



**Financial Results
For the First Quarter ended
30 September 2018**

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

SINGAPORE EXCHANGE

Financial Results for the First Quarter Ended 30 September 2018

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

1. Performance Summary

Financial Overview

- Revenue: \$209 million, up 2% from a year earlier
- Operating profit: \$106 million, unchanged
- Net profit: \$91 million, unchanged
- Earnings per share: 8.5 cents, unchanged
- Interim dividend per share: 7.5 cents, up by 2.5 cents

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

SGX recorded operating profit of \$106.4 million (\$106.0 million) and a net profit of \$91.1 million (\$90.7 million) in 1Q FY2019, with earnings per share of 8.5 cents (8.5 cents). The Board of Directors has declared an interim dividend of 7.5 cents (5 cents) per share, payable on 5 November 2018.

Revenue increased \$4.4 million or 2% to \$208.9 million (\$204.5 million). Expenses increased \$4.0 million or 4% to \$102.5 million (\$98.5 million).

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

Cash from operating activities was \$98.2 million (\$102.7 million).

Total equity was \$946.1 million (\$935.1 million) as of 30 September 2018.

Business and Expenses Overview

Equities & Fixed Income (EFI)

Equities & Fixed Income revenue decreased 13% to \$86.4 million (\$99.7 million), and accounted for 41% (49%) of total revenue.

EFI: Issuer Services

Issuer Services revenue decreased \$2.6 million or 12% to \$19.5 million (\$22.1 million), accounting for 9% (11%) of total revenue.

- Listing revenue: \$11.1 million, down 14% from \$13.0 million
- Corporate actions and other revenue: \$8.3 million, down 8% from \$9.1 million

There were a total of 247 bond listings raising \$91.8 billion, compared to 347 listings raising \$156.1 billion a year earlier. We recorded a total of 6 new equity listings which raised \$0.2 billion, compared to 6 new equity listings raising \$2.7 billion a year earlier. Secondary equity funds raised were \$1.1 billion (\$1.1 billion).

EFI: Securities Trading and Clearing

Securities Trading and Clearing revenue decreased \$4.3 million or 8% to \$46.9 million (\$51.2 million) and accounted for 22% (25%) of total revenue.

- Securities Clearing revenue: \$36.1 million, down 9% from \$39.4 million
- Access revenue: \$8.6 million, down 9% from \$9.4 million
- Collateral management, membership and other revenue: \$2.3 million, down 5% from \$2.4 million

Securities daily average traded value (SDAV) decreased 8% to \$1.07 billion (\$1.16 billion) and total traded value decreased 8% to \$67.5 billion (\$73.2 billion). This was made up of Equities¹, where traded value declined by 9% to \$61.1 billion (\$67.5 billion), and Other products² where traded value increased 12% to \$6.4 billion (\$5.7 billion). There were 63 (63) trading days in the quarter.

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

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

Average clearing fees for Equities and Other products were comparable at 2.88 basis points (2.87 basis points) and 0.56 basis points (0.55 basis points) respectively. Overall turnover velocity for the quarter was 36% (37%).

Table 1: Key Metrics for Securities Market			
	1Q FY2019	1Q FY2018	Change
Securities total traded value (\$ billion)	68	73	-8%
· <i>Equities</i>	61	68	-9%
· <i>Other products</i>	6	6	12%
Period-end total market capitalisation (\$ billion)	975	1,021	-5%
· <i>Primary-listed</i>	645	673	-4%
· <i>Secondary-listed</i>	330	351	-6%
Turnover velocity (primary-listed)	36%	37%	-3%
Securities total traded volume (in billion)	102	133	-23%

EFI: Post Trade Services

Post Trade Services revenue decreased \$6.4 million or 24% to \$20.0 million (\$26.4 million), accounting for 10% (13%) of total revenue.

- Securities settlement revenue: \$17.8 million, down 23% from \$23.1 million
- Contract processing revenue: Nil, down from \$1.4 million
- Depository management revenue: \$2.2 million, up 13% from \$1.9 million

Securities settlement revenue decreased due to a decline in subsequent settlement activities and downward re-pricing of our delivery-versus-payment guarantee fee from April 2018.

Contract processing revenue has ceased as all brokers had migrated to their own back office systems by February 2018.

Derivatives

Derivatives revenue increased \$17.2 million or 21% to \$97.7 million (\$80.6 million), and accounted for 47% (39%) of total revenue.

- Equity and Commodities revenue: \$64.9 million, up 11% from \$58.3 million
- Collateral management, licence, membership and other revenue: \$32.8 million, up 48% from \$22.3 million

Equity and Commodities revenue grew as total volumes increased 17% to 54.2 million contracts (46.2 million contracts). This was mainly due to increased volumes in the SGX FTSE China A50 futures from higher volatility in the underlying market, and higher activity in our USD/CNH and INR/USD FX futures contracts. Average fee per contract decreased to \$1.05 (\$1.12) mainly due to a change in mix of products traded.

Collateral management, licence, membership and other revenue increased mainly due to higher collateral management income. Increased demand from clients for our risk management solutions, including our new MSCI Net Total Return index futures, led to higher open interest and collateral margin balances.

Table 2: Derivatives Volumes ('000)

	1Q FY2019	1Q FY2018	Change
SGX FTSE China A50 Index futures	23,529	16,861	40%
Japan Nikkei 225 Index futures	5,150	5,396	-5%
Nifty derivatives	5,079	5,711	-11%
MSCI Taiwan Index futures	4,955	4,800	3%
MSCI Singapore Index futures	2,302	2,605	-12%
MSCI Indonesia Index futures	76	63	21%
Japan Nikkei 225 Index options	2,448	2,272	8%
MSCI Net Total Return derivatives	1,586	18	NM
FX futures	4,989	2,854	75%
Iron Ore derivatives	2,951	4,447	-34%
Rubber futures	467	453	3%
Freight derivatives	243	132	84%
Others	442	537	-18%
Total	54,218	46,150	17%

Market Data and Connectivity

Market Data and Connectivity revenue increased \$0.5 million or 2% to \$24.7 million (\$24.2 million), accounting for 12% (12%) of total revenue.

- Market data revenue: \$10.3 million, unchanged
- Connectivity revenue: \$14.4 million, up 4% from \$13.9 million

Connectivity revenue increased due to higher derivatives API subscriptions and continued growth of our colocation services business.

Expenses Overview

Expenses increased \$4.0 million or 4% to \$102.5 million (\$98.5 million) mainly due to higher staff costs and professional fees.

Total staff costs increased \$1.6 million or 4% to \$43.1 million (\$41.5 million). Fixed staff costs increased 11% to \$31.9 million (\$28.8 million) mainly due to annual staff salary increments and an increase in headcount, while provisions for variable staff costs decreased 11% to \$11.2 million (\$12.7 million). Our average headcount for the quarter was at 815 (790).

Professional fees increased \$0.9 million to \$3.1 million (\$2.2 million) mainly due to higher consultancy and legal fees to support corporate initiatives.

Technology expenses increased \$0.9 million or 3% to \$31.4 million (\$30.5 million) mainly due to higher system maintenance costs from the implementation of new systems.

Processing and royalties declined \$1.1 million or 10% to \$10.6 million (\$11.7 million) due to lower cash incentives and cessation of costs associated with contract processing.

Tax expense for the quarter was \$18.9 million (\$18.4 million). The effective tax rate was 17% (17%).

Technology-related capital expenditure was \$10.2 million (\$10.0 million). These investments were mainly for the enhancement of our fixed income trading platform and the ongoing development of our new securities post-trade system.

Regulatory Overview

SGX RegCo consulted the market during the quarter on the following proposals:

- Introduction of a new five-minute-long “trade at close” trading session for the securities market.
- Enhancements to the default management capabilities of derivatives and securities clearing houses.
- Recalibration of financial and capital requirements of Bank and Remote Clearing and Trading Members.

SGX RegCo implemented the following initiatives:

- Amended the Listing Rules following the Monetary Authority of Singapore’s acceptance of the Corporate Governance Council’s recommendations to amend the Code of Corporate Governance and the rules. The Listing Rule changes will be effective 1 January 2019
- Made changes to the Mainboard and Catalist Listing Rules for mineral, oil and gas companies, allowing them to list at an earlier stage of development. The amended rules were effective 23 August 2018.

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 \$780 million as of 30 September 2018.

Outlook

Our first quarter performance demonstrates the diversity and resilience of our multi-asset business. We achieved a strong performance in our derivatives market and a comparable securities market performance with the region, amid heightened volatility and emerging market weakness. The launch of new derivatives contracts and increased derivatives activity led to higher open interest and collateral margin balances.

Looking ahead, we expect continued market volatility as the US tightens interest rates and trade tensions with China escalate, coupled with recent volatility in emerging markets. Our broad range of Asian products, including our recently launched MSCI Net Total Return index futures suite, positions us to meet the increased demand for risk management solutions. During this quarter, we launched our Titan OTC Pro derivatives trading platform to enhance broker capabilities to service customers in our OTC commodities market. We also introduced FlexC FX futures that allow transactions in currency futures using customisable expiry dates, and will soon launch single stock daily leverage certificates (“DLCs”), following the earlier successful introduction of DLCs on stock indices in July 2017.

In widening our partnerships and networks, our agreement with the Tel-Aviv Stock Exchange enabled us to develop interest in listings from the technology sector. Investments were also made in companies that will enable us to expand our fixed income business and pursue the development of our digital marketplace for freight. As part of growing our international client coverage we will establish offices in New York and San Francisco to acquire new customers and enhance client coverage.

In line with previous guidance, operating expenses for FY2019 are expected to be between \$445 and \$455 million and technology related capital expenditure is expected to be between \$60 and \$65 million.

2. Income Statement - Group

	1Q		Change %
	FY2019 S\$'000	FY2018 S\$'000	
Operating revenue			
Equities and Fixed Income	86,400	99,689	(13.3)
Derivatives	97,743	80,552	21.3
Market Data and Connectivity	24,714	24,217	2.1
Operating revenue	208,857	204,458	2.2
Operating expenses			
Staff	43,092	41,495	3.8
Technology	31,402	30,537	2.8
Processing and royalties	10,573	11,696	(9.6)
Premises	7,292	6,575	10.9
Professional fees	3,092	2,193	41.0
Others	7,047	5,979	17.9
Operating expenses	102,498	98,475	4.1
Operating profit	106,359	105,983	0.4
Other gains/(losses)			
- Other revenue including interest income	3,583	2,560	40.0
- Net foreign exchange (loss)/ gain	(61)	201	NM
Other gains/(losses)	3,522	2,761	27.6
Profit before tax and share of results of associated companies	109,881	108,744	1.0
Share of results of associated companies	41	354	(88.4)
Tax	(18,851)	(18,393)	2.5
Net profit after tax	91,071	90,705	0.4
Attributable to:			
Equity holders of the Company	91,071	90,705	0.4

3. Statement of Comprehensive Income - Group

	1Q		Change %
	FY2019 S\$'000	FY2018 S\$'000	
Net profit after tax	91,071	90,705	0.4
Other comprehensive income/(expense):			
a) Items that may be reclassified subsequently to profit or loss:			
<i>Foreign exchange translation</i>			
- Exchange differences arising during the year	(612)	2,009	NM
<i>Cash flow hedges</i>			
- Fair value (losses)/gains arising during the year	(165)	422	NM
- Transferred to profit or loss	576	(503)	NM
<i>Financial assets at fair value through other comprehensive income</i>			
Fair value losses arising during the year	(202)	-	NM
b) Items that will not be reclassified subsequently to profit or loss:			
<i>Financial assets at fair value through other comprehensive income</i>			
Fair value gains arising during the year	52	-	NM
Other comprehensive (expense)/ income for the period, net of tax	(351)	1,928	NM
Total comprehensive income for the period	90,720	92,633	(2.1)
Total comprehensive income attributable to:			
Equity holders of the Company	90,720	92,633	(2.1)

NM: Not meaningful

4. Detailed Notes on Revenue - Group

	1Q		Change %
	FY2019 S\$'000	FY2018 S\$'000	
Operating revenue			
Equities and Fixed Income			
- Issuer Services			
- Listing	11,124	12,971	(14.2)
- Corporate actions and other	8,340	9,080	(8.1)
	19,464	22,051	(11.7)
- Securities Trading and Clearing			
- Securities clearing	36,056	39,409	(8.5)
- Access	8,604	9,414	(8.6)
- Collateral management, membership and other	2,256	2,379	(5.2)
	46,916	51,202	(8.4)
- Post Trade Services			
- Securities settlement	17,821	23,062	(22.7)
- Contract processing	-	1,428	(100.0)
- Depository management	2,199	1,946	13.0
	20,020	26,436	(24.3)
	86,400	99,689	(13.3)
Derivatives			
- Equity and Commodities	64,904	58,293	11.3
- Collateral management, licence, membership and other	32,839	22,259	47.5
	97,743	80,552	21.3
Market Data and Connectivity			
- Market data	10,276	10,314	(0.4)
- Connectivity	14,438	13,903	3.8
	24,714	24,217	2.1
Operating revenue	208,857	204,458	2.2

5. Detailed Notes on Expenses - Group

	1Q		Change %
	FY2019 S\$'000	FY2018 S\$'000	
Operating expenses			
Staff			
- Fixed staff costs	31,875	28,840	10.5
- Variable bonus	8,689	10,033	(13.4)
- Variable share-based payment	2,528	2,622	(3.6)
	43,092	41,495	3.8
Technology			
- System maintenance and rental	18,280	17,136	6.7
- Depreciation and amortisation	12,443	12,270	1.4
- Communication charges	679	1,131	(40.0)
	31,402	30,537	2.8
Processing and royalties	10,573	11,696	(9.6)
Premises			
- Rental and maintenance of premises	5,036	4,597	9.5
- Depreciation of furniture and fittings, building and leasehold improvements	2,256	1,978	14.1
	7,292	6,575	10.9
Professional fees	3,092	2,193	41.0
Others			
- Marketing	1,306	1,010	29.3
- Travelling	641	430	49.1
- Allowance/(reversal) for impairment of trade receivables (net)	400	656	(39.0)
- Net write-off of property, plant and equipment and software	10	7	42.9
- Directors' fee	891	614	45.1
- Regulatory fee	1,489	1,282	16.1
- Amortisation of intangible assets	557	556	0.2
- Miscellaneous	1,753	1,424	23.1
	7,047	5,979	17.9
Operating expenses	102,498	98,475	4.1

6. Earnings Per Share - Group

	1Q	
	FY2019	FY2018
Earnings per ordinary share for the period (cents)		
(a) Based on weighted average number of ordinary shares in issue	8.5	8.5
(b) On a fully diluted basis	8.5	8.5
Weighted average number of ordinary shares in issue for basic earnings per share ('000)	1,070,319	1,070,294
Adjustment for assumed vesting of shares granted under share plans ('000)	3,353	2,910
Weighted average number of ordinary shares for diluted earnings per share ('000)	1,073,672	1,073,204

7. Statement of Financial Position - Group

	As at	
	30 Sep 2018 S\$'000	30 Jun 2018 S\$'000
Assets		
Current assets		
Cash and cash equivalents	840,439	831,587
Trade and other receivables	654,412	826,786
Derivative financial instruments	62	40
Available-for-sale financial assets	-	22,003
Financial assets at fair value through other comprehensive income	23,806	-
	1,518,719	1,680,416
Non-current assets		
Available-for-sale financial assets	-	3,648
Financial assets at fair value through other comprehensive income	35,059	-
Investment property	26,069	26,234
Property, plant and equipment	66,904	71,824
Software	175,472	173,799
Intangible assets	60,703	61,428
Goodwill	88,297	88,628
Club memberships	333	333
Investments in associated companies	50,894	8,628
	503,731	434,522
Total assets	2,022,450	2,114,938
Liabilities		
Current liabilities		
Trade and other payables	689,008	890,662
Dividend payable	240,816	-
Derivative financial instruments	1,399	1,967
Taxation	102,403	82,440
Provisions	11,412	10,963
	1,045,038	986,032
Non-current liabilities		
Deferred tax liabilities	31,285	32,674
	31,285	32,674
Total liabilities	1,076,323	1,018,706
Net assets	946,127	1,096,232
Equity		
Capital and reserves attributable to the Company's equity holders		
Share capital	429,127	429,236
Treasury shares	(6,948)	(11,363)
Cash flow hedge reserve	(994)	(1,405)
Currency translation reserve	2,252	2,864
Fair value reserve	(39)	111
Securities clearing fund reserve	25,000	25,000
Derivatives clearing fund reserve	34,021	34,021
Share-based payment reserve	11,560	15,875
Retained profits	452,148	441,377
Proposed dividends	-	160,516
Total equity	946,127	1,096,232

8. Net Asset Value - Group

	As at	
	30 Sep 2018	30 Jun 2018
	S\$	S\$
Net asset value per ordinary share based on total number of issued shares excluding treasury shares as at the end of the reporting period	0.88	1.02

9. Borrowings and Debt Securities - Group

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

	As at 30 Sep 2018		As at 30 Jun 2018	
	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.

10. Statement of Cash Flows - Group

	1Q	
	FY2019 S\$'000	FY2018 S\$'000
Cash flows from operating activities		
Profit before tax and share of results of associated companies	109,881	108,744
Adjustments for:		
Depreciation and amortisation	15,276	14,804
Variable share-based payment	2,854	2,622
Net write-off of property, plant and equipment and software	10	7
Interest income	(3,524)	(2,527)
Dividend income from other investments	(34)	-
Operating cash flow before working capital change	124,463	123,650
Change in working capital		
Cash committed for National Electricity Market of Singapore	3,120	2,866
Trade and other receivables	173,999	(76,378)
Trade and other payables	(203,165)	50,153
Cash generated from operations	98,417	100,291
Income tax (paid)/ refund	(235)	2,381
Net cash provided by operating activities	98,182	102,672
Cash flows from investing activities		
Purchases of property, plant and equipment and software	(9,777)	(28,590)
Interest received	1,698	3,580
Dividend received from other investments	38	-
Purchase of financial assets at fair value through other comprehensive income	(32,842)	-
Acquisition of associated companies	(42,260)	-
Net cash used in investing activities	(83,143)	(25,010)
Cash flows from financing activities		
Purchase of treasury shares	(3,043)	-
Net cash used in financing activities	(3,043)	-
Net increase in cash and cash equivalents held	11,996	77,662
Cash and cash equivalents at the beginning of the period	549,597	520,323
Effects of currency translation on cash and cash equivalents	(24)	24
Cash and cash equivalents at the end of the period	561,569	598,009

	1Q	
	FY2019 S\$'000	FY2018 S\$'000
For the purposes of the Statement of Cash Flows, the cash and cash equivalents comprised the following:		
Cash and cash equivalents per Statement of Cash Flows	561,569	598,009
Add : Cash committed for		
- Singapore Exchange Derivatives Clearing Limited - Derivatives Clearing Fund	200,021	200,021
- The Central Depository (Pte) Limited - Securities Clearing Fund	60,000	60,000
- National Electricity Market of Singapore	18,849	13,182
Cash and cash equivalents per Statement of Financial Position - Group	840,439	871,212

11. Statement of Changes in Equity - Group

	Attributable to equity holders of the Company										Total S\$'000
	Share capital	Treasury shares	Cash flow hedge reserve *	Currency translation reserve *	Fair value reserve *	Securities clearing fund reserve *	Derivatives clearing fund reserve *	Share-based payment reserve *	Retained profits	Proposed dividends	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	
(i) Group - 1Q FY2019											
Balance at 1 July 2018	429,236	(11,363)	(1,405)	2,864	111	25,000	34,021	15,875	441,377	160,516	1,096,232
Changes in equity for the period											
Proposed dividends reclassified to dividend payable											
- FY2018 - Final base and variable dividends	-	-	-	-	-	-	-	-	-	(160,516)	(160,516)
Dividend payable											
- 1Q FY2019 - Interim dividend	-	-	-	-	-	-	-	-	(80,300)	-	(80,300)
Employees' share plans - Value of employees' services	-	-	-	-	-	-	-	2,528	-	-	2,528
Restricted share plan - Value of directors' services	-	-	-	-	-	-	-	326	-	-	326
Vesting of shares under share-based remuneration plans	(109)	7,278	-	-	-	-	-	(7,169)	-	-	-
Purchase of treasury shares	-	(3,043)	-	-	-	-	-	-	-	-	(3,043)
Tax effect on treasury shares ^^	-	180	-	-	-	-	-	-	-	-	180
	(109)	4,415	-	-	-	-	-	(4,315)	(80,300)	(160,516)	(240,825)
Total comprehensive income for the period	-	-	411	(612)	(150)	-	-	-	91,071	-	90,720
Balance at 30 September 2018	429,127	(6,948)	(994)	2,252	(39)	25,000	34,021	11,560	452,148	-	946,127
(ii) Group - 1Q FY2018											
Balance at 1 July 2017	428,031	(12,561)	1,069	2,972	-	25,000	34,021	15,448	399,460	139,093	1,032,533
Changes in equity for the period											
Proposed dividends reclassified to dividend payable											
- FY2017 - Final base and variable dividends	-	-	-	-	-	-	-	-	-	(139,093)	(139,093)
Dividend payable											
- 1Q FY2018 - Interim base dividend	-	-	-	-	-	-	-	-	(53,557)	-	(53,557)
Employees' share plans - Value of employees' services	-	-	-	-	-	-	-	2,622	-	-	2,622
Vesting of shares under share-based remuneration plans	791	8,711	-	-	-	-	-	(9,502)	-	-	-
Tax effect on treasury shares ^^	-	3	-	-	-	-	-	-	-	-	3
	791	8,714	-	-	-	-	-	(6,880)	(53,557)	(139,093)	(190,025)
Total comprehensive income for the period	-	-	(81)	2,009	-	-	-	-	90,705	-	92,633
Balance at 30 September 2017	428,822	(3,847)	988	4,981	-	25,000	34,021	8,568	436,608	-	935,141

* 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. Segment Information - Group

(i) Group - 1Q FY2019 and 1Q FY2018

1Q FY2019					1Q FY2018					
Equities and Fixed Income S\$'000	Derivatives S\$'000	Market Data and Connectivity S\$'000	Corporate * S\$'000	Group S\$'000		Equities and Fixed Income S\$'000	Derivatives S\$'000	Market Data and Connectivity S\$'000	Corporate * S\$'000	Group S\$'000
86,400	97,743	24,714	-	208,857	Operating revenue	99,689	80,552	24,217	-	204,458
42,416	50,335	13,608	-	106,359	Operating profit	56,811	35,377	13,795	-	105,983
-	-	-	3,522	3,522	Other gains/(losses)	-	-	-	2,761	2,761
-	-	-	41	41	Share of results of associated companies	-	-	-	354	354
-	-	-	(18,851)	(18,851)	Tax	-	-	-	(18,393)	(18,393)
				91,071	Net profit after tax					90,705
560,776	480,214	30,930	950,530	2,022,450	Segment assets	823,838	446,337	38,675	880,124	2,188,974
					Segment assets include:					
-	-	-	50,894	50,894	Investments in associated companies	-	-	-	8,587	8,587
					Additions to:					
8,288	2,073	1,281	-	11,642	- Property, plant and equipment and software	6,876	2,399	764	-	10,039
-	-	-	42,260	42,260	- Investments in associated companies	-	-	-	-	-
453,236	235,834	4,649	382,604	1,076,323	Segment liabilities	729,773	190,591	6,315	327,154	1,253,833
					Other information					
6,738	7,293	1,245	-	15,276	Depreciation and amortisation	6,614	7,015	1,175	-	14,804

* The corporate segment is a non-operating segment

13. Statement of Financial Position - Company

	As at	
	30 Sep 2018 S\$'000	30 Jun 2018 S\$'000
Assets		
Current assets		
Cash and cash equivalents	421,300	413,012
Trade and other receivables	20,465	19,313
Derivative financial instruments	36	-
Available-for-sale financial asset	-	22,003
Financial assets at fair value through other comprehensive income	23,806	-
	465,607	454,328
Non-current assets		
Property, plant and equipment	39,211	42,941
Software	33,796	35,718
Club memberships	333	333
Investments in subsidiaries	812,540	738,840
Investment in associated company	4,389	4,389
Other receivables	6,078	6,104
	896,347	828,325
Total assets	1,361,954	1,282,653
Liabilities		
Current liabilities		
Trade and other payables	268,959	294,021
Dividend payable	240,816	-
Derivative financial instruments	39	39
Taxation	4,602	3,896
Provisions	7,357	7,108
	521,773	305,064
Non-current liabilities		
Deferred tax liabilities	6,578	6,712
	6,578	6,712
Total liabilities	528,351	311,776
Net assets	833,603	970,877
Equity		
Capital and reserves attributable to the Company's equity holders		
Share capital	429,127	429,236
Treasury shares	(6,948)	(11,363)
Cash flow hedge reserve	(3)	(32)
Fair value reserve	(39)	111
Share-based payment reserve	11,560	15,875
Retained profits	399,906	376,534
Proposed dividends	-	160,516
Total equity	833,603	970,877

14. Net Asset Value - Company

	As at	
	30 Sep 2018 S\$	30 Jun 2018 S\$
Net asset value per ordinary share based on total number of issued shares excluding treasury shares as at the end of the reporting period	0.78	0.91

15. Statement of Changes in Equity - Company

	Attributable to equity holders of the Company							Total S\$'000
	Share capital	Treasury shares	Cash flow hedge reserve *	Fair value reserve *	Share-based payment reserve *	Retained profits	Proposed dividends	
	S\$'000	S\$'000	S\$'000	\$'000	S\$'000	S\$'000	\$'000	
(i) Company - 1Q FY2019								
Balance at 1 July 2018	429,236	(11,363)	(32)	111	15,875	376,534	160,516	970,877
Changes in equity for the period								
Proposed dividends reclassified to dividend payable								
- FY2018 - Final base and variable dividends	-	-	-	-	-	-	(160,516)	(160,516)
Dividend payable								
- 1Q FY2019 - Interim dividend	-	-	-	-	-	(80,300)	-	(80,300)
Employees' share plans - Value of employees' services	-	-	-	-	2,528	-	-	2,528
Restricted share plan - Value of directors' services	-	-	-	-	326	-	-	326
Vesting of shares under share-based remuneration plans	(109)	7,278	-	-	(7,169)	-	-	-
Purchase of treasury shares	-	(3,043)	-	-	-	-	-	(3,043)
Tax effect on treasury shares ^{^^}	-	180	-	-	-	-	-	180
	(109)	4,415	-	-	(4,315)	(80,300)	(160,516)	(240,825)
Total comprehensive income for the period	-	-	29	(150)	-	103,672	-	103,551
Balance at 30 September 2018	429,127	(6,948)	(3)	(39)	11,560	399,906	-	833,603
(ii) Company - 1Q FY2018								
Balance at 1 July 2017	428,031	(12,561)	-	-	15,448	330,798	139,093	900,809
Changes in equity for the period								
Proposed dividends reclassified to dividend payable								
- FY2017 - Final base and variable dividends	-	-	-	-	-	-	(139,093)	(139,093)
Dividend payable								
- 1Q FY2018 - Interim base dividend	-	-	-	-	-	(53,557)	-	(53,557)
Employees' share plans - Value of employees' services	-	-	-	-	2,622	-	-	2,622
Vesting of shares under share-based remuneration plans	791	8,711	-	-	(9,502)	-	-	-
Tax effect on treasury shares ^{^^}	-	3	-	-	-	-	-	3
	791	8,714	-	-	(6,880)	(53,557)	(139,093)	(190,025)
Total comprehensive income for the period	-	-	-	-	-	132,781	-	132,781
Balance at 30 September 2017	428,822	(3,847)	-	-	8,568	410,022	-	843,565

* 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.

16. Bank Facilities, Contingent Liabilities and Commitments - Group

Bank Facilities

- As at 30 September 2018, the Group had \$393 million (30 June 2018: \$406 million) of bank credit facilities comprising committed unsecured credit lines for prudent risk management and to maintain adequate liquid resources.

Contingent Liabilities and Other Commitments

- As at 30 September 2018, the Group had contingent liabilities to banks for US\$165 million (30 June 2018: US\$151 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 \$279 million (30 June 2018: \$282 million) for the following:
 - (i) Singapore Exchange Derivatives Clearing Limited - Derivatives Clearing Fund \$200 million (30 June 2018: \$200 million);
 - (ii) The Central Depository (Pte) Limited - Securities Clearing Fund \$60 million (30 June 2018: \$60 million); and
 - (iii) National Electricity Market of Singapore \$19 million (30 June 2018: \$22 million)

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

17. Dividend - Company

Interim Dividend

	1Q FY2019	1Q FY2018
Name of Dividend	Interim - tax-exempt	Interim Base - tax-exempt
Dividend Type	Cash	Cash
Dividend Rate	7.5 cents per ordinary share	5.0 cents per ordinary share
Books Closure Date	29 October 2018, 5pm	2 November 2017, 5pm
Date Payable/Paid	5 November 2018	9 November 2017

18. Share Capital - Company

The total number of issued ordinary shares as at 30 September 2018 was 1,071,642,400 (30 September 2017: 1,071,642,400), of which 973,386 (30 September 2017: 516,603) were held by the Company as treasury shares.

During the three months ended 30 September 2018, the Company purchased 417,000 (1Q FY2018: Nil) of its ordinary shares by way of on-market purchases at share prices ranging from \$7.26 to \$7.31 (1Q FY2018: Nil). The total amount paid to purchase the shares was \$3.0 million (1Q FY2018: Nil). During the three months ended 30 September 2018, 979,383 shares under the Company's share-based remuneration plans have vested (1Q FY2018: 1,178,154).

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

	1Q	
	FY2019	FY2018
Balance at beginning of period	1,535,769	1,693,757
Purchase of treasury shares	417,000	-
Shares transferred to employees pursuant to SGX's share-based remuneration plans	(979,383)	(1,178,154)
Balance at end of period	973,386	515,603

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

19. Accounting Policies - Group

The Group has adopted the new financial reporting framework, Singapore Financial Reporting Standards (International) ("SFRS(I)s") on 1 July 2018 and has prepared its first set of financial information under SFRS(I)s for the quarter ended 30 September 2018.

In adopting SFRS(I), the Group is required to apply all of the specific transition requirements in SFRS(I) 1 First-time Adoption of Singapore Financial Reporting Standards (International).

The same accounting policies and methods of computation used in the FY2018 audited annual financial statements have been applied for the current reporting period, except for the adoption of the new/revised SFRS(I)s and interpretations of SFRS(I)s ("SFRS(I) INT") applicable for the financial year beginning on 1 July 2018 as follows:

- SFRS(I) 1 First-time adoption of Singapore Financial Reporting Standards (International)
- SFRS(I) 9 Financial Instruments
- SFRS(I) 15 Revenue from Contracts with Customers
- SFRS(I) INT 22 Foreign Currency Transactions and Advance Consideration

As described below, the adoption of these SFRS(I)s and SFRS(I) INT did not have any significant impact on the Group's financial statements.

a) SFRS(I) 1 First-time adoption of Singapore Financial Reporting Standards (International)

The Group has elected for the optional exemption that allows companies not to retrospectively apply SFRS(I) 1 for business combinations prior to 2009 and the short term exemptions on adoption of SFRS(I) 9 Financial Instruments. Consequently, the Group's accounting treatment for business combinations remains unchanged from the Group's FY2018 annual financial statements. The Group has elected to apply the short term exemptions on adoption of SFRS(I) 9 which exempts the Group from applying SFRS(I) 9 to comparative information. Accordingly, the requirements of Financial Reporting Standards 39 Financial Instruments: Recognition and Measurement are applied to financial instruments up to the financial year ended 30 June 2018.

b) Adoption of SFRS (I) 9 Financial Instruments

SFRS(I) 9 introduces new requirements for classification and measurement of financial instruments, impairment of financial assets, and hedge accounting. SFRS(I) 9 also introduces expanded disclosure requirements and changes in presentation.

The Group has elected to recognise changes in the fair value of all its equity investments previously classified as available-for-sale, in other comprehensive income ("OCI"), because these investments are held as strategic investments or for liquidity fund. As a result, assets with a fair value of \$7.1 million were reclassified from "financial assets, available-for-sale" ("AFS") to "financial assets at fair value through OCI" ("FVOCI") on 1 July 2018.

Investments in bonds were reclassified from AFS to FVOCI. The contractual cash flows of these investments are solely principal and interest. As a result, bonds with a fair value of \$18.5 million were reclassified from AFS to FVOCI.

The Group's trade receivables and bonds classified as FVOCI are subject to SFRS (I) 9's new expected credit loss model. The Group is required to revise its impairment methodology under SFRS (I) 9 for each of these classes of assets. The impact of the change in impairment methodology on the Group's retained profits is assessed to be immaterial.

Reconciliation of Statement of Financial Position at 30 June 2018 and 1 July 2018 upon initial application of SFRS(I) 9

	AFS S\$'000	FVOCI S\$'000
<u>The Group</u>		
<u>Current assets</u>		
Balance as at 30 June 2018 - Before adoption of SFRS(I) 9	22,003	-
Reclassify investments from AFS to FVOCI	(22,003)	22,003
Balance as at 1 July 2018 - After adoption of SFRS(I) 9	-	22,003
<u>Non-current assets</u>		
Balance as at 30 June 2018 - Before adoption of SFRS(I) 9	3,648	-
Reclassify investments from AFS to FVOCI	(3,648)	3,648
Balance as at 1 July 2018 - After adoption of SFRS(I) 9	-	3,648
<u>The Company</u>		
<u>Current assets</u>		
Balance as at 30 June 2018 - Before adoption of SFRS(I) 9	22,003	-
Reclassify investments from AFS to FVOCI	(22,003)	22,003
Balance as at 1 July 2018 - After adoption of SFRS(I) 9	-	22,003

c) Adoption of SFRS (I) 15 Revenue from Contracts with Customers

SFRS (I) 15 establishes a single comprehensive model for entities to use in accounting for revenue arising from contracts with customers. Under SFRS(I) 15, an entity recognises revenue when (or as) a performance obligation is satisfied.

Prior to the adoption of SFRS (I) 15, initial listing fees for initial public offerings and additional listing fees were recognised upon the initial and subsequent listing of an applicant's equity securities. Under SFRS (I) 15, initial and additional listing fees are recognised over time when the services are provided. The impact of adoption on both current and prior year's profit or loss and cumulative impact on opening retained profits is assessed to be immaterial.

20. Other Appendix 7.2 Listing Manual Requirements

Interested Person Transactions - Group

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

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

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

Seah Kim Ming Glenn
Ding Hui Yun
Company Secretaries
19 October 2018

21. Listing Manual Compliance Checklist

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

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

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

On behalf of the Board of Directors of the Company, we, the undersigned, hereby confirm to the best of our knowledge that nothing has come to the attention of the Board of Directors of the Company which may render the financial statements for the first quarter ended 30 September 2018 to be false or misleading.

On behalf of the Board of Directors

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

Kwa Chong Seng
Director

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

Loh Boon Chye
Director

19 October 2018

The extract of the review report dated 19 October 2018, on the condensed interim financial information of the Company and its subsidiaries for the quarter ended 30 September 2018 which has been prepared in accordance with Singapore Financial Reporting Standards (International) 1-34 *Interim Financial Reporting*, is as follows:



**To the Shareholders of
Singapore Exchange Limited (“Company”) and its subsidiaries (“Group”)**

**Report on Review of Interim Financial Information
For the three-month period ended 30 September 2018**

Introduction

We have reviewed the accompanying condensed statement of financial position of the Company as of 30 September 2018 and the related condensed statements of changes in equity of the Company for the three-month period then ended, the consolidated condensed statement of financial position of the Group as of 30 September 2018 and the related consolidated condensed income statement, statements of comprehensive income, changes in equity and cash flows of the Group for the three-month period then ended, and other explanatory notes (“interim financial information”). Management is responsible for the preparation and presentation of this interim financial information in accordance with Singapore Financial Reporting Standard (International) (“SFRS(I)”) 1-34 *Interim Financial Reporting*. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

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

Conclusion

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

Yours faithfully

A handwritten signature in black ink that reads 'PricewaterhouseCoopers LLP'.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants
Singapore, 19 October 2018

*PricewaterhouseCoopers LLP, 7 Straits View, Marina One East Tower Level 12, Singapore 018936
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