



**Financial Results
For the First Quarter ended
30 September 2016**

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

SINGAPORE EXCHANGE

Financial Results for the First Quarter Ended 30 September 2016

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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 Standard 34 Interim Financial Reporting.

1. Performance Summary

Financial Overview

- Revenue: \$191 million, down 13% from a year earlier
- Operating profit: \$97 million, down 17%
- Net profit: \$83 million, down 16%
- Earnings per share: 7.8 cents, down 16%
- Interim dividend per share: 5 cents, unchanged

All figures are for the year except for figures in brackets which are for the year earlier, unless otherwise stated

SGX recorded operating profit of \$97.2 million (\$117.3 million) and a net profit of \$83.1 million (\$99.3 million) in 1Q FY2017, with earnings per share of 7.8 cents (9.3 cents). The Board of Directors has declared an interim dividend of 5 cents (5 cents) per share, payable on 3 November 2016.

Revenue decreased \$28.8 million or 13% to \$190.8 million (\$219.6 million). Expenses decreased \$8.6 million or 8% to \$93.7 million (\$102.3 million).

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

Cash from operating activities was \$77.2 million (\$107.4 million).

Total equity was \$879.1 million (\$850.4 million) as of 30 September 2016.

Business and Expenses Overview

Equities & Fixed Income: Issuer Services

Issuer Services revenue increased \$0.5 million or 2% to \$21.8 million (\$21.4 million), accounting for 11% (10%) of total revenue.

- Listing revenue: \$12.2 million, up 3% from \$11.8 million
- Corporate actions and other revenue: \$9.6 million, up 1% from \$9.5 million

Listing revenue increased 3% following higher number of new listings. There were a total of 8 new equity listings which raised \$647.0 million, compared to 7 new listings raising \$103.9 million a year earlier. Secondary equity funds raised were \$2.3 billion (\$3.5 billion). There were 139 bond listings raising \$59.4 billion, compared to 97 listings raising \$41.6 billion a year earlier.

Equities & Fixed Income: Securities Trading and Clearing

Securities Trading and Clearing revenue decreased \$8.9 million or 16% to \$47.1 million (\$56.0 million) and accounted for 25% (25%) of total revenue.

- Clearing revenue: \$36.9 million, down 15% from \$43.4 million
- Access revenue: \$8.2 million, down 20% from \$10.2 million
- Collateral management, membership and other revenue: \$2.0 million, down 17% from \$2.4 million

Securities daily average traded value (SDAV) decreased 19% to \$0.99 billion (\$1.23 billion). Total traded value decreased 17% to \$62.2 billion (\$74.8 billion). There were 63 (61) trading days this quarter.

Average clearing fee was 2.89 basis points, largely unchanged from 2.90 basis points a year earlier. Turnover velocity for the quarter was 36% (46%).

Table 1: Key Metrics for Securities Market

	1Q FY2017	1Q FY2016	Change
Securities total traded value (\$ billion)	62	75	-17%
· Mainboard	57	71	-20%
· Catalist	2	2	10%
· Exchange-traded funds, Structured Warrants and others	3	2	65%
Period-end total market capitalisation (\$ billion)	918	876	5%
· Primary-listed	607	587	3%
· Secondary-listed	311	289	8%
Turnover velocity (primary-listed)	36%	46%	-21%
Securities total traded volume (shares in billion)	100	105	-4%

Equities & Fixed Income: Post Trade Services

Post Trade Services revenue decreased \$0.7 million or 2% to \$29.1 million (\$29.8 million), accounting for 15% (14%) of total revenue.

- Securities settlement revenue: \$23.5 million, up 1% from \$23.4 million
- Contract processing revenue: \$3.4 million, down 23% from \$4.4 million
- Depository management revenue: \$2.1 million, up 9% from \$2.0 million

Contract processing revenue decreased 23%, in line with lower securities market activities for the quarter.

Derivatives

Derivatives revenue decreased \$20.1 million or 22% to \$70.8 million (\$90.9 million), and accounted for 37% (41%) of total revenue.

- Equity and Commodities revenue: \$53.5 million, down 20% from \$67.1 million
- Collateral management, licence, membership and other revenue: \$17.3 million, down 27% from \$23.9 million

Equity and Commodities revenue declined 20% as total volumes decreased 24% to 40.1 million contracts (52.5 million contracts). This was mainly due to lower SGX FTSE China A50 and Nikkei 225 futures volumes. Average fee per contract was \$1.18 (\$1.16).

Collateral management, licence, membership and other revenue decreased 27%, following lower interest income earned from a decline in collateral balances and yield.

Table 2: Derivatives Volumes

	1Q FY2017	1Q FY2016	Change
SGX FTSE China A50 Index futures	16,020,726	28,409,713	-44% ¹
SGX Nifty 50 Index futures	5,271,904	5,561,702	-5%
Japan Nikkei 225 Index futures	5,260,958	7,515,914	-30%
MSCI Taiwan Index futures	4,710,683	4,423,463	6%
MSCI Singapore Index futures	1,888,845	1,013,478	86% ²
MSCI Indonesia Index futures	67,644	64,579	5%
Japan Nikkei 225 Index options	1,453,755	1,130,247	29%
SGX Nifty 50 Index options	59,319	46,533	27%
FX futures	1,454,281	1,333,744	9%
Iron Ore futures	2,559,967	1,907,137	34%
Rubber futures	348,042	161,691	115%
Iron Ore swaps	37,914	100,080	-62%
Iron Ore options	576,740	410,669	40%
Others	421,332	466,443	-10%
Total	40,132,110	52,545,393	-24%

¹SGX FTSE China A50 volumes were significantly higher in 1Q FY2016 due to higher volatility in the China A-share market

²Contract size of the MSCI Singapore Index futures was halved from November 2015; adjusting for contract size, volumes decreased 7% year-on-year

Market Data and Connectivity

Market Data and Connectivity revenue increased \$0.4 million or 2% to \$22.0 million (\$21.6 million), accounting for 12% (10%) of total revenue.

- Market data revenue: \$9.3 million, down 4% from \$9.6 million
- Connectivity revenue: \$12.8 million, up 7% from \$11.9 million

Market data revenue declined 4%, due to higher one-off items in the same quarter a year earlier.

Connectivity revenue increased 7%, following continued growth of our colocation services business.

Expenses Overview

Expenses decreased 8% to \$93.7 million (\$102.3 million), as all expense items declined year-on-year.

Total staff costs decreased \$2.4 million or 6% to \$39.6 million (\$42.0 million). Fixed staff costs increased 3% to \$28.7 million (\$27.7 million), while provisions for variable staff costs decreased 23% to \$11.0 million (\$14.3 million) in line with lower profits. Average headcount for the quarter was 767 (740), and the increase was to support business growth and strengthen operational resilience.

Technology expenses decreased \$1.1 million or 4% to \$29.4 million (\$30.5 million), due mainly to a 21% decline in depreciation to \$10.4 million (\$13.1 million). Depreciation is expected to increase for the rest of FY2017 as new systems are implemented. Lower depreciation this quarter was partially offset by higher maintenance costs from new systems launched in the past year.

Processing and royalties decreased \$4.1 million or 26% to \$11.4 million (\$15.5 million), following lower royalty payments in line with the decline in Derivatives traded volumes.

Marketing expenses decreased \$1.0 million or 62% to \$0.6 million (\$1.6 million), due to a lower number of marketing activities undertaken this quarter.

Tax expense for the quarter was \$17.5 million (\$20.4 million). The effective tax rate was unchanged at 17% (17%).

Technology-related capital expenditure was \$4.7 million (\$18.1 million). These investments were mainly for the on-going development of a new post-trade system, and the upgrading of our Derivatives trading and clearing platform.

Regulatory Overview

Key regulatory developments this quarter included:

- Public Consultation on a proposal to make the minimum trading price requirement more targeted with the addition of a market capitalisation test. The consultation closed on 23 September 2016.
- Launch of the Trade Surveillance Handbook and Members' Surveillance Dashboard in collaboration with Member firms to detect and stop market misconduct, foster good trading practices and maintain a fair, orderly and transparent marketplace.
- Decision by the independent Listings Advisory Committee to recommend that SGX consider listing companies with a dual-class shares structure subject to certain investor safeguards.
- Public reprimand by SGX of one company for breaching the Listing Rules while the independent Disciplinary Committee fined and suspended a Trading Representative for market misconduct.

SGX joined the United Nations' Sustainable Stock Exchanges initiative as a Partner Exchange on 6 September 2016. This is in line with our commitment towards sustainability and follows our introduction of sustainability reporting on a "comply or explain" basis.

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 \$750 million as of 30 September 2016.

Baltic Exchange

We announced on 26 September 2016 that the shareholders of The Baltic Exchange Limited have approved all resolutions required in connection with the proposed scheme of arrangement for SGX's acquisition of the Baltic Exchange.

Implementation of the scheme is subject to the satisfaction of certain conditions which include the United Kingdom High Court making an order sanctioning the scheme at a Court hearing.

Subject to the above, we expect to complete the transaction by the end of November 2016.

Outlook

Our results this past quarter reflect lower levels of market activities, as compared with a much more volatile market a year earlier. Participants reacting and adjusting to slowing global economic growth, political uncertainties and implications of Brexit on the European economy could result in a period of relatively subdued trading volumes. Nevertheless, we remain focused on executing our strategy and diversifying our revenues.

Whilst being disciplined in expenditure, we will continue to invest to grow our business and be more competitive. As previously guided, operating expenses for FY2017 are expected to be between \$420 million and \$430 million. Technology-related capital expenditure is expected to be between \$65 million and \$70 million. We will pace operating expenses and keep them aligned with business growth.

2. Income Statement - Group

	1Q		Change %
	FY2017 S\$'000	FY2016 S\$'000	
Operating revenue			
Equities and Fixed Income	97,984	107,110	(8.5)
Derivatives	70,816	90,939	(22.1)
Market Data and Connectivity	22,028	21,581	2.1
Operating revenue	190,828	219,630	(13.1)
Operating expenses			
Staff	39,625	42,010	(5.7)
Technology	29,416	30,540	(3.7)
Processing and royalties	11,411	15,522	(26.5)
Premises	5,928	5,973	(0.8)
Professional fees	1,906	2,088	(8.7)
Others	5,384	6,165	(12.7)
Operating expenses	93,670	102,298	(8.4)
Operating profit	97,158	117,332	(17.2)
Other gains/(losses)			
- Other revenue including interest income	3,010	2,131	41.2
- Net foreign exchange gain/(loss)	108	(109)	NM
Other gains/(losses)	3,118	2,022	54.2
Profit before tax and share of results of associated company	100,276	119,354	(16.0)
Share of results of associated company	369	316	16.8
Tax	(17,544)	(20,394)	(14.0)
Net profit after tax	83,101	99,276	(16.3)
Attributable to:			
Equity holders of the Company	83,101	99,276	(16.3)

3. Statement of Comprehensive Income - Group

	1Q		Change %
	FY2017 S\$'000	FY2016 S\$'000	
Net profit after tax	83,101	99,276	(16.3)
Other comprehensive income/(expense):			
Items that may be reclassified subsequently to profit or loss:			
Net currency translation differences of financial statements of subsidiary and associated company	(150)	186	NM
Fair value losses arising from cash flow hedges	(3,197)	(2,409)	32.7
Other comprehensive expense for the period, net of tax	(3,347)	(2,223)	50.6
Total comprehensive income for the period	79,754	97,053	(17.8)
Total comprehensive income attributable to:			
Equity holders of the Company	79,754	97,053	(17.8)

NM: Not meaningful

4. Detailed Notes on Revenue - Group

	1Q		Change %
	FY2016 S\$'000	FY2015 S\$'000	
Operating revenue			
Equities and Fixed Income			
- Issuer Services			
- Listing	12,196	11,826	3.1
- Corporate actions and other	9,631	9,547	0.9
	21,827	21,373	2.1
- Securities Trading and Clearing			
- Securities clearing	36,863	43,357	(15.0)
- Access	8,196	10,184	(19.5)
- Collateral management, membership and other	2,030	2,441	(16.8)
	47,089	55,982	(15.9)
- Post Trade Services			
- Securities settlement	23,511	23,372	0.6
- Contract processing	3,431	4,428	(22.5)
- Depository management	2,126	1,955	8.7
	29,068	29,755	(2.3)
	97,984	107,110	(8.5)
Derivatives			
- Equity and Commodities	53,499	67,079	(20.2)
- Collateral management, licence, membership and other	17,317	23,860	(27.4)
	70,816	90,939	(22.1)
Market Data and Connectivity			
- Market data	9,262	9,646	(4.0)
- Connectivity	12,766	11,935	7.0
	22,028	21,581	2.1
Operating revenue	190,828	219,630	(13.1)

5. Detailed Notes on Expenses - Group

	1Q		Change %
	FY2017 S\$'000	FY2016 S\$'000	
Operating expenses			
Staff			
- Fixed staff costs (excluding variable bonus)	28,670	27,738	3.4
- Variable bonus (including CPF)	8,507	11,983	(29.0)
- Variable share-based payment	2,448	2,289	6.9
	39,625	42,010	(5.7)
Technology			
- System maintenance and rental	17,510	16,298	7.4
- Depreciation and amortisation	10,358	13,134	(21.1)
- Communication charges	1,548	1,108	39.7
	29,416	30,540	(3.7)
Processing and royalties	11,411	15,522	(26.5)
Premises			
- Rental and maintenance of premises	4,115	4,274	(3.7)
- Depreciation of furniture and fittings and leasehold improvements	1,813	1,699	6.7
	5,928	5,973	(0.8)
Professional fees	1,906	2,088	(8.7)
Others			
- Marketing	601	1,590	(62.2)
- Travelling	423	355	19.2
- Allowance/(reversal) for impairment of trade receivables (net)	536	199	NM
- Directors' fee	642	589	9.0
- Regulatory fee	1,041	1,038	0.3
- Amortisation of intangible asset	226	226	-
- Miscellaneous	1,915	2,168	(11.7)
	5,384	6,165	(12.7)
Operating expenses	93,670	102,298	(8.4)

6. Earnings Per Share - Group

	1Q	
	FY2017	FY2016
Earnings per ordinary share for the period (cents)		
(a) Based on weighted average number of ordinary shares in issue	7.8	9.3
(b) On a fully diluted basis	7.7	9.2
Weighted average number of ordinary shares in issue for basic earnings per share ('000)	1,070,270	1,070,628
Adjustment for assumed vesting of shares granted under share plans ('000)	2,773	2,920
Weighted average number of ordinary shares for diluted earnings per share ('000)	1,073,043	1,073,548

7. Statement of Financial Position - Group

	As at	
	30 Sep 2016 S\$'000	30 Jun 2016 S\$'000
Assets		
Current assets		
Cash and cash equivalents	930,845	866,306
Trade and other receivables	599,466	929,981
Derivative financial instruments	814	2,665
	1,531,125	1,798,952
Non-current assets		
Available-for-sale financial asset	44,956	44,956
Property, plant and equipment	58,863	62,030
Software	150,298	154,702
Intangible asset	25,330	25,556
Goodwill	9,614	9,614
Club memberships	287	287
Investment in associated company	9,605	9,387
	298,953	306,532
Total assets	1,830,078	2,105,484
Liabilities		
Current liabilities		
Trade and other payables	637,832	1,012,652
Dividend payable	192,638	-
Derivative financial instruments	2,091	66
Taxation	89,995	75,262
Provisions	10,295	9,775
	932,851	1,097,755
Non-current liabilities		
Trade and other payables	138	312
Deferred tax liabilities	18,018	17,836
	18,156	18,148
Total liabilities	951,007	1,115,903
Net assets	879,071	989,581
Equity		
Capital and reserves attributable to the Company's equity holders		
Share capital	428,031	426,445
Treasury shares	(3,880)	(12,855)
Cash flow hedge reserve	(1,045)	2,152
Currency translation reserve	(1,475)	(1,325)
Securities clearing fund reserve	25,000	25,000
Derivatives clearing fund reserve	34,021	34,021
Share-based payment reserve	9,243	17,430
Retained profits	389,176	359,631
Proposed dividends	-	139,082
Total equity	879,071	989,581

8. Net Asset Value - Group

	As at	
	30 Sep 2016	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	82.1	92.5

9. Borrowings and Debt Securities - Group

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

	As at 30 Sep 2016		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.

10. Statement of Cash Flows - Group

	1Q	
	FY2017 S\$'000	FY2016 S\$'000
Cash flows from operating activities		
Profit before tax and share of results of associated company	100,276	119,354
Adjustments for:		
Depreciation and amortisation	12,397	15,097
Variable share-based payment	2,448	2,289
Interest income	(2,897)	(2,131)
Operating cash flow before working capital change	112,224	134,609
Change in working capital		
Cash committed for National Electricity Market of Singapore	(1,712)	330
Trade and other receivables	332,022	(288,261)
Trade and other payables	(374,473)	267,271
Reversal/(accrual) of property, plant and equipment and software	11,173	(5,409)
Cash generated from operations	79,234	108,540
Income tax paid	(2,049)	(1,115)
Net cash provided by operating activities	77,185	107,425
Cash flows from investing activities		
Purchases of property, plant and equipment and software	(15,773)	(12,598)
Interest received	1,365	1,799
Proceeds from disposal of property, plant and equipment and software	50	-
Net cash used in investing activities	(14,358)	(10,799)
Net increase in cash and cash equivalents held	62,827	96,626
Cash and cash equivalents at the beginning of the period	598,083	572,601
Cash and cash equivalents at the end of the period	660,910	669,227

	1Q	
	FY2017 S\$'000	FY2016 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	660,910	669,227
Add : Cash committed for		
- Singapore Exchange Derivatives Clearing Limited - Derivatives Clearing Fund	200,021	150,021
- The Central Depository (Pte) Limited - Securities Clearing Fund	60,000	60,000
- National Electricity Market of Singapore	9,914	6,950
Cash and cash equivalents per Statement of Financial Position - Group	930,845	886,198

11. Statement of Changes in Equity - Group

	Attributable to equity holders of the Company									
	Share capital	Treasury shares	Cash flow hedge reserve *	Currency translation reserve *	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
(i) Group - 1Q FY2017										
Balance at 1 July 2016	426,445	(12,855)	2,152	(1,325)	25,000	34,021	17,430	359,631	139,082	989,581
Changes in equity for period										
Proposed dividends reclassified to dividend payable										
- FY2016 - Final base and variable dividends	-	-	-	-	-	-	-	-	(139,082)	(139,082)
Dividend payable										
- 1Q FY2017 - Interim base dividend	-	-	-	-	-	-	-	(53,556)	-	(53,556)
Employee share plan - Value of employee services	-	-	-	-	-	-	2,448	-	-	2,448
Vesting of shares under share-based compensation plans	1,586	9,049	-	-	-	-	(10,635)	-	-	-
Tax effect on treasury shares ^^	-	(74)	-	-	-	-	-	-	-	(74)
	1,586	8,975	-	-	-	-	(8,187)	(53,556)	(139,082)	(190,264)
Total comprehensive income for the period	-	-	(3,197)	(150)	-	-	-	83,101	-	79,754
Balance at 30 September 2016	428,031	(3,880)	(1,045)	(1,475)	25,000	34,021	9,243	389,176	-	879,071
(ii) Group - 1Q FY2016										
Balance at 1 July 2015	428,568	(12,049)	146	(835)	25,000	34,021	19,695	310,625	171,225	976,396
Changes in equity for period										
Proposed dividends reclassified to dividend payable										
- FY2015 - Final base and variable dividends	-	-	-	-	-	-	-	-	(171,225)	(171,225)
Dividend payable										
- 1Q FY2016 - Interim base dividend	-	-	-	-	-	-	-	(53,580)	-	(53,580)
Employee share plan - Value of employee services	-	-	-	-	-	-	2,289	-	-	2,289
Vesting of shares under share-based compensation plans	(2,123)	12,291	-	-	-	-	(10,168)	-	-	-
Tax effect on treasury shares ^^	-	(557)	-	-	-	-	-	-	-	(557)
	(2,123)	11,734	-	-	-	-	(7,879)	(53,580)	(171,225)	(223,073)
Total comprehensive income for the period	-	-	(2,409)	186	-	-	-	99,276	-	97,053
Balance at 30 September 2015	426,445	(315)	(2,263)	(649)	25,000	34,021	11,816	356,321	-	850,376

* 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 FY2017 and 1Q FY2016

1Q FY2017					1Q FY2016					
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
97,984	70,816	22,028	-	190,828	Operating revenue	107,110	90,939	21,581	-	219,630
52,972	30,905	13,281	-	97,158	Operating profit	64,256	41,885	11,191	-	117,332
-	-	-	3,118	3,118	Other gains/(losses)	-	-	-	2,022	2,022
-	-	-	369	369	Share of results of associated company	-	-	-	316	316
-	-	-	(17,544)	(17,544)	Tax	-	-	-	(20,394)	(20,394)
				83,101	Net profit after tax					99,276
540,148	268,180	36,057	985,693	1,830,078	Segment assets	878,664	264,339	39,632	1,007,359	2,189,994
-	-	-	9,605	9,605	Segment assets include:	-	-	-	9,918	9,918
					Investment in associated company					
1,827	2,611	162	-	4,600	Additions to:					
					- Property, plant and equipment and software	3,382	14,462	163	-	18,007
467,724	168,844	4,810	309,629	951,007	Segment liabilities	787,913	199,685	5,830	346,190	1,339,618
					Other information					
6,939	4,345	1,113	-	12,397	Depreciation and amortisation	6,754	6,937	1,406	-	15,097

* The corporate segment is a non-operating segment

13. Statement of Financial Position - Company

	As at	
	30 Sep 2016 S\$'000	30 Jun 2016 S\$'000
Assets		
Current assets		
Cash and cash equivalents	521,064	440,725
Trade and other receivables	16,790	16,587
	537,854	457,312
Non-current assets		
Available-for-sale financial asset	44,956	44,956
Property, plant and equipment	44,122	46,765
Software	30,508	32,049
Club memberships	287	287
Investments in subsidiaries	614,490	614,490
Investment in associated company	4,389	4,389
	738,752	742,936
Total assets	1,276,606	1,200,248
Liabilities		
Current liabilities		
Trade and other payables	321,477	370,892
Dividend payable	192,638	-
Derivative financial instruments	1,801	-
Taxation	4,747	5,174
Provisions	7,177	6,677
	527,840	382,743
Non-current liabilities		
Deferred tax liabilities	4,922	3,928
	4,922	3,928
Total liabilities	532,762	386,671
Net assets	743,844	813,577
Equity		
Capital and reserves attributable to the Company's equity holders		
Share capital	428,031	426,445
Treasury shares	(3,880)	(12,855)
Cash flow hedge reserve	(1,495)	-
Share-based payment reserve	9,243	17,430
Retained profits	311,945	243,475
Proposed dividends	-	139,082
Total equity	743,844	813,577

14. Net Asset Value - Company

	As at	
	30 Sep 2016 Cents	30 Jun 2016 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	69.4	76.0

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 *	Share-based payment reserve *	Retained profits	Proposed dividends	
	S\$'000	S\$'000	S\$'000	S\$'000	S\$'000	\$'000	
(i) Company - 1Q FY2017							
Balance at 1 July 2016	426,445	(12,855)	-	17,430	243,475	139,082	813,577
Changes in equity for period							
Proposed dividends reclassified to dividend payable							
- FY2016 - Final base and variable dividends	-	-	-	-	-	(139,082)	(139,082)
Dividend payable							
- 1Q FY2017 - Interim base dividend	-	-	-	-	(53,556)	-	(53,556)
Employee share plan - Value of employee services	-	-	-	2,448	-	-	2,448
Vesting of shares under share-based compensation plans	1,586	9,049	-	(10,635)	-	-	-
Tax effect on treasury shares ^^	-	(74)	-	-	-	-	(74)
	1,586	8,975	-	(8,187)	(53,556)	(139,082)	(190,264)
Total comprehensive income for the period	-	-	(1,495)	-	122,026	-	120,531
Balance at 30 September 2016	428,031	(3,880)	(1,495)	9,243	311,945	-	743,844
(ii) Company - 1Q FY2016							
Balance at 1 July 2015	428,568	(12,049)	71	19,695	83,073	171,225	690,583
Changes in equity for period							
Proposed dividends reclassified to dividend payable							
- FY2015 - Final base and variable dividends	-	-	-	-	-	(171,225)	(171,225)
Dividend payable							
- 1Q FY2016 - Interim base dividend	-	-	-	-	(53,580)	-	(53,580)
Employee share plan - Value of employee services	-	-	-	2,289	-	-	2,289
Vesting of shares under share-based compensation plans	(2,123)	12,291	-	(10,168)	-	-	-
Tax effect on treasury shares ^^	-	(557)	-	-	-	-	(557)
	(2,123)	11,734	-	(7,879)	(53,580)	(171,225)	(223,073)
Total comprehensive income for the period	-	-	(71)	-	252,213	-	252,142
Balance at 30 September 2015	426,445	(315)	-	11,816	281,706	-	719,652

* 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 2016, the Group had \$530 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 September 2016, the Group had contingent liabilities to banks for US\$73 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 \$270 million (30 June 2016: \$268 million) for the following:
 - (i) Singapore Exchange Derivatives Clearing Limited - Derivatives Clearing Fund \$200 million (30 June 2016 \$200 million);
 - (ii) The Central Depository (Pte) Limited - Securities Clearing Fund \$60 million (30 June 2016: \$60 million); and
 - (iii) National Electricity Market of Singapore \$10 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.

17. Dividend - Company

Interim Base Dividend

	1Q FY2017	1Q FY2016
Name of Dividend	Interim Base - tax-exempt	Interim Base - tax-exempt
Dividend Type	Cash	Cash
Dividend Rate - Base	5.0 cents per ordinary share	5.0 cents per ordinary share
Books Closure Date	27 October 2016, 5pm	29 October 2015, 5pm
Date Payable/Paid	3 November 2016	5 November 2015

18. Share Capital - Company

The total number of issued ordinary shares as at 30 September 2016 was 1,071,642,400 (30 September 2015: 1,071,642,400), of which 520,057 (30 September 2015: 38,040) were held by the Company as treasury shares.

The Company did not purchase any of its ordinary shares during the 3 months ended 30 September 2016 (1Q FY2016: Nil). During the 3 months ended 30 September 2016, 1,264,083 shares under the Company's share-based compensation plans have vested (1Q FY2016: 1,449,037).

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

	1Q	
	FY2017	FY2016
Balance at beginning of period	1,784,140	1,487,077
Shares transferred to employees pursuant to SGX's share-based compensation plans	(1,264,083)	(1,449,037)
Balance at end of period	520,057	38,040

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 compensation plans.

19. Accounting Policies - Group

(a) Accounting policies applicable to SGX

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

There are no new or amended Financial Reporting Standards (FRS) and interpretations to FRS that are mandatory for application for the current reporting period.

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

Effective from 1 January 2016, we implemented changes to our organisational structure to better serve customers and improve operational efficiency. The sales and product teams were combined to form three vertical businesses of Equities and Fixed Income (EQFI), Derivatives and Market Data and Connectivity (MDC).

Following the changes, the presentation of income statement and segment information has been revised as follows:

Income Statement – Group

1. The revenue line previously known as Securities has been renamed to Securities Trading and Clearing.
2. The revenue line previously known as Depository Services has been renamed to Post Trade Services.
3. The revenue lines Issuer Services, Securities Trading and Clearing and Post Trade Services have been consolidated under EQFI.
4. The revenue line Other, under Operating revenue, has been reclassified to EQFI, Derivatives and Other revenue including interest income. The comparatives have been restated.

This is to better reflect the nature of these revenue lines. Refer to Section 2 Income Statement - Group and Section 4 Detailed Notes on Revenue - Group for the revised presentation.

Segment Information - Group

1. The segment previously known as Securities Market has been renamed to EQFI. This segment continues to consolidate the results and balance sheet of Issuer Services, Securities Trading and Clearing and Post Trade Services but excludes the results and balance sheet of MDC related to the securities market.
2. The segment previously known as Derivatives Market has been renamed to Derivatives. This segment continues to consolidate the results and balance sheet of Derivatives but excludes the results and balance sheet of MDC related to the derivatives market.
3. MDC is disclosed as a separate segment.
4. The Corporate segment is a non-operating segment, and comprises results and balance sheet of the corporate activities which are not allocated to the other operating segments described above.
5. The segment information has been reclassified and accordingly, the comparatives for the segment information of the Group have been restated.

Refer to Section 12 Segment Information - Group for the revised presentation.

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).

Ding Hui Yun
Company Secretary
19 October 2016

21. Listing Manual Compliance Checklist

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

Listing Manual Paragraph	Summary of Listing Manual Requirements	Compliance in SGXNet Section
1	Income Statement - Group Statement of Comprehensive Income - Group Statement of Financial Position - Group and Company Borrowings and Debt Securities - Group Statement of Cash Flows - Group Statement of Changes in Equity - Group and Company Changes in Share Capital - Company Number of shares that may be issued on conversion of all outstanding convertibles, as well as the number of treasury shares Total number of issued shares excluding treasury shares as at the end of the current financial period and immediately preceding year Statement of sales, transfers, disposals, cancellation and/or use of treasury shares as at the end of the current financial period reported on	2 3 7 and 13 9 10 11 and 15 18 18 18 18
2	Whether the figures have been audited or reviewed, and in accordance with which auditing standard or practice	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	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

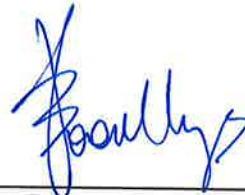
CONFIRMATION BY THE BOARD PURSUANT TO RULE 705(5) OF THE LISTING MANUAL

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 2016 to be false or misleading.

On behalf of the Board of Directors

A handwritten signature in blue ink, appearing to read "Kwa S", written above a horizontal line.

Kwa Chong Seng
Director

A handwritten signature in blue ink, appearing to read "Loh Boon Chye", written above a horizontal line.

Loh Boon Chye
Director

19 October 2016

The extract of the review report dated 19 October 2016, on the condensed interim financial information of the Company and its subsidiaries for the quarter ended 30 September 2016 which has been prepared in accordance with Singapore Financial Reporting Standards 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 first quarter ended 30 September 2016**

Introduction

We have reviewed the accompanying condensed statement of financial position of the Company as of 30 September 2016 and the related condensed statement 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 2016 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 Financial Reporting Standards ("FRS") 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 condensed interim financial information is not prepared, in all material respects, in accordance with FRS 34.

A handwritten signature in blue ink, appearing to read 'PricewaterhouseCoopers', followed by a checkmark symbol.

PricewaterhouseCoopers LLP
Public Accountants and Chartered Accountants

Singapore, 19 October 2016

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