficient to satisfy any debts arising from dealings in securities or trading in futures contracts which have been proved in the liquidation of the member.

Any reference to dealing in securities or trading of a futures contract refers to such dealing or trading through the exchange which establishes, keeps and administers the fidelity fund or through a trading linkage of the exchange with an overseas securities exchange or an overseas futures exchange.

**43 Securities and Derivatives Fidelity Funds (continued)**

No further provision has been made in the financial year ended 30 June 2021 for contribution to be paid to the securities and derivatives fidelity funds as the minimum sum of \$20,000,000 (2020: \$20,000,000) for each fund as currently required under the Securities and Futures Act has been met.

The assets and liabilities of the Funds are as follows:

	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
<b>Assets</b>		
Fixed deposits with banks	63,100	62,600
Bank balance	387	710
Interest receivable	4	6
	<u>63,491</u>	<u>63,316</u>
<b>Liabilities</b>		
Other payables and accruals	3	3
Taxation	243	212
Deferred tax liabilities	1	2
	<u>247</u>	<u>217</u>
<b>Net assets</b>	<u>63,244</u>	<u>63,099</u>

The assets and liabilities of the Funds are not included in the statement of financial position of the Group as they are held in trust.

**44 Contingent liabilities**

At the balance sheet date, the Group and the Company's contingent liabilities are as follows:

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Unsecured guarantees by SGX-DC to banks for standby letters of credit issued by the banks to Chicago Mercantile Exchange ("CME") for members' open positions on CME. These guarantees are supported by members' collateral balances.	<u>360,409</u>	<u>348,923</u>	<u>—</u>	<u>—</u>

## 45 Capital commitments

Capital commitments contracted for at year-end but not recognised in the financial statements are as follows:

	Group		Company	
	2021 \$'000	2020 \$'000	2021 \$'000	2020 \$'000
Property, plant and equipment	450	316	–	–
Software	5,015	10,581	603	1,376
	<u>5,465</u>	<u>10,897</u>	<u>603</u>	<u>1,376</u>

## 46 Related party transactions

In addition to the information disclosed elsewhere in the financial statements, the following transactions took place between the Group and related parties at terms agreed between the parties:

### 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 the Company did not incur any costs, the value of the benefit is included. The directors' fees and key management's remuneration are as follows:

	2021 \$'000	2020 \$'000
Salaries and other short-term employee benefits	16,166	17,170
Employer's contribution to Central Provident Fund	143	161
Share-based payment to key management	6,026	6,699
	<u>22,335</u>	<u>24,030</u>

During the financial year, 426,600 shares (FY2020: 436,500 shares) under SGX performance share plan and 426,600 shares (FY2020: 436,500 shares) under SGX deferred long-term incentives scheme were granted to key management of the Group. The shares were granted under the same terms and conditions as those offered to other employees of the Company.

## 47 Financial risk management

### *Financial risk management objectives and policies*

The Group is exposed to market risk (including currency risk, price risk and interest rate risk), credit risk and liquidity risk arising from its business activities. The Group's overall risk management strategy seeks to minimise adverse effects from the unpredictability of financial markets on the Group's financial performance.

The Board of Directors has overall responsibility for the oversight of financial risk management for the Group. The Risk Management Committee ("RMC") assists the Board in discharging its oversight responsibility. The RMC's primary function is to review, recommend to the Board for approval, and where authority is delegated by the Board, approve:

- (1) The type and level of business risks that the Group undertakes on an integrated basis to achieve its business strategy; and
- (2) Frameworks and policies for managing risks that are consistent with its risk appetite.

Management is responsible for identifying, monitoring and managing the Group's financial risk exposures.

The main financial risks that the Group is exposed to and how they are managed are set out below.

### Market risk – Currency risk

The Group manages its main currency exposure as follows:

- (a) *Revenue receivables from clearing of derivative products*  
*Interest receivables from placements of margin deposits*

The Group's revenue from the clearing of derivative products is mainly in USD. Interest receivables from placements of margin deposits with banks are mainly denominated in USD. For these receivables denominated in USD, the Group manages the currency exposure through currency forward contracts which are designated as cash flow hedges. Upon settlement of the currency forward contracts and payment obligations denominated in foreign currency, any excess foreign currencies are converted back to the functional currency of the respective entity in a timely manner to minimise currency exposure. As at the reporting date, there is no significant currency risk exposure arising from these receivables.



## 47 Financial risk management (continued)

### Market risk – Currency risk (continued)

#### (b) *Net assets in foreign operations*

The Group is exposed to currency risk on the net assets in foreign operations mainly in GBP, EUR and USD.

For the Group's net assets in foreign operations denominated in GBP, the management monitors the Group's currency exposure by tracking the GBP currency movement on a regular basis. The Group does not hedge the currency risk of the net assets in foreign operations.

Currency exposure to the net assets in foreign operations denominated in EUR is hedged through borrowings denominated in EUR using net investment hedge in the previous financial year ended 30 June 2020. There was no hedge ineffectiveness in relation to the net investment hedge as illustrated in the table below. During the financial year ended 30 June 2021, the Group's net investment in the foreign operation denominated in EUR was novated to a wholly-owned subsidiary that has EUR functional currency. Currency exposure arising from the investment is now hedged by EUR-denominated convertible bonds issued by the subsidiary. This provides an economic hedge without derivatives being entered. The EUR net investment hedge was therefore discontinued.

Part of the currency exposure to the net assets in foreign operations denominated in USD is hedged through borrowings denominated in USD using net investment hedge. To assess hedge effectiveness, the Group determines the economic relationship between the hedging instrument and the hedged item by comparing changes in the carrying amount of the debt that is attributable to a change in the spot rate with changes in the investment in the foreign operation due to movements in the spot rate.

As at the reporting date, there is no significant currency risk exposure arising from net assets in foreign operations.

#### Net investment hedge

The amounts relating to items designated as hedging instruments were as follows:

	Face value \$'000	Carrying amount – liabilities \$'000	Line item in the statement of financial position where the hedging instrument is included \$'000	Change in value used for calculating hedge ineffectiveness \$'000	Recognised in foreign currency translation reserve \$'000
<b>2021</b>					
Foreign exchange- denominated loan (USD)	88,758	88,758	Borrowings	6,913	6,913

## 47 Financial risk management (continued)

### Market risk – Currency risk (continued)

#### (b) Net assets in foreign operations (continued)

#### Net investment hedge (continued)

	Face value \$'000	Carrying amount – liabilities \$'000	Line item in the statement of financial position where the hedging instrument is included \$'000	Change in value used for calculating hedge ineffectiveness \$'000	Recognised in foreign currency translation reserve \$'000
<b>2020</b>					
Foreign exchange- denominated loan (EUR)	302,036	302,036	Borrowings	(12,417)	(12,417)

The amounts relating to items designated as hedged items were as follows:

	Change in value used for calculating hedge ineffectiveness \$'000	Recognised in foreign currency translation reserve \$'000
<b>2021</b>		
USD net investment	(9,477)	(9,477)
<b>2020</b>		
EUR net investment	12,417	12,417

#### (c) Investments in financial assets, at FVOCI

For investment in financial assets, at FVOCI classified as current assets, the Group and the Company have investments during the year in equity securities and bonds mainly denominated in SGD, USD, JPY and EUR. To minimise foreign currency exposure, the Group and the Company enters into currency forward contracts to manage its exposure.

For investment in financial assets, at FVOCI classified as non-current assets, the Group holds the investments on a long term basis and does not hedge the currency exposure of these investments. The Group has investments in unquoted equity securities mainly denominated in USD. Management monitors the currency exposure by tracking the currency movement on a regular basis.

As at the reporting date, there is no significant currency risk exposures arising from financial assets, at FVOCI.

## 47 Financial risk management (continued)

### Market risk – Currency risk (continued)

#### (d) Cash and cash equivalents

As at the reporting date, the cash balances of the Group and the Company are mainly denominated in SGD, USD, EUR and GBP. USD, EUR and GBP cash balances placed in banks to meet the short-term payment obligations were not hedged.

The Group and the Company's currency exposures are as follows:

	SGD <sup>(a)</sup> \$'000	USD \$'000	GBP \$'000	Group EUR \$'000	JPY \$'000	Others \$'000	Total \$'000
<b>2021</b>							
<b>Financial assets</b>							
Cash and cash equivalents	956,048	53,806	17,117	26,982	778	5,298	1,060,029
Trade and other receivables							
- Daily settlement of accounts for due contracts and rights	405,656	36,417	1,225	3,587	–	27	446,912
- Receivables under NEMS	127,290	–	–	–	–	–	127,290
- Others	85,020	51,851	1,598	5,779	209	792	145,249
Financial assets, at FVOCI	9,842	177,561	–	–	–	–	187,403
<b>Financial liabilities</b>							
Trade and other payables							
- Daily settlement of accounts for due contracts and rights	(405,656)	(36,417)	(1,225)	(3,587)	–	(27)	(446,912)
- Payables under NEMS	(143,933)	–	–	–	–	–	(143,933)
- Others	(167,596)	(80,963)	(14,801)	(8,832)	(719)	(4,014)	(276,925)
Borrowings	–	(88,758)	–	(379,003)	–	–	(467,761)
Lease liabilities	(69,484)	(259)	(590)	–	(283)	(806)	(71,422)
Net financial assets/(liabilities)	797,187	113,238	3,324	(355,074)	(15)	1,270	559,930
<b>Net non-financial assets of foreign subsidiaries</b>	8	19,185	15,578	12,328	–	–	47,099
Currency exposure	797,195	132,423	18,902	(342,746)	(15)	1,270	607,029
Currency forward contracts	–	(99,768)	–	–	(3,104)	(144)	(103,016)

(a) The SGD balances have been included for completeness.

## 47 Financial risk management (continued)

## Market risk – Currency risk (continued)

	SGD <sup>(a)</sup> \$'000	USD \$'000	GBP \$'000	Group EUR \$'000	JPY \$'000	Others \$'000	Total \$'000
<b>2020</b>							
<b>Financial assets</b>							
Cash and cash equivalents	847,409	30,146	13,051	13,779	435	2,558	907,378
Trade and other receivables							
- Daily settlement of accounts for due contracts and rights	414,797	36,638	84	991	–	14	452,524
- Receivables under NEMS	94,075	–	–	–	–	–	94,075
- Others	114,359	60,451	2,447	7,623	1,941	1,021	187,842
Financial assets, at FVOCI	29,587	130,037	3,426	895	1,324	2,136	167,405
<b>Financial liabilities</b>							
Trade and other payables							
- Daily settlement of accounts for due contracts and rights	(414,797)	(36,638)	(84)	(991)	–	(14)	(452,524)
- Payables under NEMS	(102,967)	–	–	–	–	–	(102,967)
- Others	(194,804)	(37,095)	(9,389)	(9,137)	(1,939)	(809)	(253,173)
Borrowings	–	(2,035)	–	(302,036)	–	–	(304,071)
Lease liabilities	(88,239)	–	–	–	–	(791)	(89,030)
Net financial assets/(liabilities)	699,420	181,504	9,535	(288,876)	1,761	4,115	607,459
<b>Net non-financial assets/ (liabilities) of foreign subsidiaries</b>	(3,511)	(190)	13,719	14,363	–	5	24,386
Currency exposure	695,909	181,314	23,254	(274,513)	1,761	4,120	631,845
Currency forward contracts	–	(178,511)	–	(788)	(5,606)	(2,002)	(186,907)

(a) The SGD balances have been included for completeness.

	SGD <sup>(a)</sup> \$'000	USD \$'000	GBP \$'000	Company EUR \$'000	JPY \$'000	Others \$'000	Total \$'000
<b>2021</b>							
<b>Financial assets</b>							
Cash and cash equivalents	227,723	438	2	3	20	826	229,012
Trade and other receivables	127,197	13	–	–	5	47	127,262
<b>Financial liabilities</b>							
Trade and other payables	(180,323)	(3,017)	(1)	(1)	(1)	(293)	(183,636)
Borrowings	–	(88,758)	–	(4,709)	–	–	(93,467)
Lease liabilities	(69,209)	–	(107)	–	–	(216)	(69,532)
Net financial assets/(liabilities)	105,388	(91,324)	(106)	(4,707)	24	364	9,639
Currency exposure	105,388	(91,324)	(106)	(4,707)	24	364	9,639

(a) The SGD balances have been included for completeness.

47 **Financial risk management (continued)**Market risk – Currency risk (continued)

	SGD <sup>(a)</sup> \$'000	USD \$'000	GBP \$'000	Company EUR \$'000	JPY \$'000	Others \$'000	Total \$'000
<b>2020</b>							
<b>Financial assets</b>							
Cash and cash equivalents	130,551	796	5	6	–	933	132,291
Trade and other receivables	55,641	55	4,626	301,846	6	31	362,205
Financial assets, at FVOCI	29,587	14,194	–	895	1,324	2,136	48,136
<b>Financial liabilities</b>							
Trade and other payables	(113,660)	(1,763)	(191)	–	–	(146)	(115,760)
Borrowings	–	–	–	(302,036)	–	–	(302,036)
Lease liabilities	(88,135)	–	(120)	–	–	(352)	(88,607)
Net financial assets	13,984	13,282	4,320	711	1,330	2,602	36,229
Currency exposure	<u>13,984</u>	<u>13,282</u>	<u>4,320</u>	<u>711</u>	<u>1,330</u>	<u>2,602</u>	<u>36,229</u>
Currency forward contracts	<u>–</u>	<u>(12,486)</u>	<u>–</u>	<u>(788)</u>	<u>–</u>	<u>(1,479)</u>	<u>(14,753)</u>

(a) The SGD balances have been included for completeness.

A currency risk sensitivity analysis is not provided as the Group and the Company do not have significant foreign currency exposures.

Market risk - Price risk

The Group and the Company is exposed to price risk arising from its investments in financial assets, at FVOCI that were classified as current assets. To manage the price risk arising from its investments, the Group and the Company diversifies its multi-asset portfolio comprising of equities and bonds across developed markets and sectors, in accordance with limits set in the investment mandate. During the financial year ended 30 June 2021, the Group and Company carried out a review and as part of its review, had liquidated a portfolio of investments. The Group had also made further investments in equities and bonds as part of its review during the financial year. For financial assets, at FVOCI classified as non-current assets, these investments are held as strategic investments. Performance of these investments are regularly monitored by management.

A change of 5% (2020: 5%) in prices for investments at the reporting date would affect other comprehensive income by the amounts shown below. This analysis assumes that all other variables remain constant.

	Impact to other comprehensive income	
	2021 \$'000	2020 \$'000
<b>Group</b>		
- Price increase	7,527	6,789
- Price decrease	<u>(7,527)</u>	<u>(6,789)</u>
<b>Company</b>		
- Price increase	–	1,998
- Price decrease	<u>–</u>	<u>(1,998)</u>

## **47 Financial risk management (continued)**

### Market risk - Interest rate risk

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the fair value of a financial instrument will fluctuate due to changes in market interest rates.

The Group and the Company's fixed deposit placements are mainly short-term in nature and placed with banks that offer the most competitive interest rates. The Group and the Company manages its interest rate risks arising from investments in bonds by placing such balances on varying maturities and interest rate terms. The Group and the Company's borrowings are fixed rate instruments held at amortised cost. The borrowings are not subjected to interest rate risk due to the variability of market interest rates.

The tables set out in the following pages illustrate the Group and the Company's financial assets and liabilities at carrying amounts, categorised by the earlier of contractual re-pricing or maturity dates.

## 47 Financial risk management (continued)

### Market risk – Interest rate risk (continued)

Group	<u>Variable rates</u>			<u>Fixed rates</u>			Non-interest bearing \$'000	Total \$'000
	Less than 6 months \$'000	6 to 12 months \$'000	Over 1 year \$'000	Less than 6 months \$'000	6 to 12 months \$'000	Over 1 year \$'000		
<b>2021</b>								
<b>Financial assets</b>								
Cash and cash equivalents	273,515	–	–	503,620	215,000	–	67,894	1,060,029
Trade and other receivables	–	–	–	1	–	–	719,450	719,451
Financial assets, at FVOCI	–	–	–	–	–	9,842	177,561	187,403
<b>Financial liabilities</b>								
Trade and other payables	–	–	–	–	–	–	(867,770)	(867,770)
Borrowings	–	–	–	–	–	(467,761)	–	(467,761)
Lease liabilities	–	–	–	(8,300)	(12,066)	(51,056)	–	(71,422)
Net financial assets/(liabilities)	273,515	–	–	495,321	202,934	(508,975)	97,135	559,930
<b>2020</b>								
<b>Financial assets</b>								
Cash and cash equivalents	173,061	–	–	666,077	30,000	–	38,240	907,378
Trade and other receivables	–	–	–	4	1	–	734,436	734,441
Financial assets, at FVOCI	–	–	6,339	4,524	3,284	24,966	128,292	167,405
<b>Financial liabilities</b>								
Trade and other payables	–	–	–	–	–	–	(808,664)	(808,664)
Borrowings	(2,035)	–	–	(302,036)	–	–	–	(304,071)
Lease liabilities	–	–	–	(8,109)	(11,374)	(69,547)	–	(89,030)
Net financial assets/(liabilities)	171,026	–	6,339	360,460	21,911	(44,581)	92,304	607,459

## 47 Financial risk management (continued)

### Market risk – Interest rate risk (continued)

Company	<u>Variable rates</u>			<u>Fixed rates</u>			Non-interest bearing \$'000	Total \$'000
	Less than 6 months \$'000	6 to 12 months \$'000	Over 1 year \$'000	Less than 6 months \$'000	6 to 12 months \$'000	Over 1 year \$'000		
<b>2021</b>								
<b>Financial assets</b>								
Cash and cash equivalents	70,348	–	–	103,100	55,000	–	564	229,012
Trade and other receivables	–	–	–	1	–	–	127,261	127,262
<b>Financial liabilities</b>								
Trade and other payables	–	–	–	–	–	–	(183,636)	(183,636)
Borrowings	–	–	–	–	–	(93,467)	–	(93,467)
Lease liabilities	–	–	–	(7,949)	(11,675)	(49,908)	–	(69,532)
Net financial assets/(liabilities)	70,348	–	–	95,152	43,325	(143,375)	(55,811)	9,639
<b>2020</b>								
<b>Financial assets</b>								
Cash and cash equivalents	20,265	–	–	111,400	–	–	626	132,291
Trade and other receivables	–	–	–	4	1	4,539	357,661	362,205
Financial assets, at FVOCI	–	–	6,339	4,524	3,284	24,966	9,023	48,136
<b>Financial liabilities</b>								
Trade and other payables	–	–	–	–	–	–	(115,760)	(115,760)
Borrowings	–	–	–	(302,036)	–	–	–	(302,036)
Lease liabilities	–	–	–	(7,939)	(11,193)	(69,475)	–	(88,607)
Net financial assets/(liabilities)	20,265	–	6,339	(194,047)	(7,908)	(39,970)	251,550	36,229



## 47 Financial risk management (continued)

### Market risk – Interest rate risk (continued)

A change of 0.5% (2020: 0.5%) in interest rate for the Group and the Company's investment in bonds at the reporting date would affect profit after tax and other comprehensive income by the amounts shown below. This analysis assumes that all other variables remain constant.

	2021		2020	
	Impact to profit after tax \$'000	Impact to other comprehensive income \$'000	Impact to profit after tax \$'000	Impact to other comprehensive income \$'000
<b>Group</b>				
- Interest rate increase	–	(175)	26	(316)
- Interest rate decrease	–	175	(26)	316
<b>Company</b>				
- Interest rate increase	–	–	26	(316)
- Interest rate decrease	–	–	(26)	316

### Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group and the Company. The major classes of financial assets of the Group with credit exposures are: receivables from clearing and settlement, receivables under NEMS, trade and interest receivables, cash deposits and investments in debt instruments.

The Group manages its credit exposures as follows:

#### (a) Clearing and settlement

In the normal course of business as clearing houses, SGX-DC and CDP act as central counterparties (“CCP”) for every transaction received by or matched through the Group's facilities. As CCP, each clearing house substitutes itself as the buyer to the selling clearing member, and seller to the buying clearing member, and assumes all rights and obligations to the counterparty. As a result, each clearing house faces considerable credit risk exposure should any of its clearing members be unable to meet its settlement obligations to the clearing house, resulting in a default. The Group has in place a sound and transparent risk management and regulatory framework governing the operations of securities and derivatives markets. On an on-going basis, the Group mitigates its counterparty risk through active monitoring and management of its exposures to clearing members by having in place a system of financial safeguards.

### Credit risk management practices

The Group mitigates its exposures to risk by admitting clearing members which meet prescribed capital and financial requirements and have risk management systems to monitor their exposures. On an on-going basis, a clearing member must continue to comply with the financial requirements, and also set aside capital commensurate with its risk exposures. In addition, the clearing member must ensure that it has the necessary systems and procedures to preserve sound liquidity and financial position at all times.

## 47 **Financial risk management (continued)**

### Credit risk (continued)

#### (a) Clearing and settlement (continued)

##### Credit risk management practices (continued)

Both SGX-DC and CDP have well-established risk management systems to monitor and measure the risk exposures of its members. In addition, SGX-DC and CDP require all cleared positions and contracts to be sufficiently collateralised at all times to protect SGX-DC and CDP against potential losses. SGX-DC also revalues and settles the daily mark-to-market variations with clearing members to prevent losses from accumulating. For CDP, it also requires clearing members to monitor compliance with risk management measures such as monitoring for large exposures.

Refer to Note 41 on margin and other deposits held in trust by SGX-DC and CDP.

##### Financial safeguards

A clearing fund has been established for each of the securities and derivatives markets to be used in support of the clearing houses' roles as CCP. The Group and the relevant clearing members are required to contribute to the respective clearing funds.

Refer to Note 39 and 40 on Securities clearing fund and Singapore Exchange Derivatives Clearing Limited clearing fund.

##### Trade receivables arising from settlement of securities trades

Settlement for all securities transactions of securities clearing members are effected through the Group's subsidiary, CDP, and effected through designated settlement banks.

The "Receivables from clearing members and settlement banks" included in trade receivables represent the aggregate of net settlement obligations of each of the clearing members and settlement banks to CDP for the last two trading days of the financial year ended 30 June 2021 and 30 June 2020. As at 30 June 2021, there were 25 (2020: 25) securities clearing members and 9 (2020: 8) designated settlement banks. The Group may have concentration risk exposure to these securities clearing members with regards to their net settlement obligations to CDP. The settlement exposure of CDP to each securities clearing member fluctuates daily according to the net trading position (net buy or net sell) of each securities clearing member and the extent to which these settlement obligations are effected through the settlement banks.

#### (b) Receivables under NEMS

In relation to NEMS receivables in Note 15, EMC is required to ensure that market participants maintain certain levels of prudential security in discharging its obligations under the NEMS Market Rules ("Market Rules"). EMC is entitled to recover any default receivables from all market participants under the Market Rules and credit risk exposure to NEMS receivables is minimised.

## **47 Financial risk management (continued)**

### Credit risk (continued)

#### (b) Receivables under NEMS (continued)

Under the Market Rules, each market participant has to provide credit support which is not less than 30 times of individual estimated average daily exposure. The Market Rules specify the type of credit support to be provided and assigned to EMC. These include bankers' guarantees or irrevocable commercial letter of credit from reputable financial institutions, cash deposits and Singapore Government Treasury bills. The credit support received as at 30 June 2021 were in the form of bankers' guarantees and cash deposits and have an aggregate value of \$312,224,000 (2020: \$292,637,000). There is no significant concentration of credit risk for receivables under NEMS.

#### (c) Trade receivables (excluding balances arising from clearing and settlement of securities trades and NEMS)

Trade receivables (excluding balances arising from clearing and settlement of securities trades and NEMS) of the Group and the Company comprise receivables from trading and clearing members, listed companies and other entities.

#### (d) Cash deposits and interest receivables

Cash balances of the Group and the Company are mainly placed in fixed deposits with financial institutions of high credit quality. The Board has approved policies that limit the maximum credit exposure to each financial institution. Exposure and compliance with counterparty limits set by the RMC are monitored by the relevant business units and reported by the Risk Management unit to the RMC.

#### (e) Financial assets, at FVOCI

The bond instruments invested by the Group and the Company are restricted to fixed income securities with minimum credit rating of BBB+ or Baa1 by international credit rating agencies or by internal equivalent rating of investment manager where applicable. These are considered "low credit risk" as they are of investment grade credit rating with at least one major rating agency.

#### (f) Credit loss allowance

For receivables from clearing and settlement, the expected credit loss is minimal as these receivables were due from clearing members and settlement banks. The admission of these clearing members and settlement banks are subject to the Group's admission criteria, compliance monitoring and risk management measures. These receivables had no recent history of default and there were no unfavourable current conditions at the reporting date.

For receivables under NEMS, there is no expected credit loss. Under the NEMS Market Rules, EMC is entitled to recover any default receivables from all market participants.

## **47 Financial risk management (continued)**

### Credit risk (continued)

#### (f) Credit loss allowance (continued)

For trade receivables excluding balances arising from clearing and settlement of securities trades and NEMS, the Group applied the simplified approach permitted by SFRS(I) 9 which requires expected lifetime losses to be recognised from initial recognition of the receivables.

Expected loss rates are based on the payment profiles of customers and the corresponding historical credit losses experienced. The historical loss rates are adjusted to reflect current and forward-looking information on macroeconomics factors affecting the ability of the customers to settle the receivables.

On this basis, the loss allowance for trade receivables as at 30 June 2021 and 30 June 2020 was determined as not material. The gross carrying amount of trade receivables subject to expected credit loss allowance that are more than 360 days past due as at 30 June 2021 and 30 June 2020 is \$1,930,000 and \$1,834,000 respectively.

Trade receivables excluding balances arising from clearing and settlement of securities trades and NEMS are considered in default if the counterparty fails to make contractual payments within 360 days when they fall due, and are written off when there is no reasonable expectation of recovery. Where receivables are written off, the Group continues to engage in enforcement activity to attempt to recover the receivables due. Where recoveries are made, these are recognised in profit or loss.

Financial assets, at FVOCI comprised of bond instruments invested by the Group and the Company restricted to fixed income securities at investment grade with minimum credit rating of BBB+ or Baa1 by international credit rating agencies or by internal equivalent rating of investment manager where applicable. Loss allowance is recognised on these assets measured at the 12-month expected credit losses. These financial assets had no recent history of default and none had been below the minimum credit rating of BBB+ or Baa1.

Cash deposits, staff advances and other receivables are subject to immaterial credit loss.

## 47 Financial risk management (continued)

### Credit risk (continued)

(f) Credit loss allowance (continued)

The movements in credit loss allowance are as follows:

	<b>Trade receivables</b>	
	<b>Group</b>	
	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>
Balance at beginning of financial year	1,834	823
Allowance made	1,928	1,401
Allowance utilised	(1,146)	–
Allowance written back	(686)	(390)
Balance at end of financial year	1,930	1,834

Exposures from receivables from clearing and settlement and receivables under NEMS are managed by risk management systems and collateralised as described above.

The maximum exposure to credit risk to trade receivables, cash deposits and investment in debt instruments is the carrying amount presented on the statement of financial position of the Group and the Company. The Group and the Company do not hold any collateral against these financial instruments. In addition, clearing houses, SGX-DC and CDP, also have general lien on all monies and other properties deposited by clearing members. The clearing house may combine any account of the clearing member with its liabilities to the clearing house. Such funds may be applied towards satisfaction of liabilities of the clearing member to the clearing house.

### Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.

(a) Liabilities related risk

The Group and the Company has minimal liquidity risk as it maintains sufficient cash for daily operations through prudent liquidity risk management.

## 47 Financial risk management (continued)

### Liquidity risk (continued)

#### (a) Liabilities related risk (continued)

The financial liabilities of the Group and the Company are analysed into the relevant maturity buckets based on the remaining period from the balance sheet date to the contractual maturity dates. The amounts disclosed in the table below are contractual undiscounted cash flows.

Group	Up to 3 months \$'000	> 3 months to 1 year \$'000	Above 1 year \$'000	Total \$'000
<b>2021</b>				
<b>Financial liabilities</b>				
Trade and other payables <sup>(a)</sup>	864,133	3,637	–	867,770
Lease liabilities	5,557	16,463	53,070	75,090
Borrowings	–	–	467,761	467,761
<b>2020</b>				
<b>Financial liabilities</b>				
Trade and other payables <sup>(b)</sup>	805,300	3,364	–	808,664
Lease liabilities	5,445	16,198	73,165	94,808
Borrowings	304,071	–	–	304,071

<sup>(a)</sup> Included the following:

\$446,912,000 payables to clearing members and settlement banks for daily settlement of accounts for due contracts and rights with a corresponding amount in trade receivables; and  
\$143,933,000 payables under NEMS with corresponding amounts in cash and cash equivalents and trade receivables.

<sup>(b)</sup> Included the following:

\$452,524,000 payables to clearing members and settlement banks for daily settlement of accounts for due contracts and rights with a corresponding amount in trade receivables; and  
\$102,967,000 payables under NEMS with corresponding amounts in cash and cash equivalents and trade receivables.

Company	Up to 3 months \$'000	> 3 months to 1 year \$'000	Above 1 year \$'000	Total \$'000
<b>2021</b>				
<b>Financial liabilities</b>				
Trade and other payables	113,664	–	69,972	183,636
Lease liabilities	5,347	15,909	51,902	73,158
Borrowings	–	–	93,467	93,467
<b>2020</b>				
<b>Financial liabilities</b>				
Trade and other payables	115,760	–	–	115,760
Lease liabilities	5,323	15,963	73,093	94,379
Borrowings	302,036	–	–	302,036

**47 Financial risk management (continued)**Liquidity risk (continued)

## (a) Liabilities related risk (continued)

As at 30 June 2021, the gross notional value of outstanding currency forward contracts held by the Group and the Company were \$103,016,000 (2020: \$186,907,000) and Nil (2020: \$14,753,000) respectively. The Group's outstanding currency forward contracts that would be settled on a gross basis are analysed into relevant maturity buckets based on the remaining contractual maturity dates as follows:

<b>Group</b>	<b>Up to 3 months \$'000</b>	<b>&gt; 3 months to 1 year \$'000</b>	<b>Total \$'000</b>
<b>2021</b>			
Currency forward contracts			
- gross outflows	55,375	47,722	103,097
- gross inflows	55,124	47,137	102,261
			102,261
<b>2020</b>			
Currency forward contracts			
- gross outflows	102,191	84,286	186,477
- gross inflows	101,902	85,025	186,927
			186,927
<b>Company</b>			
<b>2020</b>			
Currency forward contracts			
- gross outflows	14,711	–	14,711
- gross inflows	14,689	–	14,689
			14,689

## 47 Financial risk management (continued)

### Liquidity risk (continued)

#### (b) Contingent liabilities related risk

At the balance sheet date, the following guarantees may impact the liquidity positions in the earliest period in which the guarantees are called upon:

	<b>Group</b>		<b>Company</b>	
	<b>2021</b>	<b>2020</b>	<b>2021</b>	<b>2020</b>
	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>	<b>\$'000</b>
Unsecured guarantees by SGX-DC to banks for standby letters of credit issued by the banks to Chicago Mercantile Exchange (Note 44)	360,409	348,923	–	–

The settlement obligation of the above contingent liabilities is not determinable as the obligation arises from the occurrence of future events that are not within the control of the Group and the Company.

#### (c) Clearing and settlement-related risk

The clearing houses of the Group, CDP and SGX-DC, act as the novated counterparty for transactions of approved securities and derivatives. The Group is exposed to liquidity risk should any clearing member or settlement bank default. The Group has put in place sufficient committed bank credit facilities of \$896,681,000 (2020: \$650,658,000), comprising committed unsecured credit lines for prudent risk management and to maintain adequate liquid resources.

### Fair value measurements

The following table presents assets and liabilities measured at fair value and classified by level of the following fair value measurement hierarchy:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).



47 **Financial risk management (continued)**Fair value measurements (continued)

<b>Group</b>	<b>Level 1 \$'000</b>	<b>Level 2 \$'000</b>	<b>Level 3 \$'000</b>	<b>Total \$'000</b>
<b>2021</b>				
<b>Assets</b>				
Derivative financial instruments	–	314	–	314
Financial assets, at FVOCI	40,936	146,467	–	187,403
<b>Liabilities</b>				
Derivative financial instruments	–	1,150	–	1,150
Financial liability	–	–	41,390	41,390
Contingent consideration	–	–	19,358	19,358
<b>2020</b>				
<b>Assets</b>				
Derivative financial instruments	–	2,485	3,096	5,581
Financial assets, at FVOCI	8,023	159,382	–	167,405
<b>Liabilities</b>				
Derivative financial instruments	–	2,035	49	2,084
Financial liability	–	–	40,548	40,548
<b>Company</b>				
<b>2020</b>				
<b>Assets</b>				
Derivative financial instruments	–	48	–	48
Financial assets, at FVOCI	8,023	40,113	–	48,136
<b>Liabilities</b>				
Derivative financial instruments	–	70	–	70

No transfers were made between Level 1, 2 and 3 during the financial year for the Group and the Company during the financial year ended 30 June 2021 and 30 June 2020.

## 47 Financial risk management (continued)

### Fair value measurements (continued)

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used for financial assets held by the Group and the Company is the current bid price. These instruments are included in Level 1.

The fair value of financial instruments that are not traded in an active market is determined by using valuation techniques. The Group and the Company use a variety of methods and makes assumptions that are based on market conditions existing at each balance sheet date. Quoted market prices or dealer quotes for similar instruments are used to estimate fair value for debt instruments. The fair value of currency forward contracts is determined using quoted forward currency rates at the balance sheet date. Unquoted equity securities classified as financial assets, at FVOCI, are valued using latest transacted price. These instruments are classified as Level 2 and comprise of debt instruments, derivatives financial instruments and unquoted equity securities.

Where a valuation technique for these instruments is based on significant unobservable inputs, such instruments are classified as Level 3. The following table presents the valuation techniques and key inputs that were used to determine the fair value of financial instruments categorised under Level 3.

Description	Fair value \$'000	Valuation techniques	Unobservable inputs	Range of unobservable inputs
Call option	Nil (2020: 3,096)	Black-Scholes option pricing model	Standard deviation Risk-free rate	Not applicable (2020: 30%) Not applicable (2020: 0.6%)
Sale of call option	Nil (2020: 49)	Binomial option model	Volatility Risk-free rate	Not applicable (2020: 30%) Not applicable (2020: 0.6%)
Forward liability to acquire non-controlling interests	41,390 (2020: 40,548)	Multiples of forecast on Earnings before interest, tax and amortisation ("EBITA")	Forecast of EBITA	Not applicable
Contingent consideration	19,358 (2020: Nil)	Probability of forecast revenue	Forecast of revenue	Not applicable

Management considers that any reasonably possible changes to the unobservable inputs will not result in a significant financial impact.

## 47 Financial risk management (continued)

### Fair value measurements (continued)

The following table presents the reconciliation of financial instruments measured at fair value based on significant unobservable inputs (Level 3).

<b>Group</b>	<b>Derivative financial instruments \$'000</b>	<b>Financial liability \$'000</b>	<b>Contingent consideration \$'000</b>
At 1 July 2019	4,945	–	–
Additions	–	40,548	–
Fair value losses recognised in profit or loss	(1,898)	–	–
As at 30 June 2020	<u>3,047</u>	<u>40,548</u>	<u>–</u>
At 1 July 2020	3,047	40,548	–
Additions	–	–	10,144
Disposals	(3,047)	–	–
Fair value losses recognised in profit or loss	–	–	9,564
Effects of changes in foreign exchange rates	–	842	(350)
As at 30 June 2021	<u>–</u>	<u>41,390</u>	<u>19,358</u>

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

### Offsetting financial assets and financial liabilities

The Group reports financial assets and financial liabilities on a net basis on the statement of financial position where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liabilities simultaneously.

The following table shows the effect of netting arrangements on financial assets and liabilities that are reported net on the statement of financial position.

**47 Financial risk management (continued)**Offsetting financial assets and financial liabilities (continued)

## (a) Financial assets subject to offsetting arrangements

	<b>Gross amounts of recognised financial assets \$'000</b>	<b>Less: Gross amounts of recognised financial liabilities set off in the statement of financial position \$'000</b>	<b>Net amounts of financial assets presented in the statement of financial position <sup>(1)</sup> \$'000</b>
<b>2021</b>			
Receivables from clearing members and settlement banks - Daily settlement of accounts for due contracts and rights	2,890,674	(2,443,762)	446,912
<b>2020</b>			
Receivables from clearing members and settlement banks - Daily settlement of accounts for due contracts and rights	2,604,555	(2,152,031)	452,524

## (b) Financial liabilities subject to offsetting arrangements

	<b>Gross amounts of recognised financial liabilities \$'000</b>	<b>Less: Gross amounts of recognised financial assets set off in the statement of financial position \$'000</b>	<b>Net amounts of financial liabilities presented in the statement of financial position <sup>(1)</sup> \$'000</b>
<b>2021</b>			
Payables to clearing members and settlement banks - Daily settlement of accounts for due contracts and rights	2,890,674	(2,443,762)	446,912
<b>2020</b>			
Payables to clearing members and settlement banks - Daily settlement of accounts for due contracts and rights	2,604,555	(2,152,031)	452,524

<sup>(1)</sup> The collateral deposited by clearing members and settlement banks cannot be attributed directly to the individual transactions. For information on the collaterals, please refer to Note 41(a).

## 48 Capital requirement and management

The Group's capital management objectives are to optimise returns to shareholders whilst supporting the growth requirements of the business and fulfilling its obligations to the relevant regulatory authorities and other stakeholders.

Given the dynamic nature of the Group's business and the framework, the Group regularly reviews and monitors its capital and cash positions to ensure that the business activities and growth are prudently funded. In addition, the Group will seek opportunities to optimise shareholders' returns by creating a more efficient capital structure to reduce the overall cost of capital. SGX aims to pay a sustainable and growing dividend over time, consistent with the Company's long-term growth prospects.

The five regulated subsidiaries within the Group, namely Singapore Exchange Securities Trading Limited, The Central Depository (Pte) Limited., Singapore Exchange Derivatives Trading Limited, Singapore Exchange Derivatives Clearing Limited, and SGX Bond Trading Pte Ltd, are also required to comply with Regulatory Capital Framework ("Framework") issued by the Monetary Authority of Singapore to meet prudential requirements that commensurate with the operational risk, investment risk and the counterparty default risk arising from its central counterparty clearing and settlement activities. The regulated subsidiaries are in compliance with the Framework.

## 49 Restatement to presentation of operating revenue

The Group implemented changes to the fee structure of its equity derivatives contracts during the financial year ended 30 June 2021 where licence fees will now form part of trading and clearing fees. Comparative amounts in the statement of comprehensive income have been restated for consistency.

New classification	Group 2020 \$'000	Previous classification	Group 2020 \$'000
<i>Equity - Derivatives</i>		<i>Equity - Derivatives</i>	
Trading and clearing	250,267	Trading and clearing	211,992
Treasury and other	110,111	Treasury, licence and other	148,386
	<u>360,378</u>		<u>360,378</u>

## 50 Subsequent event

On 23 July 2021, SGX Group announced its proposed acquisition of FX trading platform, MaxxTrader, from FlexTrade Systems for a cash consideration of approximately US\$125 million, subject to certain adjustments. The acquisition is expected to be completed by December 2021 and will allow SGX to build an integrated FX ecosystem and marketplace that facilitates global access to OTC and on-exchange currency derivatives. Details of the other information required by SFRS(I) 3 *Business Combinations* are not disclosed, as the acquisition has not been completed at the date these financial results have been authorised.

## **51 New accounting standards and SFRS(I) interpretations**

At the date of authorisation of these financial statements, the following new SFRS(I) amendments that are relevant to the Group were issued but not effective.

The Group is presently assessing the impact of the amendments and has not considered the impact of accounting standards issued after the balance sheet date.

- Amendments to SFRS(I) 1-1 *Presentation of Financial Statements* - Classification of Liabilities as Current or Non-current
- Amendments to SFRS(I) 10 *Consolidated Financial Statements* and SFRS(I) 1-28 *Investments in Associates and Joint Ventures* - Sale or Contribution of Assets between an Investor and its Associate or Joint Venture
- Amendments to SFRS(I) 3 *Business Combinations* - Reference to the Conceptual Framework
- Amendments to SFRS(I) 1-16 *Property, Plant and Equipment* - Proceeds before Intended Use
- Amendments to SFRS(I) 1-37 *Provisions, Contingent Liabilities and Contingent Assets* - Onerous Contracts - Costs of Fulfilling a Contract
- Amendments to SFRS(I) 9 *Financial Instruments*, SFRS(I) 1-39 *Financial Instruments: Recognition and Measurement*, SFRS(I) 7 *Financial Instruments: Disclosures*, SFRS(I) 4 *Insurance Contracts*, SFRS(I) 16 *Leases* - Interest Rate Benchmark Reform - Phase 2
- Annual Improvements to SFRS(I)s 2018 – 2020