



ANNUAL REPORT
2014 | JULY 2013-
JUNE 2014

Singapore Exchange

Board of Directors

Chairman

Chew Choon Seng

Lead Independent Director

Kwa Chong Seng

Members

Magnus Böcker
Thaddeus Beczak
Chew Gek Khim
Jane Diplock AO
Kevin Kwok
Lee Hsien Yang
Liew Mun Leong
Ng Kee Choe
Ng Kok Song
Quah Wee Ghee
Davinder Singh

Company Secretary

Ding Hui Yun

Share Registrar

Boardroom Corporate & Advisory
Services Pte. Ltd.
50 Raffles Place
#32-01 Singapore Land Tower
Singapore 048623

Auditor

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

Partner-in-Charge

Yeoh Oon Jin³

Board Committees

Audit Committee

Chairman

Kevin Kwok

Members

Jane Diplock AO
Lee Hsien Yang
Liew Mun Leong

Nominating Committee

Chairman

Kwa Chong Seng

Members

Liew Mun Leong
Ng Kee Choe
Ng Kok Song
Davinder Singh

Regulatory Conflicts Committee

Chairman

Jane Diplock AO

Members

Thaddeus Beczak
Chew Choon Seng
Kevin Kwok

Remuneration Committee

Chairman

Kwa Chong Seng

Members

Chew Choon Seng
Liew Mun Leong
Ng Kok Song

Risk Management Committee

Chairman

Quah Wee Ghee

Members

Thaddeus Beczak
Chew Gek Khim
Ng Kee Choe
Davinder Singh

Registered Office

Singapore Exchange Limited
2 Shenton Way
#02-02 SGX Centre 1
Singapore 068804
tel : +65 6236 8888
fax : +65 6535 6994
sgx.com

Place of Incorporation

Singapore

Company Registration No.

199904940D

Date of Incorporation

21 August 1999

Investor Relations

ir@sgx.com

Sustainability

sustainability@sgx.com

Contents



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Creating Value

Singapore Exchange (SGX) facilitates capital formation and supports economic growth. Our Securities market brings together companies which want to grow and investors who want to be a part of these growth opportunities. Investors come to our Derivatives market for tools to help them manage exposures and hedge risks in equity, commodities and currency markets.

Our markets are important to Singapore's international financial centre positioning. As a publicly-listed company and market regulator, we seek to create value for all our stakeholders including shareholders, customers, employees and the community.

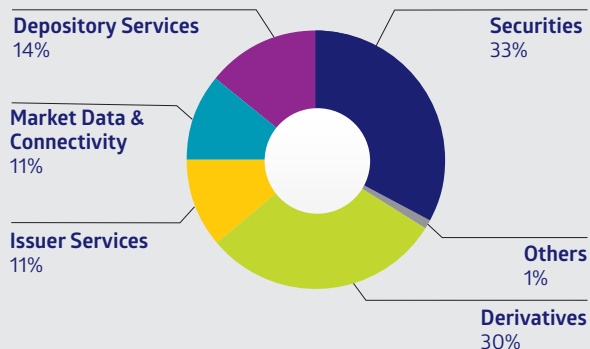
Our Shareholders

SGX is listed on its own Mainboard and has an independent board of directors looking after the interest of shareholders. Since our 2000 IPO, SGX has been profitable and pays one of the most generous dividends among global exchanges.

Financial highlights for FY2014

Revenue	\$687m
Operating profit	\$372m
Net profit	\$320m
Earnings per share	30 cents
Dividends per share	28 cents
Return on equity	35%

Revenue Streams



Dividend policy

We aim to pay quarterly dividends of 4 cents per share (16 cents per year) or at least 80% of profit, whichever is higher.

In FY2014, we paid dividends of 4 cents per share for each of the first three quarters. We are proposing a final dividend of 16 cents per share, bringing the total dividend to 28 cents. This represents a 93% payout of net profit in FY2014.

Shareholder Communications

We convey timely information to our shareholders through our corporate filings and a dedicated Investor Relations webpage on our corporate website, SGX.com. Information shareholders can access includes our quarterly financial statements and webcasts. We encourage our shareholders to participate in our Annual General Meetings and also regularly engage with them through investor conferences, roadshows and meetings.

Our Customers

SGX serves customers all over the world through multiple locations. Headquartered in Singapore, SGX operates a derivatives sales office in Hong Kong, a liaison office in Mumbai and representative offices in Beijing, London and Tokyo.

Our global footprint enables us to regularly communicate with our customers and effectively deliver products and services.



International reach

Our role in the international investment community is reflected in the geographic spread of our customers. Our 766 listed companies have a total market capitalisation exceeding \$1.0 trillion and 40% of them are based outside of Singapore. More than 75% of our member firms are international firms.

Our Community

SGX is recognised as a Singapore institution with an important social role. By carrying out our regulatory responsibilities in Singapore's only securities market, we contribute to the well-being of our community. We also provide educational outreach programmes, participate in charity work and contribute to the country's tax revenues.

Financial literacy

Our own school, SGX Academy, ran investor education programmes for more than 86,000 individuals in the year, triple that of the previous year. We intend to increase our retail investor education efforts by adding more outreach channels and expanding online programmes.

Contributions to the community

SGX's annual Bull Charge charity run draws together the Singapore financial community in support of selected charities catering to the underprivileged. During the tenth anniversary of the Bull Charge in FY2014, we raised a record \$3.2 million.

Our Employees

Our business depends heavily on contributions of our employees such as their ideas, their dedication and their knowledge.



Gender diversity

Our management committee is 44% female and we have a minimal gender pay gap across the organisation.

Training and development

We support our employees' efforts to become more skillful and knowledgeable through programmes and courses, even in areas beyond their current roles within SGX.

Letter to Shareholders

Chew Choon Seng
Chairman
(right)

Magnus Böcker
Chief Executive Officer
(left)



The financial year that ended 30 June 2014 (FY2014) brought mixed fortunes for SGX. Our securities business had a challenging time, whereas our other lines of business grew.

Financial and Other Highlights

Global economic uncertainties, muted investor interest and unusually low volatility led to a 22% decline in the value of securities traded on SGX. Revenue from securities trading decreased 18% to \$227 million, representing 33% of total revenue compared with 38% in the previous year.

In the wake of publicised issues concerning the shares of three designated small companies, trading in small-capitalisation stocks fell significantly in October 2013 and remained subdued for the rest of the year. Since then, SGX has enhanced the public query process with the introduction of “trade with caution” announcements and a requirement for listed companies to notify SGX as soon as their directors become aware of any discussion or negotiation that may lead to specific transactions.

Overall lower trading activity on the Singapore stock market reflects a general downturn in global stock markets. Collectively, trading value declined 52% from 2008 to the end of 2013, according to the World Federation of Exchanges.

Nevertheless, we are pleased to note that retail investors' interest in the market was resilient, with 22% more Central Depository (CDP) accounts opened in the year, bringing the total to 1.6 million accounts. Another measure of retail interest in the market, the number of subscribers to the weekly SGX My Gateway e-newsletter for retail investors, reached 188,200 in June 2014, 19% more than a year earlier.

The listings business was active in FY2014. A total of \$4.8 billion was raised through 34 listings, compared with 30 listings that raised \$8.1 billion in the previous year. Half the listings in FY2014 were Catalyst listings, as we continued to support new entrepreneurs who want to grow their businesses and realise their ambitions. In comparison, only a third of FY2013 listings occurred on Catalyst. Companies listing on Catalyst raised a total of \$386 million in FY2014, exceeding what was raised in the previous three years combined.

SGX remained Asia's leading market for Real Estate Investment Trusts (REITs) and Business Trusts with five new REITs listed in FY2014, bringing the total number of REITs and Business Trusts to 43, the most on an exchange in Asia excluding Japan.

While global economic concerns played a major role in dampening securities trading, our derivatives business enjoyed a 3% increase in volume to 104 million contracts. Revenue from our derivatives business grew 3% to \$209 million, making up 30% of total

“

Economic prospects in Asia are arguably more positive than those in Europe and the US. Consequently, we are confident about the long-term potential of our businesses, including our securities market. We remain focused on executing our long-term strategy for growth and are on track to launch new products and services, with particular focus on derivatives, commodities and renminbi products.

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revenue. Volume of our Asian equity index futures and options increased 2% to 102 million contracts, led by the 45% increase in the trading of China A50 futures to 24 million contracts. Another key highlight was the 40% jump in commodities transactions to 2.8 million contracts with our iron ore futures and cleared swaps, and rubber futures, achieving healthy volumes.

Building for the Future

Central to the long-term growth strategy of SGX are our initiatives to improve product offerings and market structure.

The healthy growth of our derivatives business depends on meeting customers' current and anticipated needs and demands. In FY2014, SGX introduced new products such as Asian equity index futures based on the MSCI India Index, the MSCI Indonesia index and the MSCI Philippines index. To complement our world-leading iron ore swaps, futures and options offerings, we launched in February 2014 hot-rolled coil steel futures and the clearing of hot-rolled coil steel swaps. We also introduced a new asset class – foreign exchange – with the start in November 2013 of six pairs of foreign currency futures. We plan to expand by adding currency futures for the Chinese renminbi, Thai baht and Japanese yen. Significantly, SGX obtained US CFTC authorisation in December 2013 to become Asia's first Derivatives Clearing Organization.

In June 2014, we lowered our securities settlement and clearing fees and launched a programme to draw liquidity providers and market makers to the market. At the close of the year, the securities market had eight liquidity providers and eight market makers.

Capital expenditure on IT in FY2014 amounted to \$43 million, with further investments in post-trade, issuer services and risk management systems. Average headcount for the year was 619, up marginally from the previous year's 590, as we added staff for product development, sales and regulatory functions. With the expiry of our previous lease, we relocated most of our support and regulatory staff to new premises outside the central business district in April 2014. This enabled us to enhance operational resilience, achieve more efficient space utilisation and benefit from lower rental rates.

Growing the Asian Market

More exchanges from the developed markets are growing their presence in Asia and we at SGX welcome this, because we see it as necessary for the development of markets in this region. With more trading venues, investors can deploy their resources faster and more

efficiently to participate in Asian growth opportunities. Enlargement of markets in Asia through competition will also enable more effective and efficient pricing for key commodities, as demand for them increases with the fast growing economies in Asia.

At the same time, we recognise that with more exchanges present in Asia, our clients will have more options to choose from. This makes it essential for SGX to maintain the lead it has in various products and asset classes. Nevertheless, we also see value in partnering and cooperating with like-minded peer exchanges to promote and catalyse growth of markets in Asia for mutual benefit. During the year, we concluded such agreements with the Dalian Commodity Exchange, Deutsche Boerse's Clearstream, Hong Kong Exchanges and Clearing and Shanghai Futures Exchange.

Strengthening our Regulatory Function

As a self-regulatory organisation (SRO), SGX is also the frontline regulator. Understandably, concerns have been raised from time to time about the possibility of conflicts between SGX's commercial interests and its regulatory responsibilities. We recognise that SGX can only be successful if we have the confidence and trust of investors and companies. That is why we have a Regulatory Conflicts Committee comprising only Board directors who are independent from management and business relationships with the exchange. And we will continue to be strict about keeping our regulatory departments separate from the commercial departments, with separate performance criteria, and to pursue the highest regulatory standards possible.

Jointly with the Monetary Authority of Singapore (MAS), we launched public consultations on a range of regulatory initiatives, including a proposal for the formation of a Listings Advisory Committee to consider listing policy issues and listing applications that have features new to the market.

Other proposals in the joint consultation, which closed on 2 May 2014, included a minimum trading price for Mainboard-listed companies, and collateral requirements for individual investors' stock trading. Based on the feedback and representations received, refinements were made to the proposed initiatives. The new measures that will progressively come into effect were announced on 1 August 2014.

In another regulatory development, we entered into a Direct Listing Framework in November 2013 with the China Securities Regulatory Commission (CSRC), which

enables regulatory oversight by both the CSRC and SGX on China-incorporated companies when they apply for a listing on SGX. We also consulted the market in June 2014 about a new secondary listings framework, aimed at clarifying the regulation of entry and ongoing obligations of companies seeking a secondary listing on SGX.

Outlook

The Asian region is entering a period with slightly more positive prospects based on forecasts from the International Monetary Fund's Economic Outlook 2014 for Asia. Published in April 2014, the IMF report predicts Asian economies will grow 5.4% in 2014 from 5.2% in 2013, with India forecast to grow faster than average, while the economies of China and Indonesia are expected to continue growing, albeit more moderately than in the recent past.

Economic prospects in Asia are arguably more positive than those in Europe and the US. Consequently, we are confident about the long-term potential of our businesses, including our securities market. We remain focused on executing our long-term strategy for growth and are on track to launch new products and services, with particular focus on derivatives, commodities and renminbi products.

Dividend

The Board has recommended a final dividend of 16 cents per share. Together with the dividends paid for the first three quarters, this will bring the total dividend for the year to 28 cents per share, unchanged from the previous year. The total dividends recommended for the year ended June 2014 amounted to 93% of net profit versus 89% previously.

Acknowledgements

The Board would like to register our thanks and appreciation to Ms Yeo Lian Sim, who retired as SGX's Chief Regulatory & Risk Officer in December 2013 after serving SGX for nine years. Tireless in her pursuit of regulating a fair, orderly and transparent market, Ms Yeo was instrumental in SGX's risk management and regulation functions gaining worldwide peer recognition for expertise and execution. She also conscientiously trained and guided successors capable of carrying on her good work. We are pleased that Ms Yeo has agreed to continue her association with SGX as a Special Advisor.

Mr Ng Kok Song joined as an independent director following his election by shareholders at the AGM last September. He is a valuable addition to the Board.

In December 2013 we welcomed Ms Chew Gek Khim to the Board as a new independent director. A lawyer by training, Ms Chew is the Chairman of Straits Trading and Deputy Chairman of ARA Asset Management. She also chairs the National Environment Agency Board and is a member of the Securities Industry Council. Highly regarded in business and industry, she adds skills, knowledge and experience that are relevant to SGX. Ms Chew will be standing for election by shareholders at the coming AGM in September.

Mr Ng Kee Choe, of his own volition, will be retiring from the Board at the end of the AGM. Mr Ng was elected to the SGX Board in October 2003. In the course of eleven years as a Director, he was an active member of Board Committees, and was Chairman of the Remuneration Committee (2005-11) and the Nominating Committee (2011-13). SGX has benefitted a lot from Mr Ng's keen interest in SGX's activities, and his insightful counsel and guidance. On behalf of the Board and Management, we thank Mr Ng and wish him the best.

We acknowledge with gratitude and appreciation the support from our clients, trade members, shareholders, business associates and staff, and look forward to earning your continued confidence in us for the future.



Chew Choon Seng
Chairman



Magnus Böcker
Chief Executive Officer

Corporate Milestones

Introduced listing rules for general meetings

Jul 2013

First Renminbi shares traded on SGX

Jul 2013

Launched long-dated order types for securities

Aug 2013

Futures & Options World awarded SGX Clearing House of the Year, Most Innovative New Contract Launch

Sep 2013

Introduced new Mainboard listing rules for mineral oil and gas companies

Sep 2013

International Monetary Fund endorsed SGX's clearing and settlement infrastructure

Nov 2013

Launched Asian foreign exchange futures for six currency pairs: AUD/USD, AUD/JPY, USD/SGD, INR/USD, KRW/USD and KRW/JPY

Nov 2013

Introduced three new Asian Index Futures

Nov 2013

SGX, China Securities Regulatory Commission established direct listing framework

Nov 2013

First Renminbi bond from a Chinese bank listed and cleared on SGX

Nov 2013



First clearing house in Asia to be authorised as a Derivatives Clearing Organization by CFTC¹

Dec 2013

¹ Commodity Futures Trading Commission

Implemented circuit breakers for the securities market

Feb 2014

Enhanced regulatory tools to align with international standards

Feb 2014

SGX Asian Index Futures contracts approved by CFTC

Mar 2014

Launched clearing of Non-Deliverable Interest Rate swaps in Ringgit, Baht

Apr 2014

International Financial Corporation recognised SGX's support in developing Asia's capital markets

Apr 2014

Revised securities market fee structure and introduced market makers and liquidity providers to the securities market

Jun 2014



Executive Management Committee



Sitting (from the left):

Agnes Koh*
 Muthukrishnan Ramaswami
 Magnus Böcker
 Chng Lay Chew
 Tim Utama

Standing (from the left):

Nico Torchetti*
 Tinku Gupta*
 Richard Teng
 Bob Caisley
 Michael Syn*
 Chew Sutat
 Ai June Schult*
 Lawrence Wong Liang Ying
 Jenny Chiam*
 Arulraj Devadoss

* Permanent invitees



Magnus Böcker

Chief Executive Officer
Executive and Non-Independent Director
Age: 52[#]

Mr Böcker joined SGX as Chief Executive Officer on 1 December 2009.

Mr Böcker has nearly three decades of leadership experience in the exchange industry, including being president of NASDAQ OMX, spearheading the creation of OMX (the Nordic Exchanges Company), and subsequently playing a key role in the merger of OMX and Nasdaq in 2008.

During his tenure with OMX, Mr Böcker served in various capacities, including CFO, COO and President of the OMX Technology division, before he became CEO of OMX in 2003. Under his leadership, OMX became the world's largest provider of technology solutions for exchanges and clearing organisations.

Mr Böcker is a member of the Shanghai International Financial Advisory Council. He sits on the council of the Institute of Banking and Finance in Singapore, and is Chairman of its Investment Committee.

He is also on the council of the Singapore Business Federation, and serves on the Advisory Board of the Sim Kee Boon Institute for Financial Economics at Singapore Management University. He is also the Chairman of Singapore's Diversity Action Committee, which champions board diversity.

Muthukrishnan Ramaswami

President
Age: 56[#]

Mr Ramaswami joined SGX as Senior Executive Vice President and Chief Operations Officer on 1 July 2007, and was appointed Co-President in July 2010 and President in May 2012.

In this role, Mr Ramaswami works closely with Mr Böcker and manages SGX's core businesses – Securities, Fixed Income, Derivatives, Commodities, Market Data & Access and Depository Services.

Mr Ramaswami worked with Citigroup from 1996 to 2007 and was based in Mumbai, Singapore, Hong Kong, London and New York. Immediately prior to SGX he was Chief Information Officer with the International Consumer Business of Citigroup's Global Consumer Bank, based in New York. Prior to this he held progressively senior executive positions in Citigroup's international and regional offices, working in Operations, Technology and Transaction Banking.

Mr Ramaswami serves on the board of the Infocomm Development Authority of Singapore and is Chairman of its Audit Committee. He is also on the board of the Energy Market Company, the operator of Singapore's wholesale electricity market, and a member of the Global Markets Advisory Committee of the U.S. Commodities Futures Trading Commission (CFTC).

Mr Ramaswami holds a Master's Degree in Mathematics (Honors) from Birla Institute of Technology and Sciences, and a Post Graduate Diploma in Management Studies (Masters in Business Administration) from the Indian Institute of Management, Ahmedabad.

Yeo Lian Sim*

Chief Regulatory & Risk Officer
Age: 64[#]

Ms Yeo was Chief Regulatory & Risk Officer, responsible for maintaining a robust regulatory framework for SGX's operation of a fair, orderly and transparent market and safe and efficient clearing.

In leading Risk Management & Regulation, Ms Yeo had oversight of member supervision, issuer and sponsor regulation, market surveillance, enforcement, risk management, clearing risk and regulatory development and policy.

Prior to joining SGX in July 2004, Ms Yeo was responsible for capital resource management at Temasek Holdings. For most of her career, she was at MAS where she started as economist and went on to hold responsibilities implementing exchange rate and monetary policy, investing foreign reserves and regulating the securities and futures markets.

Ms Yeo serves on the boards of Shared Services for Charities Limited and Singapore Land Authority.

Ms Yeo graduated with Honours in Economics and Political Science from the University of Singapore and holds a Master's Degree from the London Business School, UK. She was awarded the Public Administration Medal (Gold) at the Singapore National Day Honours in 1994.

^{*} Ms Yeo retired from her post as Chief Regulatory & Risk Officer and her last day of service with SGX was 31 December 2013.

Richard Teng*

Chief Regulatory Officer
Age: 43[#]

Mr Teng is the Chief Regulatory Officer of SGX. He heads the Regulation unit that performs various regulatory functions to promote a fair, orderly and transparent market. The unit encompasses the member supervision, issuer and sponsor regulation, market surveillance, enforcement, and regulatory development and policy functions. Mr Teng and his team work closely with the Monetary Authority of Singapore (MAS) in developing and enforcing rules and regulations for market participants.

Prior to his appointment as Chief Regulatory Officer, Mr Teng's positions with SGX include Deputy Chief Regulatory Officer, Head of Regulations and Head of Issuer Regulation.

Mr Teng joined SGX from the MAS in 2007 where his last appointment was as Director of Corporate Finance Division. At MAS, Mr Teng also held the appointment of Secretary to the Securities Industry Council, the body responsible for regulating take-over and merger transactions in Singapore.

Mr Teng graduated from Nanyang Technological University (First Class Honours in Accountancy) and holds a Masters in Applied Finance (with Distinction) from the University of Western Sydney. Mr Teng is a Council member of the Singapore Institute of Directors and a member of the Singapore Divisional Council of CPA Australia. He chairs the Institute of Banking and Finance's Capital Markets and Financial Advisory Services Examination Board.

^{*} Mr Teng was appointed Chief Regulatory Officer 1 January 2014.

[#] On 30 June 2014.

Chng Lay Chew

Chief Financial Officer
Age: 56*

Mr Chng is Chief Financial Officer of SGX where he oversees Finance, Treasury, Corporate & Market Strategy and Investor Relations. In his role, he also manages the Legal and Company Secretary, and Facilities Management units.

Mr Chng has more than 30 years of experience in accounting and financial management, including leadership positions in leading local and international banks. In his previous role, he was responsible for the finance functions of DBS Group's operations in all countries outside Singapore. He was also previously CFO of the bank's Greater China business, supporting the integration and growth of the Hong Kong operations and the expansion into China. His earlier roles include senior finance positions in JP Morgan's Singapore, Tokyo and New York offices.

Mr Chng serves on the board of Energy Market Company, the operator of Singapore's wholesale electricity market. He is also a board member of the Singapore Accountancy Commission, which oversees the development of the country's accountancy sector.

Mr Chng is also a member of the New Zealand Institute of Chartered Accountants and the Institute of Certified Public Accountants of Singapore. He holds a Bachelor of Commerce and Administration degree from New Zealand's Victoria University.

Bob Caisley

Executive Vice President
Age: 52*

Mr Caisley is Head of Technology Solutions Delivery where he provides strategic IT leadership and oversees the development and delivery of IT services and new technologies. With more than 25 years of experience in IT project management and operations, Mr Caisley provides strategic guidance in technology direction and business development at SGX.

Mr Caisley joined SGX on 14 January 2008. Up until May 2014 Mr Caisley was responsible for IT planning and governance, enterprise architecture, business analysis, programme management, testing, solutions delivery and service management.

Prior to SGX, he was responsible for the management of the Australian Securities Exchange's (ASX) business solutions projects. In his career, he has been responsible for the successful implementations of key IT projects with the Kuwait Investment Office and Commercial Union PLC. He was also the project leader for the development and implementation of the UK's electronic funds transfer system under BACS (Banker Automated Clearing Service) Ltd.

Tim Utama

Chief Operations & Technology Officer
Age: 48*

Mr Utama joined SGX as Chief Operations and Technology Officer on 1 December 2012. His key remit is to streamline processes, increase operational efficiency and reliability of all production services, increase productivity and ensure SGX's adherence to regulatory standards. As Chief Operations & Technology Officer, Mr. Utama oversees Trading and Clearing Operations, Depository Services, Technology Planning, Delivery and Operations as well as Information Security.

Before joining SGX, Mr Utama was on the Executive Board of Directors of PT Bank Permata Tbk, the 8th largest Bank in Indonesia majority owned by Astra International and Standard Chartered Bank. As their Technology and Operations Director, he managed a team of about 1900 Technology and Operations staff across the bank that operates in more than 50 cities with a network of over 280 branches.

Prior to this, Mr Utama was the Head of Wholesale Banking Operations of the Global Shared Services Centre of Standard Chartered Bank based in India. In a career spanning more than 15 years with Standard Chartered, he held various senior positions in Service Excellence, Banking Operations, Relationship Management, Trade Services and Process Improvement. Mr Utama also served as Head of Trade Service Delivery and Trade Sales with ANZ Bank at its headquarters in Melbourne. He began his career at Bank of Trade (LippoBank) in Los Angeles.

Mr Utama holds a Bachelor of Business Administration in Accountancy and Finance from Texas A&M University, College Station, USA.

Arulraj Devadoss

Executive Vice President
Age: 53*

Mr Devadoss joined the Exchange on 1 December 2011 as Head of Human Resources and was appointed to the Executive Management Committee in May 2012.

Mr Devadoss is an industry veteran with more than 26 years in human resources management, and a rich global experience in the banking and financial industry. In his 20 years with Standard Chartered Bank, he worked in roles across several businesses and spanning various aspects of human resources. In his last role, he was the Global Human Resources Head for the Client Relationship Business of Standard Chartered Bank.

Mr Devadoss graduated with a Bachelor of Arts Degree in Economics from University of Madras, India in 1982. He also holds a Honours Diploma in Personnel Management and Industrial Relations from Xavier Labour Relations Institute, Jamshedpur.

* On 30 June 2014.

Chew Sutat

Executive Vice President

Age: 42[#]

Mr Chew is Head of Sales & Clients and is responsible for the exchange's international distribution network including growing market participation and the Membership base in securities, derivatives, commodities and data products.

Mr Chew joined SGX in June 2007 and was appointed to the Executive Committee in May 2008. He was previously Group Head, Investment & Treasury Products at Standard Chartered Bank. He was responsible for the Global Wealth Management's investment and treasury products business, strategy and development in the bank's existing geographic franchises as well as new ventures.

Before Standard Chartered Bank, Mr Chew was with OCBC Securities, where he headed the development of non-traditional investment products and services for its customers. He began his career with DBS Bank in the Custody function, and held varying portfolios in strategic planning and business development for institutional banking, as well as private clients.

Mr Chew graduated with a Bachelor of Arts (1st Class Honours) degree in Philosophy Politics & Economics (PPE) from Oxford University, Keble College in 1996. He also holds a Master of Arts degree from Oxford.

Lawrence Wong Liang Ying

Executive Vice President

Age: 59[#]

Mr Wong joined the Exchange in April 2006 as Head of Listings to further develop SGX as an Asian gateway for companies seeking to tap international capital markets.

Prior to joining SGX, Mr Wong was part of the senior management team at OCBC Bank. During his tenure with the bank, his portfolio included corporate finance, securities and futures, trustee and nominees businesses, fund management and private equity.

Before OCBC Bank, Mr Wong held several senior positions at Schroders Group, including Head of Corporate Finance for South East Asia and Head of Financial Institutions Group, Asia Pacific. His assignments also included an overseas posting to Shanghai, China, as General Manager of Schroders' joint venture and Head of Corporate Finance for Greater China.

Mr Wong is a member of various collaboration councils set up by Singapore with Guandong, Jiangsu, Liaoning, Shandong, Sichuan, Tianjin and Zhejiang to promote economic, trade and investment activities.

Mr Wong holds a Bachelor's degree in Business Administration from the University of Singapore.

[#] On 30 June 2014.

Organisation Structure

The organisation is structured to capitalise on investment opportunities, develop new products and services, deliver operational efficiency and provide strong regulatory and risk management.



Full-Service Exchange

SGX is a full-service exchange operating trading platforms and clearing houses for both securities and derivative products. Headquartered in Singapore, we have offices in Hong Kong, London, Tokyo, Beijing and Mumbai.

We have five major business lines, offering products and services which cover the entire value chain of the exchange business across the major asset classes of equities, commodities, fixed income and currencies.

Securities

SGX is Asia's most international exchange, supported by one of the world's fastest trading engines, state-of-the-art data centres and co-location services. Through our Securities business, we offer trading, clearing and settlement of stocks, exchange-traded funds and structured warrants.

Derivatives

Our Derivatives business offers investors a wide portfolio of derivative products across equity indices, currencies and commodities. We are the world's most liquid offshore market for key Asian equity index derivatives including the benchmarks of China, Japan and India. We offer futures contracts on major currencies, and are the only Asian-based clearing house for over-the-counter commodities and financial derivatives. SGX is the leading price discovery venue for iron-ore derivatives, with trading volumes representing about 30% of the underlying global physical market.

Issuer Services

SGX runs the largest stock market in Southeast Asia, with a total market capitalisation exceeding \$1 trillion. Of our listed companies, 40% are based outside of Singapore, making SGX the most international listing venue in Asia. We are also Asia's premier bond listing venue, with more than 1,700 listed bonds from 35 countries in 19 currencies. Altogether, the bonds have an outstanding value of more than \$900 billion.



Market Data & Connectivity

SGX offers a wide range of real-time data products and services across both our Securities and Derivatives markets. Through market data vendors, brokers, financial institutions and media channels, these data products are then distributed to a wider range of market participants. In addition, we offer our trading and clearing members in both markets best-in-class access, connectivity and co-location services. SGX points-of-presence (POPs) are hosted in major international financial centres, while POPs from key markets such as the US, Germany and Australia are in turn hosted in our domestic data centre.

Depository Services

SGX operates the CDP, the securities clearing house and central depository for all Singapore-listed securities. The CDP offers listed companies and market participants a wide range of services covering securities settlement, custody services and asset servicing.

Financial Performance Summary

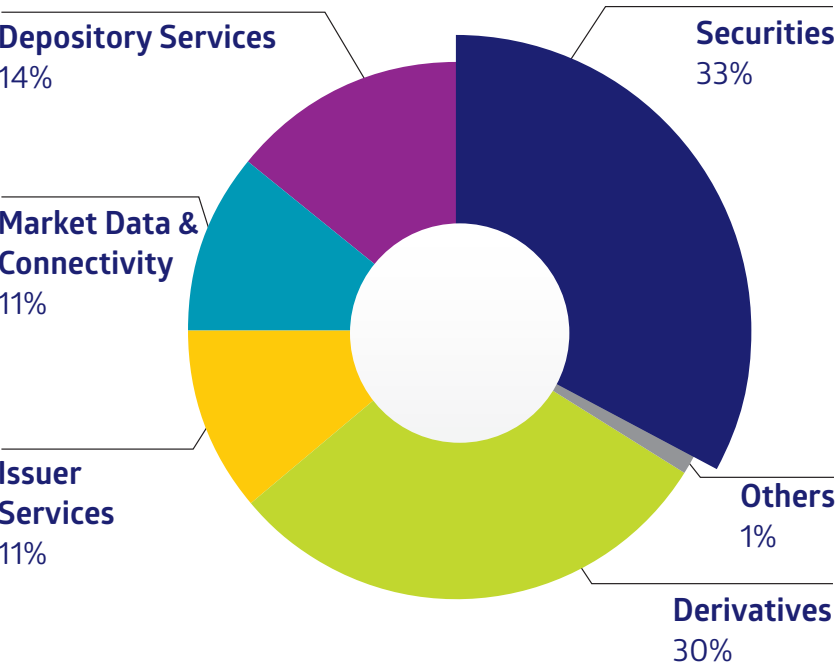
(\$million)	FY2010	FY2011	FY2012	FY2013	FY2014
Statement of Income					
Revenue	640	661	648	715	687
Expenses	261	287	284	301	315
Operating profit	379	374	364	414	372
Profit before tax	385	358	358	404	377
Net profit attributable to equity holders	320	295	292	336	320
Statement of Cash Flows					
Cash flows from operating activities	375	349	345	419	359
Statement of Financial Position					
Total assets	1,402	1,901	1,729	1,794	1,641
– Unrestricted cash and cash equivalents	537	545	548	613	607
– Contribution to derivatives clearing fund	136	148	150	150	150
– Contribution to securities clearing fund	30	30	35	60	60
Total liabilities	586	1,077	896	906	719
Total equity	816	824	833	889	922
– Includes proposed final dividend of	168	160	160	171	171
Capital expenditure	55	57	41	32	83 ¹
No. of shares issued (million)	1,071	1,072	1,072	1,072	1,072
No. of shares held as treasury shares (million)	5	4	4	2	2
Financial Indicators					
Revenue growth (%)	7.5	3.3	(1.9)	10.4	(4.0)
Operating profit margin (%)	59.2	56.5	56.2	57.9	54.1
Cost-to-income ratio (%)	40.8	43.5	43.8	42.1	45.9
Net gearing	Nil	Nil	Nil	Nil	Nil
Operating cash flow per share (cents)	35.2	32.7	32.3	39.2	33.5
Net asset value per ordinary share as at 30 June (cents)	76.6	77.2	78.0	83.1	86.2
Based on net profit attributed to equity holders					
Net profit margin (%)	49.7	44.5	44.6	46.6	46.3
Return on equity (%)	40.2	36.0	35.2	39.0	35.4
Dividend payout ratio (%)	89.9	97.7	98.8	89.1	93.4
Basic earnings per share (cents)	30.1	27.6	27.3	31.4	30.0

¹ Included capital expenditure for office relocation of \$39 million.

Financial Highlights & Performance Review

Revenue Streams

\$687m
Total revenue down 4%
from \$715 million



Key Performance Indicators

Operating Profit
\$372m
Operating profit down 10%
from \$414 million

Net Profit
\$320m
Net profit down 5%
from \$336 million

Earnings per Share
30.0 cents
Earnings per share down 4%
from 31.4 cents

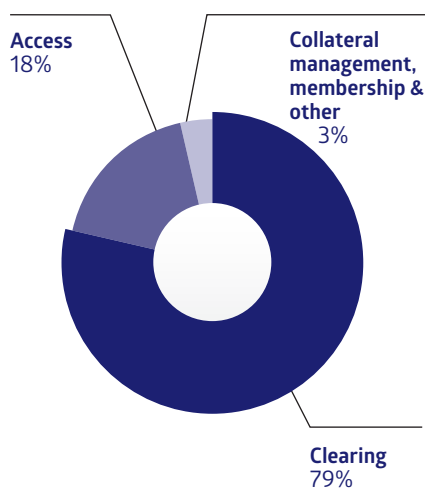
Dividend per Share
28 cents
Dividend per share, including
proposed final dividend of 16 cents
per share, remains unchanged

Return on Equity
35%
Return on equity down 4% pts
from 39%

Revenue from Business Lines

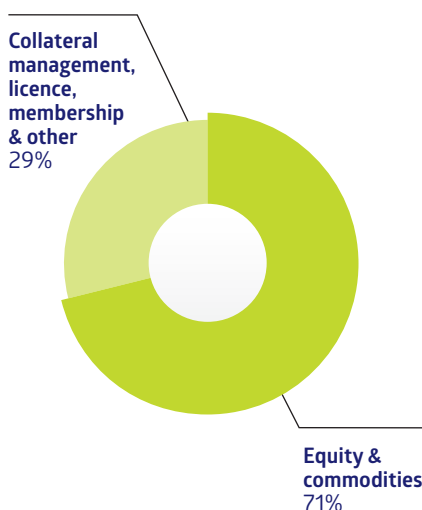
Securities Revenue \$227m

Trading and clearing of listed securities including equity securities, investment/business trusts, debt securities, ETFs/ETNs and structured warrants.



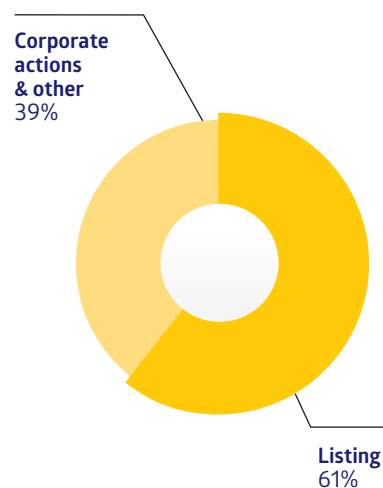
Derivatives Revenue \$209m

Trading and clearing of derivatives on Asian equity index, global commodities and foreign currencies. Clearing of OTC commodities and financial derivatives.



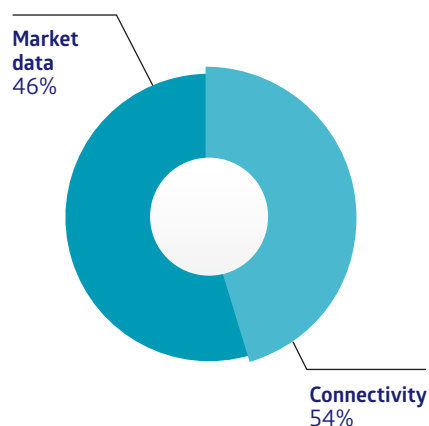
Issuer Services Revenue \$78m

Equity and debt capital raising platforms for companies in search of global funds. Corporate action services and corporate solutions to listed issuers.



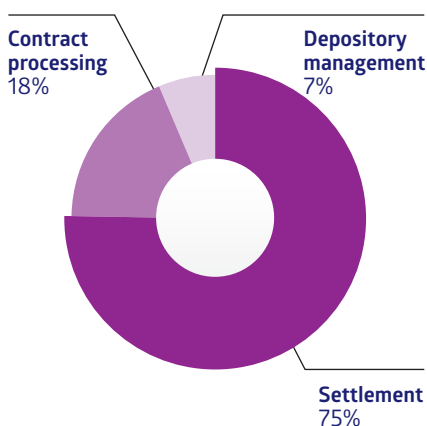
Market Data & Connectivity Revenue \$77m

Sales and distribution of market price data and other information to market users. Access and connectivity to our trading and clearing platforms in securities and derivatives markets.



Depository Services Revenue \$95m

Services on settlement, custody and asset servicing relating to both listed and unlisted securities in Singapore.





Jenny Chiam
Head of Securities

“This was an important year for our Securities business as we embarked on a strategic review to make improvements to our market. We remain committed to building a robust and vibrant secondary market for both issuers and investors.”

Securities

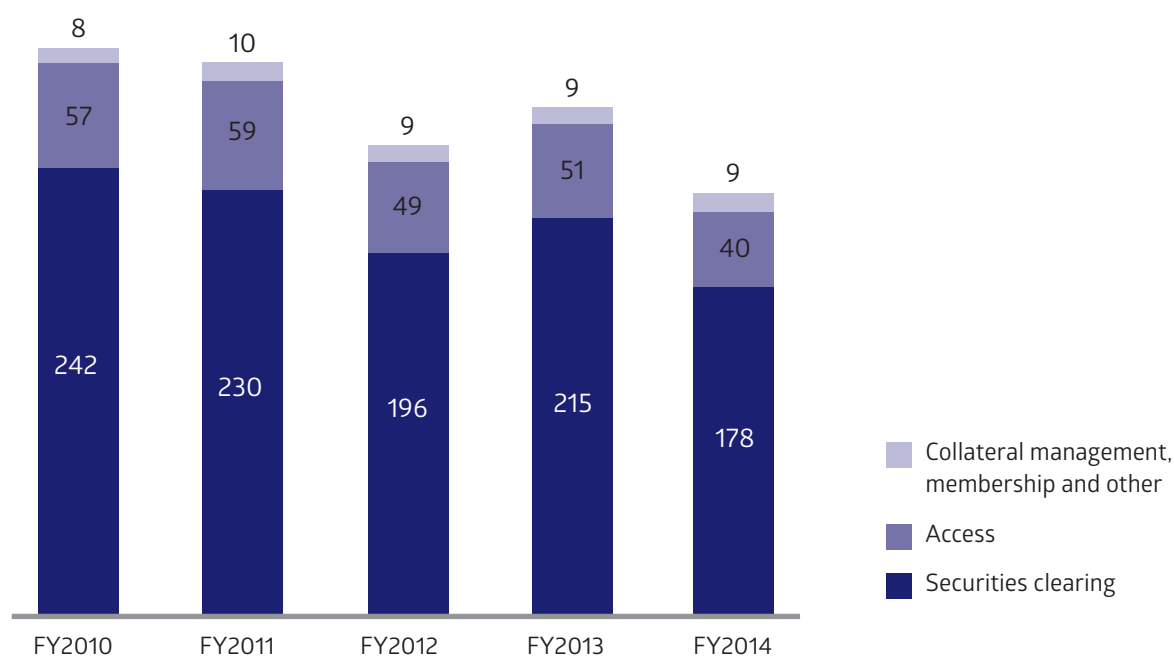
Securities revenue decreased \$48.2 million or 18% to \$226.9 million, accounting for 33% of total revenue.

- Clearing revenue: \$178.4 million, down 17% from \$214.9 million
- Access revenue: \$40.3 million, down 21% from \$50.9 million
- Collateral management, membership and other revenue: \$8.1 million, down 12% from \$9.2 million

Securities daily average traded value (SDAV) and total traded value decreased 23% and 22% to \$1.14 billion and \$286.3 billion respectively. There were 252 trading days this year. SDAV for the first quarter was \$1.33 billion, followed by three quarters where SDAV was \$1.07 billion. The decline in market activities was primarily due to record low volatility. In addition, there had been a decline in short-term speculative interest since October 2013, leading to a drop of about \$0.2 billion in SDAV from lower-priced stocks.

FY2014 was an important year during which we accelerated the transformation of our securities market to improve governance and liquidity. In February, we implemented dynamic circuit breakers as an additional market safeguard, and issued a joint consultation paper with the Monetary Authority of Singapore (MAS) setting out a number of proposals to further improve our securities market. We introduced new order types in March to improve trade execution. In June, we introduced a new pricing scheme for the securities market and incentive programmes for market makers and liquidity providers to help reduce market impact costs for our market participants.

Securities Revenue (\$ million)



Key Drivers

Securities Key Drivers	FY2010	FY2011	FY2012	FY2013	FY2014	Year-on-Year change
MSCI Singapore Index	337	361	332	354	371	5%
No. of Trading Days	252	252	251	249	252	3 days
Equity Turnover Velocity (%)	66	59	53	52	39	-25%
Daily Average Trading Volume (billion shares)	1.7	1.5	1.6	2.8	2.7	-4%
Daily Average Trading Value (\$ billion)	1.5	1.6	1.3	1.5	1.1	-27%
Total Trading Value (\$ billion)	387	409	331	363	286	-21%
ETFs/ETN Daily Average Trading Value (\$ million)	20	38	29	19	9	-53%
Contracts value						
More than \$1.5 million (%)	37	45	42	42	38 [#]	-10%
Less than \$1.5 million (%)	63	55	58	58	62 [#]	7%
Membership						
Trading members	26	30	27	25	26	4%
Clearing members	26	29	26	25	26	4%

[#] Figures are for the period from July 2013 to May 2014 only.



Michael Syn
Head of Derivatives

“
We built on the successes of last year to deliver record volumes for the Derivatives platform, as well as in individual flagship contracts for China A50, India Nifty and Iron Ore. Our clients have affirmed Singapore Exchange’s value proposition as the most liquid international market for Asian derivatives.”

Derivatives

Derivatives revenue increased \$6.8 million or 3% to \$208.7 million, accounting for 30% of total revenue.

- Equity and Commodities revenue: \$149.0 million, up 4% from \$143.6 million
- Collateral management, licence, membership and other revenue: \$59.7 million, up 2% from \$58.3 million

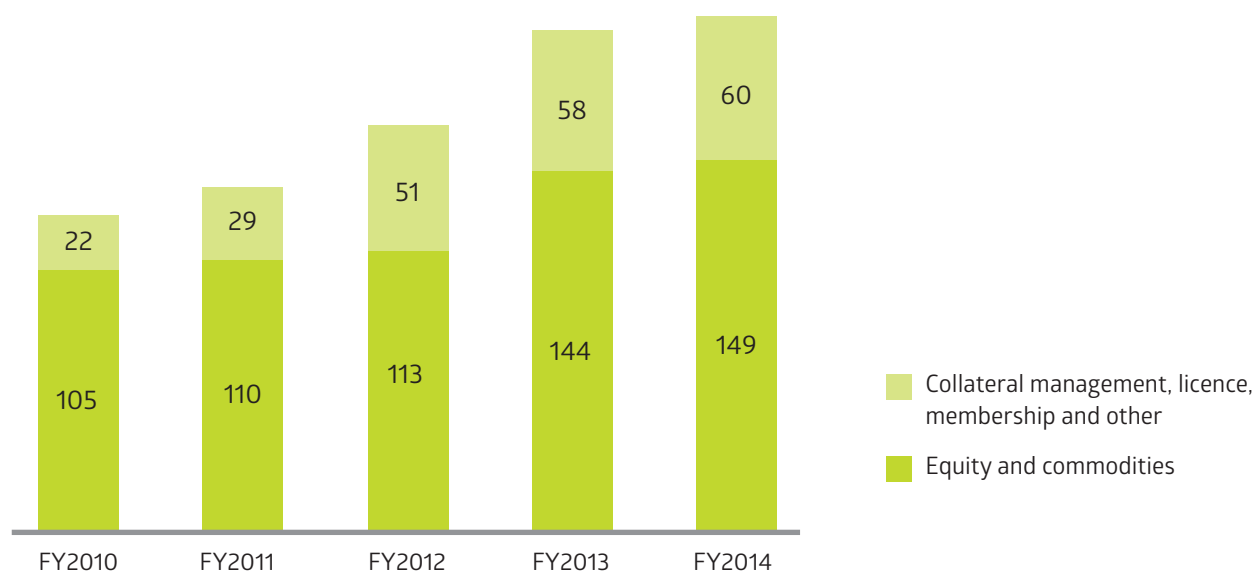
Total volumes were up 3% to 104.3 million contracts despite volumes of the Nikkei 225 futures normalising from a record prior year. Average fee per contract was \$1.43. Apart from the Nikkei 225 futures, other equity and commodities derivatives performed well, with volumes increasing 19% to 76.1 million contracts. In particular, the China A50, India Nifty and Iron Ore products all achieved record volumes in FY2014. China A50 futures grew 45% to 24.4 million contracts while India Nifty futures grew 13% to 17.2 million contracts. Further extending our leadership in the China-centric market for iron-ore derivatives, the volume of SGX-cleared iron ore futures and swaps grew 234% to more than 1.2 million contracts. This amounted to approximately 354 million metric tonnes representing about 30% of the underlying global physical market.

This past year, we launched three new Asian equity index futures contracts, namely the SGX-PSE MSCI Philippines Index Futures, SGX MSCI Thailand Index Futures and SGX MSCI India Index Futures. These new contracts complement our existing suite of equity derivatives, providing investors with wider access to all of Asia’s key capital markets.

More importantly, we also extended our product suite into a new asset class this year, launching futures contracts for six currency pairs, AUD/USD, AUD/JPY, USD/SGD, INR/USD, KRW/USD and KRW/JPY. The trading of foreign exchange futures on SGX enables our market participants to manage both currency and equity risks at the same clearing house, thereby maximising operational and capital efficiencies.

Average month-end open interest for equities and commodities derivatives was 3.4 million contracts, up 27% from 2.7 million contracts a year earlier. SGX was recognised by the Futures and Options World Awards Asia as the 2013 “Clearing House of the Year” and for having the “Most Innovative New Contract Launch” for the SGX-listed India Nifty options contract. The two awards reflect our position as the preferred centre for risk management in Asia.

Derivatives Revenue (\$ million)



Key Drivers

Derivatives Key Drivers	FY2010	FY2011	FY2012	FY2013	FY2014	Year-on-year change
Total Volume ('000 contracts)						
Japan Nikkei 225 futures	27,590	29,228	28,862	37,040	28,276	-24%
MSCI Taiwan futures	15,932	15,926	17,810	17,544	17,806	1%
China A50 futures	-	1,773	5,617	16,839	24,424	45%
India Nifty futures	8,749	12,592	14,973	15,203	17,156	13%
MSCI Singapore futures	3,784	3,811	4,403	4,003	3,342	-17%
MSCI Indonesia futures	-	-	9	190	320	69%
Japan Nikkei 225 options	143	1,220	2,937	7,768	10,077	30%
India Nifty options	-	-	-	538	145	-73%
Iron Ore futures	-	-	-	-	668	-
Rubber futures	240	181	260	293	395	35%
Market Share By Volume (%)						
Japan Nikkei 225 futures	26	28	28	26	22	-15%
MSCI Taiwan futures	24	24	23	26	28	8%
China A50 futures	-	-	1	1	1	0%
India Nifty futures	10	15	21	34	36	6%
MSCI Singapore futures	100	100	100	100	100	0%
MSCI Indonesia futures	100	100	100	100	100	0%
Japan Nikkei 225 options	-	1	3	6	11	83%
Iron Ore swaps	-	-	-	96	96	0%
Rubber futures	-	-	-	10	14	40%
AsiaClear® Cleared Swaps Volume						
OTC Forward Freight Agreement	72	86	109	60	24	-60%
OTC Iron Ore (Iron Ore Swaps)	24	45	124	370	574	55%
OTC Coal	NA	1	4	3	3	0%
OTC Energy	29	31	10	12	14	17%
OTC Rubber Forward	-	2	2	3	2	-33%
OTC HRC Steel	-	-	-	-	3	NM
AsiaClear® Cleared Options Volume						
OTC Iron Ore	-	-	-	27	110	309%
OTC Forward Freight Agreement	-	-	-	6	2	-70%
Total AsiaClear® Cleared Volume (lots)	125	165	249	479	732	53%
Financial Derivatives						
Interest rate swaps (Notional value cleared in \$ million)	-	110,024	162,989	81,823	63,950	-22%
Foreign Exchange Futures	-	-	-	-	91	NM
Others	655	1,001	1,120	1,216	1,572	29%
Total Volume for Equity and Commodities Derivatives ('000 contracts)	57,217	65,897	76,240	101,113	104,337	3%
Membership						
Trading Members	30	34	41	44	48	9%
Clearing Members	26	37	34	37	36	-3%

NM: Not meaningful



Lawrence Wong
Head of Listings

“We saw more listings this past financial year, and are seeing increased interest for fund raising from potential issuers across expanded geographies and sectors.”

Issuer Services

Issuer Services revenue increased \$10.4 million or 15% to \$78.3 million, accounting for 11% of total revenue.

- Listing revenue: \$47.5 million, up 22% from \$38.8 million
- Corporate actions and other revenue: \$30.7 million, up 6% from \$29.1 million

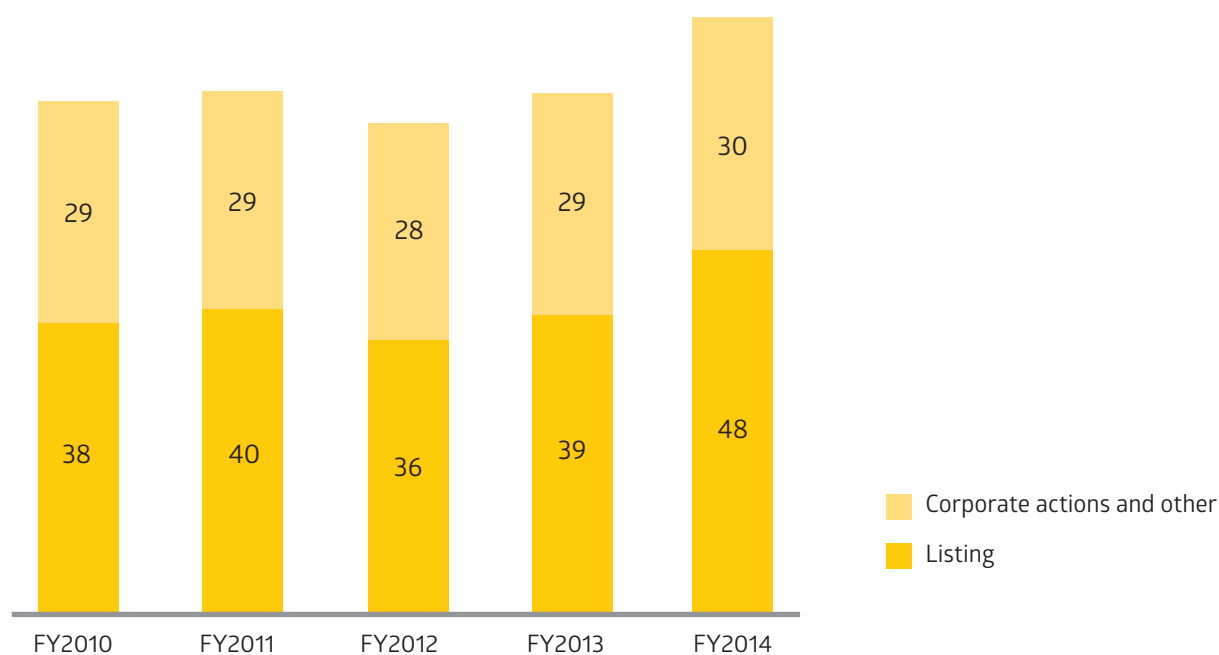
Listing revenue increased 22% due to revised listing fees and a higher number of new listings. There were 34 new listings, which raised \$4.8 billion, compared to 31 new listings which raised \$8.1 billion a year earlier. Secondary equity funds raised were \$4.3 billion. Total market capitalisation grew 6% to close at \$1.0 trillion on 30 June 2014.

There were 501 bond listings, which raised \$184.8 billion, compared to 424 listings, which raised \$195.9 billion a year earlier.

This past year, we made significant enhancements to SGXNet, our issuer announcement portal. The improved portal allows our issuers to deliver company news and process dividend payments more efficiently.

In November, we announced the establishment of a Direct Listing Framework in partnership with the China Securities Regulatory Commission (CSRC). Under the new framework, companies incorporated in China will now be able to seek a listing on SGX after approvals from the CSRC and SGX.

Issuer Services (\$ million)



Key Drivers

Issuers Services Key Drivers	FY2010	FY2011	FY2012	FY2013	FY2014	Year-on-Year change
Listing (No. of listed issues)						
Number of equity securities	783	776	769	774	766	-1%
Singapore issuers	460	461	461	468	478	17%
International issuers	323	315	308	306	288	-6%
Debt securities	1,028	1,114	1,227	1,459	1,742	19%
ETFs/ETNs	73	85	94	89	89	0%
Company warrants	80	72	56	42	51	21%
Structured warrants	233	318	268	229	258	13%
Equity Market Capitalisation (\$ billion)	781	893	842	954	1,012	6%
Singapore issuers	428	472	455	517	546	6%
International issuers	353	421	387	437	466	7%
New Equity Listings ¹	43	35	24	31	34	10%
New Funds Raised (\$ million)	15,984	21,738	6,146	13,527	9,055	-33%
Primary funds raised	4,768	14,923	975	8,145	4,781	-41%
Secondary funds raised	11,216	6,815	5,171	5,382	4,274	-21%
New Debt/Fixed Income Listings	200	355	300	424	501	18%
Total fund raised (\$ million)	106,481	169,801	135,076	195,862	184,843	-6%
Corporate actions						
Transactions (no.)	2,023	2,011	1,966	1,937	1,866	-4%

¹ New equity listings include IPOs, RTOs and GDRs.



Tinku Gupta

Head of Market Data & Connectivity

“
Enabling efficiency and improving transparency was the key theme this year as evident from our product development efforts. Our data centre continued to evolve into a fully developed financial ecosystem catering to the diverse hosting needs of the financial community including other exchanges, trading firms, brokers, regional and global data vendors, ISVs and network providers.”

Market Data & Connectivity

Market Data and Connectivity revenue increased \$3.3 million or 4% to \$76.6 million, accounting for 11% of total revenue.

- Market data revenue: \$35.0 million, up 7% from \$32.9 million
- Connectivity revenue: \$41.5 million, up 3% from \$40.4 million

Market data revenue grew 7% due to increased demand from both institutional and retail customers. Higher take-up of low latency market data feed and increased usage of data in trading, risk management and back-office applications were the key growth drivers.

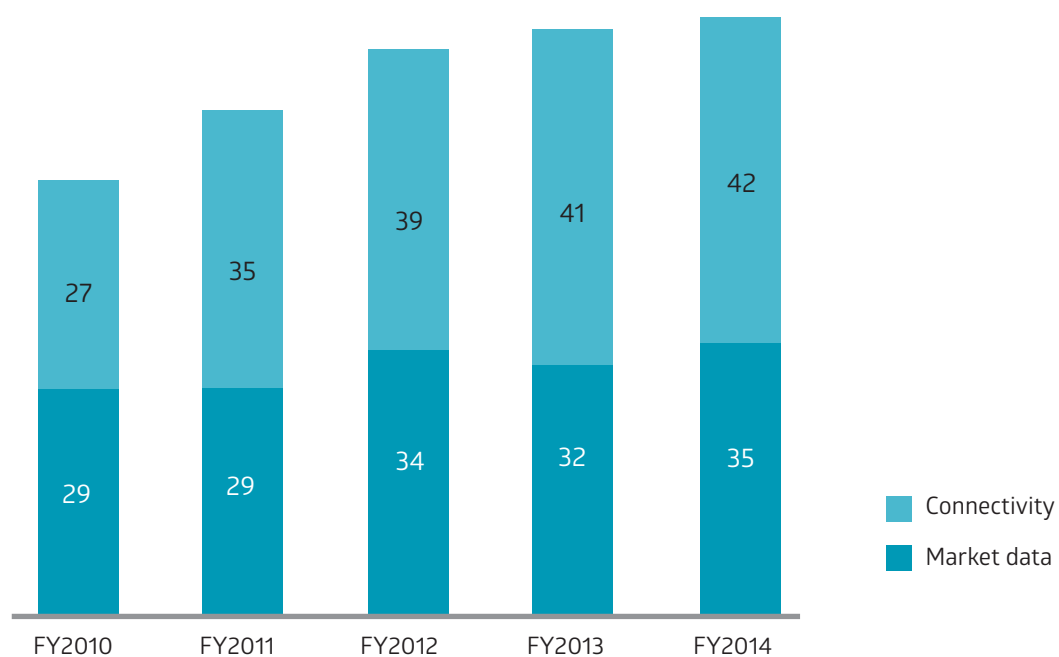
Connectivity services revenue increased 3%, following continued growth of our colocation and network services business which rose 10% year-on-year. The growth was impacted by reduced demand from the securities market activities as we lowered the connectivity services fees in the derivatives market.

This past year, our product development efforts were focused on bringing new levels of efficiency and transparency to our market participants. We introduced a real-time “Drop Copy” post-trade data service to equip brokers with the ability to monitor the trading activities of their sponsored and Direct Market Access customers. We also launched a comprehensive suite of Singapore Dollar Fixed Income Indices (SFI), in partnership with Thomson Reuters, offering the most comprehensive coverage on SGD denominated Singapore Government Securities, Corporate and Statutory Board bonds.

Our international reach was extended with the launch of a liquidity hub in Hong Kong. We now have a total four liquidity hubs in major financial centres around the world, including Hong Kong, Chicago, London and Frankfurt.

We upgraded the Corporate Announcement News Service to become the definitive source of corporate announcements for the Singapore Market. We are amongst the first exchanges in the world to deliver news of issuers’ corporate events instantly to investors using global standards, eliminating human interpretation errors and promoting straight-through-processing.

Market Data & Connectivity (\$ million)



Key Drivers

Market Data and Connectivity Key Drivers	FY2010	FY2011	FY2012	FY2013	FY2014	Year-on-year change
Market Data						
Securities						
No. of vendors	121	137	143	145	148	2%
Derivatives						
No. of vendors	55	63	74	93	107	15%
Connectivity						
Securities Connectivity	89	133	179	176	163	-7%
Derivatives Connectivity	578	613	683	793	888	12%
Colocation racks	-	50	70	85	114	34%



Nico Torchetti
Head of Depository Services

“
This past year, we continued on the journey to enhance our post-trade capabilities. We have made investments in building our infrastructure, so as to support growing customer needs and position ourselves for the further development of our Depository business.”

Depository Services

Depository Services revenue was flat at \$95.0 million, accounting for 14% of total revenue.

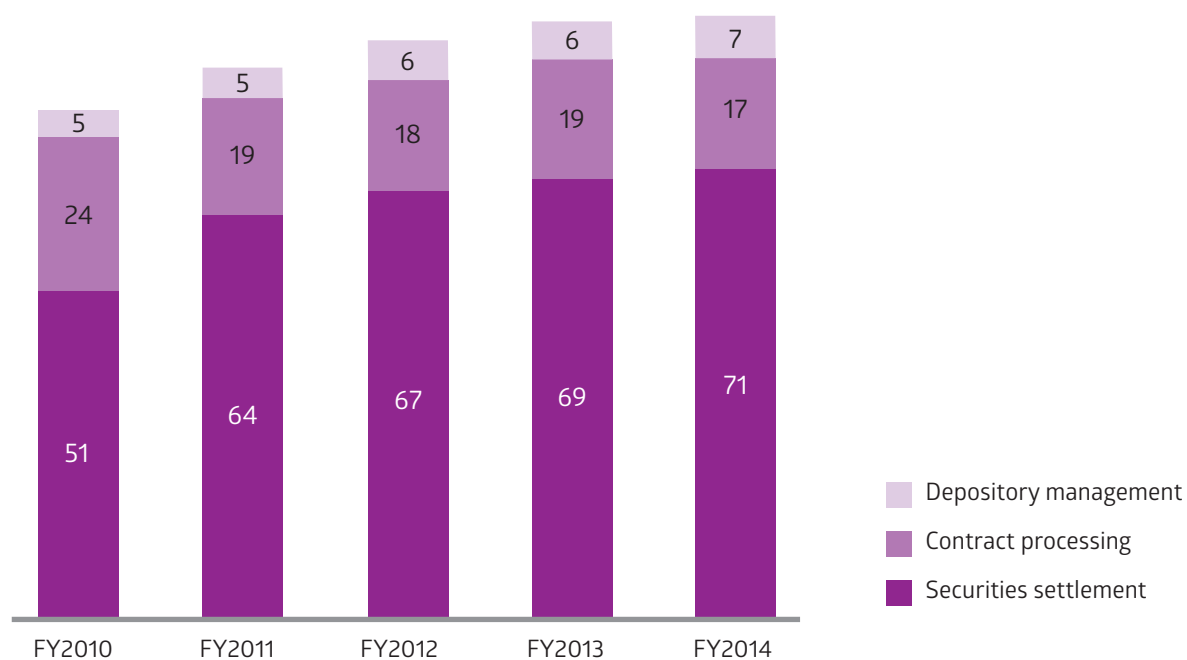
- Securities settlement revenue: \$71.4 million, up 4% from \$68.8 million
- Contract processing revenue: \$17.1 million, down 11% from \$19.2 million
- Depository management revenue: \$6.5 million, up 3% from \$6.3 million

Securities settlement revenue increased 4% following an increase in the number of institutional settlement instructions.

Contract processing revenue decreased 11%, as the total number of contracts processed declined in line with lower securities market activities for the year.

In September, we signed a letter of intent with Clearstream to launch a new collateral management service. We will be Asia's first depository to offer institutional investors the ability to allocate, optimise and substitute collaterals on a fully automated and real-time basis.

Depository Services (\$ million)



Key Drivers

Depository Services Key Drivers	FY2010	FY2011	FY2012	FY2013	FY2014	Year-on-year change
Securities settlement						
No. of settlement instructions ('000)	4,317	5,080	5,174	5,621	5,282	-6%
Contract processing						
Contracts processed ('000)	13,255	10,790	9,375	10,086	8,586	-15%
Depository management						
Depository accounts (million)	1.5	1.6	1.6	1.6	1.6	0%

Board of Directors

An abstract graphic design featuring several overlapping rectangular blocks of color. A large lime green rectangle is at the top left. Below it, a dark blue rectangle extends further to the right. To the right of the dark blue rectangle, there is a cyan rectangle and a purple rectangle, both partially overlapping it. At the bottom, a yellow rectangle is partially visible, overlapping the dark blue one.


Chew Choon Seng
Chairman

Non-Executive and Non-Independent Director¹

Date of first appointment as a director: 1 December 2004

Date of last re-elected as a director: 19 September 2013

Length of service as a director: 9 years 7 months

Age: 67

(at 30 June 2014)

Board committee(s) served on:

Remuneration Committee (Member)²

Regulatory Conflicts Committee (Member)

Academic & Professional Qualification(s):

Bachelor of Engineering (Mechanical) (First Class Honours),

University of Singapore

Master of Science in Operations Research and Management Studies,

Imperial College of Science and Technology,

University of London

Present Directorships (on 30 June 2014)

Listed companies

Nil

Others

GIC Private Limited

Singapore Tourism Board (Chairman)

Major Appointments (other than Directorships)

Nil

Past Principal Directorships held over the preceding three years

(from 30 June 2011 to 29 June 2014)

Nil


Magnus Böcker
Chief Executive Officer

Executive and Non-Independent Director

Date of first appointment as a director: 1 December 2009

Date of last re-elected as a director: 19 September 2013

Length of service as a director: 4 years 7 months

Age: 52

(at 30 June 2014)

Board committee(s) served on:

Nil

Academic & Professional Qualification(s):

Mr Böcker studied business at the University of Stockholm

Present Directorships (on 30 June 2014)

Listed companies

Nil

Others

Singapore Exchange Derivatives Clearing Limited

Singapore Exchange Derivatives Trading Limited

Singapore Exchange Securities Trading Limited

The Central Depository (Pte) Limited

Major Appointments (other than Directorships)

Diversity Action Committee (Chairman)

Financial Industry Competency Standards (FICS) Steering Committee (Member)

Financial Sector Development Fund Advisory Committee of MAS (Member)

Shanghai International Financial Advisory Council (Member)

Singapore Business Federation (Council Member)

SMU Sim Kee Boon Institute for Financial Economics Advisory Board (Member)

The Institute of Banking and Finance (Council Member)

The Institute of Banking and Finance Investment Committee (Chairman)

Past Directorships held over the preceding three years

(from 30 June 2011 to 29 June 2014)

Stockad Asia Ltd Hong Kong

Singapore Commodity Exchange Limited

¹ Non-Independent as of 1 December 2013

² Appointed on 19 September 2013



Thaddeus Beczak

Non-Executive and Independent Director

Date of first appointment as a director: 7 October 2010
Date of last re-election as a director: 19 September 2013
Length of service as a director: 3 years 9 months
Age: 63
(at 30 June 2014)

Board committee(s) served on:
Risk Management Committee (Member)
Regulatory Conflicts Committee (Member)¹

Academic & Professional Qualification(s):
Bachelor of Science (Foreign Service International Affairs),
Georgetown University
Master of Business Administration, Columbia University

Present Directorships (on 30 June 2014)
Listed companies
e-Kong Group Limited
Pacific Online Limited
Phoenix Satellite Television Holdings Limited

Others
Artisan Du Luxe Holding Limited (Non-Executive Chairman)
China Renaissance Holdings Limited (Vice Chairman)
China Renaissance Securities (Hong Kong) Limited (Chairman)

Major Appointments (other than Directorships)
Georgetown University School of Foreign Service
(Board of Advisors)
Hong Kong University of Science and Technology
(Adjunct Professor, MBA degree programme)
International Advisory Committee of the China Securities Regulatory
Commission (Member)

Past Directorships held over the preceding three years
(from 30 June 2011 to 29 June 2014)
ACR Capital Holdings Pte Limited (Non-Executive Chairman)
Advanced Semiconductor Manufacturing Corp Limited
Arnhold Holdings Limited
Cowen and Company (Asia) Limited (Chairman)
Cowen and Company, LLC (Vice-Chairman)
LIM Asia Alternate Real Estate Fund

¹ Appointed on 19 September 2013



Chew Gek Khim

Non-Executive and Independent Director

Date of first appointment as a director: 1 December 2013
Date of next re-election as a director: 25 September 2014
Length of service as a director: 7 months
Age: 52
(at 30 June 2014)

Board committee(s) served on:
Risk Management Committee¹

Academic & Professional Qualification(s):
LL.B. (Hons), National University of Singapore

Present Directorships (as at 30 June 2014)
Listed companies
ARA Asset Management Limited (Non-Executive Deputy Chairman)
ARA Trust Management (Suntec) Limited (Non-Executive Chairman)
The Straits Trading Company Limited (Executive Chairman)

Others

Aequitas Pte. Ltd.	Raffles Investments (1993) Pte Ltd
Amalgamated Holdings Private Limited	Raffles Investments Limited
Amberlight Limited	Selected Holdings Private Limited
Cairnhill Rock Pte. Ltd.	Selected Properties Pte. Ltd.
Choice Equities Pte Ltd	Sigford Pte. Ltd.
Consultants Services (Private) Limited	Siong Lim Private Limited
Grange Investments Holdings Private Limited	Straits Real Estate Pte. Ltd.
Ho Peng Holdings Private Limited	Tan Chin Tuan Pte. Ltd (Deputy Executive Chairman)
Integrated Holdings Private Limited (Executive Chairman)	Tecity Pte Ltd (Executive Chairman)
Kambau Pte. Ltd. (Executive Chairman)	Tecity Management Pte. Ltd. (Executive Chairman)
Mellford Pte. Ltd.	The Cairns Pte. Ltd.
Morrison Pte. Ltd	Tiong Cheng Pte Ltd (Deputy Executive Chairman)
Nexford Holdings Pte Ltd	

Major Appointments (other than Directorships)
National Environmental Agency Board (Chairman)
RSIS Board of Governors
Securities Industry Council
SSO Council
The Tan Chin Tuan Foundation (Deputy Executive Chairman)
The Tan Sri Tan Foundation

Past Directorships held over the preceding three years
(from 30 June 2011 to 29 June 2014)
CapitalRetail China Trust Management Limited
Pendell Pte Ltd
Raffles Investments (Singapore) Pte Ltd
Singapore Totalisator Board
Swiftflash Assets Limited
Tecity Holdings Sdn Bhd

¹ Appointed on 1 December 2013


Jane Diplock AO

Non-Executive and Independent Director

Date of first appointment as a director: 25 July 2011

Date of last re-election as a director: 19 September 2013

Length of service as a director: 2 years 11 months

Age: 65

(at 30 June 2014)

Board committee(s) served on:

Regulatory Conflicts Committee (Chairman)¹

Audit Committee (Member)

Academic & Professional Qualification(s):

Bachelor of Arts (Honours), LLB, Dip Ed., Sydney University

Dip. Int. Law, Australian National University

Present Directorships (on 30 June 2014)

Listed companies

Nil

Others

Australian Financial Services Group Pty Limited

International Integrated Reporting Council Board

Major Appointments (other than Directorships)

International Advisory Board of the Securities

and Exchange Board of India (Member)

International Advisory Committee of the China Securities

Regulatory Commission (Member)

Public Interest Oversight Board (Member)

Past Directorships held over the preceding three years

(from 30 June 2011 to 29 June 2014)

International Organisation of Securities Commissions

(Executive Committee Chairman)

New Zealand Securities Commission (Chairman)

¹ Appointed on 19 September 2013


Kwa Chong Seng

Non-Executive and Independent Director

Lead Independent Director¹

Date of first appointment as a director: 20 September 2012

Date of next re-election as a director: 25 September 2014

Length of service as a director: 1 year 9 months

Age: 67

(at 30 June 2014)

Board committee(s) served on:

Nominating Committee (Chairman)²

Remuneration Committee (Chairman)²

Academic & Professional Qualification(s):

Bachelor of Engineering (Mechanical), National University of Singapore

Present Directorships (on 30 June 2014)

Listed companies

Neptune Orient Lines Limited (Chairman)

Singapore Technologies Engineering Ltd (Chairman)

Others

Delta Topco Limited

Fullerton Fund Management Company Ltd. (Chairman)

Seatown Holdings Pte Ltd

Singapore Technologies Holdings Pte Ltd

Neptune Orient Lines' subsidiaries:

APL (Bermuda) Ltd (Chairman)

APL Co Pte Ltd (Chairman)

APL Limited (Chairman)

APL Logistics Ltd (Chairman)

Automar (Bermuda) Ltd (Chairman)

NOL Liner (Pte) Ltd (Chairman)

Major Appointments (other than Directorships)

Public Service Commission (Deputy Chairman)

Defence Science and Technology Agency

Past Directorships held over the preceding three years

(from 30 June 2011 to 29 June 2014)

DBS Bank (Hong Kong) Ltd (Chairman)

DBS Bank Ltd

DBS Group Holdings Ltd

Esso China Inc. (Chairman and President)

ExxonMobil Asia Pacific Pte Ltd (Chairman and Managing Director)

ExxonMobil Oil Singapore Pte Ltd

Sinopec SenMei (Fujian) Petroleum Co. Ltd

Temasek Holdings Pte Ltd (Deputy Chairman)

¹ Lead Independent Director as of 1 December 2013

² Appointed on 19 September 2013



Kevin Kwok

Non-Executive and Independent Director

Date of first appointment as a director: 20 September 2012

Length of service as a director: 1 year 9 months

Age: 58

(at 30 June 2014)

Board committee(s) served on:

Audit Committee (Chairman)¹

Regulatory Conflicts Committee (Member)

Academic & Professional Qualification(s):

Bachelor of Arts (Honours), University of Sheffield

ACA - Associate, Institute of Chartered Accountants in England & Wales

FISCA - Fellow, Institute of Singapore Chartered Accountants

FSID - Fellow, Singapore Institute of Directors

Present Directorships (on 30 June 2014)

Listed companies

Mapletree Greater China Commercial Trust Management

Wheelock Properties (Singapore) Limited

Others

NTUC ElderCare Co-operative Ltd

NTUC Income Insurance Co-operative Ltd

Major Appointments (other than Directorships)

Accounting Standards Council (Council Member)

Singapore Institute of Directors (Governing Council Member)

Past Directorships held over the preceding three years

(from 30 June 2011 to 29 June 2014)

Ernst & Young Corporate Finance Pte Ltd



Lee Hsien Yang

Non-Executive and Non-Independent Director ¹

Date of first appointment as a director: 17 September 2004

Date of last re-election as a director: 6 October 2011

Date of next re-election as a director: 25 September 2014

Length of service as a director: 9 years 9 months

Age: 56

(at 30 June 2014)

Board committee(s) served on:

Audit Committee (Member)²

Academic & Professional Qualification(s):

Bachelor of Arts (Double First), Cambridge University

Master of Science Management, Stanford University

Present Directorships (on 30 June 2014)

Listed companies

Australia and New Zealand Banking Group Limited

Rolls-Royce Holdings PLC

Others

Caldecott Inc.

Civil Aviation Authority of Singapore (Chairman)

Cluny Lodge Pte Ltd

General Atlantic Singapore Fund FII Pte. Ltd.

General Atlantic Singapore Fund Pte. Ltd. (Chairman)

Governing Board of Lee Kuan Yew School of Public Policy

The Islamic Bank of Asia Limited (Chairman)

Major Appointments (other than Directorships)

General Atlantic (Special Advisor)

INSEAD South East Asia Council (President)

Capital International Inc. Advisory Board (Consultant)

Past Directorships held over the preceding three years

(from 30 June 2011 to 29 June 2014)

Asia Pacific Investment Pte Ltd (Chairman)

F&N Treasury Pte Ltd

Fraser and Neave Limited (Chairman)

Fraser and Neave (Singapore) Pte Limited

Frasers Centrepoint Limited

¹ Appointed on 19 September 2013

¹ Non-Independent as of 19 September 2013

² Appointed on 19 September 2013


Liew Mun Leong

Non-Executive and Independent Director

Date of first appointment as a director: 1 July 2009

Date of last re-election as a director: 20 September 2012

Length of service as a director: 5 years

Age: 68

(at 30 June 2014)

Board committee(s) served on:

Nominating Committee (Member)¹

Audit Committee (Member)

Remuneration Committee (Member)

Academic & Professional Qualification(s):

Bachelor of Engineering (Civil), University of Singapore
Registered Professional Engineer

Present Directorships (on 30 June 2014)

Listed companies

Nil

Others

CapitaLand Hope Foundation

Changi Airport Group (Singapore) Pte Ltd (Chairman)

China Club Investment Pte Ltd (Chairman)

Human Capital Leadership Institute

Lan Ting Holdings Pte. Ltd

Lotus Mentoring Leadership Pte. Ltd

Pavilion Energy Pte Ltd

Pavilion Gas Pte Ltd (Chairman)

Singapore-China Foundation Ltd

Surbana International Consultants Holdings Pte Ltd (Chairman)

Major Appointments (other than Directorships)

Centre for Liveable Cities

Chinese Development Assistance Council (Member, Board of Trustees)

NUS Business School (Advisory Board Member)

NUS Business School (Provost's Chair & Professor (Practice))

NUS Engineering Faculty (Provost's Chair & Professor (Practice))

Past Directorships held over the preceding three years

(from 30 June 2011 to 29 June 2014)

The Ascott Limited (Chairman)

Ascott Residence Trust Management Limited (Deputy Chairman)

CapitaCommercial Trust Management Limited (Deputy Chairman)

CapitaLand China Holdings Pte Ltd (Chairman)

CapitaLand Commercial Limited (Chairman)

CapitaLand Financial Limited (Chairman)

CapitaLand Financial Services Limited

CapitaLand ILEC Pte Ltd (Chairman)

CapitaLand Limited

CapitaLand Malaysia Pte Ltd (Chairman)

CapitaLand Regional Investments Limited

CapitaLand Residential Singapore Pte Ltd (Chairman)

CapitaLand Singapore Limited

CapitaMall Trust Management Limited (Deputy Chairman)

CapitaMalls Asia Limited (Chairman)

CapitaRetail China Trust Management Limited (Deputy Chairman)

CapitaValue Homes Limited (Chairman)

LFIE Holding Limited (Deputy Chairman)

Surbana Corporation Pte Ltd (now known as CapitaLand Township Holdings Pte Ltd)

¹ Appointed on 19 September 2013


Ng Kee Choe

Non-Executive and Non-Independent Director¹

Date of first appointment as a director: 22 October 2003

Date of last re-election as a director: 20 September 2012

Date of next re-election as a director: N.A.²

Length of service as a director: 10 years 8 months

Age: 70

(at 30 June 2014)

Board committee(s) served on:

Nominating Committee (Member)³

Risk Management Committee (Member)³

Academic & Professional Qualification(s):

Bachelor of Science (Honours), University of Singapore

Present Directorships (on 30 June 2014)

Listed companies

CapitaLand Limited (Chairman)

CapitaMalls Asia Limited (Chairman)

PT Bank Danamon Indonesia, Tbk (President-Commissioner)

SP AusNet (Chairman)

Others

Fullerton Financial Holdings Pte Ltd

NTUC Income Insurance Cooperative Limited (Special Advisor)

Tanah Merah Country Club (Chairman)

Major Appointments (other than Directorships)

International Advisory Council of China Development Bank (Member)

Temasek Advisory Panel of Temasek Holdings (Pte) Limited (Member)

Past Directorships held over the preceding three years

(from 30 June 2011 to 29 June 2014)

NTUC Income Insurance Cooperative Limited (Chairman)

S Daniels Plc

Sats Ltd

Singapore Power Limited (Chairman)

¹ Non-Independent as of 19 September 2013

² Mr Ng Kee Choe is retiring under Section 153(2) of the Companies Act, Chapter 50 of Singapore, at the Fifteenth Annual General Meeting, and has decided not to offer himself for re-appointment to office

³ Appointed on 19 September 2013



Ng Kok Song

Non-executive and Independent Director

Date of first appointment as a director: 19 September 2013

Length of service as a director: 9 months

Age: 66

(at 30 June 2014)

Board committee(s) served on:

Nominating Committee (Member)¹

Remuneration Committee (Member)¹

Academic & Professional Qualification(s):

Physics, University of Singapore

Management, Stanford University

Present Directorships (on 30 June 2014)

Listed companies

Nil

Others

GIC Asset Management Private Limited

GIC Special Investments Private Limited

GIC Real Estate Private Limited

Wealth Management Institute Pte. Ltd.

Major Appointments (other than Directorships)

Makena Capital

Past Directorships held over the preceding three years

(from 30 June 2011 to 29 June 2014)

GIC Private Limited

Hon Sui Sen Endowment CLG Limited



Quah Wee Ghee

Non-Executive and Non-Independent Director

Date of first appointment as a director: 6 October 2011

Date of last re-election as a director: 25 September 2014

Length of service as a director: 2 years 9 months

Age: 53

(at 30 June 2014)

Board committee(s) served on:

Risk Management Committee (Chairman)

Academic & Professional Qualification(s):

Bachelor of Engineering, National University of Singapore

Chartered Financial Analyst, Association For Investment

Management & Research (United States)

Stanford Executive Program, Stanford University

Present Directorships (on 30 June 2014)

Listed companies

Oversea-Chinese Banking Corporation Limited

Others

Bank of Singapore Limited

Cypress Holdings Private Limited

Edbi Pte Ltd

Grand Alpline Enterprise Ltd

Singapore Labour Foundation

The Great Eastern Life Assurance Company Limited

The Overseas Assurance Corporation Limited

Major Appointments (other than Directorships)

GIC Private Limited (Member of Investment Board)

Ministry of Health Holdings Investment Committee (Chairman)

Wah Hin & Co. (Pte) Ltd (Advisor)

Past Directorships held over the preceding three years

(from 30 June 2011 to 29 June 2014)

Central Provident Fund Board

Government of Singapore Investment Corporation Pte Ltd

GIC Asset Management Private Limited

Singapore University of Technology and Design

SLF Strategic Advisers Private Limited

¹ Appointed on 19 September 2013



Davinder Singh

Non-Executive and Independent Director¹

Date of first appointment as a director: 6 October 2011

Date of last re-election as a director: 25 September 2014

Length of service as a director: 2 years 9 months

Age: 56

(at 30 June 2014)

Board committee(s) served on:

Nominating Committee (Member)

Risk Management Committee (Member)

Academic & Professional Qualification(s):

LL.B. (Hons), National University of Singapore

Present Directorships (on 30 June 2014)

Listed companies

Petra Foods Limited

Singapore Technologies Engineering Ltd

Others

Drew & Napier LLC

DrewCorp Services Pte Ltd

Onslow Ventures Inc.

PSA International Pte Ltd

Major Appointments (other than Directorships)

National University of Singapore (Member of Board of Trustees)

Past Directorships held over the preceding three years

(from 30 June 2011 to 29 June 2014)

Nil

¹ Davinder Singh was deemed non-independent by virtue of Regulation 3(3)(a), due to Drew & Napier LLC's engagement to advise Singapore Exchange Securities Trading Limited in relation to an application for judicial review arising from the issuance of a public reprimand against a director of a listed company. With no substantial payments being made by SGX to Drew & Napier LLC in the current or immediately preceding financial year, Davinder Singh has been deemed independent since 25 February 2014

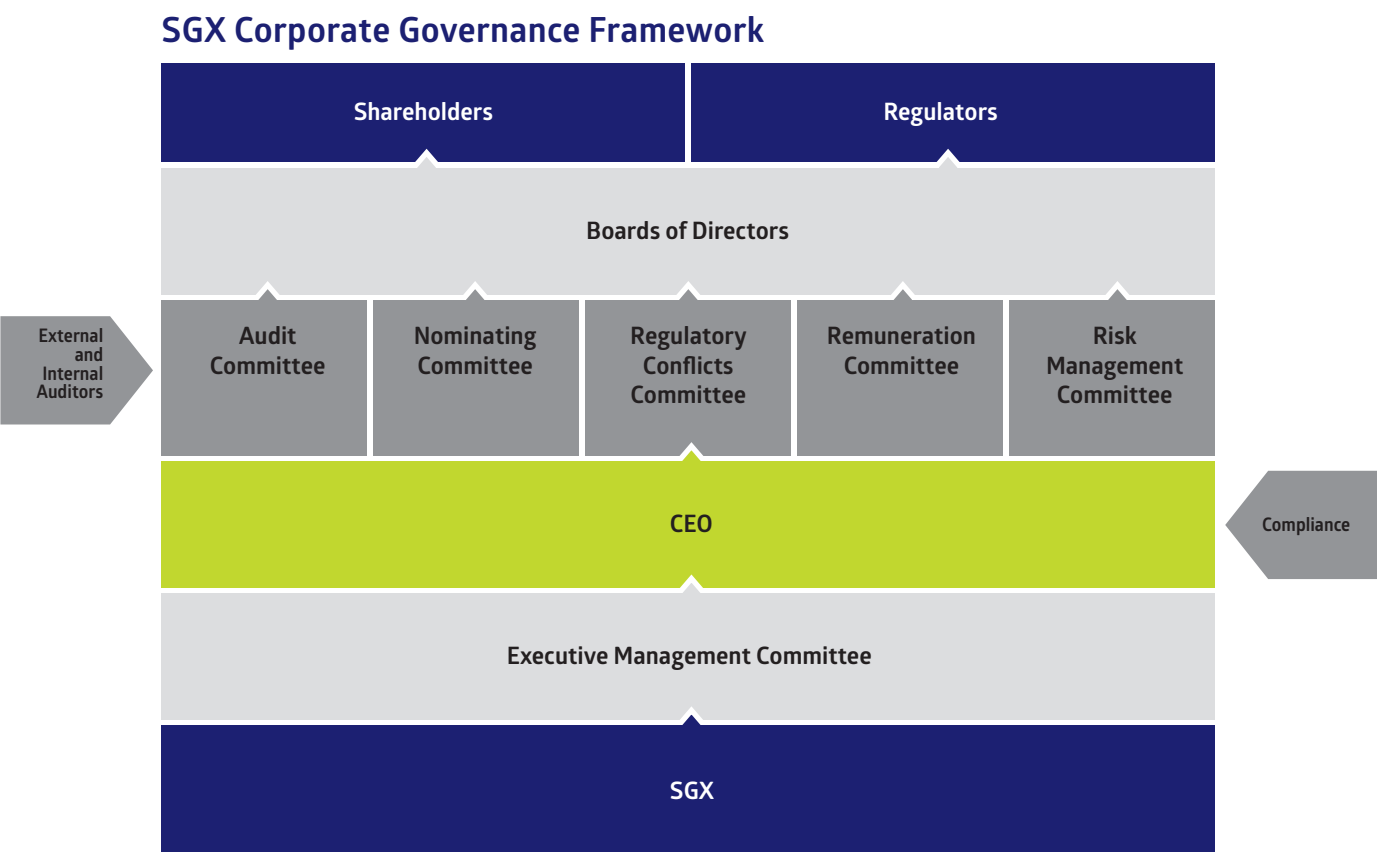
Corporate Governance Report

Corporate Governance Practices

SGX is committed to high standards of corporate governance, business integrity and professionalism in all its activities. SGX's corporate governance practices conform to and have been compliant with both the Securities and Futures (Corporate Governance of Approved Exchanges, Designated Clearing Houses and Approved Holding Companies) Regulations 2005 (SFR 2005) and the Code of Corporate Governance 2012 (Code) throughout the financial year ended 30 June 2014.

Self-Regulatory Organisation (SRO) Governance

This Corporate Governance Report is to be read in conjunction with the SRO Governance Report, which sets out SGX's corporate governance as a self-regulatory organisation. Unless specified otherwise, references to independence of directors are references to independence as defined under SFR 2005.





Highlights

Awards and Accolades

Ranked 4th in the Governance & Transparency Index 2014, launched by the Business Times and the Centre for Governance, Institutions and Organisations (CGIO) of NUS Business School, National University of Singapore

Transparency



- Daily updates of volumes and values of Singapore securities and derivatives markets displayed on website
- Monthly publications on volumes and values traded on key products provide guidance to our final financial results
- Quarterly financial reports
- Quarterly briefings to analysts and media webcasts

Risk Management



- Risk tolerance levels for all SGX's key risks are endorsed by the Board
- Please refer to section on 'Risk Management Report'

Board Succession Planning



Board renewal & refreshment:

- Mr Ng Kok Song joined the Board on 19 September 2013 following his election by shareholders at the Annual General meeting that day
- Appointment of Ms Chew Gek Khim on 1 December 2013 as a non-executive and independent director
- Mr Ng Kee Choe, who was elected to the Board in October 2003, will be retiring at the end of the Annual General Meeting on 25 September 2014

Board Matters

The Board's Conduct of its Affairs

■ Principle 1

Principal Duties of the Board

The Board oversees SGX's affairs and is accountable to shareholders for the management of SGX and its performance.

The principal duties of the Board include:

- approving the appointment of the CEO, directors, key personnel and succession planning process;
- approving broad policies, strategies and objectives of SGX;
- approving annual budgets, major funding proposals, investment and divestment proposals;
- approving the adequacy of internal controls, risk management, financial reporting and compliance;
- approving the policy for managing and/or mitigating perceived or actual conflicts of interest between SGX's regulatory accountabilities and commercial interests;
- considering sustainability issues of policies and proposals; and
- responsibility for corporate governance.

Independent Judgement

All directors exercise due diligence and independent judgement and make decisions objectively in the best interests of SGX. In determining the independence of directors, our definition of independence adheres to the requirements under SFR 2005. To be independent under SFR 2005, a director must be independent from management and business relationships with SGX, and also be independent from any substantial shareholder of

SGX. Furthermore, a director must not be a director or substantial shareholder of an SGX (or any of its subsidiaries) member firm or any related corporation of an SGX (or any of its subsidiaries) member firm. With regard to Guideline 2.4 of the Code which requires that the independence of any director who has served on the Board beyond nine years, from the date of first appointment, to be subject to particularly rigorous review, the Nominating Committee has decided that any independent director upon completing nine consecutive years of service will thereafter be deemed a non-independent director, notwithstanding demonstrable independence of management, or business relationships with SGX, or any substantial shareholder. The Board is in accord with the Nominating Committee's decision.

Delegation by the Board

Board committees, namely the Audit Committee (AC), Nominating Committee (NC), Regulatory Conflicts Committee (RCC), Remuneration Committee (RC) and Risk Management Committee (RMC), have been constituted to assist the Board in the discharge of specific responsibilities. Clear written terms of reference (TOR) set out the duties, authority and accountabilities of each committee as well as qualifications for committee membership, in line with SFR 2005 and the Code, where applicable. The TORs are reviewed on a regular basis, along with the committee structures and membership, to ensure their continued relevance. The detailed TORs of Board committees are available on SGX's website at www.sgx.com.

The RCC has been appointed by the Board to supervise the management of SGX's SRO conflicts. Please refer to the 'SRO Governance Report' in the Annual Report (AR) for more information on the activities of the RCC.

Please refer to Principles 4 to 5, 7 to 8, 11 and 12 in this Corporate Governance Report, for further information on the activities of the NC, RC, RMC and AC respectively.

Directors' Meeting Attendance Report for FY2014

		No. of Meetings Held	No. of Meetings Attended				
			Mr Chew Choon Seng	Mr Magnus Böcker	Mr Thaddeus Beczak	Ms Chew Gek Khim^	Ms Jane Diplock AO
Meeting							
(1) Annual General Meeting	Scheduled	1	1	1	1	–	1
(2) Board Meeting	Scheduled	4	4	4	4	2^	4
(a) Nominating Committee Meeting	Scheduled	2	2 [#]	2 [#]	–	–	–
	Ad-hoc	1	1 [#]	1 [#]	–	–	–
(b) Remuneration Committee Meeting	Scheduled	2	2	2 [#]	–	–	–
(c) Audit Committee Meeting	Scheduled	4	4 [#]	4 [#]	–	–	4
(d) Regulatory Conflicts Committee Meeting	Scheduled	2	2	2 [#]	2	–	2
(e) Risk Management Committee Meeting	Scheduled	4	4 [#]	4 [#]	4	2^	4*

• Observer

By invitation

* Appointed on 19 September 2013

° Stepped down on 19 September 2013

^ Appointed on 1 December 2013

∨ Stepped down on 1 December 2013

Key Features of Board Processes

The schedule of all Board and Board committee meetings and the Annual General Meeting (AGM) for the next calendar year is planned well in advance, in consultation with all the directors. The Board meets at least four times a year at regular intervals. Telephonic attendance at Board meetings is allowed under SGX's Articles of Association (Articles). The Board and Board committees may also make decisions by way of circulating resolutions in writing.

Besides the scheduled Board meetings, the Board meets on an ad-hoc basis as warranted by particular circumstances.

Board Approval

SGX has adopted and documented internal guidelines setting forth matters that require Board approval. Matters which are specifically reserved to the Board for approval are:

- (a) matters involving a conflict of interest for a substantial shareholder or a director;
- (b) material acquisitions and disposal of assets;
- (c) corporate or financial restructuring;
- (d) share issuances, interim dividends and other returns to shareholders;
- (e) matters which require Board approval as specified under SGX's interested person transaction policy; and
- (f) any investments or expenditures exceeding S\$10 million in total.

For expenditures of S\$10 million and below, SGX has internal guidelines which set out, among others, the authorisation limits granted to management for approval of capital and operating expenditures, specified financial transactions and supplementary budgets.

While matters relating to SGX's objectives, strategies and policies require the Board's direction and approval, the executive management committee (EMCO) comprising senior management is responsible for overseeing the management

of the SGX group and implementing the Board's strategic policies.

Board Orientation and Training

A formal letter of appointment is provided to every new director. The formal letter of appointment indicates the time commitment required and the role of directors (including directors' responsibilities). The new director will also receive a manual containing Board and SGX policies relating to the disclosure of interests in securities, disclosure of conflicts of interest in transactions involving SGX, prohibition on dealings in SGX's securities and restrictions on the disclosure of price-sensitive information.

SGX conducts a comprehensive orientation programme, which is presented by CEO and senior management, to familiarise new directors with its business and governance practices. The orientation programme gives directors an understanding of SGX's businesses to enable them to assimilate into their new roles. The programme also allows the new director to get acquainted with senior management, thereby facilitating board interaction and independent access to senior management. The newly appointed directors for FY2014, Mr Ng Kok Song and Ms Chew Gek Khim were given a detailed and in-depth briefing and induction into SGX by the CEO and senior management. The directors underwent the induction programme, with presentations by senior management to introduce them to every aspect of the SGX business.

The directors are provided with continuing briefings and updates in areas such as directors' duties and responsibilities, corporate governance, changes in financial reporting standards and issues which have a direct impact on financial statements, so as to enable them to properly discharge their duties as Board or Board committee members. The scope of such continuous briefings and updates includes overview of industry trends and developments, governance practices and developing trends, and changes in trends in governance practices and regulatory requirements pertaining to SGX's business.

Mr Kwa Chong Seng	Mr Kevin Kwok	Mr Lee Hsien Yang	Mr Liew Mun Leong	Mr Ng Kee Choe	Mr Ng Kok Song*	Mr Robert Owen°	Mr Quah Wee Ghee	Mr Davinder Singh	Total No. of Meetings Held
1	1	1	1	1	1	1	1	1	1
3	4	4	4	4	3*	1°	4	2	4
2	–	–	2*	2	2*	–	–	1	3
1	–	–	1*	1	1*	–	–	1	–
1*	–	1°	2	1°	1*	–	–	–	2
–	4	4	4	1°	–	–	–	–	4
–	2	–	–	–	–	–	–	–	2
2 ^v	–	–	–	2*	–	1°	4	2	4

Briefings and updates provided for directors in FY2014

- At every AC meeting, the external auditor, PricewaterhouseCoopers LLP, briefs the AC members on developments in accounting and governance standards.
- The CEO updates the Board at each meeting on business and strategic developments in the global exchange and clearing house industry.
- Head of Securities briefed the Board on market developments for Singapore securities in 2014.

The directors are also encouraged to attend other appropriate courses, conferences and seminars, at SGX's expense. These include programmes run by the Singapore Institute of Directors, of which SGX is a corporate member.

Directors can request for further explanations, briefings or information on any aspect of SGX's operations or business issues from management.

Board Composition and Guidance

Principle 2

Board Independence

SFR 2005 provides that an independent director is one who is independent from any management and business relationship with SGX and independent from any substantial shareholder of SGX. Under this definition, more than half of the Board is considered independent.

Under SFR 2005, it is mandatory for the NC to determine annually whether a director is independent.

Over the course of the year, the NC assessed the independence of Board members in light of SFR 2005 and

also Guideline 2.4 of the Code. With regard to Guideline 2.4 of the Code which requires that the independence of any director who has served on the Board beyond nine years from the date of first appointment, to be subject to particularly rigorous review, the NC has decided that any independent director upon completing nine consecutive years of service will thereafter be deemed a non-independent director, notwithstanding demonstrable independence of management, or business relationships with SGX, or any substantial shareholder. The Board is in accord with the NC's decision.

Consequently, Mr Ng Kee Choe, Mr Lee Hsien Yang and Mr Chew Choon Seng were deemed non-independent, solely on account of each of them having completed nine consecutive years of service, as of the relevant dates during the year of report.

Mr Ng Kee Choe is retiring under Article 153(2) of the Companies Act at the AGM and will not be offering himself for re-appointment to office.

To avoid an abrupt loss of members with experience and institutional memory of SGX, the Board wishes to pace the retirement of its directors and recommends that Mr Lee Hsien Yang continue on the Board as a non-independent director. However, he is retiring by rotation under Article 99A of the Articles at the AGM. Mr Lee has consented to the Board's request, and being eligible, offers himself for re-election at the AGM.

Assessment of Independence of Individual Directors

All references to Regulations are a reference to SFR 2005, which can be obtained from www.agc.gov.sg. All references to Guidelines are references to the Code, which can be obtained from www.mas.gov.sg.

Name of Director		Independence status under the Code	Independence status under the SFR 2005	Reg 3(1)(a) Independent from management relationship	Reg 3(1)(b) Independent from business relationship	Reg 4 Independent from substantial shareholder
(1)	Mr Chew Choon Seng	No ¹	Yes	Yes	Yes	Yes
(2)	Mr Magnus Böcker	No ²	No ³	No	Yes	Yes
(3)	Mr Thaddeus Beczak	Yes	Yes	Yes	Yes	Yes
(4)	Ms Chew Gek Khim	Yes	Yes	Yes	Yes	Yes
(5)	Ms Jane Diplock AO	Yes	Yes	Yes	Yes	Yes
(6)	Mr Kwa Chong Seng	Yes	Yes	Yes	Yes	Yes
(7)	Mr Kevin Kwok	Yes	Yes	Yes	Yes	Yes
(8)	Mr Lee Hsien Yang	No ¹	Yes	Yes	Yes	Yes
(9)	Mr Liew Mun Leong	Yes	Yes	Yes	Yes	Yes
(10)	Mr Ng Kee Choe	No ¹	Yes	Yes	Yes	Yes
(11)	Mr Ng Kok Song	Yes	Yes	Yes	Yes	Yes
(12)	Mr Quah Wee Ghee	Yes	No ⁴	Yes	No	Yes
(13)	Mr Davinder Singh ⁵	Yes	Yes	Yes	Yes	Yes

1 Messrs Ng Kee Choe, Lee Hsien Yang and Chew Choon Seng are deemed non-independent, solely on account of each having completed nine consecutive years of service, as of the relevant dates during the year of report pursuant to the NC's decision on Guideline 2.4 of the Code.

2 Mr Magnus Böcker is employed by SGX and therefore non-independent by virtue of Guideline 2.3(a) of the Code.

3 As CEO of SGX, Mr Magnus Böcker is non-independent from management relationship under Regulation 3(1)(a) of SFR2005.

4 With effect from 9 January 2012, Mr Quah Wee Ghee is deemed non-independent by virtue of Regulation 3(3)(c)(ii), due to his directorship held with OCBC Ltd, which is a related corporation of an SGX member firm.

5 Mr Davinder Singh was deemed non-independent by virtue of Regulation 3(3)(a), due to Drew & Napier LLC's engagement to advise Singapore Exchange Securities Trading Limited in relation to an application for judicial review arising from the issuance of a public reprimand against a director of a listed company. With no substantial payments being made by SGX to Drew & Napier LLC in the current or immediately preceding financial year, Mr Davinder Singh has been deemed independent since 25 February 2014.

Board composition and size

Each year, the NC reviews the composition and size of the Board and each Board committee and the skills and core competencies of its members to ensure an appropriate balance and diversity of skills and experience. Core competencies include banking, finance, accounting, business acumen, management experience, exchange industry knowledge, familiarity with regulatory requirements and knowledge of risk management. The directors are continually updated on company affairs by management. The Board, taking into account the views of the NC, considers that its directors possess the necessary competencies and knowledge to lead and govern SGX effectively.

Taking into account the nature and scope of SGX's businesses and the number of Board committees, the Board, taking into account the views of the NC, considers that a board size of at least 12 directors, with the majority of members being independent is necessary.

Board Guidance

An effective and robust Board, whose members engage in open and constructive debate and challenge management on its assumptions and proposals, is fundamental to good corporate governance. A Board should also aid in the development of strategic proposals and oversee effective implementation by management to achieve set objectives.

For this to happen, the Board, in particular Non-Executive Directors (NEDs), must be kept well informed of SGX's businesses and be knowledgeable about the exchange industry. To ensure that NEDs are well supported by accurate, complete and timely information, NEDs have unrestricted access to management. NEDs also receive periodic information papers and board briefings on latest market developments and trends, and key business initiatives. Regular informal meetings are held for management to brief directors on prospective deals and potential developments in the early stages, before formal Board approval is sought. Board papers are provided to directors not less than a week in advance of the meeting to afford the directors sufficient time to review the board papers prior to the meeting. If a director is unable to attend a Board or Board committee meeting, the director may nevertheless provide his/her comments to the Chairman or relevant Board committee Chairman separately.

The four regular Board sessions in a year are organised to focus on:

- (a) risk management strategies;
- (b) strategic issues and directions for SGX;
- (c) budget considerations for the financial year; and
- (d) end-of-financial year review.

Meeting of Directors without Management

Executive sessions are available for the NEDs to meet without the presence of management or executive directors at each Board meeting, where necessary.

Chairman and Chief Executive Officer

Principle 3

Separation of the Role of Chairman and the Chief Executive Officer

The roles of Chairman and CEO are separate to ensure a clear division of responsibilities, increased accountability and greater capacity of the Board for independent decision-making. The Chairman is not related to the CEO. The division of responsibilities and functions between the two has been demarcated with the concurrence of the Board.

The Chairman manages the business of the Board and monitors the translation of the Board's decisions and wishes into executive action. He approves the agendas for the Board meetings and ensures sufficient allocation of time for thorough discussion of each agenda item. He promotes an open environment for debate, and ensures that NEDs are able to speak freely and contribute effectively. He exercises control over the quality and quantity of the information as well as the timeliness of the flow of information between the Board and management. In addition, he provides close oversight, guidance, advice and leadership to the CEO and management.

At AGMs and other shareholder meetings, the Chairman plays a pivotal role in fostering constructive dialogue between shareholders, the Board and management.

The CEO manages and develops the businesses of SGX and implements the Board's decisions. He chairs the EMCO, which comprises senior management executives. EMCO meets weekly to oversee the management of the SGX group and implement the Board's strategic policies.

Board interaction with, and independent access to, senior management is encouraged. EMCO members are invited to attend all Board meetings, and relevant Board committee meetings.

Lead Independent Director

Mr Chew Choon Seng (who became the Chairman of the Board on 1 January 2011) was deemed non-independent with effect from 1 December 2013, on account of his having been a director for nine years by that date. Mr Kwa Chong Seng, chairman of the NC and RC, was appointed as Lead Independent Director (LID) on 1 December 2013 to lead and co-ordinate the activities of the NEDs of SGX. The charter of the LID is available on SGX's website.

Board Membership

■ Principle 4

Continuous Board Renewal

The Board, in conjunction with the NC, reviews the composition of the Board and Board committees annually, taking into account the performance and contribution of each individual director. Board composition is also evaluated

to ensure diversity of skills and experience is maintained within the Board and Board committees.

Based on the NC's assessment of independence of each individual director and his or her relevant expertise, and with the aim of ensuring compliance with the requirements of SFR 2005 and the Code, the Board reviews, and reconstitutes as appropriate, the membership of the Board committees.

Composition Requirements for the Board and Board Committees as per SFR 2005

Board/Board Committee		SFR 2005 Reg No.	Composition requirements				
			Independent from management and business relationships	Independent Directors*	Independent from any single substantial shareholder	Additional requirements	Composition requirements fulfilled
(1)	Board of Directors	6	Majority	One-third	Majority	N.A.	Yes
(2)	Risk Management Committee	7	N.A.	One-third	Majority	N.A.	Yes
(3)	Nominating Committee	9	Majority (including NC Chairman)	One-third	Majority	Must comprise at least 5 directors	Yes
(4)	Remuneration Committee	13	Majority (including RC Chairman)	One-third	Majority	Must comprise at least 3 directors, matters referred to in regulation 3(3)(c), (d) and (e) do not apply to all directors	Yes
(5)	Audit Committee	14	All	Majority (including AC Chairman)	N.A.	Must comprise at least 3 directors	Yes
(6)	Regulatory Conflicts Committee	15	All	N.A.	Majority (including RCC Chairman)	Must comprise at least 3 directors	Yes

* Independent from management and business relationships, and from any substantial shareholder.

NC Composition

The NC is chaired by Mr Kwa Chong Seng, and comprises Mr Liew Mun Leong, Mr Ng Kee Choe, Mr Ng Kok Song and Mr Davinder Singh. In compliance with SFR 2005 requirements, the NC has five members (including the NC Chairman), four of whom are independent directors.

Recommendation of Directors

The NC is responsible for identifying candidates and reviewing all nominations for the appointment, re-appointment or termination of directors and Board committee members, taking into account the Monetary Authority of Singapore's (MAS) fit and proper criteria for such appointments, the director's independence status, his or her participation and contributions during and outside board meetings, SFR 2005, the Code and other relevant factors as may be determined by the NC. All directors of SGX are approved by the MAS, based on its fit and proper criteria, before they are appointed by the Board or at the AGM (as the case may be).

The Articles provide that at each AGM, one-third of the directors, including the CEO who also serves on the Board (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation. Effectively, this results in all directors having to retire at least once in three years or even earlier. Directors appointed by the Board during the financial year, without shareholders' approval at the AGM, shall only hold office until the next AGM, and thereafter be eligible for re-election at the AGM.

Continuous Review of Directors' Independence

Under SFR 2005, it is mandatory for the NC to conduct an annual review of each director's independence, based on SFR 2005 requirements. SGX has procedures in place for enhanced controls and to ensure continuous monitoring of SGX directors' independence. The NC has ascertained that a majority of the Board members are independent according to these criteria. If at any time the MAS is not satisfied that a director is independent, notwithstanding any determination by the NC, the MAS may direct SGX to rectify

the composition of the Board or Board committees, as the case may be.

Since November 2011, SGX has in place a policy whereby directors must consult the Chairman of the Board and the NC Chairman prior to accepting new director appointments. Directors must also immediately report any changes in their external appointments, including any corporate developments relating to their external appointments, which may affect their independence status under SFR 2005. This ensures directors continually meet the stringent requirements of independence under SFR 2005.

Directors' Time Commitments

The NC assesses the effectiveness of the Board as a whole and takes into account, each director's contribution and devotion of time and attention to SGX. The NC also assesses nominees identified for recommendation to the Board, on their individual credentials and their ability to devote appropriate time and attention to SGX.

The NC is of the view that the effectiveness of each of the directors is best assessed by a qualitative assessment of the director's contributions as well as by taking into account each director's listed company board directorships, and any other relevant time commitments. While having a numerical limit on the number of directorships may be considered by some other companies to be suitable for their circumstances, at present SGX considers the assessment as described above to be more effective for its purposes. SGX also does not wish to omit from consideration outstanding individuals who, despite the demands on their time, have the capacity to participate and contribute as new members of the Board.

For now, the NC believes that SGX's qualitative assessment and the existing practice, which requires each director to confirm annually to the NC, his/her ability to devote sufficient time and attention to SGX's affairs, having regard to his/her other commitments, are effective.

SGX will continue to disclose each director's listed company board directorships and principal time commitments, which may be found on pages 32 to 39.

The Board is satisfied that all directors have discharged their duties adequately for FY2014. The Board also expects that the directors will continue to discharge their duties adequately in FY2015.

Succession Planning for the Board and Senior Management

Succession planning is an important part of the governance process. The NC will seek to refresh the Board membership progressively and in an orderly manner, to avoid losing institutional memory.

The NC reviews the succession and leadership development plans for senior management, which are subsequently approved by the Board. As part of this annual review, the successors to key positions are identified, and development plans instituted for them.

Criteria and Process for Nomination and Selection of New Directors

SGX adopts a comprehensive and detailed process in the selection of new directors. Candidates are first sourced through an extensive network of contacts and identified based on the needs of SGX and the relevant expertise required. After the NC Chairman, the SGX Chairman and the other NC members have interviewed the candidates, the candidates are further shortlisted for the NC's formal consideration for appointment to the Board.

The NC complies with SFR 2005 criteria when reviewing a nomination for a proposed Board appointment.

The criteria are as follows:

- (a) a determination of the candidate's independence;
- (b) his/her appointment will not result in non-compliance with any of SFR 2005 composition requirements for the Board and Board Committees; and
- (c) whether the candidate is a fit and proper person in accordance with MAS' fit and proper guidelines, taking into account track record, age, experience, capabilities, skills and such other relevant factors as may be determined by the NC.

The MAS' fit and proper guidelines broadly take into account the candidate's honesty, integrity and reputation; competence and capability; and financial soundness.

Key Information on Directors

Please refer to the 'Board of Directors' section in the AR for key information on the directors. The Notice of AGM sets out the directors proposed for re-election or re-appointment at the AGM. Key information on directors is also available on SGX's website.

Board Performance

Principle 5

Board Evaluation Policy

The Board has implemented a process carried out by the NC, for assessing the effectiveness of the Board as a whole and for assessing the contribution by each individual director to the effectiveness of the Board. Please refer to the Board Evaluation Policy, which is available on SGX's website.

Board Evaluation Process

- (a) The NC will assess and discuss the performance of the Board as a whole and its Board committees every year, and will ascertain key areas for improvement and requisite follow-up actions;
- (b) Every two years, independent consultants will be appointed to assist in the evaluation process of the Board and Board committees. This process includes a questionnaire designed to assess the performance of the Board and its Board committees and enhance the overall effectiveness of directors; and
- (c) The Board and Board committees' performance will be evaluated by each director and each EMCO member.

The Board believes that the use of an external independent consultant greatly enhances the quality and objectivity of the evaluation.

The Board has engaged an external independent consultant to conduct SGX's Board evaluation for FY2014. The external consultant had no connection with SGX or the Board.

Questionnaires were developed through incorporating the best practices in the market on board evaluation and revised based on key issues and areas the Board wanted to focus on.

Separate questionnaires were then administered to the EMCO and to the Board. For example, the questionnaire (for the Board) included the evaluation of factors such as board composition, managing company's performance, board processes, committee effectiveness, risk management and succession planning. The EMCO questionnaire focused on evaluation of factors such as the board's development and monitoring of strategy, working with management, and management of risk.

The Board evaluation results were discussed with the NC, the Board and EMCO, and key action steps were mapped with the goal of enhancing the effectiveness of the Board and the Board committees.

Board Performance Criteria

The Board reviews its performance against qualitative and quantitative targets on an annual basis. This remains unchanged from the previous year.

The Board is required to ensure that a proper balance is maintained between its commercial objectives and its regulatory responsibilities. Therefore, the Board performance criteria include a measure to capture the performance of its regulatory responsibilities as a SRO.

In line with the Code's recommendation of using quantitative financial indicators, the Board has adopted performance

measures which align its interests with shareholders' interests, such as (a) Return on Equity, (b) absolute minimum SGX Total Shareholder Return (TSR), and (c) SGX's TSR performance against the TSR of the FTSE/MV Exchanges Index, which is an index of 25 listed exchanges, in order to benchmark its relative performance against other exchanges.

Individual Director Evaluation

There is an individual assessment of each NED's contribution by the Chairman, and the results of the assessment are discussed with the NC Chairman. Some factors considered in the individual review are directors' attendance and participation in and outside meetings, the quality of directors' interventions and special skills and contributions made by directors.

The performance of individual directors is taken into account in their re-appointment or re-election. Specific needs which arise from time to time are taken into account in any appointment of new directors.

The assessment of CEO's performance is undertaken by the Chairman, together with the NC Chairman and the RC Chairman, and the results are reviewed by the Board. The NEDs, led by the NC Chairman, assess the Chairman's performance, and the NC Chairman provides the feedback to the Chairman.

Access to Information

Principle 6

Complete, Adequate and Timely Information

Management recognises that the flow of complete, adequate and timely information on an on-going basis to the Board is essential to the Board's effective and efficient discharge of its duties. To allow directors sufficient time to prepare for the meetings, all scheduled Board and Board committee papers are distributed not less than a week in advance of the meeting to directors. This enables the discussion during the meeting to focus on questions that directors may have. Any additional material or information requested by the directors is promptly furnished.

Management's proposals to the Board for approval provide background and explanatory information such as facts, resources needed, risk analysis and mitigation strategies, financial impact, expected outcomes, conclusions and recommendations. Any material variance between any projections and the actual results of budgets is disclosed and explained to the Board. Employees, who can provide additional insight into matters to be discussed, will be present at the relevant time during the Board and Board committee meetings.



To facilitate direct and independent access to the senior management, directors are also provided with the names and contact details of the management team. Draft agendas for Board and Board committee meetings are circulated to EMCO and Board committee chairmen respectively, in advance, in order for them to suggest items for the agenda and/or review the usefulness of the items in the proposed agenda.

In order to keep directors abreast of sell-side analysts' views on SGX's performance, the Board is updated once a year on the market view which includes a summary of analysts' feedback and recommendations following the full-year and half-year results. A monthly financial performance report is also provided to the Board. This report includes the financial and management accounts, accompanied by an analysis of SGX's performance and supporting data. It also contains operational metrics and identifies SGX's key risks.

The quarterly and year-end financial statements are reviewed and recommended by the AC to the Board for approval. In addition, the Board receives a monthly risk dashboard which provides an overview of SGX's key risks. This includes clearing and settlement risks, regulatory and compliance risks, technology and operations service availability, and other competition risks as well as audit findings.

Company Secretary

Directors have separate and independent access to the Company Secretary. The Company Secretary is responsible

for, among other things, ensuring that Board procedures are observed and that SGX's memorandum and the Articles, relevant rules and regulations, including requirements of the SFA, Companies Act and Listing Manual, are complied with. The Company Secretary also assists the Chairman and the Board to implement and strengthen corporate governance practices and processes, with a view to enhancing long-term shareholder value.

The Company Secretary assists the Chairman to ensure good information flows within the Board and its committees and between senior management and NEDs, as well as facilitating orientation and assisting with professional development as required. The Company Secretary is responsible for training, designing and implementing a framework for management's compliance with the Listing Rules, including advising management to ensure that material information is disclosed on a prompt basis. The Company Secretary attends and prepares minutes for all Board meetings. As secretary to all the other Board committees, the Company Secretary assists to ensure coordination and liaison between the Board, the Board committees and management. The Company Secretary assists the Chairman, the Chairman of each Board committee and management in the development of the agendas for the various Board and Board committee meetings.

The appointment and the removal of the Company Secretary are subject to the Board's approval as a whole.

Independent Professional Advice

Directors, either individually or as a group, in the furtherance of their duties, may take independent professional advice, if necessary, at SGX's expense.

Remuneration Matters

Procedures for Developing Remuneration Policies

Principle 7

Remuneration Committee

The RC is chaired by Mr Kwa Chong Seng and comprises four members (including the RC Chairman), three of whom are independent directors based on the Code's criteria. The members are Mr Chew Choon Seng, Mr Liew Mun Leong and Mr Ng Kok Song. The Board considers that Mr Kwa Chong Seng, who has many years of experience in senior management positions and on various boards dealing with remuneration issues, is well qualified to chair the RC and that the members of the RC collectively have strong management experience and expertise on remuneration issues.

No member of the RC is involved in deliberations in respect of any remuneration, compensation, options or any form of benefits to be granted to him.

The RC reviews and recommends to the Board for approval, matters concerning remuneration of the Board, CEO, senior management and employees. The RC approves the framework of remuneration for the entire organisation including the structuring of incentive schemes. The RC also approves the annual salary increment pool, market adjustments and total incentive pool for distribution to staff of all grades. The RC's recommendations are submitted for the Board's discussion or, as the case may be, approval.

The RC Chairman, together with the NC, reviews and recommends to the Board the specific remuneration packages for executive directors and the CEO upon recruitment. Subsequently, annual increments, variable bonuses, performance share grants and other incentive awards or benefits in kind, will be reviewed by the RC against the achievement of prescribed goals and targets for executive directors and the CEO, for recommendation to the Board. Please refer to 'Remuneration Report' in the AR for further information on SGX's compensation philosophy and actual performance targets for the award of long-term incentives.

The RC has access to appropriate advice from the Head of Human Resources, who attends all RC meetings. The RC may seek expert advice inside and/or outside SGX on remuneration of directors and staff.

The RC reviews the terms of compensation and employment for executive directors and key management personnel at the time of their respective employment or renewal (where

applicable) including considering SGX's obligations in the event of termination of services.

Level and Mix of Remuneration

Principle 8

The RC administers the Performance Share Plan (PSP). The performance-related elements of remuneration are designed to align interests of executive directors, EMCO and staff with those of shareholders and link rewards to corporate and individual performance. Details of SGX's compensation philosophy and the compensation framework including the PSP awards made thereunder, and the performance conditions for the vesting of the awards, are found under 'Remuneration Report' in the AR.

Non-executive Directors' Remuneration

Having regard to the scope and extent of a director's responsibilities and obligations, the prevailing market conditions and referencing directors' fees against comparable benchmarks, the Board agreed with the RC's recommendation that the current fee structure for NEDs remains unchanged. The fee structure was last revised in FY2011, and the Basic fee and Attendance fee have remained unchanged since 2008.

The SGX Chairman receives fees for being Chairman of the Board, together with the provision to him of a car with a driver, as approved by a separate resolution at each AGM. Director fees and additional fees for serving on Board committees and attendance fees are paid to the NEDs in accordance with the following framework:

Fee Structure	FY2014
NED – Basic Fee	S\$55,000
Audit Committee – Chairman	S\$40,000
Audit Committee – Member	S\$30,000
Other Committee – Chairman	S\$30,000
Other Committee – Member	S\$20,000
Attendance Fee (per meeting)	S\$1,500

SGX pays the NED fees on a quarterly basis in arrears, instead of 16 months after the past financial year. The NED fees which are paid on a current year basis, will be payable to the director if he/she is in service at the end of the current year quarter, or if the term of appointment ends within the quarter. Overseas directors are reimbursed for out-of-pocket travelling and accommodation expenses in Singapore.

Executive Directors' Remuneration

Executive directors do not receive directors' fees.

Long-term Incentive Scheme

Please refer to the 'Remuneration Report' and 'Directors' Report' in the AR for further information on the long-term incentive scheme.

Disclosure of Remuneration

■ Principle 9

For disclosure of the remuneration of the executive and non-executive directors and the five top-earning executives and a breakdown of the fees payable to each director, please refer to 'Remuneration Report' in the AR. The 'Remuneration Report' further sets out the performance conditions applicable to the EMCO's entitlements to short-term and long-term incentives. SGX has also disclosed in the Remuneration Report the remuneration of the five top-earning executives in actual figures, in line with best practices, with a breakdown in terms of fixed pay, variable bonus, ex-gratia payment (if any), long-term incentives and benefits-in-kind. The Remuneration Report also discloses the employee share schemes that SGX has in place and how remuneration paid is varied according to SGX's performance.

None of the current employees are related to the directors.

Accountability & Audit

Accountability

■ Principle 10

The Board provides shareholders with quarterly and annual financial reports. Results for the first three quarters are released to shareholders no later than 25 days from the end of the quarter. Annual results are released within 31 days from the financial year-end. In presenting the quarterly and annual financial statements to shareholders, the Board aims to provide shareholders with a balanced and clear assessment of SGX's position and prospects.

For the financial year under review, the CEO and the Chief Financial Officer (CFO) have provided assurance to the Board on the integrity of the financial statements for SGX and its subsidiaries. For interim financial statements, the Board provides a negative assurance confirmation to shareholders, in line with the Listing Rules. For the full year financial statements, the Board provides an opinion that the SGX group's internal controls, addressing financial, operational, compliance and information technology risks are adequate as of 30 June 2014. This is based on the internal controls established and maintained by SGX, work performed by the internal and external auditors, and reviews performed by management, various Board Committees and the Board. This, in turn, is supported by a negative assurance statement from the CEO and CFO. Management provides directors with a monthly financial performance report either within (a) 10 business days from month-end or (b) on or prior to the day when the annual or quarterly financial results are released.

SGX also provides to its regulator, MAS, an annual report on the RCC's activities in relation to SGX's SRO conflicts management, and an annual self-assessment report of its discharge of its responsibilities as an exchange and a clearing house. MAS also conducts an annual on-site inspection of SGX.

Risk Management and Internal Controls

■ Principle 11

The RMC assists the Board in the oversight of risk management in SGX. Its responsibilities include reviewing and recommending to the Board the type and level of business risk that SGX undertakes on an integrated basis to achieve its business strategy and the appropriate framework and policies for managing risks that are consistent with SGX's risk appetite.

SGX has in place an enterprise-wide risk management framework to enhance its risk management capabilities. This is administered by the Enterprise Risk Management team (ERM), which reports to the Chief Risk Officer. The key risks facing SGX have been identified and action plans are in place to mitigate these risks. In addition, the key risks at the process level have been identified via risk self-assessment exercises. Risk awareness and ownership of risk treatments are also continuously fostered across the organisation. Please refer to the 'Risk Management Report' in the AR for further information on the identification and management of these risks.

The Board has received assurance from the CEO and CFO on SGX group's financial records and the effectiveness of SGX's risk management and internal controls. The Board also receives a separate quarterly representation on SGX's financial information and controls, including that the financial records have been properly maintained and the financial statements give a true and fair view of SGX group's operations and finances, from the CEO and CFO.

Based on the internal controls established and maintained by SGX, work performed by the internal and external auditors, and reviews performed by management, various Board Committees and the Board, the AC and the Board are of the opinion that SGX's internal controls, addressing financial, operational, compliance and information technology risks, are adequate as of 30 June 2014.

The system of internal controls and risk management established by SGX provides reasonable, but not absolute, assurance that SGX will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. However, the Board also notes that no system of internal controls and risk management can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities.

Audit Committee

■ Principle 12

Composition of the AC

The AC is chaired by Mr Kevin Kwok and comprises four members (including the AC Chairman), three of whom are independent directors based on the Code's criteria. The other



three members are Ms Jane Diplock AO, Mr Lee Hsien Yang and Mr Liew Mun Leong.

In compliance with the requirements of SFR 2005, all members of the AC are independent directors who are free from management and business relationships, and from any substantial shareholder.

The Board considers that Mr Kevin Kwok, who has extensive and practical financial management knowledge and experience, is well qualified to chair the AC.

The members of the AC collectively have strong accounting and related financial management expertise and experience. They keep abreast of relevant changes through their personal active involvement with standards setting and reporting developments as well as through regular updates from the external auditor, on changes to accounting standards and issues which have a direct impact on the financial statements.

Authority and Duties of the AC

The AC's primary role is to investigate any matter within its TOR. It has full access to, and the co-operation of, management and full discretion to invite any director or officer to attend its meetings. The AC has access to adequate resources, including access to Internal Audit, external consultants and the external auditor, to enable it to discharge its responsibilities properly.

The AC reviews the scope and results of audit work, the cost effectiveness of the audit, and the independence and objectivity of the external auditor. The AC also undertakes quarterly reviews of the nature, extent and costs of non-audit services provided by the external auditor, seeking to balance the maintenance of objectivity of the external auditor and their ability to provide value-for-money services.

The AC meets on a quarterly basis to review the integrity of the financial statements including the relevance and consistency of the accounting principles adopted. The AC reviews and recommends the financial statements and corresponding SGXNet announcements to the Board for approval.

The AC reviews and assesses the adequacy and effectiveness of SGX's system of internal controls and regulatory compliance through discussions with management, the Head of Internal Audit, the Head of Compliance and the external auditor, at its quarterly AC meetings.

The AC met four times during the financial year under review. The Chairman, CEO, CFO, President, Chief Operations & Technology Officer, Head of Technology Delivery, Internal Audit, Compliance, and the external auditor were invited to attend these meetings. The AC considered and reviewed

with management, the Head of Internal Audit and the Head of Compliance (where applicable) the following:

- (a) significant internal audit observations and management's responses thereto;
- (b) regulatory breaches;
- (c) planned scope of the annual internal and external audit plans to ensure that the plans covered sufficiently a review of the internal controls of SGX;
- (d) planned scope of the annual compliance plans; and
- (e) budget and staffing for Internal Audit and Compliance functions.

During the financial year, the AC met with Internal Audit, without the presence of management.

External Auditor

The AC reviews the selection of the external auditors and recommends to the Board the appointment, re-appointment and removal of the external auditor, the remuneration and terms of engagement of the external auditor. The annual re-appointment of the external auditor is subject to shareholder approval at SGX's AGM.

During the financial year, the external auditor held a meeting with the AC, and separately with the AC Chairman, without the presence of management. The AC reviewed the independence and objectivity of the external auditor through discussions with them as well as a review of the (a) volume and nature of non-audit services provided by the external auditor; and (b) quantum of non-audit fees paid to the external auditors (as described below), during the financial year under review. Based on this information, the AC is satisfied that the financial, professional and business relationships between SGX and the external auditor will not prejudice their independence and objectivity. Accordingly, the AC has recommended the re-appointment of the external auditor at the coming AGM.

In the review of the financial statements for the financial year ended 30 June 2014, the AC discussed with management and the external auditor the accounting principles that were applied and their judgement of items that might affect the integrity of the financial statements. Following the review and discussions, the AC recommended to the Board the release of the full-year financial statements.

The total fees paid to our external auditor, PricewaterhouseCoopers LLP, are as disclosed in the table below:

External Auditor Fees for FY2014	S\$'000	% of total audit fees
Total Audit Fees	460	–
Total Non-Audit Fees	39	9%
Total Fees Paid	499	–

SGX has complied with Rule 712 and Rule 715 in the appointment of its auditor.

Whistleblowing Policy

SGX has a whistleblowing policy in place which encourages employees and vendors to report malpractices and misconduct in the workplace. SGX will protect employees, who have acted in good faith, from victimisation and harassment by their colleagues. SGX will treat all information received confidentially and protect the identity and the interest of all whistle-blowers. Anonymous disclosures will be accepted and anonymity honoured. Reports can be lodged by calling the hotline at 6236 8585 or via email at whistleblowing@sgx.com.

The policy allows a single, confidential line to report concerns about possible improprieties to the Head of Internal Audit in good faith and in confidence. The policy defines the processes clearly to ensure independent investigation of such matters and appropriate follow-up action, and provides assurance that staff will be protected from reprisals.

There have been no established incidents pertaining to whistle-blowing for FY2014.

Interested Person Transactions Policy

SGX has procedures in place to comply with the Listing Manual requirements relating to interested person transactions. All new directors are briefed on the relevant provisions that they need to comply with. All interested person transactions, if any, are reported to and monitored by the Finance department, and reviewed by the AC.

There were no Interested Person Transactions in FY2014.

Material Contracts (Rule 1207(8) of the Listing Manual)

There were no material contracts entered into by SGX or any of its subsidiaries involving interests of any Director or controlling shareholder during FY2014.

Internal Audit

Principle 13

Internal Audit

On an annual basis, Internal Audit prepares and executes a risk-based audit plan, which complements that of the external auditor, so as to review the adequacy and effectiveness of the system of internal controls of SGX. These include operational, financial, compliance and information technology controls. In addition, the external auditor will highlight any material internal control weaknesses which have come to their attention in the course of their statutory audit. All audit findings and recommendations made by the internal and external auditors are reported to the AC. Significant issues are discussed at AC meetings. Internal Audit follows up on all recommendations by the internal and external auditors to

ensure management has implemented them in a timely and appropriate fashion and reports the results to the AC every quarter.

Compliance

The Compliance function executes an annual risk-based compliance programme, focusing on regulatory risk arising from SGX's own obligations to comply with applicable laws and regulations. The programme comprises a combination of regulatory risk assessments and responses, compliance training (including mandatory annual e-learning), monitoring and testing through functional self-assessments and independent compliance reviews, and regular reporting to senior management, the AC and regulators on breaches, significant compliance issues and relevant action plans. Compliance is independent of the business and reports directly to the CEO. However, Compliance remains an integral part of overall management, and is actively engaged in providing compliance advice across all SGX businesses and support functions, including formal training as required.

Line of Reporting and Activities

Internal Audit is an independent function within SGX. The Internal Audit function under the Head of Internal Audit reports functionally to the AC and administratively to the CEO. The AC approves matters relating to the Internal Audit Charter, risk assessment and related audit plans and results and follows up on internal audit activities. The AC approves the hiring, removal, evaluation and compensation of the Head of Internal Audit. The AC Chairman meets the Head of Internal Audit at least four times a year, without the presence of management. Internal Audit has unfettered access to all of SGX's documents, records, properties and personnel including the Chairman and the AC.

Internal Audit operates within the framework stated in its Internal Audit Charter which is approved by the AC. The primary role is to assist the Board and senior management to meet the strategic and operational objectives of SGX, by providing an independent and objective evaluation of the adequacy and effectiveness of risk management, controls and governance processes.

All audit reports are circulated to the AC, the CEO, the external auditor and relevant senior management representatives. The progress of corrective actions on outstanding audit issues is monitored through a company-wide issue management system. Information on outstanding issues is categorised according to severity and quarterly reports are sent to senior management and AC.

Adequacy of the Internal Audit Function

Internal Audit's annual plan is established in consultation with, but independent of management and is aligned with the risk management framework of SGX. The plan is submitted to and approved by the AC. The AC is satisfied that Internal Audit has adequate resources to perform its functions, and has appropriate standing within SGX. The

AC also reviews annually the adequacy and effectiveness of the internal audit function.

Professional Standards and Competency

Internal Audit is a member of The Institute of Internal Auditors (IIA) and has adopted the Standards for the Professional Practice of Internal Auditing (IIA Standards) laid down in the International Professional Practices Framework issued by the IIA. SGX Internal Audit continues to meet or exceed the requirements of the IIA Standards in all key aspects. Quality assessment reviews are carried out at least once in five years by external qualified professionals. The last review was completed in 2013 and the next review will be due by 2017.

The professional competence of the internal auditors is maintained or upgraded through training programmes, conferences and seminars that provide updates on auditing techniques, regulations, financial products and services. Internal Audit is staffed with suitably qualified experienced professionals with diverse operational and financial experience.

Shareholder Rights and Responsibilities

Shareholder Rights

Principle 14

SGX group's corporate governance practices promote the fair and equitable treatment of all shareholders. To facilitate shareholders' ownership rights, SGX ensures that all material information is disclosed on a comprehensive, accurate and timely basis via SGXNet. SGX recognises that the release of timely and relevant information is central to good corporate governance and enables shareholders to make informed decisions in respect of their investments in SGX.

All shareholders are entitled to attend the AGM and are afforded the opportunity to participate effectively in the AGM. The Articles allow a shareholder to appoint up to two proxies to attend and vote in the shareholder's place at the AGM. The Articles also allow shareholders, who hold shares through nominees such as CPF and custodian banks, to attend the AGM as observers without being constrained by the two-proxy rule, subject to availability of seats.

Communication with Shareholders

Principle 15

Disclosure of Information on a Timely Basis

SGX is committed to disclosing to its shareholders as much relevant information as is possible, in a timely, fair and transparent manner.

In addition to comprehensive, accurate and timely disclosure of material information on SGXNet, SGX adopts the practice of regularly communicating major developments in its businesses and operations through the appropriate media.

Such channels include news releases, annual reports, letter/circulars to shareholders, shareholders' meetings, and direct announcements.

SGX notifies investors in advance of the date of release of its financial results, through an SGXNet announcement, and a media release. Results for the first three quarters are released to shareholders no later than 25 days from the end of the quarter. Annual results are released within 31 days from the financial year-end.

Briefings to present quarterly and full-year results are held for the media and analysts. "Live" video webcasts of briefings, accessible by the public, is also available at SGX's website.

Interaction with Shareholders

The Investor Relations (IR) team presents to the SGX Board an information paper, providing an overview of market feedback (including investors' concerns), updates on the shareholder register, share price performance and other IR matters, on an annual basis.

Dividend Policy

The Board aims to declare a base dividend of 4 cents per share every quarter. For each financial year, the Board aims to pay, as dividend, an amount which is no less than (a) 80% of the annual net profit after tax; or (b) 16 cents per share, whichever is higher. The difference between the targeted dividend and the interim base dividend will be declared and paid as final dividend of each financial year. This policy continues to apply for FY2015.

Corporate Website

SGX adopts transparent, accountable and effective communication practices as a key means to enhance standards of corporate governance. We aim to provide clear and continuous disclosure of our Corporate Governance practices through efficient use of technology. SGX's website has much to offer its shareholders and other stakeholders. The following information can be accessed from our corporate website:

- (a) Board of Directors and EMCO profiles;
- (b) Minutes and Summary of Proceedings of AGM and/or Extraordinary General Meeting (EGM);
- (c) Audiocasts of AGM and/or EGM;
- (d) Annual Reports;
- (e) Letter/Circular to Shareholders;
- (f) Company announcements;
- (g) Press releases;
- (h) Financial Results; and
- (i) Calendar of Events.

The latest AR, financial results (including webcasts of the quarterly and full-year results briefings for media and analysts, and press releases) and company announcements

are posted on the website following their release to the market, to ensure fair and equal dissemination to shareholders. SGX also makes available speeches and presentations given by the Chairman, CEO, and senior management, and a range of other information considered to be of interest to investors.

SGX's website has a clearly dedicated 'Investor Relations' link, which features prominently the latest and past financial results and related information. The contact details of the IR team are available on the dedicated link, as well as in the AR, to enable shareholders to contact SGX easily. IR has procedures in place for addressing investors' queries or complaints as soon as possible.

Conduct of Shareholder Meetings

■ Principle 16

Shareholders are informed of shareholders' meetings through published notices and reports or circulars sent to all shareholders or at the shareholder's election, made available electronically. The AGM procedures provide shareholders the opportunity to ask questions relating to each resolution tabled for approval. Opportunities are given to shareholders to participate, engage, and openly communicate their views on matters relating to SGX to the directors.

Shareholders are given the opportunity to vote at the AGM. However, as the authentication of shareholder identity information and other related security issues still remain a concern, SGX has decided, for the time being, not to implement voting in absentia by mail, email or fax.

The Chairman of each of the AC, NC, RC, RCC and RMC, external auditor, management and legal advisors (where necessary), are also present to address shareholders' queries.

SGX provides for separate resolutions at general meetings on each distinct issue. All the resolutions at the general meetings are single item resolutions. Detailed information on each item in the AGM agenda is in the explanatory notes to the AGM Notice in the AR.

The Company Secretary prepares minutes of shareholder meetings which captures the essence of the comments and queries from shareholders and responses to them from the Board and management. These documents are publicly available on SGX's website. The composition of the Board and Board committees are also made available on SGXNet following the AGM.

SGX has been conducting electronic poll voting for all the resolutions passed at the AGM and EGM for greater transparency in the voting process. Votes cast for, or against, each resolution will be tallied and displayed live-on-screen to shareholders immediately at the meeting. The total numbers and percentage of votes cast for or against the resolutions are also announced after the meeting via SGXNet.



Securities Dealing

To guard against insider trading, SGX's Code of Dealing in Securities (Code of Dealing) adopts a "black-out" policy that is consistent with what is prescribed in the Listing Manual. The Code of Dealing prohibits dealings in SGX's securities by its directors and staff and their "related persons" for a period of two weeks before the announcement of its quarterly or half-yearly financial results, and one month before the announcement of its year-end results.

SGX issues a quarterly notice to its directors and officers informing them that SGX and its officers must not deal in SGX's securities during a black-out period and at any time they are in possession of unpublished material price-sensitive information.

In addition to the black-out policy on SGX shares, staff and their "related persons" who want to trade securities of any company listed on Singapore Exchange Securities Trading Limited must, subject to very limited exceptions, seek prior approval from their approving authority. Directors and staff are prohibited at all times from trading if they are in possession of material non-public information. Staff are also discouraged from dealing in SGX Securities on short-term considerations.

Since 2009, all SGX employees are required to complete an annual online refresher module as part of SGX's mandatory compliance training, and submit a certification of their understanding and compliance with the Code of Dealing.

The Board and management believe that SGX has not only complied with the Listing Manual, but with industry best practices.

Other Codes

Code of Confidentiality

The SGX group of companies deals with confidential information on a daily basis. Protecting the confidentiality of information is of paramount importance to creating and maintaining a trusted marketplace. SGX has a Code of Confidentiality which provides clear guidance to its staff on the proper management, use and disclosure of the different types of confidential information. The Code of Confidentiality, along with the SGX Personal Data Protection Policy, sets out SGX's framework and procedures for compliance with, among other things, the user confidentiality obligations under the SFA, and the personal data obligations under the Personal Data Protection Act 2012.

Code of Conduct & Ethics for Employees

SGX has a Code of Conduct & Ethics for Employees (Code of Conduct & Ethics) that sets the standards and ethical conduct expected of employees. The Code of Conduct & Ethics covers all aspects of the business operations of SGX such as confidentiality of information, related party transactions, gifts, gratuities or bribes and dishonest conduct. Employees are required to observe and maintain high standards of integrity, as well as compliance with laws and regulations, and company policies.

Self-Regulatory Organisation Governance Report

As the front-line regulator of markets, SGX has public responsibilities. We are also a listed corporation and responsible to shareholders. We fulfill both roles as a Self-Regulatory Organisation (SRO), employing robust systems and the highest standards so conflicts between our pursuit of commercial objectives and our regulatory responsibilities are addressed and we maintain the trust and confidence of all.

SGX's regulatory activities aim to achieve the following:

- Uphold a fair, orderly and transparent market;
- Maintain high quality market intermediaries and issuers; and
- Maintain safe and efficient clearing and settlement facilities.

In order to attain these objectives, we establish business rules that meet international standards and enforce compliance. Our robust admission criteria ensure that members have the financial resources, operational capacity and the internal controls necessary to safeguard the integrity of the markets and the clearing house. Our listing criteria, process and guidelines are benchmarked to the highest standards of developed jurisdictions, assuring the quality of issuers. We have stringent requirements for clearing members and robust default management processes that are in compliance with the Principles for Financial Market Infrastructures (PFMI).

Managing Self-Regulatory Organisation (SRO) conflicts

We work closely with the relevant regulatory authorities, including the Monetary Authority of Singapore (MAS) and the Criminal Affairs Department (CAD), to develop and enforce rules and regulations. The MAS also supervises our discharge of regulatory responsibilities and our management of regulatory conflicts.

We have a strong governance framework in place to manage SRO conflicts. The Regulatory Conflicts Committee (RCC), which is made up of Board directors who are

independent from management and business relationships with the exchange, assists the Board in supervising the management of actual or potential conflicts between SGX's regulatory responsibilities and its commercial interests and in ensuring that conflict management processes are functioning as they should. The RCC also decides on SRO conflict cases, as needed, and reviews the regulatory implications of our strategic initiatives. In addition, the RCC helps the Board review the adequacy of resources allocated to our regulatory functions and oversees communication efforts to promote greater understanding of SGX's regulatory role. The RCC reports to MAS annually on the adequacy of SGX's SRO conflicts management framework and practices.

Enhancing Market Quality

As part of the constant effort to improve the quality and robustness of our securities market, we continued to implement new policies and rules this year and consulted market participants on various proposals.

Strengthening our securities market – the MAS-SGX Joint Consultation

In February 2014, the MAS and SGX issued a joint consultation paper on proposals to augment safeguards in the securities market in Singapore. The proposals resulted from an extensive review which concluded that, while the securities market remained sound, there is room for enhancements to strengthen its quality.

The proposals included the implementation of a minimum trading price, imposition of collateral requirements for securities trading, short position reporting requirements, and the introduction of a Listings Advisory Committee, a Listings Disciplinary Committee, and a Listings Appeals Committee. We have received valuable feedback from market participants across the spectrum, both local and foreign. The feedback was carefully considered and the proposals carefully calibrated for implementation.

New listing rules and framework for greater transparency

In order to further enhance corporate governance standards, we introduced new listing rules which make it mandatory for companies to hold general meetings in Singapore, have a poll vote for all resolutions, and disclose relevant details on voting outcomes. These rules increase shareholder engagement and the transparency of general meetings.

We are also consulting market participants on a framework for secondary listings, which will improve the clarity of our listing criteria and increase market confidence.

Increasing the robustness and quality of the market

This year saw the introduction of new measures to improve the robustness of the securities market. The implementation of dynamic circuit breakers and a revised error trade policy reassure investors of continued safety and transparency even under volatile market conditions. We also introduced a daily closing price mechanism for Exchange Traded Funds (ETFs) so that investors can have up-to-date portfolio valuations and make better investment decisions.

Other initiatives such as the introduction of market makers and liquidity providers and the planned reduction of the board lot size for our counters will also contribute to the quality of our market by improving liquidity levels.

Enhanced monitoring

Following a joint review with MAS after the suspension and designation of three listed companies in October 2013, we made enhancements to the public query process. A Trade with Caution announcement is now issued if companies are unable to adequately explain unusual trading activity in their shares in response to SGX's query. In addition, companies are required to notify SGX as soon as the Board becomes aware of any discussion or negotiation that could lead to a takeover, reverse takeover, or a very substantial acquisition.

Regulatory Activities in FY2014

Re-organisation of Risk Management and Regulation Group

For greater organisational effectiveness and to support the continued growth of SGX, the Risk Management and Regulation Group (RMR) was split into two units with effect from January 2014: the Regulation Unit, led by Richard Teng as the Chief Regulatory Officer; and the Risk Unit, led by Agnes Koh as the Chief Risk Officer. Each unit has been further restructured to help it achieve its objectives.

Surveillance and enforcement

SGX conducts rigorous surveillance of trading activities to detect any undesirable conduct. When there is indication of anomalous trading, we issue a public query to the company to see if it has material information that could explain the trading activity. This year, we issued 132 public queries in total. Such queries remind listed companies of the need for prompt disclosures and alert investors to trade with care in the relevant counters.

In the case of a possible violation of law, we work closely with the relevant regulatory and enforcement agencies to investigate further. This close cooperation is crucial for maintaining the integrity of our markets. Following referrals by SGX, there were five successful prosecutions by the MAS for infringement of the Securities and Futures Act.

Maintaining high listing standards and on-site inspection of members and sponsors

We continued to maintain high standards of listing criteria to ensure the quality of issuers on both Mainboard and Catalist. We received 42 Initial Public Offering (IPO) and Reverse Takeover (RTO) applications and notifications during the year. Including applications and notifications from the previous year, 35 were approved or proceeded to lodge while 10 applications were returned or withdrawn.

During the year, we admitted 9 new agency members. Member firms are required to maintain their financial, operational and compliance quality post-admission and we conduct on-site inspections and off-site reviews to ensure they did so with the necessary internal controls in place. Proportionate enforcement actions are taken for breaches of rules by member firms. This year, two member firms were charged and fined \$150,000 each by the SGX Disciplinary Committee for breaching various rules. In addition, a total of 12 composition fines and 14 letters of warning were issued to various member firms and trading representatives.

Catalist Sponsors play a key role in the Sponsor-supervised market as they determine the suitability of a company to list and supervise listed companies' compliance with listing obligations. Our on-site inspections of Catalist Sponsors ensured that they maintained adequate systems and had the resources to discharge their obligations, including advising Catalist issuers on their responsibilities.

Adherence to International Standards

Compliance with applicable international regulatory standards is a key imperative for SGX as we grow our global footprint. Besides calibrating and adopting established best practices, we also continued efforts to seek international recognition for our markets and clearing houses.

Adopting international best practices

Singapore underwent the Financial Section Assessment Programme (FSAP) administered by the International Monetary Fund (IMF) in 2013. As a key part of Singapore's financial infrastructure, SGX's clearing houses were included in the assessment.

Both SGX Derivatives Clearing (SGX-DC) and The Central Depository (CDP) were assessed to have high levels of compliance when measured against the new and more demanding requirements of the PFMI. The assessment confirms SGX's adherence to the latest international standards for payment, clearing, and settlement, and reinforces SGX's standing as a trusted and safe clearing house.

Expanding our global presence

We achieved a significant milestone this year when our derivative clearing house became the first in Asia to be authorised as a Designated Clearing Organization (DCO) by the Commodity Futures Trading Commission (CFTC) in the US.

New and existing US customers will be able to clear their derivatives contracts efficiently through SGX-DC in compliance with the latest US laws and regulations, including the US Dodd-Frank Act, the Commodity Exchange Act and CFTC regulations.

With regard to Europe, SGX has submitted its application to the European Securities and Markets Authority (ESMA) for recognition of CDP and SGX-DC as third country central counterparties under the European Markets Infrastructure Regulation. The submission means European Union participants can continue their activities with SGX uninterrupted while SGX awaits full recognition.

SGX Derivatives Trading (SGX-DT) also obtained authorisation to provide automated trading services in Hong Kong. This will provide the broking and investing community in Hong Kong with more efficient access to SGX-DT's markets. We have also submitted an application for Singapore Exchange Securities Trading (SGX-ST) to be authorised to provide automated trading services.

Engaging the Investing Public

We believe effective communication is necessary to promote trust in our frontline regulation, provide greater transparency to our regulatory processes and to understand the evolving needs and expectations of our stakeholders. Communication remained a key focus through the year.

Various channels were used to increase media and stakeholder engagement, such as the "Write to SGX" series in The Straits Times wherein we shared our perspectives on regulatory issues of interest and frequently-asked-



questions, which provided clarity on regulatory rationale. We also held many dialogue sessions with media, issue managers and sponsors.

We initiated engagement with stakeholder groups such as corporate governance advocates, fund managers and organisations, including the Chartered Financial Analysts Institute.

At the start of the joint consultation to review the structure and practices of the securities market, MAS and SGX held an industry-wide briefing. An extensive and concerted outreach programme followed to engage professionals and issuers and solicit feedback.

In the coming year, we will continue to dedicate specific resources towards formulating and implementing communication strategies to increase stakeholder engagement.

Educating the Investing Public

SGX continued to support retail investor education through the year. In addition to regular seminars and courses, we rolled out several initiatives through SGX Academy and our partners. Participation in SGX Academy's outreach programmes nearly trebled this year to more than 86,000 from 30,000 the previous year. In collaboration with the National Library Board (NLB), SGX Academy held a series of seminars at various regional libraries to provide people in the heartlands with the opportunity to learn more about the fundamentals of

investing. The Basics of Investing seminars drew more than 4,000 participants. SGX Academy also ran Basics of Investing exhibitions from August to December 2013 at the Central Library and the Jurong regional library to reach out to a broader audience.

SGX entered into partnerships with two tertiary institutions during the year to give students easier access to investing and professional trading programmes and to enhance the pool of education-related assets and resources available to the partners. The Memorandum of Understanding with Singapore Management University (SMU) was signed on 21 August 2013; the one with SIM University (UniSIM) on 20 February 2014. Some 30,000 students and young working professionals are expected to sign up for the programmes each year. We also launched specialised programs such as the SMU-SGX Quantitative Trading course and Fundamentals of Investing course with UniSIM. Both were well subscribed.

The SGX Academy website was revamped in November 2013 to improve the experience for users wanting to learn more about markets and investment products. The clear classification of programmes by level as beginner, intermediate and professional gave structure and allowed participants greater ease to find programmes to suit their needs. Visitor numbers to the SGX Academy website jumped as a result. In the three months after the revamp, the site drew about 54,500 visitors per month, 14% greater than the monthly average of about 47,800 visitors in the three months before the revamp.



Risk Management Report

Key Highlights:

- Achieved international recognition
- Expanded suite of products and services
- Managed risks proactively

SGX is committed to the highest risk management standards. As a full-service exchange that operates world-class clearing platforms for the securities and derivatives markets, we contribute to the safety and integrity of our markets, and to the overall stability and resilience of the financial system. As providing safety and efficiency to meet the customer needs is a priority for us, our SGX risk management policies and processes are subject to stringent governance requirements and comply with international best practices.

Governing for Performance

SGX's risk governance structure promotes effective risk management at the Board, management and unit. The Board oversees risk management, as one of its principal duties. The Risk Management Committee (RMC), a Board committee comprising non-executive directors, assists the Board in reviewing the type and level of risks that SGX assumes to achieve its objectives. The RMC reviews and approves the

various risk frameworks within SGX, and gives the go-ahead for major new projects. The RMC also assesses the adequacy of risk management resources and technology. At the management level, the Enterprise Risk Committee (ERC), a subset of the Executive Management Committee (EMCO), presides over risk policy implementation. The ERC is chaired by the Chief Risk Officer. The figure below illustrates SGX's Risk Governance structure.

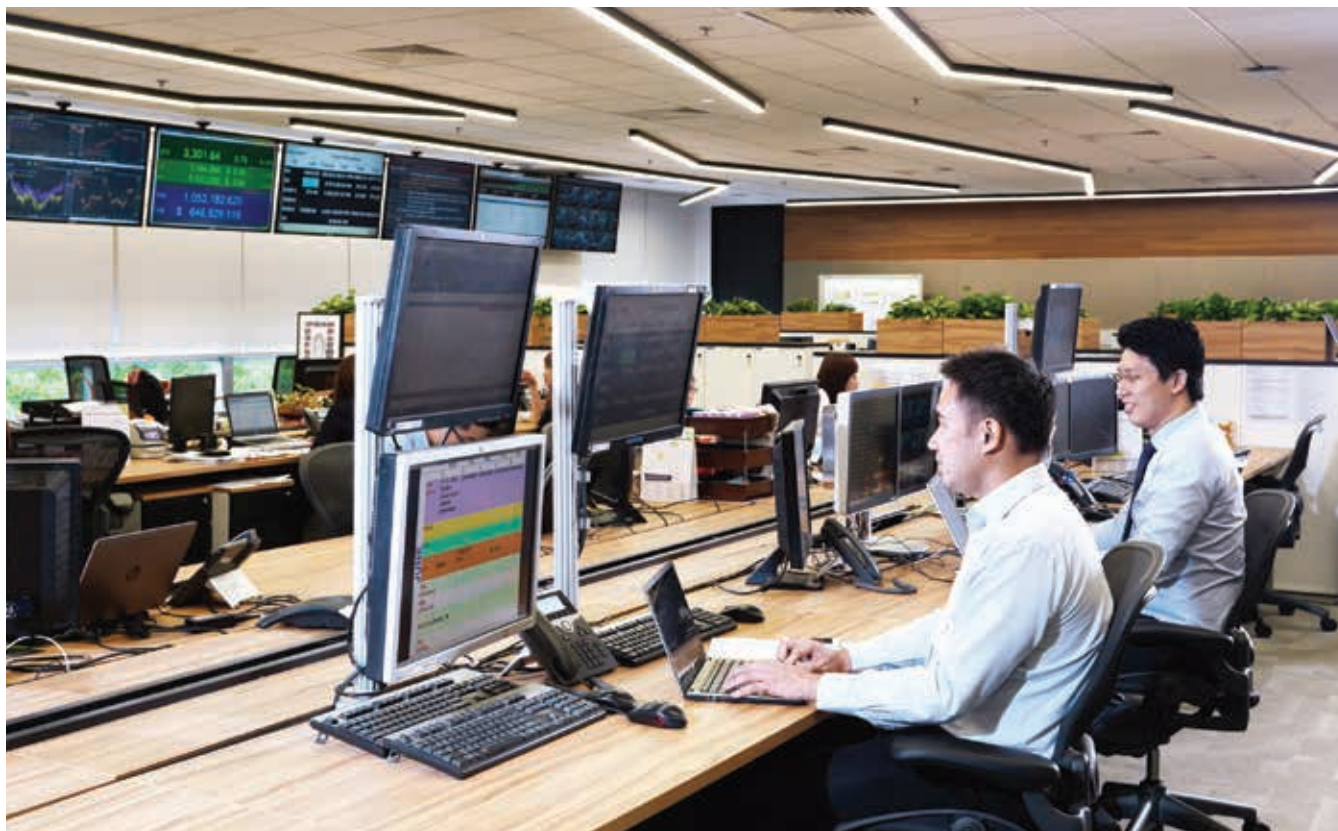
Achieving International Recognition

Our risk management practices adhere to the highest global standards, as reflected by the strong endorsement we have received from international regulators.

In November 2013, the International Monetary Fund (IMF) assessed our securities and derivatives clearing houses to be fully compliant with the latest Principles for Financial Market Infrastructures (PFMI) standards published by the global standard-setting bodies, the Committee on Payment and Settlement Systems and Technical Committee on the International Organization of Securities Commissions. The IMF commended SGX for being a "sound and efficient central counterparty" and for our "comprehensive and transparent

Risk Governance Structure





risk management framework". Such endorsement not only strengthens SGX's position as a leading risk management venue, but also enhances capital efficiency as banks are able to enjoy the lower capital requirements that accompany clearing through a safe clearing house.

Our derivatives clearing house became the first Asian clearing house to be recognised as a Designated Clearing Organisation in December 2013 by the US regulator, the Commodity Futures Trading Commission (CFTC). This enables US customers to clear their derivatives contracts through us in compliance with the latest US laws and regulations.

Attributes of a leading risk management venue



Our securities and derivatives clearing houses are also among the first globally to apply for recognition by the European Securities and Markets Authority (ESMA) as third-country central counterparties under European Market Infrastructure Regulations (EMIR). With this application, European Union participants can continue to manage risk in their portfolios seamlessly through SGX.

Clearing houses allow customers to outsource their management of counterparty credit risks. We take pride in the fact that our risk management helps distinguish our clearing houses in Asia.

Expanding Suite of Products and Services

The range of products cleared through SGX continued to grow with the introduction of new asset classes such as foreign exchange. The addition of OTC commodities, such as Hot-Rolled Coil Steel and Thermal Coal, enables customers to better manage their counterparty risks through transparent valuation and daily mark-to-market. This continuous expansion of products and services will reduce transaction costs for customers through netting and clearing through a single entity.

As SGX expands our suite of products, we are cognizant of the need for risk management to keep pace, through investments in advanced systems and human capital. In addition to an improved system, we also invested in skilled talent and experienced operators this year.

Managing Risks Proactively

SGX constantly raises the standards of its risk management practices. To meet unfolding customer needs as the regulatory and business environment evolves, we take a forward-looking approach to risk policy-making.

To sharpen our focus on risk management, the Risk Management and Regulation Group (RMR) was re-organised into two units from January 2014: the Risk Management Unit, led by Chief Risk Officer Agnes Koh, and the Regulation Unit, led by Chief Regulatory Officer Richard Teng. Each unit has been further restructured to help it achieve its objectives.

SGX seeks to deploy advanced mechanisms to manage risks effectively and efficiently for our clearing houses. Over the past year, we implemented a new risk management system to expand the breadth and depth of our risk analysis capabilities. We are also working towards providing more effective and timely risk information to our customers.

To offer greater customer protection and transparency, SGX restructured the Derivatives Clearing Fund. With these refinements, members can be assured that SGX's clearing contribution will be available to all derivatives businesses. The changes also make certain the continuity of SGX Derivatives Clearing's clearing services in a default situation and give clarity to the market.

Mitigating Risks on an Enterprise Level

Enterprise risk management remains at the heart of risk accountability and assurance. Guided by a management philosophy that is geared to maximising business opportunities and minimising adverse outcomes, risks are assessed, monitored and mitigated in a systematic and comprehensive manner.

The risks identified are wide-ranging, including strategic, regulatory, reputational, staffing, operations and technology risks. For example, SGX operates a number of technology platforms that facilitate trading, clearing and settlement. It is critical that these systems remain operational at all times because of the high reliance on our infrastructure, which facilitates large volumes of transactions. Our risks are presented annually by the EMCO to the Board for approval through the RMC.

SGX's holistic approach to identifying and managing risks across the organisation not only instils a strong corporate responsibility culture, but also reduces uncertainties associated with the execution of our strategies, allowing us to quickly harness business opportunities.

Disciplinary and Appeals Committees Report

Overview

With effect from November 2011, the SGX Disciplinary and SGX Appeals Panels, consisting of twelve and eight members respectively, were established to provide an efficient way of organising the disciplinary process. Members from either panel (other than the Chairman of the Disciplinary Panel and the Chairman of the Appeals Panel) may be drawn to constitute the SGX Disciplinary Committee or the SGX Appeals Committee (as applicable) prior to each hearing.

The SGX Disciplinary Committee hears charges brought by SGX against Regulated Persons¹ who are alleged to have violated any of SGX's Rules and Regulations ("Rules"). If the SGX Disciplinary Committee decides that the charges have been established by SGX, it will decide on the appropriate penalty. Penalties that may be imposed include reprimands, fines, restrictions or conditions on activities, suspension, expulsion, revocation of authorisation, deregistration, undertaking an educational or compliance programme, ordering directors to relinquish their day-to-day roles, and confirming, changing or discharging the appointment of a manager by the Regulated Person.

A Regulated Person may appeal to the SGX Appeals Committee against the decision of the SGX Disciplinary Committee. The decision of the SGX Appeals Committee is final.

The SGX Disciplinary Committee and SGX Appeals Committee are managed out of the Corporate Legal unit, and the Head of Corporate Legal is the Secretary of both the SGX Disciplinary Committee and SGX Appeals Committee.

Independence of the SGX Disciplinary Committee and SGX Appeals Committee

In order to ensure independence of the SGX Disciplinary Committee and SGX Appeals Committee and that due process is observed in the hearings:

- (a) the members of the two panels are legal practitioners, industry experts and professionals;
- (b) no director, officer or employee of SGX may be appointed as a member of either panel; and
- (c) the process of managing the hearings or meetings by the SGX Disciplinary Committee and SGX Appeals Committee is undertaken by the Corporate Legal unit, which is a separate unit from the Surveillance unit which proffers the charges to be brought by SGX against Regulated Persons. The Corporate Legal unit reports to the Chief Financial Officer, while the Surveillance unit reports to the Chief Regulatory Officer.

For purposes of transparency, the Grounds of Decision for each SGX Disciplinary Committee hearing and each SGX Appeals Committee hearing are published on the SGX's website.

¹ Regulated Persons include a trading or clearing member registered with SGX or SICOM under the Rules, or any of the member's directors, trading representatives, officers, employees or agents, or a Sponsor or Regulated Person registered with Catalyst.

SGX Disciplinary Panel Members

The current members of this panel are:

Name	Designation/Profession
Eddie Tan (Chairman)	Regional Treasurer, Asia Pacific, Citibank N.A.
Hamidul Haq (Deputy Chairman)	Partner, Rajah & Tann LLP
Leong Mun Wai (Deputy Chairman)	Chief Executive Officer, Timbre Capital Pte Ltd
Francis Mok Lip Wee	Lawyer, Allen & Gledhill LLP
Hemant Bhatt	Chief Executive Officer – Downstream and Commercial, Golden Agri-Resources Ltd
Kan Shik Lum	Corporate Finance Practitioner, DBS Bank Ltd
Mah Kah Loon	Deputy Head, Corporate Finance, ASEAN Head, Corporate Finance, Singapore CIMB Bank Berhad Singapore Branch
Tan Kah Gee	Private Investor
Paul Davies	Managing Director, Goldman Sachs Futures Pte Ltd
Steve Ng Kuan Kuen	Chief Executive Officer, Roots Capital Partners Pte Ltd
Petrus Huang Yen San	Director, Drew & Napier LLC
Lam Chee Kin	Regional Head, Legal & Compliance, ASEAN, Standard Chartered Bank

SGX Appeals Panel Members

The current members of this panel are:

Name	Designation/Profession
Sydney Michael Hwang (Chairman)	Senior Counsel & Chartered Arbitrator, Michael Hwang Chambers
Lawrence Ang Boon Kong	Consultant, Donaldson & Burkinshaw
Colin Ng Teck Sim	Lawyer, Colin Ng & Partners LLP
Michael Wong Ping Seng	Former Executive Director, Phillip Futures Pte Ltd
Hugh Young	Managing Director, Aberdeen Asset Management Asia Ltd
Lim How Teck	Chairman, Certis Cisco Security Pte Ltd
Tracey Woon	Vice Chairman of ASEAN Corporate and Investment Banking, Citigroup Global Markets Singapore Pte Ltd
George Lee	Former Corporate Finance Practitioner and current Head of Global Corporate Banking, OCBC Bank Ltd

Cases heard by the SGX Disciplinary Committee and SGX Appeals Committee in FY2014

In FY2014, two cases were heard by the SGX Disciplinary Committee as set out below:–

Date Announced	Subject of Disciplinary Action	Position at Time of Offence	Details	Rule Violation
30 May 2014	UOB Kay Hian Private Limited	Trading Member of SGX-ST	SGX-ST Disciplinary Committee imposes fine on UOB Kay Hian Private Limited	Securities Trading
5 November 2013	Newedge Financial Singapore Pte Ltd	Trading Member of SGX-DT	SGX-DT Disciplinary Committee imposes fine on Newedge Financial Singapore Pte Ltd	Derivatives Trading

In FY2014, there were no cases brought before the SGX Appeals Committee.

Remuneration Report

The Remuneration Committee (RC) reviews and recommends to the Board for approval matters concerning remuneration of the Board, CEO, senior management and employees.

The RC comprises the following independent directors:

Kwa Chong Seng
Chairman

Chew Choon Seng
Liew Mun Leong
Ng Kok Song

Compensation Philosophy

SGX adopts a compensation philosophy that is directed towards the attraction, retention and motivation of talent to achieve its business vision and create sustainable value for its shareholders.

It emphasises pay-for-performance by linking total compensation to the achievement of organisational and individual performance objectives, and considers relevant comparative compensation in the market to maintain market competitiveness.

Compensation Mix and Components

Total compensation is made up of fixed and variable compensation. The fixed compensation comprises annual basic salary, fixed allowances and an annual wage supplement. The variable or “at risk” compensation is subject to achievement of corporate and individual performance objectives. Consistent with market best practice, variable compensation may be paid in a combination of cash-based short-term incentives and share-based long-term incentives. By design, the proportion of variable compensation to total compensation increases with job grade.

In alignment with current regulatory standards, the mix of fixed and variable compensation for staff in Regulation, Risk Management, Internal Audit and Compliance functions

(collectively known as “control functions”) is weighted in favour of fixed compensation, to lessen the relationship between the compensation of staff in control functions and the company’s financial performance. Additionally, a greater proportion of senior management’s variable compensation is deferred in the form of long-term incentives.

Fixed Pay

Fixed pay comprises base salary, fixed allowances and an annual wage supplement. Base salary is pegged to the 50th percentile of market pay data in the Singapore banking and financial services industry.

The annual salary review is in July of each year. The salary structure of SGX is benchmarked against the financial industry and the RC approves the salary increment budget taking into account market trends and the profitability of SGX as a whole.

Total Incentives Funding

The total incentives pool funds the annual variable bonus for non-sales and non-control functions and the long-term incentive plans. It is computed using the following formula:

$$\text{Total Incentives (TI) Pool} = \text{A percentage of [Profit before Variable Bonus less Corporate Tax less Cost of Equity]}$$

Short-term Incentives

Short-term incentives take the form of an annual variable bonus for employees in non-sales roles and sales incentive payment for employees performing sales roles.

Each year, the RC reviews and approves the variable bonus pool for distribution. The management moderates and allocates the variable bonus based on the individual performance of employees and their contributions towards SGX’s performance. The sales incentive pool is generated by the achievement of sales targets and distributed to employees based on the achievement of team and individual sales targets and objectives.

The short-term incentives of the control functions are determined independent of the company's financial performance and based on a qualitative assessment of performance against regulatory and controls key performance indicators (KPIs).

Long-term Incentives

Long-term incentives (LTI) create value for the company by aligning employees' long-term incentives to the achievement of SGX's long-term results. Furthermore, due to its time-based vesting characteristic, it carries a retention element that strengthens SGX's ability to reward and retain key employees.

In alignment with current regulatory standards, LTIs may be clawed back in the event of exceptional circumstances of misstatement of financial results or of misconduct resulting in financial or other losses to the company.

The SGX Performance Share Plan

The Plan is a share-based incentive scheme administered by the RC.

It was established with the objective of rewarding, motivating, and retaining key senior executives to achieve superior performance. Through the Plan, SGX will be able to recognise and reward past contributions and services, and motivate Participants[#] to continue to strive for SGX's long-term success.

The RC may decide to make an award under the Plan, wholly or partly, in SGX shares or in cash (based on the market value of shares on vesting date).

Restrictions

The total number of new SGX shares which may be issued pursuant to awards granted under the Plan on any date, when added to the total number of new shares issued and issuable in respect of all awards granted under the Plan, and all options granted under the SGX Share Option Plan (which was

terminated after the adoption of the Plan), shall not exceed 10% of SGX's issued shares on the day preceding the relevant date of award.

Participants are required to retain 50% of the total number of shares that are released to them for at least one calendar year from the vesting date. Unless otherwise decided by the RC, the entitlement to this award is conditional on the Participant remaining in service up to the specified vesting date.

Eligibility

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

Performance Share Plans for FY2012, FY2013 and FY2014

The RC has approved the Plan for FY2012, FY2013 and FY2014 and has absolute discretion in the granting of performance shares. Details are as follows:

FY2012 Grant

The FY2012 grant will vest upon achievement of the following measures over a three-year performance period from 1 July 2011 to 30 June 2014:

- (i) Return of Equity (ROE)
- (ii) Absolute Total Shareholder Return (TSR)
- (iii) SGX TSR against FTSE/MV TSR

The shares awarded on the vesting date could range from 0% to 150%, depending on the level of achievement against the performance targets. There shall be no award if the achievement falls below the threshold performance level. For an achievement between the Threshold and Above Target performance levels, the payout percentage will be pro-rated on a straight-line basis.

	ROE (Weight = 50%)		+	Absolute TSR* (Weight = 25%)		+	SGX TSR against FTSE/MV TSR (Weight = 25%)	
Performance Level	Average over 3FYs	Payout (% of base allocation)		Average over 3FYs	Payout (% of base allocation)		Average over 3FYs	Payout (% of base allocation)
Above Target	≥45.0%	150%		≥17%	150%		≥7.0% points	150%
At Target	40.0%	100%		13%	100%		4.5% points	100%
Threshold	35.0%	50%		10%	50%		2.0% points	50%
Below Threshold	<35.0%	Nil		<10%	Nil		<2.0% points	Nil

* Absolute TSR is benchmarked against the Cost of Equity of 10%.

[#] Defined under the Plan as "A Group Employee or an Associated Company Employee who has been granted an award".

The performance shares will vest on 1 September 2014. Details of the shares granted to the Participants are as follows:

Participants (as defined under the Plan)		Balance as at 01.07.2013	Shares lapsed during financial year	Balance as at 30.06.2014
EMCO members	Magnus Böcker ¹	353,100	–	353,100
	Muthukrishnan Ramaswami ¹	107,000	–	107,000
	Chew Sutat ¹	72,000	–	72,000
	Lawrence Wong Liang Ying ¹	64,000	–	64,000
	Bob Caisley	53,000	–	53,000
	Richard Teng Wee Chen ²	26,000	–	26,000
Other staff		283,000	–	283,000
	Yeo Lian Sim ^{1,3}	82,000	–	82,000
		1,040,100	–	1,040,100

1 Received more than 5% of the 1,088,100 shares granted under the FY2012 grant.

2 Richard Teng Wee Chen was appointed as SGX's Chief Regulatory Officer and a member of EMCO with effect from 1 January 2014. His unvested shares were previously granted under "Other staff".

3 Yeo Lian Sim retired from her position as SGX's Chief Regulatory & Risk Officer and her last day of service was 31 December 2013. The balance of her performance shares is retained until the stipulated vesting date as approved by the RC.

FY2013 Grant

The FY2013 grant will vest upon achievement of the following measures over a three-year performance period from 1 July 2012 to 30 June 2015:

- (i) ROE;
- (ii) Absolute TSR;
- (iii) SGX TSR against FTSE/MV TSR

Performance Level	ROE (Weight = 50%)		+	Absolute TSR* (Weight = 25%)		+	SGX TSR against FTSE/MV TSR (Weight = 25%)	
	Average over 3FYs	Payout (% of base allocation)		Average over 3FYs	Payout (% of base allocation)		Average over 3FYs	Payout (% of base allocation)
Above Target	≥45.0%	150%		≥17%	150%		≥7.0% points	150%
At Target	40.0%	100%		13%	100%		4.5% points	100%
Threshold	35.0%	50%		10%	50%		2.0% points	50%
Below Threshold	<35.0%	Nil		<10%	Nil		<2.0% points	Nil

* Absolute TSR is benchmarked against the Cost of Equity of 10%.

The shares awarded on the vesting date could range from 0% to 150%, depending on the level of achievement against the performance targets. There shall be no award if the achievement falls below the threshold performance level. For an achievement between the Threshold and Above Target performance levels, the payout percentage will be pro-rated on a straight-line basis.

The performance shares will vest on 1 September 2015. Details of the shares granted to the Participants are as follows:

Participants (as defined under the Plan)		Balance as at 01.07.2013	Shares lapsed during financial year	Balance as at 30.06.2014
EMCO members	Magnus Böcker ¹	174,500	–	174,500
	Muthukrishnan Ramaswami ¹	69,000	–	69,000
	Chew Sutat ¹	45,600	–	45,600
	Lawrence Wong Liang Ying ¹	36,100	–	36,100
	Bob Caisley	33,700	–	33,700
	Richard Teng Wee Chen ²	30,000	–	30,000
	Chng Lay Chew	15,900	–	15,900
	Arulraj Devadoss	15,900	–	15,900
Other staff		200,800	–	200,800
	Yeo Lian Sim ^{1,3}	48,800	–	48,800
		670,300	–	670,300

1 Received more than 5% of the 702,000 shares granted under the FY2013 grant.

2 Richard Teng Wee Chen was appointed as SGX's Chief Regulatory Officer and a member of EMCO with effect from 1 January 2014. His unvested shares were previously granted under "Other staff".

3 Yeo Lian Sim retired from her position as SGX's Chief Regulatory & Risk Officer and her last day of service was 31 December 2013. The balance of her performance shares is retained until the stipulated vesting date as approved by the RC.

FY2014 Grant

The FY2014 grant will vest upon achievement of the following measures over a three-year performance period from 1 July 2013 to 30 June 2016:

- (i) ROE;
- (ii) Absolute TSR;
- (iii) SGX TSR against FTSE/MV TSR

Performance Level	ROE (Weight = 50%)		+	Absolute TSR* (Weight = 25%)		+	SGX TSR against FTSE/MV TSR (Weight = 25%)	
	Average over 3FYs	Payout (% of base allocation)		Average over 3FYs	Payout (% of base allocation)		Average over 3FYs	Payout (% of base allocation)
Above Target	≥45.0%	150%		≥17%	150%		≥7.0% points	150%
At Target	40.0%	100%		13%	100%		4.5% points	100%
Threshold	35.0%	50%		10%	50%		2.0% points	50%
Below Threshold	<35.0%	Nil		<10%	Nil		<2.0% points	Nil

* Absolute TSR is benchmarked against the Cost of Equity of 10%.

The shares awarded on the vesting date could range from 0% to 150%, depending on the level of achievement against the performance targets. There shall be no award if the achievement falls below the threshold performance level. For an achievement between the Threshold and Above Target performance levels, the payout percentage will be pro-rated on a straight-line basis.

The performance shares will vest on 1 September 2016. Details of the shares granted to the Participants are as follows:

Participants (as defined under the Plan)		Shares granted during financial year ¹	Shares lapsed during financial year	Balance as at 30.06.2014
EMCO members	Magnus Böcker ²	161,100	–	161,100
	Muthukrishnan Ramaswami ²	68,300	–	68,300
	Chew Sutat ²	48,300	–	48,300
	Chng Lay Chew ²	38,500	–	38,500
	Lawrence Wong Liang Ying	35,000	–	35,000
	Bob Caisley	35,000	–	35,000
	Richard Teng Wee Chen ³	31,500	–	31,500
	Tim Utama	28,700	–	28,700
	Arulraj Devadoss	24,500	–	24,500
Other staff		237,500	(11,900)	225,600
	Yeo Lian Sim ^{2,4}	45,500	–	45,500
		753,900	(11,900)	742,000

¹ 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. There shall be no award if the achievement falls below the threshold performance condition.

² Received more than 5% of the 753,900 shares granted under the FY2014 grant.

³ Richard Teng Wee Chen was appointed as SGX's Chief Regulatory Officer and a member of EMCO with effect from 1 January 2014.

⁴ Yeo Lian Sim retired from her position as SGX's Chief Regulatory & Risk Officer and her last day of service was 31 December 2013. The balance of her performance shares is retained until the stipulated vesting date as approved by the RC.

The SGX Deferred Long-Term Incentives Scheme

The LTI Scheme was approved by the RC in July 2006. It recognises past contributions and services, and strengthens the Company's ability to reward and retain high-performing Recipients[#] who have the potential for higher level jobs.

The RC may decide to grant an award, wholly or partly, in SGX shares or in cash (based on the market value of shares on vesting date) subject to a vesting schedule.

[#] Defined under the LTI Scheme as "A Group Employee or an Associate Company Employee who has been granted an award".

Restrictions

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

Eligibility

FY2012 award: selected staff who have attained the rank of Associate, job grade 9 up to Vice President, job grade 2 and those who are not Participants of the SGX Performance Share Plan are eligible to be considered for the award under the LTI Scheme.

FY2013 and 2014 awards: selected staff with the rank of Assistant Vice President and above may be considered for the award.

FY2012 Award

There were two awards in FY2012. Both awards were given in the form of SGX shares. One award had a one-year vesting period which vested on 1 November 2012. Another will vest in three equal instalments over a period of three years with the first instalment vested on 1 November 2012.

Below are the details of shares awarded:

Recipients (as defined under the LTI Scheme)	Balance as at 01.07.2013	Shares lapsed during financial year	Shares vested during financial year	Balance as at 30.06.2014
Award with three-year vesting period	126,600	(5,400)	(61,400)	59,800
Total	126,600	(5,400)	(61,400)	59,800

FY2013 Award

The award will vest in three equal instalments over a period of three years with the first instalment vested on 2 September 2013.

Below are the details of shares awarded:

Recipients (as defined under the LTI Scheme)	Balance as at 01.07.2013	Shares lapsed during financial year	Shares vested during financial year	Balance as at 30.06.2014
EMCO members				
Magnus Böcker ¹	174,500	–	(58,166)	116,334
Muthukrishnan Ramaswami ¹	69,000	–	(23,000)	46,000
Chew Sutat	45,600	–	(15,200)	30,400
Lawrence Wong Liang Ying	36,100	–	(12,033)	24,067
Bob Caisley	33,700	–	(11,233)	22,467
Richard Teng Wee Chen ²	30,000	–	(10,000)	20,000
Other staff	557,600	(15,368)	(183,729)	358,503
Yeo Lian Sim ³	48,800	–	(16,266)	32,534
Total	995,300	(15,368)	(329,627)	650,305

¹ Received more than 5% of the 1,044,400 shares granted under the FY2013 award.

² Richard Teng Wee Chen was appointed as SGX's Chief Regulatory Officer and a member of EMCO with effect from 1 January 2014. His unvested shares were previously granted under "Other staff".

³ Yeo Lian Sim retired from her position as SGX's Chief Regulatory & Risk Officer and her last day of service was 31 December 2013. The balance of the LTI shares is retained until the stipulated vesting date as approved by the RC.

FY2014 Award

The award will vest in three equal instalments over a period of three years with the first instalment vesting on 1 September 2014.

Below are the details of shares awarded:

Recipients (as defined under the LTI Scheme)	Shares granted during financial year	Shares lapsed during financial year	Balance as at 30.06.2013
EMCO members			
Magnus Böcker ¹	161,100	–	161,100
Muthukrishnan Ramaswami ¹	68,300	–	68,300
Chew Sutat	48,300	–	48,300
Chng Lay Chew	38,500	–	38,500
Lawrence Wong Liang Ying	35,000	–	35,000
Bob Caisley	35,000	–	35,000
Richard Teng Wee Chen ²	31,500	–	31,500
Tim Utama	28,700	–	28,700
Arulraj Devadoss	24,500	–	24,500
Other staff	707,100	(28,500)	678,600
Yeo Lian Sim ³	45,500	–	45,500
Total	1,223,500	(28,500)	1,195,000

¹ Received more than 5% of the 1,223,500 shares granted under the FY2014 award.

² Richard Teng Wee Chen was appointed as SGX's Chief Regulatory Officer and a member of EMCO with effect from 1 January 2014.

³ Yeo Lian Sim retired from her position as SGX's Chief Regulatory & Risk Officer and her last day of service was 31 December 2013. The balance of the LTI shares is retained until the stipulated vesting date as approved by the RC.

Disclosure on Directors' Remuneration

The tables below show the gross remuneration of the Executive Directors and Non-Executive Directors of SGX for FY2014.

Executive Director	Fixed pay \$	Bonus for FY2014* \$	Long-term incentives^ \$	Benefits-in- kind \$	Total gross Remuneration \$
Magnus Böcker	1,011,158	2,000,000	755,521	16,458	3,783,137

* The bonus was determined by the Board after taking into account the achievement of specific quantitative and qualitative targets and objectives set for FY2014.

^ Vesting of the Plan for FY2011 and the LTI Scheme for FY2013 based on the fair value on grant date. The shares vested on 2 September 2013.

Non-Executive Directors	Directors' fees \$
Chew Choon Seng ¹	802,603
Thaddeus Beczak	107,098
Chew Gek Khim ²	49,818
Jane Diplock AO	129,299
Kwa Chong Seng	126,196
Kevin Kwok	129,299
Lee Hsien Yang	111,005
Liew Mun Leong	141,598
Ng Kee Choe	121,804
Ng Kok Song ³	86,090
Robert Owen ⁴	27,611
Quah Wee Ghee	98,500
Davinder Singh	105,500
Total	2,036,421

¹ Excluding the provision of a car with a driver.

² Ms Chew Gek Khim was appointed as Non-Executive Director on 1 December 2013.

³ Mr Ng Kok Song was appointed as Non-Executive Director on 19 September 2013.

⁴ Mr Robert Owen stepped down as Non-Executive Director on 19 September 2013.

(Directors' fees are subject to shareholders' approval at the Annual General Meeting. Please refer to the Corporate Governance Report on page 50 for the remuneration framework of Non-Executive Directors.)

Disclosure on Five Top-Earning Executives' Remuneration

The table below shows the gross remuneration of the five top-earning executives for the financial year ended 30 June 2014.

	Fixed pay \$	Bonus for FY2014 ¹ \$	Long-term incentives ² \$	Benefits-in- kind \$	Total gross Remuneration \$
Muthukrishnan Ramaswami	508,929	850,000	336,808	3,536	1,699,273
Chew Sutat	413,608	600,000	219,832	11,010	1,244,450
Tim Utama	463,600	625,000	–	6,339	1,094,939
Lawrence Wong Liang Ying	408,933	450,000	198,676	6,729	1,064,334
Richard Teng Wee Chen ³	513,604	360,000	112,592	9,217	990,413

¹ The bonuses for SGX senior management were determined by the RC after taking into account the achievement of the specific individual and organisational targets and objectives set for FY2014.

² Vesting of the Plan for FY2011 and the LTI Scheme for FY2013 based on the fair value on grant date. The shares vested on 2 September 2013.

³ Richard Teng Wee Chen was appointed as SGX's Chief Regulatory Officer from 1 January 2014.

Benefits

Benefits provided for employees are comparable with local market practices. These include medical, dental, and group insurances.

Sustainability Report



CEO Statement

It gives me great pleasure to welcome readers to a summary of SGX's Sustainability Report¹.

This year, our sustainability performance has continued on a positive trajectory. I congratulate our Sustainability Committee on delivering against the targets we set ourselves. I would like to thank our stakeholders who have kindly taken the time over the last three years to provide feedback and opinion on our sustainability efforts. This year we engaged our employees, the media and our shareholders. Interesting and valid issues were raised, and we have addressed them in this report.

We have updated the SGX Sustainability Reporting Guide to provide additional guidance on the anti-corruption aspect of sustainability reporting. We will continue to advocate for sustainability reporting and greater transparency in the Singapore market, and aim to become one of the most sustainable exchanges in the world. The Board and I, supported by the SGX Sustainability Committee, will develop a roadmap to help us realise this vision.

We continue to push for greater board diversity in Singapore. We launched a Guide to Investors on Board Diversity, which will help investors better understand the importance of board diversity and encourage them to take a deeper interest in the role and composition of boards of companies whose shares they own. I am honoured to serve on the Diversity Task Force regarding Women on Boards, and to chair the Diversity Action Committee, which we support administratively and in other ways. We will build on our efforts, in partnership with key stakeholders, to drive for improved diversity in the boards and management teams of Singapore companies.

On a corporate level, we have also made good progress in our sustainability efforts. I am heartened to note that diversity among our employees is increasing. We are finalising the "Green Mark" accreditation process for both our Singapore office premises. I am particularly pleased that we will be introducing a sustainability procurement

¹ The full version Sustainability Report is available online.

survey for all SGX suppliers to ensure that they are aligned to our sustainability values. I believe that this will deliver many benefits. It will serve to raise awareness of sustainability along our supply chain, encourage supply chain companies to disclose more sustainability data and reduce supply chain risk for SGX.

To enhance the quality of our stakeholder communication, we are committed to the adoption of Integrated Reporting for our annual reports. The Integrated Reporting framework, launched by the International Integrated Reporting Council (IIRC) last year, requires companies to adopt integrated thinking and articulate in detail how the organisation creates value for all its stakeholders. We are the first Asian exchange to sign up as a member of the IIRC Integrated Reporting Business Network. We have taken small steps this year to better align our annual report with the IIRC framework and will endeavour to publish a full Integrated Report by FY2017.

To conclude, I am proud of the achievements that SGX has made to date. We have achieved much in the process and learnt even more. But the journey is just beginning and we will continue to improve on our sustainability efforts.

Materiality and Stakeholder Engagement

This year, we engaged with three stakeholder groups to focus on sustainability at SGX: employees, the media, and SGX shareholders. In addition, each member of the Sustainability Committee independently ranked aspects

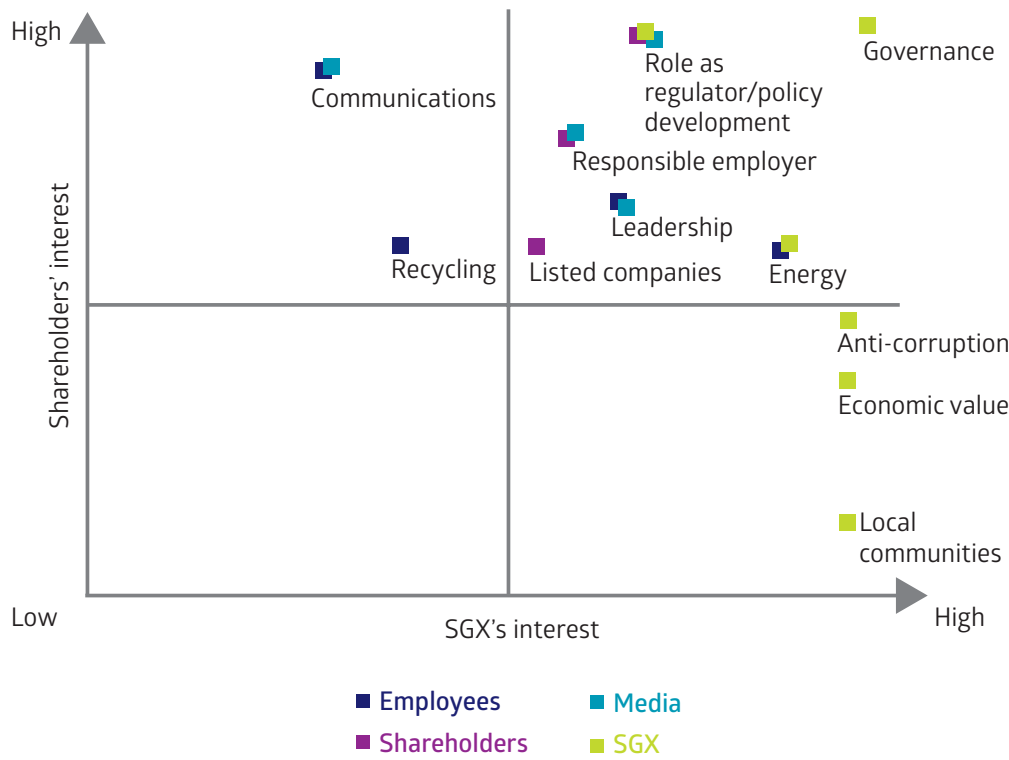
of sustainability relevant to SGX. From the stakeholder engagements, the following materiality matrix was derived and governance has been ranked the most important aspect of sustainability for SGX.

Sustainability Context

An island-state in Southeast Asia, Singapore has natural resources limited by geographical size. But the country is rich in talent, diversity and ambition. Singapore is densely populated and has local and international residents working at all levels of employment, from senior executives to manual labourers. In terms of sustainability reporting, companies in Singapore lag those in some other nations. In 2013, only 16 Singapore companies, including SGX, produced GRI sustainability reports.

- Here are the ways in which SGX contributes to, and supports, the sustainability effort in Singapore:
- Supports the economy by providing a platform for capital flow
 - Works closely with the relevant regulatory authorities, including the Monetary Authority of Singapore (MAS) and the Criminal Affairs Department (CAD), to develop and enforce rules and regulations with a view to building an enduring marketplace
 - Encourages improved corporate disclosure by listed companies
 - Aims to have a workforce that reflects Singapore’s diversity and to hire and develop the best talent. We

SGX Materiality Matrix FY2014



monitor the Singapore government's immigration policies and employment laws, and build our talent strategy in response

- Implements environmental policies focused on reducing our energy and water consumption and improving waste management and recycling

SGX's Sustainability Approach

We have identified three pillars of sustainability at SGX: Environment, Social, and Governance, or "ESG". Under the Environment pillar, we track energy consumption and recycling activity. The Social pillar covers the way we manage our impact on the workforce and community. The Governance pillar is focused on how we govern Singapore Exchange Limited and promote good governance in our capacity as a market regulator.

The SGX Board has entrusted the Sustainability Committee with the responsibility to manage, review and implement actions pertaining to environmental, social and governance issues. CEO Magnus Böcker provides the Board with regular updates on sustainability and escalates exceptional issues and critical concerns to the Board.

For FY2015 the Sustainability Committee (SC) aims to meet every two months to review performance against targets and to set goals for improvement. The Committee comprises:

- Magnus Böcker, CEO
- Chng Lay Chew, Chief Financial Officer, chairman of Sustainability Committee and lead of Environment work stream
- Richard Teng, Chief Regulatory Officer, lead of Governance work stream
- Arulraj Devadoss, Head of Human Resources, lead of Social work stream
- Yeo Lian Sim, Special Advisor
- Ai June Schult, Head of Marketing & Communications
- Darrell Lim, Head of Investor Relations

Environment

As a service organisation, SGX does consume significant amounts of energy. We measure and monitor our consumption levels with the aim of improving our operations and reducing our environmental footprint.

The most significant physical change for SGX in FY2014 was the relocation of our office to two separate sites. We now occupy two office premises with our headquarters still located in SGX Centre One and another premise in Metropolis Tower Two. The office relocation gave us the opportunity to improve the green credentials of our premises. We have implemented a number of measures to reduce our energy usage in our new premises. These include increasing the temperature of the air-conditioning systems and the installation of energy saving lighting.

We aim to achieve the Green Mark Gold Plus certification and Green Mark Platinum accreditation from the Building and Construction Authority (BCA) for our premises in SGX Centre and Metropolis Tower Two respectively by 2Q FY2015.

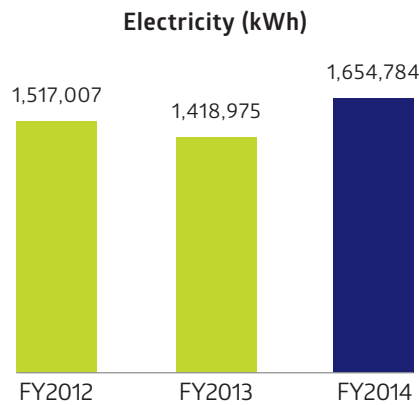


Environment Performance Data

Energy

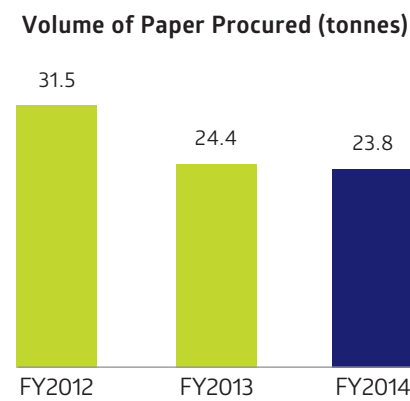
The “energy” used to sustain our operations includes electricity, paper and water.

Electricity Consumption



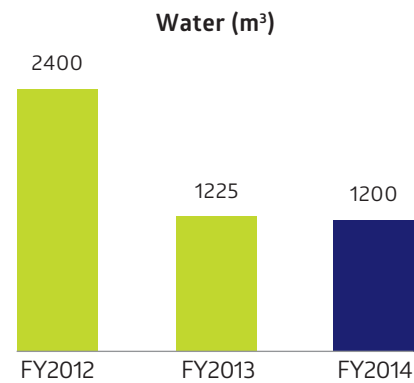
This year, we saw a slight increase in our electricity consumption following our office relocation. In addition, we have made significant improvements to our communications and media facilities, which will allow us to better reach out to the investing public and wider community. As a result, we foresee an increase in electricity usage in the coming year. We will continue to monitor our electricity consumption to ensure that it is aligned to business growth.

Paper Consumption



All paper at SGX is from recycled sources, including the paper used for business cards, in-house printing, annual reports and other publications. We implemented IT solutions such as WorkSmart to encourage our employees to electronically share information and content from one central source. We also reduced the number of printers in the organisation and introduced automatic purging of inactive documents in the printers’ system to minimise the need for printouts.

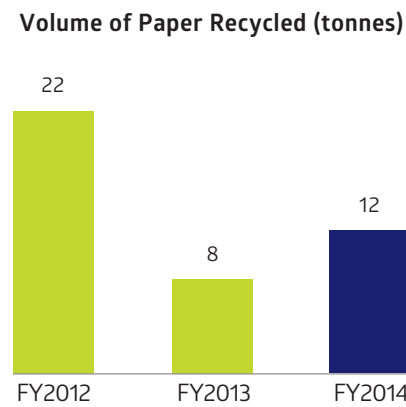
Water Consumption



Our water consumption figures are based on estimates because we are located in shared office buildings which do not have separate water metres for individual tenants. We have used total water consumption for the building and pro-rated it according to the office space occupied by SGX.

In line with BCA Green Mark certification standards, the new SGX offices have integrated water-saving mechanisms such as reduced-flow water taps and low-volume flush options in toilets.

Paper Recycled



Our offices have facilities to collect paper, plastic, aluminium cans and general waste. With the exception of general waste, all waste is recycled.

Environment Targets

Performance against targets

Environmental targets set in FY2013	Status	Details
Take steps to get the BCA Green Mark Platinum award for our new premises in Metropolis Tower Two and raise the standard of our premises in SGX Centre to meet the BCA Green Mark Gold Plus standards.	On track	<ul style="list-style-type: none"> Green Mark certification process will be completed by 2Q FY2015.
Establish and implement a procurement policy for all our paper by December 2013, including a commitment to print the Annual report on paper certified by the Forest Stewardship Council with minimum 70% recycled paper content	✓	
Establish a green business travel policy incorporating overseas travel and inter-office commuting	✓	<ul style="list-style-type: none"> Published on SGX intranet. Invested in communication facilities such as video and audio conferencing to minimise inter-office commuting.
Measure energy footprint (per man-hour) of our business, where "energy" includes electricity, water and paper.	✓	<ul style="list-style-type: none"> Going forward, we intend to use number of employees as the denominator for energy intensity to allow for comparison with previous years' performance when we did not have man-hours data.
Reduce energy (electricity, water and paper) by 3% year-on-year from FY2012 to FY2014	Partially achieved	<p>From FY2012 to FY2014:</p> <ul style="list-style-type: none"> 9% increase in electricity consumption due to the implementation of split-site operations and office relocation in FY2014. 50% reduction in water consumption, based on data provided by our landlords. 25% reduction in the total volume of paper procured.

Environment targets for FY2015

- Meet and maintain the BCA Green Mark Platinum accreditation for our new premise at Metropolis Tower Two, and to bring up the standard of the SGX Centre One to BCA Green Mark Gold Plus
- Following our office relocation, we will monitor our energy footprint and ensure that it is aligned to business growth
- Introduce sustainability procurement survey for all SGX suppliers

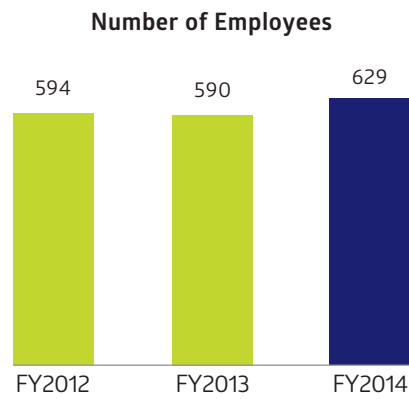
Social

We can make the greatest social impact through our workplace practices and community engagement. The ways we treat our employees, manage talent, and allocate human resources are all critical to the successful delivery of SGX's services. Equally important is our relationship with local communities in Singapore. Our annual Bull Charge run engages members of Singapore's financial community and benefits selected local charities. We also engage and empower members of the local community through our financial literacy and investor education programmes.

Workplace

Our employees are an important source of our competitive advantage. Our priorities are to hire the best people and to treat them well so that we can retain and grow talent. We believe that a diverse workplace is a more effective workplace.

Number of Employees



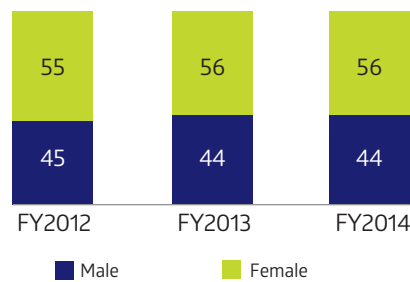
Employee Diversity

SGX sees workplace diversity as a driver of business performance. Please see the online Sustainability Report for more data on diversity indicators.

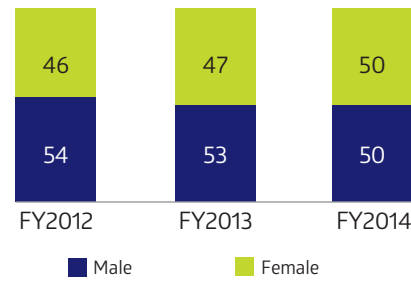
Gender Diversity

The team at SGX is balanced in terms of gender and our management committee is 44% female. Our aim is to have a gender pay gap of less than 10% in each of our nine job grades, and this target was met in six of them.

Employee Gender Diversity (%)

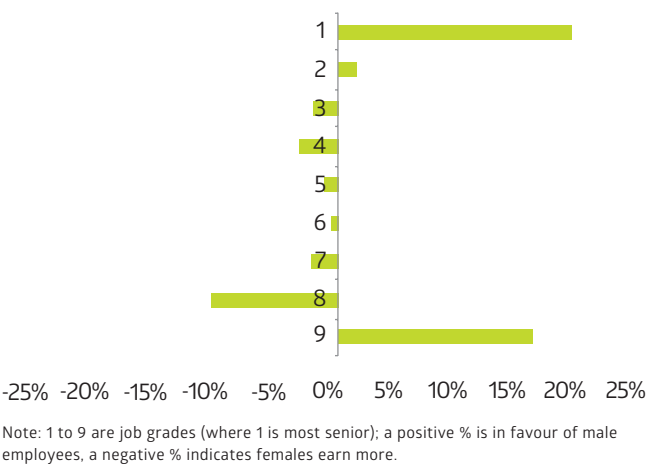


Voluntary Departure by Gender (%)



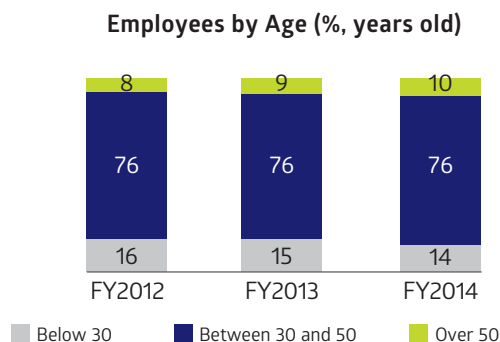
All our compensation policies are designed to treat all employees equally and the data shows no systemic pay discrimination when comparing total compensation packages by gender. The variance arises from the different nature of roles across the different parts of the business. Grades 8 and 9 include both entry level graduates across the organisation as well as long serving staff in certain operational units. For the most senior staff members in job grade 1, the variance is driven by a high differentiation of compensation based on performance linked variable pay.

Gender Pay Gap (across job grades)



Other indicators of diversity

We have an age-diverse workforce and policies and practices in place which allow employees reaching retirement age the option of extending their tenure with SGX, with continued levels of compensation.



We also track by age the number of employees voluntarily leaving the organisation.

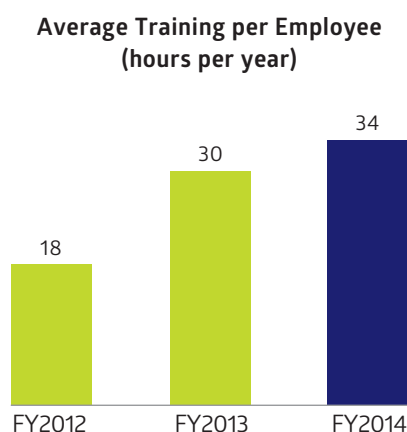
There were no discrimination grievances raised to Human Resources in 2013-2014.

Employee Turnover

SGX hired 105 new employees in 2013-2014, equivalent to a new hire rate of 17%. In the same period, 68 employees left SGX, equivalent to an attrition rate of 11%. We track the gender and age of all new and departing employees. Full details are in the Sustainability Report online.

This year, there was a significant fall in the absolute number of resignations in the 30-50 age group. However, the percentage of resignations from the under-30 group rose. More than half the below-30 employees resigned for reasons unrelated to work such as to pursue studies and other interests.

Training and Development



Spotlight on Gender Diversity

SGX firmly believes that diversity, in particular gender diversity, enhances business performance. We aim to hire the best talent and minds, regardless of gender. Here are some key facts that bear out this belief:

- We have a gender-balanced workforce, with approximately a 50:50 split between men and women.
- We measure and disclose our gender pay gap.
- SGX published the "Investors Guide to Understanding Board Diversity" in July 2014. The guide aims to enhance investors' understanding of board diversity and encourages them to take a deeper interest in the role and composition of the board of the companies whose shares they own.
- SGX's CEO, Magnus Böcker, is one of the 100 champions of BoardAgender, which provides a forum in Singapore to facilitate greater awareness and understanding of the benefits of a gender-balanced business and the advancement of more women to senior leadership roles and the boardroom.
- SGX leads the Diversity Action Committee in Singapore and supports it administratively and in other ways.





Communities

Each year, SGX organises the Bull Charge, a run involving the Singapore financial community that raises funds for charity. In 2013, money from SGX's 2012 energy efficiency savings of \$24,920 was added to the fundraising total.

This year, to celebrate ten years of Bull Charge, we raised a record \$3.2 million. We also had a record number of 8,000 participants.

Four charities will receive the funds: The Asian Women's Welfare Association (AWWA), Autism Association, Fei Yue Community Services, and Shared Services for Charities. These charities were selected because they cater to a broad spectrum of our community, including children, youth, the elderly and families.

As the funds are gradually disbursed during the financial year, we will provide details on the amounts given to each charity in next year's report.

Social Targets

Performance against targets

Social targets set in 2013	Status	Details
Quarterly report on gender pay gap to the Board	✓	<ul style="list-style-type: none"> Monthly gender pay gap report sent to the Board with effect from February 2014
Ensure that gender pay ratio for total compensation is within 10% for all job grades	Partially met	<ul style="list-style-type: none"> Target achieved for six out of eight job grades
Achieve gender diversity target of 40% for management committee by June 2014	✓	<ul style="list-style-type: none"> As at April 2014, the management committee was 44% female
Increase the Bull Charge fundraising target for FY2014 from \$1.388m to \$3m to celebrate the 10th anniversary of the event	✓	<ul style="list-style-type: none"> Bull Charge fundraising total for FY2014 was \$3.2 million

Social targets for FY2015

- Ensure that gender pay ratio for total compensation is within 10% for all job grades
- Maintain gender diversity for the management committee (at least 40% female)

Governance

Corporate governance is the most material aspect of sustainability for SGX as a company and as the market regulator. Our stakeholders are unanimous on this point. We lead by example and advocate the best corporate governance practices.

- We have a regulatory conflicts framework to manage conflicts of interest that may arise because SGX is both a commercial company and a market regulator
- We have separate regulation and risk management teams to regulate the listings, brokers and other financial intermediaries on SGX
- We advocate best practice in corporate governance, including board diversity, business integrity, anti-bribery and corruption and improved corporate transparency and disclosure.

Governance Targets

Performance against targets

Governance targets set in 2013	Status	Details
Codify and publish anti-corruption policy for employees and listed companies by June 2014	✓	<ul style="list-style-type: none"> ▪ Anti-Corruption policy for employees published in June 2014 ▪ SGX Sustainability Reporting Guide updated on 27 June 2014 to provide additional guidance on the anti-corruption aspect of sustainability reporting
Train employees on anti-corruption policy	✓	<ul style="list-style-type: none"> ▪ Compliance training completed in June 2014
Develop an Investor Guide to Board Level Diversity by June 2014	✓	<ul style="list-style-type: none"> ▪ Investor Guide to Understanding Board Diversity issued on 8 July 2014
Host three public seminars on corporate governance with a target audience of 200 for each between July 2013 and June 2014	✓	<ul style="list-style-type: none"> ▪ Training was conducted for listed companies as part of the SID²-SGX Listed Company Director programme in July, October and November 2013

Governance targets for FY2015

- Research and evaluate mechanisms for improving sustainability disclosure by listed companies
- Lead the Diversity Action Committee regarding Women on Boards
- Our sustainability report to be independently verified



² SID is the Singapore Institute of Directors.

Sustainability Performance Data

Aspect/indicator	FY2012	FY2013	FY2014
Environment			
Electricity consumption (kWh)	1,517,007	1,418,975	1,654,784 ³
Volume of office paper procured (tonnes)	31.5	24.4	23.3
Water consumption (cubic metres)	2,400	1,225	1,200
Volume of paper recycled (tonnes)	22	7.9	12
Social			
Total number of employees	594	590	629
SGX gender pay gap (M/F), by job grade	Not reported	Average -1.14%	Average -0.51%
SGX employees by seniority			
▪ Management Committee	▪ 7%	▪ 8%	▪ 8%
▪ Executive staff	▪ 86%	▪ 85%	▪ 86%
▪ Non-Executive staff	▪ 7%	▪ 7%	▪ 6%
SGX employees by gender (M:F)	45:55	44:56	44:56
SGX employees by contract type			
▪ Full time	▪ 99%	▪ 99.5%	▪ 100%
▪ Part time	▪ 1%	▪ 0.5%	▪ 0%
SGX employees by age			
▪ Below 30 years old	▪ 16%	▪ 15%	▪ 14%
▪ Between 30 and 50	▪ 76%	▪ 76%	▪ 76%
▪ Over 50 years old	▪ 8%	▪ 9%	▪ 10%
Training	>10,000 hours (or, average 18 hours per employee)	>18,000 hours (or, average 30 hours per employee)	> 20,000 hours (or, average 34 hours per employee)
Voluntary departure by gender (M:F)	54:46	53:47	50:50
Voluntary departure by age			
▪ Below 30 years old	▪ 19%	▪ 12%	▪ 23%
▪ Between 30 and 50	▪ 75%	▪ 80%	▪ 65%
▪ Over 50 years old	▪ 6%	▪ 8%	▪ 13%
Bull Charge participants	>5,000	4,200	8,000
Bull Charge charity beneficiaries	Autism Association, Lions Befriender Service Association, and Tan Tock Seng Hospital	Asian Women's Welfare Association (AWWA), Autism Association, Fei Yue Community Services and Shared Services for Charities	Asian Women's Welfare Association (AWWA), Autism Association, Fei Yue Community Services and Shared Services for Charities
Bull Charge fund-raising total (\$)	1,162,000	1,388,000	3,200,000
Governance			
Number of cases of bribery or corruption in SGX	Zero	Zero	Zero
Number of cases of anti-competitive behaviour in SGX	Zero	Zero	Zero
Amount of fines SGX paid for non-compliance with the law (\$)	Zero	Zero	Zero

About this Report

For any queries about sustainability at SGX or this report, please email us at sustainability@sgx.com.

This report is an abridged version of SGX's Sustainability Report 2014, which conforms to the latest guidelines from the Global Reporting Initiative (GRI). The full version can be found on our website at <http://investorrelations.sgx.com/annuals.cfm>. The online report is drafted in accordance with GRI G4 "comprehensive" reporting requirements.

³ The electricity number has been annualised because consumption figures were only available until the end of April 2014.

Financials



Directors' Report

For the financial year ended 30 June 2014

The directors present their report 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 2014.

Directors

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

Chew Choon Seng	(Chairman)
Magnus Böcker	(Chief Executive Officer)
Thaddeus Beczak	
Chew Gek Khim	(appointed on 1 December 2013)
Jane Diplock AO	
Kwa Chong Seng	
Kevin Kwok	
Lee Hsien Yang	
Liew Mun Leong	
Ng Kee Choe	
Ng Kok Song	(appointed on 19 September 2013)
Quah Wee Ghee	
Davinder Singh	

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 report.

Directors' interests in shares or debentures

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

	Number of ordinary shares registered in name of director or nominee		Number of ordinary shares in which director is deemed to have an interest	
	At 30.06.2014	At 01.07.2013	At 30.06.2014	At 01.07.2013
Singapore Exchange Limited				
Magnus Böcker	115,866	–	–	–
Kwa Chong Seng	20,000	20,000	–	–
Kevin Kwok	70,000	70,000	70,000	70,000

- (b) There are no interests in options to subscribe for ordinary shares of the Company granted pursuant to the SGX Share Option Plan for Group Employees, which was terminated in 2005.
- (c) According to the register of directors' shareholdings, one director holding office at the end of the financial year had interests in the shares of the Company granted pursuant to the 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, 966,134 shares granted to Magnus Böcker will vest between 1 September 2014 and 1 September 2016.

- (d) 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 2014.

Directors' contractual benefits

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

Share plans

The Company offers the following share plans to its employees:

- (a) **SGX Performance Share Plan ("the Plan")**
- (b) **SGX Deferred Long-Term Incentives Scheme ("the Scheme")**

All share plans are administered by the Remuneration Committee ("RC").

(a) SGX Performance Share Plan

The Plan was approved at the 2005 Extraordinary General Meeting. It recognises and rewards past contributions and services, and motivates key senior management to ensure the long-term success of the Company.

Eligibility

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

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

Unless otherwise decided by the RC, 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 the Plan on any date, when added to the total number of new shares issued and issuable in respect of all awards granted under the Plan, shall not exceed 10% of SGX's issued share capital on the day preceding the relevant date of award.

Participants are required to retain 50% of the total number of shares that are released to them for at least one calendar year from the vesting date.

Share plans (continued)

(a) SGX Performance Share Plan (continued)

Share grant and vesting

The RC approves every grant of the Plan, and has absolute discretion in the granting and award of performance shares.

(i) FY2011 Grant

The number of SGX shares to be awarded to each participant will be based on the achievement of certain prescribed performance targets, over a three-year performance period from 1 July 2010 to 30 June 2013. The performance shares vested on 2 September 2013 and these performance shares were fulfilled by the delivery of shares previously purchased from the market.

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

Participants (as defined under the Plan)	Shares granted at grant date	Balance as at 01.07.2013	Shares lapsed during financial year	Shares vested during financial year ⁽¹⁾	Balance as at 30.06.2014
Executive Management Committee (EMCO) members					
Magnus Böcker ⁽²⁾	192,200	192,200	(134,500)	(57,700)	–
Muthukrishnan Ramaswami ⁽²⁾	96,000	96,000	(67,200)	(28,800)	–
Lawrence Wong Liang Ying ⁽²⁾	62,000	62,000	(43,400)	(18,600)	–
Chew Sutat ⁽²⁾	62,000	62,000	(43,400)	(18,600)	–
Robert Ian Caisley	48,000	48,000	(33,600)	(14,400)	–
Richard Teng Wee Chen ⁽³⁾	24,000	24,000	(16,800)	(7,200)	–
Other staff	322,800	234,000	(163,500)	(70,500)	–
Other participants					
Seck Wai Kwong ⁽²⁾⁽⁴⁾	82,000	–	–	–	–
Chang Kuan Aun ⁽⁵⁾	43,000	–	–	–	–
Gan Seow Ann ⁽²⁾⁽⁶⁾	96,000	–	–	–	–
Benjamin Foo ⁽⁷⁾	43,000	–	–	–	–
Yeo Lian Sim ⁽²⁾⁽⁸⁾	82,000	82,000	(57,400)	(24,600)	–
	1,153,000	800,200	(559,800)	(240,400)	–

(1) The number of shares vested during the financial year represents the level of achievement against the performance condition.

(2) Received more than 5% of the 1,153,000 shares granted under the FY2011 grant.

(3) Richard Teng Wee Chen was appointed as SGX's Chief Regulatory Officer and a member of EMCO with effect from 1 January 2014. His unvested shares were previously grouped under "Other staff".

(4) Seck Wai Kwong resigned as SGX's CFO and his last day of service was 10 June 2011. All his unvested shares lapsed at the end of his employment.

(5) Chang Kuan Aun resigned as SGX's Chief Human Resource Officer and his last day of service was 21 October 2011. All his unvested shares lapsed at the end of his employment.

(6) Gan Seow Ann resigned as SGX's Co-President and his last day of service was 26 May 2012. All his unvested shares lapsed at the end of his employment.

(7) Benjamin Foo resigned as SGX's Head of Operations and his last day of service was 11 January 2013. All his unvested shares lapsed at the end of his employment.

(8) Yeo Lian Sim retired from her position as SGX's Chief Regulatory & Risk Officer and her last day of service was 31 December 2013.

(ii) FY2012 Grant

The number of SGX shares to be awarded to each participant will be based on the achievement of certain prescribed performance targets, over a three-year performance period from 1 July 2011 to 30 June 2014. The performance shares will vest on 1 September 2014.

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

Participants (as defined under the Plan)	Shares granted at grant date	Balance as at 01.07.2013	Shares lapsed during financial year	Balance as at 30.06.2014 ⁽¹⁾
EMCO members				
Magnus Böcker ⁽²⁾	353,100	353,100	–	353,100
Muthukrishnan Ramaswami ⁽²⁾	107,000	107,000	–	107,000
Chew Sutat ⁽²⁾	72,000	72,000	–	72,000
Lawrence Wong Liang Ying ⁽²⁾	64,000	64,000	–	64,000
Robert Ian Caisley	53,000	53,000	–	53,000
Richard Teng Wee Chen ⁽³⁾	26,000	26,000	–	26,000
Other staff	283,000	283,000	–	283,000
Other participants				
Benjamin Foo ⁽⁴⁾	48,000	–	–	–
Yeo Lian Sim ⁽²⁾⁽⁵⁾	82,000	82,000	–	82,000
	1,088,100	1,040,100	–	1,040,100

- (1) 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.
- (2) Received more than 5% of the 1,088,100 shares granted under the FY2012 grant.
- (3) Richard Teng Wee Chen was appointed as SGX's Chief Regulatory Officer and a member of EMCO with effect from 1 January 2014. His unvested shares were previously grouped under "Other staff".
- (4) Benjamin Foo resigned as SGX's Head of Operations and his last day of service was 11 January 2013. All his unvested shares lapsed at the end of his employment.
- (5) Yeo Lian Sim retired from her position as SGX's Chief Regulatory & Risk Officer and her last day of service was 31 December 2013. The balance of her performance shares is retained until the stipulated vesting date as approved by the RC.

Share plans (continued)

(a) SGX Performance Share Plan (continued)

Share grant and vesting (continued)

(iii) FY2013 Grant

The number of SGX shares to be awarded to each participant will be based on the achievement of certain prescribed performance targets, over a three-year performance period from 1 July 2012 to 30 June 2015. The performance shares will vest on 1 September 2015.

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

Participants (as defined under the Plan)	Shares granted at grant date	Balance as at 01.07.2013	Shares lapsed during financial year	Balance as at 30.06.2014 ⁽¹⁾
EMCO members				
Magnus Böcker ⁽²⁾	174,500	174,500	–	174,500
Muthukrishnan Ramaswami ⁽²⁾	69,000	69,000	–	69,000
Chew Sutat ⁽²⁾	45,600	45,600	–	45,600
Lawrence Wong Liang Ying ⁽²⁾	36,100	36,100	–	36,100
Robert Ian Caisley	33,700	33,700	–	33,700
Richard Teng Wee Chen ⁽³⁾	30,000	30,000	–	30,000
Chng Lay Chew	15,900	15,900	–	15,900
Arulraj Maria Devadoss	15,900	15,900	–	15,900
Other staff	200,800	200,800	–	200,800
Other participants				
Benjamin Foo ⁽⁴⁾	31,700	–	–	–
Yeo Lian Sim ⁽²⁾⁽⁵⁾	48,800	48,800	–	48,800
	702,000	670,300	–	670,300

(1) 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.

(2) Received more than 5% of the 702,000 shares granted under the FY2013 grant.

(3) Richard Teng Wee Chen was appointed as SGX's Chief Regulatory Officer and a member of EMCO with effect from 1 January 2014. His unvested shares were previously grouped under "Other staff".

(4) Benjamin Foo resigned as SGX's Head of Operations and his last day of service was 11 January 2013. All his unvested shares lapsed at the end of his employment.

(5) Yeo Lian Sim retired from her position as SGX's Chief Regulatory & Risk Officer and her last day of service was 31 December 2013. The balance of her performance shares is retained until the stipulated vesting date as approved by the RC.

(iv) FY2014 Grant

The number of SGX shares to be awarded to each participant will be based on the achievement of certain prescribed performance targets, over a three-year performance period from 1 July 2013 to 30 June 2016. The performance shares will vest on 1 September 2016.

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

Participants (as defined under the Plan)	Shares granted during the financial year	Shares lapsed during financial year	Balance as at 30.06.2014 ⁽¹⁾
EMCO members			
Magnus Böcker ⁽²⁾	161,100	–	161,100
Muthukrishnan Ramaswami ⁽²⁾	68,300	–	68,300
Chew Sutat ⁽²⁾	48,300	–	48,300
Chng Lay Chew ⁽²⁾	38,500	–	38,500
Lawrence Wong Liang Ying	35,000	–	35,000
Robert Ian Caisley	35,000	–	35,000
Richard Teng Wee Chen	31,500	–	31,500
Timothy Utama	28,700	–	28,700
Arulraj Maria Devadoss	24,500	–	24,500
Other staff	237,500	(11,900)	225,600
Other participant			
Yeo Lian Sim ⁽²⁾⁽³⁾	45,500	–	45,500
	753,900	(11,900)	742,000

(1) 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.

(2) Received more than 5% of the 753,900 shares granted under the FY2014 grant.

(3) Yeo Lian Sim retired from her position as SGX's Chief Regulatory & Risk Officer and her last day of service was 31 December 2013. The balance of her performance shares is retained until the stipulated vesting date as approved by the RC.

(v) Summary of the Plan

The summary of the total number of shares granted, lapsed, vested and outstanding as at 30 June 2014 are as follows:

	Shares granted during financial year	Aggregate shares granted since commencement of the Plan to 30.06.2014	Aggregate shares lapsed since commencement of the Plan to 30.06.2014	Aggregate shares vested since commencement of the Plan to 30.06.2014	Aggregate shares outstanding as at 30.06.2014
Participants who received more than 5% of the total grants available					
Hsieh Fu Hua ⁽¹⁾	–	2,712,485	(676,900)	(2,035,585)	–
Gan Seow Ann ⁽²⁾	–	902,100	(357,500)	(544,600)	–
Magnus Böcker	161,100	880,900	(134,500)	(57,700)	688,700
Yeo Lian Sim ⁽³⁾	45,500	855,700	(238,500)	(440,900)	176,300
Seck Wai Kwong ⁽⁴⁾	–	845,600	(335,900)	(509,700)	–
Participants who received less than 5% of the total grants available					
Other staff	547,300	6,818,150	(2,629,600)	(2,601,150)	1,587,400
	753,900	13,014,935	(4,372,900)	(6,189,635)	2,452,400

(1) Hsieh Fu Hua was SGX's former CEO and his contract ended on 30 November 2009.

(2) Gan Seow Ann resigned as SGX's Co-President and his last day of service was 26 May 2012. All his unvested shares lapsed at the end of his employment.

(3) Yeo Lian Sim retired from her position as SGX's Chief Regulatory & Risk Officer and her last day of service was 31 December 2013. The balance of her performance shares is retained until the stipulated vesting date as approved by the RC.

(4) Seck Wai Kwong resigned as SGX's CFO and his last day of service was 10 June 2011. All his unvested shares lapsed at the end of his employment.

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

Share plans (continued)

(b) SGX Deferred Long-Term Incentives Scheme

The Scheme was approved by the RC in July 2006. It recognises past contributions and services, and strengthens the Company's ability to reward and retain high-performing executives and key senior employees.

Eligibility

Selected executives who have attained the rank of Associate, job grade 9 up to Vice President, job grade 2 and who are not participants of the Plan are eligible to be considered for the award under the Scheme. From financial year 2013, the Scheme has been revised to selected executives from the level of Assistant Vice President up to CEO.

The entitlement to the award is conditional on the Recipient remaining in service up to the specified vesting date.

The RC may determine to grant an award, wholly or partly, in the form of SGX shares, which will be free of charge, or in the form of cash. If the award is in the form of SGX shares, the Scheme only allows the delivery of SGX shares held in treasury by the Company to fulfill its obligations to recipients. If the award is in the form of cash, the amount released is based on the market value of such shares on vesting date.

Share award and vesting

(i) FY2011 Award

There were two awards in FY2011. Both awards were in the form of SGX shares. One award had a one-year vesting period which vested on 1 November 2011. The other award will vest in three equal instalments over a period of three years with the first instalment having vested on 1 November 2011. The final instalment of this award vested on 1 November 2013.

The details of shares awarded are as follows:

	Shares awarded at grant date	Balance as at 01.07.2013	Shares lapsed during financial year	Shares vested during financial year	Balance as at 30.06.2014
Recipients (as defined under the Scheme)	435,600	108,950	(1,050)	(107,900)	-
Total	435,600	108,950	(1,050)	(107,900)	-

(ii) FY2012 Award

There were two awards in FY2012. Both awards were in the form of SGX shares. One award had a one-year vesting period which vested on 1 November 2012. The other award will vest in three equal instalments over a period of three years with the first instalment having vested on 1 November 2012.

The details of shares awarded are as follows:

	Shares awarded at grant date	Balance as at 01.07.2013	Shares lapsed during financial year	Shares vested during financial year	Balance as at 30.06.2014
Recipients (as defined under the Scheme)	225,000	126,600	(5,400)	(61,400)	59,800
Total	225,000	126,600	(5,400)	(61,400)	59,800

No recipient has been awarded 5% or more of the total shares available under the Scheme for FY2012 award and before.

(iii) FY2013 Award

FY2013 had one award and was in the form of SGX shares. The award will vest in three equal instalments over a period of three years with the first instalment having vested on 2 September 2013.

The details of shares awarded are as follows:

Recipients (as defined under the Scheme)	Shares awarded at grant date	Balance as at 01.07.2013	Shares lapsed during financial year	Shares vested during financial year	Balance as at 30.06.2014
EMCO members					
Magnus Böcker ⁽¹⁾	174,500	174,500	–	(58,166)	116,334
Muthukrishnan Ramaswami ⁽¹⁾	69,000	69,000	–	(23,000)	46,000
Chew Sutat	45,600	45,600	–	(15,200)	30,400
Lawrence Wong Liang Ying	36,100	36,100	–	(12,033)	24,067
Robert Ian Caisley	33,700	33,700	–	(11,233)	22,467
Richard Teng Wee Chen ⁽²⁾	30,000	30,000	–	(10,000)	20,000
Other staff	575,000	557,600	(15,368)	(183,729)	358,503
Other recipients					
Yeo Lian Sim ⁽³⁾	48,800	48,800	–	(16,266)	32,534
Benjamin Foo ⁽⁴⁾	31,700	–	–	–	–
Total	1,044,400	995,300	(15,368)	(329,627)	650,305

(1) Received more than 5% of the 1,044,400 shares granted under the FY2013 award.

(2) Richard Teng Wee Chen was appointed as SGX's Chief Regulatory Officer and a member of EMCO with effect from 1 January 2014 and is now part of EMCO. His unvested shares were previously grouped under "Other staff".

(3) Yeo Lian Sim retired from her position as SGX's Chief Regulatory & Risk Officer and her last day of service was 31 December 2013. The balance of her shares is retained until the stipulated vesting date as approved by the RC.

(4) Benjamin Foo resigned as SGX's Head of Operations and his last day of service was 11 January 2013. All his unvested shares lapsed at the end of his employment.

(iv) FY2014 Award

FY2014 had one award and was 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 2014.

The details of shares awarded are as follows:

Recipients (as defined under the Scheme)	Shares awarded during financial year	Shares lapsed during financial year	Balance as at 30.06.2014
EMCO members			
Magnus Böcker ⁽¹⁾	161,100	–	161,100
Muthukrishnan Ramaswami ⁽¹⁾	68,300	–	68,300
Chew Sutat	48,300	–	48,300
Chng Lay Chew	38,500	–	38,500
Lawrence Wong Liang Ying	35,000	–	35,000
Robert Ian Caisley	35,000	–	35,000
Richard Teng Wee Chen	31,500	–	31,500
Timothy Utama	28,700	–	28,700
Arulraj Maria Devadoss	24,500	–	24,500
Other staff	707,100	(28,500)	678,600
Other recipient			
Yeo Lian Sim ⁽²⁾	45,500	–	45,500
Total	1,223,500	(28,500)	1,195,000

(1) Received more than 5% of the 1,223,500 shares granted under the FY2014 award.

(2) Yeo Lian Sim retired from the position as SGX's Chief Regulatory & Risk Officer and her last day of service was 31 December 2013. The balance of her shares is retained until the stipulated vesting date as approved by the RC.

Share plans (continued)

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

Share award and vesting (continued)

(v) Summary of the Scheme

The summary of the total number of shares awarded, lapsed, vested and outstanding as at 30 June 2014 are as follows:

	Shares awarded during financial year	Aggregate shares awarded since commencement of the Plan to 30.06.2014	Aggregate shares lapsed since commencement of the Plan to 30.06.2014	Aggregate shares vested since commencement of the Plan to 30.06.2014	Aggregate shares outstanding as at 30.06.2014
Recipient who received more than 5% of the total awards available					
Magnus Böcker	161,100	335,600	–	(58,166)	277,434
Recipients who received less than 5% of the total awards available					
Other staff	1,062,400	4,283,700	(473,868)	(2,182,161)	1,627,671
	1,223,500	4,619,300	(473,868)	(2,240,327)	1,905,105

Board opinion on the adequacy of internal controls addressing financial, operational, compliance and information technology risks

Based on the internal controls established and maintained by the Company, work performed by the internal and external auditors, and reviews performed by management, various Board Committees and the Board, the Audit Committee and the Board are of the opinion that the Company's internal controls, addressing financial, operational, compliance and information technology risks, were adequate as at 30 June 2014.

The system of internal controls and risk management established by the Company provides reasonable, but not absolute, assurance that the Company will not be adversely affected by any event that can be reasonably foreseen as it strives to achieve its business objectives. However, the Board also notes that no system of internal controls and risk management can provide absolute assurance in this regard, or absolute assurance against the occurrence of material errors, poor judgement in decision-making, human error, losses, fraud or other irregularities.

Audit Committee

The Audit Committee comprises the following Non-Executive Directors at the date of this report:

Kevin Kwok (Chairman appointed on 19 September 2013)

Jane Diplock AO

Lee Hsien Yang

Liew Mun Leong

Based on the criteria prescribed in both the Securities and Futures (Corporate Governance of Approved Exchanges, Designated Clearing Houses and Approved Holding Companies) Regulations 2005 and the Code of Corporate Governance 2012, all the Audit Committee members, except Lee Hsien Yang, are independent.

The Audit Committee carried out its functions in accordance with Section 201B(5) of the Singapore Companies Act, Regulation 14(2) of the Securities & Futures (Corporate Governance of Approved Exchanges, Designated Clearing Houses and Approved Holding Companies) Regulations 2005, the Singapore Code of Corporate Governance, and the SGX-ST Listing Manual. These functions include a review of the financial statements of the Company and of the Group for the financial year and the independent auditor's report thereon.

Accordingly, the Audit Committee 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 Audit Committee, these services would not affect the independence of the auditor.

The Audit Committee has recommended to the Board that the independent auditor, PricewaterhouseCoopers 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. The Group has no significant associated companies.

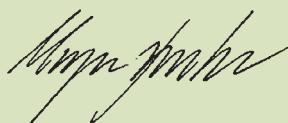
Independent auditor

The independent auditor, PricewaterhouseCoopers LLP, has expressed its willingness to accept re-appointment.

On behalf of the directors



Chew Choon Seng
Director



Magnus Böcker
Director

31 July 2014

Statement by Directors

For the financial year ended 30 June 2014

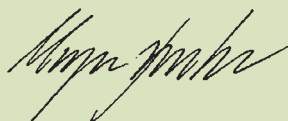
In the opinion of the directors,

- (a) the statement of comprehensive income, statement of financial position and statement of changes in equity of the Company and the consolidated financial statements of the Group as set out on pages 96 to 153 are drawn up so as to give a true and fair view of the state of affairs of the Company and of the Group at 30 June 2014, of the results of the business and changes in equity of the Company and of the Group for the financial year then ended, and of the cash flows of the Group for the financial year then ended; 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.

On behalf of the directors



Chew Choon Seng
Director



Magnus Böcker
Director

31 July 2014

Independent Auditor's Report

To the Members of Singapore Exchange Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Singapore Exchange Limited (the "Company") and its subsidiaries (the "Group") set out on pages 96 to 153, which comprise the statements of financial position as at 30 June 2014, the statements of comprehensive income, the statements of changes in equity of the Group and the Company and the consolidated statement of cash flows of the Group for the financial year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility 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 Singapore Companies Act (the "Act") and Singapore Financial Reporting Standards, 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 profit and loss accounts and balance sheets and to maintain accountability of assets.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Singapore Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation of financial statements that give a true and fair view 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

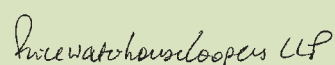
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements of the Group and the financial statements of the Company are properly drawn up in accordance with the provisions of the Act and Singapore Financial Reporting Standards so as to give a true and fair view of the state of affairs of the Group and of the Company as at 30 June 2014, and of the results, changes in equity of the Group and the Company and the cash flows of the Group for the financial year ended on that date.

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.



PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants

Singapore, 31 July 2014

Statements of Financial Position

As at 30 June 2014

		The Group		The Company	
	Note	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Assets					
Current assets					
Cash and cash equivalents	3	756,864	763,007	420,545	427,420
Trade and other receivables	4	572,161	756,656	13,967	14,580
Derivative financial instruments	5	472	–	–	–
Securities clearing fund	6	60,000	60,000	–	–
		1,389,497	1,579,663	434,512	442,000
Non-current assets					
Available-for-sale financial asset	7	50,956	50,956	50,956	50,956
Trade and other receivables	4	–	–	17,989	17,989
Property, plant and equipment	8	61,488	24,089	59,520	23,056
Software	9	111,594	111,949	35,053	31,188
Club memberships		287	287	287	287
Investments in subsidiaries	10	–	–	493,501	493,501
Investments in associated companies	12	27,260	27,432	4,389	4,389
		251,585	214,713	661,695	621,366
Total assets		1,641,082	1,794,376	1,096,207	1,063,366
Liabilities					
Current liabilities					
Trade and other payables	13	615,637	783,285	359,093	340,976
Derivative financial instruments	5	–	885	–	–
Taxation	14	75,273	92,001	1,143	5,144
Provisions	15	8,146	7,345	5,618	4,889
		699,056	883,516	365,854	351,009
Non-current liabilities					
Trade and other payables	13	5,167	7,593	–	–
Deferred tax liabilities	14	14,782	14,646	4,353	1,737
		19,949	22,239	4,353	1,737
Total liabilities		719,005	905,755	370,207	352,746
Net assets		922,077	888,621	726,000	710,620
Equity					
Capital and reserves attributable to the Company's equity holders					
Share capital	16	428,332	426,298	428,332	426,298
Treasury shares	16	(13,865)	(20,010)	(13,865)	(20,010)
Cash flow hedge reserve		391	(736)	–	–
Currency translation reserve		(1,045)	(704)	–	–
Derivatives clearing fund reserve	17	34,021	34,021	–	–
Securities clearing fund reserve	6	25,000	25,000	–	–
Share-based payment reserve		16,116	12,525	16,116	12,525
Retained profits		261,943	241,161	124,233	120,741
Proposed dividends	26	171,184	171,066	171,184	171,066
Total equity		922,077	888,621	726,000	710,620

Statements of Comprehensive Income

For the financial year ended 30 June 2014

	Note	The Group		The Company	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Operating revenue					
Management fees from subsidiaries		–	–	171,163	160,495
Gross dividends from subsidiaries		–	–	295,000	331,000
Securities	18	226,861	275,021	–	–
Derivatives	18	208,698	201,904	–	–
Market data and connectivity	18	76,598	73,333	12,604	10,462
Depository services	18	95,017	94,266	11,544	12,501
Issuer services	18	78,263	67,882	–	–
Others		1,423	2,738	369	679
Operating revenue		686,860	715,144	490,680	515,137
Operating expenses					
Staff	19	126,510	122,720	98,343	96,864
Technology	20	105,521	101,533	49,180	41,912
Processing and royalties		28,401	28,534	389	407
Premises	21	20,418	17,754	17,620	14,806
Professional fees		13,187	10,923	9,456	8,864
Others	22	21,163	19,479	12,545	13,118
Operating expenses		315,200	300,943	187,533	175,971
Profit from operating segments	23	371,660	414,201	303,147	339,166
Other gains/(losses) – net	24	4,954	(9,794)	2,564	(12,299)
Profit before tax and share of results of associated companies		376,614	404,407	305,711	326,867
Share of results of associated companies	12	2,423	3,629	–	–
Profit before tax		379,037	408,036	305,711	326,867
Tax	14	(58,599)	(72,136)	(2,563)	(2,609)
Net profit after tax		320,438	335,900	303,148	324,258
Attributable to:					
Equity holders of the Company		320,438	335,900	303,148	324,258
Earnings per share based on net profit attributable to the equity holders of the Company (in cents per share)					
– Basic	25	30.0	31.4		
– Diluted	25	29.8	31.3		
	Note	The Group		The Company	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Net profit after tax		320,438	335,900	303,148	324,258
Other comprehensive income					
Items that may be reclassified subsequently to profit or loss:					
Net currency translation differences of financial statements of associated companies	12	(341)	(194)	–	–
Fair value gains/(losses) arising from cash flow hedges	14(e)	1,127	(512)	–	–
Other comprehensive income/(expense) for the financial year, net of tax		786	(706)	–	–
Total comprehensive income for the financial year		321,224	335,194	303,148	324,258
Total comprehensive income attributable to:					
Equity holders of the Company		321,224	335,194	303,148	324,258

Consolidated Statement of Changes in Equity

For the financial year ended 30 June 2014

The Group

	Note	Share capital \$'000	Treasury shares \$'000	Cash flow hedge reserve* \$'000	Currency translation reserve* \$'000	Derivatives clearing fund reserve* \$'000	Securities clearing fund reserve* \$'000	Share-based payment reserve* \$'000	Retained profits \$'000	Proposed dividends \$'000	Total \$'000
2014											
Balance at 1 July 2013		426,298	(20,010)	(736)	(704)	34,021	25,000	12,525	241,161	171,066	888,621
Dividends paid											
– Financial year 2013											
– Final dividend	26	–	–	–	–	–	–	–	–	(171,066)	(171,066)
– Financial year 2013											
– Underprovision of final dividend		–	–	–	–	–	–	–	(91)	–	(91)
– Financial year 2014											
– Interim dividends	26	–	–	–	–	–	–	–	(128,381)	–	(128,381)
Proposed dividend											
– Financial year 2014											
– Final dividend	26	–	–	–	–	–	–	–	(171,184)	171,184	–
Employee share plan											
– Value of employee services	19	–	–	–	–	–	–	11,061	–	–	11,061
Vesting of shares under share plans		2,034	5,436	–	–	–	–	(7,470)	–	–	–
Tax effect on treasury shares**	16(a)	–	709	–	–	–	–	–	–	–	709
		2,034	6,145	–	–	–	–	3,591	(299,656)	118	(287,768)
Total comprehensive income for the financial year		–	–	1,127	(341)	–	–	–	320,438	–	321,224
Balance at 30 June 2014		428,332	(13,865)	391	(1,045)	34,021	25,000	16,116	261,943	171,184	922,077

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

** The tax effect relates to the deferred tax benefit/(liability) on the difference between consideration paid for treasury shares and variable share-based payment.

	Note	Share capital \$'000	Treasury shares \$'000	Cash flow hedge reserve* \$'000	Currency translation reserve* \$'000	Derivatives clearing fund reserve* \$'000	Securities clearing fund reserve* \$'000	Share-based payment reserve* \$'000	Retained profits \$'000	Proposed dividends \$'000	Total \$'000
2013											
Balance at 1 July 2012		422,864	(26,357)	(224)	(510)	34,021	25,000	13,394	204,648	160,212	833,048
Dividends paid											
- Financial year 2012											
- Final dividend	26	-	-	-	-	-	-	-	-	(160,212)	(160,212)
- Financial year 2012											
- Underprovision of final dividend		-	-	-	-	-	-	-	(52)	-	(52)
- Financial year 2013											
- Interim dividends	26	-	-	-	-	-	-	-	(128,269)	-	(128,269)
Proposed dividend											
- Financial year 2013											
- Final dividend	26	-	-	-	-	-	-	-	(171,066)	171,066	-
Employee share plan											
- Value of employee services	19	-	-	-	-	-	-	9,366	-	-	9,366
Vesting of shares under share plans		3,434	6,801	-	-	-	-	(10,235)	-	-	-
Tax effect on treasury shares**	16(a)	-	(454)	-	-	-	-	-	-	-	(454)
		3,434	6,347	-	-	-	-	(869)	(299,387)	10,854	(279,621)
Total comprehensive income for the financial year		-	-	(512)	(194)	-	-	-	335,900	-	335,194
Balance at 30 June 2013		426,298	(20,010)	(736)	(704)	34,021	25,000	12,525	241,161	171,066	888,621

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

** The tax effect relates to the deferred tax benefit/(liability) on the difference between consideration paid for treasury shares and variable share-based payment.

Statement of Changes in Equity

For the financial year ended 30 June 2014

The Company

	Note	Share capital \$'000	Treasury shares \$'000	Share-based payment reserve * \$'000	Retained profits \$'000	Proposed dividends \$'000	Total \$'000
2014							
Balance at 1 July 2013		426,298	(20,010)	12,525	120,741	171,066	710,620
Dividends paid							
– Financial year 2013 – Final dividend	26	–	–	–	–	(171,066)	(171,066)
– Financial year 2013 – Underprovision of final dividend		–	–	–	(91)	–	(91)
– Financial year 2014 – Interim dividends	26	–	–	–	(128,381)	–	(128,381)
Proposed dividend							
– Financial year 2014 – Final dividend	26	–	–	–	(171,184)	171,184	–
Employee share plan – Value of employee services	19	–	–	11,061	–	–	11,061
Vesting of shares under share plans		2,034	5,436	(7,470)	–	–	–
Tax effect on treasury shares**	16(a)	–	709	–	–	–	709
		2,034	6,145	3,591	(299,656)	118	(287,768)
Total comprehensive income for the financial year		–	–	–	303,148	–	303,148
Balance at 30 June 2014		428,332	(13,865)	16,116	124,233	171,184	726,000
2013							
Balance at 1 July 2013		422,864	(26,357)	13,394	95,870	160,212	665,983
Dividends paid							
– Financial year 2012 – Final dividend	26	–	–	–	–	(160,212)	(160,212)
– Financial year 2012 – Underprovision of final dividend		–	–	–	(52)	–	(52)
– Financial year 2013 – Interim dividends	26	–	–	–	(128,269)	–	(128,269)
Proposed dividend							
– Financial year 2013 – Final dividend	26	–	–	–	(171,066)	171,066	–
Employee share plan – Value of employee services	19	–	–	9,366	–	–	9,366
Vesting of shares under share plans		3,434	6,801	(10,235)	–	–	–
Tax effect on treasury shares**	16(a)	–	(454)	–	–	–	(454)
		3,434	6,347	(869)	(299,387)	10,854	(279,621)
Total comprehensive income for the financial year		–	–	–	324,258	–	324,258
Balance at 30 June 2013		426,298	(20,010)	12,525	120,741	171,066	710,620

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

** The tax effect relates to the deferred tax benefit/(liability) on the difference between consideration paid for treasury shares and variable share-based payment.

Consolidated Statement of Cash Flows

For the financial year ended 30 June 2014

	Note	2014 \$'000	2013 \$'000
Cash flows from operating activities			
Profit before tax and share of results of associated companies		376,614	404,407
Adjustments for:			
– Depreciation and amortisation	23	45,590	40,386
– Variable share-based payment	19	11,061	9,366
– Grant income for property, plant and equipment and software	22	–	(546)
– Impairment loss on available-for-sale financial asset	24	–	15,000
– Net write-off of property, plant and equipment	22	37	–
– Dividend income	24	(425)	(683)
– Interest income	24	(4,236)	(3,903)
Operating cash flow before working capital change		428,641	464,027
Change in working capital			
– Trade and other receivables		184,866	22,712
– Trade and other payables		(169,273)	(12,132)
– Accrual for property, plant and equipment and software		(10,884)	(4,205)
Cash generated from operations		433,350	470,402
Income tax paid	14(c)	(74,712)	(51,555)
Net cash provided by operating activities		358,638	418,847
Cash flows from investing activities			
Purchases of property, plant and equipment and software		(71,787)	(27,636)
Grant received for property, plant and equipment and software		–	985
Dividend received from other investments		425	683
Dividend received from associated company	12	2,254	1,960
Interest received		3,865	4,009
Investment in associated company	12	–	(19,989)
Net cash used in investing activities		(65,243)	(39,988)
Cash flows from financing activities			
Contributions to securities clearing fund	6	–	(25,000)
Dividends paid		(299,538)	(288,533)
Net cash used in financing activities		(299,538)	(313,533)
Net (decrease)/increase in cash and cash equivalents		(6,143)	65,326
Cash and cash equivalents at beginning of financial year	3	612,986	547,660
Cash and cash equivalents at end of financial year	3	606,843	612,986

Notes to the Financial Statements

For the financial year ended 30 June 2014

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. General

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 the only integrated securities exchange and derivatives exchange in Singapore and related clearing houses.

The principal activities of the Company are those of investment holding, treasury management, provision of management and administrative services to related corporations, provision of contract processing and technology connectivity services. The principal activities of the subsidiaries are set out in Note 10 to the financial statements. There has been no significant change in the principal activities of the Company and its subsidiaries during the financial year.

2. Significant accounting policies

(a) Basis of preparation

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

Information about significant areas of estimation, uncertainty and critical judgements in applying the accounting policies that have significant effect on the amount recognised in the financial statements are included in the following notes:

Notes 7 and 36 – Available-for-sale financial asset

Note 14 – Income taxes

From 1 July 2013, the Group has adopted the new or amended FRS that are applicable for the financial year. These financial statements have been prepared and amended as required, in accordance with the relevant transitional provisions in the respective FRS. The new or amended FRSs that are relevant to the Group are as follows:

FRS 113 Fair Value Measurement

FRS 113 aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across FRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards within FRSs.

The adoption of FRS 113 does not have any impact on the accounting policies of the Group.

Amendment to FRS 101 Presentation of Financial Statements – Clarification of the requirements for comparative information

This amendment arose from Annual Improvements to FRSs issued by the Accounting Standards Council in August 2012. The amendment clarified that when an entity presents a balance sheet at the beginning of the preceding period, it need not present the related notes to that balance sheet if that balance sheet was required as a result of either:

- Retrospective application of an accounting policy; or
- Retrospective restatement or reclassification of items in the financial statement.

This amendment does not have any impact on the accounting policies of the Group.

Amendment to FRS 107 Disclosure-Offsetting Financial Assets and Financial Liabilities

This amendment includes new disclosures to enable users of financial statements to evaluate the effect or potential effect of netting arrangements, including rights of set-off associated with the entity's recognised financial assets and recognised financial liabilities, on the entity's financial position.

This amendment does not have any impact on the accounting policies of the Group. The Group has incorporated the additional required disclosures in the financial statements.

(b) Group accounting

(1) Subsidiaries

(i) Consolidation

Subsidiaries are entities over which the Group has power to govern the financial and operating policies so as to obtain benefits from its activities, generally accompanied by a shareholding giving rise to a majority of the voting rights. The existence and effect of potential voting rights that are currently exercisable or convertible are considered when assessing whether the Group controls another entity. Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date on which control ceases.

In preparing the consolidated financial statements, intercompany transactions, balances and unrealised gains and losses on transactions between group companies are eliminated, unless losses cannot be recovered. 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 interest is that part of the net results of operations and of net assets of a subsidiary attributable to 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 interest based on their respective interests in a subsidiary, even if this results in the non-controlling interests having a deficit balance.

Please refer to Note 2(g) for the Company's accounting policy on investments in subsidiaries.

(ii) Acquisitions

The acquisition method of accounting is used to account for business combinations by the Group.

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.

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. Please refer to Note 2(i)(1) for the accounting policy on goodwill.

(iii) Disposals

When a change in the Company'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 FRS.

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.

Please refer to Note 2(g) for the Company's accounting policy on investments in subsidiaries.

(2) Associated companies

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%. Investments in associated companies 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 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 represents the excess of the cost of acquisition of the associate over the Group's share of fair value of the identifiable net assets of the associate and is included in the carrying amount of the investments. Please refer to Note 2(i)(1) for the Group's accounting policy on goodwill, on acquisition of associated companies.

2. Significant accounting policies (continued)

(b) Group accounting (continued)

(2) Associated companies (continued)

(ii) Equity method of accounting

In applying the equity method of accounting, the Group's share of its associated companies' 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 are adjusted against the carrying amount of the investments. When the Group's share of losses in an associated company equals or exceeds its interest in the associated company, the Group does not recognise further losses, unless it has obligations or has made payments on behalf of the associated company.

Unrealised gains on transactions between the Group and its associated companies are eliminated to the extent of the Group's interest in the associated companies. 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 are derecognised when the Group loses significant influence. Any retained interest in the entity is remeasured at its fair value. The difference between the carrying amount of the retained interest at the date when significant influence is lost and its fair value is recognised in profit or loss.

Please refer to Note 2(g) for the Company's accounting policy on investments in associated companies.

(3) Joint ventures

Joint ventures are those equity investments in companies, in which the Group has a long-term interest and has, by way of contractual arrangements, joint control in the companies' operational and financial affairs.

Joint ventures are accounted for under the equity method whereby the Group's share of profit or losses and other comprehensive income of joint ventures is included in the consolidated statement of comprehensive income and the Group's share of net assets or liabilities is included in the consolidated statement of financial position. Where the accounting policies of joint ventures do not conform with those of the Group, adjustments to the Group's financial statements are made for the amounts which are considered significant to the Group.

Please refer to Note 2(g) for the Company's accounting policy on investments in joint ventures.

(c) 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.

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.

The results and financial position of foreign operations, associates and joint ventures 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 of the foreign operations, associates and joint ventures that give rise to such reserve.

(d) 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.

(e) Trade and other receivables

Trade and other receivables are recognised on the date they are originated and initially at fair value and subsequently measured at amortised cost using the effective interest method, less an allowance for impairment. An allowance for impairment of trade and other receivables is recognised when there is objective evidence that the Group will not be able to collect amounts due according to the original terms of the receivables. The amount of the allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate and is recognised in profit or loss.

The allowance for impairment loss is reduced through profit or loss in a subsequent period when the amount of impairment loss decreases and the related decrease can be objectively measured. The carrying amount of the asset previously impaired is increased to the extent that the new carrying amount does not exceed the amortised cost had no impairment been recognised in prior periods.

(f) Available-for-sale financial assets

Investments, which are designated in this category, are initially recognised at fair value plus transaction costs and are subsequently carried at fair value. Purchase and sales of investments are recognised on trade date, on which the Group commits to purchase or sell the asset. Investments are derecognised when the rights to receive cash flows from the investment have expired or all risks and rewards of ownership have been transferred. Changes in fair values of available-for-sale equity securities are recognised in the fair value reserve, together with the related currency translation differences. The fair value of investments not traded in an active market are determined by using valuation techniques, such as discounted cash flow analysis.

Dividends on available-for-sale financial assets are recognised in profit or loss when the right to receive payment is established.

When financial assets classified as available-for-sale are sold, the difference between the carrying amount and the sales proceeds is recognised in the profit or loss. The accumulated fair value adjustments recognised in the fair value reserve within equity are reclassified to profit or loss.

The Group assesses at each balance sheet date whether there is objective evidence that the financial assets are impaired. A significant or prolonged decline in the fair value of the asset below its cost is considered an indicator that the equity security is impaired. When there is objective evidence that an available-for-sale financial asset is impaired, the cumulative loss that has been recognised directly in the fair value reserve is removed from the fair value reserve within equity and recognised in profit or loss. The cumulative loss is measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in profit or loss. Impairment losses previously recognised in profit or loss on available-for-sale financial assets are not reversed through profit or loss.

(g) Investments in subsidiaries, joint ventures and associated companies

Investments in subsidiaries, joint ventures and associated companies are stated at cost less accumulated impairment losses in the statement of financial position. 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.

Please refer to Note 2(u) for the Company's accounting policy on impairment of investments in subsidiaries, joint ventures and associated companies.

(h) 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. 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 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:

	Useful lives
Leasehold improvements	Remaining lease period ranging from 1 to 7 years
Furniture, fittings and office equipment	3 to 10 years
Computer hardware	1 to 7 years
Motor vehicles	5 years

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.

2. Significant accounting policies (continued)

(h) Property, plant and equipment (continued)

(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.

(i) Intangible assets

(1) Goodwill on acquisitions

Goodwill on acquisitions of subsidiaries on or after 1 January 2010 represents the excess of the consideration transferred, the amount of any non-controlling interest in the acquiree and the acquisition-date fair value of any previously-held equity interest in the acquiree over the fair value of the net identifiable assets acquired.

Goodwill on acquisition of subsidiaries prior to 1 January 2010 and on acquisition of joint ventures and associated companies represents the excess of the cost of an acquisition over the fair value of the Group's share 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 associated companies and joint ventures is included in the carrying amount of the investments.

(2) Software

Costs that are directly associated with identifiable software controlled by the Group that generate economic benefits exceeding costs beyond one year, are recognised as intangible assets. Costs associated with maintaining computer software are expensed off when incurred.

Acquired computer 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 computer 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.

Computer software costs and acquired computer 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.

(j) Trade and other payables

Trade and other payables represent 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.

(k) 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.

(l) 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.

(m) 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 hedge transactions. The Group also documents its assessment, both at hedge inception and on an ongoing basis, on whether the derivatives designated as hedging instruments are highly effective in offsetting changes in fair value or cash flows of the hedged items.

Derivatives that are designated as hedging instrument are designated by the Group as cash flow hedge. 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.

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 the hedging reserve 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 of currency forward contracts purchased or sold is based on the quoted bid price or offer price respectively at the balance sheet date. The notional principal amounts of the currency forward contracts are recorded as off-balance sheet items.

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 the hedging reserve are transferred to profit or loss immediately.

(n) 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 cancelled, the cost of the treasury shares is deducted against the share capital account, if the shares are purchased out of capital of the Company, or against the retained profits of the Company, if the shares are purchased out of profits of the Company.

When treasury shares are subsequently sold or reissued pursuant to the share-based compensation 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.

(o) 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.

(p) Revenue recognition

Revenue comprises the fair value of the consideration received or receivable. Revenue is presented net of goods and services tax and after eliminating revenue within the Group.

The Group recognises revenue when the amount of revenue and related cost can be reliably measured and it is probable that the collectability of the related receivables is reasonably assured. The recognition criteria below must be met before revenue is recognised:

- (i) securities clearing revenue, equity and commodities revenue, net of rebates, on a due date basis;
- (ii) listing revenue, collateral management, licence, membership revenue, connectivity revenue and rental income on a time proportion basis;
- (iii) access revenue, market data revenue, depository services revenue, corporate actions and other revenue, when the services are rendered;
- (iv) interest income, on a time proportion basis using the effective interest method;
- (v) dividend income, when the right to receive payment is established; and
- (vi) management fees, when the services are rendered.

(q) 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 substantially 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.

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 substantially 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. Significant accounting policies (continued)

(r) Leases

(1) Where a group company is the lessee:

A distinction is made between finance leases which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to the ownership of the leased assets, and operating leases under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised at the inception of the lease at the lower of fair value of the leased property or the estimated present value of the underlying lease payments. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate of return on the finance balance outstanding. The corresponding rental obligations, net of finance charges, are included in finance lease liabilities. The interest element of the finance charge is charged to profit or loss over the lease period. Plant and equipment acquired under finance leases is depreciated over the estimated useful life of the asset.

Operating lease payments are recognised in profit or loss on a straight-line basis over the lease period.

When a finance or operating lease is terminated before the expiry of the lease period, any payment required to be made to the lessor by way of penalty is recognised as an expense in the financial year in which the lease is terminated.

(2) Where a group company is the lessor:

Operating lease rental income (net of any incentives given to lessees) is recognised on a straight-line basis over the lease term.

(s) Government grants

Grants from the government are recognised as a receivable at their fair value when there is reasonable assurance that the grant will be received and the Group will comply 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.

(t) Employee benefits

Employee benefits are recognised as employee compensation expense when they are due, unless they can be capitalised as an asset.

(1) Defined contribution plans

The Group makes legally required contributions to the Central Provident Fund ("Fund"). The Group's obligation, in regard to the defined contribution plan, is limited to the amount it contributes to the Fund. The Group's contributions are recognised as employee compensation expense 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

Performance share plan/Deferred long-term incentives scheme (share-based)

The fair value of the employee services received in exchange for the grant of shares is recognised as 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.

(u) 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 is tested for impairment as part of the investment, rather than separately.

For the purpose of impairment testing of goodwill, goodwill is allocated to each of 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) Intangible assets

Property, plant and equipment

Investment in subsidiaries, associated companies and joint ventures

Intangible assets, property, plant and equipment 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.

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.

(v) 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.

3. Cash and cash equivalents

	The Group		The Company	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Cash at bank and on hand	22,303	28,321	4,265	10,020
Fixed deposits with banks	734,561	734,686	416,280	417,400
	756,864	763,007	420,545	427,420

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

	The Group	
	2014 \$'000	2013 \$'000
Cash and bank balances (as above)	756,864	763,007
Less: Cash set aside for Singapore Exchange Derivatives Clearing Limited ("SGX-DC") Clearing Fund (Note 29)	(150,021)	(150,021)
Cash and cash equivalents per consolidated statement of cash flows	606,843	612,986

Fixed deposits have the following average maturity from the end of the financial year with the following weighted average effective interest rates:

	The Group		The Company	
	2014	2013	2014	2013
Average maturity (days)	172	123	170	84
Effective weighted average interest rate (% per annum)	0.62	0.51	0.58	0.51

The exposure of cash and cash equivalents to interest rate risks is disclosed in Note 36.

4. Trade and other receivables

	The Group		The Company	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Current				
Trade receivables (net) (Note (a))	550,844	733,019	5,362	4,147
Other receivables (Note (b))	21,317	23,637	8,605	10,433
	572,161	756,656	13,967	14,580
(a) Trade receivables comprise:				
Receivables from clearing members and settlement banks				
– Daily settlement of accounts for due contracts and rights	486,833	638,482	–	–
Trade receivables	66,173	96,634	5,383	4,147
	553,006	735,116	5,383	4,147
Less: Allowance for impairment of trade receivables (Note 36)	(2,162)	(2,097)	(21)	–
	550,844	733,019	5,362	4,147
(b) Other receivables comprise:				
Interest receivable	9,603	9,483	1,009	800
Prepayments	10,531	12,322	6,893	8,088
Deposits	492	335	333	177
Staff advances	18	28	12	26
Government grants receivable	–	800	–	800
Others (non-trade)	673	669	358	542
	21,317	23,637	8,605	10,433
Non-current				
Trade and other receivables				
– Amount due from subsidiary (non-trade)	–	–	17,989	17,989

5. Derivative financial instruments

The table below sets out the notional principal amounts of the outstanding currency forward contracts of the Group and their corresponding fair values at the balance sheet date:

	Contract notional principal		Fair value asset/(liability)	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
The Group				
Currency forwards				
– Cash flow hedges	40,739	38,739	472	(885)
Total	40,739	38,739	472	(885)

As at 30 June 2014, the settlement dates on currency forward contracts range between 1 month and 9 months (2013: 1 month and 9 months).

Currency forwards designated as cash flow hedges are entered to hedge transactions denominated in United States Dollar ("USD"). Expected future gains and losses recognised in the hedging reserve prior to the occurrence of these transactions are transferred to profit or loss in the month the transaction takes place.

The fair value measurement of these derivative financial instruments is disclosed in Note 36.

6. Securities Clearing Fund

The securities clearing fund was established under the clearing rules of the securities clearing subsidiary, The Central Depository (Pte) Limited ("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 CDP Clearing Fund uses a scalable structure to better align members' contributions to their clearing risk exposure with CDP. Contributions by clearing members will vary with value of the securities and futures traded.

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

(a) Contribution by CDP

	The Group	
	2014 \$'000	2013 \$'000
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 a bank. The initial \$25,000,000 contribution by CDP into the CDP 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 consolidated statement of financial position of the Group as these contributions are held in trust by the Group.

	The Group	
	2014 \$'000	2013 \$'000
Contributions by CDP clearing members – cash at bank, held in trust	43,087	41,527

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

Payments out of the CDP 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 CDP 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 (In the current financial year, CDP did not make additional contribution to the CDP Clearing Fund (2013: \$25,000,000). The last layer of the CDP Clearing Fund amounts to \$30,000,000.)

7. Available-for-sale financial asset

	The Group and The Company	
	2014 \$'000	2013 \$'000
Unlisted equity security – BSE Limited ("BSE")		
Balance at beginning of financial year	50,956	65,956
Impairment losses (Note 24)	–	(15,000)
Balance at end of financial year	50,956	50,956

As of 30 June 2014, the fair value of the unlisted equity security has been determined by discounting the future estimated cash flows at the weighted average discount rate of 13.5% (2013: 13%). The discount rate used reflected the specific risks relating to operating an exchange in India. Future cash flows are forecasted based on past financial performance and after considering factors such as macroeconomics, general market and industry-specific conditions and other relevant information.

While the estimated fair value is sensitive to any change in key assumptions and inputs to the valuation model such as future cash flows and discount rate, the change in the fair value estimate is not likely to be material to the overall financial position of the Group or the Company. A sensitivity analysis of price and currency risk has been included in Note 36.

There is no impairment loss in the current year (2013: \$15,000,000).

8. Property, plant and equipment

	Leasehold improvements \$'000	Furniture, fittings and office equipment \$'000	Computer hardware \$'000	Motor vehicles \$'000	Work-in- progress ^(a) \$'000	Total \$'000
The Group						
2014						
Cost						
At 1 July 2013	38,130	2,841	40,851	750	5,842	88,414
Reclassification	20,079	5,283	8,876	–	(34,238)	–
Additions	28	56	1,302	–	44,590	45,976
Disposals	(35,623)	(2,754)	(5,507)	–	–	(43,884)
At 30 June 2014	22,614	5,426	45,522	750	16,194	90,506
Accumulated depreciation						
At 1 July 2013	35,201	2,570	26,216	338	–	64,325
Depreciation charge ^(b)	2,062	283	6,045	150	–	8,540
Disposals	(35,586)	(2,754)	(5,507)	–	–	(43,847)
At 30 June 2014	1,677	99	26,754	488	–	29,018
Net book value						
At 30 June 2014	20,937	5,327	18,768	262	16,194	61,488

	Leasehold improvements \$'000	Furniture, fittings and office equipment \$'000	Computer hardware \$'000	Motor vehicles \$'000	Work-in-progress ^(a) \$'000	Total \$'000
The Group (continued)						
2013						
Cost						
At 1 July 2012	38,071	2,797	39,164	750	1,442	82,224
Reclassification	–	–	856	–	(856)	–
Additions	59	44	845	–	5,256	6,204
Disposals	–	–	(14)	–	–	(14)
At 30 June 2013	38,130	2,841	40,851	750	5,842	88,414
Accumulated depreciation						
At 1 July 2012	32,359	2,268	21,084	188	–	55,899
Depreciation charge ^(b)	2,842	302	5,143	150	–	8,437
Disposals	–	–	(11)	–	–	(11)
At 30 June 2013	35,201	2,570	26,216	338	–	64,325
Net book value						
At 30 June 2013	2,929	271	14,635	412	5,842	24,089
The Company						
2014						
Cost						
At 1 July 2013	37,947	1,202	26,061	750	5,843	71,803
Reclassification	20,079	5,282	8,840	–	(34,201)	–
Additions	28	2	1,301	–	43,307	44,638
Disposals	(35,444)	(1,144)	(1,228)	–	–	(37,816)
At 30 June 2014	22,610	5,342	34,974	750	14,949	78,625
Accumulated depreciation						
At 1 July 2013	35,020	978	12,411	338	–	48,747
Depreciation charge ^(b)	2,061	265	5,662	150	–	8,138
Disposals	(35,408)	(1,144)	(1,228)	–	–	(37,780)
At 30 June 2014	1,673	99	16,845	488	–	19,105
Net book value						
At 30 June 2014	20,937	5,243	18,129	262	14,949	59,520
2013						
Cost						
At 1 July 2012	37,888	1,202	25,039	750	796	65,675
Reclassification	–	–	177	–	(177)	–
Additions	59	–	845	–	5,224	6,128
At 30 June 2013	37,947	1,202	26,061	750	5,843	71,803
Accumulated depreciation						
At 1 July 2012	32,182	698	7,607	188	–	40,675
Depreciation charge ^(b)	2,838	280	4,804	150	–	8,072
At 30 June 2013	35,020	978	12,411	338	–	48,747
Net book value						
At 30 June 2013	2,927	224	13,650	412	5,843	23,056

(a) Work-in-progress comprises mainly systems infrastructure under development and leasehold improvements under construction.

(b) Depreciation of leasehold improvements in SGX's data centres amounting to \$636,000 (2013: \$818,000) is classified as depreciation and amortisation expense under Technology cost.

9. Software

	Software \$'000	Work-in- progress \$'000	Total \$'000
The Group			
2014			
Cost			
At 1 July 2013	210,295	27,830	238,125
Reclassification	30,527	(30,527)	-
Additions	10,041	26,654	36,695
Write-off	(3,164)	-	(3,164)
At 30 June 2014	247,699	23,957	271,656
Accumulated amortisation			
At 1 July 2013	126,176	-	126,176
Amortisation charge	37,050	-	37,050
Write-off	(3,164)	-	(3,164)
At 30 June 2014	160,062	-	160,062
Net book value			
At 30 June 2014	87,637	23,957	111,594
2013			
Cost			
At 1 July 2012	205,996	28,167	234,163
Reclassification	17,071	(17,071)	-
Additions	8,903	16,734	25,637
Disposals	(790)	-	(790)
Write-off	(20,885)	-	(20,885)
At 30 June 2013	210,295	27,830	238,125
Accumulated amortisation			
At 1 July 2012	115,466	-	115,466
Amortisation charge	31,949	-	31,949
Disposals	(354)	-	(354)
Write-off	(20,885)	-	(20,885)
At 30 June 2013	126,176	-	126,176
Net book value			
At 30 June 2013	84,119	27,830	111,949

	Software \$'000	Work-in- progress \$'000	Total \$'000
The Company			
2014			
Cost			
At 1 July 2013	29,676	22,805	52,481
Reclassification	19,891	(19,891)	-
Additions	7,152	4,633	11,785
Write-off	(1,666)	-	(1,666)
At 30 June 2014	55,053	7,547	62,600
Accumulated amortisation			
At 1 July 2013	21,293	-	21,293
Amortisation charge	7,920	-	7,920
Write-off	(1,666)	-	(1,666)
At 30 June 2014	27,547	-	27,547
Net book value			
At 30 June 2014	27,506	7,547	35,053
2013			
Cost			
At 1 July 2012	26,117	14,775	40,892
Reclassification	2,545	(2,545)	-
Additions	1,608	10,575	12,183
Write-off	(594)	-	(594)
At 30 June 2013	29,676	22,805	52,481
Accumulated amortisation			
At 1 July 2012	18,735	-	18,735
Amortisation charge	3,152	-	3,152
Write-off	(594)	-	(594)
At 30 June 2013	21,293	-	21,293
Net book value			
At 30 June 2013	8,383	22,805	31,188

10. Investments in subsidiaries

	The Company	
	2014	2013
	\$'000	\$'000
Equity investments at cost		
Balance at beginning of financial year	493,501	393,501
Capital injection	-	100,000
Balance at end of financial year	493,501	493,501

10. Investments in subsidiaries (continued)

Details of the subsidiaries are as follows:

Name of subsidiary	Note	Principal activities	Country of business and incorporation	Equity held by			
				The Company		Subsidiaries	
				2014 %	2013 %	2014 %	2013 %
Singapore Exchange Securities Trading Limited	(a)	Operating a securities exchange	Singapore	100	100	–	–
Singapore Exchange Derivatives Trading Limited	(a)	Operating a derivatives exchange	Singapore	100	100	–	–
The Central Depository (Pte) Limited	(a)	Providing clearing, counterparty guarantee, depository and related services for securities transactions	Singapore	100	100	–	–
Singapore Exchange Derivatives Clearing Limited	(a)	Providing clearing, counterparty guarantee and related services for derivatives transactions	Singapore	100	100	–	–
Singapore Exchange IT Solutions Pte Limited	(a)	Providing computer services and maintenance, and software maintenance	Singapore	100	100	–	–
Asian Gateway Investments Pte Ltd	(a)	Investment holding	Singapore	100	100	–	–
Singapore Commodity Exchange Limited	(a)	Inactive	Singapore	100	100	–	–
SGX International Pte. Ltd.	(a)	Dormant	Singapore	100	100	–	–
Securities Clearing and Computer Services (Pte) Limited	(a)	Dormant	Singapore	100	100	–	–
Asian Gateway Investments (China) Pte. Ltd.	(b)	Investment holding	Singapore	–	–	100	–
Asia Converge Pte Ltd	(a)	Dormant	Singapore	–	–	100	100
Asiaclear Pte Ltd	(a)	Dormant	Singapore	–	–	100	100
CDP Nominees Pte Ltd	(a)	Dormant	Singapore	–	–	100	100
Globalclear Pte Ltd	(a)	Dormant	Singapore	–	–	100	100
Joint Asian Derivatives Pte. Ltd.	(a)	Dormant	Singapore	–	–	100	100
SGX America Ltd	(c)	Dormant	United States of America	–	–	100	100

(a) Audited by PricewaterhouseCoopers LLP, Singapore.

(b) Asian Gateway Investments (China) Pte. Ltd. is incorporated on 16 June 2014. It is not required to be audited for the financial year ended 30 June 2014.

(c) Not required to be audited in the United States of America.

11. Investments in joint venture

			The Group	
			2014 \$'000	2013 \$'000
Investment at cost				
Balance at beginning and end of financial year			–	–
			Equity holding	
Name of joint venture	Principal activities	Country of business and incorporation	2014 %	2013 %
Chi-East Pte. Ltd. ("Chi-East")	Operate an electronic securities trading platform	Singapore	50	50

In May 2012, the Board of Chi-East decided to cease operations of Chi-East due to commercial considerations and expectations of continued weak business prospects.

The Group has not recognised its share of losses in Chi-East amounting to \$7,000 (2013: \$299,000) as the Group has fully impaired its investment in Chi-East in financial year 2012. The cumulative unrecognised losses amounts to \$701,000 (2013: \$694,000) at the balance sheet date.

As at 30 June 2014, Chi-East is in the process of dissolution.

12. Investments in associated companies

		The Group		The Company	
		2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Equity investment at cost				4,389	4,389
Balance at beginning of financial year		27,432	5,968		
Acquisition of associate		–	19,989		
Share of results		2,423	3,629		
Dividends received		(2,254)	(1,960)		
Currency translation differences		(341)	(194)		
Balance at end of financial year		27,260	27,432		

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

			Equity holding	
Name of company	Principal activity	Country of business and incorporation	2014 %	2013 %
Philippine Dealing System Holdings Corp. ^(a)	Investment holding	Philippines	20	20
Energy Market Company Pte Ltd ^(b)	Operating a wholesale electricity market	Singapore	49	49

(a) Audited by SyCip Gorres Velayo & Co, Philippines.

(b) Audited by Ernst & Young LLP, Singapore.

12. Investments in associated companies (continued)

The summarised financial information of the associated companies is as follows:

	The Group	
	2014 \$'000	2013 \$'000
The Group's proportionate share		
– Assets	127,277	139,109
– Liabilities	115,250	126,909
– Revenue	16,918	17,259
– Net profit	2,423	3,629

Share of associated companies' contingent liabilities incurred jointly with other investors is nil (2013: Nil). In addition, there is no contingent liabilities in which the Group is severally liable (2013: Nil).

13. Trade and other payables

	The Group		The Company	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Current				
Trade payables (Note (a))	505,473	682,531	26	192
Other payables (Note (b))	110,164	100,754	67,374	59,706
Amount due to subsidiaries (non-trade) (Note (c))	–	–	291,693	281,078
	615,637	783,285	359,093	340,976
Non-current				
Trade and other payables:				
– Accrual for operating expenses	5,167	7,593	–	–
(a) Trade payables comprise:				
Payables to clearing members and settlement banks				
– Daily settlement of accounts for due contracts and rights	486,833	638,482	–	–
Other trade payables	18,640	44,049	26	192
	505,473	682,531	26	192
(b) Other payables comprise:				
Accrual for operating expenses	60,636	46,324	34,345	23,003
Accrual for bonus	36,913	39,995	28,808	31,993
Central Provident Fund payable	1,052	991	674	654
Advance receipts	4,524	6,016	8	93
Others (non-trade)	7,039	7,428	3,539	3,963
	110,164	100,754	67,374	59,706

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

14. Income taxes

(a) Income tax expense

	The Group		The Company	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Tax expense attributable to profit is made up of:				
– current income tax	65,359	73,418	81	2,857
– deferred income tax	195	(1,282)	2,905	(248)
	65,554	72,136	2,986	2,609
Under/(over)provision in prior financial years:				
– current income tax	(7,375)	–	(843)	–
– deferred income tax	420	–	420	–
	58,599	72,136	2,563	2,609

(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:

	The Group		The Company	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Profit before tax and share of results of associated companies	376,614	404,407	305,711	326,867
Tax calculated at a tax rate of 17% (2013: 17%)	64,024	68,749	51,971	55,567
Tax effect of:				
Singapore statutory income exemption	(131)	(157)	–	(26)
Tax exempt dividend income	(72)	(116)	(50,150)	(56,386)
Tax rebate	(125)	(158)	–	(30)
Expenses not deductible for tax purposes	1,224	2,774	927	2,724
Others	634	1,044	238	760
	65,554	72,136	2,986	2,609

(c) Movements in provision for tax

	The Group		The Company	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Balance at beginning of financial year	92,001	70,138	5,144	2,305
Income tax paid	(74,712)	(51,555)	(3,239)	(18)
Tax expense on profit for the financial year	65,359	73,418	81	2,857
Over provision in prior financial years	(7,375)	–	(843)	–
Balance at end of financial year	75,273	92,001	1,143	5,144

In determining the income tax liabilities, management is required to estimate the amount of capital allowances and the deductibility of certain expenses.

The Group has open tax assessments at the year-end. As management believes that the tax positions are sustainable, the Group has not recognised any additional tax liability on these uncertain positions.

14. Income taxes (continued)

(d) Deferred income tax

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

	The Group		The Company	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Deferred tax assets:				
– to be recovered within 12 months	1,977	1,273	1,977	1,123
– to be recovered after 12 months	485	875	485	875
	2,462	2,148	2,462	1,998
– Effect of offsetting	(2,462)	(2,148)	(2,462)	(1,998)
	–	–	–	–
Deferred tax liabilities:				
– to be settled within 12 months	6,423	6,343	1,322	1,386
– to be settled after 12 months	10,821	10,451	5,493	2,349
	17,244	16,794	6,815	3,735
– Effect of offsetting	(2,462)	(2,148)	(2,462)	(1,998)
	14,782	14,646	4,353	1,737

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

The Group – deferred tax assets

	Cash flow hedge reserve		Employee share plan		Total	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Balance at beginning of financial year	150	45	1,998	2,600	2,148	2,645
Charged to profit or loss	–	–	(245)	(148)	(245)	(148)
Credited/(charged) to equity	(150)	105	709	(454)	559	(349)
Balance at end of financial year	–	150	2,462	1,998	2,462	2,148

The Group – deferred tax liabilities

	Cash flow hedge reserve		Accelerated tax depreciation		Total	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Balance at beginning of financial year	–	–	16,794	18,224	16,794	18,224
(Credited)/charged to profit or loss	–	–	370	(1,430)	370	(1,430)
Charged to equity	80	–	–	–	80	–
Balance at end of financial year	80	–	17,164	16,794	17,244	16,794

The Company – deferred tax assets

	Employee share plan	
	2014	2013
	\$'000	\$'000
Balance at beginning of financial year	1,998	2,600
Charged to profit or loss	(245)	(148)
Credited/(charged) to equity	709	(454)
Balance at end of financial year	2,462	1,998

The Company – deferred tax liabilities

	Accelerated tax depreciation	
	2014	2013
	\$'000	\$'000
Balance at beginning of financial year	3,735	4,131
Charged/(credited) to profit or loss	3,080	(396)
Balance at end of financial year	6,815	3,735

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

	The Group	
	2014	2013
	\$'000	\$'000
Tax losses	22,760	22,777
Unutilised capital allowances	615	615

These items principally relate to 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 and unutilised capital allowances 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

	The Group			The Company		
	Before tax	Tax benefit/(liability)	Net of tax	Before tax	Tax benefit/(liability)	Net of tax
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
2014						
Other comprehensive income						
Net currency translation differences of financial statements of associated companies	(341)	–	(341)	–	–	–
Fair value gains arising from cash flow hedges	1,207	(80)	1,127	–	–	–
	866	(80)	786	–	–	–
2013						
Other comprehensive income						
Net currency translation differences of financial statements of associated companies	(194)	–	(194)	–	–	–
Fair value losses arising from cash flow hedges	(617)	105	(512)	–	–	–
	(811)	105	(706)	–	–	–

15. Provisions

	The Group		The Company	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Provision for SGX-MAS Market Development Scheme (Note (a))	1,802	1,802	–	–
Provision for unutilised leave (Note (b))	2,909	2,622	2,183	1,968
Provision for dismantlement, removal or restoration of property, plant and equipment (Note (c))	3,435	2,921	3,435	2,921
	8,146	7,345	5,618	4,889

(a) Provision for SGX-MAS Market Development Scheme

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

Movements in this provision are as follows:

	The Group		The Company	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Balance at beginning and end of financial year	1,802	1,802	–	–

(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.

Movements in this provision are as follows:

	The Group		The Company	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Balance at beginning of financial year	2,622	2,613	1,968	1,967
Provision made during the financial year, net	287	9	215	1
Balance at end of financial year	2,909	2,622	2,183	1,968

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

Provision for dismantlement, removal or restoration is the estimated cost of dismantlement, removal or restoration of leased premises. The provision is expected to be utilised upon return of the leased premises at SGX Centre and The Metropolis.

Movements in this provision are as follows:

	The Group		The Company	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Balance at beginning of financial year	2,921	2,921	2,921	2,921
Provision made during the financial year, net	514	–	514	–
Balance at end of financial year	3,435	2,921	3,435	2,921

16. Share capital of Singapore Exchange Limited

(a) Share capital and treasury shares

The Group and The Company

	Number of shares		Amount	
	Issued share capital '000	Treasury shares '000	Share capital \$'000	Treasury shares \$'000
2014				
Balance at beginning of financial year	1,071,642	2,481	426,298	(20,010)
Tax effect on treasury shares	–	–	–	709
Vesting of shares under share plans	–	(739)	2,034	5,436
Balance at end of financial year	1,071,642	1,742	428,332	(13,865)
2013				
Balance at beginning of financial year	1,071,642	3,561	422,864	(26,357)
Tax effect on treasury shares	–	–	–	(454)
Vesting of shares under share plans	–	(1,080)	3,434	6,801
Balance at end of financial year	1,071,642	2,481	426,298	(20,010)

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.

The Company did not purchase any of its ordinary shares during the financial year pursuant to the Share Purchase Mandate approved by shareholders (2013: Nil). Shares bought back previously are held as treasury shares. The Company plans to use these shares to fulfil its obligations under the Company's share-based compensation plans.

(b) Performance share plans ("the Plan")

(i) Outstanding performance shares

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

The Group and The Company							
	FY2010 grant	FY2010 Special award to Hsieh Fu Hua	FY2011 grant*	FY2012 grant**	FY2013 grant**	FY2014 grant**	Total
2014							
Balance at beginning of financial year	–	–	800,200	1,040,100	670,300	–	2,510,600
Granted	–	–	–	–	–	753,900	753,900
Vested	–	–	(240,400)	–	–	–	(240,400)
Lapsed	–	–	(559,800)	–	–	(11,900)	(571,700)
Balance at end of financial year	–	–	–	1,040,100	670,300	742,000	2,452,400

16. Share capital of Singapore Exchange Limited (continued)

(b) Performance share plans ("the Plan") (continued)

(i) Outstanding performance shares (continued)

The Group and The Company							
Number of shares	FY2010 grant*	FY2010 Special award to Hsieh Fu Hua	FY2011 grant**	FY2012 grant**	FY2013 grant**	FY2014 grant	Total
2013							
Balance at beginning of financial year	938,500	436,485	843,200	1,088,100	–	–	3,306,285
Granted	–	–	–	–	702,000	–	702,000
Vested	(351,300)	(436,485)	–	–	–	–	(787,785)
Lapsed	(587,200)	–	(43,000)	(48,000)	(31,700)	–	(709,900)
Balance at end of financial year	–	–	800,200	1,040,100	670,300	–	2,510,600

* The number of shares vested represents the level of achievement against the performance conditions.

** 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 Plan are set out in the Directors' Report under the caption "SGX Performance Share Plan".

(ii) Fair value of performance shares

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

	FY2014 grant	FY2013 grant	FY2012 grant	FY2011 grant	FY2010 Grant
Date of grant	15.08.2013	15.08.2012	04.04.2012	01.07.2010	02.07.2009
Vesting date	01.09.2016	01.09.2015	01.09.2014	02.09.2013	03.09.2012
Number of performance shares at grant date	753,900	702,000	1,088,100	1,153,000	1,239,800
Fair value per performance share at grant date	\$5.77	\$5.19	\$5.27	\$6.36	\$6.52
Assumption under Monte-Carlo Model					
Expected volatility					
Shares of Singapore Exchange Limited	19.81%	19.82%	27.36%	43.19%	46.75%
Straits Times Index	NA	NA	NA	NA	28.59%
FTSE Mondo Visione	21.14%	23.02%	28.29%	38.07%	34.64%
Historical volatility period	36 months	36 months	36 months	36 months	36 months
Risk-free interest rate					
Date on which yield of Singapore government bond was based	0.34%	0.28%	0.37%	0.53%	0.81%
Term (years)	15.08.2013 3	15.08.2012 3	03.04.2012 3	30.06.2010 3	01.07.2009 3
Cost of funding					
Fixed deposit/risk-free interest rate	0.34%	0.28%	0.37%	0.53%	0.81%
Expected dividend yield based on management's forecast	4.85%	4.91%	3.73%	4.03%	2.75%
Share price reference	\$7.58	\$6.90	\$6.63	\$7.44	\$7.40

NA: Not applicable

FY2010 Special award to Hsieh Fu Hua

The fair value of the performance shares was estimated by the present value of the share price adjusted for future expected dividends and funding cost. The fair value of shares at grant date and the key assumptions of the fair value model for the grant was as follows:

Date of grant	30.11.2009
Vesting date	30.11.2012
Number of performance shares at grant date	436,485
Fair value per performance share at grant date	\$6.95
Assumption used in fair value model	
Risk-free interest rate	0.78%
Date on which yield of Singapore government bond was based	26.11.2009
Cost of funding	
Risk-free interest rate	0.78%
Expected dividend yield based on management's forecast	4.53%
Share price reference	\$7.90

(c) Deferred long-term incentives scheme ("the 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:

	The Group and The Company					
Number of shares	FY2010 grant	FY2011 grant	FY2012 grant	FY2013 grant	FY2014 grant	Total
2014						
Balance at beginning of financial year	-	108,950	126,600	995,300	-	1,230,850
Granted	-	-	-	-	1,223,500	1,223,500
Lapsed	-	(1,050)	(5,400)	(15,368)	(28,500)	(50,318)
Vested	-	(107,900)	(61,400)	(329,627)	-	(498,927)
Balance at end of financial year	-	-	59,800	650,305	1,195,000	1,905,105

	The Group and The Company					
Number of shares	FY2010 grant	FY2011 grant	FY2012 grant	FY2013 grant	FY2014 grant	Total
2013						
Balance at beginning of financial year	110,300	247,000	217,300	-	-	574,600
Granted	-	-	-	1,044,400	-	1,044,400
Lapsed	(5,950)	(21,450)	(18,900)	(49,100)	-	(95,400)
Vested	(104,350)	(116,600)	(71,800)	-	-	(292,750)
Balance at end of financial year	-	108,950	126,600	995,300	-	1,230,850

The terms of the Scheme are set out in Directors' Report under the caption "SGX Deferred Long-Term Incentives Scheme".

16. Share capital of Singapore Exchange Limited (continued)

(c) Deferred long-term incentives scheme ("the Scheme") (continued)

(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 and funding cost. The fair value of shares at grant date and the key assumptions of the fair value model for the grants were as follows:

FY2014 Grant			
Date of grant	← 15.08.2013 →		
Vesting date	01.09.2014	01.09.2015	01.09.2016
Number of shares at grant date	407,797	407,797	407,906
Fair value per deferred long-term incentives share at grant date	\$7.34	\$7.34	\$7.26
Assumption used in fair value model			
Risk-free interest rate	0.22%	0.26%	0.33%
Date on which yield of Singapore government bond was based	14.08.2013	14.08.2013	14.08.2013
Cost of funding			
Fixed deposit/risk-free interest rate	0.22%	0.26%	0.33%
Expected dividend yield based on management's forecast	4.43%	4.49%	5.63%
Share price reference	\$7.61	\$7.61	\$7.61

FY2013 Grant			
Date of grant	← 15.08.2012 →		
Vesting date	02.09.2013	01.09.2014	01.09.2015
Number of shares at grant date	348,092	348,092	348,216
Fair value per deferred long-term incentives share at grant date	\$6.68	\$6.65	\$6.61
Assumption used in fair value model			
Risk-free interest rate	0.22%	0.25%	0.28%
Date on which yield of Singapore government bond was based	14.08.2012	14.08.2012	14.08.2012
Cost of funding			
Fixed deposit/risk-free interest rate	0.22%	0.25%	0.28%
Expected dividend yield based on management's forecast	4.44%	4.90%	5.54%
Share price reference	\$6.96	\$6.96	\$6.96

FY2012 Grant			
Date of grant	← 05.08.2011 →		
Vesting date	01.11.2012	01.11.2013	01.11.2014
Number of shares at grant date	77,900	73,550	73,550
Fair value per deferred long-term incentives share at grant date	\$7.09	\$7.06	\$7.04
Assumption used in fair value model			
Risk-free interest rate	0.18%	0.14%	0.33%
Date on which yield of Singapore government bond was based	04.08.2011	04.08.2011	04.08.2011
Cost of funding			
Fixed deposit/risk-free interest rate	0.18%	0.14%	0.33%
Expected dividend yield based on management's forecast	4.16%	4.54%	4.85%
Share price reference	\$7.33	\$7.33	\$7.33

FY2011 Grant			
Date of grant	← 05.08.2010 →		
Vesting date	01.11.2011	01.11.2012	01.11.2013
Number of shares at grant date	148,000	143,100	144,500
Fair value per deferred long-term incentives share at grant date	\$7.52	\$7.47	\$7.40
Assumption used in fair value model			
Risk-free interest rate	0.43%	0.49%	0.54%
Date on which yield of Singapore government bond was based	04.08.2010	04.08.2010	04.08.2010
Cost of funding			
Fixed deposit/risk-free interest rate	0.43%	0.49%	0.54%
Expected dividend yield based on management's forecast	3.71%	4.40%	5.35%
Share price reference	\$7.79	\$7.79	\$7.79

FY2010 Grant			
Date of grant	← 05.08.2009 →		
Vesting date	03.11.2010	03.11.2011	05.11.2012
Number of shares at grant date	157,000	138,000	138,500
Fair value per deferred long-term incentives share at grant date	\$8.39	\$8.10	\$7.71
Assumption used in fair value model			
Risk-free interest rate	0.48%	0.55%	0.67%
Date on which yield of Singapore government bond was based	04.08.2009	04.08.2009	04.08.2009
Cost of funding			
Fixed deposit/risk-free interest rate	0.48%	0.55%	0.67%
Expected dividend yield based on management's forecast	3.26%	4.17%	5.57%
Share price reference	\$8.62	\$8.62	\$8.62

17. Derivatives clearing fund reserve

Upon the dissolution of the SGX-DT Compensation Fund on 24 November 2007, 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 (Note 29). This reserve is not available for distribution as dividend.

18. Operating revenue

Operating revenue comprised the following:

	The Group		The Company	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Securities				
– Securities clearing	178,414	214,894	–	–
– Access	40,306	50,914	–	–
– Collateral management, membership and other	8,141	9,213	–	–
	226,861	275,021	–	–
Derivatives				
– Equity and Commodities	149,020	143,649	–	–
– Collateral management, licence, membership and other	59,678	58,255	–	–
	208,698	201,904	–	–
Market Data and connectivity				
– Market data	35,049	32,887	375	252
– Connectivity	41,549	40,446	12,229	10,210
	76,598	73,333	12,604	10,462
Depository services				
– Securities settlement	71,430	68,780	–	–
– Contract processing	17,126	19,213	11,544	12,501
– Depository management	6,461	6,273	–	–
	95,017	94,266	11,544	12,501
Issuer services				
– Listing	47,519	38,801	–	–
– Corporate actions and other	30,744	29,081	–	–
	78,263	67,882	–	–

19. Staff costs

	The Group		The Company	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Salaries	75,272	68,427	56,423	51,403
Employer's contribution to Central Provident Fund on salaries	5,489	5,183	3,864	3,592
Variable bonus	33,270	37,782	26,058	31,188
Employer's contribution to Central Provident Fund on variable bonus	1,418	1,962	937	1,315
	34,688	39,744	26,995	32,503
Variable share-based payment	11,061	9,366	11,061	9,366
	126,510	122,720	98,343	96,864

Included in staff costs is remuneration of key management and directors under the employment of the Group and the Company (Note 35).

20. Technology expenses

	The Group		The Company	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
System maintenance and rental	58,670	61,341	32,096	31,088
Depreciation and amortisation	43,731	37,910	14,218	8,774
Communication charges	3,120	2,282	2,866	2,050
	105,521	101,533	49,180	41,912

21. Premises expenses

	The Group		The Company	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Rental and maintenance of premises	18,709	15,428	15,930	12,506
Depreciation of furniture and fittings and leasehold improvements	1,709	2,326	1,690	2,300
	20,418	17,754	17,620	14,806

22. Other operating expenses

	The Group		The Company	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Marketing	8,045	6,615	3,337	3,481
Travelling	3,108	2,305	1,933	1,451
Allowance/(reversal) for impairment of trade receivables (net)	424	790	21	(7)
Net write-off of property, plant and equipment	37	–	37	–
Directors' fee	2,036	2,079	2,036	2,079
MAS regulatory fee	1,490	1,490	350	350
Grant income for property, plant and equipment and software	–	(546)	–	–
Services from price vendors	1,969	1,695	1,032	892
Credit facilities fees	605	503	436	382
Miscellaneous	3,449	4,548	3,363	4,490
	21,163	19,479	12,545	13,118

23. Profit from operating segments

	The Group		The Company	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Profit from operating segments is arrived after:				
<i>Charging:</i>				
Audit services by auditor of the Company	460	464	245	277
Other services by auditor of the Company	74	115	74	115
Technology equipment rental expenses	5,430	8,862	2,636	4,229
Rental of premises – operating lease	23,323	19,751	18,636	15,009
Provision for unutilised leave	287	9	215	1
Depreciation and amortisation	45,590	40,386	16,058	11,224
<i>And crediting:</i>				
Grants from government schemes and agencies	376	1,066	356	266
Collateral management revenue on collateral balances held in trust (net)	35,326	32,064	–	–

24. Other gains/(losses) – net

	The Group		The Company	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Other revenue including interest income (Note (a))	4,936	4,586	2,425	2,791
Net foreign exchange gain/(loss)	18	620	139	(90)
Impairment loss on available-for-sale financial asset (Note 7)	–	(15,000)	–	(15,000)
	4,954	(9,794)	2,564	(12,299)

24. Other gains/(losses) – net (continued)

(a) Other revenue including interest income

	The Group		The Company	
	2014	2013	2014	2013
	\$'000	\$'000	\$'000	\$'000
Interest income:				
– Fixed deposits	4,110	3,721	1,998	2,103
– Current accounts	73	71	1	1
– Others	53	111	1	4
	4,236	3,903	2,000	2,108
Dividend income	425	683	425	683
Others	275	–	–	–
	4,936	4,586	2,425	2,791

25. Earnings per share

	The Group	
	2014	2013
	\$'000	\$'000
Net profit attributable to the equity holders of the Company	320,438	335,900
Weighted average number of ordinary shares in issue for basic earnings per share ('000)	1,069,746	1,068,818
Adjustments for ('000)		
– Shares granted under the Plan and the Scheme	4,113	3,532
Weighted average number of ordinary shares for diluted earnings per share ('000)	1,073,859	1,072,350
Earnings per share (in cents per share)		
– Basic	30.0	31.4
– Diluted	29.8	31.3

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

For the purpose of calculating diluted earnings per share, the weighted average number of ordinary shares in issue is adjusted for the effects of all dilutive potential ordinary shares. Shares granted under the Plan and the Scheme have potential dilutive effect on ordinary shares.

For the Plan and the Scheme, the adjustment made represents the number of shares expected to vest.

26. Dividends

	The Group and The Company	
	2014	2013
	\$'000	\$'000
Interim tax exempt dividends of 12.0 cents per share (2013: 12.0 cents)	128,381	128,269
Proposed final tax exempt dividends of 16.0 cents per share (2013: 16.0 cents)	171,184	171,066
	299,565	299,335

The directors have proposed a final tax exempt one-tier dividend for 2014 of 16.0 cents (2013: 16.0 cents) per share amounting to a total of \$171,184,000 (2013: \$171,066,000). The proposed dividend has been transferred from retained profits to a proposed dividend reserve.

27. Segment information

Management determines the operating segments based on the reports reviewed and used by the EMCO for performance assessment and resources allocation. For management purposes, the Group is organised into business units based on their products and services provided.

The Group is organised into three main business segments as follows:

- (i) Securities market – providing listing, trading, clearing, depository, market data, member services, connectivity, collateral management and issuer services.
- (ii) Derivatives market – providing trading, clearing, market data, member services, connectivity and collateral management.
- (iii) Other operations – providing other services apart from those listed in (i) and (ii) above.

The Group operates primarily in Singapore.

The Group's interest income on the cash balances and income taxes are managed on a group basis.

Inter-segment results include transfers between business segments. Such transfers are accounted for at competitive market prices charged to external parties for similar services. Such transfers are eliminated on consolidation.

Management monitors the operating results of its business units separately for the purpose of making decisions on performance assessment and resource allocation. Segment performance is evaluated based on profit or loss from operating segment and excludes other gains/losses items.

	Securities market \$'000	Derivatives market \$'000	Other operations \$'000	The Group \$'000
2014				
SEGMENT REVENUE				
External revenue	433,474	240,142	13,244	686,860
Inter-segment revenue	246	–	–	246
	433,720	240,142	13,244	687,106
Less: Consolidation elimination	(246)	–	–	(246)
Segment revenue	433,474	240,142	13,244	686,860
RESULTS				
Profit from operating segments	241,122	117,064	13,474	371,660
Other gains/(losses)				
– Other revenue including interest income				4,936
– Net foreign exchange gain				18
Share of results of associated companies				2,423
Tax				(58,599)
Net profit after tax				320,438
SEGMENT ASSETS				
Segment assets	796,060	339,055	26,406	1,161,521
Unallocated assets				479,561
Consolidated total assets				1,641,082
SEGMENT LIABILITIES				
Segment liabilities	564,267	39,913	19,152	623,332
Unallocated liabilities				95,673
Consolidated total liabilities				719,005
OTHER INFORMATION				
Additions to property, plant and equipment and software	61,804	20,867	–	82,671
Depreciation and amortisation	25,675	19,915	–	45,590

27. Segment information (continued)

2013	Securities market \$'000	Derivatives market \$'000	Other operations \$'000	The Group \$'000
SEGMENT REVENUE				
External revenue	469,497	234,452	11,195	715,144
Inter-segment revenue	252	–	–	252
	469,749	234,452	11,195	715,396
Less: Consolidation elimination	(252)	–	–	(252)
Segment revenue	469,497	234,452	11,195	715,144
RESULTS				
Profit from operating segments	284,026	118,532	11,643	414,201
Other gains/(losses)				
– Other revenue including interest income				4,586
– Net foreign exchange gain				620
– Impairment loss on available-for-sale financial asset				(15,000)
Share of results of associated companies				3,629
Tax				(72,136)
Net profit after tax				335,900
SEGMENT ASSETS				
Segment assets	934,901	349,362	24,119	1,308,382
Unallocated assets				485,994
Consolidated total assets				1,794,376
SEGMENT LIABILITIES				
Segment liabilities	728,260	47,974	17,985	794,219
Unallocated liabilities				111,536
Consolidated total liabilities				905,755
OTHER INFORMATION				
Additions to property, plant and equipment and software	17,155	14,686	–	31,841
Depreciation and amortisation	20,142	20,244	–	40,386

Other information on segment assets and liabilities

Assets and liabilities which are common and cannot be meaningfully allocated to the business segments are presented as unallocated assets and liabilities. All assets and liabilities are allocated to the reportable segments except for the following:

	The Group	
	2014 \$'000	2013 \$'000
Segment assets for reportable segments	1,161,521	1,308,382
Unallocated:		
Cash and cash equivalents	420,545	427,420
Available-for-sale financial asset	50,956	50,956
Investment in associated company	7,773	7,331
Club memberships	287	287
Total assets	1,641,082	1,794,376
Segment liabilities for reportable segments	623,332	794,219
Unallocated:		
Taxation	75,273	92,001
Deferred tax liabilities	14,782	14,646
Provisions	5,618	4,889
Total liabilities	719,005	905,755

28. 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:

	2014 \$'000	2013 \$'000
Securities Exchange Fidelity Fund	35,083	34,929
Derivatives Exchange Fidelity Fund	23,842	23,757
	58,925	58,686

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.

No further provision has been made in the financial year ended 30 June 2014 for contribution to be paid to the securities and derivatives fidelity funds as the minimum sum of \$20 million for each fund as currently required under the Securities and Futures Act has been met.

28. Securities and Derivatives Fidelity Funds (continued)

	2014 \$'000	2013 \$'000
The assets and liabilities of the Funds are as follows:		
Assets		
Fixed deposits with banks	58,753	58,420
Interest receivable	34	22
Bank balance	222	324
	59,009	58,766
Liabilities		
Other payables and accruals	7	6
Taxation	71	70
Deferred tax liabilities	6	4
	84	80
Net assets	58,925	58,686

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

29. Singapore Exchange Derivatives Clearing Limited ("SGX-DC") Clearing Fund

The SGX-DC Clearing Fund structure has been revised to specify the apportionment and sequence of use of resources in the event of single and multiple defaults. The revision was implemented on 30 June 2014.

The SGX-DC 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:

- (a) the defaulting derivatives clearing member's collateral deposited with or provided to SGX-DC;
- (b) SGX-DC's contributions of an amount equivalent to 15% of its Clearing Fund size;
- (c) security deposits of non-defaulting derivatives clearing members participating in the same Contract Class as the defaulted derivatives clearing member;
- (d) further assessments on non-defaulting derivatives clearing members participating in the same Contract Class as the defaulted derivatives clearing member;
- (e) SGX-DC's contributions of an amount equivalent to 10% of its Clearing Fund size;
- (f) security deposits of other non-defaulting derivatives clearing members not participating in the same Contract Class as the defaulted derivatives clearing member;
- (g) further assessments on other non-defaulting derivatives clearing members not participating in the same Contract Class as the defaulted derivatives clearing member; and
- (h) 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 15% of the SGX-DC Clearing Fund size in relation to paragraph 29(b) above.

The Group has set aside cash amounting to \$150,021,000 (2013: \$150,021,000) (Note 3) to support the SGX-DC Clearing Fund in relation to the following:

- (i) SGX-DC capital, \$102,000,000 (2013: \$102,000,000);
- (ii) Derivatives clearing fund reserve, \$34,021,000 (2013: \$34,021,000) (Note 17); and
- (iii) Other SGX-DC's contributions, \$14,000,000 (2013: \$14,000,000).

Except for the \$150,021,000 (2013: \$150,021,000) mentioned above, the other resources available for the SGX-DC Clearing Fund are not included in the consolidated 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 30(a)(iii)).

30. Security, 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 consolidated statement of financial position of the Group.

(a) Singapore Exchange Derivatives Clearing Limited ("SGX-DC")

(i) Margin deposits

As the clearing house for futures and options traded on SGX-DT, OTC commodities contracts and Over-The-Counter Financial ("OTCF") derivatives 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 at 30 June 2014 were approximately \$4,706,108,000 (2013: \$5,903,307,000).

As at 30 June 2014, clearing members had lodged the following collateral with SGX-DC:

	2014 \$'000	2013 \$'000
Margin deposits		
Cash	5,231,288	5,938,960
Quoted government securities, at fair value	1,283,963	1,201,117

All cash deposits are placed in interest-bearing accounts with banks. 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 30 June 2014, the following were lodged with SGX-DC for performance deposits purposes:

	2014 \$'000	2013 \$'000
Performance deposits and deposits received for contract value		
Cash	57	1,535

30. Security, margin and other deposits (continued)

(a) Singapore Exchange Derivatives Clearing Limited ("SGX-DC") (continued)

(iii) Security and other deposits

The rules of SGX-DC require its clearing members to deposit security for their derivatives clearing obligations to SGX-DC:

- (1) Clearing Members who clear exchange-traded derivatives and OTC commodities contracts are required to post the higher of \$1,000,000 or 3.0% of the daily average of risk margin during the preceding three-month period, in cash, government securities or any forms of collateral acceptable to SGX-DC;
- (2) Clearing Members who clear OTCF derivatives contracts are required to post the higher of US\$5,000,000 or 6.0% of the daily average of risk margin during the preceding three-month period, in cash or government securities or any forms of collateral acceptable to SGX-DC;
- (3) Clearing Members who clear exchange-traded derivatives, OTC commodities contracts and OTCF derivatives contracts will be required to post the aggregate of (1) and (2).

As at 30 June 2014, the following security and other deposits were lodged with SGX-DC for clearing fund purpose:

	2014 \$'000	2013 \$'000
Security and other deposits		
Cash	379,745	431,955
Quoted government securities, at fair value	6,481	6,499

(iv) Collateral for Mutual Offset Settlement Agreement

As at 30 June 2014, irrevocable letters of credit amounting to approximately \$574,318,000 (2013: \$454,718,000) were lodged by The Chicago Mercantile Exchange with SGX-DC. This is to fulfill collateral requirements under the Mutual Offset Settlement Agreement.

(b) The Central Depository (Pte) Limited ("CDP")

(i) Margin and other deposits

As the clearing house for securities and marginable futures contracts traded on 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 marginable futures contracts. The rules of CDP require its clearing members to provide collateral for all securities traded on SGX-ST. The total collateral required by CDP at 30 June 2014 were approximately \$46,116,000 (2013: \$75,477,000).

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 30 June 2014, clearing members had lodged the following collateral with CDP:

	2014 \$'000	2013 \$'000
Margin deposits		
Cash	120,068	147,518
Other collateral		
Irrevocable letters of credit	20,000	20,000

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

31. Financial requirements

(a) SGX-DC

The rules of SGX-DC impose financial requirements on its clearing members. As at 30 June 2014, clearing members had lodged the following collateral with SGX-DC to support their financial requirements:

	2014 \$'000	2013 \$'000
Cash	1,011,288	532,471
Irrevocable letters of credit	30,950	30,950

(b) CDP

The rules of CDP impose financial requirements on its clearing members. As at 30 June 2014, clearing members had lodged the following collateral with CDP to support their financial requirements:

	2014 \$'000	2013 \$'000
Cash	10,000	10,000

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

32. Collaterals for Securities Borrowing and Lending

CDP offers Securities Borrowing and Lending ("SBL") services to its account holders and Depository Agents. SBL involves temporary transfer of securities from a lender to a borrower, via CDP, for a fee. The SBL Scheme requires the borrowers of securities to provide collateral in the form of cash and certain designated securities.

As at 30 June 2014, borrowers had lodged the following collateral with CDP for SBL purpose:

	2014 \$'000	2013 \$'000
Cash	28,147	35,647
Irrevocable letters of credit	–	7,000
Securities, at fair value	16,518	21,892

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

33. Contingent liabilities

At the balance sheet date, the Group and the Company have contingent liabilities as follows:

	The Group		The Company	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Unsecured guarantees by SGX-DC to banks for standby letters of credit issued by the banks to Chicago Mercantile Exchange for members' open positions on these exchanges. These guarantees are supported by members' collateral balances (Note 30(a))	423,247	404,194	–	–
Cash set aside to support SGX-DC Capital for the SGX-DC Clearing Fund to be utilised in accordance with SGX-DC's Clearing Rules (Note 29)	102,000	102,000	–	–
Cash set aside for Derivatives clearing fund reserve to support SGX-DC Clearing Fund (Note 29)	34,021	34,021	–	–
Cash set aside to support SGX-DC Clearing Fund with the launch of Over-The-Counter financial derivatives contracts (Note 29)	14,000	14,000	–	–
	573,268	554,215	–	–

34. Commitments

(a) Operating lease commitments – where the group and the company is a lessee

The Group and Company lease its office premises, data centre and equipment from non-related parties under non-cancellable operating lease agreements. The leases have varying terms, escalation clauses and renewal rights.

The future aggregate minimum lease payments payable under non-cancellable operating leases contracted for at the reporting date but not recognised as liabilities, are as follows:

	The Group		The Company	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Not later than one financial year	20,934	29,267	19,677	27,994
Later than one financial year but not later than five financial years	62,555	66,595	62,077	64,853
Later than five financial years	9,054	20,836	9,054	20,836
	92,543	116,698	90,808	113,683

(b) Operating lease commitments – where the group and the company is a lessor

The Group and Company lease out office premises to non-related parties under non-cancellable operating lease. The future aggregate minimum lease payments receivable under non-cancellable operating leases contracted for at the reporting date but not recognised as receivables, are as follows:

	The Group and the Company	
	2014 \$'000	2013 \$'000
Not later than one financial year	–	123

(c) Capital commitments

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

	The Group		The Company	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Property, plant and equipment	2,188	1,132	2,188	1,132
Software	1,561	6,413	–	1,197
	3,749	7,545	2,188	2,329

35. 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:

(a) Provision of services

	The Group and The Company	
	2014 \$'000	2013 \$'000
Provision of staff related services to joint venture	–	17

(b) 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:

	The Group	
	2014 \$'000	2013 \$'000
Salaries and other short-term employee benefits	12,651	15,097
Employer's contribution to Central Provident Fund	85	93
Share-based payment to key management	5,302	4,891
	18,038	20,081

Included in the above is total remuneration to directors of the Company amounting to \$7,220,000 (2013: \$8,225,000).

During the financial year, 516,400 shares (2013: 471,200 shares) under SGX Performance Share Plan and 516,400 shares (2013: 439,400) 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.

36. 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. To assist the Board in discharging its oversight responsibility, a board committee, the Risk Management Committee ("RMC") was established. The RMC's primary function is to review, recommend to the Board for approval, and where appropriate approve:

- (a) the type and level of business risks (risk appetite) that the Group undertakes on an integrated basis to achieve its business strategy; and
- (b) the policies and frameworks 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 managed its main currency exposure as follows:

(a) Revenue receivable from clearing of derivative products

The Group's revenue from the clearing of derivative products are mainly in SGD and USD. For revenue denominated in USD, the Group manages the currency exposure through currency forward contracts. Upon settlement of the currency forward contracts and payment obligations denominated in foreign currency, any excess foreign currencies are converted back to SGD in a timely manner to minimise currency exposure. As at 30 June 2014 and 30 June 2013, there are no significant currency risk exposures arising from receivables. These receivables are also exposed to credit risks.

(b) Investment in available-for-sale financial asset

The Company has invested in unlisted equity security in BSE. This investment is denominated in INR and forms part of the Group's long-term strategic investments in line with its strategy to position SGX as an Asian Gateway. Management monitors the Group's currency exposure by tracking the INR currency movement on a regular basis. As this investment is long-term in nature, the Group does not hedge the currency exposure of this investment. This investment is also exposed to price risk.

36. Financial risk management (continued)

Market risk – Currency risk (continued)

(c) Cash and cash equivalents

As at 30 June 2014 and 30 June 2013, the cash balances of the Group and the Company are mainly denominated in SGD and USD. USD cash balances placed in banks to meet the short-term USD payment obligations were not hedged. The cash balances are also exposed to counterparty and credit risks.

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

The Group At 30 June 2014						
	SGD ^(a) \$'000	USD \$'000	INR \$'000	HKD \$'000	Others \$'000	Total \$'000
Financial assets						
Cash and cash equivalents	745,472	10,044	13	–	1,335	756,864
Trade and other receivables						
– Daily settlement of accounts for due contracts and rights	413,038	73,472	–	323	–	486,833
– Others	66,382	4,724	16	49	3,626	74,797
Securities clearing fund	60,000	–	–	–	–	60,000
Available-for-sale financial asset	–	–	50,956	–	–	50,956
Financial liabilities						
Trade and other payables						
– Daily settlement of accounts for due contracts and rights	(413,038)	(73,472)	–	(323)	–	(486,833)
– Others	(115,861)	(17,631)	(10)	(1)	(468)	(133,971)
Currency exposure	755,993	(2,863)	50,975	48	4,493	808,646
Currency forward contracts ^(b)	–	40,739	–	–	–	40,739

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

(b) Currency forward contracts entered by the Group are to hedge future revenue receivables arising from clearing of various derivative products denominated in USD.

The Group At 30 June 2013						
	SGD ^(a) \$'000	USD \$'000	INR \$'000	HKD \$'000	Others \$'000	Total \$'000
Financial assets						
Cash and cash equivalents	752,199	10,389	–	–	419	763,007
Trade and other receivables						
– Daily settlement of accounts for due contracts and rights	494,709	141,793	–	1,656	324	638,482
– Others	95,826	6,876	–	12	3,138	105,852
Securities clearing fund	60,000	–	–	–	–	60,000
Available-for-sale financial asset	–	–	50,956	–	–	50,956
Financial liabilities						
Trade and other payables						
– Daily settlement of accounts for due contracts and rights	(494,709)	(141,793)	–	(1,656)	(324)	(638,482)
– Others	(128,992)	(22,902)	(6)	–	(496)	(152,396)
Currency exposure	779,033	(5,637)	50,950	12	3,061	827,419
Currency forward contracts ^(b)	–	38,739	–	–	–	38,739

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

(b) Currency forward contracts entered by the Group were to hedge future revenue receivables arising from clearing of various derivative products denominated in USD.

The Company At 30 June 2014					
	SGD ^(a) \$'000	USD \$'000	INR \$'000	Others \$'000	Total \$'000
Financial assets					
Cash and cash equivalents	419,594	909	13	29	420,545
Trade and other receivables	24,900	74	16	73	25,063
Available-for-sale financial asset	–	–	50,956	–	50,956
Financial liabilities					
Trade and other payables	(358,989)	(61)	(10)	(33)	(359,093)
Currency exposure	85,505	922	50,975	69	137,471

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

The Company At 30 June 2013					
	SGD ^(a) \$'000	USD \$'000	INR \$'000	Others \$'000	Total \$'000
Financial assets					
Cash and cash equivalents	425,524	1,844	–	52	427,420
Trade and other receivables	24,393	56	–	32	24,481
Available-for-sale financial asset	–	–	50,956	–	50,956
Financial liabilities					
Trade and other payables	(337,801)	(3,131)	(6)	(38)	(340,976)
Currency exposure	112,116	(1,231)	50,950	46	161,881

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

A currency risk sensitivity analysis is not provided as the Group and the Company are not expected to have significant currency exposures other than from available-for-sale financial asset.

The currency risk sensitivity analysis for available-for-sale financial asset is included within the price risk sensitivity analysis.

Market risk – Price risk

The Group manages the price risk of its investment in available-for-sale financial asset as follows:

The investment in BSE is an unlisted long-term strategic investment. The management of SGX regularly monitors the latest developments and business performance of BSE and assesses the financial performance of BSE on an on-going basis.

The impact on profit after tax and other comprehensive income would be as follows should the fair value of BSE change by 10% (2013: 10%) with all other variables being held constant:

Increase/(decrease)				
2014		2013		
	Profit after tax \$'000	Other comprehensive income \$'000	Profit after tax \$'000	Other comprehensive income \$'000
The Group and The Company				
Fair value of BSE				
– increased by	–	5,096	–	5,096
– decreased by	(5,096)	–	(5,096)	–

36. 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 are not subject to significant cash flow and fair value interest rate risks as the Group's and the Company's fixed deposit placements are mainly short-term in nature. Fixed deposits are placed with banks that offer the most competitive interest rates.

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

The Group

	Variable rates		Fixed rates			Non-interest bearing \$'000	Total \$'000
	Less than 6 months \$'000	6 to 12 months \$'000	Less than 6 months \$'000	6 to 12 months \$'000	Over 1 year \$'000		
At 30 June 2014							
Financial assets							
Cash and cash equivalents	17,545	–	424,039	310,522	–	4,758	756,864
Trade and other receivables	–	–	12	5	2	561,611	561,630
Securities clearing fund	–	–	–	60,000	–	–	60,000
Available-for-sale financial asset	–	–	–	–	–	50,956	50,956
Financial liabilities							
Trade and other payables	–	–	–	–	–	(620,804)	(620,804)
Net financial assets/(liabilities)	17,545	–	424,051	370,527	2	(3,479)	808,646
At 30 June 2013							
Financial assets							
Cash and cash equivalents	21,007	–	422,664	312,022	–	7,314	763,007
Trade and other receivables	–	–	14	9	5	744,306	744,334
Securities clearing fund	–	–	5,000	55,000	–	–	60,000
Available-for-sale financial asset	–	–	–	–	–	50,956	50,956
Financial liabilities							
Trade and other payables	–	–	–	–	–	(790,878)	(790,878)
Net financial assets	21,007	–	427,678	367,031	5	11,698	827,419

The Company

	Variable rates		Fixed rates				
	Less than 6 months \$'000	6 to 12 months \$'000	Less than 6 months \$'000	6 to 12 months \$'000	Over 1 year \$'000	Non- interest bearing \$'000	Total \$'000
At 30 June 2014							
Financial assets							
Cash and cash equivalents	1,748	-	307,780	108,500	-	2,517	420,545
Trade and other receivables	-	-	7	3	2	25,051	25,063
Available-for-sale financial asset	-	-	-	-	-	50,956	50,956
Financial liabilities							
Trade and other payables	-	-	-	-	-	(359,093)	(359,093)
Net financial assets/(liabilities)	1,748	-	307,787	108,503	2	(280,569)	137,471
At 30 June 2013							
Financial assets							
Cash and cash equivalents	5,901	-	307,400	110,000	-	4,119	427,420
Trade and other receivables	-	-	11	9	5	24,456	24,481
Available-for-sale financial asset	-	-	-	-	-	50,956	50,956
Financial liabilities							
Trade and other payables	-	-	-	-	-	(340,976)	(340,976)
Net financial assets/(liabilities)	5,901	-	307,411	110,009	5	(261,445)	161,881

As the Group and the Company are not exposed to significant interest rate risks, a sensitivity analysis is not provided for this risk.

Credit risk

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Group. The major classes of financial assets of the Group and of the Company are trade receivables and cash deposits.

The Group manages its main credit exposures as follows:

(a) Trade receivables (excluding balances arising from clearing and settlement of trade)

Trade receivables of the Group and the Company comprise receivables from trading and clearing members, listed companies and other entities. Exposure from these trade receivables is continuously monitored and followed up by Finance and relevant business units.

Management believes that the credit risk with respect to trade receivables is limited. Impairment allowances are made for debts that are outstanding above 360 days and debtors that are under judicial management, scheme of arrangement or other financial difficulties. Management believes that there is no other additional credit risk beyond the amount of allowance for impairment made in these financial statements.

The Group, excluding the balances arising from clearing and settlement of trade, has no significant concentration of credit risk on its trade receivables.

The Company, excluding the receivable from the Inland Revenue Authority of Singapore, has 8 (2013: 8) debtors that represented 44% (2013: 43%) of the remaining trade receivables.

36. Financial risk management (continued)

Credit risk (continued)

(b) Cash deposits

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. The Group placed 73% (2013: 66%) of its cash and cash equivalents with 4 (2013: 4) banks. The Company placed 87% (2013: 85%) of its cash and cash equivalents with 4 (2013: 4) banks.

The maximum exposure to credit risk for trade receivables and cash deposits is the carrying amount of the financial assets presented on the statement of financial position as the Group and the Company do not hold any collateral against these financial assets.

As clearing houses, SGX-DC and CDP 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.

(c) 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 assume all rights and obligations to the counterparty. As a result, each clearing house faces considerable credit risk exposure should any of its clearing member be unable to meet its settlement obligations, resulting in a default on the clearing house. 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 exposure to clearing members and has 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, it must ensure that it has the necessary systems and procedures to preserve sound liquidity and financial position at all times.

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 derivative positions, securities contracts and marginable futures contracts to be sufficiently collateralised at all times and these collaterals 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. CDP requires all positions in securities contracts and Extended Settlement Contracts, being marginable futures contracts, to be sufficiently collateralised and these collaterals protect CDP against cumulative mark-to-market and potential losses. CDP also requires clearing members to monitor compliance with risk management measures such as monitoring for large exposures.

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.

Trade receivables arising from settlement of securities trade

Settlement for all securities transactions of securities clearing members are effected through the Group's subsidiary, CDP. Such settlements can be 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 three trading days of the financial year. At 30 June 2014, there were 26 (2013: 25) securities clearing members and 6 (2013: 6) designated settlement banks. The Group may have concentration risk exposure to these securities clearing members and settlement banks with regards to their net settlement obligations to CDP. The settlement exposure of CDP to each securities clearing member or settlement bank 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.

(d) Financial assets that are neither past due nor impaired

All of the Group's cash deposits are not impaired as the deposits are placed with banks of high credit quality.

Trade receivables that are neither past due nor impaired comprise companies with good collection track record with the Group. As at 30 June 2014, 98.1% (2013: 99.1%) and 92.1% (2013: 95.6%) of the Group's and the Company's trade receivables fall into this category.

(e) Financial assets that are past due and/or impaired

There is no other class of financial assets that is past due and/or impaired except for trade receivables.

The age analysis of trade receivables past due but not impaired is as follows:

	The Group		The Company	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Past due up to 90 days	7,054	3,624	246	162
Past due 91 days to 360 days	1,111	940	156	21
	8,165	4,564	402	183

The carrying amount of trade receivables individually determined to be impaired and the movement in the related allowance for impairment are as follows:

	The Group		The Company	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Gross amount	2,162	2,097	21	–
Less: Allowance for impairment	(2,162)	(2,097)	(21)	–
	–	–	–	–
Balance at beginning of financial year	2,097	1,380	–	7
Allowance made	1,281	1,215	35	14
Allowance utilised	(331)	(73)	–	–
Allowance written back	(885)	(425)	(14)	(21)
Balance at end of financial year	2,162	2,097	21	–

Liquidity risk

(a) Liabilities related risk

The Group has minimal liquidity risk as it maintains sufficient cash for daily operations through prudent liquidity risk management. The Group has no external borrowings.

The financial liabilities of the Group and 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.

36. Financial risk management (continued)

Liquidity risk (continued)

(a) Liabilities related risk (continued)

The Group

	Up to 3 months \$'000	> 3 months to 1 year \$'000	Above 1 year \$'000	Total \$'000
At 30 June 2014				
Financial liabilities				
Trade and other payables ^(c)	615,637	–	5,167	620,804

(c) Included \$486,833,000 payable to clearing members and settlement banks for daily settlement of accounts for due contracts and rights with a corresponding amount in trade receivables.

	Up to 3 months \$'000	> 3 months to 1 year \$'000	Above 1 year \$'000	Total \$'000
At 30 June 2013				
Financial liabilities				
Trade and other payables ^(d)	783,285	–	7,593	790,878

(d) Included \$638,482,000 payable to clearing members and settlement banks for daily settlement of accounts for due contracts and rights with a corresponding amount in trade receivables.

The Company

	Up to 3 months \$'000	> 3 months to 1 year \$'000	Above 1 year \$'000	Total \$'000
At 30 June 2014				
Financial liabilities				
Trade and other payables	359,093	–	–	359,093

	Up to 3 months \$'000	> 3 months to 1 year \$'000	Above 1 year \$'000	Total \$'000
At 30 June 2013				
Financial liabilities				
Trade and other payables	340,976	–	–	340,976

As at 30 June 2014, the gross notional value of outstanding currency forward contracts held by the Group was \$40,739,000 (2013: \$38,739,000). 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:

	At 30 June 2014			At 30 June 2013		
	Up to 3 months \$'000	> 3 months to 1 year \$'000	Total \$'000	Up to 3 months \$'000	> 3 months to 1 year \$'000	Total \$'000
The Group						
Currency forward contracts						
– gross outflows	19,616	21,107	40,723	19,061	19,709	38,770
– gross inflows	19,797	21,398	41,195	18,592	19,293	37,885

(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:

	The Group		The Company	
	2014 \$'000	2013 \$'000	2014 \$'000	2013 \$'000
Unsecured guarantees by SGX-DC to banks for standby letters of credit issued by the banks to Chicago Mercantile Exchange	423,247	404,194	–	–

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 default. The Group has secured sufficient committed bank credit facilities of \$502,000,000 (2013: \$483,000,000), comprising \$200,000,000 (2013: \$200,000,000) committed share financing and \$302,000,000 (2013: \$283,000,000) committed unsecured credit lines, to meet liquidity requirements arising from clearing members' default.

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).

	Level 1 \$'000	Level 2 \$'000	Level 3 \$'000	Total \$'000
The Group				
At 30 June 2014				
Assets				
Available-for-sale financial asset	–	–	50,956	50,956
Derivative financial instruments	–	472	–	472
At 30 June 2013				
Assets				
Available-for-sale financial asset	–	–	50,956	50,956
Liabilities				
Derivative financial instruments	–	885	–	885
The Company				
At 30 June 2014				
Assets				
Available-for-sale financial asset	–	–	50,956	50,956
At 30 June 2013				
Assets				
Available-for-sale financial asset	–	–	50,956	50,956

36. Financial risk management (continued)

Fair value measurements (continued)

There were no transfers between Level 1 and 2 during the year.

The fair values of currency forward contracts have been calculated using the rates quoted by the Group's bankers to terminate the contracts at the balance sheet date.

The fair value of available-for-sale financial asset is determined by using the valuation technique, discounted cash flow analysis, as the asset is not traded in an active market.

The available-for-sale financial asset has been classified under Level 3 in the fair value measurement hierarchy as the valuation technique includes market premium on the discount rate, which is an unobservable market data. The movement in fair value arising from reasonably possible changes to the market premium on the discount rate is assessed to be insignificant.

There were no movements in the profit or loss and other comprehensive income for Level 3 instruments for the financial year ended 30 June 2014. Impairment loss recognised in the prior financial year on available-for-sale financial asset is disclosed in Note 7 and 24.

The carrying amounts of cash and cash equivalents, trade and other receivables and trade and other payables are assumed to approximate their fair values.

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.

(a) Financial assets subject to offsetting arrangements

As at 30 June 2014

	Gross amounts of recognised financial assets \$'000	Less: Gross amounts of recognised financial liabilities set off in the statement of financial position \$'000	Net amounts of financial assets presented in the statement of financial position ⁽¹⁾ \$'000
Receivables from clearing members and settlement banks – Daily settlement of accounts for due contracts and rights	4,526,305	(4,039,472)	486,833

⁽¹⁾ The collaterals deposited by clearing members and settlement banks cannot be attributed directly to the individual transactions. For information on the collaterals, please refer to Note 30(b).

As at 30 June 2013

	Gross amounts of recognised financial assets \$'000	Less: Gross amounts of recognised financial liabilities set off in the statement of financial position \$'000	Net amounts of financial assets presented in the statement of financial position ⁽¹⁾ \$'000
Receivables from clearing members and settlement banks – Daily settlement of accounts for due contracts and rights	7,314,002	(6,675,520)	638,482

⁽¹⁾ The collaterals deposited by clearing members and settlement banks cannot be attributed directly to the individual transactions. For information on the collaterals, please refer to Note 30(b).

(b) Financial liabilities subject to offsetting arrangements

As at 30 June 2014

	Gross amounts of recognised financial liabilities \$'000	Less: Gross amounts of recognised financial assets set off in the statement of financial position \$'000	Net amounts of financial liabilities presented in the statement of financial position ⁽¹⁾ \$'000
Payables to clearing members and settlement banks – Daily settlement of accounts for due contracts and rights	4,526,305	(4,039,472)	486,833

⁽¹⁾ The collaterals deposited by clearing members and settlement banks cannot be attributed directly to the individual transactions. For information on the collaterals, please refer to Note 30(b).

As at 30 June 2013

	Gross amounts of recognised financial liabilities \$'000	Less: Gross amounts of recognised financial assets set off in the statement of financial position \$'000	Net amounts of financial liabilities presented in the statement of financial position ⁽¹⁾ \$'000
Payables to clearing members and settlement banks – Daily settlement of accounts for due contracts and rights	7,314,002	(6,675,520)	638,482

⁽¹⁾ The collaterals deposited by clearing members and settlement banks cannot be attributed directly to the individual transactions. For information on the collaterals, please refer to Note 30(b).

37. 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.

Effective 1 July 2008, the Group is required, under the Regulatory Capital Framework ("the Framework") formalised by the Monetary Authority of Singapore to maintain adequate financial resources 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. With respect to the counterparty default risk, each of the Group's clearing house subsidiaries is required to contribute capital to maintain a clearing fund that is sufficient to cover simultaneous default of the member that is responsible for largest credit exposure, its affiliates and the two financially weakest members under simulated extreme but plausible market conditions. The Group has been in compliance with the Framework since 1 July 2008.

Given the dynamic nature of the Group's business and the framework, the Group regularly reviews and monitors its capital position 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. In line with its dividend policy, SGX maintains a base dividend commitment to its shareholders.

38. Comparatives

Statement of Comprehensive Income

Certain comparative figures have been reclassified for the Group and the Company as follows:

Operating revenue

The Group

1. Membership revenue to the respective revenue lines as follows to better reflect the respective contribution to each business line:
 - (i) Collateral management, membership and other revenue under Securities revenue;
 - (ii) Collateral management, licence, membership and other revenue under Derivatives revenue; and
 - (iii) Listing revenue under Issuer services revenue.
2. Certain corporate actions revenue from Market data revenue to Corporate actions and other revenue to better reflect the nature of the revenue to the business line.
3. Certain market data revenue from Other revenue to Market data revenue to better reflect the nature of the revenue to the business line.

The Company

1. Certain market data revenue from Other revenue to Market data revenue to better reflect the nature of the revenue to the business line.

The revised presentation does not result in a change in the operating revenue, net equity, net profit before and after tax of the Group and the Company.

The Group

	As restated 2013 \$'000	As previously disclosed 2013 \$'000	Increased/ (decreased) by 2013 \$'000
Operating revenue			
Securities			
– Collateral management, membership and other	9,213	3,820	5,393
Derivatives			
– Collateral management, licence, membership and other	58,255	57,174	1,081
Market data and connectivity			
– Market data	32,887	33,924	(1,037)
Member services and connectivity			
– Membership	–	7,386	(7,386)
Issuer services			
– Listing	38,801	37,889	912
– Corporate actions and other	29,081	27,383	1,698
Other	2,738	3,399	(661)
	170,975	170,975	No change

The Company

	As restated 2013 \$'000	As previously disclosed 2013 \$'000	Increased/ (decreased) by 2013 \$'000
Operating revenue			
Market data and connectivity			
– Market data	252	26	226
Other	679	905	(226)
	931	931	No change

38. Comparatives (continued)

Statement of Comprehensive Income (continued)

Operating expenses

1. Staff insurance from Professional fees to Staff costs to better reflect the nature of the expense.
2. Certain bank and custodian charges relating to settlement from Professional fees to Processing and royalties expenses to better reflect the nature of the expenses to the business lines.
3. Certain corporate bank and insurance charges from Professional fees to Miscellaneous under Other expenses to better reflect the nature of the expenses.

The revised presentation does not result in a change in the operating expenses, net equity and net profit before and after tax of the Group and the Company.

The Group

	As restated 2013 \$'000	As previously disclosed 2013 \$'000	Increased/ (decreased) by 2013 \$'000
Operating expenses			
Staff costs			
– Salaries	68,427	68,236	191
– Employer's contribution to Central Provident Fund on salaries ^(a)	5,183	5,183	–
Processing and royalties	28,534	27,241	1,293
Professional fees	10,923	13,596	(2,673)
Other operating expenses			
– Services from price vendors ^(b)	1,695	1,695	–
– Credit facilities fees ^(b)	503	503	–
– Miscellaneous	4,548	3,359	1,189
	119,813	119,813	No change

The Company

	As restated 2013 \$'000	As previously disclosed 2013 \$'000	Increased/ (decreased) by 2013 \$'000
Operating expenses			
Staff costs			
– Salaries	51,403	51,260	143
– Employer's contribution to Central Provident Fund on salaries ^(a)	3,592	3,592	–
Processing and royalties	407	401	6
Professional fees	8,864	10,057	(1,193)
Other operating expenses			
– Services from price vendors ^(b)	892	892	–
– Credit facilities fees ^(b)	382	382	–
– Miscellaneous	4,490	3,446	1,044
	70,030	70,030	No change

(a) No reclassification was effected in these expenses lines. Numbers have been included for completeness.

(b) No reclassification was effected in these expenses lines. Numbers have been included for completeness of Miscellaneous expenses following further breakdown of Miscellaneous expenses in current year's presentation.

39. New accounting standards and FRS interpretations

Below are the mandatory standards, amendments and interpretations to existing standards that have been published, and are relevant for the Group's accounting periods beginning on or after 1 July 2014 or later periods and which the Group has not early adopted:

FRS	Title	Effective date (annual periods beginning on or after)
FRS 27	Separate Financial Statements	1 January 2014
FRS 28	Investments in Associates and Joint Ventures	1 January 2014
FRS 110	Consolidated Financial Statements	1 January 2014
FRS 111	Joint Arrangements	1 January 2014
FRS 112	Disclosure of Interests in Other Entities	1 January 2014
Amendments to FRS 32	Financial Instruments: Presentation – Offsetting Financial Assets and Financial Liabilities	1 January 2014
Amendments to FRS 36	Impairment of assets – Recoverable amount disclosures for non-financial assets	1 January 2014
Amendments to FRS 110, FRS 112 and FRS 27	Consolidated Financial Statements, Disclosure of Interests in Other Entities Separate Financial Statements – Investment entities	1 January 2014
Amendments to FRS 110, FRS 111 and FRS 112	Consolidated Financial Statements, Joint Arrangements, Disclosure of Interests in Other Entities – Transition guidance	1 January 2014
Amendments to FRS 39	Financial Instruments: Recognition and Measurement – Novation of derivatives and continuation of hedge accounting	1 January 2014
Amendments to FRS 19	Employee Benefits – Employee contributions	1 July 2014
	Improvements to FRSs (issued in January 2014)	1 July 2014
	Improvements to FRSs (issued in February 2014)	1 July 2014

The Group is presently assessing the impact of adopting these new accounting standards, amendments and interpretations. The Group has not considered the impact of accounting standards issued after the balance sheet date.

40. Authorisation of financial statements

These financial statements have been authorised for issue by the Board of Directors on 31 July 2014.

Statistics of Shareholdings

As at 4 August 2014

Share Capital	:	S\$410,553,725.94
Number of Issued and Paid-up Shares	:	1,071,642,400
Class of Shares	:	Ordinary shares
Voting Rights	:	One vote per share. The Company cannot exercise any voting rights in respect of shares held by it as treasury shares.

DISTRIBUTION OF SHAREHOLDINGS

Size of shareholdings	No. of shareholders	%	No. of shares (excluding treasury shares)	% ¹
1 – 999	168	0.36	37,266	0.00
1,000 – 10,000	40,686	88.43	124,885,580	11.67
10,001 – 1,000,000	5,124	11.14	194,656,246	18.20
1,000,001 and above	30	0.07	750,321,870	70.13
Total	46,008	100.00	1,069,900,962	100.00

Based on information available to the Company as at **4 August 2014** approximately 99.96% of the issued ordinary shares of the Company are held by the public and, therefore, Rule 723 of the Listing Manual issued by the Singapore Exchange Securities Trading Limited is complied with.

TWENTY LARGEST SHAREHOLDERS

No.	Name	No. of shares	% ¹
1.	SEL HOLDINGS PTE LTD ²	249,991,184	23.37
2.	CITIBANK NOMINEES SINGAPORE PTE LTD	180,125,066	16.84
3.	DBS NOMINEES (PRIVATE) LIMITED	78,415,639	7.33
4.	DBSN SERVICES PTE. LTD.	72,900,455	6.81
5.	HSBC (SINGAPORE) NOMINEES PTE LTD	41,069,758	3.84
6.	UNITED OVERSEAS BANK NOMINEES (PRIVATE) LIMITED	24,118,923	2.25
7.	RAFFLES NOMINEES (PTE) LIMITED	19,480,545	1.82
8.	PHILLIP SECURITIES PTE LTD	12,705,114	1.19
9.	BNP PARIBAS SECURITIES SERVICES	10,333,118	0.97
10.	BANK OF SINGAPORE NOMINEES PTE. LTD.	9,743,627	0.91
11.	UOB KAY HIAN PRIVATE LIMITED	6,953,865	0.65
12.	DBS VICKERS SECURITIES (SINGAPORE) PTE LTD	5,349,062	0.50
13.	DB NOMINEES (SINGAPORE) PTE LTD	4,791,811	0.45
14.	BNP PARIBAS NOMINEES SINGAPORE PTE LTD	4,406,913	0.41
15.	OCBC NOMINEES SINGAPORE PRIVATE LIMITED	4,164,082	0.39
16.	LEONG KHUEN NYEAN	3,520,000	0.33
17.	OCBC SECURITIES PRIVATE LIMITED	2,775,942	0.26
18.	WONG KONG CHOO	2,754,000	0.26
19.	MAYBANK KIM ENG SECURITIES PTE. LTD.	2,422,600	0.23
20.	MORGAN STANLEY ASIA (SINGAPORE) SECURITIES PTE LTD	1,787,256	0.17
Total		737,808,960	68.98

¹ Percentage is calculated based on the total number of issued shares, excluding treasury shares of the Company.

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

TREASURY SHARES

Number of ordinary shares held in treasury: **1,741,438**

Percentage of such holding against the total number of issued ordinary shares (excluding ordinary shares held in treasury): **0.16%**¹

SUBSTANTIAL SHAREHOLDERS

According to the Register of Substantial Shareholders maintained by the Company, the Company had no substantial shareholders as at **4 August 2014**.

Notice of Annual General Meeting

Singapore Exchange Limited

Company Registration No. 199904940D

(Incorporated in the Republic of Singapore)

NOTICE IS HEREBY GIVEN that the Fifteenth Annual General Meeting of Singapore Exchange Limited (the "Company") will be held at **NTUC Auditorium, One Marina Boulevard, Level 7, Singapore 018989** on Thursday, 25 September 2014 at 10.00 a.m. to transact the following business:

(A) ORDINARY BUSINESS

- | | | |
|---|---|-------------------------------|
| 1 | To receive and adopt the Directors' Report and Audited Financial Statements for the financial year ended 30 June 2014 and the Auditor's Report thereon. | Ordinary Resolution 1 |
| 2 | To declare a final tax exempt dividend amounting to 16 cents per share for the financial year ended 30 June 2014 ("Final Dividend").
(Same as for FY2013: 16 cents per share) | Ordinary Resolution 2 |
| 3 | To re-elect Mr Lee Hsien Yang, who will be retiring by rotation under Article 99A of the Company's Articles of Association (the "Articles") and who, being eligible, offers himself for re-election as a director of the Company. | Ordinary Resolution 3 |
| 4 | To re-elect Mr Quah Wee Ghee, who will be retiring by rotation under Article 99A of the Articles and who, being eligible, offers himself for re-election as a director of the Company. | Ordinary Resolution 4 |
| 5 | To re-elect Mr Davinder Singh, who will be retiring by rotation under Article 99A of the Articles and who, being eligible, offers himself for re-election as a director of the Company. | Ordinary Resolution 5 |
| 6 | To re-elect Mr Kwa Chong Seng, who will be retiring by rotation under Article 99A of the Articles and who, being eligible, offers himself for re-election as a director of the Company. | Ordinary Resolution 6 |
|
(Mr Ng Kee Choe is retiring under Section 153(2) of the Companies Act, Chapter 50 of Singapore (the "Companies Act") at the Fifteenth Annual General Meeting, and has decided not to offer himself for re-appointment to office.) | | |
| 7 | To re-elect Ms Chew Gek Khim, who will cease to hold office under Article 104 of the Articles and who, being eligible, offers herself for re-election as a director of the Company. | Ordinary Resolution 7 |
| 8 | To approve (i) the sum of \$750,000 to be paid to the Chairman as director's fees, and (ii) the provision to him of a car with a driver, for the financial year ending 30 June 2015.
(Same as for FY2014: \$750,000 and a car with a driver) | Ordinary Resolution 8 |
| 9 | To approve the sum of up to \$1,500,000 to be paid to all directors (other than the Chief Executive Officer) as directors' fees for the financial year ending 30 June 2015.
(Same as for FY2014: up to \$1,500,000) | Ordinary Resolution 9 |
| 10 | To re-appoint PricewaterhouseCoopers LLP as Auditor of the Company and to authorise the directors to fix their remuneration. | Ordinary Resolution 10 |

(B) SPECIAL BUSINESS

To consider and, if thought fit, to pass with or without modifications, the following resolutions, of which Resolutions 11 and 12 will be proposed as Ordinary Resolutions and Resolution 13 will be proposed as a Special Resolution:

- | | | |
|----|---|-------------------------------|
| 11 | That authority be and is hereby given to the directors of the Company to: | Ordinary Resolution 11 |
| | (a) (i) issue shares in the capital of the Company ("shares") whether by way of rights, bonus or otherwise; and/or | |
| | (ii) make or grant offers, agreements or options (collectively, "Instruments") that might or would require shares to be issued, including but not limited to the creation and issue of (as well as adjustments to) warrants, debentures or other instruments convertible into shares, | |
| | at any time and upon such terms and conditions and for such purposes and to such persons as the directors may in their absolute discretion deem fit; and | |

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

provided that:

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

12 That:

Ordinary Resolution 12

- (a) for the purposes of Sections 76C and 76E of the Companies Act, the exercise by the directors of the Company of all the powers of the Company to purchase or otherwise acquire issued ordinary shares in the capital of the Company ("Shares") not exceeding in aggregate the Maximum Percentage (as hereafter defined), at such price or prices as may be determined by the directors from time to time up to the Maximum Price (as hereafter defined), whether by way of:
 - (i) market purchase(s) on the SGX-ST and/or any other securities exchange on which the Shares may for the time being be listed and quoted ("Other Exchange"); and/or
 - (ii) off-market purchase(s) (if effected otherwise than on the SGX-ST or, as the case may be, Other Exchange) in accordance with any equal access scheme(s) as may be determined or formulated by the directors as they consider fit, which scheme(s) shall satisfy all the conditions prescribed by the Companies Act,and otherwise in accordance with all other laws and regulations and rules of the SGX-ST or, as the case may be, Other Exchange, as may for the time being be applicable, be and is hereby authorised and approved generally and unconditionally (the "Share Purchase Mandate");
- (b) unless varied or revoked by the Company in general meeting, the authority conferred on the directors of the Company pursuant to the Share Purchase Mandate may be exercised by the directors at any time and from time to time during the period commencing from the date of the passing of this Resolution and expiring on the earlier of:
 - (i) the date on which the next Annual General Meeting of the Company is held;
 - (ii) the date by which the next Annual General Meeting of the Company is required by law to be held; and
 - (iii) the date on which purchases and acquisitions of Shares pursuant to the Share Purchase Mandate are carried out to the full extent mandated;

(c) in this Resolution:

“Average Closing Price” means the average of the closing market prices of a Share over the five consecutive trading days on which the Shares are transacted on the SGX-ST or, as the case may be, Other Exchange, immediately preceding the date of the market purchase by the Company or, as the case may be, the date of the making of the offer pursuant to the off-market purchase, and deemed to be adjusted, in accordance with the listing rules of the SGX-ST, for any corporate action that occurs after the relevant five-day period;

“date of the making of the offer” means the date on which the Company makes an offer for the purchase or acquisition of Shares from holders of Shares stating therein the relevant terms of the equal access scheme for effecting the off-market purchase;

“Maximum Percentage” means that number of issued Shares representing 10 per cent. of the total number of issued Shares as at the date of the passing of this Resolution (excluding any Shares which are held as treasury shares as at that date); and

“Maximum Price” in relation to a Share to be purchased or acquired, means the purchase price (excluding brokerage, commission, applicable goods and services tax and other related expenses) which shall not exceed:

- (i) in the case of a market purchase of a Share, 105 per cent. of the Average Closing Price of the Shares; and
- (ii) in the case of an off-market purchase of a Share, 110 per cent. of the Average Closing Price of the Shares; and

(d) the directors of the Company and/or any of them be and are hereby authorised to complete and do all such acts and things (including executing such documents as may be required) as they and/or he/she may consider expedient or necessary to give effect to the transactions contemplated and/or authorised by this Resolution.

13 That the Articles of Association of the Company be altered in the manner as set out in the Appendix to the Company’s Letter to Shareholders dated 2 September 2014.

Special Resolution 13

(C) TO TRANSACT ANY OTHER BUSINESS AS MAY PROPERLY BE TRANSACTED AT AN ANNUAL GENERAL MEETING

By Order of the Board

Ding Hui Yun

Company Secretary
Singapore Exchange Limited
2 September 2014

EXPLANATORY NOTES

Ordinary Resolution 3 is to re-elect Mr Lee Hsien Yang who will be retiring by rotation under Article 99A of the Articles. Mr Lee, who has served as a director on the board for more than 9 years, was re-designated a Non-Independent Director on 19 September 2013. Key information on Mr Lee is found on page 36 of the Annual Report. There are no material relationships (including immediate family relationships) between Mr Lee and the other Directors or the Company.

Ordinary Resolution 4 is to re-elect Mr Quah Wee Ghee who will be retiring by rotation under Article 99A of the Articles. Mr Quah is considered a Non-Independent Director. Key information on Mr Quah is found on page 38 of the Annual Report. There are no material relationships (including immediate family relationships) between Mr Quah and the other Directors or the Company.

Ordinary Resolution 5 is to re-elect Mr Davinder Singh who will be retiring by rotation under Article 99A of the Articles. Mr Singh is considered an Independent Director. Key information on Mr Singh is found on page 39 of the Annual Report. There are no material relationships (including immediate family relationships) between Mr Singh and the other Directors or the Company.

Ordinary Resolution 6 is to re-elect Mr Kwa Chong Seng who will be retiring by rotation under Article 99A of the Articles. Mr Kwa is considered an Independent Director and is the Lead Independent Director. Key information on Mr Kwa is found on page 35 of the Annual Report. There are no material relationships (including immediate family relationships) between Mr Kwa and the other Directors or the Company.

Ordinary Resolution 7 is to re-elect Ms Chew Gek Khim who will be ceasing to hold office under Article 104 of the Articles. Ms Chew is considered an Independent Director. Key information on Ms Chew is found on page 34 of the Annual Report. There are no material relationships (including immediate family relationships) between Ms Chew and the other Directors or the Company.

Ordinary Resolution 8 is to seek approval for (i) the payment of \$750,000 to the Chairman as director's fees for undertaking duties and responsibilities as Chairman of the Board, and (ii) the provision to him of a car with a driver, for the financial year ending 30 June 2015 (which is the same as that approved for the preceding financial year). As in the preceding financial year, the sum of \$750,000 does not include any director's fees payable for serving as chairman or member of any Board committee(s) or attendance fees for any Board committee meetings.

Ordinary Resolution 9 is to seek approval for the payment of up to \$1,500,000 to all directors (other than the Chief Executive Officer) as directors' fees for the financial year

ending 30 June 2015 (which is the same amount of up to \$1,500,000 for the preceding financial year). The exact amount of director's fees received by each director for the financial year ended 30 June 2014 is disclosed in full in the Annual Report.

Ordinary Resolution 11 is to empower the directors to issue shares and to make or grant instruments (such as warrants or debentures) convertible into shares, and to issue shares in pursuance of such instruments, up to a number not exceeding 50 per cent. of the total number of issued shares (excluding treasury shares) in the capital of the Company (the "50% Limit"), with a sub-limit ("Sub-Limit") of 10 per cent. for issues other than on a pro rata basis to shareholders. For the purpose of determining the aggregate number of shares that may be issued, the percentage of issued shares shall be based on the total number of issued shares (excluding treasury shares) in the capital of the Company at the time that Ordinary Resolution 11 is passed, after adjusting for (a) new shares arising from the conversion or exercise of any convertible securities or share options or vesting of share awards which are outstanding or subsisting at the time that Ordinary Resolution 11 is passed, and (b) any subsequent bonus issue or consolidation or sub-division of shares.

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

Ordinary Resolution 12 is to renew the mandate to allow the Company to purchase or otherwise acquire Shares, on the terms and subject to the conditions set out in the Resolution.

The Company intends to use its internal sources of funds to finance its purchase or acquisition of its Shares. The amount of financing required for the Company to purchase or acquire its Shares, and the impact on the Company's financial position, cannot be ascertained as at the date of this Notice as these will depend on the number of Shares purchased or acquired and the price at which such Shares are purchased or acquired.

Based on the existing issued Shares as at 4 August 2014 (the "Latest Practicable Date"), and assuming no further Shares are issued or repurchased, and no Shares are held by the Company as treasury shares, on or prior to the Annual General Meeting, the purchase by the Company of up to the maximum limit of 10 per cent. of its issued Shares will result in the purchase or acquisition of 107,164,240 Shares.

In the case of market purchases by the Company, assuming that the Maximum Price is \$7.47 for one Share (being the price equivalent to 5 per cent. above the Average Closing Price of the Shares immediately preceding the Latest Practicable Date), having regard to the Company's share capital and cash and cash equivalents of approximately \$428,332,000 and \$420,545,000 respectively, the maximum number of Shares the Company is able to purchase or acquire out of capital to be held as treasury shares or to be cancelled for the duration of the proposed Share Purchase Mandate is 56,297,858 Shares representing 5.25 per cent. of the total issued ordinary share capital of the Company as at the Latest Practicable Date.

In the case of off-market purchases by the Company, assuming that the Maximum Price is \$7.82 for one Share (being the price equivalent to 10 per cent. above the Average Closing Price of the Shares immediately preceding the Latest Practicable Date), having regard to the Company's share capital and cash and cash equivalents of approximately \$428,332,000 and \$420,545,000 respectively, the maximum number of Shares the Company is able to purchase or acquire out of capital to be held as treasury shares or to be cancelled for the duration of the proposed Share Purchase Mandate is 53,778,133 Shares representing 5.02 per cent. of the total issued ordinary share capital of the Company as at the Latest Practicable Date.

In the case of market purchases by the Company, assuming that the Maximum Price is \$7.47 for one Share (being the price equivalent to 5 per cent. above the Average Closing Price of the Shares immediately preceding the Latest Practicable Date), having regard to the Company's retained profits and cash and cash equivalents of approximately \$124,233,000 and \$420,545,000 respectively, the maximum number of Shares the Company is able to purchase or acquire out of retained profits to be held as treasury shares or to be cancelled for the duration of the proposed Share Purchase Mandate is 16,630,924 Shares representing 1.55 per cent. of the total issued ordinary share capital of the Company as at the Latest Practicable Date.

In the case of off-market purchases by the Company, assuming that the Maximum Price is \$7.82 for one Share (being the price equivalent to 10 per cent. above the Average Closing Price of the Shares immediately preceding the Latest Practicable Date), having regard to the Company's retained profits and cash and cash equivalents of approximately \$124,233,000 and \$420,545,000 respectively, the maximum number of Shares the Company is able to purchase or acquire out of retained profits to be held as treasury shares or to be cancelled for the duration of the proposed Share Purchase Mandate is 15,886,573 Shares representing 1.48 per cent. of the total issued ordinary share capital of the Company as at the Latest Practicable Date.

The financial effects of the purchase or acquisition of such Shares by the Company pursuant to the proposed Share Purchase Mandate on the audited financial statements of the Company and the Group for the financial year ended 30 June 2014 based on the assumptions set out above are set out in paragraph 2.7 of the Letter to Shareholders dated 2 September 2014.

Special Resolution 13 is to alter the Articles of Association to align them with the new listing rules on poll voting for all resolutions which will take effect from 1 August 2015 (these requirements are contained in Rule 730A of the Listing Manual of the SGX-ST), to take into account the provisions of the Personal Data Protection Act 2012 relating to the collection, use and disclosure of personal data, and to update, streamline and rationalise certain other provisions. Please refer to the Letter to Shareholders dated 2 September 2014 for more details.

NOTES

- (1) The Chairman of the Annual General Meeting will be exercising his right under Article 66(a) of the Articles to demand a poll in respect of each of the resolutions to be put to the vote of members at the Annual General Meeting and at any adjournment thereof. Accordingly, each resolution at the Annual General Meeting will be voted on by way of a poll.
- (2) A member entitled to attend and vote at the Annual General Meeting is entitled to appoint one or two proxies to attend and vote on his/her behalf. A proxy need not be a member of the Company. Completion and return of the proxy form by a member will not prevent him/her from attending and voting at the Annual General Meeting if he/she so wishes. In such an event, the appointment of the proxy(ies) for the Annual General Meeting will be deemed to be revoked.
- (3) The instrument appointing a proxy or proxies (together with the power of attorney, if any, under which it is signed or a certified copy thereof) must, if sent personally or by post, be deposited at the office of Broadridge (Singapore) Private Limited at 8 Robinson Road #09-00, ASO Building, Singapore 048544 or, if submitted by electronic communication (where the member has signed up for the electronic service provided by the Company to its members to receive notices of meetings, annual reports and other shareholder communications electronically, for online proxy appointment and for the access and use of an SGX-designated website (collectively "Electronic Service") and where such service has been made available), be received via the online proxy appointment process through the Electronic Service, in either case not less than 48 hours before the time appointed for holding the Annual General Meeting.

PERSONAL DATA PRIVACY

By submitting an instrument appointing a proxy(ies) and/or representative(s) to attend, speak and vote at the Annual General Meeting and/or any adjournment thereof, a member of the Company (i) consents to the collection, use and disclosure of the member's personal data by the Company (or its agents or service providers) for the purpose of the processing, administration and analysis by the Company (or its agents or service providers) of proxies and representatives appointed for the Annual General Meeting (including any adjournment thereof) and the preparation and compilation of the attendance lists, minutes and other documents relating to the Annual General Meeting (including any adjournment thereof), and in order for the Company (or its agents or service providers) to comply with any applicable laws, listing rules, regulations and/or guidelines (collectively, the "Purposes"), (ii) warrants that where the member discloses the personal data of the member's proxy(ies) and/or representative(s) to the Company (or its agents or service providers), the member has obtained the prior consent of such proxy(ies) and/or representative(s) for the collection, use and disclosure by the Company (or its agents or service providers) of the personal data of such proxy(ies) and/or representative(s) for the Purposes, and (iii) agrees that the member will indemnify the Company in respect of any penalties, liabilities, claims, demands, losses and damages as a result of the member's breach of warranty.

BOOKS CLOSURE DATE AND PAYMENT DATE FOR FINAL DIVIDEND

Subject to the approval of the shareholders for the Final Dividend being obtained at the Annual General Meeting, the Register of Members and the Transfer Books of the Company will be closed from 5.00 p.m. on 3 October 2014 (Friday) up to (and including) 7 October 2014 (Tuesday) for the purpose of determining shareholders' entitlements to the proposed Final Dividend. The Register of Members and the Transfer Books will re-open on 8 October 2014 (Wednesday).


Duly completed transfers in respect of ordinary shares in the capital of the Company received by the Company's Share Registrar, Boardroom Corporate & Advisory Services Pte. Ltd., at 50 Raffles Place #32-01, Singapore Land Tower, Singapore 048623 up to 5.00 p.m. on 3 October 2014 (Friday) will be registered before entitlements to the proposed Final Dividend are determined. Shareholders whose securities accounts with The Central Depository (Pte) Limited are credited with ordinary shares in the capital of the Company as at 5.00 p.m. on 3 October 2014 (Friday) will rank for the proposed Final Dividend.

The Final Dividend, if approved by shareholders at the Annual General Meeting, will be paid on 13 October 2014 (Monday).

Singapore Exchange

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