

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

Condensed Interim Financial Statements
For the half year ended 31 December 2021

Condensed interim consolidated statement of comprehensive income
For the half year ended 31 December 2021

		Group	
	Note	1st half ended 31 December 2021 \$'000	1st half ended 31 December 2020 \$'000
Operating revenue			
Fixed Income, Currencies and Commodities	5	113,965	99,220
Equities	5	334,504	350,842
Data, Connectivity and Indices	5	73,138	70,743
		521,607	520,805
Operating expenses			
Staff	6	119,055	110,005
Technology	6	36,530	34,067
Processing and royalties	6	32,082	30,359
Premises	6	5,080	4,675
Professional fees	6	7,917	6,343
Others	6	14,950	13,818
		215,614	199,267
Earnings before interest, tax, depreciation and amortisation			
Depreciation and amortisation	7	305,993	321,538
		46,490	48,986
Operating profit			
		259,503	272,552
Non-operating gains			
Other income including interest income		8,712	20,192
Finance charges		(3,415)	(2,406)
Net foreign exchange gains/(losses)		4,348	(2,142)
		9,645	15,644
Profit before tax and share of results of associated companies and joint ventures			
		269,148	288,196
Share of results of associated companies and joint ventures, net of tax		(5,997)	(571)
Profit before tax			
Tax	8	263,151	287,625
		(44,152)	(47,670)
Net profit after tax			
		218,999	239,955
Attributable to:			
Equity holders of the Company		218,707	239,785
Non-controlling interests		292	170
Earnings per share based on net profit attributable to the equity holders of the Company (in cents per share)			
- Basic	9	20.4	22.4
- Diluted	9	19.9	22.3

Condensed interim consolidated statement of comprehensive income (continued)
For the half year ended 31 December 2021

	Group	
	1st half ended 31 December 2021 \$'000	1st half ended 31 December 2020 \$'000
Net profit after tax	218,999	239,955
Other comprehensive income		
Items that may be reclassified subsequently to profit or loss:		
Foreign exchange translation		
- Exchange differences arising during the period	(1,866)	4,821
Cash flow hedges		
- Fair value (losses)/gains arising during the period	(293)	3,815
- Transferred to profit or loss	676	(515)
Financial assets, at FVOCI		
- Fair value (losses)/gains arising during the period	(78)	329
- Transferred to profit or loss	–	33
Items that will not be reclassified subsequently to profit or loss:		
Foreign exchange translation		
- Exchange differences arising during the period	(106)	87
Financial assets, at FVOCI		
- Fair value gains arising during the period	78,141	18,562
Other comprehensive income for the financial period, net of tax	76,474	27,132
Total comprehensive income for the financial period	295,473	267,087
Total comprehensive income attributable to:		
Equity holders of the Company	295,287	266,830
Non-controlling interests	186	257
	295,473	267,087

Condensed interim statement of financial position
As at 31 December 2021

	Note	Group		Company	
		31 December 2021 \$'000	30 June 2021 \$'000	31 December 2021 \$'000	30 June 2021 \$'000
Assets					
Current assets					
Cash and cash equivalents		1,208,702	1,060,029	323,456	229,012
Trade and other receivables		591,533	748,749	426,588	143,773
Derivative financial instruments		245	314	–	–
Financial assets, at FVOCI	10	65,886	40,936	–	–
		<u>1,866,366</u>	<u>1,850,028</u>	<u>750,044</u>	<u>372,785</u>
Non-current assets					
Financial assets, at FVOCI	10	254,278	146,467	–	–
Financial asset, at FVPL	11	282,108	–	–	–
Investment property		15,420	26,161	–	–
Property, plant and equipment		37,367	50,400	17,280	20,069
Software		158,806	165,843	40,273	41,124
Right-of-use assets		60,274	69,158	57,263	67,169
Intangible assets		112,075	122,393	–	–
Goodwill		529,246	541,233	–	–
Investments in subsidiaries		–	–	1,081,436	1,070,122
Investments in associated companies		46,378	40,964	4,389	4,389
Investments in joint ventures		6,547	9,570	–	–
Loan receivable		4,738	–	4,738	–
Other assets		27	333	27	333
		<u>1,507,264</u>	<u>1,172,522</u>	<u>1,205,406</u>	<u>1,203,206</u>
Total assets		<u><u>3,373,630</u></u>	<u><u>3,022,550</u></u>	<u><u>1,955,450</u></u>	<u><u>1,575,991</u></u>

Condensed interim statement of financial position (continued)
As at 31 December 2021

	Note	Group		Company	
		31 December 2021 \$'000	30 June 2021 \$'000	31 December 2021 \$'000	30 June 2021 \$'000
Liabilities					
Current liabilities					
Trade and other payables		824,200	867,770	87,498	113,664
Dividend payable	14	85,500	–	85,500	–
Derivative financial instruments		489	1,150	–	–
Loans and borrowings	12	81,011	–	81,011	–
Lease liabilities		21,305	20,366	19,933	19,624
Taxation		50,420	99,634	2,094	4,946
Provisions		16,053	17,199	10,810	10,606
		<u>1,078,978</u>	<u>1,006,119</u>	<u>286,846</u>	<u>148,840</u>
Non-current liabilities					
Financial liability		39,561	41,390	–	–
Loans and borrowings	12	699,714	467,761	340,323	93,467
Lease liabilities		41,427	51,056	39,814	49,908
Deferred tax liabilities		82,115	66,456	2,400	2,501
Other payables		15,823	–	66,849	69,972
		<u>878,640</u>	<u>626,663</u>	<u>449,386</u>	<u>215,848</u>
Total liabilities		<u>1,957,618</u>	<u>1,632,782</u>	<u>736,232</u>	<u>364,688</u>
Net assets		<u>1,416,012</u>	<u>1,389,768</u>	<u>1,219,218</u>	<u>1,211,303</u>
Equity					
Capital and reserves attributable to the Company's equity holders					
Share capital	13	427,395	430,413	427,395	430,413
Capital reserve		3,989	3,989	–	–
Treasury shares	13	(27,635)	(25,189)	(27,635)	(25,189)
Cash flow hedge reserve		(218)	(601)	–	–
Currency translation reserve		3,810	5,676	–	–
Fair value reserve		153,976	75,913	–	–
Securities clearing fund reserve		25,000	25,000	–	–
Derivatives clearing fund reserve		34,021	34,021	–	–
Share-based payment reserve		23,174	30,152	23,174	30,152
Other reserve		(40,506)	(40,506)	–	–
Retained profits		807,961	760,530	796,284	690,416
Proposed dividends		–	85,511	–	85,511
		<u>1,410,967</u>	<u>1,384,909</u>	<u>1,219,218</u>	<u>1,211,303</u>
Non-controlling interests		<u>5,045</u>	<u>4,859</u>	<u>–</u>	<u>–</u>
Total equity		<u>1,416,012</u>	<u>1,389,768</u>	<u>1,219,218</u>	<u>1,211,303</u>

Condensed interim consolidated statement of changes in equity
For the half year ended 31 December 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
Balance at 1 July 2021		430,413	3,989	(25,189)	(601)	5,676	75,913	25,000	34,021	30,152	(40,506)	760,530	85,511	1,384,909	4,859	1,389,768
Transactions with equity holders, recognised directly in equity																
Dividends paid																
- FY2021 – Final dividends		-	-	-	-	-	-	-	-	-	-	-	(85,511)	(85,511)	-	(85,511)
- Under provision of FY2021 final dividends		-	-	-	-	-	-	-	-	-	-	(142)	-	(142)	-	(142)
- 1Q FY2022 – Interim dividend	14	-	-	-	-	-	-	-	-	-	-	(85,634)	-	(85,634)	-	(85,634)
Dividend payable																
- 2Q FY2022 – Interim dividend	14	-	-	-	-	-	-	-	-	-	-	(85,500)	-	(85,500)	-	(85,500)
Employees' share plans – Value of employees' services																
Restricted share plan - Value of directors' services																
Vesting of shares under share-based remuneration plans	13	(2,991)	-	18,006	-	-	-	-	-	(15,015)	-	-	-	-	-	-
Vesting of shares under restricted share plan	13	(27)	-	353	-	-	-	-	-	(326)	-	-	-	-	-	-
Purchase of treasury shares	13	-	-	(20,382)	-	-	-	-	-	-	-	-	-	(20,382)	-	(20,382)
Tax effect on treasury shares**	13	-	-	(423)	-	-	-	-	-	-	-	-	-	(423)	-	(423)
		(3,018)	-	(2,446)	-	-	-	-	-	(6,978)	-	(171,276)	(85,511)	(269,229)	-	(269,229)
Total comprehensive income for the financial period		-	-	-	383	(1,866)	78,063	-	-	-	-	218,707	-	295,287	186	295,473
Balance at 31 December 2021		427,395	3,989	(27,635)	(218)	3,810	153,976	25,000	34,021	23,174	(40,506)	807,961	-	1,410,967	5,045	1,416,012

Condensed interim consolidated statement of changes in equity (continued)
For the half year ended 31 December 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
Balance at 1 July 2020		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
Transactions with equity holders, recognised directly in equity															
Dividends paid															
- FY2020 – Final dividends		-	-	-	-	-	-	-	-	-	-	(85,518)	(85,518)	-	(85,518)
- Under provision of FY2020 final dividends		-	-	-	-	-	-	-	-	-	(114)	-	(114)	-	(114)
- 1Q FY2021 – Interim dividend	14	-	-	-	-	-	-	-	-	-	(85,635)	-	(85,635)	-	(85,635)
Dividend payable															
- 2Q FY2021 – Interim dividend	14	-	-	-	-	-	-	-	-	-	(85,635)	-	(85,635)	-	(85,635)
Employees' share plans – Value of employees' services															
Restricted share plan - Value of directors' services															
Vesting of shares under share-based remuneration plans		644	11,296	-	-	-	-	(11,940)	-	-	-	-	-	-	-
Vesting of shares under restricted share plan		31	314	-	-	-	-	(345)	-	-	-	-	-	-	-
Tax effect on treasury shares**		-	(500)	-	-	-	-	-	-	-	-	-	(500)	-	(500)
Transfer upon disposal of equity investments		-	-	-	-	32	-	-	-	-	(32)	-	-	-	-
		675	(11,110)	-	-	32	-	(3,099)	-	(171,416)	(85,518)	(248,216)	-	(248,216)	
Total comprehensive income for the financial period		-	-	3,300	4,821	18,924	-	-	-	-	239,785	-	266,830	257	267,087
Balance at 31 December 2020		430,413	(9,886)	3,645	994	73,865	25,000	34,021	21,455	(40,506)	724,461	-	1,263,462	4,692	1,268,154

* 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.

**Condensed interim statement of changes in equity
For the half year ended 31 December 2021**

		Attributable to equity holders of the Company				
		Share-based				
Note	Share capital \$'000	Treasury shares \$'000	payment reserve* \$'000	Retained profits \$'000	Proposed dividends \$'000	Total equity \$'000
Company						
	430,413	(25,189)	30,152	690,416	85,511	1,211,303
	Dividends paid					
	-	-	-	-	(85,511)	(85,511)
	-	-	-	(142)	-	(142)
14	-	-	-	(85,634)	-	(85,634)
	Dividend payable					
14	-	-	-	(85,500)	-	(85,500)
	-	-	8,037	-	-	8,037
	-	-	326	-	-	326
13	(2,991)	18,006	(15,015)	-	-	-
13	(27)	353	(326)	-	-	-
13	-	(20,382)	-	-	-	(20,382)
13	-	(423)	-	-	-	(423)
	(3,018)	(2,446)	(6,978)	(171,276)	(85,511)	(269,229)
	-	-	-	277,144	-	277,144
	427,395	(27,635)	23,174	796,284	-	1,219,218

Condensed interim statement of changes in equity (continued)
For the half year ended 31 December 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
Company									
Balance at 1 July 2020		429,738	(20,996)	(52)	(64)	24,554	542,048	85,518	1,060,746
Dividends paid									
- FY2020 – Final dividends		–	–	–	–	–	–	(85,518)	(85,518)
- Under provision of FY2020 final dividends		–	–	–	–	–	(114)	–	(114)
- 1Q FY2021 – Interim dividend	14	–	–	–	–	–	(85,635)	–	(85,635)
Dividend payable									
- 2Q FY2021 – Interim dividend	14	–	–	–	–	–	(85,635)	–	(85,635)
Employees' share plans – Value of employees' services		–	–	–	–	8,841	–	–	8,841
Restricted share plan – Value of directors' services		–	–	–	–	345	–	–	345
Vesting of shares under share-based remuneration plans		644	11,296	–	–	(11,940)	–	–	–
Vesting of shares under restricted share plan		31	314	–	–	(345)	–	–	–
Tax effect on treasury shares**		–	(500)	–	–	–	–	–	(500)
Transfer upon disposal of equity investments		–	–	–	32	–	(32)	–	–
		675	11,110	–	32	(3,099)	(171,416)	(85,518)	(248,216)
Total comprehensive income for the financial period		–	–	226	1,419	–	291,749	–	293,394
Balance at 31 December 2020		430,413	(9,886)	174	1,387	21,455	662,381	–	1,105,924

* 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.

Condensed interim consolidated statement of cash flows
For the half year ended 31 December 2021

	Group	
	1st half ended 31 December 2021 \$'000	1st half ended 31 December 2020 \$'000
Cash flows from operating activities		
Profit before tax and share of results of associated companies and joint ventures	269,148	288,196
Adjustments for:		
- Depreciation and amortisation	46,490	48,986
- Share-based payment expense	8,363	9,186
- Interest income	(1,281)	(2,784)
- Net gain on previously held interest in an associated company	–	(16,663)
- (Gains)/losses on change in interest of associated companies	(509)	219
- Dividend income from other investments	–	(107)
- Finance charges	3,415	2,406
- Net loss on disposal of property, plant and equipment and software	547	–
Operating cash flow before working capital change	326,173	329,439
Change in working capital:		
- Cash committed for National Electricity Market of Singapore	(86,735)	(2,860)
- Trade and other receivables	156,181	160,798
- Trade and other payables	(44,471)	(133,869)
Cash generated from operations	351,148	353,508
Income tax paid	(95,672)	(106,073)
Net cash generated from operating activities	255,476	247,435
Cash flows from investing activities		
Acquisition of a subsidiary, net of cash acquired	–	(155,703)
Purchase of financial asset, at FVPL	(285,683)	–
Purchase of financial assets, at FVOCI	(34,667)	(41,439)
Purchase of property, plant and equipment and software	(15,057)	(19,232)
Acquisition of additional interest in associated company	(6,763)	–
Acquisition of additional interest in joint venture	(1,365)	–
Loan to external party	(4,738)	–
Additional payment on completion of previously acquired subsidiary	–	(5,178)
Proceeds from sale of long lease of building	31,056	–
Interest received	1,663	5,187
Dividend received from associated company	–	1,680
Dividend received from other investments	–	120
Net cash used in investing activities	(315,554)	(214,565)

Condensed interim consolidated statement of cash flows (continued)
For the half year ended 31 December 2021

	Group	
	1st half ended 31 December 2021 \$'000	1st half ended 31 December 2020 \$'000
Cash flows from financing activities		
Net proceeds from medium term notes issuance	334,649	–
Proceeds from borrowings	82,014	495,197
Dividends paid	(171,287)	(171,267)
Repayment of borrowings	(88,757)	(311,489)
Repayment of lease liabilities	(11,152)	(11,071)
Purchase of treasury shares	(20,382)	–
Interest paid	(444)	(559)
Net cash provided by financing activities	124,641	811
Net increase in cash and cash equivalents	64,563	33,681
Cash and cash equivalents at beginning of financial period	833,365	686,430
Effects of currency translation on cash and cash equivalents	(2,625)	1,256
Cash and cash equivalents at end of financial period	895,303	721,367

Cash and cash equivalents comprised the following:

	Group	
	1st half ended 31 December 2021 \$'000	1st half ended 31 December 2020 \$'000
Cash and cash equivalents per condensed interim consolidated statement of cash flows	895,303	721,367
Add: Cash committed for		
- Singapore Exchange Derivatives Clearing Limited - Derivatives Clearing Fund	150,021	150,021
- The Central Depository (Pte) Limited - Securities Clearing Fund	60,000	60,000
- National Electricity Market of Singapore	103,378	11,752
Cash and cash equivalents per condensed interim statement of financial position - Group	1,208,702	943,140

Notes to the condensed interim financial statements

1 Domicile and activities

These condensed interim financial statements as at and for the half year ended 31 December 2021 comprise the Company and its subsidiaries (the “Group”). 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. There has been no significant change in the principal activities of the Company and its subsidiaries during the financial period.

2 Basis of preparation

The condensed interim financial statements for the half year ended 31 December 2021 have been prepared in accordance with Singapore Financial Reporting Standards (International) 34 *Interim Financial Reporting* (SFRS(I) 1-34) and should be read in conjunction with the Group’s audited financial statements as at and for the year ended 30 June 2021. The condensed interim financial statements do not include all the information required for a complete set of financial statements. However, selected explanatory notes are included to explain events and transactions that are significant to an understanding of the changes in the Group’s financial position and performance of the Group since the last annual financial statements for the year ended 30 June 2021.

The accounting policies adopted are consistent with those of the previous financial year which were prepared in accordance with SFRS(I)s, except for the adoption of new or amended standards that are mandatory for financial year beginning on or after 1 July 2021 and updated accounting policies arising from the Group’s activities:

Amendments to SFRS(I)s

- 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
- Amendment to SFRS(I) 16: *Leases Covid-19-Related Rent Concessions beyond 30 June 2021*

The adoption of the amendments to SFRS(I)s did not have significant impact on the financial statements.

2 Basis of preparation (continued)

Updated accounting policies

Financial assets at fair value through profit or loss (“FVPL”)

At initial recognition, the Group measures a financial asset at its fair value and transaction costs of financial assets carried at FVPL are expensed in profit or loss. Financial assets at FVPL are subsequently measured at fair value. Net gains and losses, including any interest or dividend income, are recognised in profit or loss.

The condensed interim financial statements are presented in Singapore dollar which is the Company’s functional currency.

3 Use of judgments and estimates

The preparation of the financial statements in conformity with SFRS(I) requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The significant judgments made by management in applying the Group’s accounting policies and the key sources of estimation uncertainty were the same as those that applied to the Group’s financial statements as at and for the year ended 30 June 2021.

Assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the next interim period pertain to impairment assessment of goodwill and intangible assets.

Impairment assessment of goodwill

Goodwill arising from the acquisition of Energy Market Company Pte Ltd (“EMC”), the Baltic Exchange Limited (“BEL”), BidFX Systems Ltd (“BidFX”) and Scientific Beta Pte. Ltd. (“SB”) are allocated to the each of the Group’s cash generating units (“CGU”) or group of CGUs that are expected to benefit from synergies of the business combination.

Management has performed an assessment of the impairment indicators as of 31 December 2021 and determined that there is no objective evidence or indication that the goodwill is impaired. Accordingly, no impairment loss has been recognised as at 31 December 2021.

3 Use of judgments and estimates (continued)

Impairment assessment of intangible assets

The intangible assets are the right to operate the Singapore electricity spot market arising from the acquisition of EMC, trade name arising from the acquisition of BEL and technical know-how and customer relationships, arising from the acquisitions of SB and 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 31 December 2021.

4 Seasonal operations

The Group's businesses are not affected significantly by seasonal or cyclical factors during the financial period.

5 Operating revenue

Operating revenue comprised the following:

	Group	
	1st half ended 31 December 2021 \$'000	1st half ended 31 December 2020 \$'000
Fixed Income, Currencies and Commodities		
<i>Fixed Income</i>		
Listing	4,923	5,117
Corporate actions and other	1,664	1,558
	6,587	6,675
 <i>Currencies and Commodities - Derivatives</i>		
Trading and clearing	84,167	71,438
Treasury and other	23,211	21,107
	107,378	92,545
	113,965	99,220
 Equities		
<i>Equities - Cash</i>		
Listing	17,246	17,002
Corporate actions and other	13,214	14,687
Trading and clearing	100,784	111,503
Securities settlement and depository management	55,808	53,130
Treasury and other	3,678	4,808
	190,730	201,130
 <i>Equities - Derivatives</i>		
Trading and clearing	131,324	110,608
Treasury and other	12,450	39,104
	143,774	149,712
	334,504	350,842
 Data, Connectivity and Indices		
Market data and indices	41,375	39,553
Connectivity	31,763	31,190
	73,138	70,743
	521,607	520,805
Operating revenue		

6 Operating expenses

Operating expenses comprised the following:

	Group	
	1st half ended 31 December 2021 \$'000	1st half ended 31 December 2020 \$'000
Staff		
Fixed staff costs	81,576	74,470
Variable bonus	29,442	26,694
Variable share-based payment	8,037	8,841
	<u>119,055</u>	<u>110,005</u>
Technology		
System maintenance and rental	34,787	32,754
Communication charges	1,743	1,313
	<u>36,530</u>	<u>34,067</u>
Processing and royalties	32,082	30,359
Premises	5,080	4,675
Professional fees	7,917	6,343
Others		
Marketing	2,437	2,156
Travelling	515	145
Allowance for impairment of trade receivables (net)	786	753
Net loss on disposal of property, plant and equipment and software	547	–
Directors' fees	1,558	1,509
Regulatory fees	3,251	3,092
Miscellaneous	5,856	6,163
	<u>14,950</u>	<u>13,818</u>
Operating expenses	<u><u>215,614</u></u>	<u><u>199,267</u></u>

7 Depreciation and amortisation

	Group	
	1st half ended 31 December 2021 \$'000	1st half ended 31 December 2020 \$'000
Technology-related depreciation and amortisation	31,425	33,865
Premises-related depreciation	7,199	7,181
Amortisation of intangible assets	7,826	7,900
Depreciation of motor vehicle	40	40
	46,490	48,986

8 Tax

	Group	
	1st half ended 31 December 2021 \$'000	1st half ended 31 December 2020 \$'000
Tax expense attributable to profit is made up of:		
- Current income tax	46,894	50,460
- Deferred income tax	(2,679)	(2,864)
	44,215	47,596
Under/ (over) provision in prior financial years		
- Current income tax	(63)	84
- Deferred income tax	-	(10)
	44,152	47,670

9 Earnings per share

	Group	
	1st half ended 31 December 2021 \$'000	1st half ended 31 December 2020 \$'000
Net profit attributable to the equity holders of the Company for basic earnings per share	218,707	239,785
Interest expense on convertible bonds	844	–
Net profit attributable to the equity holders of the Company for diluted earnings per share	<u>219,551</u>	<u>239,785</u>
Weighted average number of ordinary shares in issue for basic earnings per share ('000)	1,069,662	1,069,934
Adjustments for:		
- Effect of conversion of convertible bonds ('000)	29,998	–
- Shares granted under SGX performance share plans and deferred long-term incentives schemes ('000)	5,089	5,064
Weighted average number of ordinary shares for diluted earnings per share ('000)	<u>1,104,749</u>	<u>1,074,998</u>
Earnings per share (in cents per share)		
- Basic	20.4	22.4
- Diluted	<u>19.9</u>	<u>22.3</u>

10 Financial assets, at FVOCI

	Group		Company	
	31 December 2021 \$'000	30 June 2021 \$'000	31 December 2021 \$'000	30 June 2021 \$'000
Current				
Equity securities – Quoted	32,127	31,094	–	–
Bonds – Quoted	33,759	9,842	–	–
	<u>65,886</u>	<u>40,936</u>	–	–
Non-current				
Equity securities – Unquoted	254,278	146,467	–	–

11 Financial asset, at FVPL

	Group		Company	
	31 December 2021 \$'000	30 June 2021 \$'000	31 December 2021 \$'000	30 June 2021 \$'000
Non-Current				
Debt securities – Unquoted	282,108	–	–	–

During the financial period, the Group made an investment in a private equity fund that focuses on investments in transformative technologies.

12 Loans and borrowings

	Group		Company	
	31 December 2021 \$'000	30 June 2021 \$'000	31 December 2021 \$'000	30 June 2021 \$'000
Current				
Unsecured bank borrowings	81,011	–	81,011	–
	81,011	–	81,011	–
Non-current				
Unsecured bank borrowings	–	88,758	–	88,758
Convertible bonds	363,083	379,003	–	–
Medium term notes (Note (a))	336,631	–	336,631	–
Intra-group financial guarantee	–	–	3,692	4,709
	699,714	467,761	340,323	93,467

12 Loans and borrowings (continued)

Terms and debt repayment schedule

The terms and conditions of outstanding borrowings are as follows:

	Currency	Weighted average interest rate	Year of maturity	31 December 2021		30 June 2021	
				Face value \$'000	Carrying amount \$'000	Face value \$'000	Carrying amount \$'000
Group							
Convertible bonds	EUR	0.44% (2021: 0.44%)	2024	370,291	363,083	387,406	379,003
Medium term notes	USD	1.29% (2021: Not applicable)	2026	337,450	336,631	–	–
Unsecured bank borrowings	USD	0.38% - 0.71% (2021: 1.20%)	2022	81,011	81,011	88,758	88,758
				<u>788,752</u>	<u>780,725</u>	<u>476,164</u>	<u>467,761</u>
Company							
Medium term notes	USD	1.29% (2021: Not applicable)	2026	337,450	336,631	–	–
Unsecured bank borrowings	USD	0.38% - 0.71% (2021: 1.20%)	2022	81,011	81,011	88,758	88,758
				<u>418,461</u>	<u>417,642</u>	<u>88,758</u>	<u>88,758</u>

(a) Medium term notes

	Group 31 December 2021 \$'000
Proceeds from issue of medium term notes	335,525
Transaction costs	(876)
Net proceeds	<u>334,649</u>
Amortisation of transaction costs	59
Effects of changes in foreign exchange rates	<u>1,923</u>
Carrying amount as at 31 December 2021	<u>336,631</u>

USD 250 million of medium term notes were issued on 3 September 2021 with maturity date on 3 September 2026. The unsecured series 001 notes issued under SGX's SGD 1.5 billion multicurrency debt issuance programme, bear interest at a fixed rate of 1.234 per cent per annum payable semi-annually in arrears on 3 March and 3 September each year.

13 Share capital

Group and Company

	Number of shares		Amount	
	Issued shares '000	Treasury shares '000	Share Capital \$'000	Treasury shares \$'000
31 December 2021				
Balance at 1 July 2021	1,071,642	2,752	430,413	(25,189)
Purchase of treasury shares	–	2,169	–	(20,382)
Vesting of shares under share-based remuneration plans	–	(1,993)	(2,991)	18,006
Vesting of shares under restricted share plan	–	(34)	(27)	353
Tax effect on treasury shares	–	–	–	(423)
Balance at 31 December 2021	<u>1,071,642</u>	<u>2,894</u>	<u>427,395</u>	<u>(27,635)</u>
30 June 2021				
Balance at 1 July 2020	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 30 June 2021	<u>1,071,642</u>	<u>2,752</u>	<u>430,413</u>	<u>(25,189)</u>

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

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.

During the financial period, the Company purchased 2,169,000 of its shares in the open market for \$20.4 million. 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.

1,993,345 shares vested on 1 September 2021 relating to FY2018 SGX performance share plan, FY2019 (3rd tranche), FY2020 (2nd tranche) and FY2021 (1st tranche) SGX deferred long-term incentives scheme.

33,975 shares vested on 8 November 2021 relating to FY2022 SGX restricted share plan.

14 Dividends

	Group and Company	
	1st half ended	1st half ended
	31 December	31 December
	2021	2020
	\$'000	\$'000
Ordinary dividends paid:		
- Interim tax-exempt dividend of 8.0 cents per share for 1Q FY2022 (1Q FY2021: 8.0 cents)	85,634	85,635
Ordinary dividends payable:		
- Interim tax-exempt dividends of 8.0 cents per share for 2Q FY2022 (2Q FY2021: 8.0 cents) (Note (a))	85,500	85,635
	171,134	171,270
	171,134	171,270

(a) For the second quarter ended 31 December 2021, an interim tax-exempt dividend of 8.0 cents per share will be paid on 21 February 2022 (2Q FY2021: 8.0 cents per share paid on 8 February 2021).

15 Segment information

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

15 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.

	Fixed Income, Currencies and Commodities	Equities	Data, Connectivity and Indices	Corporate	The Group
	\$'000	\$'000	\$'000	\$'000	\$'000
1st half ended 31 December 2021					
Operating Revenue	113,965	334,504	73,138	–	521,607
Earnings before interest, tax, depreciation and amortisation	42,349	215,549	48,095	–	305,993
Depreciation and amortisation	16,978	21,378	8,134	–	46,490
Operating profit	25,371	194,171	39,961	–	259,503
Non-operating gains	–	–	–	9,645	9,645
Share of results of associated companies and joint ventures, net of tax	–	–	–	(5,997)	(5,997)
Tax	–	–	–	(44,152)	(44,152)
Net profit after tax					<u>218,999</u>
1st half ended 31 December 2020					
Operating Revenue	99,220	350,842	70,743	–	520,805
Earnings before interest, tax, depreciation and amortisation	35,200	239,061	47,277	–	321,538
Depreciation and amortisation	16,209	24,415	8,362	–	48,986
Operating profit	18,991	214,646	38,915	–	272,552
Non-operating gains	–	–	–	15,644	15,644
Share of results of associated companies and joint venture, net of tax	–	–	–	(571)	(571)
Tax	–	–	–	(47,670)	(47,670)
Net profit after tax					<u>239,955</u>

16 Related party transactions - Group

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:

	1st half ended 31 December 2021 S'000	1st half ended 31 December 2020 S'000
Salaries and other short-term employee benefits	5,458	4,008
Employer's contribution to Central Provident Fund	54	54
Share-based payment to key management	2,751	3,244
	<u>8,263</u>	<u>7,306</u>

During the financial period, 321,800 shares (1H FY2021: 426,600 shares) under SGX performance share plan and 321,800 shares (1H FY2021: 426,600 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.

17 Fair value measurements - Group

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).

17 Fair value measurements - Group (continued)

Group	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
31 December 2021				
Assets				
Derivative financial instruments	–	245	–	245
Financial asset, at FVPL	–	–	282,108	282,108
Financial assets, at FVOCI	65,886	254,278	–	320,164
Liabilities				
Derivative financial instruments	–	489	–	489
Financial liability	–	–	39,561	39,561
Contingent consideration	–	–	14,443	14,443
30 June 2021				
Assets				
Derivative financial instruments	–	314	–	314
Financial assets, at FVOCI	40,936	146,467	–	187,403
Liabilities				
Derivative financial instruments	–	1,150	–	1,150
Financial liability	–	–	41,390	41,390
Contingent consideration	–	–	19,358	19,358

No transfers were made between Level 1, 2 and 3 during the financial period for the Group during the half year ended 31 December 2021.

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 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 uses 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 derivatives financial instruments and unquoted equity securities.

17 Fair value measurements - Group (continued)

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
Forward liability to acquire non-controlling interests	39,561 (30 June 2021: 41,390)	Multiples of forecast on Earnings before interest, tax and amortisation ("EBITA")	Forecast of EBITA	Not applicable
Contingent consideration	14,443 (30 June 2021: 19,358)	Estimated revenue	Estimated revenue	Not applicable
Financial asset, at FVPL	282,108 (30 June 2021: Not applicable)	Net asset value	Net asset value	Not applicable

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

The following table presents the reconciliation of financial instruments measured at fair value based on significant unobservable inputs (Level 3).

Group	Derivative financial instruments \$'000	Financial liability \$'000	Contingent consideration \$'000	Financial asset, at FVPL \$'000
At 1 July 2020	3,047	40,548	–	–
Additions	–	–	10,144	–
Disposals	(3,047)	–	–	–
Additional provision for contingent consideration	–	–	9,564	–
Effects of changes in foreign exchange rates	–	842	(350)	–
As at 30 June 2021	–	41,390	19,358	–
At 1 July 2021	–	41,390	19,358	–
Additions	–	–	–	285,683
Adjustments for contingent consideration	–	–	(4,987)	–
Effects of changes in foreign exchange rates	–	(1,829)	72	(3,575)
At 31 December 2021	–	39,561	14,443	282,108

The fair values of current financial assets and liabilities carried at amortised cost approximate their carrying amounts.

18 Subsequent event

In July 2021, SGX Group entered into a Share and Asset Purchase Agreement to acquire MaxxTrader business from FlexTrade Systems Inc (“FlexTrade”). On 8 January 2022, SGX Group completed the acquisition of MaxxTrader, from FlexTrade for a cash consideration of approximately US\$125 million, subject to certain adjustments. This acquisition would 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 initial accounting for the business combination is not available at the date that these financial results have been authorised.

DIRECTORS' STATEMENT

For the financial period ended 31 December 2021

In the opinion of the directors, the accompanying condensed statement of financial position of the Company as at 31 December 2021 and changes in equity of the Company for the six-month period then ended, the consolidated condensed statement of financial position of the Group as at 31 December 2021, the consolidated condensed income statement and comprehensive income statement, changes in equity and cash flows of the Group for the six-month period then ended and other explanatory notes, are prepared, in all material respects, in accordance with Singapore Financial Reporting Standards (International) 1-34, Interim Financial Reporting.

On behalf of the Board of Directors

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

Kwa Chong Seng
Director

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

Loh Boon Chye
Director

4 February 2022



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Independent auditors' report on review of Interim Financial Statements

The Board of Directors
Singapore Exchange Limited

Introduction

We have reviewed the accompanying condensed interim consolidated financial statements of Singapore Exchange Limited (the Company) and its subsidiaries (the Group), which comprises:

- the condensed consolidated statement of financial position of the Group and the condensed statement of financial position of the Company as at 31 December 2021;
- the condensed consolidated statement of comprehensive income of the Group for the six-month period ended 31 December 2021;
- the condensed consolidated statement of changes in equity of the Group for the six-month period ended 31 December 2021;
- the condensed consolidated statement of cash flows of the Group for the six-month period ended 31 December 2021;
- the condensed statement of changes in equity of the Company for the six-month period ended 31 December 2021; and
- notes to the interim financial statements

(the Interim Financial Statements).

Management is responsible for the preparation and presentation of this Interim Financial Statements in accordance with Singapore Financial Reporting Standard (International) (SFRS(I)) 1-34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this Interim Financial Statements based on our review.

Scope of review

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



Conclusion

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

Restriction on use

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

A handwritten signature in blue ink, appearing to read 'K. P. L. L.' or similar, written in a cursive style.

KPMG LLP
*Public Accountants and
Chartered Accountants*

Singapore
4 February 2022