



**Financial Results  
For the Financial Year Ended  
30 June 2017**

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

## SINGAPORE EXCHANGE

### Financial Results for the Financial Year Ended 30 June 2017

| Section | Content   | Page |
|---------|---|------|
| 1.      | Performance Summary   | 2    |
| 2.      | Income Statement - Group  | 6    |
| 3.      | Statement of Comprehensive Income - Group                       | 6    |
| 4.      | Detailed Notes on Revenue - Group                               | 7    |
| 5.      | Detailed Notes on Expenses - Group                              | 8    |
| 6.      | Earnings Per Share - Group                                      | 8    |
| 7.      | Half Yearly Income Statement - Group                            | 9    |
| 8.      | Statement of Financial Position - Group                         | 11   |
| 9.      | Net Asset Value - Group   | 12   |
| 10.     | Borrowings and Debt Securities - Group                          | 12   |
| 11.     | Statement of Cash Flows - Group                                 | 13   |
| 12.     | Statement of Changes in Equity - Group                          | 14   |
| 13.     | Segment Information - Group                                     | 16   |
| 14.     | Statement of Financial Position - Company                       | 17   |
| 15.     | Net Asset Value - Company                                       | 17   |
| 16.     | Statement of Changes in Equity - Company                        | 18   |
| 17.     | Bank Facilities, Contingent Liabilities and Commitments - Group | 20   |
| 18.     | Dividend - Company  | 20   |
| 19.     | Share Capital - Company   | 21   |
| 20.     | Accounting Policies - Group                                     | 22   |
| 21.     | Shares in BSE Limited   | 22   |
| 22.     | Taxation  | 22   |
| 23.     | Acquisition of Baltic Exchange Limited                          | 23   |
| 24.     | Subsequent Event  | 24   |
| 25.     | Other Appendix 7.2 Listing Manual Requirements                  | 24   |
| 26.     | Listing Manual Compliance Checklist                             | 25   |

*The full year financial results set out in Sections 2 to 6, 8, 10 to 14, 16 to 17, 19 to 24 of this announcement have been extracted from the audited financial statements for the full year ended 30 June 2017. The audit report dated 27 July 2017 on the financial statements of the Company and its subsidiaries for the full year ended 30 June 2017 is attached to this announcement.*

## 1. Performance Summary

### Financial Overview

- Revenue: \$801 million, down 2% from a year earlier
- Operating profit: \$402 million, down 2%
- Net profit: \$340 million, down 3%
- Earnings per share: 31.7 cents, down 3%
- Proposed final dividend of 13 cents and total dividend of 28 cents, unchanged

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

SGX recorded operating profit of \$401.8 million (\$409.1 million) and a net profit of \$339.7 million (\$349.0 million) in FY2017, with earnings per share of 31.7 cents (32.6 cents). Included in the net profit is a \$4.0 million loss from the disposal of shares of the Bombay Stock Exchange. The Board of Directors has proposed a final dividend of 13 cents (13 cents) per share, payable on 6 October 2017. Total dividend for the year of 28 cents (28 cents) per share represents an 88% (86%) pay-out of the FY2017 reported net profit.

Revenue declined \$17.3 million or 2% to \$800.8 million (\$818.1 million). Expenses declined by \$10.0 million or 2% to \$399.0 million (\$409.0 million).

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

Cash from operating activities was \$377.7 million (\$423.5 million).

Total equity was \$1,032.5 million (\$989.6 million) as of 30 June 2017.

### Business and Expenses Overview

#### **Equities & Fixed Income (EFI)**

Equities & Fixed Income revenue was comparable at \$404.5 million (\$405.8 million), and accounted for 51% (50%) of total revenue.

#### **EFI: Issuer Services**

Issuer Services revenue increased \$1.2 million or 2% to \$83.8 million (\$82.6 million), accounting for 10% (10%) of total revenue.

- Listing revenue: \$49.4 million, up 6% from \$46.7 million
- Corporate actions and other revenue: \$34.4 million, down 4% from \$35.9 million

Listing revenue increased 6% mainly due to higher number of new bond listings. There were 819 bond listings raising \$384.7 billion, compared to 349 listings raising \$172.0 billion a year earlier. There were a total of 23 new equity listings which raised \$1.3 billion, compared to 21 new listings raising \$2.1 billion a year earlier. Secondary equity funds raised were \$15.1 billion (\$10.7 billion).

#### **EFI: Securities Trading and Clearing**

Securities Trading and Clearing revenue was comparable to last year at \$205.0 million (\$205.0 million) and accounted for 26% (25%) of total revenue.

- Securities Clearing revenue: \$158.6 million, unchanged from last year
- Access revenue: \$37.2 million, down 1% from \$37.6 million
- Collateral management, membership and other revenue: \$9.2 million, up 4% from \$8.9 million

Securities daily average traded value (SDAV) increased 2% to \$1.12 billion (\$1.10 billion) and total traded value increased 2% to \$280.7 billion (\$274.1 billion). There were 251 (250) trading days in the year.

Average clearing fee was 2.82 basis points, a decrease from 2.90 basis points a year earlier due to an increase in the trading of other products such as warrants and ETFs. Turnover velocity for the year was 39% (41%).

**Table 1: Key Metrics for Securities Market**

|   | FY2017 | FY2016 | Change |
|---|--------|--------|--------|
| Securities total traded value (\$ billion)              | 281    | 274    | 2%     |
| · Mainboard   | 255    | 260    | -2%    |
| · Catalyst  | 10     | 7      | 46%    |
| · Exchange-traded funds, Structured Warrants and others | 15     | 8      | 104%   |
| Period-end total market capitalisation (\$ billion)     | 1,016  | 899    | 13%    |
| · Primary-listed  | 666    | 603    | 10%    |
| · Secondary-listed                                      | 350    | 295    | 19%    |
| Turnover velocity (primary-listed)                      | 39%    | 41%    | -5%    |
| Securities total traded volume (shares in billion)      | 515    | 389    | 33%    |

**EFI: Post Trade Services**

Post Trade Services revenue decreased \$2.5 million or 2% to \$115.7 million (\$118.2 million), accounting for 14% (14%) of total revenue.

- Securities settlement revenue: \$95.7 million, up 2% from \$93.8 million
- Contract processing revenue: \$11.6 million, down 27% from \$15.9 million
- Depository management revenue: \$8.4 million, unchanged from last year

Securities settlement revenue increased 2%, following a change in mix of securities settlement instructions.

Contract processing revenue decreased \$4.4 million or 27% to \$11.6 million (\$15.9 million) due to lower number of contracts processed. As previously highlighted, contract processing will be performed by brokers as they progressively migrate to their own back office systems. Contract processing revenue will no longer be significant once all brokers have migrated this financial year.

**Derivatives**

Derivatives revenue decreased \$22.3 million or 7% to \$303.1 million (\$325.3 million), and accounted for 38% (40%) of total revenue.

- Equity and Commodities revenue: \$220.5 million, down 9% from \$241.4 million
- Collateral management, licence, membership and other revenue: \$82.5 million, down 2% from \$83.9 million

Equity and Commodities revenue declined \$20.9 million or 9% as total volumes decreased 10% to 165.2 million contracts (183.1 million contracts). The decline in volume was mainly due to lower volumes in our FTSE China A50 Index Futures and Nikkei 225 Index Futures contracts. We gained market share in most of our key contracts in an environment of lower volumes and volatility. Average fee per contract was marginally lower at \$1.18 (\$1.19) mainly due to a change in mix of Derivatives contracts.

Collateral management, licence, membership and other revenue decreased 2%. Collateral management income declined due to lower margin balances.

**Table 2: Derivatives Volumes ('000)**

|                                  | <b>FY2017</b>  | <b>FY2016</b>  | <b>Change</b> |
|----------------------------------|----------------|----------------|---------------|
| SGX FTSE China A50 Index futures | 64,133         | 83,787         | -23%          |
| Japan Nikkei 225 Index futures   | 20,742         | 27,143         | -24%          |
| SGX Nifty 50 Index futures       | 20,499         | 21,035         | -3%           |
| MSCI Taiwan Index futures        | 19,074         | 17,263         | 10%           |
| MSCI Singapore Index futures     | 8,625          | 6,218          | 39%*          |
| MSCI Indonesia Index futures     | 268            | 301            | -11%          |
| Japan Nikkei 225 Index options   | 5,385          | 5,670          | -5%           |
| SGX Nifty 50 Index options       | 161            | 248            | -35%          |
| FX futures                       | 7,163          | 5,777          | 24%           |
| Iron Ore futures                 | 12,601         | 9,645          | 31%           |
| Rubber futures                   | 1,563          | 872            | 79%           |
| FFA futures                      | 377            | 350            | 8%            |
| Iron Ore swaps                   | 160            | 384            | -58%          |
| Iron Ore options                 | 2,838          | 2,907          | -2%           |
| Others                           | 1,631          | 1,457          | 12%           |
| <b>Total</b>                     | <b>165,221</b> | <b>183,056</b> | <b>-10%</b>   |

\*Contract size of the MSCI Singapore Index Futures was halved from November 2015. Adjusting for this, volumes increased 14% year-on-year

### **Market Data and Connectivity**

Market Data and Connectivity revenue increased \$6.2 million or 7% to \$93.2 million (\$87.0 million), accounting for 12% (11%) of total revenue.

- Market data revenue: \$39.9 million, up 4% from \$38.4 million
- Connectivity revenue: \$53.3 million, up 10% from \$48.7 million

Market data revenue increased 4%, attributed to an increase in reported data usage for trading, risk and other back office applications.

Connectivity revenue increased 10%, following continued growth of our colocation services business.

### **Expenses Overview**

Expenses of \$399.0 million (\$409.0 million) include costs relating to Baltic Exchange of \$12.6 million. Excluding this, expenses would be \$386.4 million, a decrease of 5% from a year ago. This decrease is mainly due to lower processing and royalties fees and technology expenses.

Total staff costs increased \$3.1 million or 2% to \$162.3 million (\$159.3 million). This is mainly due to the inclusion of Baltic Exchange staff costs. Fixed staff costs increased 3% to \$112.8 million (\$109.7 million), and provisions for variable staff costs was comparable at \$49.5 million (\$49.5 million). Our average headcount for the year was 794 (748), which included 32 staff of Baltic Exchange.

Technology expenses decreased \$4.0 million or 3% to \$123.8 million (\$127.8 million) mainly due to a 7% decline in depreciation cost to \$48.1 million (\$51.9 million) from fully depreciated systems, and decrease in system maintenance costs from lower negotiated vendor charges.

Processing and royalties decreased \$13.0 million or 22% to \$45.2 million (\$58.3 million), mainly due to lower Derivatives volumes.

Professional fees decreased \$0.8 million or 7% to \$10.1 million (\$10.9 million). This included \$2.7 million expenses related to the acquisition of Baltic Exchange.

Miscellaneous expenses increased \$2.5 million or 27% to \$11.4 million (\$9.0 million) mainly due to the recognition of SGX's contribution of \$1.5 million to co-fund brokerage firms' implementation of measures recommended by the Securities Industry Working Group.

Tax expense for the year was \$69.2 million (\$66.9 million). The effective tax rate was 17% (16%).

Technology-related capital expenditure was \$66.5 million (\$72.9 million). These investments were mainly for the migration to a new secondary data centre, enhancements to our securities post-trade system, and improvements in operational resiliency.

## Regulatory Overview

Key regulatory initiatives during the year included:

- Four public consultations including one on the possibility of introducing listings of companies with dual class share structures, and changes to the equities market structure including introducing a 1-hour midday break, widening the tick size in the \$1.00 to \$1.99 price range and increasing the forced order range.
- Collaboration with Member firms in the launch of the Trade Surveillance Handbook and Members' Surveillance Dashboard to detect and prevent market misconduct, foster good trading practices and maintain a fair, orderly and transparent marketplace.
- Mandating that at least 5%, or S\$50 million whichever is lower, of Mainboard IPOs be made available to retail investors to facilitate greater retail participation in Singapore's equities market.

We publicly reprimanded five companies and their directors while the Disciplinary Committee imposed sanctions on five Trading Representatives and one Individual Trading Member (TMI) for market misconduct.

To further enhance the governance of SGX as a self-regulatory organisation, SGX Regulation Pte Ltd (SGX RegCo) was established in April 2017 to undertake all regulatory functions on behalf of SGX. SGX RegCo's board will be separate from the SGX board with a majority of directors independent from SGX, and will be chaired by Professor Tan Cheng Han of NUS Law. We expect SGX RegCo to be operational by the second half of 2017.

## Commitment to Clearing Funds

SGX's commitment to the CDP and SGX-DC clearing funds was \$60 million and \$200 million respectively. The total CDP clearing fund was \$100 million and the total SGX-DC clearing fund was \$720 million as of 30 June 2017.

## Outlook

We achieved creditable results in a year of relatively low volatility in global markets. Following the US presidential election, equity markets saw higher activity with healthy participation from both retail and institutional customers.

Looking ahead, there are signs of improving market sentiments. We see greater optimism in Asia's economic growth prospects and more interest from companies looking to raise capital. We expect Asian market activities to return to the higher levels of past years. As a leading risk management hub we are well placed to meet the needs of market participants.

As we grow our business, we will focus on building a stronger multi-asset exchange across geographies and invest strategically. At the same time, we will continue to optimise our resources and align our expenses with business growth. Our FY2018 operating expenses are expected to be between \$425 and \$435 million, and technology-related capital expenditure to be between \$60 and \$65 million.

## 2. Income Statement - Group

| 4Q                |                   |             | YTD  |                   |                   |              |
|-------------------|-------------------|-------------|--|-------------------|-------------------|--------------|
| FY2017<br>S\$'000 | FY2016<br>S\$'000 | Change<br>% |  | FY2017<br>S\$'000 | FY2016<br>S\$'000 | Change<br>%  |
|                   |                   |             | <b>Operating revenue</b>                                     |                   |                   |              |
| 102,063           | 101,317           | 0.7         | <b>Equities and Fixed Income</b>                             | 404,521           | 405,763           | (0.3)        |
| 82,125            | 74,495            | 10.2        | <b>Derivatives</b>   | 303,051           | 325,304           | (6.8)        |
| 23,530            | 22,239            | 5.8         | <b>Market Data and Connectivity</b>                          | 93,242            | 87,042            | 7.1          |
| <b>207,718</b>    | <b>198,051</b>    | <b>4.9</b>  | <b>Operating revenue</b>                                     | <b>800,814</b>    | <b>818,109</b>    | <b>(2.1)</b> |
|                   |                   |             | <b>Operating expenses</b>                                    |                   |                   |              |
| 41,941            | 39,527            | 6.1         | <b>Staff</b>   | 162,340           | 159,262           | 1.9          |
| 33,517            | 34,369            | (2.5)       | <b>Technology</b>  | 123,835           | 127,846           | (3.1)        |
| 11,736            | 14,650            | (19.9)      | <b>Processing and royalties</b>                              | 45,247            | 58,280            | (22.4)       |
| 7,552             | 6,301             | 19.9        | <b>Premises</b>  | 26,571            | 24,734            | 7.4          |
| 3,511             | 3,321             | 5.7         | <b>Professional fees</b>                                     | 10,131            | 10,882            | (6.9)        |
| 10,093            | 8,242             | 22.5        | <b>Others</b>  | 30,873            | 27,965            | 10.4         |
| <b>108,350</b>    | <b>106,410</b>    | <b>1.8</b>  | <b>Operating expenses</b>                                    | <b>398,997</b>    | <b>408,969</b>    | <b>(2.4)</b> |
| 99,368            | 91,641            | 8.4         | <b>Operating profit</b>                                      | 401,817           | 409,140           | (1.8)        |
|                   |                   |             | <b>Other gains/(losses)</b>                                  |                   |                   |              |
| 2,332             | 3,583             | (34.9)      | - Other revenue including interest income                    | 9,789             | 11,550            | (15.2)       |
| 281               | 348               | (19.3)      | - Net foreign exchange (loss)/gain                           | (173)             | 159               | NM           |
| -                 | -                 | -           | - Loss on disposal of available-for-sale financial asset     | (3,961)           | -                 | NM           |
| -                 | (6,000)           | (100.0)     | - Impairment loss on available-for-sale financial asset      | -                 | (6,000)           | (100.0)      |
| <b>2,613</b>      | <b>(2,069)</b>    | <b>NM</b>   | <b>Other gains/(losses)</b>                                  | <b>5,655</b>      | <b>5,709</b>      | <b>(0.9)</b> |
| 101,981           | 89,572            | 13.9        | Profit before tax and share of results of associated company | 407,472           | 414,849           | (1.8)        |
| 294               | 320               | (8.1)       | Share of results of associated company                       | 1,412             | 1,112             | 27.0         |
| (17,045)          | (13,050)          | 30.6        | Tax  | (69,192)          | (66,944)          | 3.4          |
| <b>85,230</b>     | <b>76,842</b>     | <b>10.9</b> | <b>Net profit after tax</b>                                  | <b>339,692</b>    | <b>349,017</b>    | <b>(2.7)</b> |
|                   |                   |             | <b>Attributable to:</b>                                      |                   |                   |              |
| 85,230            | 76,842            | 10.9        | Equity holders of the Company                                | 339,692           | 349,017           | (2.7)        |

## 3. Statement of Comprehensive Income - Group

| 4Q                |                   |             | YTD   |                   |                   |              |
|-------------------|-------------------|-------------|---|-------------------|-------------------|--------------|
| FY2017<br>S\$'000 | FY2016<br>S\$'000 | Change<br>% |   | FY2017<br>S\$'000 | FY2016<br>S\$'000 | Change<br>%  |
| 85,230            | 76,842            | 10.9        | Net profit after tax  | 339,692           | 349,017           | (2.7)        |
|                   |                   |             | Other comprehensive income/(expense):   |                   |                   |              |
|                   |                   |             | Items that may be reclassified subsequently to profit or loss:                                      |                   |                   |              |
| 3,560             | (226)             | NM          | Net currency translation differences of financial statements of subsidiaries and associated company | 4,297             | (490)             | NM           |
| 929               | (1,137)           | NM          | Fair value (losses)/gains arising from cash flow hedges   | (1,083)           | 2,006             | NM           |
| <b>4,489</b>      | <b>(1,363)</b>    | <b>NM</b>   | <b>Other comprehensive income/(expense) for the period, net of tax</b>                              | <b>3,214</b>      | <b>1,516</b>      | <b>NM</b>    |
| <b>89,719</b>     | <b>75,479</b>     | <b>18.9</b> | <b>Total comprehensive income for the period</b>  | <b>342,906</b>    | <b>350,533</b>    | <b>(2.2)</b> |
|                   |                   |             | <b>Total comprehensive income attributable to:</b>  |                   |                   |              |
| 89,719            | 75,479            | 18.9        | Equity holders of the Company   | 342,906           | 350,533           | (2.2)        |

NM: Not meaningful

#### 4. Detailed Notes on Revenue - Group

| 4Q                                       |                   |             | YTD  |                   |             |        |
|--|-------------------|-------------|--|-------------------|-------------|--------|
| FY2017<br>S\$'000                        | FY2016<br>S\$'000 | Change<br>% | FY2017<br>S\$'000                                      | FY2016<br>S\$'000 | Change<br>% |        |
| <b>Operating revenue</b>                 |                   |             |  |                   |             |        |
| <b>Equities and Fixed Income</b>         |                   |             |  |                   |             |        |
| <i>- Issuer Services</i>                 |                   |             |  |                   |             |        |
| 12,618                                   | 12,065            | 4.6         | - Listing  | 49,385            | 46,668      | 5.8    |
| 10,799                                   | 11,189            | (3.5)       | - Corporate actions and other                          | 34,413            | 35,882      | (4.1)  |
| 23,417                                   | 23,254            | 0.7         |  | 83,798            | 82,550      | 1.5    |
| <i>- Securities Trading and Clearing</i> |                   |             |  |                   |             |        |
| 38,723                                   | 36,851            | 5.1         | - Securities clearing                                  | 158,626           | 158,547     | 0.0    |
| 9,331                                    | 8,937             | 4.4         | - Access   | 37,193            | 37,589      | (1.1)  |
| 2,434                                    | 1,763             | 38.1        | - Collateral management, membership and other          | 9,230             | 8,871       | 4.0    |
| 50,488                                   | 47,551            | 6.2         |  | 205,049           | 205,007     | 0.0    |
| <i>- Post Trade Services</i>             |                   |             |  |                   |             |        |
| 23,906                                   | 24,723            | (3.3)       | - Securities settlement                                | 95,684            | 93,803      | 2.0    |
| 2,246                                    | 3,656             | (38.6)      | - Contract processing                                  | 11,570            | 15,943      | (27.4) |
| 2,006                                    | 2,133             | (6.0)       | - Depository management                                | 8,420             | 8,460       | (0.5)  |
| 28,158                                   | 30,512            | (7.7)       |  | 115,674           | 118,206     | (2.1)  |
| 102,063                                  | 101,317           | 0.7         |  | 404,521           | 405,763     | (0.3)  |
| <b>Derivatives</b>                       |                   |             |  |                   |             |        |
| 58,275                                   | 56,178            | 3.7         | - Equity and Commodities                               | 220,510           | 241,421     | (8.7)  |
| 23,850                                   | 18,317            | 30.2        | - Collateral management, licence, membership and other | 82,541            | 83,883      | (1.6)  |
| 82,125                                   | 74,495            | 10.2        |  | 303,051           | 325,304     | (6.8)  |
| <b>Market Data and Connectivity</b>      |                   |             |  |                   |             |        |
| 9,828                                    | 9,852             | (0.2)       | - Market data  | 39,933            | 38,371      | 4.1    |
| 13,702                                   | 12,387            | 10.6        | - Connectivity   | 53,309            | 48,671      | 9.5    |
| 23,530                                   | 22,239            | 5.8         |  | 93,242            | 87,042      | 7.1    |
| 207,718                                  | 198,051           | 4.9         | <b>Operating revenue</b>                               | 800,814           | 818,109     | (2.1)  |



## 5. Detailed Notes on Expenses - Group

| 4Q                        |                   |             | YTD   |                   |             |        |
|---------------------------|-------------------|-------------|---|-------------------|-------------|--------|
| FY2017<br>S\$'000         | FY2016<br>S\$'000 | Change<br>% | FY2017<br>S\$'000   | FY2016<br>S\$'000 | Change<br>% |        |
| <b>Operating expenses</b> |                   |             |   |                   |             |        |
| <b>Staff</b>              |                   |             |   |                   |             |        |
| 29,068                    | 28,027            | 3.7         | - Fixed staff costs (excluding variable bonus)                                | 112,817           | 109,744     | 2.8    |
| 10,644                    | 9,683             | 9.9         | - Variable bonus (including defined contribution plans)                       | 40,870            | 41,615      | (1.8)  |
| 2,229                     | 1,817             | 22.7        | - Variable share-based payment  | 8,653             | 7,903       | 9.5    |
| 41,941                    | 39,527            | 6.1         |   | 162,340           | 159,262     | 1.9    |
| <b>Technology</b>         |                   |             |   |                   |             |        |
| 18,927                    | 20,275            | (6.6)       | - System maintenance and rental   | 70,245            | 71,782      | (2.1)  |
| 13,147                    | 12,878            | 2.1         | - Depreciation and amortisation   | 48,051            | 51,869      | (7.4)  |
| 1,443                     | 1,216             | 18.7        | - Communication charges   | 5,539             | 4,195       | 32.0   |
| 33,517                    | 34,369            | (2.5)       |   | 123,835           | 127,846     | (3.1)  |
| 11,736                    | 14,650            | (19.9)      | <b>Processing and royalties</b>   | 45,247            | 58,280      | (22.4) |
| <b>Premises</b>           |                   |             |   |                   |             |        |
| 5,399                     | 4,467             | 20.9        | - Rental and maintenance of premises  | 18,708            | 17,765      | 5.3    |
| 2,153                     | 1,834             | 17.4        | - Depreciation of furniture and fittings, building and leasehold improvements | 7,863             | 6,969       | 12.8   |
| 7,552                     | 6,301             | 19.9        |   | 26,571            | 24,734      | 7.4    |
| 3,511                     | 3,321             | 5.7         | <b>Professional fees</b>  | 10,131            | 10,882      | (6.9)  |
| <b>Others</b>             |                   |             |   |                   |             |        |
| 2,779                     | 3,175             | (12.5)      | - Marketing   | 6,405             | 8,188       | (21.8) |
| 1,743                     | 1,141             | 52.8        | - Travelling  | 3,383             | 2,950       | 14.7   |
| 350                       | (43)              | NM          | - Allowance/(reversal) for impairment of trade receivables (net)              | 1,591             | 486         | NM     |
| -                         | -                 | -           | - Net write-off of property, plant and equipment and software                 | 51                | 165         | (69.1) |
| -                         | -                 | -           | - Net gain disposal of property, plant and equipment and software             | (122)             | (43)        | NM     |
| 512                       | 538               | (4.8)       | - Directors' fee  | 2,110             | 2,203       | (4.2)  |
| 1,126                     | 1,038             | 8.5         | - Regulatory fee  | 4,266             | 4,159       | 2.6    |
| 557                       | 228               | NM          | - Amortisation of intangible assets   | 1,780             | 906         | 96.5   |
| 3,026                     | 2,165             | 39.8        | - Miscellaneous   | 11,409            | 8,951       | 27.5   |
| 10,093                    | 8,242             | 22.5        |   | 30,873            | 27,965      | 10.4   |
| 108,350                   | 106,410           | 1.8         | <b>Operating expenses</b>   | 398,997           | 408,969     | (2.4)  |

## 6. Earnings Per Share - Group

| 4Q  |           |   | YTD       |           |
|---|-----------|---|-----------|-----------|
| FY2017  | FY2016    |   | FY2017    | FY2016    |
| <b>Earnings per ordinary share for the period (cents)</b> |           |   |           |           |
| 8.0   | 7.2       | (a) Based on weighted average number of ordinary shares in issue                        | 31.7      | 32.6      |
| 7.9   | 7.2       | (b) On a fully diluted basis  | 31.6      | 32.5      |
| 1,070,103   | 1,070,288 | Weighted average number of ordinary shares in issue for basic earnings per share ('000) | 1,070,443 | 1,070,925 |
| 3,418   | 3,145     | Adjustment for assumed vesting of shares granted under share plans ('000)               | 3,202     | 2,873     |
| 1,073,521   | 1,073,433 | Weighted average number of ordinary shares for diluted earnings per share ('000)        | 1,073,645 | 1,073,798 |

## 7. Half Yearly Income Statement - Group

|  | 1H                |                   | Change<br>% |
|--|-------------------|-------------------|-------------|
|  | FY2017<br>S\$'000 | FY2016<br>S\$'000 |             |
| <b>Operating revenue</b>                                     |                   |                   |             |
| <b>Equities and Fixed Income</b>                             |                   |                   |             |
| - <b>Issuer Services</b>                                     |                   |                   |             |
| - Listing  | 24,208            | 23,203            | 4.3         |
| - Corporate actions and other                                | 17,149            | 17,424            | (1.6)       |
|  | 41,357            | 40,627            | 1.8         |
| - <b>Securities Trading and Clearing</b>                     |                   |                   |             |
| - Securities clearing  | 77,274            | 79,519            | (2.8)       |
| - Access   | 17,451            | 18,304            | (4.7)       |
| - Collateral management, membership and other                | 4,496             | 4,816             | (6.6)       |
|  | 99,221            | 102,639           | (3.3)       |
| - <b>Post Trade Services</b>                                 |                   |                   |             |
| - Securities settlement                                      | 48,048            | 46,962            | 2.3         |
| - Contract processing  | 6,459             | 8,261             | (21.8)      |
| - Depository management                                      | 4,292             | 4,005             | 7.2         |
|  | 58,799            | 59,228            | (0.7)       |
|  | 199,377           | 202,494           | (1.5)       |
| <b>Derivatives</b>   |                   |                   |             |
| - Equity and Commodities                                     | 108,246           | 123,389           | (12.3)      |
| - Collateral management, licence, membership and other       | 37,524            | 45,171            | (16.9)      |
|  | 145,770           | 168,560           | (13.5)      |
| <b>Market Data and Connectivity</b>                          |                   |                   |             |
| - Market data  | 19,290            | 19,158            | 0.7         |
| - Connectivity   | 25,994            | 24,032            | 8.2         |
|  | 45,284            | 43,190            | 4.8         |
| <b>Operating revenue</b>                                     | 390,431           | 414,244           | (5.7)       |
| <b>Net profit after tax reported for the first half year</b> | 171,402           | 183,009           | (6.3)       |

## 7. Half Yearly Income Statement - Group

|   | 2H                |                   | Change<br>% |
|---|-------------------|-------------------|-------------|
|   | FY2017<br>S\$'000 | FY2016<br>S\$'000 |             |
| <b>Operating revenue</b>                                      |                   |                   |             |
| <b>Equities and Fixed Income</b>                              |                   |                   |             |
| - <b>Issuer Services</b>                                      |                   |                   |             |
| - Listing   | 25,177            | 23,465            | 7.3         |
| - Corporate actions and other                                 | 17,264            | 18,458            | (6.5)       |
|   | 42,441            | 41,923            | 1.2         |
| - <b>Securities Trading and Clearing</b>                      |                   |                   |             |
| - Securities clearing   | 81,352            | 79,028            | 2.9         |
| - Access  | 19,742            | 19,285            | 2.4         |
| - Collateral management, membership and other                 | 4,734             | 4,055             | 16.7        |
|   | 105,828           | 102,368           | 3.4         |
| - <b>Post Trade Services</b>                                  |                   |                   |             |
| - Securities settlement                                       | 47,636            | 46,841            | 1.7         |
| - Contract processing   | 5,111             | 7,682             | (33.5)      |
| - Depository management                                       | 4,128             | 4,455             | (7.3)       |
|   | 56,875            | 58,978            | (3.6)       |
|   | 205,144           | 203,269           | 0.9         |
| <b>Derivatives</b>  |                   |                   |             |
| - Equity and Commodities                                      | 112,264           | 118,032           | (4.9)       |
| - Collateral management, licence, membership and other        | 45,017            | 38,712            | 16.3        |
|   | 157,281           | 156,744           | 0.3         |
| <b>Market Data and Connectivity</b>                           |                   |                   |             |
| - Market data   | 20,643            | 19,213            | 7.4         |
| - Connectivity  | 27,315            | 24,639            | 10.9        |
|   | 47,958            | 43,852            | 9.4         |
| <b>Operating revenue</b>                                      | 410,383           | 403,865           | 1.6         |
| <b>Net profit after tax reported for the second half year</b> | 168,290           | 166,008           | 1.4         |

## 8. Statement of Financial Position - Group

|  | As at            |                |
|--|------------------|----------------|
|  | 30 Jun 2017      | 30 Jun 2016    |
|  | S\$'000          | S\$'000        |
| <b>Assets</b>  |                  |                |
| <b>Current assets</b>  |                  |                |
| Cash and cash equivalents  | 796,392          | 866,306        |
| Trade and other receivables  | 814,701          | 929,981        |
| Derivative financial instruments   | 1,450            | 2,665          |
|  | 1,612,543        | 1,798,952      |
| <b>Non-current assets</b>  |                  |                |
| Available-for-sale financial asset                                       | -                | 44,956         |
| Investment property  | 26,193           | -              |
| Property, plant and equipment  | 80,421           | 62,030         |
| Software   | 159,477          | 154,702        |
| Intangible assets  | 63,544           | 25,556         |
| Goodwill   | 88,401           | 9,614          |
| Club memberships   | 325              | 287            |
| Investment in associated company   | 10,307           | 9,387          |
|  | 428,668          | 306,532        |
| <b>Total assets</b>  | 2,041,211        | 2,105,484      |
| <b>Liabilities</b>   |                  |                |
| <b>Current liabilities</b>   |                  |                |
| Trade and other payables   | 891,566          | 1,012,652      |
| Derivative financial instruments   | 79               | 66             |
| Taxation   | 71,398           | 75,262         |
| Provisions   | 10,353           | 9,775          |
|  | 973,396          | 1,097,755      |
| <b>Non-current liabilities</b>   |                  |                |
| Trade and other payables   | 18               | 312            |
| Deferred tax liabilities   | 35,264           | 17,836         |
|  | 35,282           | 18,148         |
| <b>Total liabilities</b>   | 1,008,678        | 1,115,903      |
| <b>Net assets</b>  | <b>1,032,533</b> | <b>989,581</b> |
| <b>Equity</b>  |                  |                |
| <b>Capital and reserves attributable to the Company's equity holders</b> |                  |                |
| Share capital  | 428,031          | 426,445        |
| Treasury shares  | (12,561)         | (12,855)       |
| Cash flow hedge reserve  | 1,069            | 2,152          |
| Currency translation reserve   | 2,972            | (1,325)        |
| Securities clearing fund reserve   | 25,000           | 25,000         |
| Derivatives clearing fund reserve  | 34,021           | 34,021         |
| Share-based payment reserve  | 15,448           | 17,430         |
| Retained profits   | 399,460          | 359,631        |
| Proposed dividends   | 139,093          | 139,082        |
| <b>Total equity</b>  | <b>1,032,533</b> | <b>989,581</b> |

## 9. Net Asset Value - Group

|   | As at       |             |
|---|-------------|-------------|
|   | 30 Jun 2017 | 30 Jun 2016 |
|   | Cents       | Cents       |
| Net asset value per ordinary share based on total number of issued shares excluding treasury shares as at the end of the reporting period | 96.5        | 92.5        |

## 10. Borrowings and Debt Securities - Group

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

|  | As at 30 Jun 2017 |           | As at 30 Jun 2016 |           |
|--|-------------------|-----------|-------------------|-----------|
|  | Secured           | Unsecured | Secured           | Unsecured |
|  | S\$'000           | S\$'000   | S\$'000           | S\$'000   |
| Amount repayable in one year or less, or on demand | Nil               | Nil       | Nil               | Nil       |
| Amount repayable after one year                    | Nil               | Nil       | Nil               | Nil       |

### (b) Details of any collaterals

None.

## 11. Statement of Cash Flows - Group

| 4Q  |           |   | YTD       |           |
|---|-----------|---|-----------|-----------|
| FY2017  | FY2016    |   | FY2017    | FY2016    |
| S\$'000   | S\$'000   |   | S\$'000   | S\$'000   |
| <b>Cash flows from operating activities</b>           |           |   |           |           |
| 101,981   | 89,572    | Profit before tax and share of results of associated company  | 407,472   | 414,849   |
| Adjustments for:                                      |           |   |           |           |
| 15,857  | 14,938    | Depreciation and amortisation   | 57,694    | 59,855    |
| 2,229   | 1,817     | Variable share-based payment  | 8,653     | 7,903     |
| -   | -         | Loss on disposal of available-for-sale financial asset  | 3,961     | -         |
| -   | 6,000     | Impairment loss on available-for-sale financial asset   | -         | 6,000     |
| -   | -         | Net write-off of property, plant and equipment and software   | 51        | 165       |
| -   | -         | Net gain on disposal of property, plant and equipment and software                                      | (122)     | (43)      |
| -   | -         | Grant income for property, plant and equipment and software   | (201)     | -         |
| (2,330)   | (2,389)   | Interest income   | (9,387)   | (9,445)   |
| -   | (406)     | Dividend income from other investments  | -         | (1,327)   |
| 117,737   | 109,532   | <b>Operating cash flow before working capital change</b>  | 468,121   | 477,957   |
| Change in working capital                             |           |   |           |           |
| (1,979)   | (1,631)   | Cash committed for National Electricity Market of Singapore   | (7,846)   | (922)     |
| 202,734   | (179,909) | Trade and other receivables   | 121,413   | (275,586) |
| (191,224)   | 184,143   | Trade and other payables  | (136,849) | 292,302   |
| 127,268   | 112,135   | Cash generated from operations  | 444,839   | 493,751   |
| (332)   | 2,446     | Income tax (paid)/refunded  | (67,090)  | (70,281)  |
| 126,936   | 114,581   | <b>Net cash provided by operating activities</b>  | 377,749   | 423,470   |
| <b>Cash flows from investing activities</b>           |           |   |           |           |
| -   | -         | Proceeds from disposal of available-for-sale financial assets   | 40,995    | -         |
| 2,207   | 2,318     | Interest received   | 7,677     | 8,651     |
| -   | -         | Grant received for property, plant and equipment and software   | 373       | -         |
| -   | -         | Proceeds from disposal of property, plant and equipment and software                                    | 172       | -         |
| (38)  | -         | Purchase of club memberships  | (38)      | -         |
| (18,042)  | (17,678)  | Purchases of property, plant and equipment and software   | (60,126)  | (73,847)  |
| -   | -         | Dividend payment to the former shareholders of a subsidiary   | (16,535)  | -         |
| -   | -         | Acquisition of a subsidiary, net of cash acquired   | (120,096) | -         |
| -   | 406       | Dividend received from other investments  | -         | 1,327     |
| -   | 672       | Dividend received from associated company   | -         | 672       |
| (15,873)  | (14,282)  | <b>Net cash used in investing activities</b>  | (147,578) | (63,197)  |
| <b>Cash flows from financing activities</b>           |           |   |           |           |
| (53,515)  | (53,537)  | Dividends paid  | (299,852) | (332,154) |
| (2,671)   | (6,604)   | Purchase of treasury shares   | (8,638)   | (12,637)  |
| (56,186)  | (60,141)  | <b>Net cash used in financing activities</b>  | (308,490) | (344,791) |
| 54,877  | 40,158    | <b>Net increase/(decrease) in cash and cash equivalents held</b>  | (78,319)  | 15,482    |
| 465,356   | 557,925   | Cash and cash equivalents at the beginning of the period  | 598,083   | 632,601   |
| 90  | -         | Effects of currency translation on cash and cash equivalents  | 559       | -         |
| -   | -         | Increase in cash committed for SGX-DC Clearing Fund   | -         | (50,000)  |
| 520,323   | 598,083   | <b>Cash and cash equivalents at the end of the period</b>   | 520,323   | 598,083   |
| <b>Reconciliation of cash and cash equivalents</b>    |           |   |           |           |
| 4Q  |           |   | YTD       |           |
| FY2017  | FY2016    |   | FY2017    | FY2016    |
| S\$'000   | S\$'000   |   | S\$'000   | S\$'000   |
| 520,323   | 598,083   | For the purposes of the Statement of Cash Flows, the cash and cash equivalents comprised the following: | 520,323   | 598,083   |
| Cash and cash equivalents per Statement of Cash Flows |           |   |           |           |
| Add : Cash committed for                              |           |   |           |           |
| 200,021   | 200,021   | - Singapore Exchange Derivatives Clearing Limited - Derivatives Clearing Fund                           | 200,021   | 200,021   |
| 60,000  | 60,000    | - The Central Depository (Pte) Limited - Securities Clearing Fund                                       | 60,000    | 60,000    |
| 16,048  | 8,202     | - National Electricity Market of Singapore  | 16,048    | 8,202     |
| 796,392   | 866,306   | Cash and cash equivalents per Statement of Financial Position - Group                                   | 796,392   | 866,306   |

## 12. Statement of Changes in Equity - Group

|   | Attributable to equity holders of the Company |                 |                           |                                |                                    |                                     |                               |                  |                    |           |
|---|---|-----------------|---------------------------|--------------------------------|------------------------------------|-------------------------------------|-------------------------------|------------------|--------------------|-----------|
|   | Share capital                                 | Treasury shares | Cash flow hedge reserve * | Currency translation reserve * | Securities clearing fund reserve * | Derivatives clearing fund reserve * | Share-based payment reserve * | Retained profits | Proposed dividends | Total     |
|   | S\$'000                                       | S\$'000         | S\$'000                   | S\$'000                        | S\$'000                            | S\$'000                             | S\$'000                       | S\$'000          | \$'000             | S\$'000   |
| <b>(i) Group - 4Q FY2017</b>                      |   |                 |                           |                                |                                    |                                     |                               |                  |                    |           |
| <b>Balance at 1 April 2017</b>                    | 428,031                                       | (9,891)         | 140                       | (588)                          | 25,000                             | 34,021                              | 13,219                        | 453,323          | -                  | 943,255   |
| <b>Changes in equity for the period</b>           |   |                 |                           |                                |                                    |                                     |                               |                  |                    |           |
| Proposed Dividends                                | -   | -               | -                         | -                              | -                                  | -                                   | -                             | (139,093)        | 139,093            | -         |
| - FY2017 - Final base and variable dividends      | -   | -               | -                         | -                              | -                                  | -                                   | -                             | -                | -                  | -         |
| Employee share plans - Value of employee services | -   | -               | -                         | -                              | -                                  | -                                   | 2,229                         | -                | -                  | 2,229     |
| Purchase of treasury shares                       | -   | (2,671)         | -                         | -                              | -                                  | -                                   | -                             | -                | -                  | (2,671)   |
| Tax effect on treasury shares ^^                  | -   | 1               | -                         | -                              | -                                  | -                                   | -                             | -                | -                  | 1         |
|   | -   | (2,670)         | -                         | -                              | -                                  | -                                   | 2,229                         | (139,093)        | 139,093            | (441)     |
| Total comprehensive income for the period         | -   | -               | 929                       | 3,560                          | -                                  | -                                   | -                             | 85,230           | -                  | 89,719    |
| <b>Balance at 30 June 2017</b>                    | 428,031                                       | (12,561)        | 1,069                     | 2,972                          | 25,000                             | 34,021                              | 15,448                        | 399,460          | 139,093            | 1,032,533 |
| <b>(ii) Group - 4Q FY2016</b>                     |   |                 |                           |                                |                                    |                                     |                               |                  |                    |           |
| <b>Balance at 1 April 2016</b>                    | 426,445                                       | (6,280)         | 3,289                     | (1,099)                        | 25,000                             | 34,021                              | 15,613                        | 421,871          | -                  | 918,860   |
| <b>Changes in equity for the period</b>           |   |                 |                           |                                |                                    |                                     |                               |                  |                    |           |
| Proposed Dividends                                | -   | -               | -                         | -                              | -                                  | -                                   | -                             | (139,082)        | 139,082            | -         |
| - FY2016 - Final base and variable dividends      | -   | -               | -                         | -                              | -                                  | -                                   | -                             | -                | -                  | -         |
| Employee share plans - Value of employee services | -   | -               | -                         | -                              | -                                  | -                                   | 1,817                         | -                | -                  | 1,817     |
| Purchase of treasury shares                       | -   | (6,604)         | -                         | -                              | -                                  | -                                   | -                             | -                | -                  | (6,604)   |
| Tax effect on treasury shares ^^                  | -   | 29              | -                         | -                              | -                                  | -                                   | -                             | -                | -                  | 29        |
|   | -   | (6,575)         | -                         | -                              | -                                  | -                                   | 1,817                         | (139,082)        | 139,082            | (4,758)   |
| Total comprehensive income for the period         | -   | -               | (1,137)                   | (226)                          | -                                  | -                                   | -                             | 76,842           | -                  | 75,479    |
| <b>Balance at 30 June 2016</b>                    | 426,445                                       | (12,855)        | 2,152                     | (1,325)                        | 25,000                             | 34,021                              | 17,430                        | 359,631          | 139,082            | 989,581   |

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

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

## 12. Statement of Changes in Equity - Group

|   | Attributable to equity holders of the Company |                 |                           |                                |                                    |                                     |                               |                  |                    |           |
|---|---|-----------------|---------------------------|--------------------------------|------------------------------------|-------------------------------------|-------------------------------|------------------|--------------------|-----------|
|   | Share capital                                 | Treasury shares | Cash flow hedge reserve * | Currency translation reserve * | Securities clearing fund reserve * | Derivatives clearing fund reserve * | Share-based payment reserve * | Retained profits | Proposed dividends | Total     |
|   | S\$'000                                       | S\$'000         | S\$'000                   | S\$'000                        | S\$'000                            | S\$'000                             | S\$'000                       | S\$'000          | S\$'000            | S\$'000   |
| <b>(iii) Group - FY2017</b>                                     |   |                 |                           |                                |                                    |                                     |                               |                  |                    |           |
| <b>Balance at 1 July 2016</b>                                   | 426,445                                       | (12,855)        | 2,152                     | (1,325)                        | 25,000                             | 34,021                              | 17,430                        | 359,631          | 139,082            | 989,581   |
| <b>Changes in equity for the year</b>                           |   |                 |                           |                                |                                    |                                     |                               |                  |                    |           |
| Dividends paid  |   |                 |                           |                                |                                    |                                     |                               |                  |                    |           |
| - FY2016 - Final base and variable dividends                    | -   | -               | -                         | -                              | -                                  | -                                   | -                             | -                | (139,082)          | (139,082) |
| - FY2016 - Under provision of final base and variable dividends | -   | -               | -                         | -                              | -                                  | -                                   | -                             | (164)            | -                  | (164)     |
| - FY2017 - Interim base dividends                               | -   | -               | -                         | -                              | -                                  | -                                   | -                             | (160,606)        | -                  | (160,606) |
| Proposed dividends  |   |                 |                           |                                |                                    |                                     |                               |                  |                    |           |
| - FY2017 - Final base and variable dividends                    | -   | -               | -                         | -                              | -                                  | -                                   | -                             | (139,093)        | 139,093            | -         |
| Employee share plans - Value of employee services               | -   | -               | -                         | -                              | -                                  | -                                   | 8,653                         | -                | -                  | 8,653     |
| Vesting of shares under share-based remuneration plans          | 1,586   | 9,049           | -                         | -                              | -                                  | -                                   | (10,635)                      | -                | -                  | -         |
| Purchase of treasury shares                                     | -   | (8,638)         | -                         | -                              | -                                  | -                                   | -                             | -                | -                  | (8,638)   |
| Tax effect on treasury shares ^                                 | -   | (117)           | -                         | -                              | -                                  | -                                   | -                             | -                | -                  | (117)     |
|   | 1,586   | 294             | -                         | -                              | -                                  | -                                   | (1,982)                       | (299,863)        | 11                 | (299,954) |
| Total comprehensive income for the year                         | -   | -               | (1,083)                   | 4,297                          | -                                  | -                                   | -                             | 339,692          | -                  | 342,906   |
| <b>Balance at 30 June 2017</b>                                  | 428,031                                       | (12,561)        | 1,069                     | 2,972                          | 25,000                             | 34,021                              | 15,448                        | 399,460          | 139,093            | 1,032,533 |
| <b>(iv) Group - FY2016</b>                                      |   |                 |                           |                                |                                    |                                     |                               |                  |                    |           |
| <b>Balance at 1 July 2015</b>                                   | 428,568                                       | (12,049)        | 146                       | (835)                          | 25,000                             | 34,021                              | 19,695                        | 310,625          | 171,225            | 976,396   |
| <b>Changes in equity for the year</b>                           |   |                 |                           |                                |                                    |                                     |                               |                  |                    |           |
| Dividends paid  |   |                 |                           |                                |                                    |                                     |                               |                  |                    |           |
| - FY2015 - Final base and variable dividends                    | -   | -               | -                         | -                              | -                                  | -                                   | -                             | -                | (171,225)          | (171,225) |
| - FY2015 - Under provision of final base and variable dividends | -   | -               | -                         | -                              | -                                  | -                                   | -                             | (232)            | -                  | (232)     |
| - FY2016 - Interim base dividends                               | -   | -               | -                         | -                              | -                                  | -                                   | -                             | (160,697)        | -                  | (160,697) |
| Proposed dividends  |   |                 |                           |                                |                                    |                                     |                               |                  |                    |           |
| - FY2016 - Final base and variable dividends                    | -   | -               | -                         | -                              | -                                  | -                                   | -                             | (139,082)        | 139,082            | -         |
| Employee share plans - Value of employee services               | -   | -               | -                         | -                              | -                                  | -                                   | 7,903                         | -                | -                  | 7,903     |
| Vesting of shares under share-based remuneration plans          | (2,123)                                       | 12,291          | -                         | -                              | -                                  | -                                   | (10,168)                      | -                | -                  | -         |
| Purchase of treasury shares                                     | -   | (12,637)        | -                         | -                              | -                                  | -                                   | -                             | -                | -                  | (12,637)  |
| Tax effect on treasury shares ^                                 | -   | (460)           | -                         | -                              | -                                  | -                                   | -                             | -                | -                  | (460)     |
|   | (2,123)                                       | (806)           | -                         | -                              | -                                  | -                                   | (2,265)                       | (300,011)        | (32,143)           | (337,348) |
| Total comprehensive income for the year                         | -   | -               | 2,006                     | (490)                          | -                                  | -                                   | -                             | 349,017          | -                  | 350,533   |
| <b>Balance at 30 June 2016</b>                                  | 426,445                                       | (12,855)        | 2,152                     | (1,325)                        | 25,000                             | 34,021                              | 17,430                        | 359,631          | 139,082            | 989,581   |

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

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



13. Segment Information - Group

(i) Group - 4Q FY2017 and 4Q FY2016

| 4Q FY2017                       |                     |                                    |                     |               | 4Q FY2016                                    |                                 |                     |                                    |                     |               |
|---------------------------------|---------------------|------------------------------------|---------------------|---------------|--|---------------------------------|---------------------|------------------------------------|---------------------|---------------|
| Equities & Fixed Income S\$'000 | Derivatives S\$'000 | Market Data & Connectivity S\$'000 | Corporate * S\$'000 | Group S\$'000 |  | Equities & Fixed Income S\$'000 | Derivatives S\$'000 | Market Data & Connectivity S\$'000 | Corporate * S\$'000 | Group S\$'000 |
| 102,063                         | 82,125              | 23,530                             | -                   | 207,718       | <b>Operating revenue</b>                     | 101,317                         | 74,495              | 22,239                             | -                   | 198,051       |
| 54,945                          | 31,748              | 12,675                             | -                   | 99,368        | Operating profit                             | 52,118                          | 27,994              | 11,529                             | -                   | 91,641        |
| -                               | -                   | -                                  | 2,613               | 2,613         | Other gains/(losses)                         | -                               | -                   | -                                  | (2,069)             | (2,069)       |
| -                               | -                   | -                                  | 294                 | 294           | Share of results of associated company       | -                               | -                   | -                                  | 320                 | 320           |
| -                               | -                   | -                                  | (17,045)            | (17,045)      | Tax  | -                               | -                   | -                                  | (13,050)            | (13,050)      |
|                                 |                     |                                    |                     | 85,230        | <b>Net profit after tax</b>                  |                                 |                     |                                    |                     | 76,842        |
| 737,147                         | 457,323             | 39,717                             | 807,024             | 2,041,211     | <b>Segment assets</b>                        | 911,405                         | 235,164             | 37,979                             | 920,936             | 2,105,484     |
|                                 |                     |                                    |                     |               | <b>Segment assets include:</b>               |                                 |                     |                                    |                     |               |
| -                               | -                   | -                                  | 10,307              | 10,307        | Investment in associated company             | -                               | -                   | -                                  | 9,387               | 9,387         |
|                                 |                     |                                    |                     |               | Additions to:                                |                                 |                     |                                    |                     |               |
| 18,841                          | 7,796               | 3,146                              | -                   | 29,783        | - Property, plant and equipment and software | 8,108                           | 13,726              | 3,063                              | -                   | 24,897        |
| 662,044                         | 222,353             | 10,426                             | 113,855             | 1,008,678     | <b>Segment liabilities</b>                   | 842,465                         | 163,675             | 9,988                              | 99,775              | 1,115,903     |
|                                 |                     |                                    |                     |               | <b>Other information</b>                     |                                 |                     |                                    |                     |               |
| 7,162                           | 7,481               | 1,214                              | -                   | 15,857        | Depreciation and amortisation                | 9,175                           | 4,401               | 1,362                              | -                   | 14,938        |

(ii) Group - FY2017 and FY2016

| FY2017                          |                     |                                    |                     |               | FY2016                                       |                                 |                     |                                    |                     |               |
|---------------------------------|---------------------|------------------------------------|---------------------|---------------|--|---------------------------------|---------------------|------------------------------------|---------------------|---------------|
| Equities & Fixed Income S\$'000 | Derivatives S\$'000 | Market Data & Connectivity S\$'000 | Corporate * S\$'000 | Group S\$'000 |  | Equities & Fixed Income S\$'000 | Derivatives S\$'000 | Market Data & Connectivity S\$'000 | Corporate * S\$'000 | Group S\$'000 |
| 404,521                         | 303,051             | 93,242                             | -                   | 800,814       | <b>Operating revenue</b>                     | 405,763                         | 325,304             | 87,042                             | -                   | 818,109       |
| 226,575                         | 120,324             | 54,918                             | -                   | 401,817       | Operating profit                             | 225,633                         | 138,224             | 45,283                             | -                   | 409,140       |
| -                               | -                   | -                                  | 5,655               | 5,655         | Other gains/(losses)                         | -                               | -                   | -                                  | 5,709               | 5,709         |
| -                               | -                   | -                                  | 1,412               | 1,412         | Share of results of associated company       | -                               | -                   | -                                  | 1,112               | 1,112         |
| -                               | -                   | -                                  | (69,192)            | (69,192)      | Tax  | -                               | -                   | -                                  | (66,944)            | (66,944)      |
|                                 |                     |                                    |                     | 339,692       | <b>Net profit after tax</b>                  |                                 |                     |                                    |                     | 349,017       |
| 737,147                         | 457,323             | 39,717                             | 807,024             | 2,041,211     | <b>Segment assets</b>                        | 911,405                         | 235,164             | 37,979                             | 920,936             | 2,105,484     |
|                                 |                     |                                    |                     |               | <b>Segment assets include:</b>               |                                 |                     |                                    |                     |               |
| -                               | -                   | -                                  | 10,307              | 10,307        | Investment in associated company             | -                               | -                   | -                                  | 9,387               | 9,387         |
|                                 |                     |                                    |                     |               | Additions to:                                |                                 |                     |                                    |                     |               |
| 39,736                          | 32,195              | 6,783                              | -                   | 78,714        | - Property, plant and equipment and software | 23,269                          | 46,574              | 5,288                              | -                   | 75,131        |
| -                               | 25,450              | -                                  | -                   | 25,450        | - Investment property                        | -                               | -                   | -                                  | -                   | -             |
| -                               | 38,399              | -                                  | -                   | 38,399        | - Intangible asset                           | -                               | -                   | -                                  | -                   | -             |
| -                               | 76,224              | -                                  | -                   | 76,224        | - Goodwill                                   | -                               | -                   | -                                  | -                   | -             |
| 662,044                         | 222,353             | 10,426                             | 113,855             | 1,008,678     | <b>Segment liabilities</b>                   | 842,465                         | 163,675             | 9,988                              | 99,775              | 1,115,903     |
|                                 |                     |                                    |                     |               | <b>Other information</b>                     |                                 |                     |                                    |                     |               |
| 27,512                          | 25,675              | 4,507                              | -                   | 57,694        | Depreciation and amortisation                | 32,124                          | 21,864              | 5,867                              | -                   | 59,855        |

\* The corporate segment is a non-operating segment

## 14 Statement of Financial Position - Company

|  | As at          |                |
|--|----------------|----------------|
|  | 30 Jun 2017    | 30 Jun 2016    |
|  | S\$'000        | S\$'000        |
| <b>Assets</b>  |                |                |
| <b>Current assets</b>  |                |                |
| Cash and cash equivalents  | 393,754        | 440,725        |
| Trade and other receivables  | 20,997         | 16,587         |
|  | 414,751        | 457,312        |
| <b>Non-current assets</b>  |                |                |
| Available-for-sale financial asset                                       | -              | 44,956         |
| Property, plant and equipment  | 52,962         | 46,765         |
| Software   | 37,482         | 32,049         |
| Club memberships   | 325            | 287            |
| Investments in subsidiaries  | 723,690        | 614,490        |
| Investment in associated company   | 4,389          | 4,389          |
| Other receivables  | 6,215          | -              |
|  | 825,063        | 742,936        |
| <b>Total assets</b>  | 1,239,814      | 1,200,248      |
| <b>Liabilities</b>   |                |                |
| <b>Current liabilities</b>   |                |                |
| Trade and other payables   | 321,724        | 370,892        |
| Taxation   | 3,733          | 5,174          |
| Provisions   | 7,193          | 6,677          |
|  | 332,650        | 382,743        |
| <b>Non-current liabilities</b>   |                |                |
| Deferred tax liabilities   | 6,355          | 3,928          |
|  | 6,355          | 3,928          |
| <b>Total liabilities</b>   | 339,005        | 386,671        |
| <b>Net assets</b>  | <b>900,809</b> | <b>813,577</b> |
| <b>Equity</b>  |                |                |
| <b>Capital and reserves attributable to the Company's equity holders</b> |                |                |
| Share capital  | 428,031        | 426,445        |
| Treasury shares  | (12,561)       | (12,855)       |
| Share-based payment reserve  | 15,448         | 17,430         |
| Retained profits   | 330,798        | 243,475        |
| Proposed dividends   | 139,093        | 139,082        |
| <b>Total equity</b>  | <b>900,809</b> | <b>813,577</b> |

## 15. Net Asset Value - Company

|   | As at       |             |
|---|-------------|-------------|
|   | 30 Jun 2017 | 30 Jun 2016 |
|   | Cents       | Cents       |
| Net asset value per ordinary share based on total number of issued shares excluding treasury shares as at the end of the reporting period | 84.2        | 76.0        |

16. Statement of Changes in Equity - Company

|   | Attributable to equity holders of the Company |                 |                               |                  |                    | Total<br>S\$'000 |
|---|---|-----------------|-------------------------------|------------------|--------------------|------------------|
|   | Share capital                                 | Treasury shares | Share-based payment reserve * | Retained profits | Proposed dividends |                  |
|   | S\$'000                                       | S\$'000         | S\$'000                       | S\$'000          | \$'000             |                  |
| <b>(i) Company - 4Q FY2017</b>                    |   |                 |                               |                  |                    |                  |
| <b>Balance at 1 April 2017</b>                    | 428,031                                       | (9,891)         | 13,219                        | 428,453          | -                  | 859,812          |
| <b>Changes in equity for the period</b>           |   |                 |                               |                  |                    |                  |
| Proposed dividends                                |   |                 |                               |                  |                    |                  |
| - FY2017 - Final base and variable dividends      | -   | -               | -                             | (139,093)        | 139,093            | -                |
| Employee share plans - Value of employee services | -   | -               | 2,229                         | -                | -                  | 2,229            |
| Purchase of treasury shares                       | -   | (2,671)         | -                             | -                | -                  | (2,671)          |
| Tax effect on treasury shares ^^                  | -   | 1               | -                             | -                | -                  | 1                |
|   | -   | (2,670)         | 2,229                         | (139,093)        | 139,093            | (441)            |
| Total comprehensive income for the period         | -   | -               | -                             | 41,438           | -                  | 41,438           |
| <b>Balance at 30 June 2017</b>                    | 428,031                                       | (12,561)        | 15,448                        | 330,798          | 139,093            | 900,809          |
| <b>(ii) Company - 4Q FY2016</b>                   |   |                 |                               |                  |                    |                  |
| <b>Balance at 1 April 2016</b>                    | 426,445                                       | (6,280)         | 15,613                        | 326,980          | -                  | 762,758          |
| <b>Changes in equity for the period</b>           |   |                 |                               |                  |                    |                  |
| Proposed dividends                                |   |                 |                               |                  |                    |                  |
| - FY2016 - Final base and variable dividends      | -   | -               | -                             | (139,082)        | 139,082            | -                |
| Employee share plans - Value of employee services | -   | -               | 1,817                         | -                | -                  | 1,817            |
| Purchase of treasury shares                       | -   | (6,604)         | -                             | -                | -                  | (6,604)          |
| Tax effect on treasury shares ^^                  | -   | 29              | -                             | -                | -                  | 29               |
|   | -   | (6,575)         | 1,817                         | (139,082)        | 139,082            | (4,758)          |
| Total comprehensive income for the period         | -   | -               | -                             | 55,577           | -                  | 55,577           |
| <b>Balance at 30 June 2016</b>                    | 426,445                                       | (12,855)        | 17,430                        | 243,475          | 139,082            | 813,577          |

\* This reserve is not available for distribution as dividends to the equity holders of the Company.

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

## 16. Statement of Changes in Equity - Company

|   | Attributable to equity holders of the Company |                 |                           |                               |                  |                    | Total<br>S\$'000 |
|---|---|-----------------|---------------------------|-------------------------------|------------------|--------------------|------------------|
|   | Share capital                                 | Treasury shares | Cash flow hedge reserve * | Share-based payment reserve * | Retained profits | Proposed dividends |                  |
|   | S\$'000                                       | S\$'000         | S\$'000                   | S\$'000                       | S\$'000          | S\$'000            |                  |
| <b>(iii) Company - FY2017</b>                                   |   |                 |                           |                               |                  |                    |                  |
| <b>Balance at 1 July 2016</b>                                   | 426,445                                       | (12,855)        | -                         | 17,430                        | 243,475          | 139,082            | 813,577          |
| <b>Changes in equity for the year</b>                           |   |                 |                           |                               |                  |                    |                  |
| Dividends paid  |   |                 |                           |                               |                  |                    |                  |
| - FY2016 - Final base and variable dividends                    | -   | -               | -                         | -                             | -                | (139,082)          | (139,082)        |
| - FY2016 - Under provision of final base and variable dividends | -   | -               | -                         | -                             | (164)            | -                  | (164)            |
| - FY2017 - Interim base dividends                               | -   | -               | -                         | -                             | (160,606)        | -                  | (160,606)        |
| Proposed dividends  |   |                 |                           |                               |                  |                    |                  |
| - FY2017 - Final base and variable dividends                    | -   | -               | -                         | -                             | (139,093)        | 139,093            | -                |
| Employee share plans - Value of employee services               | -   | -               | -                         | 8,653                         | -                | -                  | 8,653            |
| Vesting of shares under share-based remuneration plans          | 1,586   | 9,049           | -                         | (10,635)                      | -                | -                  | -                |
| Purchase of treasury shares                                     | -   | (8,638)         | -                         | -                             | -                | -                  | (8,638)          |
| Tax effect on treasury shares <sup>^^</sup>                     | -   | (117)           | -                         | -                             | -                | -                  | (117)            |
|   | 1,586   | 294             | -                         | (1,982)                       | (299,863)        | 11                 | (299,954)        |
| Total comprehensive income for the year                         | -   | -               | -                         | -                             | 387,186          | -                  | 387,186          |
| <b>Balance at 30 June 2017</b>                                  | 428,031                                       | (12,561)        | -                         | 15,448                        | 330,798          | 139,093            | 900,809          |
| <b>(iv) Company - FY2016</b>                                    |   |                 |                           |                               |                  |                    |                  |
| <b>Balance at 1 July 2015</b>                                   | 428,568                                       | (12,049)        | 71                        | 19,695                        | 83,073           | 171,225            | 690,583          |
| <b>Changes in equity for the year</b>                           |   |                 |                           |                               |                  |                    |                  |
| Dividends paid  |   |                 |                           |                               |                  |                    |                  |
| - FY2015 - Final base and variable dividends                    | -   | -               | -                         | -                             | -                | (171,225)          | (171,225)        |
| - FY2015 - Under provision of final base and variable dividends | -   | -               | -                         | -                             | (232)            | -                  | (232)            |
| - FY2016 - Interim base dividends                               | -   | -               | -                         | -                             | (160,697)        | -                  | (160,697)        |
| Proposed dividends  |   |                 |                           |                               |                  |                    |                  |
| - FY2016 - Final base and variable dividends                    | -   | -               | -                         | -                             | (139,082)        | 139,082            | -                |
| Employee share plan - Value of employee services                | -   | -               | -                         | 7,903                         | -                | -                  | 7,903            |
| Vesting of shares under share-based remuneration plans          | (2,123)                                       | 12,291          | -                         | (10,168)                      | -                | -                  | -                |
| Purchase of treasury shares                                     | -   | (12,637)        | -                         | -                             | -                | -                  | (12,637)         |
| Tax effect on treasury shares <sup>^^</sup>                     | -   | (460)           | -                         | -                             | -                | -                  | (460)            |
|   | (2,123)                                       | (806)           | -                         | (2,265)                       | (300,011)        | (32,143)           | (337,348)        |
| Total comprehensive income for the year                         | -   | -               | (71)                      | -                             | 460,413          | -                  | 460,342          |
| <b>Balance at 30 June 2016</b>                                  | 426,445                                       | (12,855)        | -                         | 17,430                        | 243,475          | 139,082            | 813,577          |

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

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

## 17. Bank Facilities, Contingent Liabilities and Commitments - Group

### Bank Facilities

- As at 30 June 2017, the Group had \$367 million (30 June 2016: \$567 million) of bank credit facilities comprising committed unsecured credit lines for prudent risk management and to maintain adequate liquid resources.

### Contingent Liabilities and Other Commitments

- As at 30 June 2017, the Group had contingent liabilities to banks for US\$174 million (30 June 2016: US\$314 million) of unsecured standby letters of credit issued to Chicago Mercantile Exchange as margin and performance bond for futures trading.
- The Group has committed cash of \$276 million (30 June 2016: \$268 million) for the following:
  - Singapore Exchange Derivatives Clearing Limited - Derivatives Clearing Fund \$200 million (30 June 2016 \$200 million);
  - The Central Depository (Pte) Limited - Securities Clearing Fund \$60 million (30 June 2016: \$60 million); and
  - National Electricity Market of Singapore \$16 million (30 June 2016: \$8 million)

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

## 18. Dividend - Company

### Interim Base Dividends

| Name of Dividend    | FY2017                       |                              |                              | FY2016                       |                              |                              |
|---------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|
|                     | Interim Base - tax-exempt    | Interim Base - tax-exempt    | Interim Base -tax-exempt     | Interim Base - tax-exempt    | Interim Base - tax-exempt    | Interim Base -tax-exempt     |
| Dividend Type       | Cash                         | Cash                         | Cash                         | Cash                         | Cash                         | Cash                         |
| Dividend Rate -Base | 5.0 cents per ordinary share | 5.0 cents per ordinary share | 5.0 cents per ordinary share | 5.0 cents per ordinary share | 5.0 cents per ordinary share | 5.0 cents per ordinary share |
| Books Closure Date  | 28 April 2017, 5pm           | 27 January 2017, 5pm         | 27 October 2016, 5pm         | 28 April 2016, 5pm           | 28 January 2016, 5pm         | 29 October 2015, 5pm         |
| Date Paid           | 8 May 2017 2016              | 6 February 2017              | 3 November 2016              | 6 May 2016                   | 4 February 2016              | 5 November 2015              |

### Proposed Final Dividends

| Name of Dividend     | FY2017                       |  | FY2016                       |  |
|----------------------|------------------------------|--|------------------------------|--|
|                      | Final - tax-exempt           |  | Final - tax-exempt           |  |
| Dividend Type        | Cash                         |  | Cash                         |  |
| Dividend Rate - Base | 5.0 cents per ordinary share |  | 5.0 cents per ordinary share |  |
| - Variable           | 8.0 cents per ordinary share |  | 8.0 cents per ordinary share |  |
| Books Closure Date   | 29 September 2017, 5pm       |  | 30 September 2016, 5pm       |  |
| Date Payable/Paid    | 6 October 2017               |  | 7 October 2016               |  |

### Total Dividends

Total dividends on ordinary shares for the year ended 30 June 2017 and 30 June 2016 were \$299,699,000 and \$299,779,000 respectively.

### Directors' Comments

The Board aims to declare a base dividend of 5.0 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) 20.0 cents per share, whichever is higher.

The difference between the targeted dividend and the interim base dividends will be declared and paid as final dividend of each financial year.

## 19. Share Capital - Company

The total number of issued ordinary shares as at 30 June 2017 was 1,071,642,400 (30 June 2016: 1,071,642,400), of which 1,693,757 (30 June 2016: 1,784,140) were held by the Company as treasury shares.

During the three months ended 30 June 2017, the Company purchased 360,000 (4Q FY2016: 882,300) of its ordinary shares by way of on-market purchases at share prices ranging from \$7.37 to \$7.43 (4Q FY2016: \$7.35 to \$7.68). The total amount paid to purchase the shares was \$2.7 million (4Q FY2016: \$6.6 million). No shares under the Company's share-based remuneration plans have vested (4Q FY2016: Nil).

For FY2017, the Company purchased 1,173,700 (FY2016: 1,746,100) of its ordinary shares by way of on-market purchases at share prices ranging from \$7.02 to \$7.61 (FY2016: \$6.77 to \$7.68). The total amount paid to purchase the shares was \$8.6 million (FY2016: \$12.6 million). During FY2017, 1,264,083 shares under the Company's share-based remuneration plans have vested (FY2016: 1,449,037).

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

| 4Q        |           |  | YTD         |             |
|-----------|-----------|--|-------------|-------------|
| FY2017    | FY2016    |  | FY2017      | FY2016      |
| 1,333,757 | 901,840   | Balance at beginning of period   | 1,784,140   | 1,487,077   |
| 360,000   | 882,300   | Purchase of treasury shares  | 1,173,700   | 1,746,100   |
| -         | -         | Shares transferred to employees pursuant to SGX share-based remuneration plans | (1,264,083) | (1,449,037) |
| 1,693,757 | 1,784,140 | Balance at end of period   | 1,693,757   | 1,784,140   |

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

## 20. Accounting Policies - Group

The same accounting policies and methods of computation as in the FY2016 audited annual financial statements have been applied for the current reporting period.

The Group has adopted the new and revised Financial Reporting Standards which are effective for annual periods beginning on or after 1 July 2016. The adoption of these standards did not have any significant effect on the amounts reported for the current or prior financial years.

## 21. Shares in BSE Limited

### a) Divestment of shares in BSE Limited

On 10 February 2017, SGX completed its divestment of its 4.75% stake in BSE Limited. Cash consideration for the divestment after expenses is \$41.0 million. Loss on disposal of this investment amounted to \$4.0 million.

### b) Impairment loss on shares in BSE Limited

In financial year 2016, impairment loss of \$6.0 million is provided for SGX's investment in BSE Limited. The write-down of the carrying amount of the investment in BSE Limited is mainly due to a decline in the fair value and depreciation of the Indian Rupee against the Singapore dollar.

## 22. Taxation

| 4Q                |                   |             | YTD |                   |                   |             |
|-------------------|-------------------|-------------|-----|-------------------|-------------------|-------------|
| FY2017<br>S\$'000 | FY2016<br>S\$'000 | Change<br>% |     | FY2017<br>S\$'000 | FY2016<br>S\$'000 | Change<br>% |
| 17,045            | 13,050            | 30.6        | Tax | 69,192            | 66,944            | 3.4         |

There is no write back of prior years' tax provisions in the tax expense for 4Q FY2017 (4Q FY2016: \$2.0 million). Tax expense for FY2017 included a \$0.9 million write back of prior years' tax provisions (FY2016: \$2.4 million).

## 23. Acquisition of Baltic Exchange Limited

On 8 November 2016, SGX acquired 100% of the equity interest in Baltic Exchange Limited (BEL) for a consideration of \$138.8 million (GBP 77.6 million). Consequently, BEL became a wholly owned subsidiary.

The principal activity of BEL is to provide freight market indices and information, membership services and facilities for the trading of derivatives shipping contracts. This acquisition strengthens our ability to further develop forward freight agreement ("FFA") related products.

Details of the consideration paid, the assets acquired and liabilities assumed, and the effects on the cash flows of the Group, at the acquisition date, are as follows:

### a) Purchase consideration

|   | <b>S\$'000</b> |
|---|----------------|
| Cash paid   | 138,794        |
| <b>Consideration transferred for the business</b> | <b>138,794</b> |

### b) Effect on cash flows of the Group

|  | <b>S\$'000</b> |
|--|----------------|
| Cash paid (as above)                                   | 138,794        |
| Less: Cash and cash equivalents in subsidiary acquired | (18,698)       |
| <b>Cash outflow on acquisition</b>                     | <b>120,096</b> |

### c) Identifiable assets acquired and liabilities assumed

|   | <b>S\$'000</b> |
|---|----------------|
| Cash and cash equivalents                         | 18,698         |
| Trade and other receivables                       | 4,545          |
| Investment property                               | 25,450         |
| Property, plant and equipment                     | 11,551         |
| Software  | 391            |
| Intangible asset                                  | 38,399         |
| <b>Total assets</b>                               | <b>99,034</b>  |
| Trade and other payables                          | 25,189         |
| Derivative financial instruments                  | 108            |
| Taxation  | 586            |
| Deferred tax liabilities                          | 10,581         |
| <b>Total liabilities</b>                          | <b>36,464</b>  |
| <b>Total identifiable net assets</b>              | <b>62,570</b>  |
| Add: Goodwill                                     | 76,224         |
| <b>Consideration transferred for the business</b> | <b>138,794</b> |

### d) Acquisition-related costs

Total acquisition-related costs amounted to \$5.5 million of which \$3.7 million is included in FY2017 income statement of the Group under Professional fees, Marketing, Travelling and Others as well as the operating cash flows in the statement of cash flows of the Group.

### e) Acquired receivables

The fair value and gross contractual amount of Trade and other receivables is \$4.5 million.

### f) Goodwill

The goodwill of \$76.2 million is attributable to the synergies expected to arise from the growth of the FFA business.

### g) Revenue and profit contribution

The acquired business contributed revenue of \$8.2 million and \$0.2 million net loss after tax to the Group for the period from 8 November 2016 to 30 June 2017.

Had BEL been consolidated from 1 July 2016, consolidated revenue and consolidated profit of the Group for the period ended 30 June 2017 would have been \$804.2 million and \$334.6 million respectively.



## 24. **Subsequent Event**

On 17 July 2017, Singapore Exchange Regulation Pte Ltd (“SGX RegCo”) issued and allotted to SGX 9,999,999 ordinary shares of \$1 each for a total cash consideration of \$9,999,999. Following the subscription of shares, SGX RegCo’s issued and paid-up capital is \$10 million and SGX continues to hold 100% of the entire issued and paid-up capital of SGX RegCo.

## 25. **Other Appendix 7.2 Listing Manual Requirements**

### **Interested Person Transactions - Group**

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

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

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

### **Disclosure of persons occupying managerial positions who are related to a director, CEO or substantial shareholder**

Pursuant to Rule 704(13) of the Listing Manual, SGX confirms that there are no persons occupying a managerial position in the Company or in any of its principal subsidiaries who is a relative of a director, chief executive officer or substantial shareholder of the Company.

Ding Hui Yun  
Company Secretary  
27 July 2017

## 26 Listing Manual Compliance Checklist

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

| Listing Manual Paragraph | Summary of Listing Manual Requirements  | Compliance in SGXNet Section   |
|--------------------------|---|--|
| 1                        | Income Statement - Group<br>Statement of Comprehensive Income - Group<br>Statement of Financial Position - Group and Company<br>Borrowings and Debt Securities - Group<br>Statement of Cash Flows - Group<br>Statement of Changes in Equity - Group and Company<br>Changes in Share Capital - Company<br>Number of shares that may be issued on conversion of all outstanding convertibles, against total number of issued shares excluding treasury shares and subsidiary holdings at the end of current financial period and at the end of the corresponding period of immediately preceding year<br>Total number of issued shares excluding treasury shares as at the end of the current financial period and immediately preceding year<br>Statement of sales, transfers, disposals, cancellation and/or use of treasury shares and/or use of subsidiary holdings as at the end of the current financial period reported on | 2<br>3<br>8 and 14<br>10<br>11<br>12 and 16<br>19<br>19<br>19<br>19  |
| 2                        | Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice   | Cover page and attached auditors' report.  |
| 3                        | Where the figures have been audited/reviewed, the auditors' report  | Attached auditors' report.   |
| 4 and 5                  | Whether the same accounting policies and methods of computation as in the issuer's most recently audited financial statements have been applied. To state reasons and effect of change, if any  | 20   |
| 6                        | Earnings per ordinary share - Group:<br>(a) Weighted average number of ordinary shares on issue; and<br>(b) On a fully diluted basis  | 6  |
| 7                        | Net asset value per ordinary share based on the total number of issued shares excluding treasury shares - Group and Company   | 9 and 15   |
| 8                        | A review of the performance of the Group  | 1 - Performance Summary  |
| 9                        | Variance between a previously disclosed forecast or prospect statement and actual results   | Update of FY2017 operating expenses is provided in the performance summary   |
| 10                       | A commentary of the significant trends and competitive conditions of the industry in which the Group operates and any known factors or events that may affect the Group in the next reporting period and the next 12 months   | 1 - Performance Summary, paragraph on "Outlook".   |
| 11 and 12                | Information on dividend   | 18   |
| 13                       | Interested person transactions  | 25   |
| 14                       | Negative confirmation pursuant to Rule 705(5) of the Listing Manual   | Not required for full year announcement  |
| 15                       | Confirmation pursuant to Rule 720(1) of the Listing Manual  | 25   |
| 16                       | Segment information   | 13   |
| 17                       | In the review of performance, factors leading to any material changes in contributions to turnover and earnings.  | 1 - Performance Summary  |
| 18                       | Breakdown of first and second half year results for sales and operating profit  | 7  |
| 19                       | Breakdown in total annual dividend in dollar value by ordinary and preference shares  | 18   |
| 20                       | Confirmation pursuant to Rule 704(13) of the Listing Manual   | 25   |
| NA                       | Not required (Additional information provided by SGX)   | 17 - Bank Facilities, Contingent Liabilities and Commitments - Group<br>23 - Acquisition of Baltic Exchange Limited<br>24 - Subsequent Event |

## INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SINGAPORE EXCHANGE LIMITED

### Report on the Audit of the Financial Statements

#### Our Opinion

In our opinion, the accompanying financial statements of Singapore Exchange Limited (the "Company") and its subsidiaries (the "Group") are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the "Act") and Financial Reporting Standards in Singapore ("FRSs") so as to give a true and fair view of the financial position of the Group and of the Company as at 30 June 2017, and of the financial performance and changes in equity of the Group and of the Company, and the cash flows of the Group for the financial year ended on that date.

#### *What we have audited*

The financial statements of the Group and the Company comprise:

- the statements of comprehensive income of the Group and of the Company for the year ended 30 June 2017;
- the statements of financial position of the Group and of the Company as at 30 June 2017;
- the statements of changes in equity of the Group and of the Company for the year then ended;
- the statement of cash flows of the Group for the year then ended; and
- the notes to the financial statements, including a summary of significant accounting policies.

#### Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing ("SSAs"). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report.

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

#### *Independence*

We are independent of the Group in accordance with the Accounting and Corporate Regulatory Authority Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities ("ACRA Code") together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code.

#### Our Audit Approach

##### *Overview*

|                          |   |
|--------------------------|---|
| <b>Materiality</b>       | The overall group materiality that we used amounted to \$20 million (rounded down to the nearest million), which represents 5% of profit before tax for the financial year ended 30 June 2017. In determining materiality, both quantitative and qualitative factors were considered. |
| <b>Audit Scope</b>       | Audit procedures were performed over the complete financial information of the Company and the subsidiaries that are significant to the Group ("significant components").   |
| <b>Key audit matters</b> | <ul style="list-style-type: none"><li>• Acquisition of Baltic Exchange Limited ("Baltic") – purchase price allocation</li><li>• Impairment assessment of goodwill and intangible asset of Energy Market Company Pte Ltd ("EMC")</li></ul>   |

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SINGAPORE EXCHANGE LIMITED**

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the accompanying financial statements. In particular, we considered where management made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

### *Materiality*

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements of the Group are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements of the Group.

Based on our professional judgement, we determined certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole. We determined overall materiality for the financial statements of the Group as a whole to be \$20 million (rounded down to the nearest million), being 5% of profit before tax. We chose profit before tax as the benchmark because, in our view, it reflects the underlying performance of the Group and it is one of the benchmarks that is commonly used by the users of financial statements in evaluating the performance of the Group. In performing our audit, we allocated materiality levels, which are less than the overall group materiality, to the significant components.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above \$1 million as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

### *Audit Scope*

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements of the Group as a whole, taking into account the structure of the Group, the accounting processes and controls and the industry in which the Group operates. The Group's financial reporting process is dependent on its IT systems. Our audit scope included testing the operating effectiveness of the controls over the integrity of key financial data processed through the IT systems that are relevant to financial reporting.

We audited the complete financial information of the Company and each of the significant components. This, together with the audit procedures performed at the Group level over group consolidation, goodwill, intangible asset, taxation and disclosures in the financial statements, gave us the evidence we needed for our opinion on the financial statements as a whole.

### *Key Audit Matters*

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements for the financial year ended 30 June 2017. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

---

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SINGAPORE EXCHANGE LIMITED**

| Key Audit Matter  | How our audit addressed the key audit matter   |
|---|--|
| <p><u>Acquisition of Baltic Exchange Limited ("Baltic") - purchase price allocation ("PPA")</u></p> <p>On 8 November 2016, Singapore Exchange Limited announced the completion of the acquisition of Baltic. The purchase consideration was \$138,794,000.</p> <p>As part of the PPA process, management exercised judgement in the identification of intangibles assets which were not previously included in the assets recorded by Baltic. The intangible asset identified was the trade name and this was valued at \$38,399,000.</p> <p>We focused on the valuation of intangible asset – trade name because of the significant judgements involved in estimating the future cash flows, long term growth rate and discount rate to determine the fair value of the identified intangible asset – trade name.</p> <p>Refer to Note 3 – Critical accounting estimates and judgements and Note 21 – Business combinations for disclosure relating to purchase price allocation.</p>  | <p>For the identified intangible asset – trade name, we evaluated the reasonableness of management's estimates of future cash flows by taking into consideration the past performances, and projection of future growth in forward freight agreement ("FFA") market.</p> <p>With the assistance of our valuation specialists, we assessed the reasonableness of the long term growth rate and the discount rate used by management.</p> <p>We found the estimates of future cash flows and the rates used to be reasonable.</p>  |
| <p><u>Impairment assessment of goodwill and intangible asset of Energy Market Company Pte Ltd ("EMC")</u></p> <p>As at 30 June 2017, the goodwill and intangible asset – right to operate the Singapore electricity spot market arising from the acquisition of EMC amounted to \$9,614,000 and \$24,652,000 respectively.</p> <p>These goodwill and intangible asset relate to the EMC cash-generating unit ("CGU"). Management is required to perform an impairment assessment of goodwill annually and assess whether there is any indication that the intangible asset may be impaired. The recoverable amount of the CGU is compared with the carrying amount of the CGU to determine whether there is any impairment loss.</p> <p>We focused on this area because of the significant judgements required in estimating the future cash flows, long term growth rate and discount rate.</p> <p>Refer to Note 3 – Critical accounting estimates and judgements, Note 19 – Intangible assets and Note 20 – Goodwill for disclosures relating to the impairment assessment.</p> | <p>We evaluated the reasonableness of management's estimate of future cash flows by taking into consideration the past performance, and projections of electricity demand growth in Singapore and market developments.</p> <p>With the assistance of our valuation specialists, we assessed the reasonableness of the long term growth rates and the discount rate used by management.</p> <p>We found the estimate of future cash flows and the rates used to be reasonable.</p> <p>We performed sensitivity analysis to assess the impact on the recoverable amount of the CGU by reasonable possible changes to the long term growth rate and discount rate. We found that reasonable changes in these rates did not result in impairment loss.</p> |

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SINGAPORE EXCHANGE LIMITED**

### **Other Information**

Management is responsible for the other information. The other information comprises the Directors' Statement (but does not include the financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report, and the other sections of the annual report ("the Other Sections"), which are expected to be made available to us after that date.

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

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

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

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

### **Responsibilities of Management and Directors for the Financial Statements**

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

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

---

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SINGAPORE EXCHANGE LIMITED**

### **Auditor's Responsibilities for the Audit of the Financial Statements (continued)**

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

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

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

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

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

---

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SINGAPORE EXCHANGE LIMITED**

**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 subsidiary corporations incorporated in Singapore of which we are the auditors have been properly kept in accordance with the provisions of the Act.

The engagement partner on the audit resulting in this independent auditor's report is Mrs Deborah Ong (Ms Deborah Tan Yang Sock).

A handwritten signature in black ink that reads "PricewaterhouseCoopers LLP". The signature is written in a cursive, flowing style.

PricewaterhouseCoopers LLP  
Public Accountants and Chartered Accountants

Singapore, 27 July 2017

---