



**Financial Results
For the First Quarter ended
30 September 2019**

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

SINGAPORE EXCHANGE

Financial Results for the First Quarter Ended 30 September 2019

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The financial results set out in Sections 2 to 7, 9 to 13, 15 to 16 and 18 to 19 of this announcement and auditor's report have been extracted from the interim financial report that has been prepared in accordance with Singapore Financial Reporting Standards (International) 1-34 Interim Financial Reporting.

1. Performance Summary

Financial Overview

- Revenue: \$248 million, up 19% from a year earlier
- EBITDA: \$156 million, up 29%
- Net profit: \$114 million, up 25%
- Earnings per share: 10.7 cents, up 26%
- Interim dividend per share: 7.5 cents

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

SGX recorded EBITDA of \$156.4 million (\$121.6 million) and a net profit of \$114.2 million (\$91.1 million) in 1Q FY2020. Earnings per share was 10.7 cents (8.5 cents). The Board of Directors has declared a dividend of 7.5 cents (7.5 cents) per share, payable on 11 November 2019.

Revenue increased \$38.7 million or 19% to \$247.6 million (\$208.9 million). Total expenses increased \$10.4 million or 10% to \$112.9 million (\$102.5 million).

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

Cash from operating activities was \$116.8 million (\$98.2 million).

Total equity was \$1,128.4 million (\$946.1 million) as of 30 September 2019.

Business and Expenses Overview

Fixed Income, Currencies and Commodities Business (FICC)

FICC revenue increased \$16.7 million or 57% to \$45.8 million (\$29.1 million), and accounted for 19% (14%) of total revenue.

FICC: Fixed Income

Fixed Income revenue increased \$0.4 million or 16% to \$3.2 million (\$2.8 million).

- Listing revenue: \$2.3 million, up 12% from \$2.1 million
- Corporate actions and other revenue: \$0.9 million, up 29% from \$0.7 million

There were 270 bond listings raising \$124.8 billion, compared to 247 listings raising \$91.8 billion a year earlier.

FICC: Currencies and Commodities - Derivatives

Currencies and Commodities - Derivatives revenue increased \$16.2 million or 62% to \$42.6 million (\$26.4 million), accounting for 17% (13%) of total revenue.

- Trading and clearing revenue: \$28.1 million, up 57% from \$17.9 million
- Treasury and other revenue: \$14.5 million, up 71% from \$8.5 million

Trading and clearing revenue grew as commodities futures volumes increased 78% to 6.6 million contracts (3.7 million contracts). This was driven primarily by increased volumes in our iron ore derivatives contracts. Currency futures volume also increased 40% to 7.0 million contracts (5.0 million contracts), mainly from higher volumes in our CNH/USD and USD/INR contracts.

Treasury and other revenue increased mainly from higher treasury income. Treasury income increased due to higher returns from the management of margin balances, which grew from increases in margin requirements and open interest. This demonstrated customers' increased use of our currency and commodity derivatives contracts for portfolio risk management.

Table 1: Currencies and Commodities Volumes ('000)			
	1Q FY2020	1Q FY2019	Change
Currency futures	6,987	4,989	40%
Iron Ore derivatives	5,853	2,951	98%
Rubber futures	455	467	-3%
Freight derivatives	239	243	-2%
Others	207	199	4%
Total	13,741	8,850	55%

Equities Business

Equities revenue increased \$21.1 million or 14% to \$176.1 million (\$155.0 million), and accounted for 71% (74%) of total revenue.

Equities - Cash

Equities - Cash revenue increased \$6.4 million or 8% to 90.0 million (\$83.7 million), accounting for 36% (40%) of total revenue.

- Listing revenue: \$9.0 million, comparable
- Corporate actions and other revenue: \$8.8 million, up 14% from \$7.7 million

We recorded 2 new equity listings which raised \$0.8 billion, compared to 6 new equity listings raising \$0.2 billion a year earlier. Secondary equity funds raised were \$3.4 billion (\$1.1 billion).

- Trading and clearing revenue: \$45.0 million, up 1% from \$44.6 million

Daily average traded value (DAV) decreased 1% to \$1.06 billion (\$1.07 billion). Total traded value was comparable at \$67.8 billion (\$67.5 billion). This was made up of Cash Equities¹, where traded value increased by 6% to \$65.0 billion (\$61.1 billion), and Other Products², where traded value decreased 57% to \$2.8 billion (\$6.4 billion). There were 64 (63) trading days in the quarter.

Average clearing fees for Cash Equities declined to 2.68 basis points (2.88 basis points) due to higher participation from market makers and liquidity providers. Average clearing fee for Other Products increased to 0.65 basis points (0.56 basis points). Overall turnover velocity was 34% (36%).

- Securities settlement and depository management revenue: \$25.0 million, up 25% from \$20.0 million
- Treasury and other revenue: \$2.2 million, comparable

Securities settlement and depository management revenue increased mainly due to a change in the mix of settlement activities.

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

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

Table 2: Key Metrics for Cash Equities Market			
	1Q FY2020	1Q FY2019	Change
Total traded value (\$ billion)	68	68	0%
Period-end total market capitalisation (\$ billion)	914	975	-6%
· <i>Primary-listed</i>	633	645	-2%
· <i>Secondary-listed</i>	281	330	-15%
Turnover velocity (primary-listed)	34%	36%	-6%
Total traded volume (in billion)	72	102	-30%

Equities - Derivatives

Equities - Derivatives revenue increased \$14.7 million or 21% to \$86.1 million (\$71.4 million), accounting for 35% (34%) of total revenue.

- Trading and clearing revenue: \$51.1 million, up 9% from \$47.0 million
- Treasury, licence and other revenue: \$35.0 million, up 44% from \$24.4 million

Clearing revenue grew as equity derivatives volume increased 6% to 48.1 million contracts (45.4 million contracts). This was mainly due to increased volumes in our Nifty 50, Nikkei 225, and MSCI Singapore index futures contracts.

Treasury, licence and other revenue increased mainly due to higher treasury income. Treasury income increased due to higher returns from the management of margin balances, which grew from increases in margin requirements and open interest. This demonstrated customers' increased use of our equity derivatives contracts for portfolio risk management.

Table 3: Equity Derivatives Volumes ('000)			
	1Q FY2020	1Q FY2019	Change
SGX FTSE China A50 Index futures	22,663	23,529	-4%
Nifty derivatives	5,966	5,079	17%
Japan Nikkei 225 Index futures	5,913	5,150	15%
MSCI Taiwan Index futures	5,521	4,955	11%
MSCI Singapore Index futures	2,817	2,302	22%
MSCI Indonesia Index futures	37	76	-51%
Japan Nikkei 225 Index options	3,111	2,448	27%
MSCI Net Total Return derivatives	1,614	1,586	2%
Single Stock Futures	456	39	NM
Others	46	205	-78%
Total	48,144	45,369	6%

Average Fees

Average fee per contract for Equity, Currency and Commodity derivatives was higher at \$1.15 (\$1.05) mainly due to a change in mix of products traded and more higher-fee paying customers.

Data, Connectivity and Indices Business

Data, Connectivity and Indices revenue increased \$1.0 million or 4% to \$25.7 million (\$24.7 million), accounting for 10% (12%) of total revenue.

- Market data and indices revenue: \$10.4 million, comparable
- Connectivity revenue: \$15.3 million, up 6% from \$14.4 million

Connectivity revenue increased 6% from higher derivatives connectivity subscriptions and continued growth of our colocation services business.

Expenses Overview

Total expenses increased \$10.4 million or 10% to \$112.9 million (\$102.5 million). It comprises operating expenses, and depreciation and amortisation.

Operating expenses increased \$3.9 million or 4% to \$91.1 million (\$87.2 million) mainly due to higher staff costs and an increase in royalties.

- Total staff costs increased \$6.3 million or 15% to \$49.3 million (\$43.1 million). Fixed staff costs increased 5% to \$33.4 million (\$31.9 million) mainly due to an increase in headcount and annual staff salary increments. Variable staff costs increased 42% to \$16.0 million (\$11.2 million) mainly due to higher profitability and a one-off item. Our average headcount for the quarter was 833 (815).
- Technology expenses decreased \$2.9 million or 15% to \$16.1 million (\$19.0 million) primarily from lower costs recorded under system maintenance and rental. The lower system maintenance and rental costs was mainly due to the adoption of new accounting standard SFRS(I) 16 Leases³, which took effect on 1 July 2019. There was also a decline in costs from lower negotiated vendor charges.
- Processing and royalties increased \$2.9 million or 27% to \$13.5 million (\$10.6 million). Royalties increased in line with higher commodities and equity derivatives volumes.
- Premises expenses decreased \$2.6 million or 52% to \$2.4 million (\$5.0 million) mainly due to the adoption of new accounting standard SFRS(I) 16 Leases³.

Depreciation and amortisation increased \$6.5 million or 42% to \$21.7 million (\$15.3 million) primarily from the adoption of new accounting standard SFRS(I) 16 Leases³. There was also higher depreciation from the implementation of new systems.

Tax expense for the quarter was \$24.6 million (\$18.9 million). The effective tax rate was 18% (17%).

Technology-related capital expenditure was \$5.1 million (\$10.2 million). These investments were mainly for the enhancements of our fixed income trading platform and Titan OTC commodities trade reporting system.

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

Regulatory Overview

During the quarter, we consulted on possible enhancements to our securities trading auction mechanism. We have since decided to introduce price collars for the opening, midday and closing auctions to address the risk of extreme price dislocations. We will further consult the market on details of the implementation of the price collars.

Our new voluntary delisting rules which require exit offers to be fair and reasonable were introduced effective 11 July 2019. The new rules also prevent the offeror and concert parties from voting on the delisting.

We kept up our targeted approach to market regulation by issuing Notices of Compliance to two listed companies and a Trade with Caution announcement in relation to possible misconduct in the trading of a stock.

Commitment to Clearing Funds

SGX's commitment to the CDP and SGX-DC clearing funds was \$60 million and \$150 million respectively. The total CDP clearing fund was \$100 million and the total SGX-DC clearing fund was \$530 million as of 30 September 2019.

Outlook

We achieved a strong performance in the first quarter, reporting growth in all business segments and the highest quarterly net profit in more than 10 years.

As seen in past quarters, SGX's multi-asset offering has proven our resilience against market volatility and economic cycles. We offer our customers investment and hedging opportunities covering all major Asia-centric asset classes and risk profiles.

Our Fixed Income, Currencies and Commodities (FICC) business reported record trading volumes in currency and commodity futures. Through our international presence, we achieved higher participation from global financial institutions, and saw customers trading a wider range of products across asset classes.

Our Equity Derivatives business grew as international investors continued to manage their portfolio risks via SGX. Participation in our overnight (T+1) session rose by more than 50% as global institutions increasingly recognise us as the premier Asian risk management venue.

Our Cash Equities business saw comparable activity amid mixed performances in regional markets, as investors remained cautious due to ongoing global trade and political uncertainties.

Looking forward, we expect prolonged periods of low interest rates as central banks ease monetary policy in response to a slowing global economy. SGX remains well positioned to offer investors solutions to invest and to manage their Asian portfolio risks.

In the coming months, we will continue to tap on our international network and partnerships to grow our customer base, widen our geographical reach by exploring new markets, and seek new investment opportunities to enhance our current capabilities.

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

2. Income Statement - Group

	1Q		Change %
	FY2020 S\$'000	FY2019 S\$'000	
Operating revenue			
Fixed Income, Currencies and Commodities	45,765	29,111	57.2
Equities	176,135	155,032	13.6
Data, Connectivity and Indices	25,691	24,714	4.0
Operating revenue	247,591	208,857	18.5
Operating expenses			
Staff	49,327	43,072	14.5
Technology	16,083	18,959	(15.2)
Processing and royalties	13,473	10,573	27.4
Premises	2,417	5,036	(52.0)
Professional fees	3,031	3,092	(2.0)
Others	6,813	6,490	5.0
Operating expenses	91,144	87,222	4.5
Earnings before interest, tax, depreciation and amortisation	156,447	121,635	28.6
Depreciation and amortisation	21,738	15,276	42.3
Operating profit	134,709	106,359	26.7
Other gains/(losses)			
- Other revenue including interest income	4,793	3,583	33.8
- Finance charges	(644)	-	NM
- Net foreign exchange gain/(loss)	432	(61)	NM
Other gains/(losses)	4,581	3,522	30.1
Profit before tax and share of results of associated companies and joint venture	139,290	109,881	26.8
Share of results of associated companies and joint venture	(464)	41	NM
Profit before tax	138,826	109,922	26.3
Tax	(24,610)	(18,851)	30.6
Net profit after tax	114,216	91,071	25.4
Attributable to:			
Equity holders of the Company	114,216	91,071	25.4

3. Statement of Comprehensive Income - Group

	1Q		Change %
	FY2020 S\$'000	FY2019 S\$'000	
Net profit after tax	114,216	91,071	25.4
Other comprehensive income/(expense):			
a) Items that may be reclassified subsequently to profit or loss:			
<i>Foreign exchange translation</i>			
- Exchange differences arising during the period	(691)	(612)	12.9
<i>Cash flow hedges</i>			
- Fair value losses arising during the period	(1,317)	(165)	NM
- Transferred to profit or loss	(88)	576	NM
<i>Financial assets, at FVOCI</i>			
Fair value gains/(losses) arising during the period	48	(202)	NM
b) Items that will not be reclassified subsequently to profit or loss:			
<i>Financial assets, at FVOCI</i>			
Fair value gains arising during the period	1,017	52	NM
Other comprehensive expense for the period, net of tax	(1,031)	(351)	NM
Total comprehensive income for the period	113,185	90,720	24.8
Total comprehensive income attributable to:			
Equity holders of the Company	113,185	90,720	24.8

NM: Not meaningful

4. Detailed Notes on Revenue - Group

	1Q		Change %
	FY2020 S\$'000	FY2019 S\$'000	
Operating revenue			
Fixed Income, Currencies and Commodities			
- Fixed Income			
- Listing	2,335	2,088	11.8
- Corporate actions and other	853	662	28.9
	3,188	2,750	15.9
- Currencies and Commodities - Derivatives			
- Trading and clearing	28,122	17,907	57.0
- Treasury and other	14,455	8,454	71.0
	42,577	26,361	61.5
	45,765	29,111	57.2
Equities			
- Equities - Cash			
- Listing	9,048	9,036	0.1
- Corporate actions and other	8,813	7,716	14.2
- Trading and clearing	44,958	44,630	0.7
- Securities settlement and depository management	24,955	20,012	24.7
- Treasury and other	2,249	2,256	(0.3)
	90,023	83,650	7.6
- Equities - Derivatives			
- Trading and clearing	51,083	46,997	8.7
- Treasury, licence and other	35,029	24,385	43.6
	86,112	71,382	20.6
	176,135	155,032	13.6
Data, Connectivity and Indices			
- Market data and Indices	10,411	10,276	1.3
- Connectivity	15,280	14,438	5.8
	25,691	24,714	4.0
Operating revenue	247,591	208,857	18.5

5. Detailed Notes on Expenses - Group

	1Q		Change %
	FY2020 S\$'000	FY2019 S\$'000	
Operating expenses			
Staff			
- Fixed staff costs	33,377	31,855	4.8
- Variable bonus	11,509	8,689	32.5
- Variable share-based payment	4,441	2,528	75.7
	49,327	43,072	14.5
Technology			
- System maintenance and rental	15,191	18,280	(16.9)
- Communication charges	892	679	31.4
	16,083	18,959	(15.2)
Processing and royalties	13,473	10,573	27.4
Premises	2,417	5,036	(52.0)
Professional fees	3,031	3,092	(2.0)
Others			
- Marketing	1,533	1,306	17.4
- Travelling	556	641	(13.3)
- Allowance for impairment of trade receivables (net)	589	400	47.3
- Net write-off of property, plant and equipment and software	-	10	(100.0)
- Directors' fee	885	891	(0.7)
- Regulatory fee	1,556	1,489	4.5
- Miscellaneous	1,694	1,753	(3.4)
	6,813	6,490	5.0
Operating expenses	91,144	87,222	4.5

6. Earnings Per Share - Group

	1Q	
	FY2020	FY2019
Earnings per ordinary share for the period (cents)		
(a) Based on weighted average number of ordinary shares in issue	10.7	8.5
(b) On a fully diluted basis	10.6	8.5
Weighted average number of ordinary shares in issue for basic earnings per share ('000)	1,070,161	1,070,319
Adjustment for assumed vesting of shares granted under share plans ('000)	3,800	3,353
Weighted average number of ordinary shares for diluted earnings per share ('000)	1,073,961	1,073,672

7. Statement of Financial Position - Group

	As at	
	30 Sep 2019 S\$'000	30 Jun 2019 S\$'000
Assets		
Current assets		
Cash and cash equivalents	786,490	666,670
Trade and other receivables	572,601	885,451
Derivative financial instruments	119	256
Financial assets, at FVOCI	25,863	24,780
	1,385,073	1,577,157
Non-current assets		
Financial assets, at FVOCI	59,839	58,783
Investment property	24,269	24,596
Property, plant and equipment	56,472	60,951
Software	176,335	182,090
Right-of-use assets	100,581	-
Intangible assets	56,801	57,566
Goodwill	84,843	85,299
Investments in associated companies	79,887	78,967
Investment in joint venture	100	100
Derivative financial instruments	5,202	5,851
Other assets	928	928
	645,257	555,131
Total assets	2,030,330	2,132,288
Liabilities		
Current liabilities		
Trade and other payables	564,585	911,506
Dividend payable	80,320	-
Derivative financial instruments	3,055	1,293
Taxation	102,219	77,167
Lease liabilities	18,333	-
Provisions	11,649	11,507
	780,161	1,001,473
Non-current liabilities		
Lease liabilities	82,687	-
Deferred tax liabilities	39,049	39,966
	121,736	39,966
Total liabilities	901,897	1,041,439
Net assets	1,128,433	1,090,849
Equity		
Capital and reserves attributable to the Company's equity holders		
Share capital	429,680	429,113
Treasury shares	(4,967)	(13,233)
Cash flow hedge reserve	(1,533)	(128)
Currency translation reserve	(3,988)	(3,297)
Fair value reserve	9,996	8,931
Securities clearing fund reserve	25,000	25,000
Derivatives clearing fund reserve	34,021	34,021
Share-based payment reserve	14,751	18,865
Retained profits	545,238	511,342
Proposed dividends	80,235	80,235
Total equity	1,128,433	1,090,849

8. Net Asset Value - Group

	As at	
	30 Sep 2019	30 Jun 2019
	S\$	S\$
Net asset value per ordinary share based on total number of issued shares excluding treasury shares as at the end of the reporting period	1.05	1.02

9. Borrowings and Debt Securities - Group

(a) Aggregate amount of the Group's borrowings and debt securities

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

(b) Details of any collaterals

None.

11. Statement of Changes in Equity - Group

	Attributable to equity holders of the Company										
	Share capital	Treasury shares	Cash flow hedge reserve *	Currency translation reserve *	Fair value reserve *	Securities clearing fund reserve *	Derivatives clearing fund reserve *	Share-based payment reserve *	Retained profits	Proposed dividends	Total
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000
(i) Group - 1Q FY2020											
Balance at 1 July 2019	429,113	(13,233)	(128)	(3,297)	8,931	25,000	34,021	18,865	511,342	80,235	1,090,849
Changes in equity for the period											
Dividend payable											
- 1Q FY2020 - Interim dividend	-	-	-	-	-	-	-	-	(80,320)	-	(80,320)
Employees' share plans - Value of employees' services	-	-	-	-	-	-	-	4,441	-	-	4,441
Restricted share plan - Value of directors' services	-	-	-	-	-	-	-	345	-	-	345
Vesting of shares under share-based remuneration plans	567	8,333	-	-	-	-	-	(8,900)	-	-	-
Tax effect on treasury shares ^^	-	(67)	-	-	-	-	-	-	-	-	(67)
	567	8,266	-	-	-	-	-	(4,114)	(80,320)	-	(75,601)
Total comprehensive income for the period	-	-	(1,405)	(691)	1,065	-	-	-	114,216	-	113,185
Balance at 30 September 2019	429,680	(4,967)	(1,533)	(3,988)	9,996	25,000	34,021	14,751	545,238	80,235	1,128,433
(ii) Group - 1Q FY2019											
Balance at 1 July 2018	429,236	(11,363)	(1,405)	2,864	111	25,000	34,021	15,875	441,377	160,516	1,096,232
Changes in equity for the period											
Proposed dividends reclassified to dividend payable											
- FY2018 - Final base and variable dividends	-	-	-	-	-	-	-	-	-	(160,516)	(160,516)
Dividend payable											
- 1Q FY2019 - Interim dividend	-	-	-	-	-	-	-	-	(80,300)	-	(80,300)
Employees' share plans - Value of employees' services	-	-	-	-	-	-	-	2,528	-	-	2,528
Restricted share plan - Value of directors' services	-	-	-	-	-	-	-	326	-	-	326
Vesting of shares under share-based remuneration plans	(109)	7,278	-	-	-	-	-	(7,169)	-	-	-
Purchase of treasury shares	-	(3,043)	-	-	-	-	-	-	-	-	(3,043)
Tax effect on treasury shares ^^	-	180	-	-	-	-	-	-	-	-	180
	(109)	4,415	-	-	-	-	-	(4,315)	(80,300)	(160,516)	(240,825)
Total comprehensive income for the period	-	-	411	(612)	(150)	-	-	-	91,071	-	90,720
Balance at 30 September 2018	429,127	(6,948)	(994)	2,252	(39)	25,000	34,021	11,560	452,148	-	946,127

* 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 to employees.

12. Segment Information - Group

(i) Group - 1Q FY2020 and 1Q FY2019

1Q FY2020					1Q FY2019					
Fixed Income, Currencies and Commodities S\$'000	Equities S\$'000	Data, Connectivity and Indices S\$'000	Corporate * S\$'000	Group S\$'000		Fixed Income, Currencies and Commodities S\$'000	Equities S\$'000	Data, Connectivity and Indices S\$'000	Corporate * S\$'000	Group S\$'000
45,765	176,135	25,691	-	247,591	Operating revenue	29,111	155,032	24,714	-	208,857
20,581	119,136	16,730	-	156,447	Earnings before interest, tax, depreciation and amortisation	8,000	98,795	14,840	-	121,635
5,719	13,326	2,693	-	21,738	Depreciation and amortisation	4,890	9,144	1,242	-	15,276
14,862	105,810	14,037	-	134,709	Operating profit	3,110	89,651	13,598	-	106,359
-	-	-	4,581	4,581	Other gains	-	-	-	3,522	3,522
-	-	-	(464)	(464)	Share of results of associated companies and joint venture	-	-	-	41	41
-	-	-	(24,610)	(24,610)	Tax	-	-	-	(18,851)	(18,851)
				114,216	Net profit after tax					91,071

* The corporate segment is a non-operating segment.

13. Statement of Financial Position - Company

	As at	
	30 Sep 2019 S\$'000	30 Jun 2019 S\$'000
Assets		
Current assets		
Cash and cash equivalents	369,994	257,422
Trade and other receivables	23,727	19,579
Derivative financial instruments	2	198
Financial assets, at FVOCI	25,863	24,780
	419,586	301,979
Non-current assets		
Property, plant and equipment	31,781	35,318
Software	36,462	36,539
Right-of-use assets	100,119	-
Investments in subsidiaries	867,730	867,730
Investment in associated company	4,389	4,389
Other receivables	4,516	4,545
Other assets	333	333
	1,045,330	948,854
Total assets	1,464,916	1,250,833
Liabilities		
Current liabilities		
Trade and other payables	247,772	280,019
Dividend payable	80,320	-
Taxation	5,148	4,148
Lease liabilities	18,006	-
Provisions	7,487	7,355
	358,733	291,522
Non-current liabilities		
Lease liabilities	82,550	-
Deferred tax liabilities	7,573	6,753
	90,123	6,753
Total liabilities	448,856	298,275
Net assets	1,016,060	952,558
Equity		
Capital and reserves attributable to the Company's equity holders		
Share capital	429,680	429,113
Treasury shares	(4,967)	(13,233)
Cash flow hedge reserve	2	154
Fair value reserve	270	261
Share-based payment reserve	14,751	18,865
Retained profits	496,089	437,163
Proposed dividends	80,235	80,235
Total equity	1,016,060	952,558

14. Net Asset Value - Company

	As at	
	30 Sep 2019 S\$	30 Jun 2019 S\$
Net asset value per ordinary share based on total number of issued shares excluding treasury shares as at the end of the reporting period	0.95	0.89

15. Statement of Changes in Equity - Company

Attributable to equity holders of the Company

	Share capital	Treasury shares	Cash flow hedge reserve *	Fair value reserve *	Share-based payment reserve *	Retained profits	Proposed dividends	Total
	S\$'000	S\$'000	S\$'000	\$'000	S\$'000	S\$'000	\$'000	S\$'000
(i) Company - 1Q FY2020								
Balance at 1 July 2019	429,113	(13,233)	154	261	18,865	437,163	80,235	952,558
Changes in equity for the period								
Dividend payable								
- 1Q FY2020 - Interim dividend	-	-	-	-	-	(80,320)	-	(80,320)
Employees' share plans - Value of employees' services	-	-	-	-	4,441	-	-	4,441
Restricted share plan - Value of directors' services	-	-	-	-	345	-	-	345
Vesting of shares under share-based remuneration plans	567	8,333	-	-	(8,900)	-	-	-
Tax effect on treasury shares ^^	-	(67)	-	-	-	-	-	(67)
	567	8,266	-	-	(4,114)	(80,320)	-	(75,601)
Total comprehensive income for the period	-	-	(152)	9	-	139,246	-	139,103
Balance at 30 September 2019	429,680	(4,967)	2	270	14,751	496,089	80,235	1,016,060
(ii) Company - 1Q FY2019								
Balance at 1 July 2018	429,236	(11,363)	(32)	111	15,875	376,534	160,516	970,877
Changes in equity for the period								
Proposed dividends reclassified to dividend payable								
- FY2018 - Final base and variable dividends	-	-	-	-	-	-	(160,516)	(160,516)
Dividend payable								
- 1Q FY2019 - Interim dividend	-	-	-	-	-	(80,300)	-	(80,300)
Employees' share plans - Value of employees' services	-	-	-	-	2,528	-	-	2,528
Restricted share plan - Value of directors' services	-	-	-	-	326	-	-	326
Vesting of shares under share-based remuneration plans	(109)	7,278	-	-	(7,169)	-	-	-
Purchase of treasury shares	-	(3,043)	-	-	-	-	-	(3,043)
Tax effect on treasury shares ^^	-	180	-	-	-	-	-	180
	(109)	4,415	-	-	(4,315)	(80,300)	(160,516)	(240,825)
Total comprehensive income for the period	-	-	29	(150)	-	103,672	-	103,551
Balance at 30 September 2018	429,127	(6,948)	(3)	(39)	11,560	399,906	-	833,603

* 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 to employees.

16. Bank Facilities, Contingent Liabilities and Commitments - Group

Bank Facilities

- As at 30 September 2019, the Group had \$445 million (30 June 2019: \$554 million) of bank credit facilities comprising committed unsecured credit lines for prudent risk management and to maintain adequate liquid resources.

Contingent Liabilities and Other Commitments

- As at 30 September 2019, the Group had contingent liabilities to banks for US\$240 million (30 June 2019: US\$240 million) of unsecured standby letters of credit issued to Chicago Mercantile Exchange as margin and performance bond for futures trading.
- The Group has committed cash of \$235 million (30 June 2019: \$221 million) for the following:
 - (i) Singapore Exchange Derivatives Clearing Limited - Derivatives Clearing Fund \$150 million (30 June 2019: \$150 million);
 - (ii) The Central Depository (Pte) Limited - Securities Clearing Fund \$60 million (30 June 2019: \$60 million); and
 - (iii) National Electricity Market of Singapore \$25 million (30 June 2019: \$11 million)

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

17. Dividend - Company

Interim Dividend

	1Q FY2020	1Q FY2019
Name of Dividend	Interim - tax-exempt	Interim - tax-exempt
Dividend Type	Cash	Cash
Dividend Rate	7.5 cents per ordinary share	7.5 cents per ordinary share
Books Closure Date	4 November 2019, 5pm	29 October 2018, 5pm
Date Payable/Paid	11 November 2019	5 November 2018

18. Share Capital - Company

The total number of issued ordinary shares as at 30 September 2019 was 1,071,642,400 (30 September 2018: 1,071,642,400), of which 703,052 (30 September 2018: 973,386) were held by the Company as treasury shares.

During the three months ended 30 September 2019, the Company did not purchase any of its ordinary shares (1Q FY2019: Purchased 417,000 by way of on-market purchases at share prices ranging from \$7.26 to \$7.31). The total amount paid to purchase the shares in 1Q FY2019 was \$3.0 million. During the three months ended 30 September 2019, 1,136,234 shares under the Company's share-based remuneration plans have vested (1Q FY2019: 979,383).

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

	1Q	
	FY2020	FY2019
Balance at beginning of period	1,839,286	1,535,769
Purchase of treasury shares	-	417,000
Shares transferred to employees pursuant to share-based remuneration plans	(1,136,234)	(979,383)
Balance at end of period	703,052	973,386

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

19. Accounting Policies - Group

(a) New accounting policies applicable to SGX

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

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

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

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

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

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

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

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

The tables below illustrate the restatements for 1Q FY2019.

Operating revenue - Group

New classification	As restated 1Q FY2019 S\$'000	Previous classification	As previously disclosed 1Q FY2019 S\$'000
Fixed Income, Currencies and Commodities		Equities and Fixed Income	
- Fixed Income		- Issuer Services	
- Listing	2,088	- Listing	11,124
- Corporate actions and other	662	- Corporate actions and other	8,340
	2,750		19,464
- Currencies and Commodities - Derivatives		- Securities Trading and Clearing	
- Trading and clearing	17,907	- Securities clearing	36,056
- Treasury and other	8,454	- Access	8,604
	26,361	- Collateral management, membership and other	2,256
	29,111		46,916
Equities		- Post Trade Services	
- Equities - Cash		- Securities settlement	17,821
- Listing	9,036	- Depository management	2,199
- Corporate actions and other	7,716		20,020
- Trading and clearing	44,630		
- Securities settlement and depository management	20,012		
- Treasury and other	2,256		
	83,650		86,400
- Equities - Derivatives		Derivatives	
- Trading and clearing	46,997	- Equity and Commodities	64,904
- Treasury, licence and other	24,385	- Collateral management, licence, membership and other	32,839
	71,382		97,743
	155,032		
Data, Connectivity and Indices		Market Data and Connectivity	
- Market data and Indices	10,276	- Market data	10,276
- Connectivity	14,438	- Connectivity	14,438
	24,714		24,714
Operating revenue	208,857	Operating revenue	208,857

19. Accounting Policies - Group (continued)

Operating expenses - Group

	As restated		As previously disclosed
New classification	1Q FY2019	Previous classification	1Q FY2019
	S\$'000		S\$'000
Staff		Staff	
- Fixed staff costs	31,855	- Fixed staff costs	31,875
- Variable bonus	8,689	- Variable bonus	8,689
- Variable share-based payment	2,528	- Variable share-based payment	2,528
	43,072		43,092
Technology		Technology	
- System maintenance and rental	18,280	- System maintenance and rental	18,280
- Communication charges	679	- Depreciation and amortisation	12,443
	18,959	- Communication charges	679
			31,402
Processing and royalties	10,573	Processing and royalties	10,573
Premises	5,036	Premises	
Professional fees	3,092	- Rental and maintenance of premises	5,036
Others		- Depreciation of furniture and fittings, building and leasehold improvements	2,256
- Marketing	1,306		7,292
- Travelling	641	Professional fees	3,092
- Allowance for impairment of trade receivables (net)	400	Others	
- Net write-off of property, plant and equipment and software	10	- Marketing	1,306
- Directors' fee	891	- Travelling	641
- Regulatory fee	1,489	- Allowance for impairment of trade receivables (net)	400
- Miscellaneous	1,753	- Net write-off of property, plant and equipment and software	10
	6,490	- Directors' fee	891
Operating expenses	87,222	- Regulatory fee	1,489
Depreciation and amortisation	15,276	- Amortisation of intangible assets	557
		- Miscellaneous	1,753
			7,047
Total operating expenses including depreciation and amortisation	102,498	Operating expenses	102,498

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

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

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

19. Accounting Policies - Group (continued)

Segment Information - Group

1Q FY2019 As restated					1Q FY2019 As previously disclosed					
Fixed Income, Currencies and Commodities S\$'000	Equities S\$'000	Data, Connectivity and Indices S\$'000	Corporate * S\$'000	Group S\$'000		Equities and Fixed Income S\$'000	Derivatives S\$'000	Market Data and Connectivity S\$'000	Corporate * S\$'000	Group S\$'000
29,111	155,032	24,714	-	208,857	Operating revenue	86,400	97,743	24,714	-	208,857
8,000	98,795	14,840	-	121,635	Earnings before interest, tax, depreciation and amortisation	-	-	-	-	-
4,890	9,144	1,242	-	15,276	Depreciation and amortisation	-	-	-	-	-
3,110	89,651	13,598	-	106,359	Operating profit	42,416	50,335	13,608	-	106,359
-	-	-	3,522	3,522	Other gains	-	-	-	3,522	3,522
-	-	-	41	41	Share of results of associated companies and joint venture	-	-	-	41	41
-	-	-	(18,851)	(18,851)	Tax	-	-	-	(18,851)	(18,851)
				91,071	Net profit after tax					91,071
-	-	-	-	-	Segment assets #	560,776	480,214	30,930	950,530	2,022,450
					Segment assets include:					
-	-	-	-	-	Investments in associated companies	-	-	-	50,894	50,894
					Additions to:					
-	-	-	-	-	- Property, plant and equipment and software	8,288	2,073	1,281	-	11,642
-	-	-	-	-	- Investments in associated companies	-	-	-	42,260	42,260
-	-	-	-	-	Segment liabilities #	453,236	235,834	4,649	382,604	1,076,323
					Other information					
-	-	-	-	-	Depreciation and amortisation	6,738	7,293	1,245	-	15,276

* The corporate segment is a non-operating segment

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

20. **Other Appendix 7.2 Listing Manual Requirements**

Interested Person Transactions - Group

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

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

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

Seah Kim Ming Glenn
Ding Hui Yun
Company Secretaries
24 October 2019

21. Listing Manual Compliance Checklist

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

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

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

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the first quarter ended 30 September 2019 to be false or misleading.

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 black ink, appearing to be "Loh Boon Chye".

Loh Boon Chye
Director

24 October 2019



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Report on review of Interim Financial Information

Board of Directors
Singapore Exchange Limited

Introduction

We have reviewed the accompanying condensed consolidated statement of financial position of Singapore Exchange Limited (the Company) and its subsidiaries (the Group) and the condensed statement of financial position of the Company as at 30 September 2019 and the related condensed consolidated income statement, statements of comprehensive income, changes in equity and cash flows of the Group and the condensed statement of changes in equity of the Company for the three-month period ended 30 September 2019 and certain explanatory notes (the Interim Financial Information). Management is responsible for the preparation and presentation of this Interim Financial Information in accordance with Singapore Financial Reporting Standard (International) (“SFRS(I)”) 1-34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this Interim Financial Information based on our review.

Scope of review

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

Conclusion

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



Other matter

The financial statements for the year ended 30 June 2019 were audited by another auditor whose report dated 31 July 2019 expressed an unmodified opinion on those statements. The interim financial information for the three-month period ended 30 September 2018 was reviewed by another auditor who expressed an unmodified report on that interim financial information on 19 October 2018.

Restriction on use

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

K. Sub LLP

KPMG LLP
*Public Accountants and
Chartered Accountants*

Singapore
24 October 2019